

Second drilling program launched at Steam Engine Gold Deposit following extensive high-grade assays

HIGHLIGHTS:

- **3,000m RC drilling program commencing at Steam Engine in mid-November**
- **Drilling program will focus on increasing the current Mineral Resource**
- **Scoping Study on track for November**

Superior Resources Limited (ASX:SPQ) is pleased to announce that a second drilling program is set to commence next month at the Steam Engine Gold Deposit, north Queensland. The program follows on from the recently completed 3,756 metre Resource drilling program, which consistently returned strong intersections of gold mineralisation in all holes and also extended the zone of mineralisation outside the current Resource envelope.

The second program will comprise 3,000 metres of reverse-circulation (**RC**) drilling (Figure 1) and will focus on increasing the current Mineral Resource (1.27 million tonnes @ 2.3 g/t gold for 94,000 ounces¹) by:

- additional drilling at high-grade extension zones identified during the first campaign;
- identifying new high-grade extensions at both the Steam Engine and Eastern Ridge lodes; and
- infill drilling of key zones within the Resource envelope where the first campaign returned significantly higher grades than reported by historic drilling.

Superior's Managing Director, Peter Hwang, commented:

"Following the better than expected performance of the first program, we are very eager to continue drilling at Steam Engine. Whilst the results received to date are more than sufficient to enable completion of our Scoping Study, launching the second drill program brings forward our focus on expanding the current Mineral Resources, which potentially increases the scale of any early mining operation.

Notably, we are targeting a 100 percent increase to the strike length of the main Steam Engine Lode Resource area. The latest batch of assay results indicated a strong 150 metre continuation of high grade mineralisation northwards at the northern end of the Steam Engine Lode. The planned drilling will target a total of 400 metres of strike extension at this lode and up to a 150 metre extension of the Eastern Ridge Lode.

In the meantime, we expect to receive the remaining 750 assays from the previous drilling in two batches, with the first batch due within a few days. We have also re-scheduled some of the deliverables in the Steam Engine development program, which will result in bringing forward the delivery of the Scoping Study to mid-November.

This is an exciting period for the Company as we approach a series of milestones that have the potential to underpin our ambition of realising substantial value for the Company and its shareholders. We look forward to informing the market as work at Steam Engine progresses."

¹ Refer to ASX announcement dated 4 May 2020.

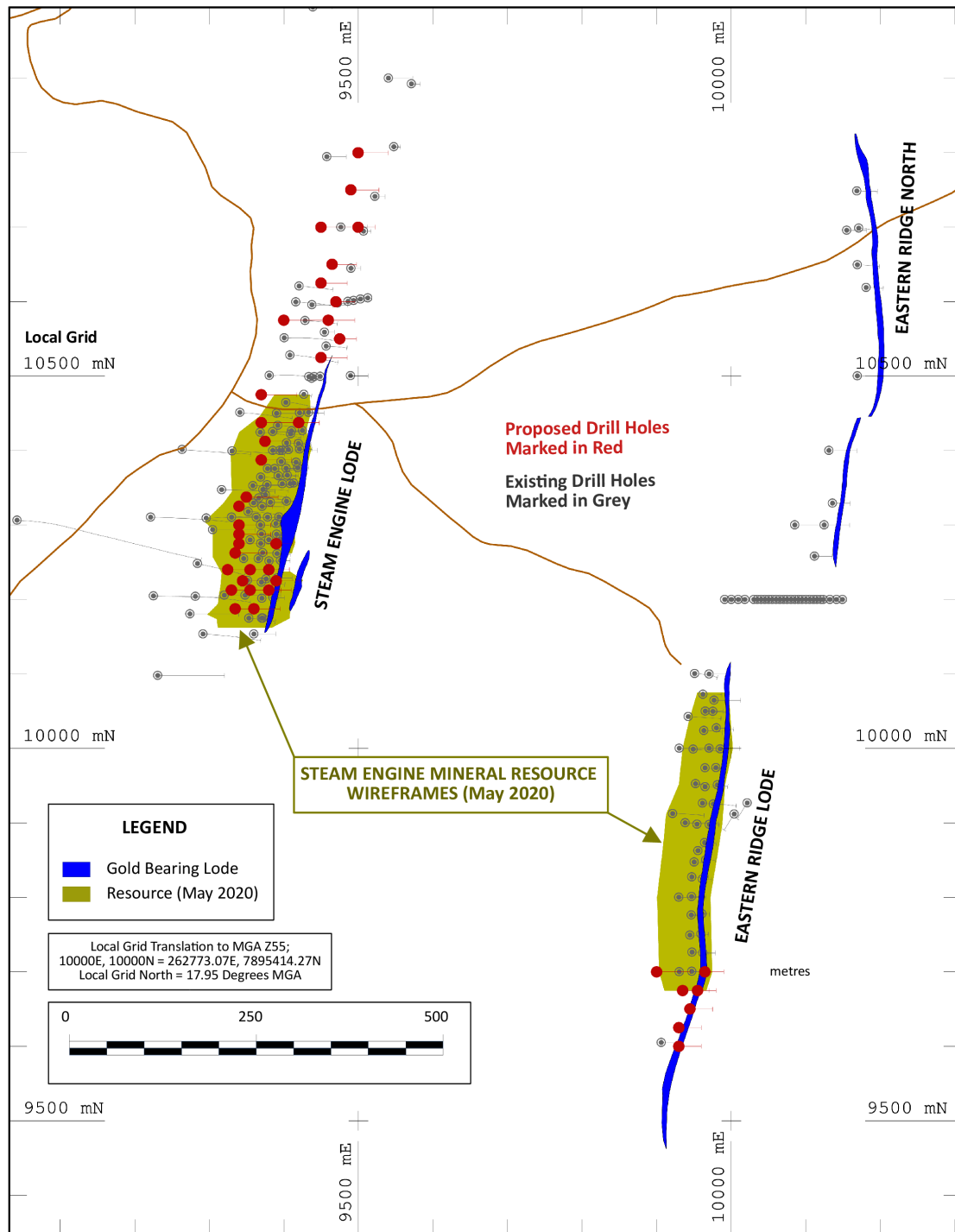


Figure 1. Plan showing the locations of drill holes planned for the second drilling program (in red). The currently modelled Mineral Resource is shown in olive green. Steam Engine and Eastern Ridge gold-bearing lodes (as historically mapped) are shown in blue.

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About Superior Resources Limited

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 and the Greenvale Ordovician rock sequences. The Carpentaria Zinc Province one of the world's richest mineral producing regions and the Company is focused on multiple Tier-1 equivalent exploration targets. At Greenvale, the Company holds ground covering the majority of the Ordovician sequences in the region, which includes at least three significant copper-gold porphyry and VMS prospects, an advancing high-grade gold deposit and a regionally large magmatic sulphide nickel-copper-cobalt prospect.

About Greenvale Project

The Greenvale Project covers a region of volcanic and intrusive rocks of Ordovician Age that are similar in type and age to the porphyry copper belt in New South Wales. The New South Wales belt of rocks host the large Cadia and North Parkes porphyry copper mines. The sequence of rocks in the Greenvale area are likely to be the northern-most extension of the remnant New South Wales Ordovician Macquarie Arc rocks.

Superior's Greenvale Project is highly prospective for VMS and porphyry copper, gold, zinc and silver deposits and contains at least ten mineral prospects. The project is located within an area of notable economic significance, being proximal to the Kidston, Balcooma, Surveyor and Dry River South deposits.

About Steam Engine Gold Deposit

The Steam Engine Gold Deposit is an extensive mesothermal gold lode system on which an Indicated and Inferred Mineral Resource Estimate of 1.27 million tonnes at 2.3 g/t for 94,000 ounces of gold has been established (refer ASX announcement 4 May 2020). The Resource has been modelled on only 30 percent of at least 2.5 kilometres of strike length of outcropping lode and only modelled to relatively shallow depths.

Currently, three gold lode zones have been identified: (1) the Steam Engine Lode; (2) the Eastern Ridge Lode; and (3) the Southern Zone of lodes. A fourth zone of mineralisation, Dinner Creek, has recently been identified to the east of Eastern Ridge. The deposit has the potential to contain significant greater within high-grade gold ore shoots that may extend to significant depths. The mineralisation is hosted within structures that are sheared to a greater extent than similar lode gold deposits, which increases the potential for significant thicknesses of gold mineralisation.

The Eastern Ridge Lode zone, being the longest lode structure, potentially represents the primary ore conduit. Although the lode has been mapped at surface to be at least 1.4 kilometres long, gold surface soil geochemistry indicates that the structure is closer to at least 4 kilometres long. Many shorter structures exist on the hanging wall side of the Eastern Ridge lode zone, such as the Steam Engine lode and numerous other zones have mainly only been identified from historic gold soil sampling.

Large portions of the world's economic deposits of gold are found in vein systems of this kind and they can hold impressive amounts of valuable ore. The veins and shoot zones typically can extend to significant depths with gold grades significantly higher than other types of gold deposits.

Reporting of Exploration Results and Mineral Resources: The reporting of some exploration results in this report reflects information that was originally reported in market announcements as referenced in various parts of this report. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcement.

Other information contained in this report that relates to exploration results is based on information compiled by Mr Kevin Richter, an employee of Superior Resources Limited, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Richter 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 Richter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information contained in this report that relates to Exploration Activities 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 being undertaken 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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