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QUARTERLY ACTIVITIES REPORT – DECEMBER 2007

HIGHLIGHTS

- **Superior Resources Limited listed on the ASX on 12 November 2007**
- **VTEM survey shows high-priority EM anomalies at Elizabeth and RFZ**
- **Follow-up VTEM surveys at Elizabeth and Carbine confirm EM anomalies**
- **Uranium – molybdenum soil anomalies outlined at Myally Creek**
- **Granting of Sulieman South and Inca Creek 2 exploration permits**

EXPLORATION ACTIVITIES

Following the listing of Superior Resources Limited on 12 November 2007, operations progressed as planned apart from the difficulties of securing a suitable large drilling rig for the planned deeper drilling. A lighter drilling rig was used to complete some drilling but the deeper holes could not be completed. A suitable larger drilling rig has been secured for drilling early in the March 2008 quarter subject to weather conditions.

Tenements

EPM 15732 "Inca Creek 2" was granted on 25 September 2007 and EPM 16029 'Sulieman South' was granted on 30 November 2007. Existing tenements held by SPQ in north-west Queensland are shown in Figure 1.

During the quarter an application was made for an additional tenement (EPM 17043) on the eastern side of the Myally Project area to cover an area with potential for uranium and possibly base metals. Applications were also lodged for two additional tenements

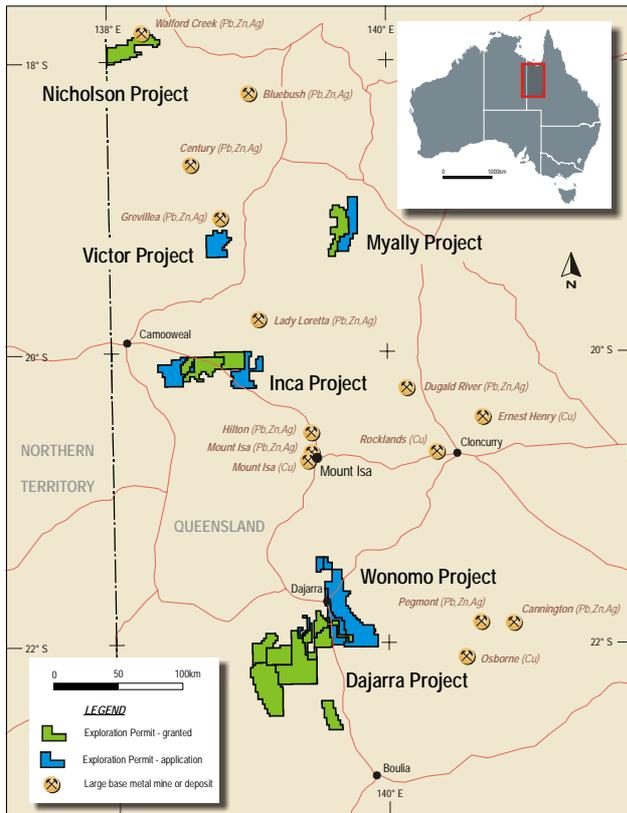


Figure 1. Superior resources Limited – Project and tenement locations

(EPMs 16995 and 17012) forming the Wonomo Project to the east of the Dajarra Project area for base metals and uranium.

Dajarra Project

VTEM Surveys

Final results for the heliborne Versatile Time-Domain Electromagnetic (VTEM) survey completed by Geotech Airborne Pty Ltd (www.geotechairborne.com) in August 2007 were received during the quarter.

Initial modelling and interpretation of results from the VTEM surveys focused on the obvious prospect areas including the two new high-priority EM anomalies at the Elizabeth and RFZ prospects reported during the quarter. The VTEM results also confirmed previously located anomalies at the Rundle and the Carbine prospects.

Modelling and interpretation of the VTEM results to delineate additional drilling targets continues.

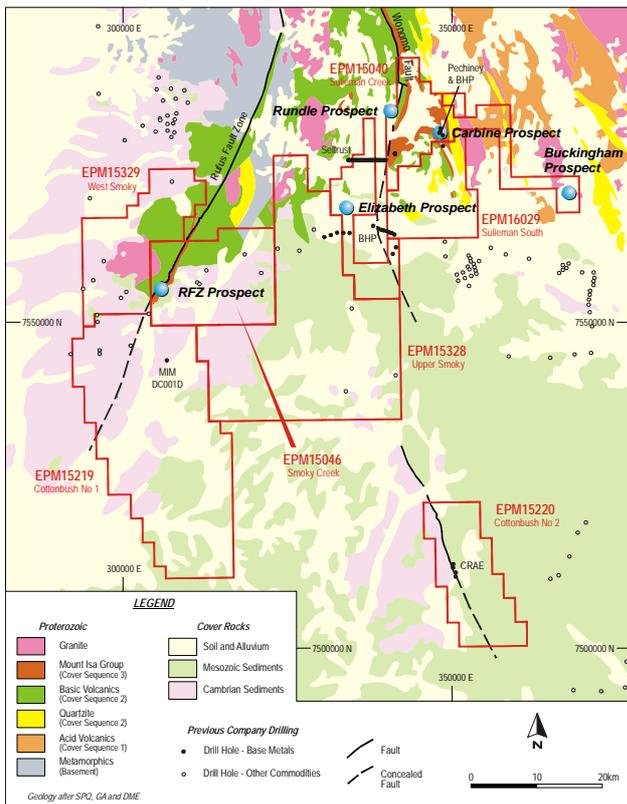


Figure 2. Dajarra Project – Prospect locations

Elizabeth Prospect

The Elizabeth Prospect lies on the edge of the covered area at the southern end of the Mount Isa Inlier. The prospect area is largely covered by soil derived from Cambrian sandstone cover. Some small outcrops of ferruginous siltstone however do occur in the prospect area. These are similar to the host rocks at Mount Isa and the prospect appears to lie within prospective Mount Isa Group sediment equivalents.

The VTEM survey completed in August 2007 indicated that the Elizabeth Prospect was a high-priority drilling target and more detailed VTEM surveying was completed on flight lines at 100m spacing on 2 December 2007 to better detail the Elizabeth anomaly. A total of 57 lines were flown for a total of 171 km of surveying. Preliminary field results for this work have been received but final results will not be available until the next quarter.



Processing and interpretation of the results from the earlier VTEM survey and the preliminary results from the more recent VTEM survey show a pronounced VTEM anomaly at Elizabeth

which extends for approximately 4.5 km with the best portion of the anomaly occurring in the northern 2.5 km section of the area (Figure 3). Modelling of the anomaly indicates that it lies below a depth of 150m and it is shallow dipping either to the east or to the west. The anomaly deepens to the south as the thickness of the Cambrian cover increases.

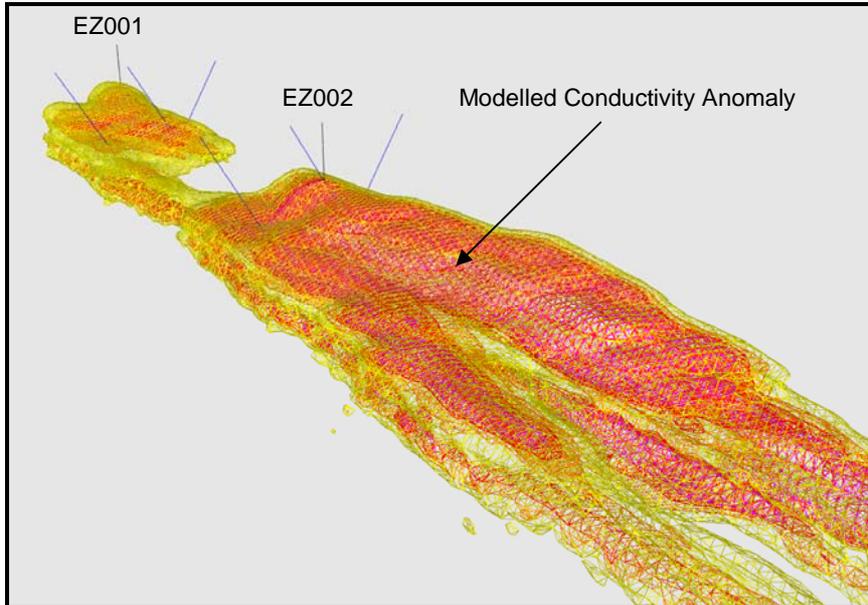


Figure 3. Elizabeth Prospect – A 3D view (with the ground removed) looking down at 20° towards 20° MGA showing the conductivity anomaly (wireframed) modelled from the preliminary detailed VTEM data with existing drilling in black and the proposed drilling in blue.

In the absence of a larger drilling rig capable of testing the Elizabeth anomaly two shallow vertical RC drill holes were drilled into the Elizabeth Prospect late in

the December quarter.

Hole	North_MGA	East_MGA	RL	Depth	Azimuth_MGA	Dip
EZ001	7568452.47	333619.62	297.53	124.00	0.00	-90.00
EZ002	7566982.37	333916.95	286.55	130.00	0.00	-90.00

These holes intersected fine-grained sediments which were largely cleaved siltstones similar to the sediments which host the Mount Isa base metal deposits. Some graphite was present but this was considered insufficient to explain the EM anomaly. Fresh disseminated sulphides (pyrite) occurred below the oxidized zone at about 120m depth. Assay results for the drilling have recently been received but do not show anything of interest – maximum 169 ppm Cu and 96 ppm Zn over 2m. However the target lies below the depth tested by the shallow holes (Figure 4).

A program of deeper drilling on this prospect is planned for the March 2008 quarter to determine if the VTEM anomaly is related to mineralisation or to a lithological source such as graphitic siltstone (Figure 4).

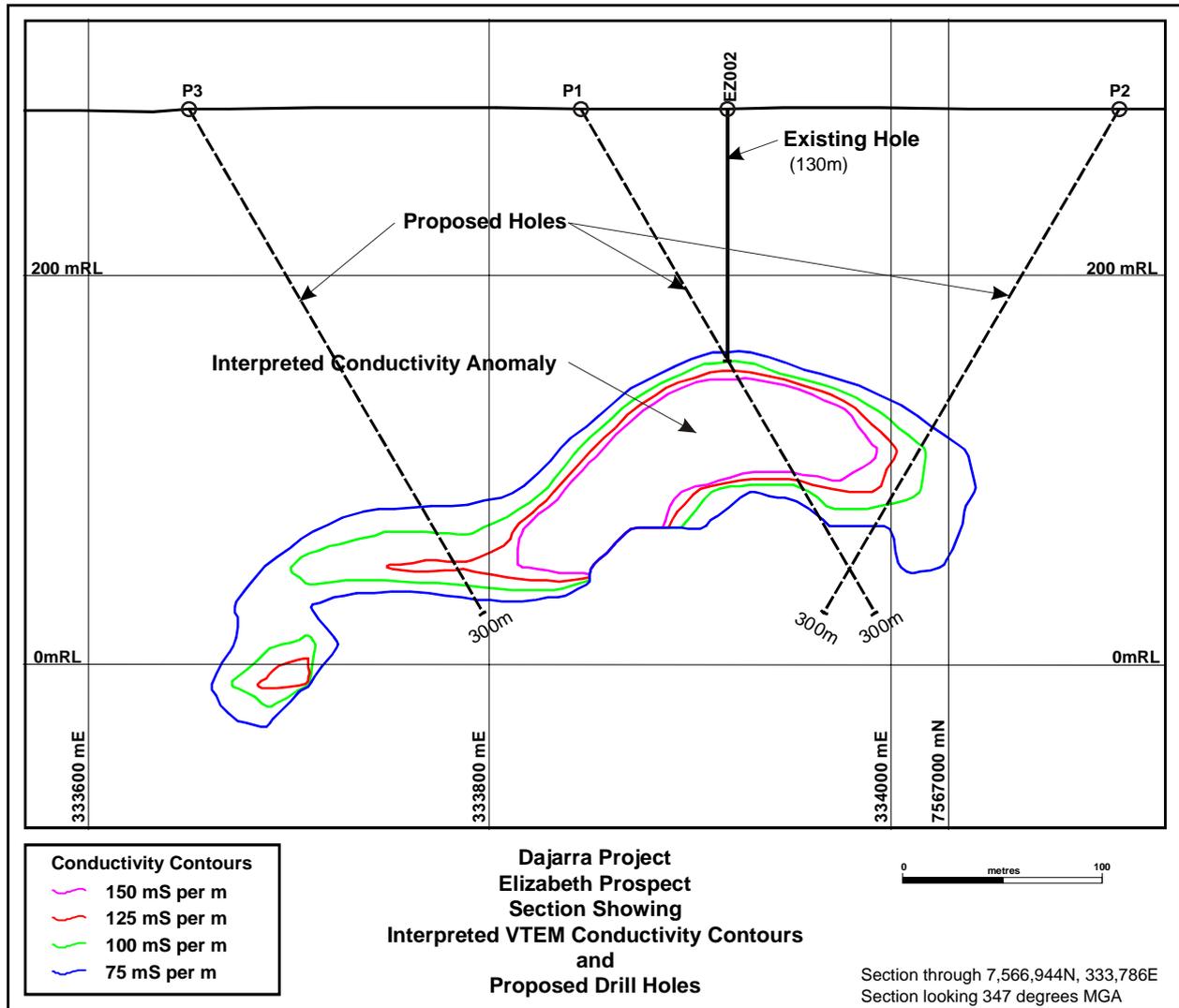


Figure 4. Elizabeth Prospect – Section through hole EZ002 and the proposed drilling showing the conductivity anomaly, modelled from the preliminary detailed VTEM data, which will be targeted by the proposed drilling.

RFZ Prospect

The RFZ Prospect contains a fine-grained sediment sequence which is most probably equivalent to the rocks hosting base metal deposits at Mount Isa. Little exploration for base metals had been carried out in the area previously but gold in rock chip samples had been reported 4.5 km to the north of the area by a previous explorer. Further north soil samples taken by another explorer reported anomalous gold soil sample results.

As part of the larger program of VTEM surveying in north-west Queensland detailed VTEM surveying of the RFZ prospect was completed in August 2007 and a number of more widely spaced regional VTEM survey lines were also completed across the remainder of the Smoky Creek EPM.

Processing and interpretation of the VTEM data from the RFZ Prospect area received during the quarter show a VTEM anomaly in interpreted Mount Isa Group equivalent sediments in the eastern part of the RFZ prospect area.



Soil sampling and geological mapping were also completed over the RFZ Prospect area during the quarter. The soil sampling outlined two low-order copper anomalies with one of these anomalies lying over the VTEM anomaly in the eastern part of the RFZ Prospect area.

Four shallow drill holes were drilled on the RFZ VTEM anomaly.

Hole	North_MGA	East_MGA	RL	Depth	Azimuth_MGA	Dip
RFZ001	7554757.63	305898.93	260.47	136.00	300.00	-60.00
RFZ002	7554508.00	305755.39	259.35	138.00	300.00	-60.00
RFZ003	7554277.59	305620.27	260.53	122.00	300.00	-60.00
RFZ004	7554012.78	305469.39	250.45	109.00	300.00	-60.00

Hole RFZ003 intersected pyrite up to an estimated 10% over a 24m interval from 81m to 105m. Assay results from the drilling have recently been received but do not indicate anomalous base metal values. The drilling indicates that the VTEM anomaly is associated with sulphides and further deeper drilling may be required to test the anomaly over its strike length of 1.5km and width of approximately 600m.

Carbine Prospect

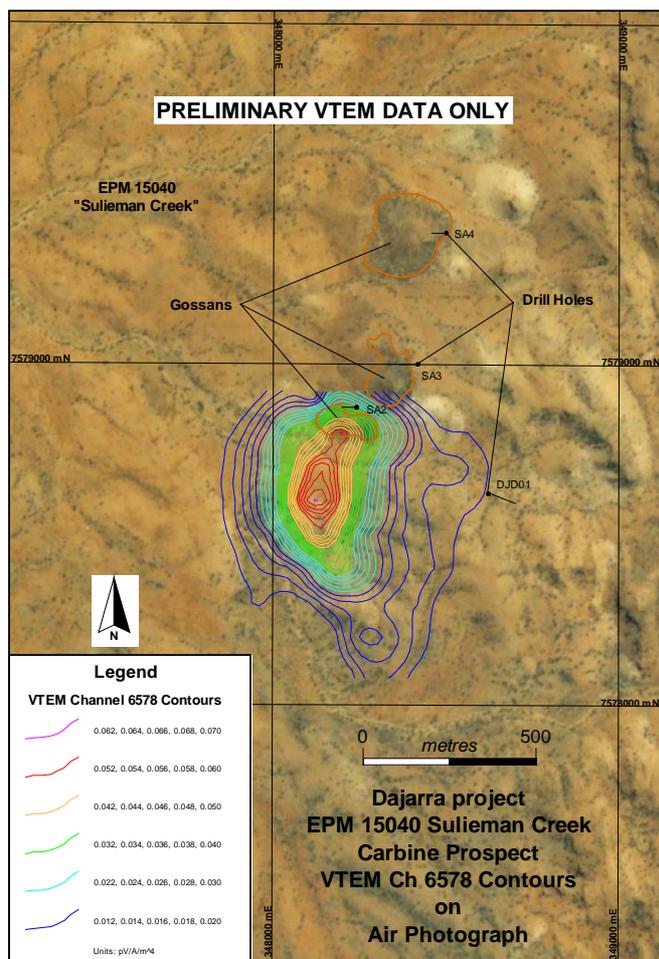


Figure 5. Carbine Prospect – VTEM anomaly on air photograph

The Carbine Prospect is an EM anomaly discovered by a previous explorer and while drilling has been completed in the area previously, the main EM anomaly has not been drilled. It lies within outcropping Mount Isa Group sediments. Gossans exist in the area adjacent and to north of the EM anomaly.

The VTEM survey completed in August 2007 indicated a strong EM anomaly on a single flight line with low order anomalies on adjacent flight lines at 500m intervals. A more detailed VTEM survey was completed on flight lines at 100m spacing on 2 December 2007 to better detail the anomaly. A total of 9 lines were flown for a total of 27 km of surveying. Preliminary field results for this work have been received but final results will not be available until the next quarter.

The preliminary EM data has been modelled and it indicates a pronounced EM anomaly which appears to connect to the gossans located in the northern portion of the area. Drilling of the anomaly is planned for the next quarter if weather allows.



Rundle Prospect

The Rundle Prospect was reported by a previous explorer. It is an EM anomaly with a strong response in all channels. The prospect is soil covered.

The prospect was covered by a series of VTEM lines at 200m spacing. Modelling of the VTEM survey results indicated that the EM anomaly probably had a shallow conductive near surface source. However because of the intensity of the anomaly three shallow holes were drilled into the area.

Hole	North_MGA	East_MGA	RL	Depth	Azimuth_MGA	Dip
RU001	7582191.18	340431.19	291.135	94.00	0.00	-90.00
RU002	7582399.66	340541.39	292.018	49.00	0.00	-90.00
RU003	7582587.92	340699.43	293.596	88.00	0.00	-90.00

The drilling results support the modelling results from the VTEM in that the holes intersected approximately 20m of strongly weathered rock containing abundant clay and iron oxides over weathered to fresh mafic volcanics. Assay results from the drilling have recently been received and indicate that the area contains weakly anomalous copper and zinc results to 591 ppm Cu and 347 ppm Zn over 2m.

Buckingham Prospect

The Buckingham Prospect covers a pair of strong discrete soil covered magnetic anomalies on the eastern side of the Dajarra Project area. Two shallow drill holes were drilled into the magnetic anomalies during the quarter.

Hole	North_MGA	East_MGA	RL	Depth	Azimuth_MGA	Dip
BUP001	7569691.21	367229.49	265.31	100	0.00	-90.00
BUP002	7569377.58	368361.53	262.17	76	0.00	-90.00

The drill holes intersected coarse-grained mafic rock interpreted as a possible mafic intrusive. Assay results for the drilling have recently been received and indicate weakly anomalous copper and zinc results to 323 ppm Cu and 494 ppm Zn over 2m.

Inca Project

As part of the larger program of VTEM surveying in north-west Queensland VTEM surveying of three areas (Flora, Whistler and Buckleys) within the Inca Project was completed in August 2007. Final results for this surveying were received during the quarter. Modelling of the results has been completed and targets from this work have yet to be assessed in the field before drilling is undertaken.

Nicholson Project

VTEM surveying of two areas (Walford South and Western Area) within the Nicholson Project was also completed in August 2007. Final results for this surveying were received during the quarter. Modelling of the survey results to determine drilling targets is currently in progress.

Myally Project

VTEM surveying of prospective rocks in the Myally Project area was not carried out because of the existence of earlier apparently valid airborne EM surveys and because of the presence of



highly conductive cover in parts of the area which makes it difficult to detect conductive bodies beneath the cover.

A soil sampling program at 200m X 50m spacing was completed over two uranium radiometric anomalies to determine if the area contained discrete uranium rich areas or whether the anomalies result from a broad low-grade dispersed uranium content. The soil sampling was complemented by a ground scintillometer survey which was completed with the soil sampling.

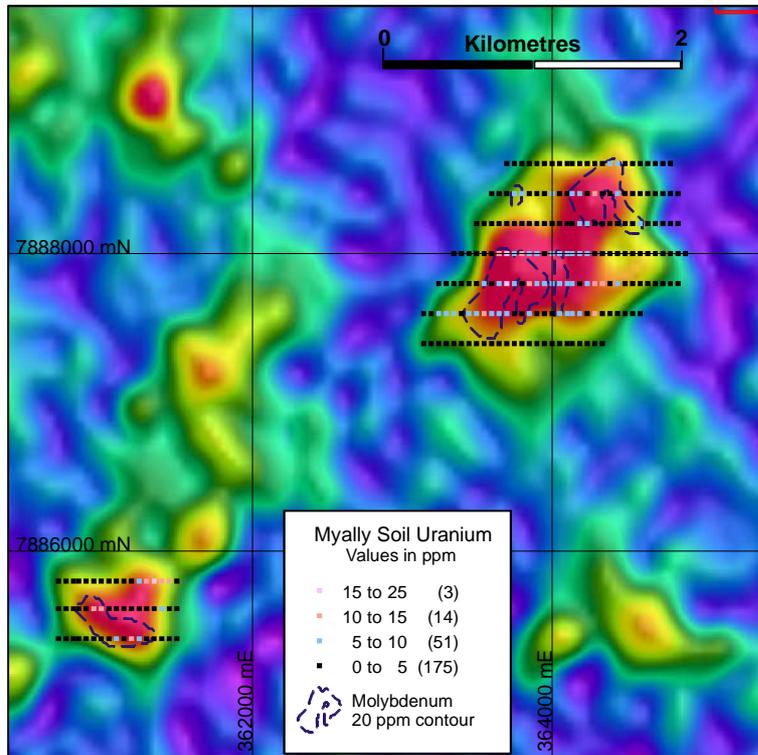


Figure 6. Myally Project – Soil sampling results over airborne uranium radiometric anomalies

The airborne radiometric uranium anomalies occur in the northern portion of the Myally Creek exploration permit. The uranium anomalies correspond to areas mapped as Toolebuc Formation of Mesozoic age. This formation often shows uranium radiometric anomalies where outcropping.

The results from the soil surveys are encouraging in that uranium values and scintillometer readings have outlined two discrete uranium anomalies. The uranium results range up to 24 parts per million (ppm) in soils with scintillometer readings to 866 cps (counts per second). These compare with background readings of <1ppm uranium and <100 cps respectively. The anomalous uranium results are accompanied by molybdenum results up to 92ppm (background

<1ppm). These results are considered significant as most of the area is soil covered.

Some outcrops of ferruginous sandstone occur in the area close to the anomalous soil uranium results raising the possibility of sandstone uranium deposits within sandstones deposited in channels in the Mesozoic sequence. The area is ideally located with respect to a uranium source area as it is adjacent to the Haslingden Group volcanics and sediments which host uranium deposits at Valhalla, Skal and Queens Gift further to the south. Previous airborne EM surveys in the area suggest the presence of conductive channels in the area.

A shallow drilling program is proposed over the anomalies after next year's wet season when access is again available to this area.



Future Exploration Program

- Drilling of the Elizabeth and Carbine Prospects when weather allows
- Drilling of the Myally Uranium prospect following the wet season
- Field work to establish drilling targets from the VTEM at the Flora Prospect - Inca Project
- Completion of VTEM modelling and targeting at the Nicholson Project
- Field assessment of additional targets from the VTEM in the Dajarra Project

About Superior Resources Limited

Superior Resources limited (SPQ) is exploring for large copper and lead-zinc-silver deposits of the Mount Isa style in north-west Queensland, Australia. Uranium is a secondary target. SPQ currently holds a total of 17 exploration permits and applications. It has an active exploration program on these project areas in north-west Queensland.

SPQ has a very strong focus on north-west Queensland with most activity directed to the discovery of major base metal deposits of the Mount Isa style.

SPQ utilises advanced exploration methods in its search (particularly geophysics) with modern computer modelling of results to produce targets for further testing. In 2007 SPQ used the heliborne Versatile Time-Domain Electromagnetic (VTEM) system operated by Geotech Airborne Pty Ltd (www.geotechairborne.com) on three project areas with a total of approximately 2000 km flown in 2007. Assessment of the results from this work will continue into 2008.

Drilling is an important part of SPQ's exploration programs and testing of targets is seen as an essential part of the exploration process.

SPQ utilises experienced explorers in its exploration.

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

Ken Harvey
Managing Director

Further
Information:

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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.