

25 September 2019

Positive start to Nicholson Project JV drilling with South32

- **Two diamond drill holes totalling 1,351m at the Nicholson West target and one hole to 906m depth at the Kingfisher East target completed to date; drilling of several high priority targets set to commence this week**
- **Drilling confirmed presence of thick (up to 340m) Mount Les Siltstone rock unit containing multiple horizons of visible stratiform sulphide mineralisation (visible pyrite and sphalerite (zinc sulphide))**
- **Core samples from the first two holes have been dispatched for preparation and assay with first results expected by early November 2019**
- **Drilling program comprises up to 11 diamond core holes aimed to systematically test up to eight large high priority geophysical conductivity targets having potential to deliver world-class discoveries similar to McArthur River, Century and Mount Isa lead-zinc-silver deposits**

Superior Resources (ASX:SPQ) announced today a positive start to exploration drilling at its 100%-owned Nicholson Project in north west Queensland (Figures 1 and 2), which is being fully funded by global miner South32 as part of an earn-in and joint venture arrangement.

The Company has completed the drilling of two diamond core drill holes totaling 1,351 metres into the Nicholson West VTEM target and one hole to 906 metres at the Kingfisher East target (Figure 4).

Both completed Nicholson West holes have confirmed the presence of substantially thick (up to 340m) Mount Les Siltstone, which is the prospective target horizon that is known within the area to host Mount Isa style deposits.

Mineralisation observed within the holes is in the form of multiple thin horizons of visible stratiform sulphide mineralisation, including pyrite and sphalerite (zinc sulphide) within the Mount Les Siltstone. The Company considers the mineralisation to be a positive indication for a sedimentary-exhalative (SEDEX) style of mineralisation, examples of which are the McArthur River and Mount Isa mines.



The drilling of several highest priority targets at Nicholson West, which was delayed due to difficult terrain, is scheduled to commence this week (Figure 3). Superior considers these highest priority targets to be associated with the mineralisation observed in the two completed holes, but importantly, they are located closer to the likely source of the observed mineralisation, the major Nicholson River Fault (Figure 3).

As a result of the project's remoteness, transportation of the core has been scheduled to occur after the completion of every 1,000 metres of drilling, with the first samples being dispatched last week. The Company expects the first assay results to be received by early November 2019.

Superior's Managing Director Peter Hwang said: "We are pleased with the observations from the drilling so far at Nicholson West and we are very encouraged by the presence of thick Mount Les Siltstone and sulphide mineralisation that is consistent with a SEDEX system.

The observations from the drilling to date elevates the significance of the substantially higher-order anomalies at Nicholson West which we will commence drilling this week. Working closely with South32, we look forward to unlocking value for shareholders in a relatively unexplored region that has the potential for world-class discoveries."



Figure 1. Diamond drilling underway at the Nicholson West target.



Figure 2. Logging of diamond drill core from the Nicholson West VTEM target.

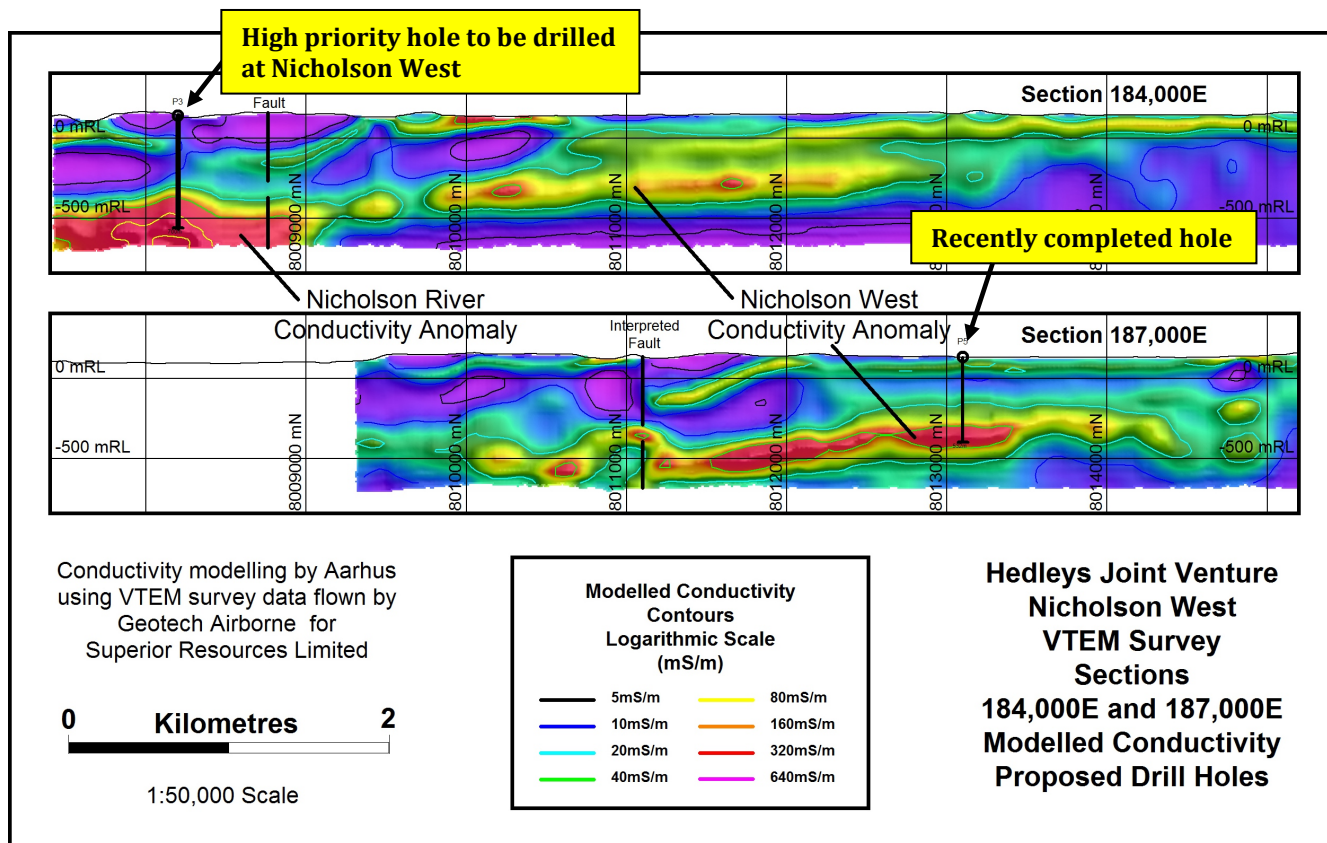


Figure 3. VTEM Aarhus modelled conductivity sections on lines 184,000E and 187,000E showing the Nicholson West and Nicholson River conductivity anomalies and interpreted major southwest-trending fault. Proposed drill holes P3 and P5 are also shown.



Joint venture drilling program

The program will systematically test up to eight large high priority geophysical conductivity targets that have the potential to deliver world-class discoveries similar to the McArthur River, Century and Mount Isa lead-zinc-silver deposits (Figure 4). Apart from one target, the targets have not previously been subjected to exploration drilling.

Each of the high priority conductors are modelled as being located within the Mount Les Siltstone, which is the target horizon known to host Mount Isa style deposits within the area (Figure 3).

Further updates will be provided to the market as drilling progresses.

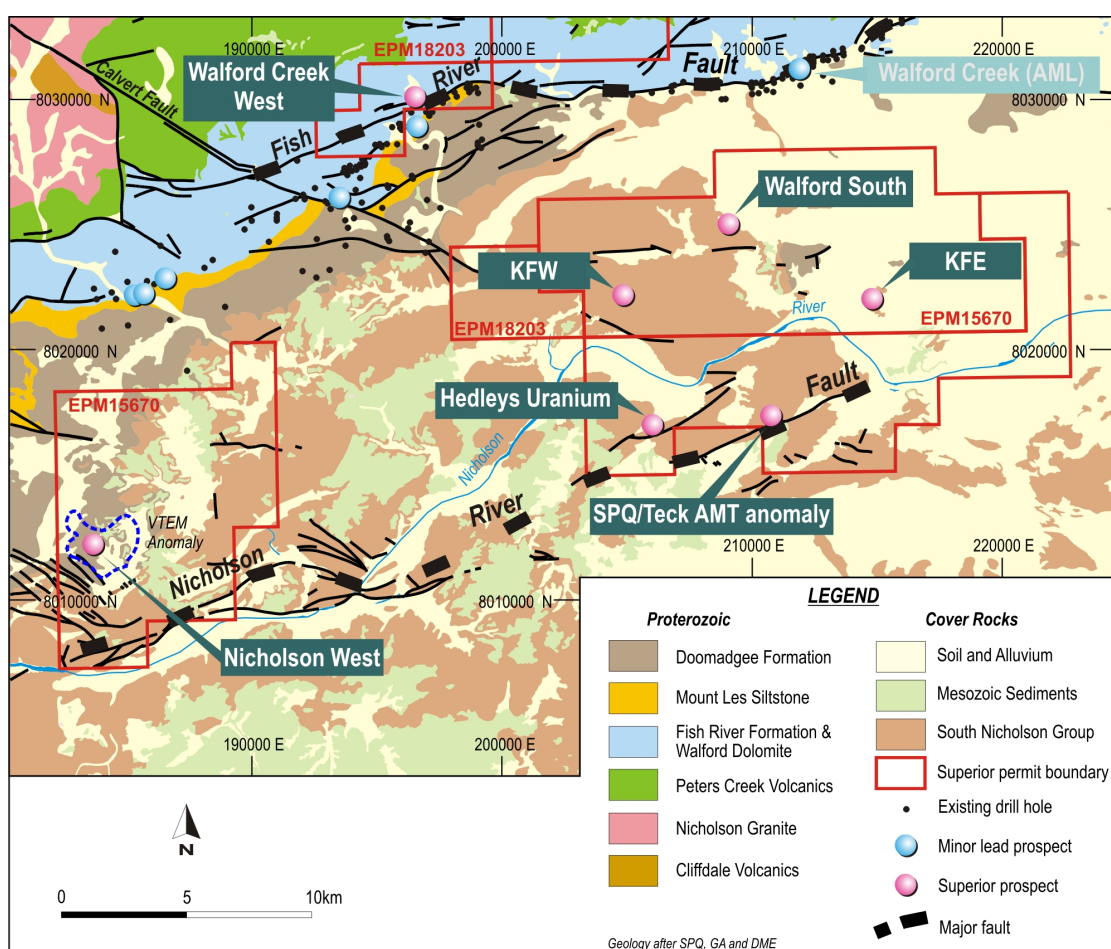


Figure 4. Nicholson Project tenements and key prospect locations.

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For more information:

Peter Hwang

Managing Director

Tel: +61 7 3847 2887

www.superiorresources.com.au

manager@superiorresources.com.au



About Superior Resources

Superior Resources Limited (ASX:SPQ) is an Australian public company exploring for large lead-zinc-silver, copper, gold and nickel-cobalt deposits in northern Queensland which have the potential to return maximum value growth for shareholders. The Company has a dominant exploration position within the Carpentaria Zinc Province, one of the world's richest mineral producing regions and is focused on multiple Tier-1 equivalent exploration targets.

About Nicholson Project

The Nicholson Project is a "Tier 1" zinc-lead exploration project that provides the Company with industry-leading opportunities to discover a world-class Mount Isa Style Lead-Zinc-Silver deposit. The project is located in the Carpentaria Zinc Province, which contains 20% of the world's zinc resource inventory. In the region immediately surrounding Mount Isa, rocks prospective for Mount Isa Style deposits are exposed at or close to surface and as a consequence, have been intensely explored. In contrast, the Nicholson Project is in an equally prospective region that is relatively unexplored. In this region the prospective rock sequences are covered by varying depths of younger sediments. This is the most likely area within Queensland to make the next Mount Isa discovery.

Reporting of Exploration Results: *The Exploration Results and interpretations contained in this report that relate to Figures 3 and 4 reflect information that has been reported in ASX market announcements dated 10 July 2019 and earlier. The Company confirms that it is not aware of any new information that materially affects the information included in the relevant original market announcement. Other information in this report that comprises Exploration Results is based on information evaluated by Mr Peter Hwang, an executive director and shareholder of Superior Resources Limited and a Member of the Australian Institute of Geoscientists. Mr Hwang has sufficient experience which is relevant to this style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person under the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hwang consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

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