Superior Resources Limited

ABN 72 112 844 407

Registered Office:
Unit 8, 61 Holdsworth Street
Coorparoo Queensland 4151
Postal Address:
PO Box 189
Coorparoo Queensland 4151
Telephone: 07 3847 2887
Email: manager@superiorresources.com.au

QUARTERLY ACTIVITIES REPORT
31 March 2019

Summary

- **Nicholson Project**
  - Strong progress on a significant joint venture agreement with a well-funded party.
  - Proposed joint venture arrangement would involve significant drilling of several Century-sized lead-zinc-silver targets.
  - Advanced geophysical data processing and inversion modelling of VTEM data over priority targets completed.
  - Targeting of drill holes completed over several priority targets.
  - Land access procedures progressing well.
- **Bottletree (Greenvale)**
  - Planning of Phase 2 diamond drilling program.
  - IP chargeability anomaly is 1.4kms in length and open to the north, south and at depth.
  - The copper intersections and 3D modelling indicate a large copper target may lie at depth and to the immediate south of 2018 diamond drilling.
- **Big Mag (Greenvale)**
  - Desktop data review continued during the Quarter on the Company's new "Big Mag" Prospect (in application).
  - The Company expects the tenement to be granted shortly.
- **Tick Hill Project**
  - Completion of a sale transaction for the sale of the project occurred on 11 March 2019. Consideration received for the sale comprised:
    - 2,403,846 fully-paid BMT ordinary shares @ deemed value of $0.078 per share; and
    - $33,911.20 cash consideration for project holding costs.

Superior Resources Limited

ASX:SPQ

Board

Carlos Fernicola – Chairman
Peter Hwang – Managing Director
Ken Harvey – Non-exec Director
Carlos Fernicola – Company Secretary

Securities

Ordinary Shares – 688,043,740
Top 20 holders: 47.93% issued capital

Summary

Superior Resources Limited is a Brisbane based ASX-listed mineral explorer with a portfolio of large base metal exploration projects, including a developing portfolio of nickel-cobalt projects in northern Queensland. The projects include large targets for Mount Isa style copper and lead-zinc-silver deposits in north western Queensland and exploration projects in northeast Queensland for VMS and porphyry style copper-gold-lead-zinc-silver deposits. The Company's cobalt projects are located across the northern Queensland region.

Share Registry

Link Market Services
Level 15, 324 Queens Street
Brisbane, QLD, 4000

Web Site

www.superiorresources.com.au

Contact

Peter Hwang
(07) 3847 2887

Carlos Fernicola
(07) 3831 3922

PROJECT LOCATIONS

NORTH WEST QUEENSLAND

NICHOLSON PROJECT

Summary

- Strong progress on a significant joint venture agreement with a well-funded party.
- Joint venture arrangement proposes significant drilling of several Century-sized lead-zinc-silver targets.
- Advanced geophysical data processing and inversion modelling of VTEM data over priority targets in order to improve target depth resolution completed.
- Program of proposed drill holes has been compiled, based on the recent geophysical modelling exercise.
- Land access procedures progressing well.

The Company made significant progress towards finalising a significant joint venture arrangement with a well-funded party during the Quarter.

Finalisation of the agreement would result in the drill-testing of up to five high priority Century-sized lead-zinc-silver targets with at least 4,000 metres of drilling over a 12-month period, commencing in the first half of 2019.

Advanced geophysical data processing and inversion modelling of existing VTEM data over priority geophysical targets has been completed. The purpose of the data modelling is to provide a greater quality of information at greater depths than ordinarily available in order to assist with drill target planning.

On the basis of the VTEM data modelling, a program of priority diamond core holes has been designed and will be field checked during early May 2019.

The establishment of access tracks, including aboriginal cultural heritage surveying is also planned to be conducted during May 2019.

Nicholson Project – Background

The Nicholson Project, located near the Walford Creek lead-zinc-silver-copper-cobalt deposit, is considered to have potential to contain sediment-hosted lead-zinc-silver massive sulphide deposits, similar to the Mount Isa and McArthur River deposits.

The project is located within a sequence of prospective Proterozoic sediments within the east-northeast trending Hedleys Graben. This Graben is bounded by the Fish River Fault on its northern side and the Nicholson River Fault on its southern side (Figure 1).

Sediments of the Fickling Group within the Hedleys Graben are equivalent in age to sediments that host the large base metal mineral deposits at Mount Isa and McArthur River. In particular, the Mount Les Siltstone has potential for large stratiform base metal deposits. The Doomadgee Formation which unconformably overlies the Mount Les Siltstone is also thought to be of similar age to the part of the Lawn Hill Formation which contains the large stratiform Century lead-zinc-silver deposit. All of these formations are target horizons in the Nicholson Project area.

Superior has identified at least six large high priority geophysical targets within the Nicholson Project area. Each of these targets has good potential to be caused by a large base metal deposit.

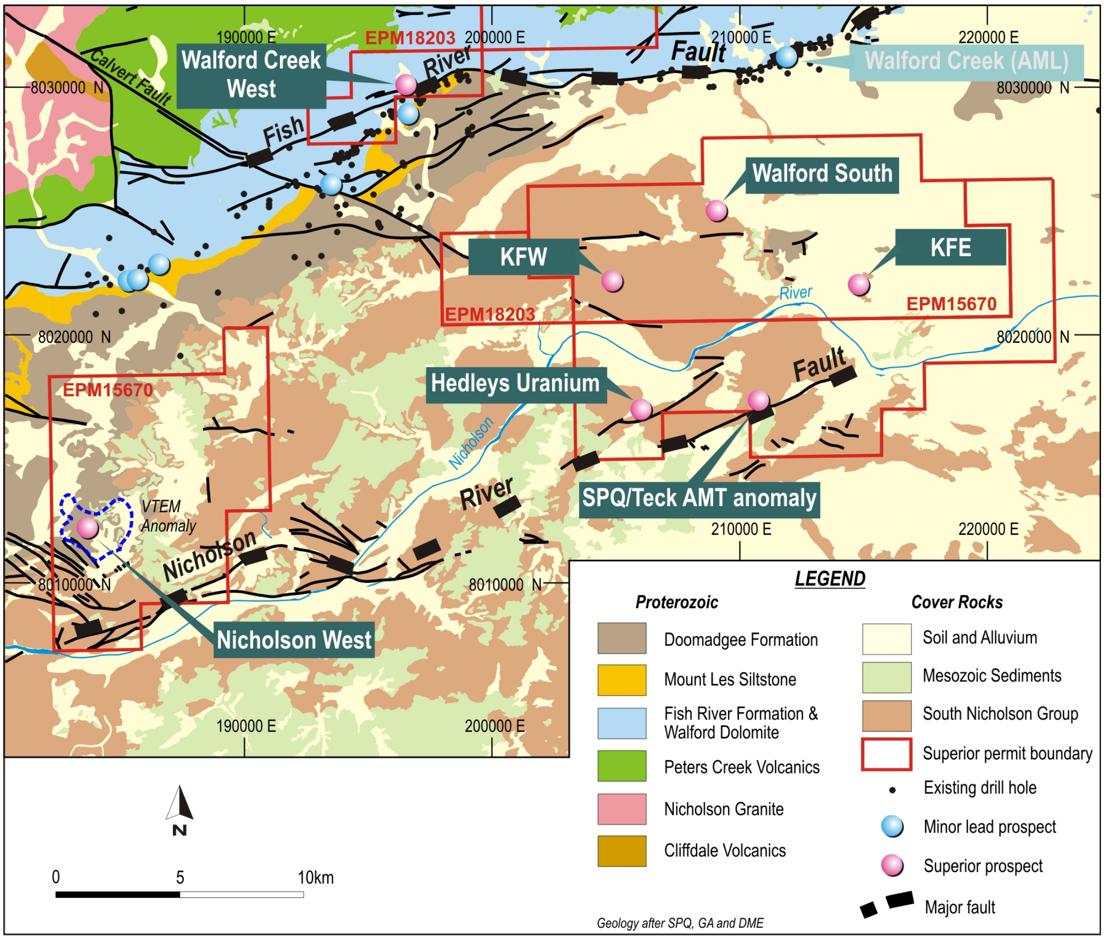

Figure 1. Nicholson Project tenements and key prospect locations overlain on regional geology.

North East Queensland

GREENVALE PROJECT – BOTTLETREE

Summary

- Planning of Phase 2 diamond drilling program.
- IP chargeability anomaly 1.4kms in length and open to the north, south and at depth.
- August 2018 drilling confirmed[1]:
  - high grade copper mineralisation intersected in hole SBTRD006 of **18.7m @ 1.12% copper (328.0m to 346.7m)**; and
  - a broad zone of copper mineralisation intersected in hole SBTRD006 totalling **292m @ 0.22% copper (148.0m to 440.0m)**.
- The copper intersections and 3D modelling indicate a large copper target may lie at depth and to the immediate south of 2018 diamond drilling.

On the basis of advanced 3D modelling of MIMDAS induced polarisation (**IP**) survey results and the results of the Phase 1 diamond drilling program conducted on the Bottletree Prospect during August 2018, the Company is progressing the planning of exploration field work and a Phase 2 diamond drilling program.

The geophysical modelling results together with the 2018 drill hole assay data indicate that higher grade copper mineralisation may exist within the main chargeable target zone, which is located to the south of the 2018 drilling and also at deeper levels.

A second phase diamond drilling program will likely comprise up to four diamond core holes (Figure 2).

Bottletree – Background

Bottletree is a large (2km x 1km) soil copper anomaly located in the southern part of the Greenvale Project (Figure 3). Coincident with the soil anomaly is a large and high order chargeability anomaly.

A two-hole diamond drilling program totalling 1,102 metres was completed during August 2018. This drilling followed up earlier shallow reverse-circulation (**RC**) drilling and confirmed extensive copper mineralisation extending to depths in excess of 300 metres.

The objective of the diamond drilling program was to determine whether large and high order chargeability anomalies identified from a MIMDAS IP geophysical survey completed in May 2018 (ASX Announcement - 16 May 2018) are caused by significant copper and gold mineralisation.

The deep drilling program represents the first deep drilling to have been undertaken at Bottletree.

Assay results show copper mineralisation present in SBTRD006 over a broad interval[2]:

- Average grade: **292m @ 0.22% Cu (148.0m to 440.0m)** (Cut-off of 0.1% Cu but with some narrow intervals of less than 0.1% Cu included); and
- High grade zones, including: **18.7m @ 1.12% Cu (328.0m to 346.7m)**.

Advanced 3D modelling of the MIMDAS survey results indicate a close correlation between the copper grades and chargeability.

---

[1] ASX announcement, dated 25 October 2018.

[2] Refer to ASX announcement, dated 25 October 2018 for more comprehensive information regarding drilling results.

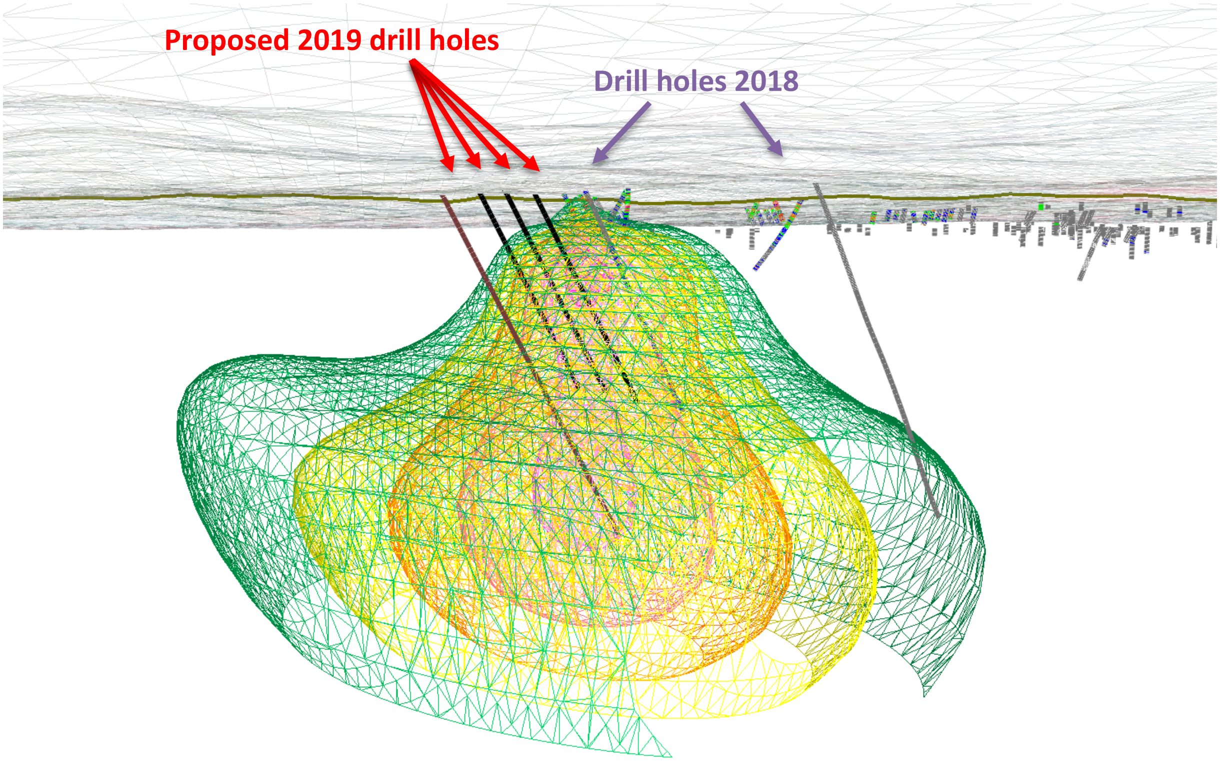

Figure 2. 3D modelling of Bottletree MIMDAS IP survey results presented in wireframe, showing locations of 2018 drill holes and proposed 2019 drill holes.

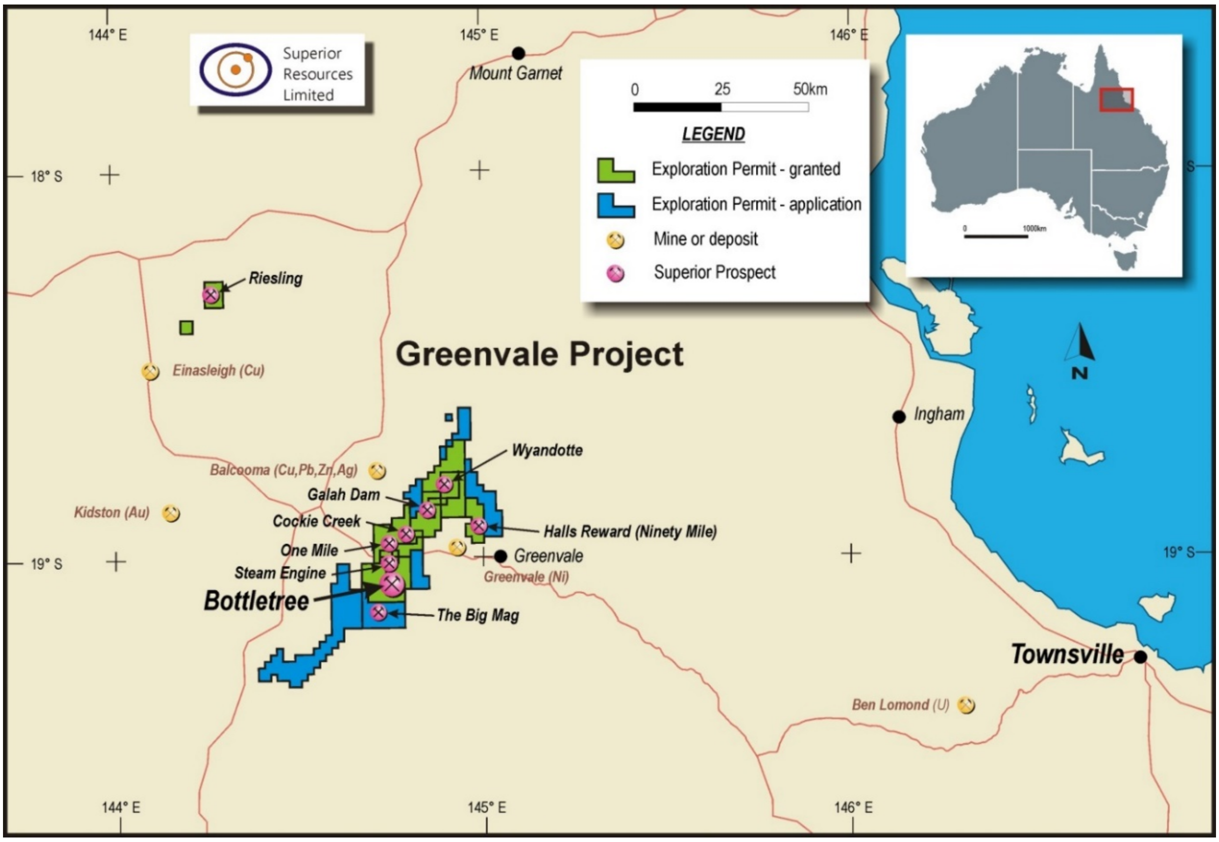

Figure 3. Map of the area north west of Townsville showing Superior's Greenvale Project tenements and the Bottletree Prospect location.

GREENVALE PROJECT – BIG MAG

Desktop data review continued during the Quarter on the Company's new "Big Mag" Prospect (in application). The Company expects the tenement to be granted shortly.

Big Mag is a regionally large and intense magnetic feature that appears to be a large mafic or ultramafic intrusion, or several such intrusions. Consequently, it has the potential to host nickel-cobalt-copper mineralisation, either as sulphides or in a laterite weathering profile. The Company is of the view that the Big Mag feature is developed within the same geological sequence as the "old" Greenvale Nickel Mine" (now part of the SCONI Project).

The Big Mag magnetic feature is regionally significant and under-explored.

The Big Mag feature was covered by a new EPM application (EPM26751, Twelve Mile Creek), lodged by the Company during late December 2017 (Figure 4).

Further information regarding the EPM application and the Big Mag feature will be provided to the market in due course.

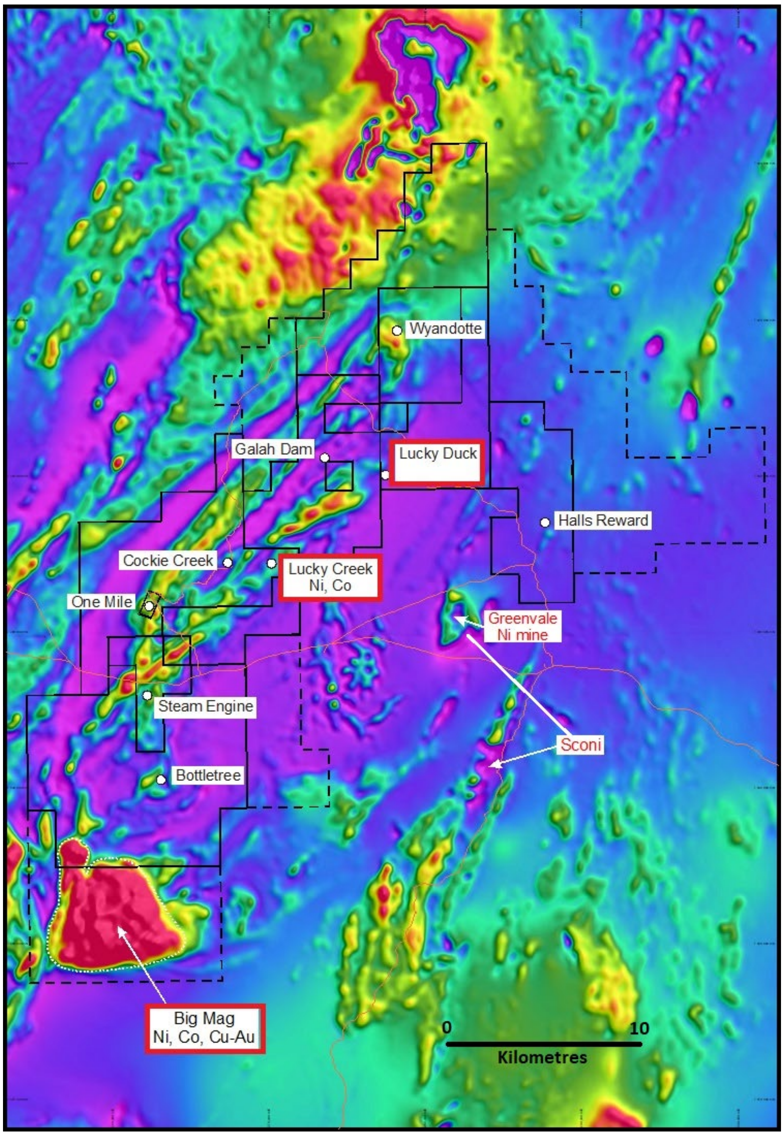

Figure 4. Airborne magnetics (RTP) processed image over the Greenvale Project area and surrounds. The "Big Mag" magnetic feature is visible in the lower left part of the image and is located within new EPM application EPM26751 (dashed outline). The Lucky Creek and Bottletree prospect locations are shown together with other Greenvale Prospects.

CORPORATE and COMMERCIAL

TICK HILL SALE TRANSACTION

On 11 March 2019, the Company entered into a binding Heads of Agreement (**HOA**) to sell its interest in the Tick Hill Gold Project (**Project**) to Berkut Minerals Limited (**BMT**).

The Company's interest in the Project was an earn-in interest under an Exploration Farm-in and Joint Venture Agreement with Diatreme Resources Limited (**Diatreme**) and a 50% beneficial interest in any surface gold, including the old mine tailings facility. Under the HOA, this interest is expressed to be a 25% beneficial interest in the Project.

Under the HOA, consideration for the sale comprises 2,403,846 fully paid ordinary shares in BMT at a deemed issue price of $0.078 per share and up to $41,330.80 in cash for holding costs incurred since October 2018.

Upon completion of the sale, the Exploration Farm-in and Joint Venture Agreement with Diatreme will be terminated.

Completion

Completion of the Tick Hill sale transaction occurred on 24 April 2019.

The following adjusted consideration (excluding GST) was received by the Company:

- 2,403,846 fully-paid BMT ordinary shares @ deemed value of $0.078 per share; and
- $33,911.20 cash consideration for project holding costs.

The BMT consideration shares are not subject to any condition of escrow.

INVESTMENTS

Superior maintains an exposure in relation to ASX listed uranium focused company, Deep Yellow Limited (ASX:DYL). On the basis of the historically high trading price of DYL shares, the Company commenced divesting its holding in DYL.

As at 31 December 2018, the Company held 350,000 DYL shares with a closing value of $133,000.

As at 31 March 2019, the Company held 74,244 DYL shares with a closing value of $29,326.38.

ASX Listing Rule 5.3.3

Appendix 1 sets out information that is required under ASX Listing Rule 5.3.3 (for exploration entities).

Peter Hwang
Managing Director

Contact: Mr Peter Hwang
Ph: (07) 3847 2887

Further Information: www.superiorresources.com.au
manager@superiorresources.com.au

Reporting of Exploration Results: *The reporting of exploration results in this report that relates to the Bottletree Prospect reflects the information that was originally reported in market announcements that have been referenced in the body of this report. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcement.*

Forward looking statements: *This document may contain forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "indicate", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Indications of, and interpretations on, future expected exploration results or technical outcomes, production, earnings, financial position and performance are also forward-looking statements. The forward-looking statements in this presentation are based on current interpretations, expectations, estimates, assumptions, forecasts and projections about Superior, Superior's projects and assets and the industry in which it operates as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. The forward-looking statements are subject to technical, business, economic, competitive, political and social uncertainties and contingencies and may involve known and unknown risks and uncertainties. The forward-looking statements may prove to be incorrect. Many known and unknown factors could cause actual events or results to differ materially from the estimated or anticipated events or results expressed or implied by any forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements.*

Disclaimer: *Superior and its related bodies corporate, any of their directors, officers, employees, agents or contractors do not make any representation or warranty (either express or implied) as to the accuracy, correctness, completeness, adequacy, reliability or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. Superior and its related bodies corporate and each of their respective directors, officers, employees, agents and contractors disclaims, to the maximum extent permitted by law, all liability and responsibility for any direct or indirect loss or damage which may be suffered by any person (including because of fault or negligence or otherwise) through use or reliance on anything contained in or omitted from this presentation. Other than as required by law and the ASX Listing Rules, Superior disclaims any duty to update forward looking statements to reflect new developments.*

Appendix 1

- **Mining tenements held at the end of the quarter and their location**

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Hedleys 2	EPM15670	Nicholson	100%	SPQ	Granted
QLD	Hedleys South	EPM18203	Nicholson	100%	SPQ	Granted
QLD	Harris Creek	EPM18840	Victor	100%	SPQ	Granted
QLD	Tots Creek	EPM19097	Victor	100%	SPQ	Granted
QLD	Scrubby Creek	EPM19214	Victor	100%	SPQ	Granted
QLD	Cockie Creek	EPM18987	Greenvale	100%	SPQ	Granted
QLD	Cassidy Creek	EPM19247	Greenvale	100%	SPQ	Granted
QLD	Dinner Creek	EPM25659	Greenvale	100%	SPQ	Granted
QLD	Wyandotte	EPM25691	Greenvale	100%	SPQ	Granted
QLD	One Mile	ML6750	Greenvale	100%	SPQ	Granted
QLD	Tomahawk Creek	EPM25264	Victor	100%	SPQ	Granted
QLD	W Creek	EPM25843	Victor	100%	SPQ	Granted
QLD	Cockie South	EPM26165	Greenvale	100%	SPQ	Granted
QLD	Victor Extended	EPM26720	Victor	100%	SPQ	Granted
QLD	Twelve Mile Creek	EPM(A)26751	Greenvale	100%	SPQ	Application

- **Mining tenements acquired and disposed of during the end of the quarter and their location**

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Dido	EPM(A)26879	Greenvale	100%	SPQ	Application abandoned

- **Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter**

State	Project Name	Agreement Type	Parties	Interest held at end of quarter by exploration entity or child entity	Comments
QLD	Tick Hill Gold Project	Farm-in Agreement	SPQ and DRX	0%	ML7094, ML7096 and ML7097 ASX announcement 12/03/2019

Abbreviations:

EPM	Queensland	Exploration Permit for Minerals
EPM(A)	Queensland	Exploration Permit for Minerals (Application)
ML	Queensland	Mining Lease
SPQ	Superior Resources Limited	
DRX	Diatreme Resources Limited	
JVA	Joint Venture Agreement	