

Superior Resources Limited

ABN 72 112 844 407

Registered Office:

Level 2, 87 Wickham Terrace,
Spring Hill Queensland 4000

Postal Address:

PO Box 10288
Brisbane Adelaide Street
Queensland 4000

Telephone: 07 3839 5099

Facsimile: 07 3832 5300

Email: manager@superiorresources.com.au

ASX ANNOUNCEMENT

3 November 2015

NICHOLSON PROJECT – FARM-IN AND JOINT VENTURE AGREEMENT

Superior Resources Limited (**ASX Code: SPQ**) (**Superior** or the **Company**) is pleased to advise that it has entered into a Farm-in and Joint Venture Agreement (**Agreement**) with Teck Australia Pty Ltd (**Teck Australia**), a wholly-owned subsidiary of Canada's largest diversified resource company, Teck Resources Limited (**Teck**), to explore Superior's Nicholson Project (zinc-lead-copper) in north-west Queensland (**Project**).

The Project, located near the Walford Creek lead-zinc-silver-copper deposit, comprises several prospects with potential to host stratiform lead-zinc-silver deposits of the Mount Isa style of mineralisation (refer Figure 1).

Previous drilling of one of the prospects by Superior (Walford South Prospect) confirmed the presence of substantial amounts of pyritic shale and low grade zinc mineralisation, which are often associated with such styles of mineralisation. An airborne VTEM survey conducted by Superior over the Nicholson West Prospect identified a moderately deep conductivity anomaly in a sequence similar to that hosting the Walford Creek deposit. This, together with outcropping rocks containing vein-lead mineralisation, suggests the potential of the Project to host stratiform zinc-lead mineralisation.

Managing Director, Mr Peter Hwang, said "*We are delighted to have Teck as a partner, being one of the world's largest zinc producers, to explore one of the Company's key zinc projects. Teck, who are global leaders in zinc expertise and capability, are probably the most active of the large companies currently exploring for zinc in Australia. The finalisation of the agreement with Teck Australia is a significant milestone for the Company and good timing as the Company expedites the implementation of its zinc strategy. We have committed an extensive amount of our efforts to secure an appropriate major for our zinc projects and we consider Teck to be the perfect partner to complement our objectives of discovering the next Mount Isa deposit.*"

Significantly, the finalisation of the Agreement now enables the Company to focus its resources on the larger "*Next Mount Isa*" Victor Project, also located in north west Queensland as well as the Riesling Project (zinc-lead-copper) in north east Queensland.

AGREEMENT TERMS

Under the terms of the Agreement, Teck Australia has an exclusive right to earn a 70% interest in the Project tenements by spending \$2,500,000 in accordance with the following structure:

- incurring \$250,000 Minimum Expenditure: to be spent on exploration or paid in cash to Superior by 30 September 2016; and
- incurring \$2,250,000 in optional expenditure on or before 31 December 2018.

On satisfaction of the earn-in requirements by Teck Australia, the parties will be in a 70:30 (Teck Australia:Superior) joint venture.

Under the joint venture, each party shall bear their respective percentage share of exploration, feasibility and any development costs. Each party will also be entitled to their respective percentage share of production.



Dilution terms will also apply. A party's interest will be converted to a 5% net profits royalty, capped at two times its deemed contribution to expenditures, if that party's participating interest falls below 10%.

Teck Australia will be the initial operator of the joint venture.

Managing Director Mr Peter Hwang commented: "We are excited about the upcoming 2016 field season and in particular, we look forward to working together with Teck to further explore our north west Queensland zinc projects".

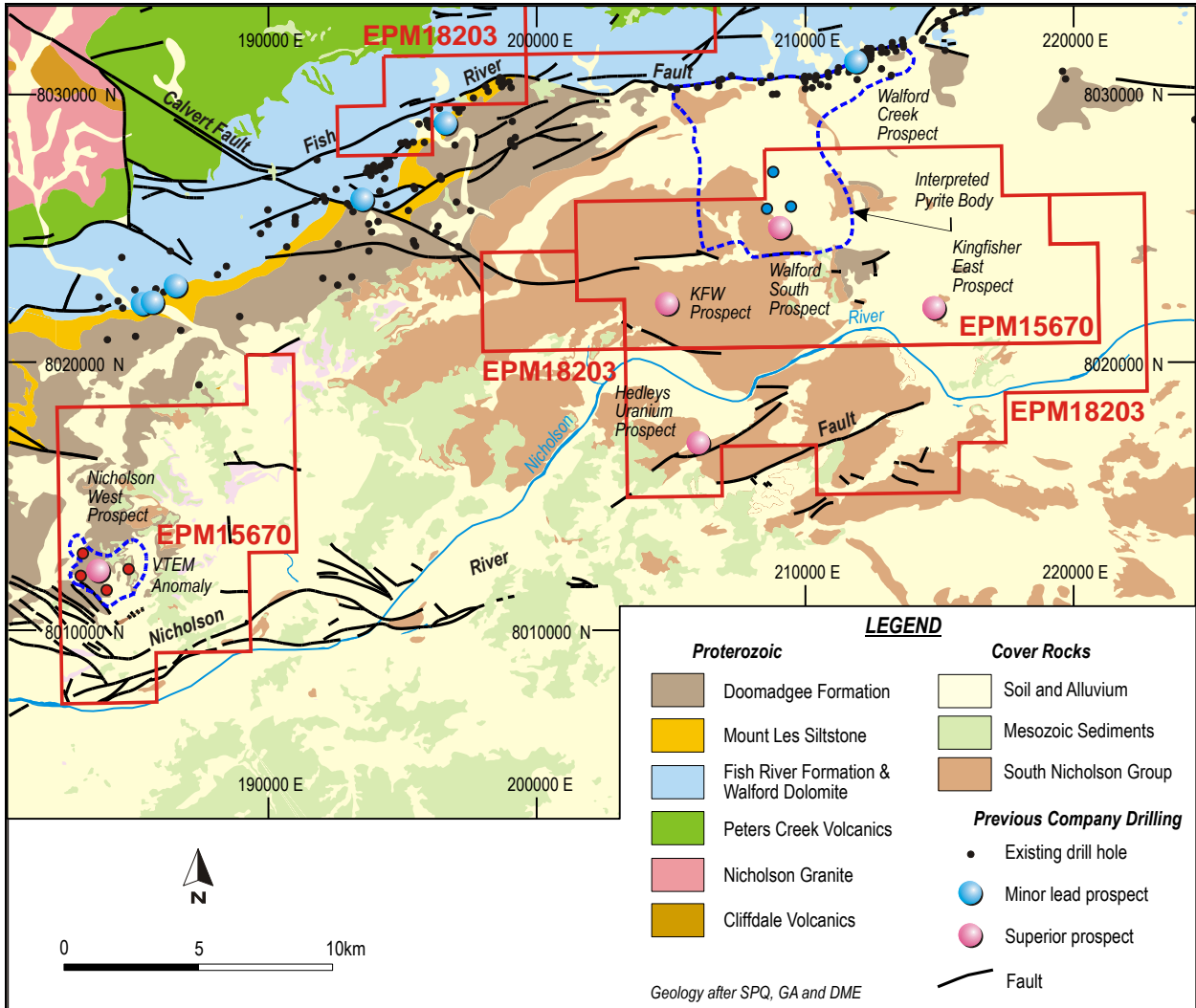


Figure 1. Project tenements and prospect locations overlaid on background regional geology.

Peter Hwang
Managing Director

Contact:

Mr Carlos Fernicola (07 3831 3922)
Mr Peter Hwang (07 3839 5099)

Further Information:

www.superiorresources.com.au
manager@superiorresources.com.au