Superior Resources Limited

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31 August 2017

WIDE ZONES OF COPPER INTERSECTED AT BOTTLETREE PROSPECT

- **Wide zones of copper mineralisation intersected at the Bottletree Copper Prospect – e.g.:**
  - **Hole SBTRC001**
    - **154m @ 0.25% copper**
  - **Hole SBTRC002**
    - **26m @ 0.43% copper, including 5m @1.05% copper**
  - **Hole SBTRC003**
    - **56m @ 0.19% copper**
- **New drill results are encouraging for a large bulk tonnage copper-gold mineralised system.**
- **The aim of the recent drilling program was to drill a large soil copper geochemically anomalous area potentially caused by a porphyry-style copper-gold system similar in style to the NSW Cadia and North Parks deposits.**

Superior Resources Limited (ASX Code: **SPQ**) (**Superior** or **Company**) is pleased to advise that it has received most of the results for the initial reverse-circulation (**RC**) drilling program conducted at the Company's 100%-owned Bottletree Prospect. The results for certain intervals from one hole (SBTRC004) and check samples for the purpose of confirming some high-grade intersections in a second hole (SBTRC002) are pending. The Company will follow up with a comprehensive update on the prospect once full results have been received.

The results received to date confirm the presence of an extensively mineralised copper-gold system and include:

- **154m @ 0.25% copper** (SBTRC001);
- **26m @ 0.43% copper** (SBTRC002);
  - including **5m @ 1.05% copper, 0.3g/t gold**; and
- **56m @ 0.19% copper** (SBTRC003).

The presence of wide intervals of disseminated copper mineralisation is encouraging for the presence of an intrusion-related bulk tonnage deposit, similar in style to a porphyry system. Several high-grade copper zones that are present in the drill holes may represent a mineralised marginal envelope, peripheral to a porphyry copper-gold system. However, insufficient data exists to draw any conclusions regarding the style of mineralisation.

The Company is planning a second phase drilling program together with a detailed geophysical survey for the purpose of delineating the extent and characterisation of the mineralised system. This follow up work is planned for the remainder of 2017.

The drill holes were designed to test a large (1.5km x 1km) surface copper geochemical anomaly comprising malachite-stained outcrops and a regionally extensive Cu-in soil anomaly, which is in part coincident with strong IP chargeability anomalies.

Limited historic drilling at the prospect returned drill intercepts in the order of 52m @ 0.35% Cu, 64m @ 0.32% Cu and 45m @ 0.27% Cu.

Superior's Managing Director, Peter Hwang said:

> "*The extensive copper anomalism at the Bottletree Prospect has been a standout feature in the area and we are excited to have been able to confirm substantial thicknesses of disseminated copper mineralisation associated with that anomalism.*
>
> *Considering the alteration and mineralisation that is present down-hole together with the large overall size of the prospect, there is excellent potential for the discovery of a large intrusion-related bulk tonnage copper-gold system, potentially of porphyry style.*
>
> *We have been very pleased with the outcomes of the initial drilling program, which included the drilling at the Steam Engine Gold Deposit, only 5 kilometres north of this prospect.*
>
> *The Company is looking forward to following up with further drilling and geophysics aimed for the second half of the year*".

Reverse-circulation drilling (hole SBTRC004) at the Company's Bottletree Prospect, July 2017. Aerial view looking southeast.

July 2017 drilling

Four holes totalling 528 metres were drilled into the prospect during July 2017 (Table 1). The drilling was completed as part of a 1,422 metre initial drilling program at four new prospects within the Company's 100% owned Greenvale Project, located about 250 kilometres west of Townsville (Figure 1).

Table 1. Details of drill holes completed at the Bottletree Prospect, July 2017

Hole ID	MGA Easting	MGA Northing	Azimuth (Magº)	Dip (º)	Depth (m)
SBTRC001	263378	7890115	58	-60	180
SBTRC002	263340	7890248	180	-60	96
SBTRC003	262941	7890024	58	-60	180
SBTRC004	263340	7890255	58	-60	72
Total					**528**

All four holes intersected copper-bearing sulphidic zones hosted by deformed meta-basalt and mafic volcaniclastic units interlayered with minor biotite schist. Bands of strongly silica-pyrite-phlogopite altered, probable meta-andesite are present within the mineralised package. Copper as chalcopyrite is disseminated over wide intervals in the sulphidic zone, accompanied by significant pyrite, particularly in the altered meta-andesite where it reaches 5%. The amount of sulphide present in the drill holes is consistent with the IP chargeability anomaly.

The drill holes were designed to test a large (1.5km x 1km) surface copper geochemical anomaly comprising malachite-stained outcrops and a regionally extensive Cu-in soil anomaly, which is in part coincident with strong IP chargeability anomalies (Figure 2).

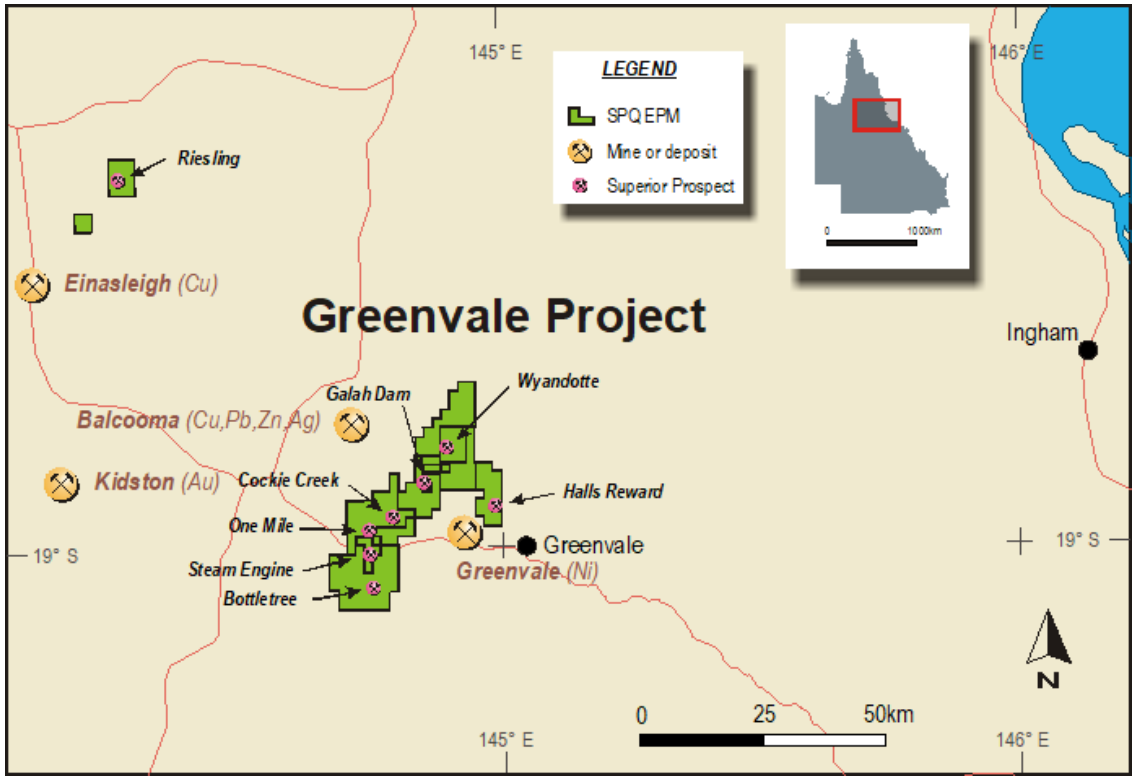

Figure 1. Location of the Bottletree Prospect and other prospects within the Greenvale Project.

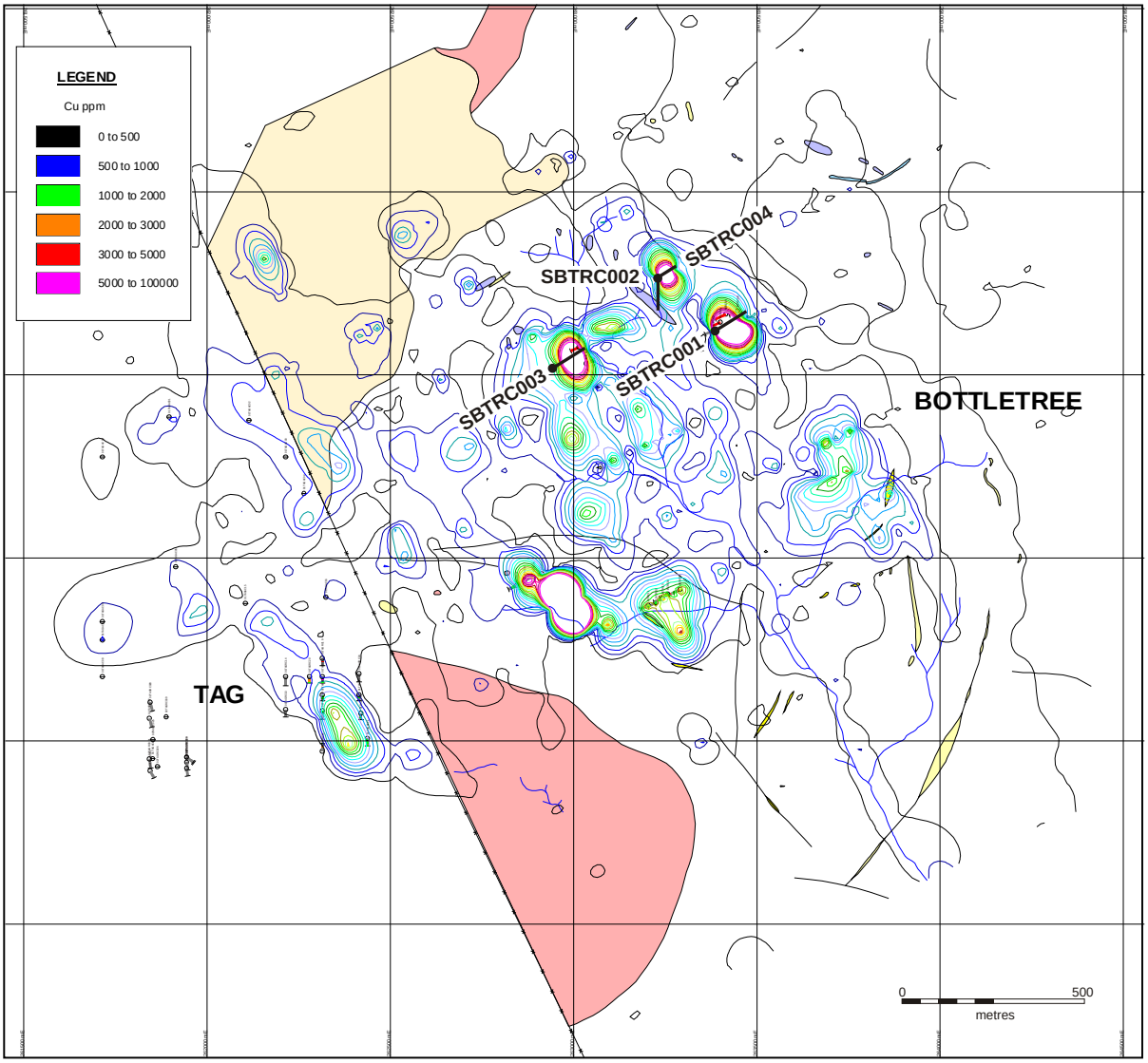

Figure 2. Bottletree Prospect – July 2017 drill hole locations overlain on geology and soil copper geochemistry.

Highest grade copper occurs at the oxide-sulphide interface: for example the zone intersected in hole SBTRC002, returning 5m @ 1.05% copper, where the copper enriched minerals cuprite and chalcocite occur.

Key intersections are:

Hole ID	From	To	m	Cu %	Au g/t	
SBTRC001	24	178	154	0.25		2m sampling
SBTRC002	28	54	26	0.43		2m sampling
includes SBTRC002	36	41	5	1.05	0.3	1m sampling
SBTRC003	12	68	56	0.19		2m sampling

Significantly, hole SBTRC002 returned low grade gold, which is indicative of gold being present in the mineralised system.

Next steps

Superior is currently assessing the significance of these results in terms of the potential for the Bottletree Prospect to host significant copper mineralisation.

A second phase drilling program together with a detailed geophysical survey for the purpose of delineating the extent and characterisation of the mineralised system is planned for the remainder of 2017.

Peter Hwang
Managing Director

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Information in this report related to exploration results are based on data compiled by Dr Simon Beams of Terra Search Pty Ltd. Dr Beams is a member of both the AIG and the AusIMM. Dr Beams 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'. Dr Beams discloses that entities that he is associated with hold shares in Superior Resources Limited. Dr Beams consents to the inclusion in the report of the statements based on the information in the form and context in which it appears.

Certain statements made in this report may contain or comprise certain forward-looking statements. Although Superior Resources Limited believes that any estimates and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results and estimations could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in the economic and market conditions, success of business and operating initiatives and changes in the regulatory environment. Superior undertakes no obligation to update publicly or release any revisions of any forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Appendix 1: JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Samples are obtained from reverse circulation (**RC**) drilling. • All samples are collected as drilled via a riffle splitter attached to the drill rig cyclone. • Drill holes are sampled and collected as 1m riffle split samples. All samples were passed through a cyclone and then through a 7/8th to 1/8th splitter. Bulk 1m samples were collected as the 7/8th split, whereas the 1/8th split was collected as an analytical sample over 2m. Analytical sample size was in the order of 2.5kg to 3kg. • All RC holes were drilled using a standard face sampling hammer with bit size of 114mm (Four & half inch). The drill bit sizes used in the drilling were consistent in size and are considered appropriate to indicate the degree and extent of mineralisation. • Sample intervals that lack metalliferous anomalism are not reported are not considered to be material. • The magnetic susceptibility of all samples was measured in the field. • Portable XRF analyses were systematically recorded in controlled environment at Terra Search offices in Townsville. • 1m representative samples of intervals with visible mineralisation were assayed for gold at ALS laboratories in Townsville. 2m representative samples of intervals without visible mineralisation, derived from compositing two samples from consecutive 1m intervals, were also assayed for gold at ALS laboratories in Townsville. Where gold mineralisation was detected in the 2m composite samples, 1m samples were submitted for further assaying. • 1m samples were also submitted for multi-element assaying using aqua regia digestion. • Assaying for gold was via fire assay of a 50 gram charge. • Sample preparation at ALS laboratories in Townsville for all samples is considered to be of industry standard procedure.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails,*	• Drilling from surface was performed using standard RC drilling techniques. • Drilling was conducted by Kelly Drilling using a Schramm 450WS with a 900cfm/350psi compressor and 700 psi on-board booster.

Criteria	JORC Code explanation	Commentary
	face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• All RC holes were drilled using a standard face sampling hammer with bit size of 114mm (Four & half inch). • All holes were surveyed using a Reflex Gyro north-seeking gyroscopic instrument to obtain accurate down-hole directional data.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was performed and monitored by Terra Search contractor and Superior Resources' representatives. • RC recovery as well as degree of cross-sample contamination were logged on a metre basis. Overall recoveries were excellent. RC samples were all dry. • The volume of sample collected for assay is considered to be representative of each 1m interval. • RC drill rod string delivered the sample to the rig-mounted cyclone which is sealed at the completion of each 1m interval. The riffle splitter is cleaned with compressed air at the end of each 1m interval and at the completion of each drill hole. • There is no apparent relationship between sample recovery and grade of mineralisation.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging was conducted during the drilling of each hole by a Terra Search geologist having sufficient qualification and experience for the mineralisation style expected and observed at each hole. • Geological logging data entered via a well-developed logging system designed to capture descriptive geology, coded geology and quantifiable geology. All logs were checked for consistency by the Terra Search Principal Geologist. Data captured through Excel spread sheets and Explorer 3 Relational Data Base Management System. • The logging of RC chips is both qualitative and quantitative. Alteration, weathering and mineralisation data contain both qualitative and quantitative fields. • All holes were logged in their entirety at 1m intervals. All logging data is digitally compiled and validated before entry into the Superior database. • The level of logging detail is considered appropriate for resource drilling. • Magnetic susceptibility data for each 1m sample interval was collected in the field. • The entire length of all drill holes has been geologically logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness*	• The sample collection methodology is considered appropriate for RC drilling and was conducted in accordance with best industry practice. • Split 1m samples are regarded as reliable and representative. • RC samples are split with a riffle splitter at 1m intervals as drilled. • Samples were collected as dry samples.

Criteria	JORC Code explanation	Commentary
	of the sample preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Quality Assurance (**QA**)/Quality Control (**QC**) protocols were instigated such that they conform to mineral industry standards and are compliant with the JORC code. • Terra Search's input into the (QA) process with respect to chemical analysis of mineral exploration samples includes the addition of blanks, standards and duplicates to each batch so that checks can be done after they are analysed. As part of the (QC) process, Terra Search checks the resultant assay data against known or previously determined assays to determine the quality of the analysed batch of samples. An assessment is made on the data and a report on the quality of the data is compiled. • Terra Search quality control included determinations of duplicate samples every 50 samples or so to check for representative samples. There was a conscious effort on behalf of the samplers to ensure consistent weights for each sample. Comparison of assays of duplicates shows good reproducibility of results. • The above techniques are considered to be of a high quality and appropriate for the nature of mineralisation anticipated. The 2-3kg sample size is appropriate for the rock being sampled. The sample sizes are considered to be appropriate to represent the style of the mineralisation, the thickness and consistency of the intersections.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples were submitted to ALS laboratories in Townsville for gold and multi-element analysis. • Samples were crushed, pulverised to ensure a minimum of 85% pulp material passing through 75 microns, then analysed for gold by fire assay method Au-AA26 using a 50-gram sample. • A sub-sample of each was also subject to multi-element analysis using aqua regia digest and ICP emission spectroscopy technique for the following elements: Ag, As, Ba, Bi, Ca, Cd, Co, Cu, Fe, Mg, Mn, Mo, Ni, P, Pb, S, Sb, Zn (ALS code ME-ICP41). • The primary assay method used is designed to measure both the total gold in the sample as per classic fire assay as well as the total amount of economic metals tied up in sulphides and oxides such as Cu, Pb, Zn, Ag, As, Mo, Bi as per aqua regia digest ICP finish. • Some major elements which are present in silicates, such as K, Ca, Fe, Ti, Al and Mg are not liberated by aqua regia digest. In this sense, the aqua regia digest is a partial analytical technique for elements locked up in silicates. • Magnetic susceptibility measurements utilising Exploranium KT10 instrument, zeroed between each measurement. • Certified geochemical standards and blank samples were inserted into the assay sample sequence. Laboratory assay results for these quality control samples are within 5% of

Criteria	JORC Code explanation	Commentary
		accepted values.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The reported significant intersections have been verified by at least two Terra Search geologists against representative drill chips collected and the drill logs. • No holes were twinned. • No adjustments to assay data were undertaken. • All drill hole logging and sampling data continue to be uploaded and validated by Terra Search and Superior staff. Validation is checked by comparing assay results with logged mineralogy e.g. percent of metallic sulphides minerals in comparison to metal assays. • No drill holes were twinned. • Data is collected by qualified geologists and experienced field assistants and entered into excel spreadsheets. • Data is imported into Microsoft Access tables from the Excel spreadsheets with validation checks set on different fields. Data is then checked thoroughly by the Operations Geologist for errors. Accuracy of drilling data is then validated when imported into MapInfo. • Data is stored on a server in the Company's head office, with regular backups and archival copies of the database made. • No adjustments are made to the data. Data is imported into the database in its original raw format.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars have been recorded in the field using hand held GPS with three metre or better accuracy. • Current drill hole collar locations and topographic RL control were further defined using a Trimble Differential GPS (DGPS). Location accuracy is in the order of 0.15m X-Y and 0.3m in the Z direction. • Down hole surveys were conducted on all holes using a Reflex GYRO with surveys taken inside the RC rods and recorded every 5m. The instrument measures to within 1/100 degree of inclination and magnetic azimuth • The area is located within UTM Zone 55, GDA94 datum.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Only 4 holes were drilled, testing specific targets and not systematically drilled along section lines at a planned spacing interval. • Further drilling is necessary to establish a Mineral Resource. • Samples were composited over 2m. Higher grade copper samples greater than 1% were resubmitted as 1m samples, re-split from 1m bulk sample.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The majority of holes have been designed to drill normal to interpreted mineralisation trends. However, there has been insufficient drilling and geological interpretation to determine if there is a bias to sampling as a result of drilling oblique to or downdip on mineralised structures. • No orientation sample bias has been identified at this stage.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by Terra Search Pty Ltd. Samples were transferred by them to ALS.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of the sampling techniques and data have been undertaken at this time.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The areas reported on lie within Exploration Permit for Minerals 26165 which was granted on 30 January 2017 and held 100% by Superior. Superior holds much of the surrounding area under granted exploration permits. • Superior has agreements or other appropriate arrangements in place with landholders and native title parties with respect to work in the area. • No regulatory impediments affect the relevant tenements or the ability of Superior to operate on the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All of the historical work reported or used in this report has been completed and reported in accordance with the current regulatory regime. • Previous work on the prospect has been completed by Pancontinental Mining. • Historic drilling at the prospect has returned drill intercepts in the order of 52m @ 0.35% Cu, 64m @ 0.32% Cu and 45m @ 0.27% Cu.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Bottle Trees Prospect is hosted in Lower Palaeozoic deformed mafic meta-volcanics, volcaniclastics and metasediments. • Mineralisation style is disseminated sulphide of probable magmatic origin.

Criteria	JORC Code explanation	Commentary
		• Although there is mineralisation of volcanic hosted and porphyry style in the region, the actual nature and geometry of the mineralisation at the Bottletree Prospect is still open to interpretation. More geological, geochemical and drill data is required to fully understand the mineralisation setting.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Drill hole collar tables with significant intersections are included in the main body of the announcement. These tables include information relevant to an understanding of the results reported.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• In the intervals quoted a cut-off grade of 1000 ppm Cu is applied. Some intercepts incorporate 2m where Cu grade is in the 500ppm to 1000ppm Cu range. In the 154m intercept in hole SBTRC001, there is a 6m interval gap where samples ae in the 500ppm to 1000ppm Cu range. • No metal equivalent values are reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Downhole length, true width not known. • Drill sections not available at this stage. • Only significant intercepts reported.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Drill sections not available at this stage.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only significant intercepts reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Not applicable.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further detailed drilling is required for the targets to establish continuity, thickness and grade and extensions to mineralisation. • Proposed further work is outlined in the report and includes further drilling and geophysical surveying. • Insufficient information currently exists to evaluate the geometry of mineralisation.