

# Superior Resources Limited

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## ASX RELEASE 11 AUGUST 2011

### Tick Hill Gold Project Joint Venture Mining Lease No's 7094, 7096 and 7097

Superior Resources Limited (ASX Code: SPQ) is pleased to announce that it has reached agreement with Diatreme Resources Limited (ASX Code: DRX) to farm into the Tick Hill Gold Project, comprising granted Mining Lease No's 7094, 7096 and 7097, located 110km southeast of Mount Isa in northwest Queensland (Figure 1).

SPQ and DRX will now proceed to draw up a formal agreement reflecting the agreed terms.

DRX has rights to the Tick Hill Gold Project under an Option and Sale Agreement with Mount Isa Mines Limited (ISA) and is currently in the process of executing its option and assuming ownership of the project.

The agreement between SPQ and DRX gives SPQ the right to earn a 50% interest in the project by the:

- completion of \$750,000 of exploration including substantial drilling;
- payment to DRX of \$100,000; and
- lodgement of 50% of the government security bond on the mining leases (\$150,000).

The agreement is conditional on the completion of a number of administrative matters, including the renewal of the mining leases (currently in progress), the transfer of the mining leases from ISA to DRX (in progress), an acceptable environmental authority relating to exploration of the mining leases and SPQ agreeing to ISA's retained rights to a royalty on gold production from the mining leases and on ISA's rights to downstream process, on commercial terms, any copper produced from the area.

ISA's retained royalty on gold produced from the mining leases is set at a variable rate dependent on the annual grade of gold produced from mining. The royalty applies initially to gold produced above 5g/t Au and then, after total payment of royalties of \$5M, to gold produced above 10g/t Au. A separate royalty rate applies to gold produced from tailings from previous mining.

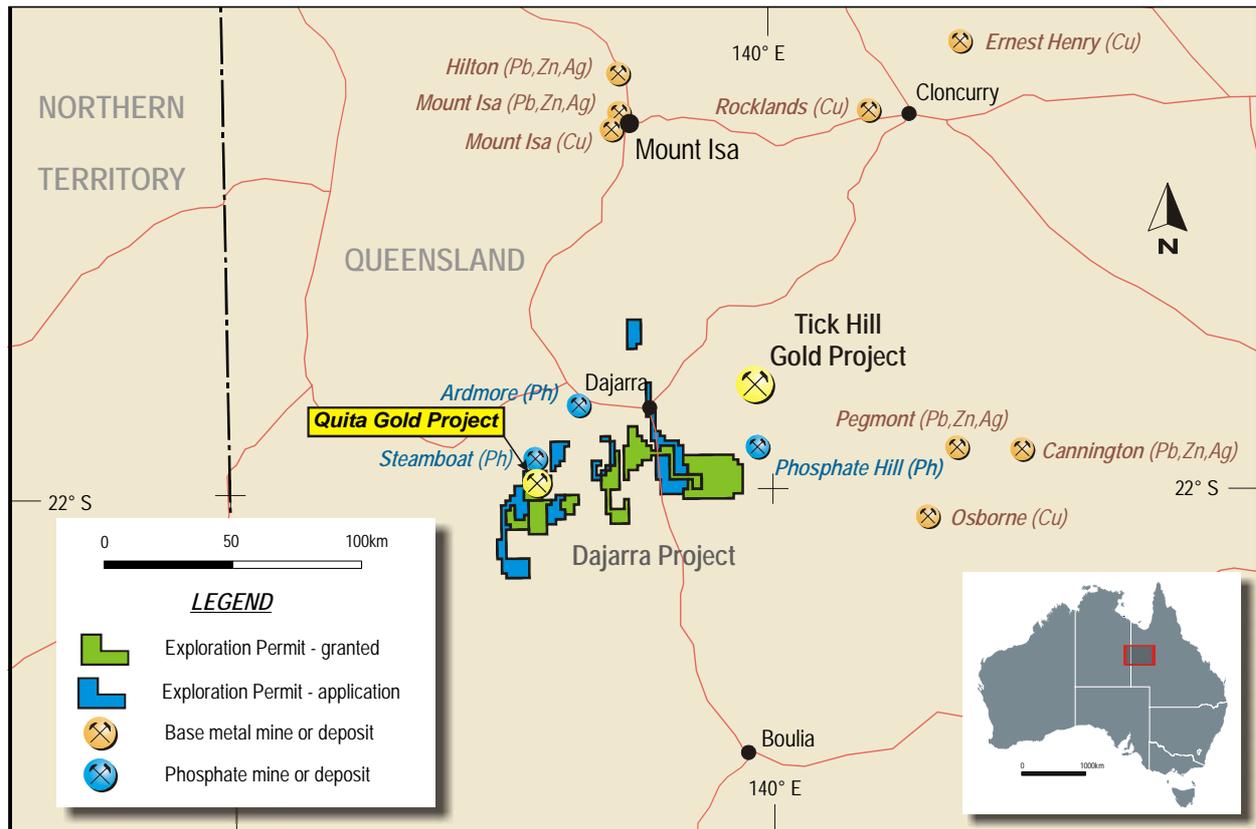


Figure 1. Tick Hill Gold Project location relative to SPQ's Quita Gold Project.

The Tick Hill Gold Project is comprised of three granted mining leases (ML7094, ML7096 and ML7097), each with an area of 130ha for a total area of 390ha.

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.

The prime purpose of the exploration program to be completed by SPQ 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. SPQ will initially drill areas containing the possible offset extension of the mined shoot.



Additional exploration to be completed by SPQ includes assessment of other potentially gold bearing areas within the mining leases, testing of the tailings from the previous mining to determine if these contain sufficient gold to warrant reprocessing, assessment of potential alluvial resources and investigation of the grade of the old mine dumps.

The Tick Hill Gold Project is located 90km northeast of the Quita Gold Project where SPQ is currently exploring for gold. These two gold projects together with ongoing work on the One Mile Mining Lease in northeast Queensland reflect SPQ's greater emphasis on gold because of the current high gold price and SPQ's access to quality gold projects.

A handwritten signature in black ink, appearing to read 'K. Harvey'.

**Ken Harvey**  
**Managing Director**

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**Further Information:** [www.superiorresources.com.au](http://www.superiorresources.com.au)

*The information in this report that relates to Exploration Results is based on information compiled by Mr Ken Harvey, a full-time employee of the Company, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Harvey 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harvey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*