

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

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The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

QUARTERLY ACTIVITIES REPORT – MARCH 2008

HIGHLIGHTS

- **Drilling completed at the Elizabeth Prospect – Dajarra Project**
- **Probable ‘silica-dolomite’ intersected at the Elizabeth Prospect**
- **Encouraging uranium values at Lagoon Creek – Myally Project**
- **Prospective VTEM target at the Flora Prospect - Inca Project**

EXPLORATION ACTIVITIES

Operations largely progressed as planned. There was a delay in drilling at the Elizabeth Prospect (Dajarra Project) because of the continuing demand for drilling rigs. The drilling program at the Elizabeth Prospect despite being late was completed at the beginning of the June Quarter. Drilling is planned for the Myally and Inca projects during the June Quarter subject to the delivery of drilling rigs as planned.

Tenements

EPM 15044 “Inca Creek” was reduced by 50% during the quarter as required by the conditions under which it was granted. No new tenements were granted. All other tenements remain the same. Existing tenements and tenement applications held by SPQ in north-west Queensland are shown in Figure 1.

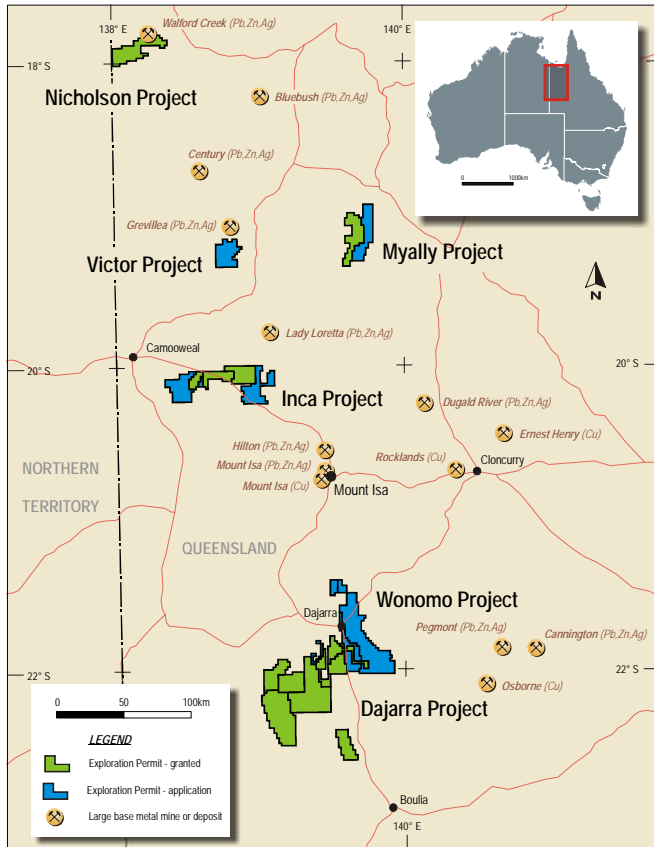


Figure 1. Superior resources Limited – Project and tenement locations

Dajarra Project

The Dajarra Project (Figures 1 & 2) was the focus of most of the activity during the quarter. Work included drilling and soil sampling at the Elizabeth Prospect, soil and rock chip sampling at the RFZ North Prospect and geological mapping and rock chip sampling around the Carbine Prospect.

The target in the Dajarra Project is a major copper or lead-zinc-silver deposit. The area is interpreted to be the faulted southern extension of the Leichhardt River Fault Trough which hosts the copper and lead-zinc-silver mineralization at Mount Isa.

During 2007 Superior flew the more prospective areas within the Dajarra project with heliborne Versatile Time-Domain Electromagnetic (VTEM). The results from this survey, interpretation of other datasets and continuing field work have been used to outline prospect areas for further testing including drilling.

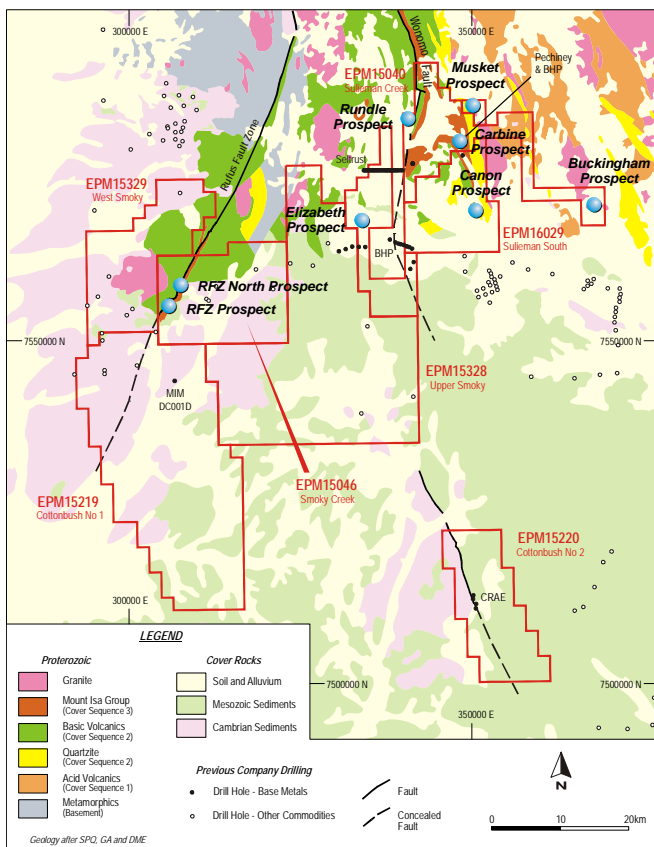


Figure 2. Dajarra Project – Prospect locations

Elizabeth Prospect

The Elizabeth Prospect (Figure 2) 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. However some small outcrops of ferruginous siltstone 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.

Final results for the more detailed heliborne VTEM flown in December 2007 over the Elizabeth Prospect have not yet been received. Delivery of the data is expected during the June 2008 quarter.

The target at the Elizabeth Prospect is a large VTEM anomaly which has an interpreted conductive source at about 150m depth (Figure 3). A program of six drill holes each to 300m depth has



recently been completed. The purpose of this drilling was to intersect the source of the EM anomaly and determine if it has a sulphide source or a lithological source such as graphitic siltstone.

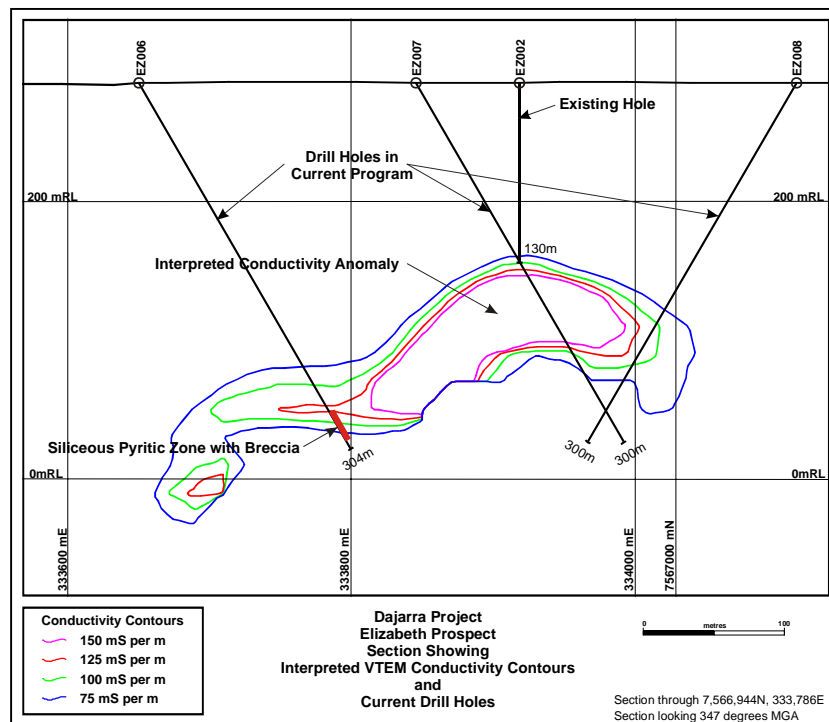


Figure 3. Elizabeth Prospect – Section through current drilling showing the conductivity anomaly and the recently intersected pyritic zone in hole EZ006.

The drilling program on the Elizabeth Prospect commenced late in the quarter and has recently been completed. At the end of the quarter two holes (EZ003 and EZ004) had been completed and the third hole (EZ005) was in progress. Samples from the drilling have been submitted for assay but results have not yet been received. All drill holes intersected siltstone (with some fine grained sandstone) similar to the host sequence at Mount Isa. The siltstones contain some graphite and pyrite.

Drill hole EZ006 (Figure 3) which was more recently drilled intersected a siltstone sequence but it also intersected a 24 metre

interval between 274m and 298m of strongly silicified siltstone with an estimated content of 5% to 10% pyrite containing some quartz-dolomite breccia intervals (Figure 3). This material has some similarities to the so called 'silica dolomite' which hosts the copper mineralization at Mount Isa. While this is encouraging it is premature to draw any conclusions on the basis of one drill hole intersection without assay results.



Figure 4. Strongly ferruginous area north of Elizabeth

On receipt of the assay data for the drilling the Elizabeth Prospect will be reviewed to determine if the graphite and pyrite within the siltstones are sufficient to be the source of the VTEM anomaly. At this stage it appears likely that down hole EM will be required to resolve this issue.

In other work a strongly ferruginous area (Figure 4) immediately north of the Elizabeth Prospect was soil and rock chip sampled during the quarter without significant results being obtained. The ferruginous material appears to be derived from pyritic siltstones.



Figure 5. Copper bearing quartz vein at RFZ North

RFZ North Prospect

The RFZ North Prospect (Figure 2) lies along the Rufus Fault Zone to the north of the RFZ Prospect. Sampling by MIM and Placer during previous work in the area resulted in anomalous gold values in streams, soils and rock chip samples being reported. The area is crossed by a series of large quartz veins related to the major Rufus Fault Zone. One of these quartz veins (Figure 5) carries low levels of copper mineralization as chalcopyrite and chalcocite but no gold. During the quarter a soil sampling program was completed over this area to determine if there was a gold or base metal target in this area worthy of further work.

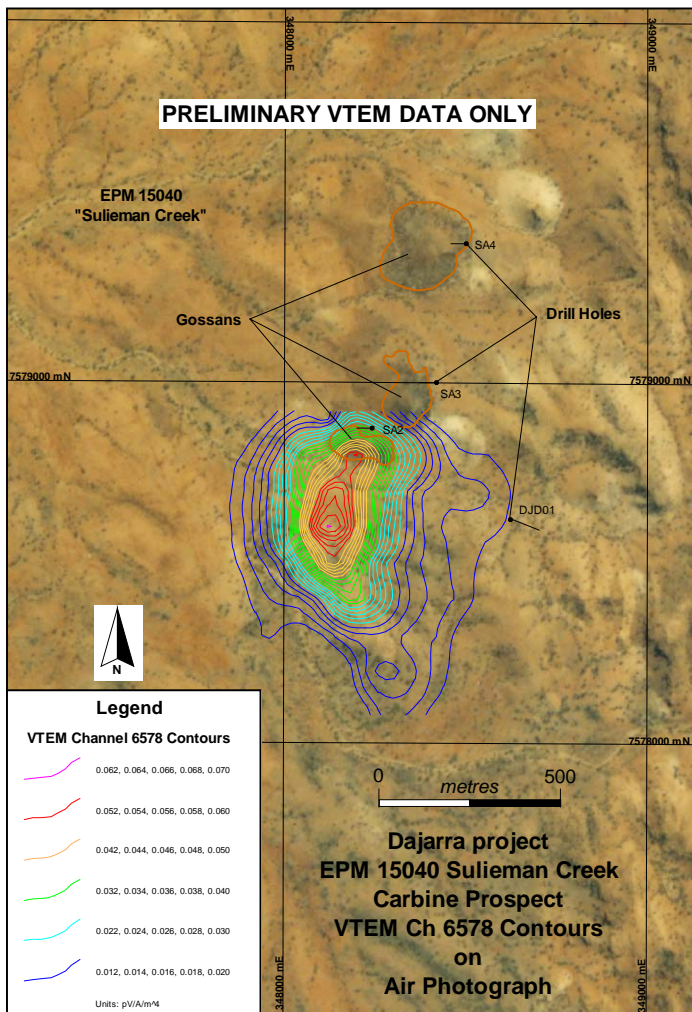


Figure 6. Carbine Prospect – VTEM anomaly on air photograph

Carbine Prospect

The Carbine Prospect is an EM anomaly (Figure 6) 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 to and north of the EM anomaly.

Final results for the more detailed heliborne VTEM survey completed in December 2007 over the Carbine Prospect have not yet been received. Delivery of the data is expected during the June 2008 quarter.

Work during the quarter was restricted to geological mapping and some rock chip sampling of ferruginous outcrops in the area surrounding the Carbine Prospect.

Drilling of the Carbine Prospect is planned for later this year.



Inca Project

The target in the Inca Project (Figure 1) is a major copper or lead-zinc-silver deposit. The project covers Proterozoic sediments with a generally shallow cover of later sediments. The Flora Prospect which is the principal target in the area lies along the Inca Creek Fault which is an interpreted prospective east-west fault.

During 2007 Superior flew three prospective areas within the Inca Project with heliborne VTEM including the Flora Prospect area. At this prospect interpretation of the VTEM shows conductive cover to the north of the Inca Creek Fault and an apparently dipping conductive source near the Inca Creek Fault Zone (Figure 7). The conductive cover complicates the interpretation but the dipping conductive source would appear to be a prospective target. Initially drilling of two holes into this target is planned with further drilling if required.

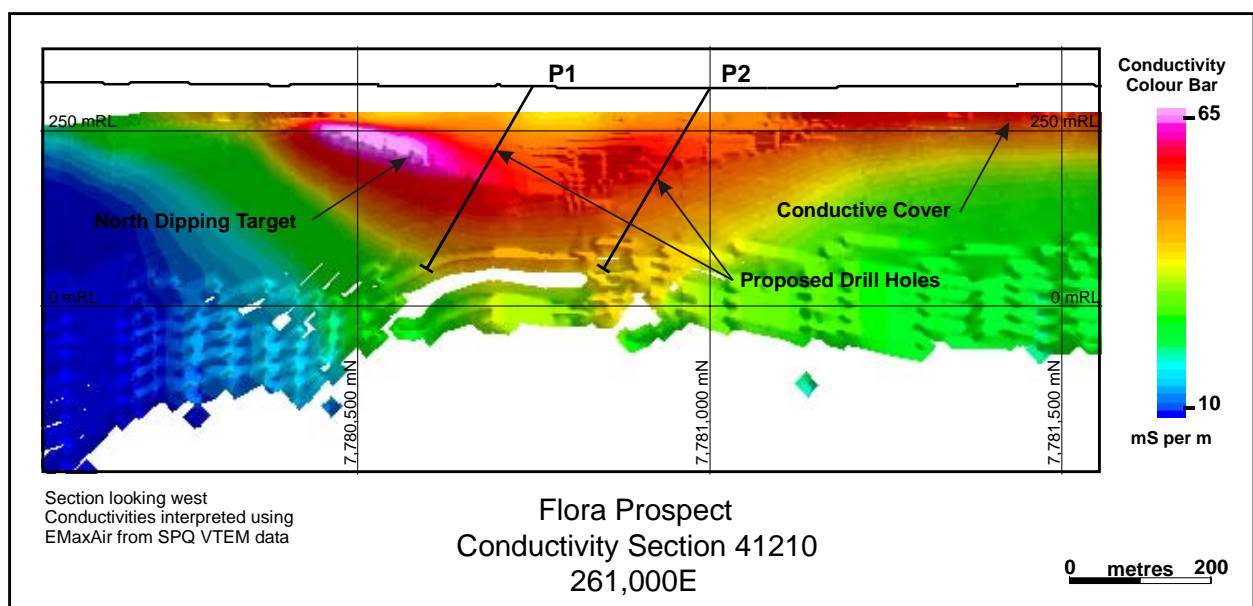


Figure 7. Planned drilling on the dipping conductive target at the Flora Prospect.

Superior has been granted up to \$115,000 as part of the Queensland Government's Collaborative Drilling Initiative for drilling at the Flora Prospect. The grant is for 50% of the direct drilling costs.

Preparations have been completed for drilling the initial two holes and a suitable drilling rig is expected to become available in the next two months.

Nicholson Project

The Nicholson Project (Figure 1) lies immediately south of the Walford Creek base metal prospect. The target in the area is a large copper or lead-zinc-silver deposit. The potential of the Nicholson Project area is rated highly because the stratigraphy which hosts the Walford Creek mineralization extends into the area.

During 2007 Superior flew two of the more prospective areas within the Nicholson Project with heliborne VTEM including the Walford South Prospect area. Interpretation of the VTEM data as well as reinterpretation of a previous explorer's airborne 'Tempest' EM survey have been completed. This work has resulted in three potential targets for drilling. These targets will be investigated in the field in the June quarter with drilling planned for later this year.



Myally Project

The Myally Project (Figure 1) lies on the northern margin of the Mount Isa Inlier. The area contains outcropping Proterozoic rocks but approximately half of the area is covered by shallow Cretaceous sediments.

The project is held for both base metal and uranium exploration with the base metal potential existing in the Proterozoic rocks and the uranium potential in both the Proterozoic and Cretaceous rocks.

During the quarter modelling of a previous airborne EM survey has been completed with field checking of possible base metal targets. This work has not resulted in any large base metal targets being defined in the outcropping Proterozoic rocks. Base metal targets in the Proterozoic rocks beneath the shallow Cretaceous cover may exist. However the airborne EM cannot penetrate through the very conductive Cretaceous cover rocks and therefore base metal targeting of this area cannot be done using EM.

Work completed during the quarter for uranium has improved the prospects for uranium in the Cretaceous sediments at the Lagoon Creek Uranium Prospect.

Lagoon Creek Uranium Prospect



The Lagoon Creek Uranium Prospect (Figure 8) is an area of anomalous uranium radioactivity on MIM's north-west Queensland airborne radiometric survey. Superior's target at the Lagoon Creek Uranium Prospect is a large shallow low-grade uranium deposit.

Government geological mapping shows most of the area as the Toolebuc Formation of Cretaceous age. The Toolebuc Formation hosts the Julia Creek oil shales and also generally contains anomalous contents of

Figure 8. Aerial view of the Lagoon Creek Uranium Prospect.

vanadium, molybdenum and uranium. The formation often shows anomalous uranium radioactivity and it is the target for some of the uranium exploration currently in progress in the north-west Queensland region.

At the Lagoon Creek Uranium Prospect during the quarter rock chip sampling of outcrops on areas shown to be anomalous by soil sampling completed in the December 2007 quarter was completed. Eight rock chip samples were taken from scattered outcrops of limestone and calcareous sandstone. Sample results for the eight samples ranged from 183 to 325 ppm U_3O_8 and averaged 247 ppm U_3O_8 (0.54 lb/tonne U_3O_8).



Summary rock chip sample results and sample locations are shown in Table 1.

Sample Number	East MGA Zone 54	North MGA Zone 54	U ₃ O ₈ (ppm) (XRF05)	U ₃ O ₈ (ppm) (ICP41)	Mo (ppm)	V (ppm)	P (%)	Cu (ppm)	Zn (ppm)	Rock Type
3002946	363702	7887800	234	212	60	219	2.75	126	613	Limestone
3002947	363689	7887799	259	247	62	298	2.02	106	549	Limestone
3002948	363845	7887813	191	188	84	287	2.11	144	713	Limestone
3002949	363691	7888019	183	176	61	218	2.28	150	728	Limestone
3002950	363709	7887726	298	283	45	253	3.31	119	458	Limestone
3002951	361078	7885429	193	165	67	347	3.27	210	894	Calc-sandstone
3002952	361193	7885433	294	259	215	533	4.94	923	1300	Calc-sandstone
3002953	361379	7885536	325	259	77	474	4.48	375	1250	Calc-sandstone

Table 1. Lagoon Creek Uranium Prospect – Rock chip sample results.



Figure 9. Uranium bearing calcareous sandstone at the Lagoon Creek Uranium Prospect.

The first five samples were collected from an area of scattered outcrop and float of a red-brown to grey fossiliferous limestone surrounded by black soil. The last three samples were collected from an area of poorly outcropping red-brown fossiliferous calcareous sandstone (Figure 9) in a black soil area. In this area the number of samples collected was limited by the lack of outcropping rocks. Both rock types appear to belong to the Toolebuc Formation of Cretaceous age. Dips on outcrops in both areas vary from flat-lying to steeply-dipping, however it is likely that both rock types extend under the extensive black soil areas.

Geological mapping and interpretation of historic airborne EM data indicates that the anomalous uranium values are associated with an ancestral embayment of Cretaceous sediments in the Proterozoic basement. It is thought possible that ancestral Cretaceous streams draining from the Proterozoic basement may have increased the uranium values in the Toolebuc Formation in this area.

Drilling of the prospect area is planned once native title clearances have been completed. An initial program of 1500 to 2000 metres of shallow drilling is planned. It is intended that this drilling be completed on widely spaced lines that provide information on the subsurface grades over the potentially large uranium bearing area of some 3 km by 2 km.

A short video of the scintillometer response over the outcrop shown in Figure 9 (sample 3002953) has been placed on Superior’s web site at www.superiorresources.com.au.



Future Exploration Program

- Review of the Elizabeth Prospect drilling – Dajarra Project
- Drilling of the Carbine Prospects – Dajarra Project
- Drilling of the Lagoon Creek Uranium Prospect – Myally Project
- Drilling of the Flora Prospect - Inca Project
- Field checking of the Walford South Prospect targets - Nicholson Project
- Continuing assessment of additional targets from the VTEM surveys

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 drill testing of targets is seen as an essential part of the exploration process.

SPQ utilises experienced explorers in its exploration as they offer the best chance for discovery of resources.

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

Ken Harvey
Managing Director

Further
Information:

Mr Ken Harvey
Managing Director
Ph (07) 3839 5099

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.