

\$1.18m Capital Raising to Advance Steam Engine Gold Deposit

Strong Investor Support for Fully Subscribed Placement

HIGHLIGHTS:

- **Placement and Rights Issue targets up to \$1.18 million to fund resource definition drilling and scoping study at Superior's Steam Engine Gold Deposit**
- **Firm commitments for \$434,700 received under fully subscribed two tranche Placement to institutional and sophisticated investors; to be followed by a 1 for 3 pro-rata rights issue at \$0.003 per share to raise up to approximately \$745,000**
- **Capital raising campaign to spearhead a dual-project revenue generation strategy focussing initially on the Steam Engine Gold Deposit**
- **Initial exploration at Big Mag sulphide nickel-copper target and drilling at Wyandotte Copper Deposit also commencing**
- **Overwhelmingly positive investor response received acknowledges potential for market re-rating amid record high Australian dollar gold prices**

Queensland-based gold and base metals explorer **Superior Resources Limited (ASX:SPQ)** announced today a capital raising comprising a two-tranche placement and a non-renounceable rights issue to raise up to \$1.18 million (before costs) to complete a Scoping Study at its Steam Engine Gold Deposit.

The move follows the positive market response to the recent upgrade of Steam Engine's gold resource (refer ASX announcement 4 May 2020) and strong investor support for the fully subscribed placement, amid record high Australian dollar gold prices.

Superior's Managing Director, Peter Hwang commented: *"We have been very pleased with the level of support and strong demand received during the placement. This has given us confidence that we will be sufficiently funded to complete a Scoping Study on the Steam Engine Gold Deposit and establish a maiden high grade copper resource at Wyandotte."*

"Given the forecasts for sustained high gold prices, a near-term development focus at Steam Engine, potentially supplemented by Wyandotte, is an ideal strategy to realise and retain the substantial value potential presented by our Tier-1 projects."

He added: *"In addition to Steam Engine and Wyandotte, we are planning a low-cost maiden exploration program at the high-impact Big Mag sulphide nickel-copper target, which at about 80 square kilometres in size represents enormous potential."*

"These are exciting times for Superior and I would like to thank shareholders for their support as we look ahead to reaching new milestones in 2020 and increasing shareholder value."

Placement

The Company has received firm commitments from institutional and sophisticated investors for 144,900,000 new fully paid ordinary shares (**Placement Shares**) at \$0.003 (0.3 cents) per share (**Placement**) for a total of \$434,700.

Subscribers under the Placement will, subject to shareholder approval, receive one free attaching option for every three Placement Shares issued. The options will have an exercise price of \$0.006 (0.6 cents) and an expiry date of 31 December 2021.

The Placement was fully subscribed and was priced at a 25% discount to the last closing price of \$0.004 and a 28.6% discount to the 15 day VWAP of \$0.0042.

The Placement Shares will rank equally with existing fully paid ordinary shares, with 111,812,810 Placement Shares (**Tranche 1**) to be issued within Superior's existing placement capacity under ASX Listing Rule 7.1 and the remaining 33,087,190 Placement Shares and 48,300,000 free attaching options (**Tranche 2**) to be issued subject to shareholder approval at a meeting to be held in late June 2020.

Settlement of Tranche 1 of the Placement is expected to be completed on Wednesday, 27 May 2020.

Rights Issue

A rights issue (**Rights Issue**) will be offered to existing shareholders on a pro-rata basis of one new share for every three shares held in the Company on 26 May 2020 (**Record Date**), at a price of \$0.003 (0.3 cents) per new share to raise up to approximately \$745,000 (before costs). Shareholders who subscribe under the Rights Issue will also receive one free attaching option for every three entitlement shares issued with each option having an exercise price of \$0.006 (0.6 cents) and expiring on 31 December 2021. The pricing and terms of the Rights Issue has been set so that shareholders can obtain new shares and options at the same price and terms as subscribers under the Placement.

The Directors reserve the right, together with the lead manager to the issue, to place any shortfall from the Rights Issue.

Members of the Board intend to participate in the Rights Issue.

The lead manager to the Placement will be entitled to a fee of 6% on all funds raised from the Placement and on proceeds from shortfall shares that it places under the Rights Issue. The lead manager will also receive (subject to shareholder approval) 15 million options having the same terms as options issued under the Placement and Rights Issue.

Use of Funds

Funds raised under the Placement and Rights Issue will be used for the following:

- **Steam Engine Gold Deposit**
 - Resource definition drilling to upgrade and expand the current Mineral Resource; and
 - Complete a Scoping Study.
- **Wyandotte Copper Prospect**
 - Resource drilling; and
 - Establish a Maiden Mineral Resource Estimate.
- **Big Mag Prospect**
 - Conduct a maiden RAB/Air-core drilling program on the approximately 80 km² Ni-Cu sulphide prospect.

- **General working Capital**

Indicative Timetable¹

Announcement of Equity Raising to ASX Lodgement of Rights Issue prospectus	Wednesday, 20 May 2020
Ex date	Monday, 25 May 2020
Entitlement Offer – Record Date	Tuesday, 26 May 2020
Placement (Tranche 1) – Anticipated settlement date	Wednesday, 27 May 2020
Entitlement Offer Opens Prospectus and personalised entitlement and acceptance forms sent to eligible shareholders	Friday, 29 May 2020
Entitlement Offer Closes (5:00pm AEDT)	Thursday, 18 June 2020
ASX notified of under-subscriptions	Tuesday, 23 June 2020
Entitlement Offer – Issue Date	Friday, 26 June 2020
Placement (Tranche 2) - Shareholder meeting to approve - Anticipated settlement date	Late June 2020

¹ All dates are indicative only and may change, subject to the ASX Listing Rules and Corporations Act.

A prospectus for the offer and personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable. Persons should consider the prospectus in deciding whether to acquire the securities. Anybody wishing to acquire securities will need to complete the application form that will accompany the prospectus.

Validation of sales of placement shares issued in August 2019

Whilst undertaking due diligence for the Placement and Rights Issue, the Company became aware that the cleansing notice given with respect to a share placement made by the Company in August 2019 (**August 2019 Placement**) was lodged prior to shares being issued under the August 2019 Placement. The cleansing notice was therefore invalid and as a result, shares under the August 2019 Placement could not be offered for sale. Certain shares issued under the August 2019 Placement have been sold and on 18 May 2020 the Company applied to the Federal Court for orders to validate the sales.

On 19 May 2020 The Honorable Justice Jackson made orders validating the sales. A copy of the orders is attached to this announcement.

The prospectus lodged with ASIC earlier today contains an offer for the purposes of section 708A(11) of the Corporations Act, and as a result there are no restrictions on trading shares issued under the August 2019 Placement.

Persons with any queries in relation to the August 2019 Placement and Federal Court application are urged to contact the Company.

<ENDS>

For more information:

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About Superior Resources

Superior Resources Limited (ASX:SPQ) is an Australian public company exploring for large lead-zinc-silver, copper, gold and nickel-copper-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.

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.*

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Federal Court of Australia
District Registry: Western Australia
Division: General

No: WAD123/2020

SUPERIOR RESOURCES LIMITED
Plaintiff

ORDER

JUDGE: JUSTICE JACKSON

DATE OF ORDER: 19 May 2020

WHERE MADE: Perth

THE COURT ORDERS THAT:

1. Pursuant to s 1322(4)(a) of the *Corporations Act 2001* (Cth) the court declares that any offer for sale, or sale, of any of the tranche of 57,375,000 fully paid ordinary shares in the plaintiff that were issued on 15 August 2019 (**Shares**) occurring in the period after their issue, is not invalid by reason of any contravention of s 707(3) or s 727(1) of the *Corporations Act*.
2. Pursuant to s 1322(4)(c) of the *Corporations Act*, any person offering to sell or selling Shares is relieved from any civil liability arising out of any such contravention.
3. As soon as reasonably practicable, the plaintiff must:
 - (a) send a copy of these orders to each person to whom the Shares were issued;
and
 - (b) publish an announcement to the Australian Securities Exchange (**ASX**) in which a copy of these orders is included.
4. A sealed copy of these orders must be served on the Australian Securities and Investments Commission (**ASIC**) as soon as reasonably practicable and upon service of these orders on ASIC, ASIC must include these orders on its database.
5. For a period of 28 days from the date of publication of these orders on the ASX website, any person who claims to have suffered substantial injustice or who claims that they are likely to suffer substantial injustice by reason of the contraventions



referred to above or the making of these orders may apply within that period to vary or to discharge the orders.

Date that entry is stamped: 19 May 2020

Sia Lagos
Registrar