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QUARTERLY ACTIVITIES REPORT – MARCH 2009

HIGHLIGHTS

- **Combined cash and liquid assets of \$5.7 million**
- **Work on the Elizabeth Prospect recommences following the wet season**
- **Tenement areas reduced to reflect the focus on discovery of large deposits and to reduce costs**
- **Applications for CDI grants for the Elizabeth Diamond and the Walford South prospects successful with a total of \$200,000 awarded for drilling**

FINANCIAL SUMMARY

In addition to cash of \$4.6 million at the end of the March 2009 quarter, SPQ holds 7 million Deep Yellow Limited shares with a value of \$1.1 million at the ASX closing price of \$0.16 on Wednesday 15 April 2009. This makes total cash and liquid assets available for exploration of approximately \$5.7 million (7.4 cents per share). Superior is therefore well positioned with sufficient cash and liquid assets for another three years exploration at the current expenditure rate.

COMMENT

The Directors continue to manage activities to ensure the maximum return from expenditure and the preservation of cash resources. The Directors are of the opinion that the best approach to exploration in this coming year is to focus expenditure on the prospects with the best potential for discovery of major resources. Consequently drilling of the Elizabeth and the Walford South prospects has been given priority in the planning for the 2009 year. The higher ranking of these two prospects is, to a degree, confirmed by the CDI grants provided by the Queensland Department of Mines and Energy for drilling of these prospects. Expenditure on other areas will be reduced. In keeping with this approach and to preserve cash resources the total area held under exploration permits has been reduced to reduce the cash outflow on tenement rents.



EXPLORATION ACTIVITIES

Field work was limited during the quarter because of the heavy wet season in northwest Queensland. Field work has now resumed in the Dajarra Project area with Native Title and Cultural Heritage clearances completed and access tracks and drill sites currently being established in preparation for drilling. Access to project areas north of Mount Isa is more difficult and it is likely to be at least another month before reasonable field access to the Nicholson Project is possible.

During the wet season a number of tasks that would normally occur throughout the year have been completed. Statutory reports have been completed on the Dajarra, Inca and Myally project tenements and a complete review of the tenement areas held has allowed a significant reduction in the tenement areas with a consequent reduction in the rents payable.

The focus for work in the next quarter is to complete drilling of the Elizabeth base metal and diamond prospects and to prepare for drilling of the Walford South Prospect in the Nicholson Project.

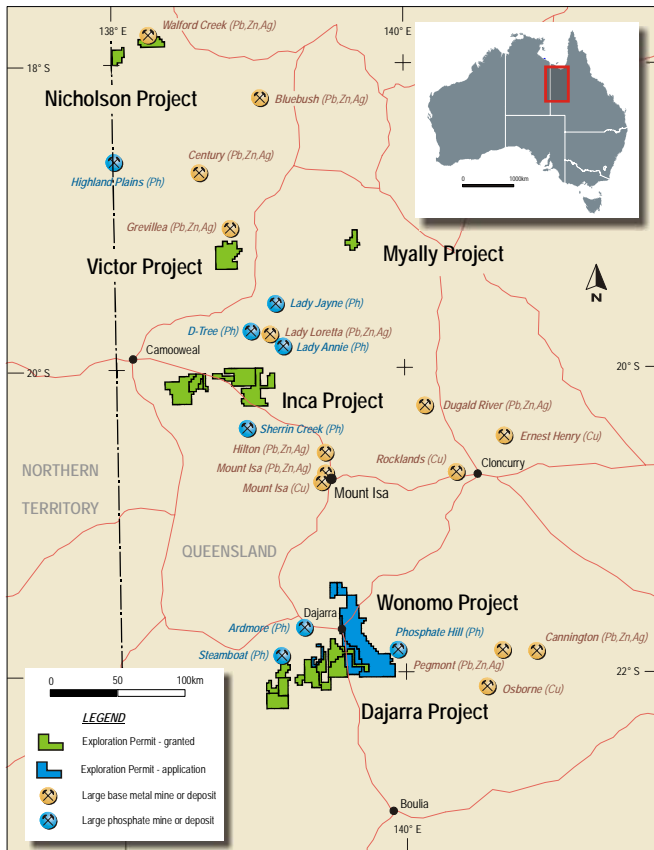


Figure 1. Superior Resources Limited – Project and tenement locations

sub-blocks and the application for EPM17043 “Myally 2” has been abandoned.

No changes have been made to EPM15670 “Hedleys No 2” in the Nicholson Project area or EPM16028 “Victor Creek” in the Victor Project area.

Tenement applications are still in place for EPM16995 “Little Sulieman” and EPM17012 “Wills Creek” in the Wonomo Project area.

Tenements

During the quarter significant changes have been made to the tenement areas (Figure 1).

In the Dajarra project area EPM15220 “Cottonbush No 2” has been relinquished in full. EPM15046 “Smoky Creek”, EPM15219 “Cottonbush No 1”, EPM15328 “Upper Smoky” and EPM15329 “West Smoky” have been reduced in size. Application has been made to the Department of Mines and Energy to retain the full area of EPM15040 “Sulieman Creek” which contains the Elizabeth Prospect. No change has been made to EPM16029 “Sulieman South”.

In the Inca Project area, EPM15044 “Inca Creek” has been reduced to 25 sub-blocks as required by the tenement conditions. No other tenements have been varied in this project area.

In the Myally Project area, EPM15043 “Myally Creek” has been reduced to 25 sub-blocks and the application for EPM17043 “Myally 2” has been abandoned.



While changes to tenement area are a normal procedure in mineral exploration, the extent of the reductions in this case reflects the commitment by Superior to both focus activity on those areas with the best mineral potential and also to reduce the expenditure on tenement rents.

The total area now held under granted exploration permits is 2511 km² (837 sub-blocks). The total area now held under applications for exploration permits is 1200 km² (400 sub-blocks).

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 or a major diamond 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. Two areas of Mount Isa Group sediments have been located which have potential for base metal deposits. The best of these is at the Elizabeth Prospect which contains a dolomitic siltstone sequence with low-grade copper, lead and zinc values.

The Elizabeth Prospect is also being explored for diamonds. At the northern end of the prospect a prominent circular feature with a coincident gravity low feature is considered to probably overlie a volcanic diatreme with possible potential for diamonds.

The reduction of the tenement areas in the Dajarra Project area favours the northern portion of the area where the cover sediments are generally thin or are absent. In general, the thickness of the Cambrian sediments increases to the south and the southern portion of the area has a considerable but variable thickness of Cambrian cover. Patchy areas of Mesozoic cover sediments also occur in some southern areas. A review of the targets and tenement holdings indicated that while there are possible target areas in the southern portion of the area it would be necessary to drill through a considerable thickness of cover sediments to test these targets. This type of exploration is more expensive and of higher risk. Because of this much of the southern portion of the Dajarra Project area has been surrendered. All significant target areas identified to date in the Dajarra Project have however been retained.

Elizabeth Prospect

Superior has been exploring the Elizabeth Prospect (Figure 2) for copper-lead-zinc deposits of the Mount Isa style, following the discovery of very strong VTEM anomalies in the area in the second half of 2007. The VTEM anomalies occur over siltstones, including dolomitic siltstones, which are considered to be equivalent to the Mount Isa Group sediments which host the large Mount Isa deposits. To date, eight holes have been drilled in the area to locate the conductive sources to the VTEM anomalies. Down hole EM logging of three of the drill holes indicate that, although the holes intersect conductive sources, there are additional conductive sources which have not been intersected by the drill holes.

During the previous quarter a gravity survey was completed over the Elizabeth Prospect with modelling of the results to produce a 3D density model. This density model has been used in conjunction with the conductivity data as well as other data to determine the locations for drill holes to be completed in a drilling program planned to commence in April/May.

In preparation for the drilling program and other work Native Title and Cultural Heritage clearances of the Elizabeth Prospect have recently been completed with no features of significance located.

Construction of access tracks and drill sites is in progress in preparation for the drilling program.

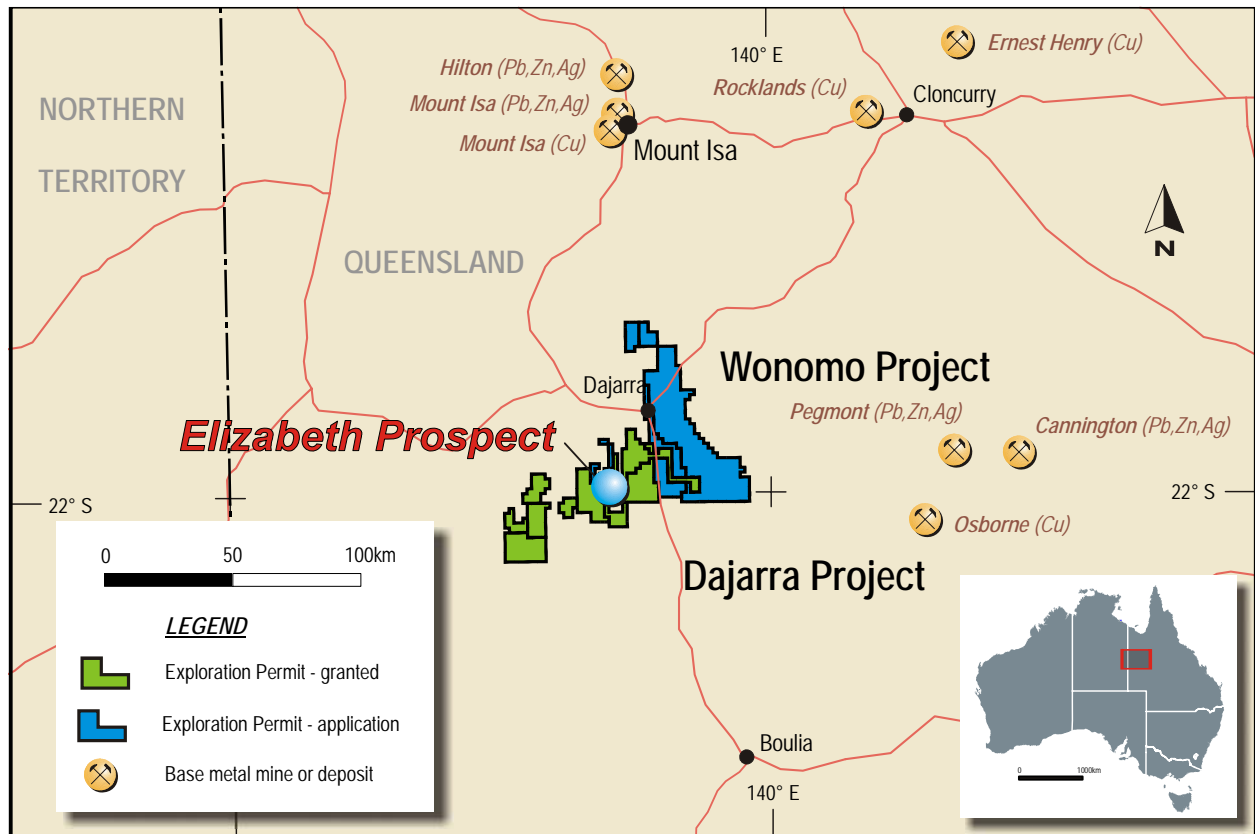


Figure 2. Superior Resources Limited – Dajarra Project and Elizabeth Prospect locations.

Superior has been granted an amount of \$50,000 by the Queensland Department of Mines and Energy as a 50% subsidy of the direct drilling costs for drilling of the Elizabeth Circular Feature diamond target under the Queensland Government’s Collaborative Drilling Initiative (CDI).

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 of the Mount Isa style.

The potential of the Walford South Prospect is rated highly because the area contains a large gravity anomaly with a coincident large conductivity anomaly and the sediments which host the Walford Creek Prospect dip southerly and are interpreted to extend into the area at a depth of approximately 400m (Figures 3 and 4). Drilling of the prospect is planned about the middle of 2009.

Superior has been granted an amount of \$150,000 by the Queensland Department of Mines and Energy as a 50% subsidy of the direct drilling costs for drilling of the Walford South Prospect under the Queensland Government’s Collaborative Drilling Initiative (CDI).

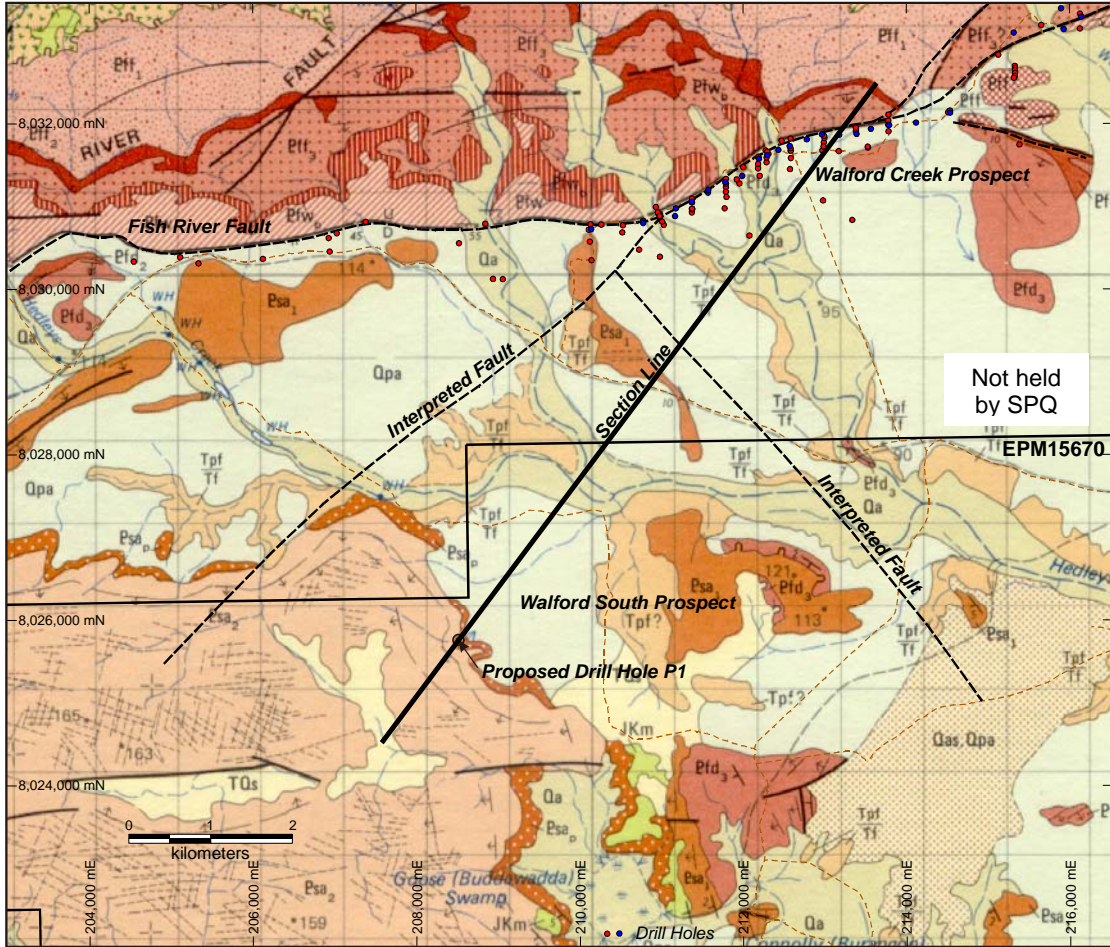


Figure 3. Walford South Prospect – Geology showing the section line in Figure 4.

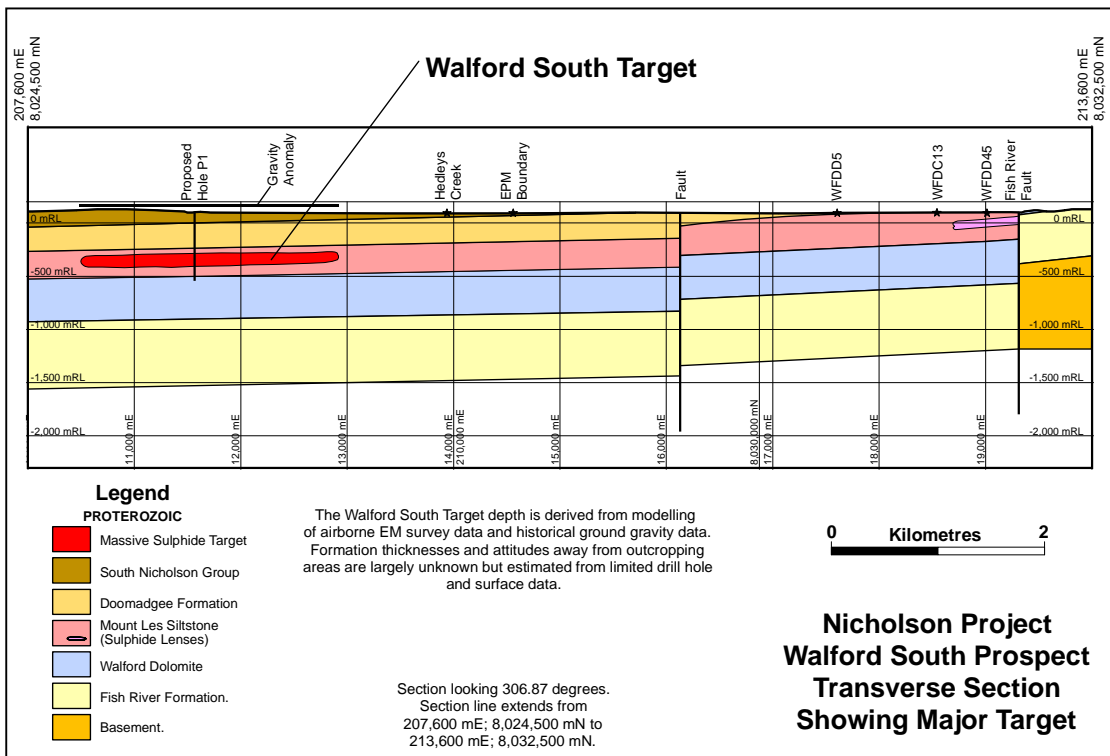


Figure 4. Walford South Prospect – Section showing the relationship of the target at Walford South in relation to the pyrite mineralization at the Walford Creek Prospect.



Inca Project

The target in the Inca Project (Figure 1) is a major copper or lead-zinc-silver deposit of the Mount Isa style. The project covers Proterozoic sediments with a generally shallow to medium depth cover of Cambrian and later sediments. Potential also exists in the Cambrian sedimentary cover in the area for sedimentary phosphate deposits associated with the Beetle Creek Formation.

No field work was completed on the project during the quarter.

During the quarter a 50% reduction of EPM15044 "Inca Creek" was made (to 25 sub-blocks) in accordance with the tenement conditions. The Flora prospect was retained as well as areas considered to have potential for phosphate. No other tenements were varied.

Victor Project

The Victor Project is situated 180km north-north-west of Mount Isa (Figure 1). The principal target in the area is a copper or lead-zinc-silver deposit of the Mount Isa style. The area largely lies within the Queensland Government's 'Wild Rivers' area and this may restrict the type of work possible in the area.

No field work was completed on this area during the quarter. Copper mineralization at the Kingfisher Prospect will be investigated in 2009 to determine its significance.

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. Targets in the area are a copper or lead-zinc-silver deposit of the Mount Isa style and uranium deposits associated with Proterozoic rocks or the overlying Cretaceous sediments.

No field work was completed on the Myally Project during the quarter.

During the quarter a 50% reduction of EPM15043 "Myally Creek" was made (to 25 sub-blocks) in accordance with the tenement conditions. The retained area principally covers an interpreted Mesozoic drainage with potential for sandstone uranium deposits. Application for EPM17043 "Myally 2" was abandoned during the quarter as it covered areas of Toolebuc Formation which were found not to contain economic quantities of uranium from the drilling completed in 2008.

It is likely that drilling of the uranium target retained in EPM15043 will be dependent of the Queensland Government changing its policy of not allowing uranium mining in Queensland.

Wonomo Project

The two tenements comprising this project have not been granted at this stage.

Future Exploration Program

- 1 Drilling for base metals and diamonds at the Elizabeth Prospect – Dajarra Project
- 2 Drilling of the Walford South Prospect about the middle of 2009 - Nicholson Project
- 3 Field assessment of the copper mineralization at the Kingfisher Prospect - Victor Project
- 4 Continuing assessment of additional targets from the VTEM and other EM 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 northwest Queensland, Australia. Diamonds, uranium and phosphate are secondary targets. SPQ currently holds a total of 15 exploration permits and applications. It has an active exploration program on these project areas in northwest Queensland.

SPQ has a very strong focus on northwest 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 through 2009.

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.

SPQ's directors hold the view that by progressively exploring areas with potential for major deposits using modern advanced exploration methods followed by drilling, SPQ will be successful in its quest for a major mineral deposit in northwest Queensland.

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

Ken Harvey
Managing Director

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Further Information: 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.