



Superior Resources Limited

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5 February 2019

Ms Clare Porta
Adviser , Listings Compliance
ASX Compliance Limited
20 Bridge Street
Sydney NSW 2000

Email: clare.porta@asx.com.au

Dear Ms Porta

RESPONSE TO ASX QUERY – APPENDIX 5B

We refer to your letter 4 February 2019 and provide the following information:

1. Does SPQ expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Yes. SPQ may continue to have negative operating cashflow for the time being as is normal for a mining exploration entity. However, the directors continually monitor the cash position and are able to reduce cash outflow by reducing expenditure (such as deferring salaries and directors fees). Also, the directors are considering increasing cash inflow by disposing of current assets.

2. Has SPQ taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Yes. SPQ directors continually assess capital raising alternatives available and the directors believe that it has the ability to raise additional capital.

3. Does SPQ expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

SPQ expects to be able to continue its operations and meets its business objectives.

Also, SPQ has made strong progress on a significant joint venture agreement with a well-funded party as announced in the Quarterly Activities Report for 31 December 2018.



4. Please provide any other information that SPQ considers may be relevant to ASX forming an opinion on whether SPQ is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

SPQ is not aware of any further information that may be relevant to the ASX and confirms compliance with Listing rule 12.2

5. Please confirm that SPQ is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

SPQ confirms compliance with Listing Rule 3.1 and there is no further information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

6. Please confirm that SPQ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SPQ with delegated authority from the board to respond to ASX on disclosure matters.

SPQ confirms the responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SPQ with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully

Carlos Fernicola
Company Secretary



1 February 2019

Mr Carlos Fernicola
Company Secretary
Superior Resources Limited
Unit 8
61 Holdsworth Street
Coorparoo Queensland

By email

Dear Mr Fernicola,

Superior Resources Limited ("SPQ"): Appendix 5B Query

I refer to SPQ's Appendix 5B quarterly report for the period ended 31 December 2018 lodged with ASX Market Announcements Platform on 31 January 2019 (the "Appendix 5B").

ASX notes that SPQ has reported:

- negative net operating cash flows for the quarter of \$126,000;
- cash at the end of the quarter of \$127,000; and
- estimated cash outflows for the next quarter of \$77,000.

It is possible to conclude, based on the information in the Appendix 5B that if SPQ were to continue to expend cash at the rate indicated by the Appendix 5B, SPQ may not have sufficient cash to continue funding its operations. In view of that, ASX asks SPQ to respond separately to each of the following questions and requests for information:

1. Does SPQ expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has SPQ taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does SPQ expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that SPQ considers may be relevant to ASX forming an opinion on whether SPQ is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that SPQ is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that SPQ's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SPQ with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEDT on **Wednesday, 6 February 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SPQ's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SPQ's obligation is to disclose the

information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to SPQ’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that SPQ’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SPQ’s securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Clare Porta

Adviser, Listings Compliance (Sydney)