Quarterly Report

30 June 2021

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Summary

8,000m drilling campaign on Steam Engine, Bottletree and Wyandotte commenced on 17 June 2021

Steam Engine Gold Deposit – evaluation studies (Greenvale)

- Scoping Study outcome for the mining and toll treatment of approximately 65% of the current Resource tonnes was finalised.
- Feasibility Study commenced on Steam Engine and Eastern ridge lodes.
- Progressing Mining Lease application.
- Maiden Dinner Creek and Resource expansion drilling program underway.

Bottletree Copper Prospect (Greenvale)

- The Bottletree Copper Prospect is a large, potential Tier 1-size copper-mineralised system.
- 3-D geophysical remodelling of MIMDAS IP survey data and drill hole planning completed.
- On the basis of 2018 drill hole assay results and geophysics, the Company expects the proposed drilling program to intersect higher grade copper mineralisation within the main chargeable zone of the IP target.

Wyandotte Copper Prospect (Greenvale)

- The Wyandotte Prospect is a shallow zone of high-grade copper mineralisation, which is potentially associated with a deeper porphyry or other intrusion-related system.
- A copper Exploration Target has been established.
- Resource definition drilling program and mining studies planned to commence during H2, 2021.

Big Mag and Dido/Phantom (Greenvale)

- Prospectivity analysis confirms Big Mag and Dido/Phantom to be highly prospective for Voisey's Bay-style Ni-Cu-PGE magmatic sulphide ore deposit systems.
- Target generation program progressing, based on high quality aerial VTEM and magnetic survey datasets.

Superior Resources Limited

ASX:SPQ

Board

Carlos Fernicola – Chairman
Peter Hwang – Managing Director
Simon Pooley – Non-Exec Director
Carlos Fernicola – Company Secretary

Securities

Ordinary Shares – 1,381,335,791
Top 20 holders: 48% issued capital

Summary

Superior Resources Limited is a Brisbane based ASX-listed mineral explorer with a portfolio of large base metal exploration projects, including a developing portfolio of nickel-cobalt projects in northern Queensland. The projects include large targets for Mount Isa style copper and lead-zinc-silver deposits in north western Queensland and exploration projects in northeast Queensland for VMS and porphyry style copper-gold-lead-zinc-silver deposits. The Company's cobalt projects are located across the northern Queensland region.

Share Registry

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Web Site

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Contact

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Carlos Fernicola
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PROJECT LOCATIONS

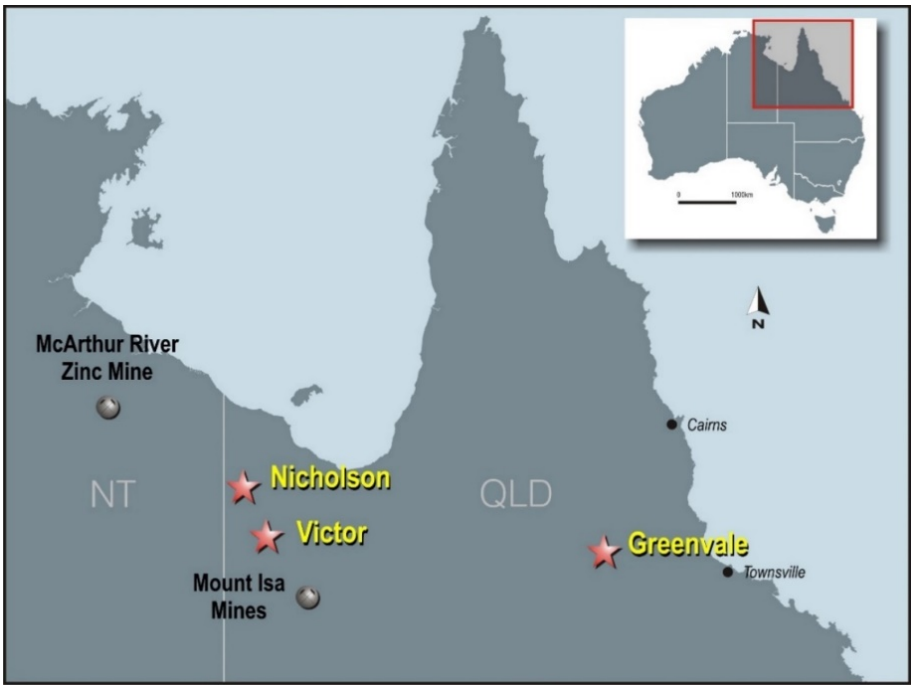

Figure 1. Location map showing the Company's current portfolio of projects.

GREENVALE PROJECT

Most of the operational activities undertaken during the reporting period relate to prospects within the Greenvale Project, located approximately 200 kilometres west-northwest of Townsville, Queensland (Figures 1 and 2). The activities comprised:

- Commencement of an **8,000m drilling campaign** on Steam Engine, Bottletree and Wyandotte.
- **STEAM ENGINE (Au)**
  - Commenced maiden drilling of Dinner Creek Zone and Resource extension drilling at Steam Engine Lode;
  - Reporting of the Steam Engine **Scoping Study** results;
  - **Feasibility Study** on Steam Engine and Eastern Ridge lodes;
  - **Metallurgical studies**;
  - **Environmental studies**;
  - Progressing **mining lease application**; and
  - Planning Resource extension **geophysical surveys**.
- **BOTTLETREE (Cu)**
  - Finalising 3-D geophysical remodelling of MIMDAS IP survey data;
  - Finalising drilling program; and
  - Preparation of access tracks and drill pads.
- **WYANDOTTE (Cu)**
  - Definition and reporting of a **Copper Exploration Target**; and
  - Finalising land access arrangements.
- **DIDO / PHANTOM (Ni-Cu-PGE)**
  - **New tenement application** (EPM27932, Phantom Creek); and
  - Prospectivity analysis and target generation.

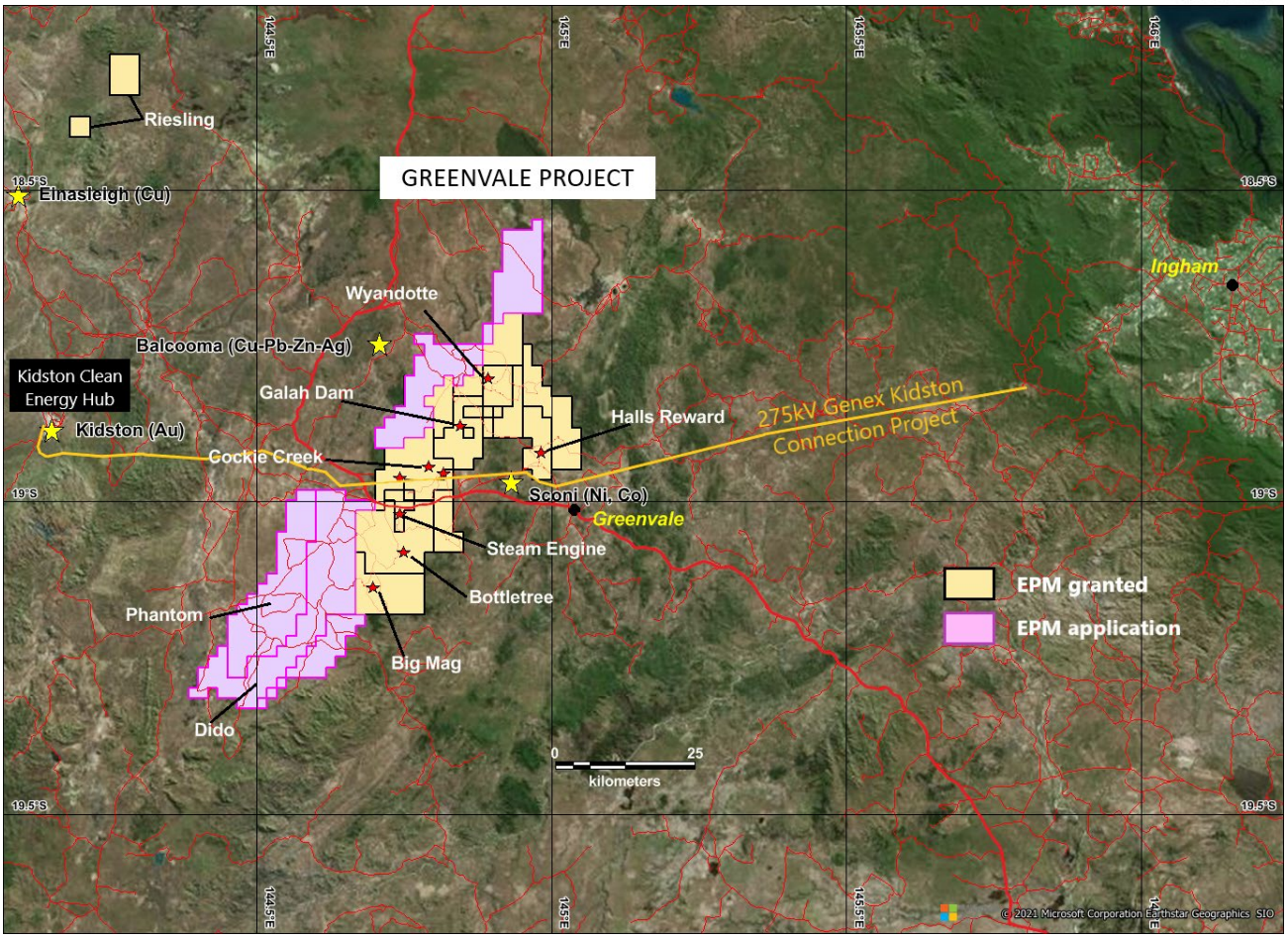

Figure 2. Greenvale Project tenements and prospects shown over satellite imagery.

Steam Engine Gold Project

The results of a Scoping Study for the mining and toll treatment of approximately 65% of the current Resource tonnes was finalised and reported to the market on 27 April 2021.

The highly positive financial outcomes indicated by the study enabled the Company to immediately commence a Feasibility Study and mining lease application process.

Maiden drilling at the Dinner Creek Zone and Resource extension drilling at the Steam Engine Lode, totalling approximately 4,500m, commenced on 17 June 2021.

Scoping Study

Summary[1]

- **The Scoping Study indicates a robust financial and technical case for a near-term, low CAPEX, open pit mining and toll treatment operation (Project), based on mining 65% of the current Resource tonnage to recover 70,000 ounces Au.**
- **Current total Mineral Resource comprises: 1.73 million tonnes at 2.2 g/t Au for 122,000 ounces[2], including:**
    - **Measured & Indicated: 850,000 tonnes @ 2.5 g/t Au (approx. 67,000 ounces)**
    - **Inferred: 880,000 tonnes @ 1.9 g/t Au (approx. 55,000 ounces)**

[1] Refer ASX Announcement dated 27 April 2021 for information relating to matters set out in this Summary.
[2] Total Mineral Resource estimate completed during March 2021; refer ASX Announcement dated 22 March 2021.

- **Base-case economic modelling indicates that the Project will deliver robust financial metrics:**
    - **post-tax LOM cash flow of A$24.2M @ A$2,200 per ounce Au, 21-month period of mining, post-tax LOM cash flow of A$41.0M @ A$2,500 per ounce Au, 24-month period of mining;**
    - **$NPV_{7\%}$ (post-tax): A$21.2M @ A$2,200/oz Au; A$35.9M @ A$2,500/oz Au;**
    - **IRR (post-tax): 242% @ A$2,200/oz Au; 410% @ A$2,500/oz Au**

The Scoping Study is based on the March 2021 revised Mineral Resource estimate of **1.73 million tonnes at 2.2 g/t Au for 122,000 ounces of gold**, which incorporated the results of the 2020 Resource definition drilling programs. An open cut mining and toll treatment operation was selected for the base case scenario for the study. Pit optimisation and mine planning exercises result in pit shells which are scheduled to mine 1.1 million tonnes at 2.31 g/t Au to recover 70,000 ounces (Figures 3 and 4). This is equivalent to approximately 65% of the current Resource tonnage. A stand-alone gold mining and processing scenario was also examined, which highlighted a significant opportunity for substantially improved project economics in the event that the Mineral Resource is expanded.

The key financial outcomes from the Scoping Study are summarised in Table 1.

Table 1. Key Outcomes – Upside Scenario compared to Base Case Scenario

Parameter	Base Case @ A$2,200 /oz	Upside Case @ A$2,500 /oz
Financial Summary		
Overall Cash Flow (post-tax)	A$24.2M	A$41.0M
$NPV_{7\%}$ (post-tax)	A$21.2M	A$35.9M
Internal Rate of Return (IRR) (post-tax)	242%	410%
All-in Sustaining Costs (AISC)[1]	A$1,673 /oz	A$1,725 /oz
Payback Period	11 months	9 months
Funding		
CAPEX (Pre-Production and Closure)	A$5.1M	A$5.1M
Funding Required[2]	A$10.0M	A$9.0M
Return on Capital (post-tax)	475%	806%
Physical Outputs		
Life of Mine (LOM) (Construction to Closure)	~2.5 years	~2.9 years
Total Ore	1.131 Mt	1.305 Mt
Ore Grade	2.31 g/t	2.24 g/t
Overall Gold Recovery	84%	84%
Gold Produced and Sold	70,000 oz	79,000 oz

1 *AISC calculated in accordance with the 2018 World Gold Council Updated Guidance Note.*

2 *Includes pre-production CAPEX plus operating losses until profits are generated.*

Breakeven Analysis

A breakeven analysis was conducted on each of the key variables, which provided the levels at which the pre-tax cash flow reduces to zero when all other parameters remain at base case levels (Table 2).

Table 2. Breakeven Analysis

Parameter	Breakeven Value
Gold Price	**A$1,709** (US$1,299 @ 0.76 AUD/USD)
Gold Grade	1.79 g/t
Gold Recovery – Steam Engine Lode Ore	60%

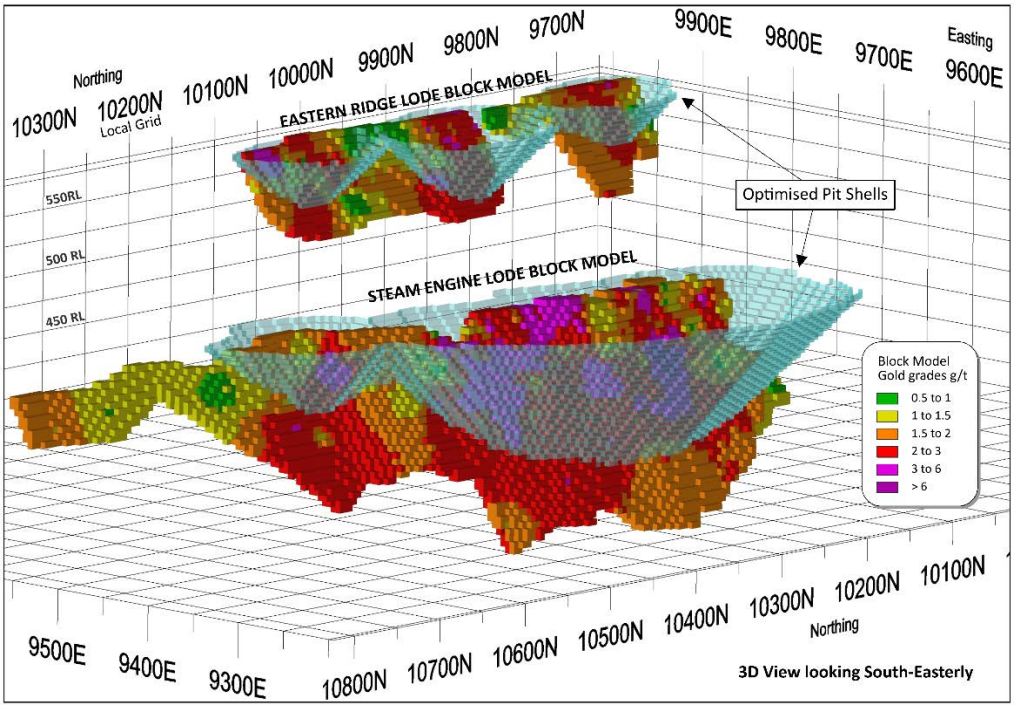

Figure 3. Steam Engine and Eastern Ridge block models showing base case optimised pit shells and gold grade categories.

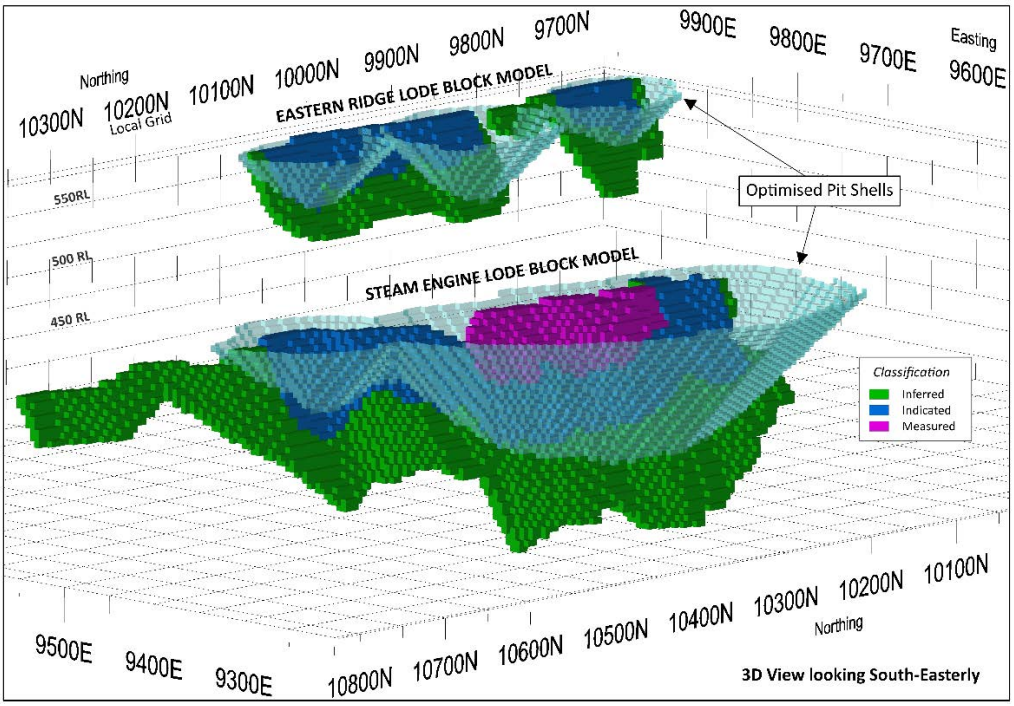

Figure 4. Steam Engine and Eastern Ridge block models showing base case optimised pit shells and JORC, 2012 Measured, Indicated and Inferred ore confidence categories.

Site Layout

A proposed site layout with the required site infrastructure in place was designed for the purpose of the Scoping Study (Figure 5).

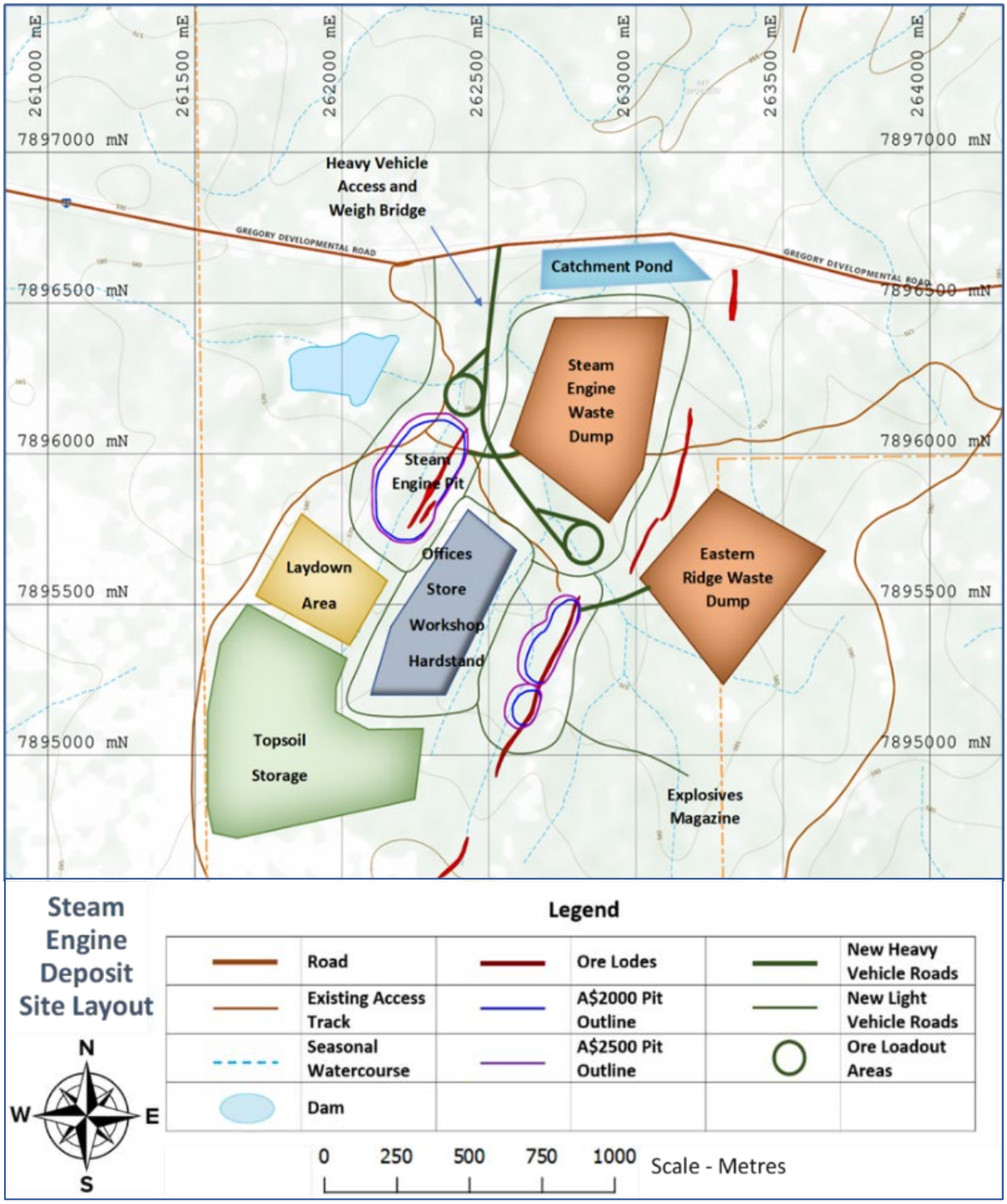

Figure 5. Steam Engine Project conceptual site layout.

Exploration Work – 2021 Drilling Programs

An 8,000m drilling campaign commenced on 17 June 2021 with maiden drilling of the Dinner Creek Zone. The program at the Steam Engine Project currently comprises:

- **Dinner Creek: 13 reverse circulation (RC) holes for approximately 1,000m** of drilling to confirm whether mineralised gold lode is developed at depth beneath the mapped gold-bearing lode at surface. If the results are positive, a follow up program will comprise an intense drill-out of the lode of **up to 54 RC holes for 3,500m** of drilling to define a maiden Mineral Resource (Figures 6 and 7);
- **Expansion of the total Mineral Resource** (Figures 8 and 9):
    - **Down-dip and along-strike extension** of the Steam Engine Lode – **8 RC holes for 1,275m** of drilling; and
    - **Extension of high grade ore shoots** in Steam Engine Lode – **up to 15 RC holes for approximately 2,000m** of drilling.

Actual drilling may be expanded, depending on assay results that are received as drilling progresses.

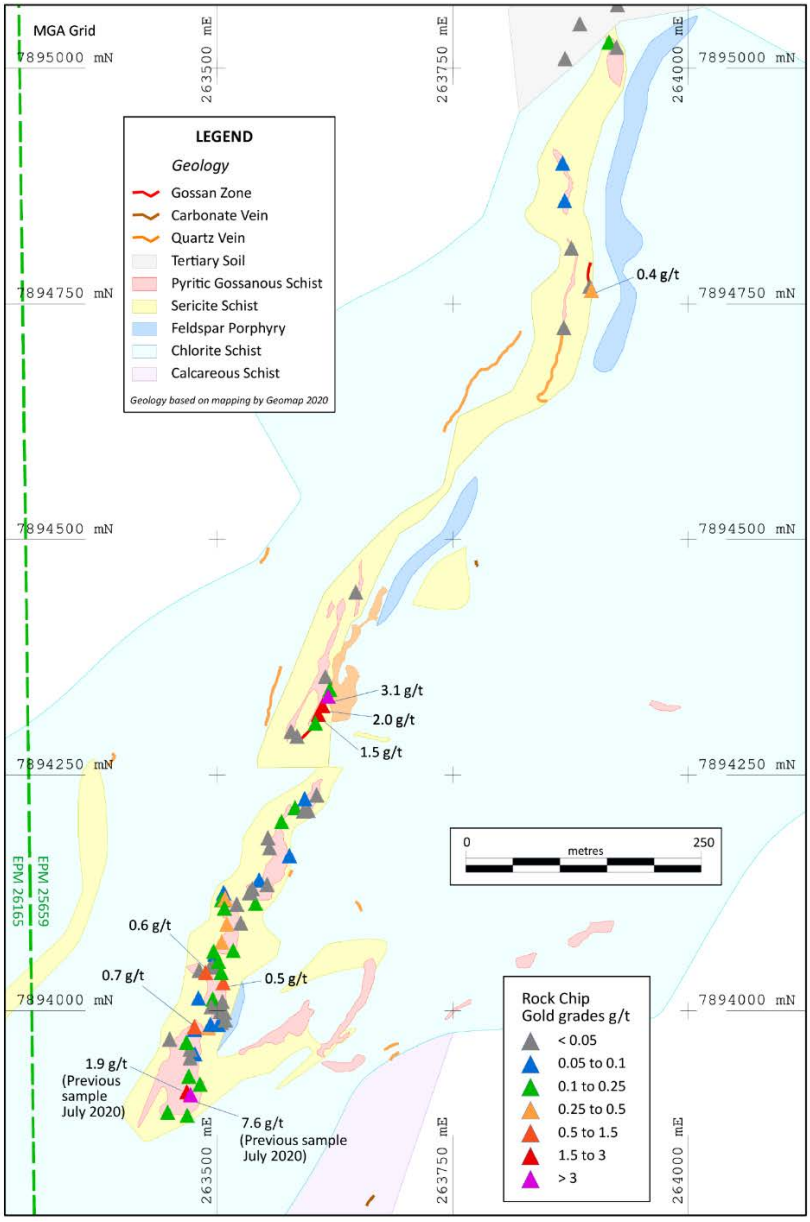

Figure 6. A portion of the Dinner Creek Lode zone showing mapped surface geology and recent rock chip Au assay results.

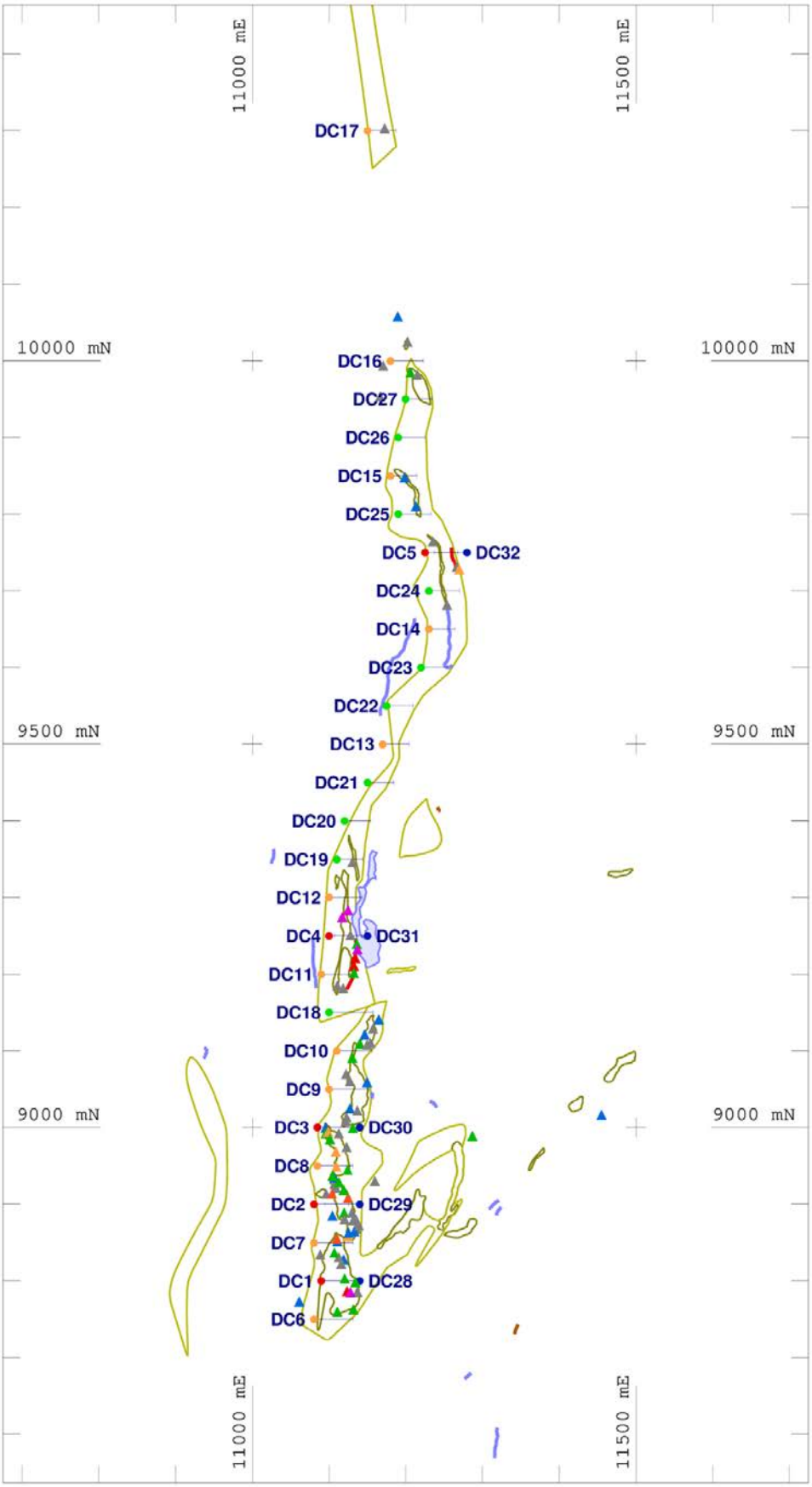

Figure 7. A portion of the Dinner Creek Lode zone showing an outline of the lode alteration zone and locations of proposed drill hole collars. Drill hole priorities are shown as: priority 1 (Red), priority 2 (Orange) and priority 3 (Green).

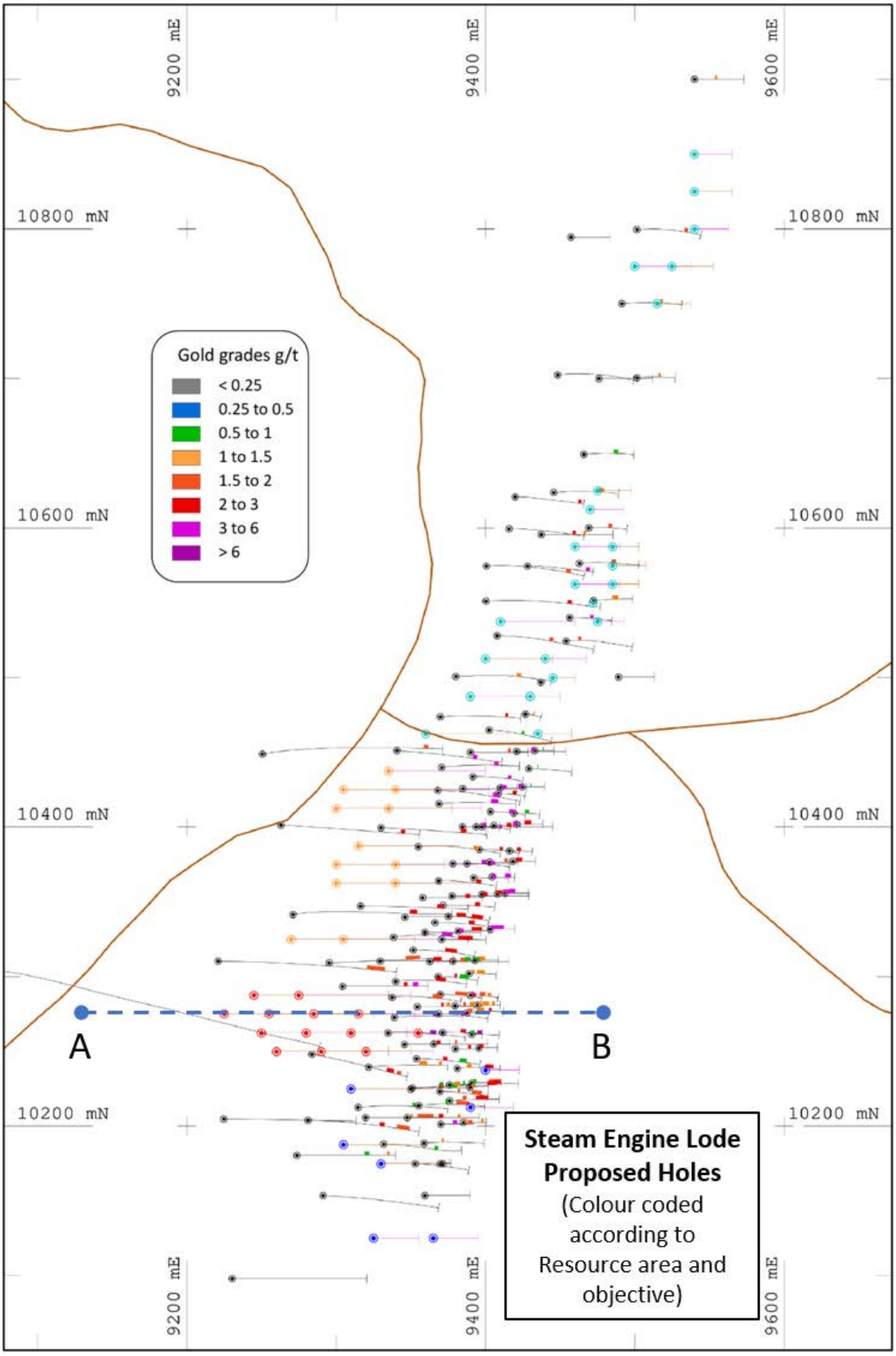

Figure 8. Plan of all proposed 2021 drill holes for the Steam Engine Lode (First and Second Campaigns). Proposed holes are colour coded to indicate Resource zones targeted and drilling objectives: Very high grade ore shoots (Red); other high grade zones (Orange); southern part of Steam Engine Lode (Blue); Northern Extension Zone (Aqua). Existing holes are coded Black. Section line A-B along 10275mN presented as a cross-section in Figure 9.

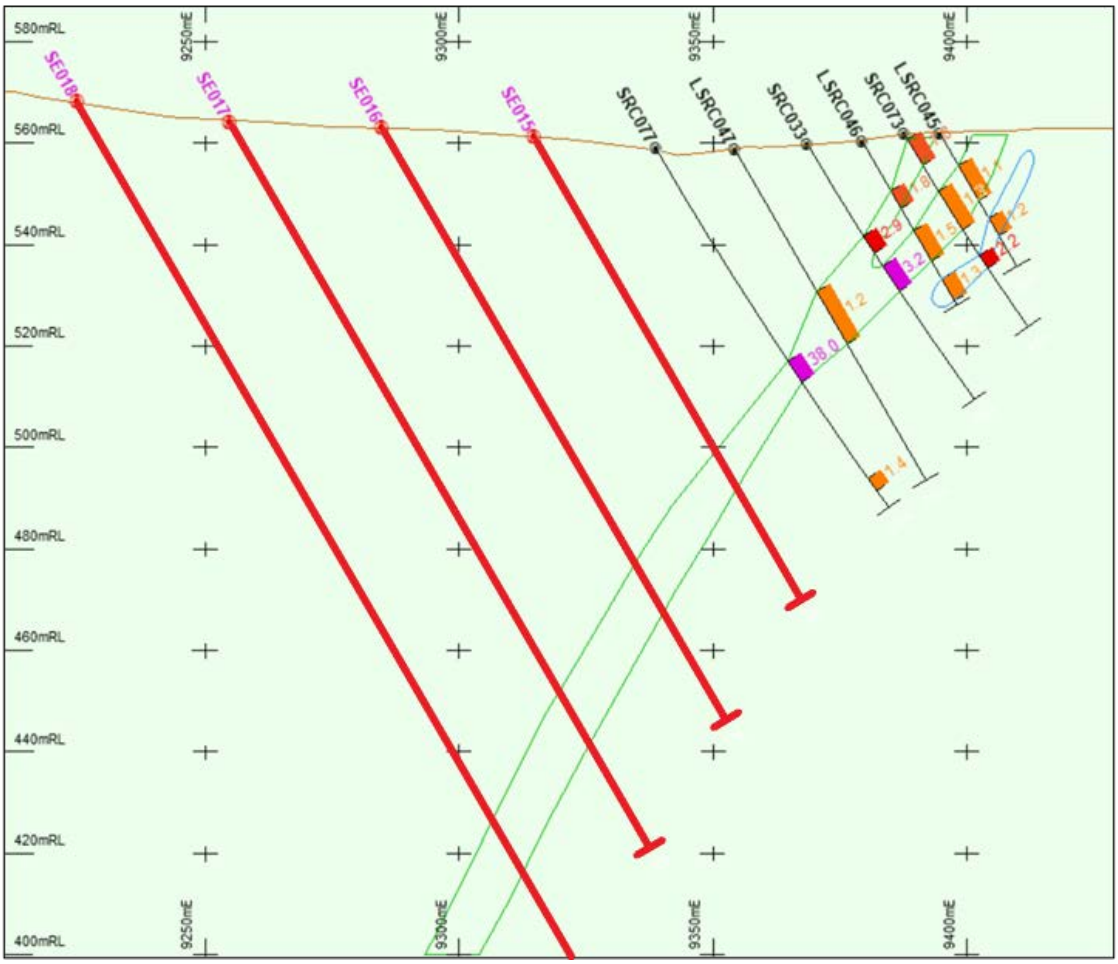

Figure 9. Cross section (A-B) of Steam Engine Lode along 10275mN showing existing drill holes (in black) and 2021 proposed holes (in red).

Plans for September Quarter

- Continue progressing the **Feasibility Study** on the basis of an open pit mining and third party toll treatment operation, although the scope may change depending on the results of further exploration drilling at the Project;
- Continue **Resource Expansion and infill drilling programs** –at the Dinner Creek Lode and the Steam Engine and Eastern Ridge Lodes (Figures 7 - 9);
- **Further metallurgical testwork and studies** aimed at improving gold recovery;
- **Detailed analysis of alternative operational pathways**, including standalone processing operations and high grade mining scenarios;
- **Regulatory approvals processes**, including native title, environmental and cultural heritage;
- Commence **Mining lease application** process; and
- **Commercial negotiations** regarding third party toll treatment and road haulage.

The Company's priority objective is to fast-track the Resource expansion drilling programs. Indications from the Scoping Study are that a standalone treatment and processing operation will return an economic outcome similar to the base case proposal. Assuming the key parameters continue to apply, a modest increase in total Mineral Resources will likely provide significant justification for a standalone operation, which would then substantially improve the Project economics and returns.

Bottletree Copper Prospect

Geophysical remodelling of MIMDAS IP survey data acquired over the prospect by Superior in 2018 was completed during the Quarter. A program of four deep diamond core drill holes targeting the core of the high chargeability anomaly was planned on the basis of the remodelled IP data (Figure 10).

2021 Drilling Program

The planned drilling program will target the central, expected high-grade copper core of the chargeability and resistivity anomaly with **up to three diamond core holes**. These holes are expected to intersect the high chargeability zone at between 150m to 450m down-hole depth. A deeper and more extensive zone of the anomaly will also be targeted at between **400m and 750m (down-hole depth) with one diamond core drill hole** (Figure 10).

The current 8,000m Greenvale drilling campaign contemplates the drilling of all four planned holes at Bottletree for a total of 2,100 metres. Actual drilling may change as drilling progresses, depending on observations from recovered core and assay results.

Drill hole pads and access tracks have been prepared.

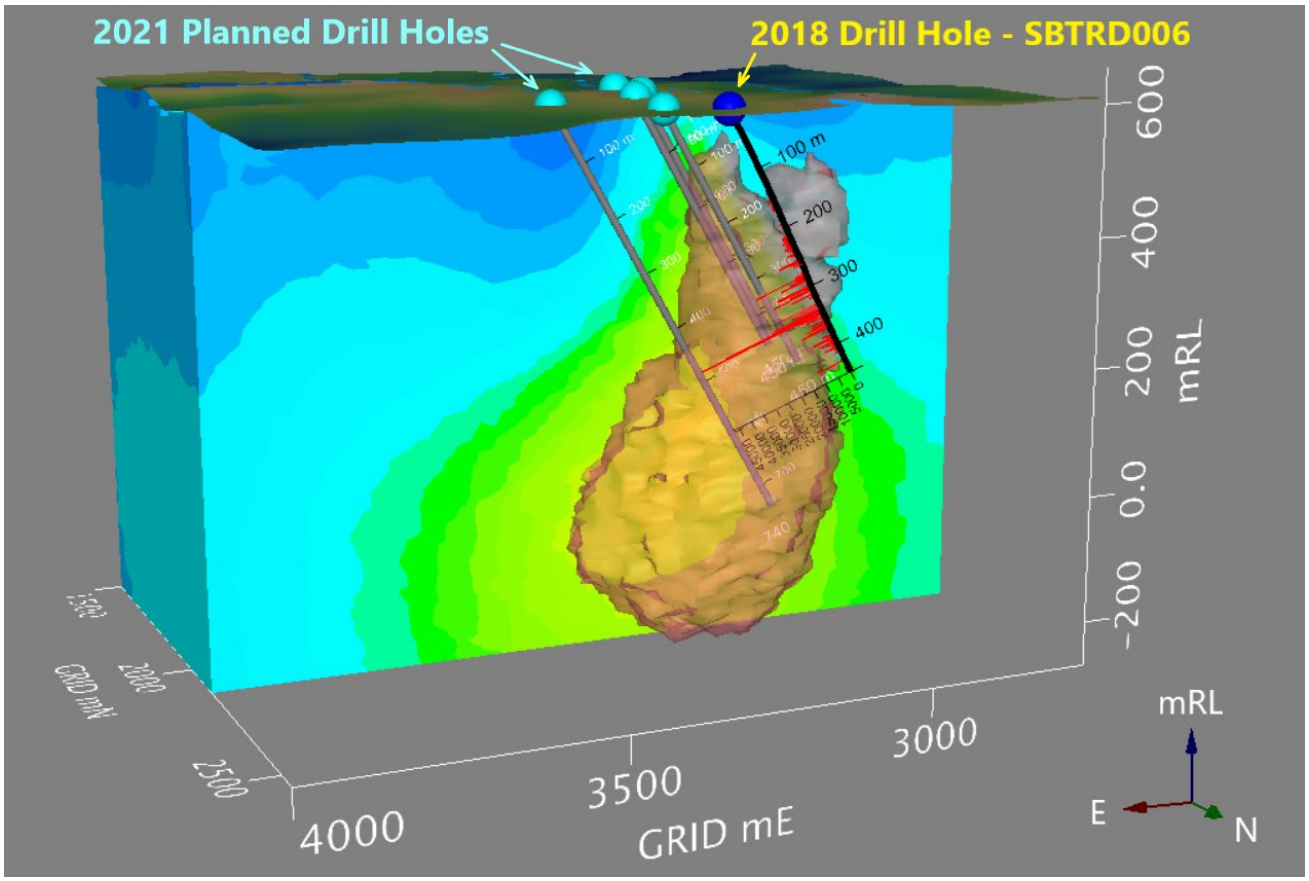

Figure 10. 3-D modelled IP high chargeability and low resistivity iso-surfaces highlighting the Bottletree IP anomaly, viewed looking southwest. 2018 hole SBTRD006 shown intersecting northern edge of the anomaly. Proposed 2021 holes also shown.

Wyandotte Copper Deposit

The Wyandotte Copper Deposit is a body of copper mineralisation located in the northern part of the Greenvale Project, which has not seen any exploration work since 1975.

Modelling of an Exploration Target and the planning of a Resource definition drilling program were completed during the Quarter.

Exploration Target

The historic work that has been conducted on the mineralised zone has been determined by Superior to be sufficient to enable the estimation of an Exploration Target that meets the requirements of clauses 17 and 38 of the JORC Code 2012, ASX Listing Rules 5.7, 5.12 and 5.16 and ASX Listing Rules Guidance Note 31.

The Company has defined an Exploration Target, expressed as a tonnage and grade range (Table 3; Figures 11 - 12)[3].

Table 3. Exploration Target

Tonnes	SG	Cu %	Cu tonnes	Range
400,000	2.7	2.2%	8,800	Lower
1,000,000	3.0	1.9%	19,000	Upper

Cautionary Statement (JORC, 2012)

Exploration Target: The Wyandotte Exploration Target has been calculated using historic drill hole and assay information by a Competent Person. The Exploration Target is reported in a form comprising a tonnage and copper mineralisation grade range. The Exploration Target does not constitute a Mineral Resource or Ore Reserve. The potential quantity and grade expressed by the Exploration Target is conceptual in nature as there has been insufficient exploration information to estimate a Mineral Resource. Furthermore, it is uncertain whether further exploration work will result in the estimation of a Mineral Resource.

2021 Drilling Program

A total of **14 drill holes for 1,075m of drilling** (30m to 150m drill hole depths) are designed to test the Exploration Target in the area of the historical drilling and also the potential for down-dip extensions of the copper mineralisation to approximately 100m vertical depth. The proposed holes will include four diamond core drill holes for up to 200m of diamond core drilling (40m to 50m depths) with the remainder being RC drill holes.

The initial 8,000m Greenvale drilling campaign contemplates the drilling of all 14 planned holes at Wyandotte for a total of 1,075m. Actual drilling may change as drilling progresses, depending on observations from recovered drill samples and assay results.

[3] Refer ASX Announcement dated 15 June 2021 for further information regarding the Exploration Target.

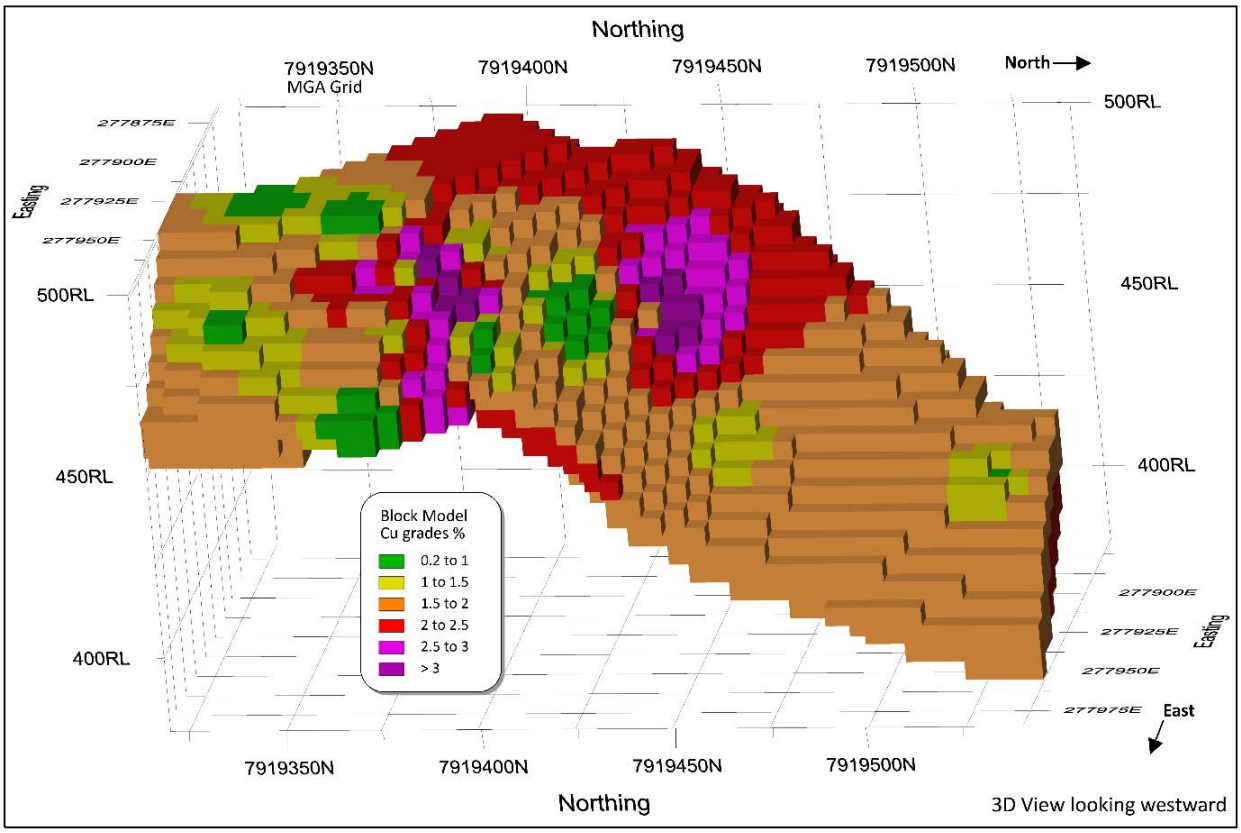

Figure 11. 3-D view of the Wyandotte copper mineralisation around the core area of the historic drilling.

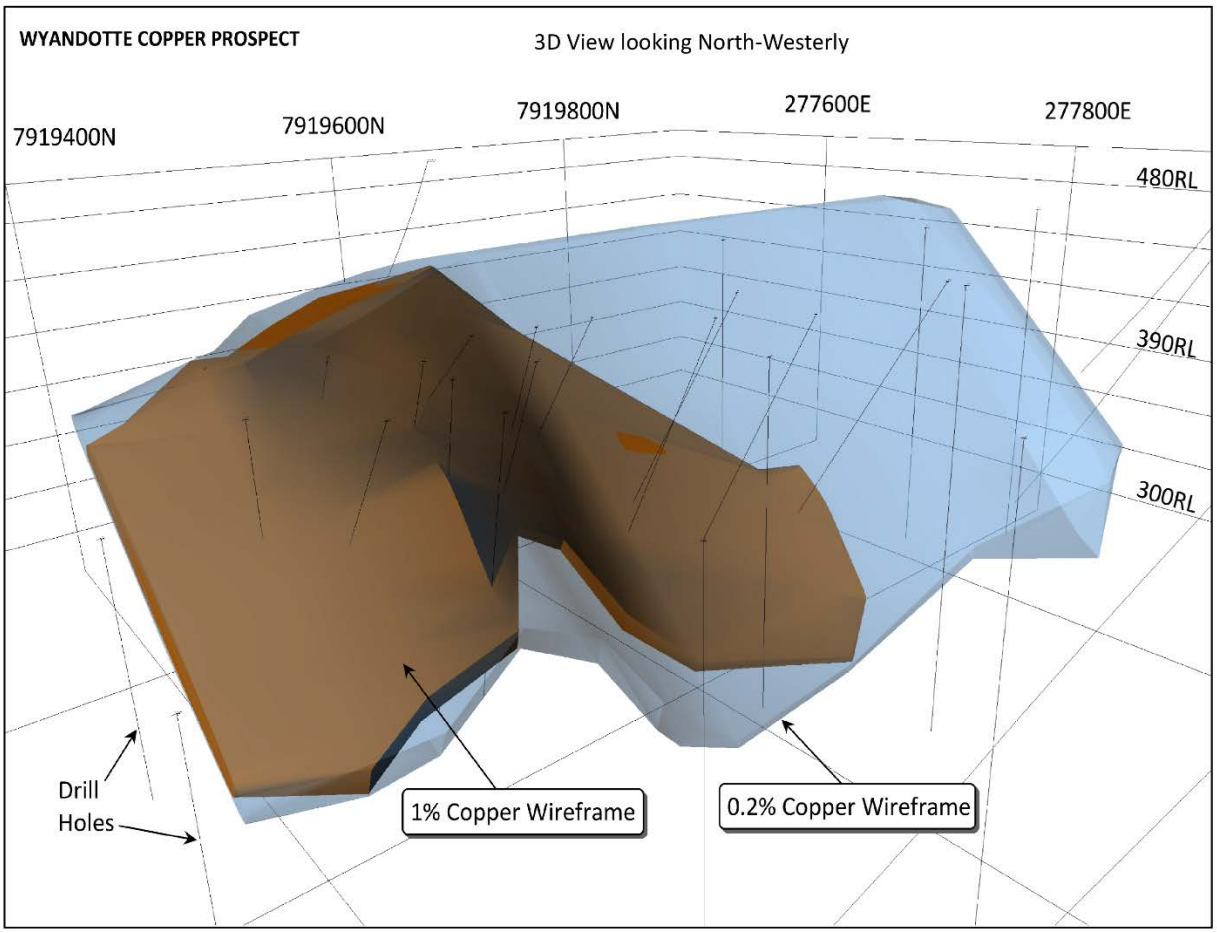

Figure 12. 3-D view of Wyandotte mineralisation wireframes of +1% copper and +0.2% copper mineralisation.

Big Mag and Dido Prospects

An extensive prospectivity analysis was conducted on approximately 2,000 km^2 of unique geological terrain located in the south-eastern part of the Greenvale Project. The exercise confirmed the existence of strong geological indicators that confirm the area to be highly prospective for the existence of Voisey's Bay style Ni-Cu-PGE magmatic sulphide ore deposit systems.

On the basis of these findings, the Company is progressing a target generation program on the Big Mag and Dido prospect areas. This exercise will be substantially based on high quality aerial VTEM and magnetic survey datasets.

To date, the exercise has identified several anomalous target areas, including potentially mineralised magma feeder dykes and mafic-ultramafic ovoid intrusions identified at Big Mag.

An update will be provided to the market shortly.

CORPORATE and COMMERCIAL

INVESTMENTS

Superior maintains an exposure in relation to ASX listed entity, Deep Yellow Limited (ASX:DYL).

As at 30 June 2021, the Company held 74,244 DYL shares with a closing value of $53,084.46.

RELATED PARTY MATTERS

Payments to Directors of the Company during the June Quarter totalled $74,700, comprising remuneration and superannuation.

ASX LISTING RULE 5.3.3

Appendix 1 sets out information that is required under ASX Listing Rule 5.3.3 (for exploration entities).

Peter Hwang
Managing Director

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manager@superiorresources.com.au

Reporting of Results: *The Exploration Results and interpretations contained in this report reflect information that has been reported in ASX market announcements as noted within this report. The Company confirms that it is not aware of any new information that materially affects the information included in the relevant original market announcements.*

The Steam Engine JORC 2012 Mineral Resource Estimate (MRE), Steam Engine Scoping Study outcomes, Wyandotte Exploration Target and related information were originally announced on the ASX Market Announcements Platform on 22 March 2021, 27 April 2021 and 15 June 2021, respectively (Announcements). The Company confirms that it is not aware of any new information that materially affects the information provided in the Announcements. All material assumptions and technical parameters on which the matters are based continue to apply and have not materially changed. Information relating to the above matters are 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.

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.

Reliance on previously reported information: *In respect of references contained in this report to previously reported Exploration Results, Mineral Resources or Exploration Targets, Superior confirms that it is not aware of any new information or data that materially affects the information, results or conclusions contained in the original reported document. In respect of previously reported Mineral Resource estimates, all originally reported material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed or qualified. The form and context in which the relevant Competent Person's findings are presented have not been materially modified from the original document.*

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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Steam Engine Mineral Resource Estimate[1]

Classification	Cut-off Grade (g/t Au)	Tonnes	Grade (g/t Au)	Au (ounces)
Steam Engine (Main Zone)				
Measured	0.5	240,000	2.6	20,000
Indicated	0.5	405,000	2.7	35,000
Inferred	0.5	620,000	2.0	40,000
Steam Engine (Footwall Zone)				
Indicated	0.5	60,000	1.8	3,000
Inferred	0.5	110,000	1.6	6,000
Eastern Ridge				
Indicated	0.5	145,000	2.0	9,000
Inferred	0.5	150,000	1.9	9,000
TOTAL MINERAL RESOURCES @ 0.5 g/t Au cut-off (Steam Engine and Eastern Ridge Lodes)				
Measured		**240,000**	**2.6**	**20,000**
Indicated		**610,000**	**2.4**	**47,000**
Inferred		**880,000**	**1.9**	**55,000**
TOTAL MINERAL RESOURCES		**1,730,000**	**2.2**	**122,000**

1. Refer to ASX announcement dated 22 March 2021 for further information relating to the Mineral Resource Estimate.

Appendix 1

DISCLOSURES REQUIRED UNDER ASX LISTING RULE 5.3.3

- Mining tenements held at the end of the quarter and their location

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Hedleys 2	EPM15670	Nicholson	100%	SPQ	Granted
QLD	Hedleys South	EPM18203	Nicholson	100%	SPQ	Granted
QLD	Tots Creek	EPM19097	Victor	100%	SPQ	Granted
QLD	Scrubby Creek	EPM19214	Victor	100%	SPQ	Granted
QLD	Cockie Creek	EPM18987	Greenvale	100%	SPQ	Granted
QLD	Cassidy Creek	EPM19247	Greenvale	100%	SPQ	Granted
QLD	Dinner Creek	EPM25659	Greenvale	100%	SPQ	Granted
QLD	Wyandotte	EPM25691	Greenvale	100%	SPQ	Granted
QLD	Cockie South	EPM26165	Greenvale	100%	SPQ	Granted
QLD	Victor Extended	EPM26720	Victor	100%	SPQ	Granted
QLD	Twelve Mile Creek	EPM26751	Greenvale	100%	SPQ	Granted
QLD	Dido	EPM27754	Greenvale	100%	SPQ	Application
QLD	Arthur Range	EPM27755	Greenvale	100%	SPQ	Application

- Mining tenements acquired and disposed of during the end of the quarter and their location

State	Tenement Name	Tenement ID	Location	Interest	Holder	Comments
QLD	Phantom Creek	EPM27932	Greenvale	100%	SPQ	Application

- Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter

State	Project Name	Agreement Type	Parties	Interest held at end of quarter by exploration entity or child entity	Comments

Abbreviations:

EPM	Exploration Permit for Minerals, Queensland
SPQ	Superior Resources Limited