

# Superior Resources Limited

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## QUARTERLY ACTIVITIES REPORT 30 JUNE 2010

### HIGHLIGHTS

- Sixteen drill holes completed in the Dajarra Project for 3083m
- An application to remove the Kingfisher Copper Prospect from the 'Wild Rivers' area submitted
- Combined cash and liquid assets of \$4.5 million

### FINANCIAL SUMMARY

In addition to cash of \$3.1 million at the end of the June 2010 quarter, SPQ holds 7 million Deep Yellow Limited shares with a value of \$1.4 million at the ASX closing price of \$0.21 on Wednesday, 28 July 2010. This makes total cash and liquid assets available for exploration of approximately \$4.5 million (~5.8 cents per share).

### EXPLORATION ACTIVITIES

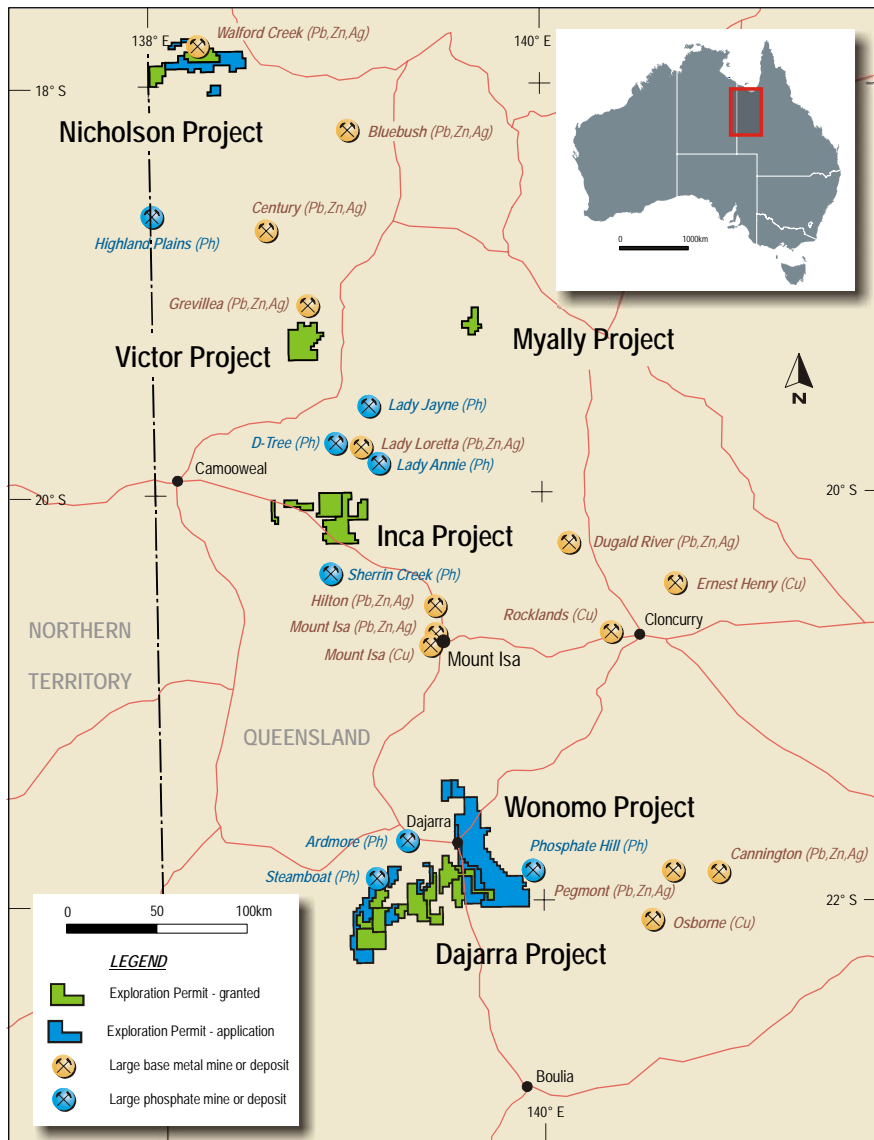
Most of the field work during the quarter has been in the Dajarra Project area. Drilling has been completed at the Mungeraba and RFZ prospects and since the end of the quarter it has also been completed at the Elizabeth, Cannon and Carbine prospects.

An application has been made to the Queensland Government to remove the Kingfisher Copper Prospect from the 'Wild Rivers' area to allow drilling to proceed on this prospect.

A review of Superior's VTEM data has highlighted a drilling target in the Nicholson Project area.



## Tenements



The current tenement situation is shown in Figure 1.

No changes have occurred in the tenement holdings during the quarter.

Figure 1. Superior Resources Limited – Project and tenement locations

## Dajarra Project

The Dajarra Project is situated 150km south of Mount Isa. The target in the Dajarra Project is a major copper or lead-zinc-silver deposit of the Mount Isa type. Two new areas of Mount Isa Group sediments were discovered by Superior in the Dajarra Project area and most of the work completed to date has been in these prospective rocks.

Sixteen drill holes were completed in the Dajarra Project during, and since the end of, the quarter for a total of 3083m of drilling. Most of the drilling targeted Versatile Time-Domain Electromagnetic (VTEM) anomalies in areas of interpreted Mount Isa Group sediments.

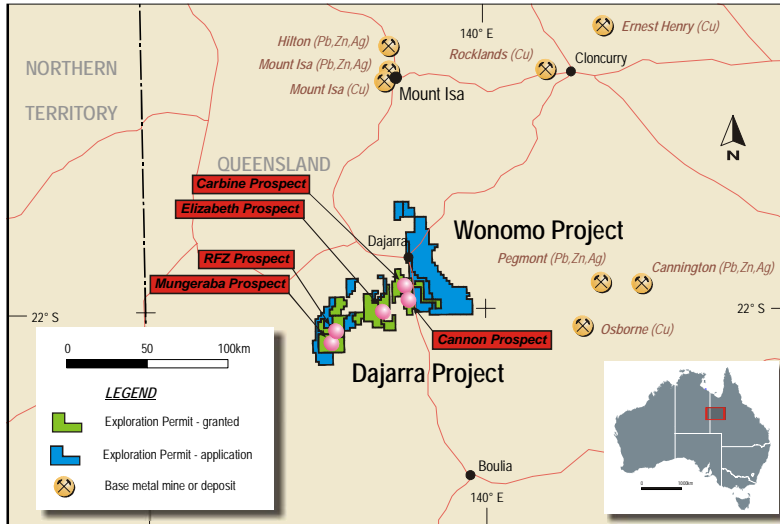


Figure 2. Superior Resources Limited – Dajarra Project location plan showing the locations of the Mungeraba, RFZ, Elizabeth, Cannon and Carbine prospects which have recently been drilled.

**Mungeraba Prospect**

The location of the Mungeraba Prospect is shown in Figure 2. The prospect covers a combined VTEM and gravity anomaly which lies under Cambrian cover.

Three reverse circulation (RC) drill holes totalling 670m were completed at the Mungeraba Prospect during the quarter.

All holes penetrated the Cambrian cover rocks and intersected chloritised basalt of Proterozoic age. No base metal mineralisation was intersected.

All holes intersected sandstones followed by a strongly leached clay zone containing a large amount of groundwater within the Cambrian cover sequence. The combination of the strongly leached clay zone and the groundwater is the most likely explanation of the combined VTEM and gravity anomalies.

Hole	Easting* (MGA 54)	Northing* (MGA 54)	Azimuth (MGA 54)	Dip (°)	Depth (m)
MUN001	302603	7548003	96°	-60°	250
MUN002	302604	7548011	275°	-60°	220
MUN003	302301	7548009	0°	-90°	200

\* Hole locations established by hand held GPS

No further exploration of the Mungeraba Prospect is planned.

Half of the direct drilling costs of the drilling program were covered by a grant under the Queensland Government’s Collaborative Drilling Initiative (CDI).

**RFZ Prospect**

The location of the RFZ Prospect is shown in Figure 2. The prospect covers an area of Mount Isa Group sediments lying along the Rufus Fault Zone. Four shallow RC drill holes were drilled on a VTEM anomaly at the RFZ Prospect in 2007. One of the holes intersected a strongly pyritic zone.

During the quarter a further RC drill hole was completed at the RFZ prospect to test the pyritic zone at greater depth and to the east of the previous drilling. This hole did not intersect any base metal mineralisation.

Hole	Easting* (MGA 54)	Northing* (MGA 54)	Azimuth (MGA 54)	Dip (°)	Depth (m)
RFZ005	305748	7554500	119°	-60°	220

\* Hole location established by hand held GPS



**Elizabeth Prospect**

The location of the Elizabeth Prospect is shown in Figure 2. The prospect covers a large area of Mount Isa Group sediments lying on the eastern side of a major fault zone. Rocks in the area outcrop poorly and the southern part of the area is obscured by Cambrian cover. A major VTEM anomaly occurs in the area.

Nine holes totalling 1673m were completed at the Elizabeth prospect with the drilling focussing on the areas to the south and north of previous drilling.

Hole	Easting* (MGA 54)	Northing* (MGA 54)	Azimuth (MGA 54)	Dip (°)	Depth (m)
EZ0017	333951	7565192	77°	-60°	300
EZ0018	334152	7565239	257°	-60°	300
EZ0019	333758	7565916	77°	-60°	300
EZ0020	333965	7565960	257°	-60°	118
EZ0021	333401	7568798	257°	-60°	198
EZ0022	333348	7569809	77°	-60°	156
EZ0023	333163	7570596	87°	-60°	126
EZ0024	333291	7569209	257°	-60°	103
EZ0025	333179	7569001	257°	-60°	72

\* Hole locations established by hand held GPS

In the southern portion of the prospect area four drill holes targeted a prominent VTEM anomaly lying on the western side of the area and which, as reported on 7 June 2010, was interpreted to reflect the Urquhart Shale unit of the Mount Isa Group. The holes intersected interbedded graphitic and dolomitic siltstones which were pyritic in part (Photograph 1). The combination of the graphite and pyrite explains the VTEM anomaly. Zones of quartz-dolomite-pyrite veining which resemble the fringe areas of the silica-dolomite host rock to the copper ores at Mount Isa occur in the holes (Photograph 2). Assays have been received for the first three holes and these show zones of elevated copper values but all are well below economic grades with the best being 20m @ 395 ppm Cu in Hole EZ018 between 258 and 278m.



Photograph 1. Drill chips from hole EZ018 between 280 and 300m showing sulphides (pyrite) and quartz-dolomite veining in weakly graphitic dolomitic siltstones.



Photograph 2. Drill chips from hole EZ018 between 255 and 260m showing sulphides (pyrite with minor chalcopyrite) in quartz-dolomite veined dolomitic siltstones.

In the northern portion of the Elizabeth Prospect area five drill holes were drilled around the Elizabeth Circular Feature in an attempt to locate the source of low-grade secondary copper values found within the feature during last year's drilling. Most holes intersected siltstones with some holes terminating in chloritised basalt. Assay results from this drilling should be available by the end of August.

### **Cannon and Carbine Prospects**

One drill hole at the Cannon Prospect and two drill holes at the Carbine Prospect have been completed since the end of the quarter. These holes targeted VTEM anomalies which had not previously been drilled. All holes intersected graphitic shales and siltstones. Assay results should be available by the end of August.

Hole	Easting* (MGA 54)	Northing* (MGA 54)	Azimuth (MGA 54)	Dip (°)	Depth (m)
CAN001	350333	7568495	270°	-60°	198
CAR001	348246	7578511	270°	-60°	168
CAR002	348057	7578507	90°	-60°	154

\* Hole locations established by hand held GPS





### Victor Project

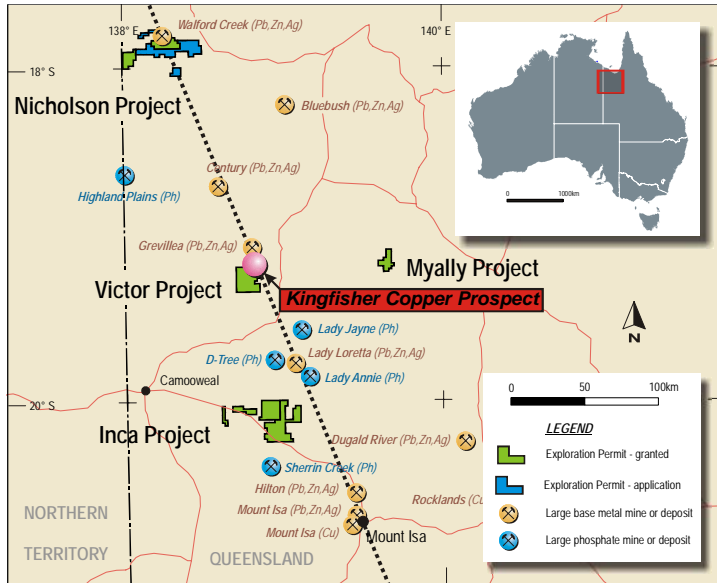


Figure 3. Superior Resources Limited – Victor Project and Kingfisher Copper Prospect locations.

The Victor Project is situated 180km north-northwest of Mount Isa (Figure 3). The principal target in the area is a copper or lead-zinc-silver deposit of the Mount Isa style.

The principal prospect in the Victor Project area is the Kingfisher Copper Prospect.

#### Kingfisher Copper Prospect

The Kingfisher Copper Prospect lies within a ‘Wild Rivers’ area which, as it stands, does not allow the construction of access tracks and drill pads or open pit mining.

During the quarter an application was submitted with the Department of Environment and Resource Management of the Queensland Government to remove the Kingfisher Copper Prospect area from the ‘Wild Rivers’ area. If successful, this application should allow the drilling of the Kingfisher Copper Prospect to proceed.

As previously reported, the Queensland Government has provided a Collaborative Drilling Initiative (CDI) grant of \$75,000 as a 50% subsidy of the direct drilling costs for drilling at the Kingfisher Copper Prospect.

### Nicholson Project

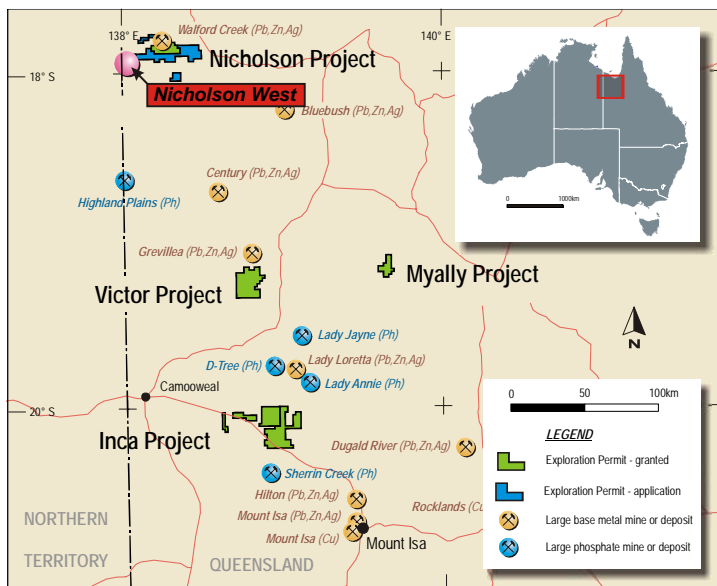


Figure 4. Superior Resources Limited – Nicholson Project and Nicholson West Prospect locations.

Superior’s target in the Nicholson Project (Figure 4) is a large copper or lead-zinc-silver deposit of the Mount Isa style.

As part of a general review of Superior’s VTEM data collected in 2007, the VTEM data over the Nicholson Project has been reinterpreted. This work has highlighted a VTEM anomaly in the western part of the Nicholson Project close to the Northern Territory border (Figure 5). The anomaly is apparently sourced by conductive material at a depth of about 300m and interpreted to be within the Mount Les Siltstone which is the host of the mineralization at the Walford Creek Prospect and is also the host

of the pyritic shale drilled by Superior at Walford South last year.

Drilling of the anomaly is planned when a suitable drilling rig is available in the area.

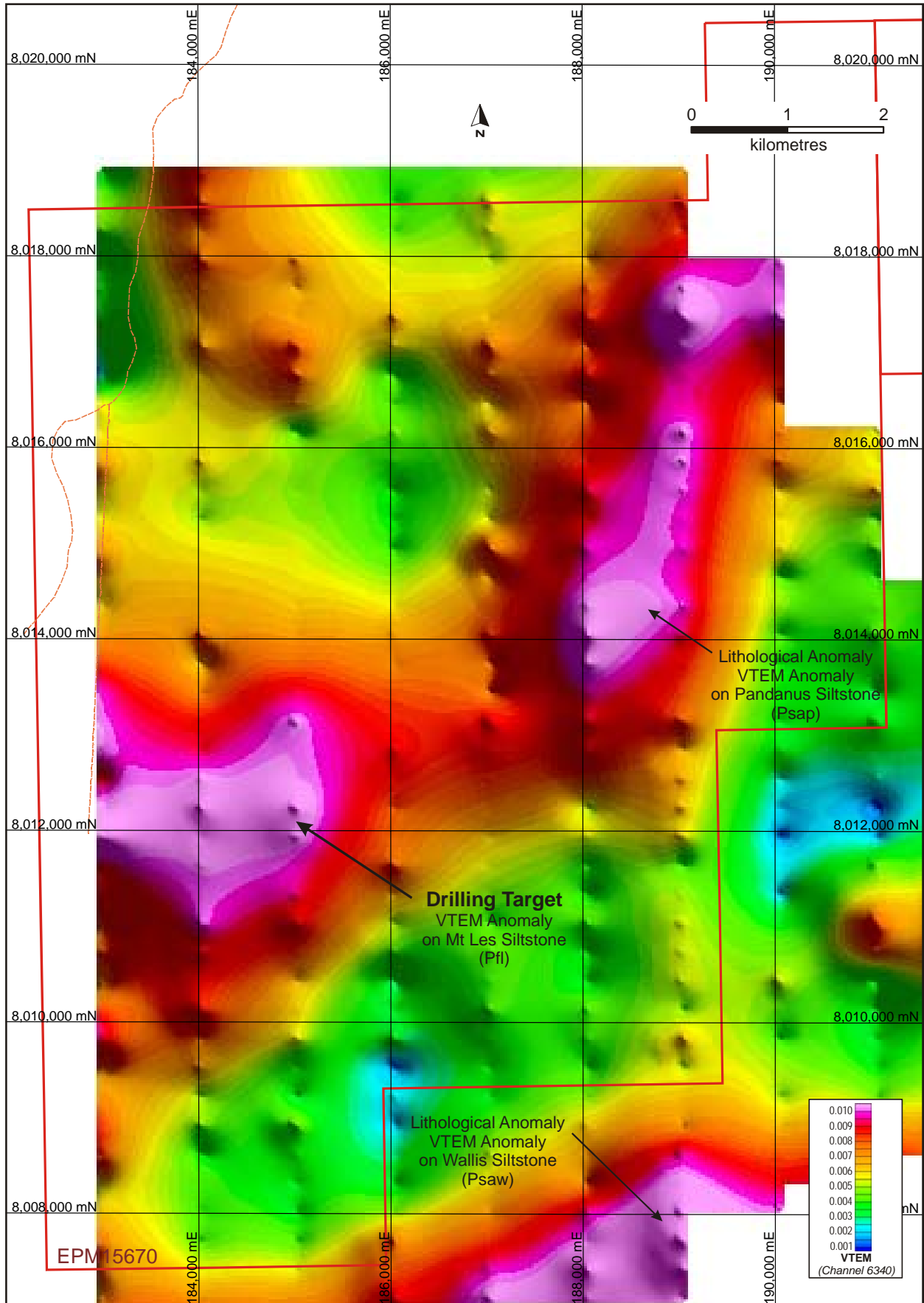


Figure 5. Superior Resources Limited – Western part of Nicholson Project (Nicholson West) showing the VTEM anomaly (Channel 6340) over the Mount Les Siltstone.



## Other Projects

No field work was completed on other projects during the quarter.

## Project Generation

During the quarter Superior continued its program of investigating new opportunities for copper projects in northwest Queensland.

## Future Exploration Program

- 1 Compile and interpret the results from drilling in the Dajarra Project area
- 2 Complete preparations for drilling at Nicholson West - Nicholson Project
- 3 Gravity survey over the KFW Prospect – Nicholson Project
- 4 Subject to access, drilling of the Kingfisher Copper Prospect - Victor Project

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.*