



Superior Resources Limited

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6 September 2013

Dear Shareholder

Superior Resources Limited - Renounceable Rights Issue

On behalf of the Directors, I am pleased to invite you, as a valued Shareholder of Superior Resources Limited (ASX:SPQ) (**Superior** or **Company**), to participate in the Company's partially underwritten renounceable offer to eligible shareholders of rights (**Rights Issue**) to acquire three (3) new shares for every two (2) existing shares held on 13 September 2013 (**Record Date**).

Shareholders on the Company's register with an address in Australia or New Zealand on the Record Date will be eligible to participate in the Rights Issue (**Eligible Shareholders**) at an issue price of 1.2 cents per new share (**New Shares**). The issue price of 1.2 cents per New Share represents a 66% discount to the closing share price prior to the trading halt on 2 September 2013.

The Company announced the Rights Issue to the market and lodged the prospectus with ASX Limited (**ASX**) and the Australian Securities & Investments Commission (**ASIC**) on 5 September 2013.

Underwriting

The Rights Issue is partially underwritten by Patersons Securities Limited for \$1,126,061. Patersons Securities Limited will be paid an underwriting fee of 10% on the underwritten amount.

Renounceable

Eligible Shareholders' entitlements under the Rights Issue are renounceable. Accordingly, the following options are available to you:

- take up your rights in full or in part;
- take up your rights in full and apply for additional New Shares;
- sell all or part of your rights on the ASX;
- purchase additional rights on the ASX; or
- do nothing, in which case your rights will lapse.

Applications for New Shares are expected to be open from 17 September 2013 until the close of business on 1 October 2013.

A shortfall facility will be provided to Eligible Shareholders and Superior's Directors reserve the right to place any remaining shortfall at their discretion within three months after the close of the offer.



Timetable

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

| Event | Date |
|--|------------------------------|
| Offer announced and Appendix 3B lodged with ASX | Thursday, 5 September 2013 |
| Prospectus lodged with ASIC and ASX | Thursday, 5 September 2013 |
| Ex-date - Shares trade ex entitlement | Monday, 9 September 2013 |
| Rights trading commences | Monday, 9 September 2013 |
| Record Date | Friday, 13 September 2013 |
| Dispatch of Prospectus and Entitlement and Acceptance forms to Eligible Shareholders | Tuesday, 17 September 2013 |
| Rights trading ends | Tuesday, 24 September 2013 |
| Deferred settlement trading commences | Wednesday, 25 September 2013 |
| Closing date for acceptances | Tuesday, 1 October 2013 |
| Notify ASX of under-subscriptions | Friday, 4 October 2013 |
| Allotment and issue of New Shares | Thursday, 10 October 2013 |
| Dispatch of shareholder statements | Friday, 11 October 2013 |
| New Shares commence trading (expected) | Friday, 11 October 2013 |

The above dates are indicative only. The Directors reserve their discretionary right, subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, to withdraw the Rights Issue at any time, close the Rights Issue early or extend the closing date for acceptance of applications.

Capital Structure

The capital structure of the Company before and after completion of the Rights Issue is set out below (assuming full subscription):

| | Shares |
|---|--------------------|
| Existing shares | 83,105,955 |
| New shares offered under the Rights Issue | 124,658,932 |
| Total shares | 207,764,887 |

The New Shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company.

Use of Funds

The Rights Issue will raise approximately \$1,495,907 (before expenses) if all shareholders subscribe for their entire entitlement to shares.



The proposed use of funds is as follows:

| Use of Funds (approximately) | Underwritten Amount | Full Subscription |
|------------------------------|---------------------|--------------------|
| Exploration Total | \$596,000 | \$966,000 |
| - Northwest Queensland | \$176,000 | \$216,000 |
| - Greenvale | \$200,000 | \$330,000 |
| - Tick Hill | \$220,000 | \$420,000 |
| Working Capital | \$380,000 | \$380,000 |
| Costs of the Offer | \$150,000 | \$150,000 |
| Total | \$1,126,000 | \$1,496,000 |

Ineligible Shareholders

The Company has decided that it is unreasonable to make the offer to shareholders who have a registered address in a country outside Australia or New Zealand on the Record Date, having regard to the number of shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

Taking up Your Entitlement

Eligible Shareholders should consider the prospectus carefully in deciding whether to acquire New Shares offered under the Rights Issue, and will need to complete the personalised entitlement and acceptance form accompanying the prospectus to take up your entitlements or apply for additional shares.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 7 3839 5099 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on the ASX Limited website at www.asx.com.au, or alternatively at the Company's website at www.superiorresources.com.au.

We look forward to your participation in the Rights Issue.

Peter Hwang
Managing Director

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Further Information:

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