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ASX RELEASE 27 May 2015

Tick Hill Gold Project Preparations for drilling – Surface Gold Project

- Air-core drilling program planned to commence during late June 2015.
 - Drill program is designed to assess existing mine tailings and potential alluvial-colluvial gold within areas adjacent to the old mine open-cut pit.
 - Drill rig has been mobilised to site.
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Superior Resources Limited (**ASX Code: SPQ**) (**Superior** or the **Company**) confirms that a drilling program for the assessment of existing old mine tailings and potential alluvial-colluvial gold has been initiated.

The tailings assessment project is planned to proceed in two stages, with an initial phase of drilling expected to commence during late June 2015. The initial phase will comprise approximately 35 air-core drill holes spaced 50 metres apart within the area of the existing tailings dam and 25 holes to test the alluvial potential over specific drainage areas proximal to the existing open-cut pit.

Subject to positive results being obtained from the initial phase of drilling, a systematic evaluation program comprising intensive drilling will immediately follow.

Progress to date

Following the transfer of the three Tick Hill mining leases from Mount Isa Mines Limited (**MIM**) to SPQ's joint venture partner, Diatreme Resources Limited (**DRX**) on 20 March 2015, the following has occurred:

1. An initial air-core drilling program and budget developed together with DRX;
2. DRX drill rig mobilised from South Australia to Duchess in north west Queensland (45 km from the Tick Hill site); and
3. Environmental regulatory permitting in the process of being obtained.

Joint operations with DRX

Under the terms of an Exploration Farm-in and Joint Venture Agreement (**JVA**) with DRX, the tailings, alluvial-colluvial gold and all other surface sources of gold are being assessed jointly with



DRX. The joint arrangement requires each party to contribute 50% of all costs associated with the operations.

All drilling operations associated with the surface gold assessment program will be conducted with the DRX-owned drill rig. These costs will also be shared equally between the parties.

Tick Hill Project goals – exploration and assessment targets

Superior's focus on the Tick Hill Gold Project is two-fold:

1. conduct exploration to identify a faulted extension to the earlier mined high grade mineralised zone, which averaged 22.6 grams per tonne; and
2. Surface Gold Project: evaluate and if feasible, exploit "surface gold" surrounding the old mining operation, which will include potential alluvial gold, mine tailings and waste rock dumps.

Whilst the assessment of the mine tailings and the alluvial-colluvial gold are components of the Surface Gold Project, Superior is also commencing preparatory work to enable exploration for the main target, being a potential faulted extension to the earlier lode.

Background: JVA Earn-in Period

Under the JVA, Superior has the right to earn a 50% interest in the project by spending a minimum of \$750,000 on exploration, which will include substantial drilling over a two year earn-in period (which can be extended by agreement). All expenditure incurred by SPQ on the Surface Gold Project will constitute earn-in expenditure and will be counted towards SPQ's \$750,000 minimum earn-in obligation.

During the earn-in period Superior will have the sole and exclusive right to access and conduct exploration on the project as well as to determine the nature of the exploration programs.

Upon a transfer of a 50% interest in the Project, Superior will be required to pay DRX \$100,000 and an amount equal to 50% of the government security bond on the mining leases.

MIM retains a royalty on gold produced from the mining leases, which is set at a variable rate depending on the annual grade of gold produced from mining. The royalty applies initially to gold produced above 5g/t Au and then, after payment of royalties totaling \$5M, to gold produced above 10g/t Au. A separate royalty rate applies to gold produced from tailings resulting from previous mining.

Project Background

The Tick Hill gold mine was an extraordinarily rich, compact, high-grade orebody, renowned for its spectacular gold-peppered, pink potassic rock. Gold mineralisation at Tick Hill occurred in a well-defined high-grade shoot with the following approximate dimensions: 140m (strike) by 1m to 30m (width) by 300m (down plunge).

The Project comprises three granted Mining Leases (No's 7094, 7096 and 7097), each with an area of 130ha for a total area of 390ha and is located 110km southeast of Mount Isa in northwest Queensland (Figure 1).

The Tick Hill Gold Deposit was mined between 1991 and 1995 by Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Limited) for the production of 513,333 ounces of gold from 705,000 tonnes of ore at a recovered grade of 22.6 g/t gold (MIM Holdings Limited – Annual Reports). This makes it one of the highest grade gold deposits in Australia's recent gold producing history.



Previous mining at Tick Hill was by an open pit with an underground mine beneath the open pit. Access to the underground mine was via a decline. A blind-bored vertical shaft which connected to the decline at depth was used for ventilation and as a mine escape route. Both the decline and vertical shaft were capped by concrete at the completion of mining but both are expected to be recoverable if required for further mining. Mine workings are currently flooded.

SPQ's prime objective in relation to the Tick Hill Gold Project is to define a high-grade gold resource similar to that previously mined by Carpentaria Gold Pty Ltd.

SPQ has identified a fault near the bottom of the previously mined gold shoot with the possibility that the gold shoot may exist at depth in an offset position from the previously mined area.

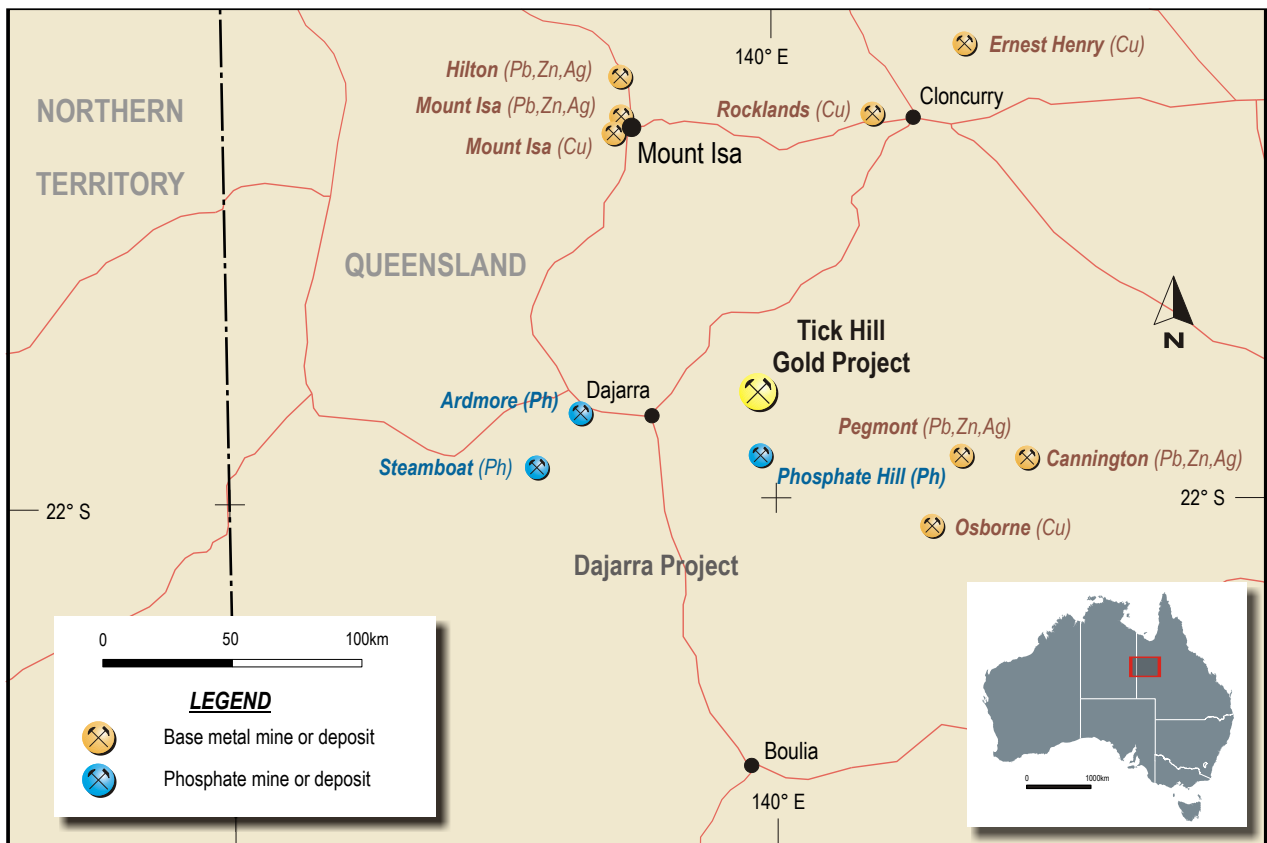


Figure 1: Tick Hill Gold Project location

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