

Superior Resources Limited

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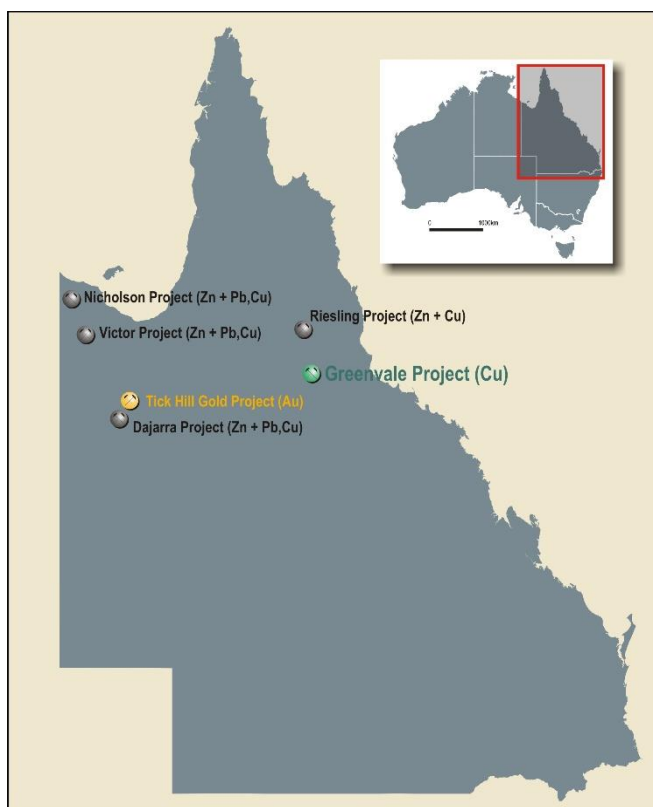
QUARTERLY ACTIVITIES REPORT

Period ending 30 September 2015

HIGHLIGHTS

- Tick Hill Surface Gold Project – drilling programs confirm significant gold grades within Tailings Storage Facility.
- Metallurgical test work program underway.
- Riesling Zinc Project – field operations commenced in preparation for drilling of high order zinc, lead and copper geochemical anomalies.

Project Locations



Superior Resources Limited

ASX:SPQ

Board

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

Securities

Ordinary Shares – 238,661,372
Top 20 holders: 66.53% issued capital

Financial

Cash and Shares – \$210,000

Summary

Superior Resources Limited (SPQ) is a Brisbane based ASX-listed mineral explorer whose principle aim is the discovery of large base metal deposits in northern Queensland. Superior holds a number of exploration projects in northwest Queensland for large Mount Isa type copper and lead-zinc-silver deposits and exploration projects in northeast Queensland for copper-gold-lead-zinc-silver deposits. Superior also holds gold and uranium tenements.

Share Registry

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Web Site

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Contact

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PROJECT ACTIVITIES

Summary

The Company's operational activities during the quarter were predominantly focussed on progressing the assaying and metallurgical test work of drill samples from the Tick Hill Gold Tailings Project and the preparation of a scoping study.

Preparatory field operations also commenced at the Company's Riesling zinc-lead-copper project in north-east Queensland with access and drill site ground works being completed.

The Company is also continuing an exercise of project data assessment and planning in order to progress exploration of the North West Queensland lead-zinc-copper projects and the Greenvale copper project. This process includes progressing potential joint venture arrangements with third parties in respect of these projects.

Tick Hill Gold Project (THGP)

Surface Gold Project

Two air-core drilling programs were completed on the Tick Hill Tailings Storage Facility (TSF) during the period, resulting in a total of 373 samples taken from 55 drill holes totalling 398 metres. In addition, two 20 kilogram composite bulk samples were taken from a line of five drill holes in each of the western and eastern paddocks of the TSF (Figure 1).

All samples were assayed and a comprehensive metallurgical testing program was commenced on the bulk samples. Test work on the metallurgical program was continuing as at the date of this report. The results from the metallurgical test work program will be used to further assess potential gold recovery process pathways and to develop a processing flowsheet.

Based on the assay results received from the two drilling programs, the overall grade of the TSF is 1.08 g/t Au with the eastern paddock averaging 1.42 g/t Au and the western paddock averaging 0.81 g/t Au (Table 1).

Table 1. Summary of assay results from first stage and second stage drilling programs

Drill Program	Western Paddock g/t Au	Eastern Paddock g/t Au	Overall – Tailings Dam g/t Au
First Stage Program	0.73	1.42	1.04
Second Stage Program	0.88*	1.43	1.12*
Overall (g/t)	0.81*	1.42	1.08*

Table 1 Notes:

* - includes single high grade result of 43.4 g/t Au, which was cut to 4.0 g/t Au for calculation purposes (refer to discussion).

In addition to the two paddocks comprising the TSF, environmental drill samples taken from the TSF Decant Pond yielded an average grade of 0.46 g/t Au from a total of 11 samples from 7 drill holes.

The results from the drilling programs indicate a high degree of Au grade variability, with individual sample assays ranging from 0.13 g/t Au to 4.11 g/t Au. In addition, an individual assay result of 43.4 g/t Au was obtained from the bottom of one drill hole located near the southern wall of the Western Paddock. For reporting and calculation purposes, this assay result was nominally cut to 4.0 g/t Au in order to ensure that the average grade calculations are not overly biased.

Superior considers that the relatively high variability in grade and the individual high assay result are to be expected in the TSF, considering the unusually high grade of the original mining operation and the pureness of the gold.

Historical information indicates that the tailings material input point during the original processing was located along the southern wall of the TSF. Superior interprets the anomalously high result to reflect

the presence of coarse gold in the tailings material. Furthermore, Superior considers that it is likely that any coarse gold would be concentrated along the southern end of the TSF and generally unlikely to be identified by the first and second stage drilling programs.

The drilling program was completed using an air-core drill rig owned by joint venture partner, Diatreme Resources Limited (**DRX**) and also DRX personnel. The arrangement enabled the program to be completed with minimal costs.



Figure 1. Tick Hill TSF – First and Second Stage drill hole locations.

Deeper exploration

The Company has commenced a process of data review and planning for the preparation of a deep drilling program.

Background

Under the terms of an Exploration Farm-in and Joint Venture Agreement (**JVA**) with DRX, the tailings, alluvial-colluvial gold and all other surface sources of gold are being assessed jointly with DRX. The joint arrangement requires each party to contribute 50% of all costs associated with the operations.

All drilling operations associated with the surface gold assessment program have been conducted with a DRX-owned drill rig. These costs have been shared equally between the parties.



Tick Hill Project goals – exploration and assessment targets

Superior's focus on the THGP is two-fold:

- conduct exploration to identify a faulted extension to the earlier mined high grade mineralised zone, which averaged 22.6 grams per tonne; and
- Surface Gold Project: evaluate and if feasible, exploit "surface gold" surrounding the old mining operation, which will include potential alluvial gold, mine tailings and waste rock dumps.

Whilst the assessment of the mine tailings and the alluvial-colluvial gold are components of the Surface Gold Project, Superior is also commencing preparatory work to enable exploration for the main target, being a potential faulted extension to the earlier lode.

Background: JVA Earn-in Period

Under the JVA, Superior has the right to earn a 50% interest in the project by spending a minimum of \$750,000 on exploration, which will include substantial drilling over a two year earn-in period (which can be extended by agreement). All expenditure incurred by Superior on the Surface Gold Project will constitute earn-in expenditure and will be counted towards SPQ's \$750,000 minimum earn-in obligation.

During the earn-in period Superior will have the sole and exclusive right to access and conduct exploration on the project as well as to determine the nature of the exploration programs.

Upon a transfer of a 50% interest in the THGP to Superior, Superior will be required to pay DRX \$100,000 and an amount equal to 50% of the government security bond on the mining leases.

Mt Isa Mines Limited retains a royalty on gold produced from the mining leases, which is set at a variable rate depending on the annual grade of gold produced from mining. The royalty applies initially to gold produced above 5g/t Au and then, after payment of royalties totalling \$5M, to gold produced above 10g/t Au. A separate royalty rate applies to gold produced from tailings resulting from previous mining.

Riesling Zinc-Lead-Copper Project (Riesling Project)

Preparations for Drilling

As part of the Company's strategy to progress its zinc projects, preparatory field works were conducted during the period in order to enable commencement of a drilling program on the Riesling Project in north-east Queensland (Figure 2).

The program is planned to commence during the following quarter.

BACKGROUND

Riesling Project – EPM 19247

The Riesling Project is a zinc-lead-copper prospect located within EPM 19247, which covers an area containing a zone of gahnite (zinc spinel) bearing units within the Einasleigh Metamorphics.

EPM 19247 also includes three other prospects named "Chablis", "Riesling South" and "Burgundy". The prospective area extends over a 5.5 km zone from the Burgundy prospect in the south through the Riesling prospect in the central part to the Chablis prospect in the north (Figure 3).

Exploration Target

The principal exploration target in the permit area is volcanogenic massive sulphide (VMS) mineralisation and Broken Hill Type (BHT) base metal mineralisation.

The Riesling Prospect is the central and most important prospect in the 5.5km long prospective zone. Gahnite is a zinc bearing mineral which is commonly associated with certain metamorphosed base metal deposits containing zinc and lead (e.g. Broken Hill and Balcooma).

Historical Exploration

Historic exploration work on and around the prospects has been completed by several companies including C.R.A. Exploration Pty Ltd (now Rio Tinto), BHP-Utah Minerals International (now BHPB) and Teck Cominco Australia Pty Ltd (now Teck Resources Limited). However, the prospects within EPM 19247 have only been subjected to limited exploration drilling investigations.



Exploration by Superior

During 2013, Superior completed compilation of the results of earlier work by CRAE, BHP and Teck in digital format and has also completed rock chip sampling, geological mapping and interpretation, soil geochemistry sampling and a ground magnetic survey.

Superior's soil geochemistry sampling at the Riesling Prospect indicates a very strong zinc anomaly in the central part of the prospect over a strike length of 1km and a moderate order zinc anomaly at the Burgundy Prospect over 300m (Figure 4).

In addition to the very strong zinc anomaly at Riesling, the results also indicated coincident strong anomalies in copper, lead, silver, bismuth, molybdenum and iron (Figures 5 and 6). A coincident magnetic anomaly is also located within the Riesling anomalous area. Previous historical exploration work did not drill test the most anomalous parts of the Riesling Prospect.

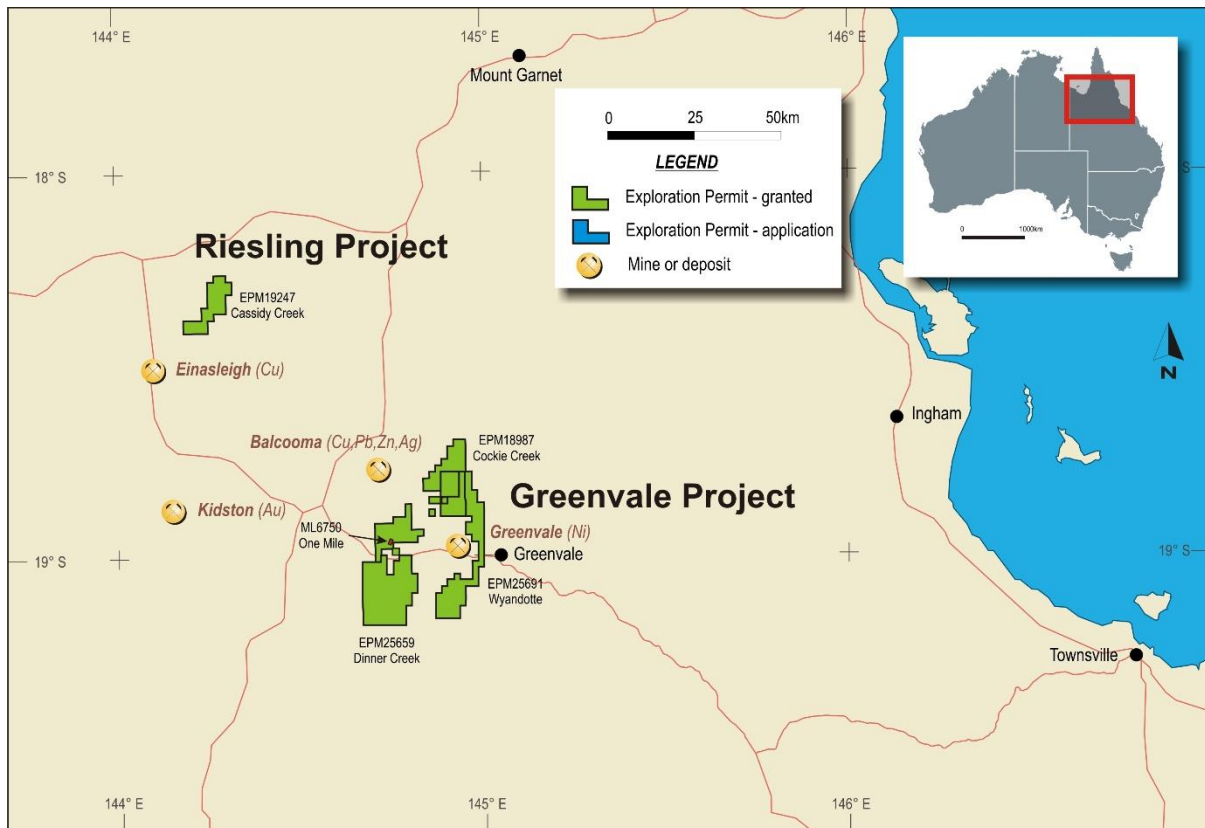


Figure 2. Location of EPM 19247 and the Riesling Project.

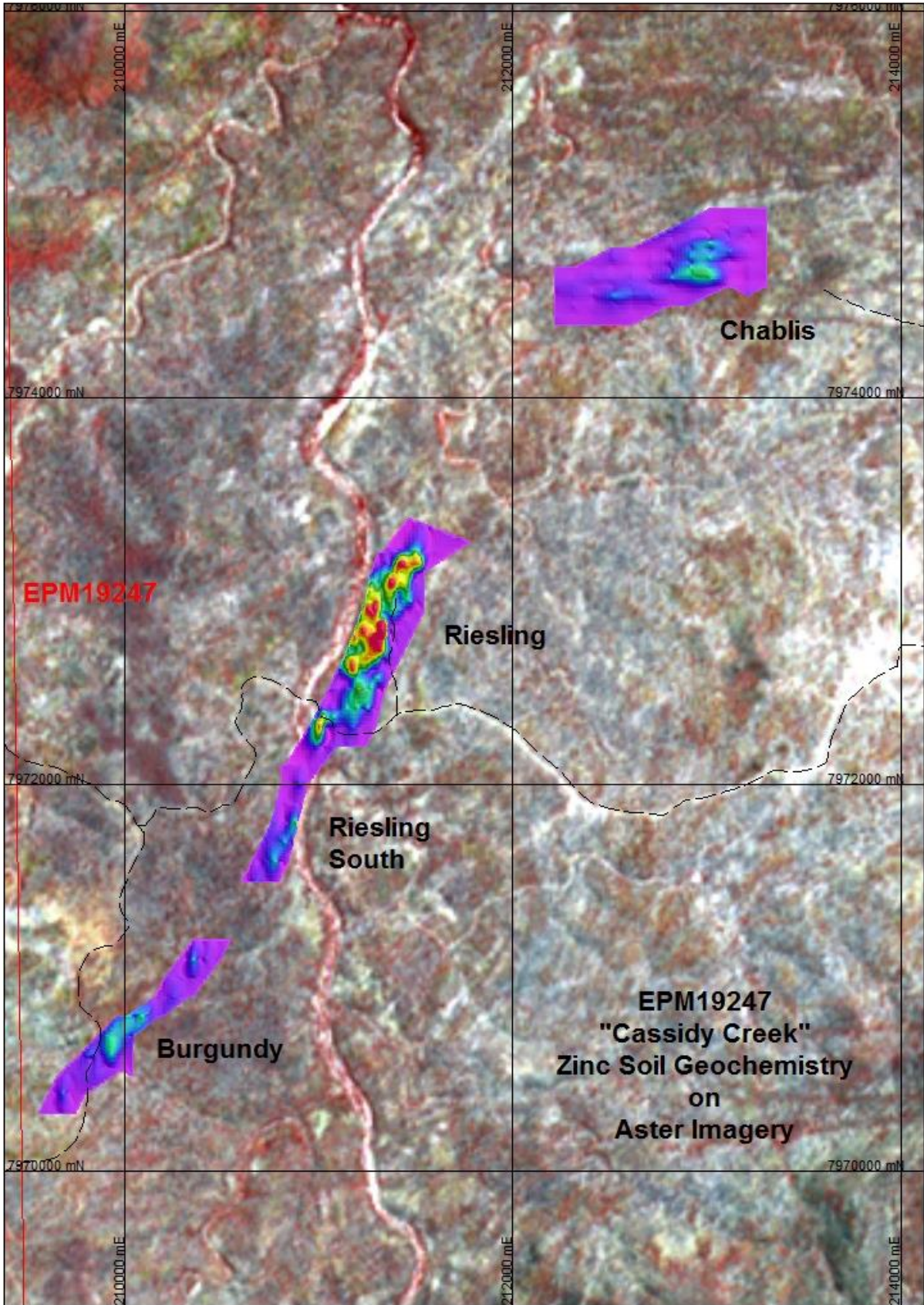


Figure 3. Relative locations of each prospect within EPM 19247, showing soil geochemistry (zinc).

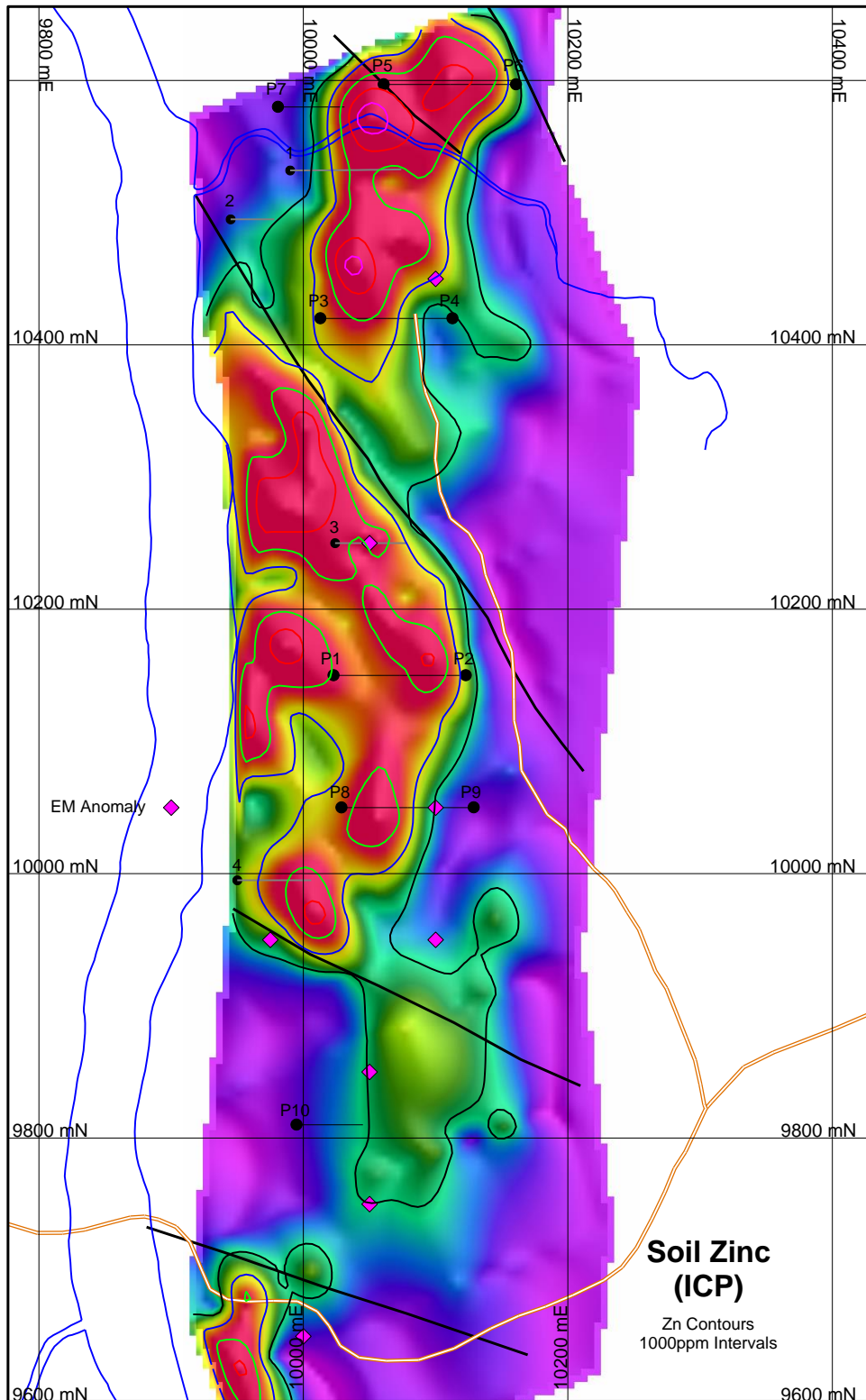


Figure 4. Riesling Prospect – soil geochemistry (Zinc) and proposed drill holes.

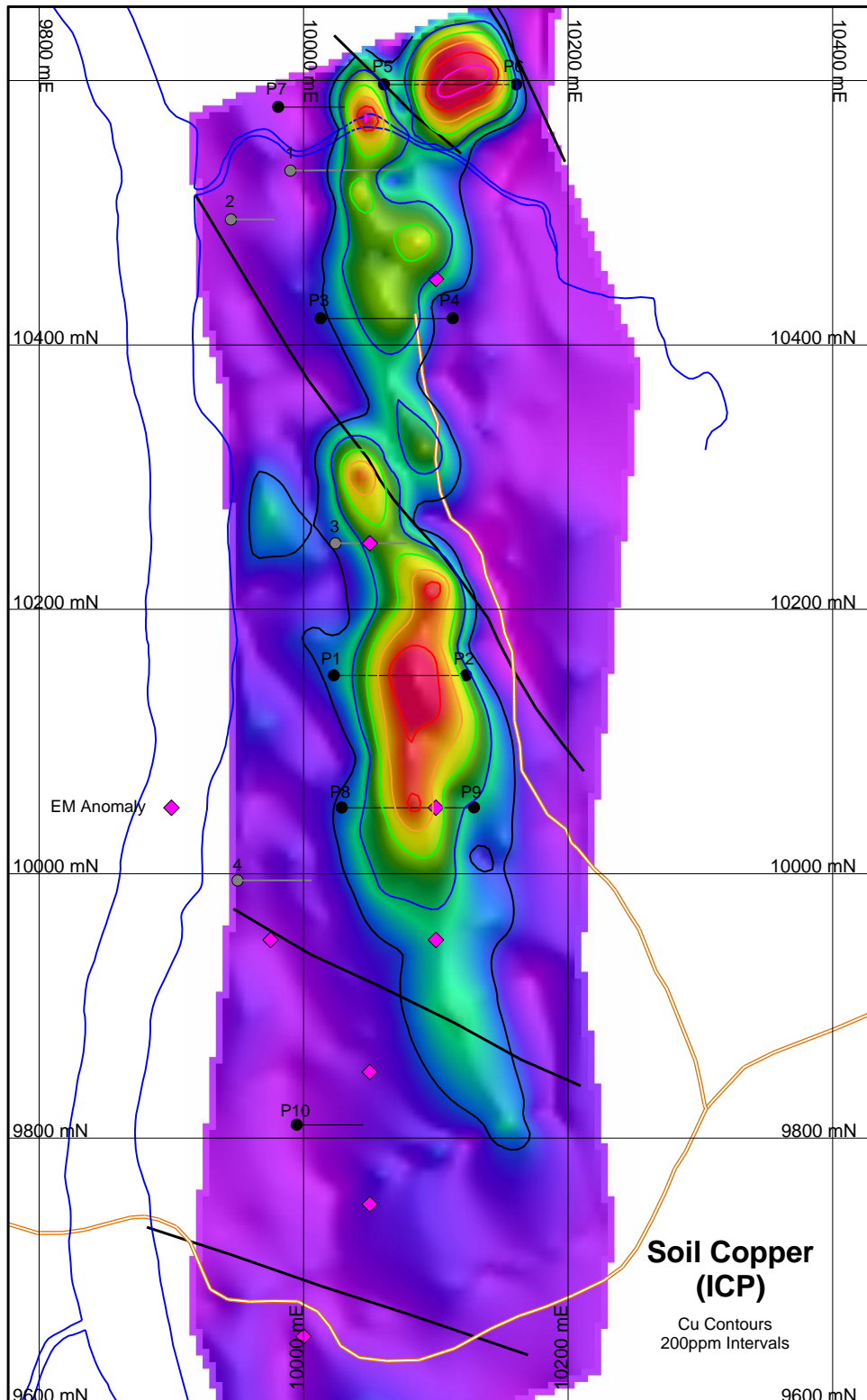


Figure 5. Riesling Prospect – soil geochemistry (Copper) and proposed drill holes.

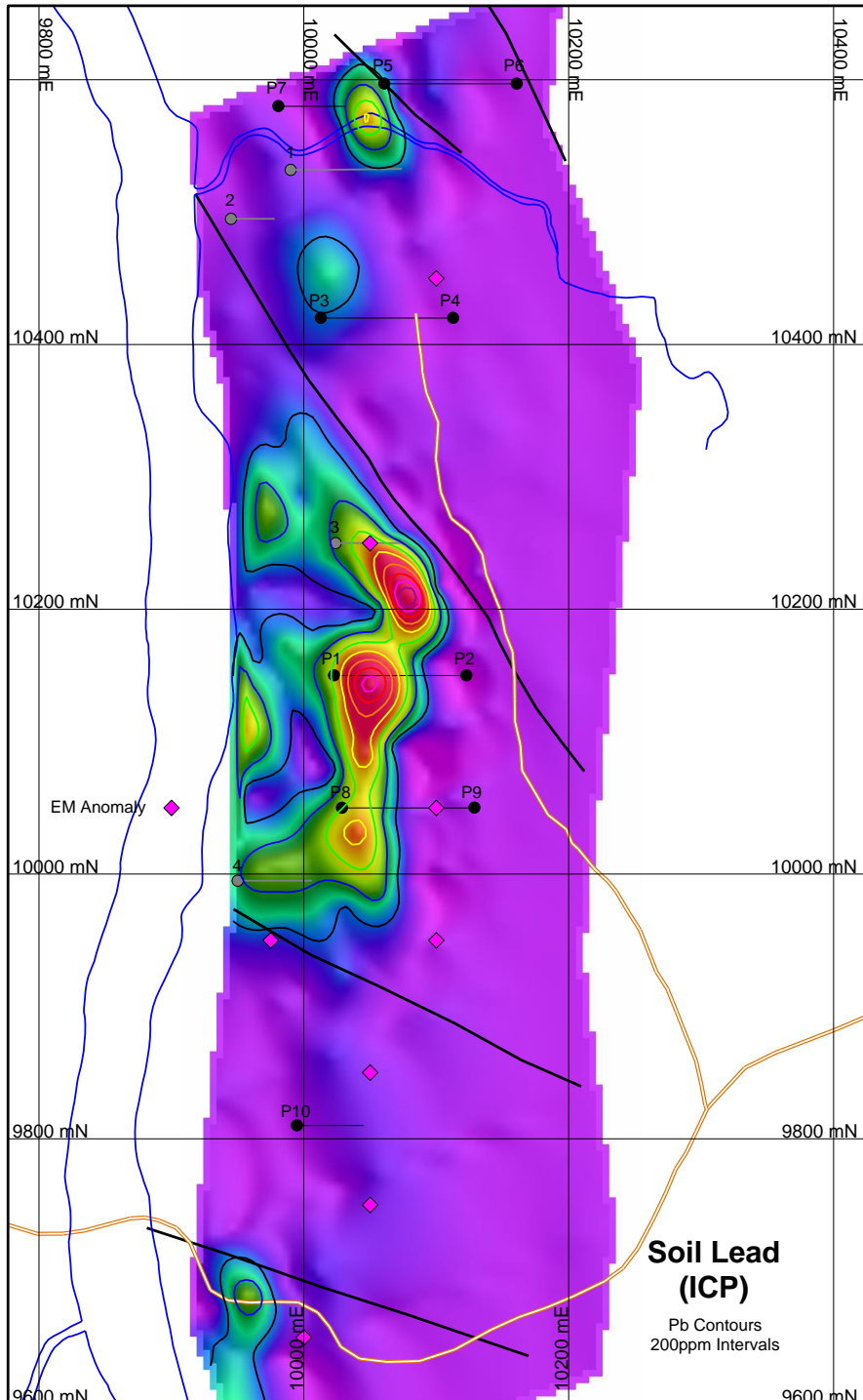


Figure 6. Riesling Prospect – soil geochemistry (Lead) and proposed drill holes.



CORPORATE and COMMERCIAL ACTIVITIES

New Joint Venture Opportunities

The Company has continued to progress proposals with third parties in relation to farm-in and joint venture arrangements in respect of the North West Queensland base metals projects.

New Project Opportunities

Superior is actively seeking advanced project acquisition and joint venture opportunities. Discussions have commenced relating to an advanced project that complements the Company's current project portfolio and corporate objectives. The Company will provide further information to the market if the discussions progress further.

Cash conservation

SPQ continues to maintain a cash conservation strategy.

INVESTMENTS

Superior maintains an exposure in relation to ASX listed uranium focused company, Deep Yellow Limited (ASX:DYL). At 30 September 2015, the company holds 7,000,000 DYL shares with a closing value of \$70,000.

ASX Listing Rule 5.3.3

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

A handwritten signature in black ink, appearing to read 'Peter Hwang'.

Peter Hwang
Managing Director

Contact:

Further Information:

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The information in this presentation that relates to exploration results on the Riesling Project is based on information compiled by Mr Ken Harvey, a director and shareholder of the Company, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Harvey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Harvey consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.



Appendix 1

DISCLOSURES REQUIRED UNDER ASX LISTING RULE 5.3.3

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

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Suliaman Creek	EPM15040	Dajarra	100%	SPQ	Granted
QLD	Hedleys 2	EPM15670	Nicholson	100%	SPQ	Granted
QLD	Hedleys South	EPM18203	Nicholson	100%	SPQ	Granted
QLD	Victor Creek	EPM16028	Victor	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	EPM(A)25264	Victor	100%	SPQ	Application
QLD	W Creek	EPM(A)25843	Victor	100%	SPQ	Application

- 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 transferred from MIM to DRX on 20 Mar 2015

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	
MIM	Mount Isa Mines Limited	