

Superior Resources Limited

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QUARTERLY ACTIVITIES REPORT 31 MARCH 2010

HIGHLIGHTS

- Preparations completed for drilling at the Mungeraba Prospect
- Gold potential identified at the Quita Prospect
- Review of VTEM survey results indicates a number of targets for drilling in the Dajarra Project
- Amounts totalling \$130,000 granted by the Queensland Government for drilling at the Mungeraba and Kingfisher Copper prospects
- Investigation into the impacts of the 'Wild Rivers' on exploration and mining at the Kingfisher Copper Prospect in progress
- Combined cash and liquid assets of \$4.9 million

FINANCIAL SUMMARY

In addition to cash of \$3.3 million at the end of the March 2010 quarter, SPQ holds 7 million Deep Yellow Limited shares with a value of \$1.6 million at the ASX closing price of \$0.23 on Friday, 23 April 2010. This makes total cash and liquid assets available for exploration of approximately \$4.9 million (~6.3 cents per share).

EXPLORATION ACTIVITIES

Most of the field work during the quarter has been in the Dajarra Project area which has been less affected by the wet season than other project areas. Preparations for drilling at Mungeraba were completed and follow-up for gold was also undertaken at the Quita Prospect. A review of the data from the VTEM surveys completed in 2007 was commenced and has largely been completed. The purpose of this review was to identify and firm up additional targets for drilling. Annual reports were completed for tenements in the Dajarra, Inca and Myally projects.



Tenements

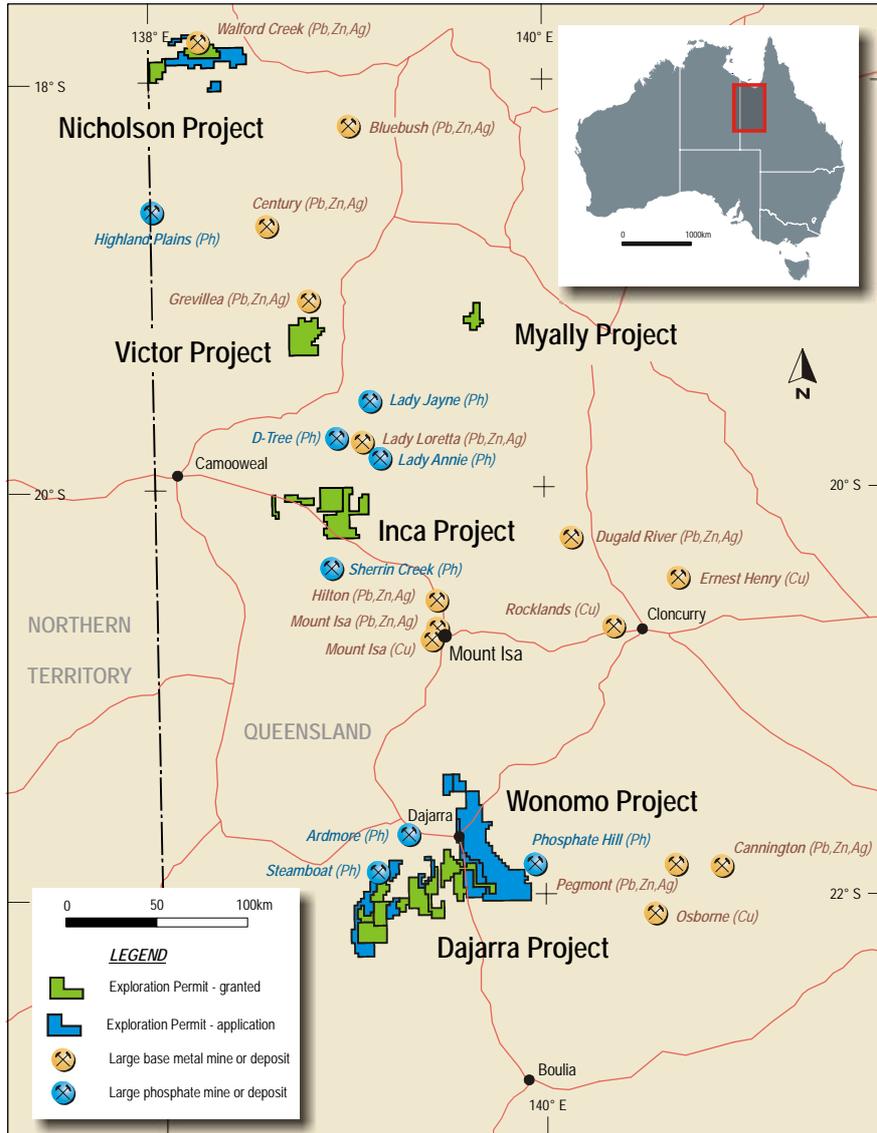


Figure 1. Superior Resources Limited – Project and tenement locations

The current tenement situation is shown in Figure 1.

A tenement application was submitted over the area generally west and southwest of the Dajarra Project during the quarter to cover areas considered to have potential for copper and gold.

The current tenement situation is that Superior holds twelve granted exploration permits with an additional four exploration permits under application.

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.

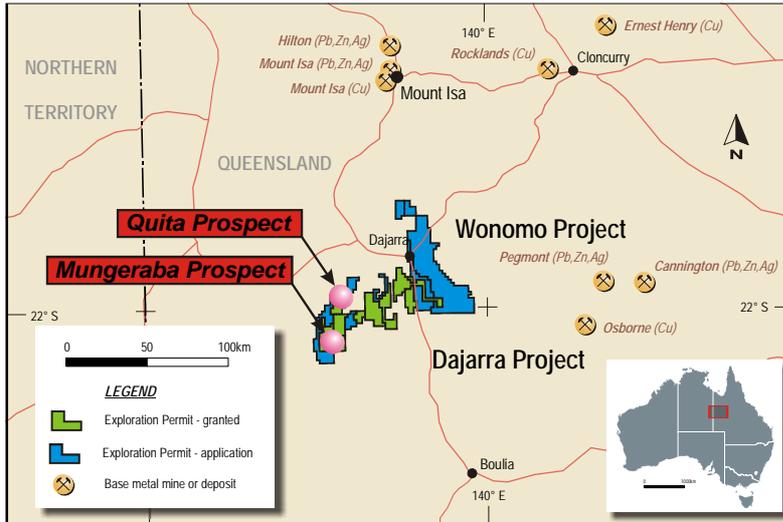


Figure 2. Superior Resources Limited – Dajarra Project and Mungeraba and Quita prospect locations.

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.

Further more advanced computer modelling of the VTEM data over the Mungeraba Prospect was completed. This modelling gives good support to the interpretation of a synclinal structure in the area and has allowed fine-tuning of proposed drill sites on the prospect.

Following on from native title clearances completed last quarter at Mungeraba, drill sites and access tracks have been established in preparation for drilling. Drilling is expected to commence in the June quarter.

Superior has been granted an amount of \$60,000 for drilling at the Mungeraba Prospect by the Queensland Department of Employment, Economic Development and Innovation under the Queensland Government's Collaborative Drilling Initiative (CDI). The grant is a 50% subsidy of the direct drilling costs. The Collaborative Drilling Initiative brings government and industry together to accelerate testing, by drilling, of geological targets in under-explored parts of Queensland. New concepts in brownfield areas of Queensland are also supported. For further information on the Smart Mining - Future Prosperity program grant initiatives visit http://www.dme.qld.gov.au/mines/smart_mining_future_prosperity_program.cfm.

Quita Prospect

The location of the Quita Prospect is shown in Figure 2. The prospect contains a small ironstone outcrop (gossan) protruding through Mesozoic cover and scree. Previous explorers have discovered alluvial gold in two gullies to the immediate south of the area in an area where anomalous gold values in stream samples, analysed by the bulk cyanide leach (BCL) method, are reported.

Investigations of the alluvial gold in the southern part of the Quita Prospect area show that the gold is associated with a soil covered area showing considerable float of quartz-tourmaline veining. The soil cover probably indicates a deeply weathered basic/intermediate intrusive or volcanic unit. As there are a number of gold deposits associated with quartz-tourmaline veining (eg Lauilo – Mali, Lights of Israel – Western Australia and Eau Claire – Quebec), auger geochemistry to locate any areas of surface gold mineralization is currently underway.

Stream sampling is also underway in a second area containing quartz-tourmaline veining to the east of Quita to determine if gold occurs in this area.

Additional sampling of the small gossan at Quita confirms the elevated copper and zinc values reported last quarter.



Modelling of VTEM Survey Results

Computer modelling of VTEM anomalies from the two VTEM surveys completed by Superior in 2007 is in progress. The purpose of this work is to identify additional targets and to refine targets to allow drilling of the remaining anomalies identified by the 2007 VTEM surveys during the 2010 field season.

At this point in time drilling is proposed for VTEM targets at the RFZ East, Elizabeth North, Elizabeth South, Cannon and Carbine areas. All targets are within Mount Isa Group rocks. Some of the areas have already been cleared for native title but drill sites and access are yet to be constructed.

Exploration Permit Application

Following the recent work which upgrades the gold potential of the Quita Prospect an application for an Exploration Permit was submitted on 17 February 2010 over the available ground to the west and north of the Quita Prospect area. The application also covers probable areas of Mount Isa Group rocks to the south and northeast of Mungeraba with possible potential for copper. Under the normal course of events granting of the exploration permit will not occur until after the commencement of the 2011 year.

The new tenement will form part of the Dajarra Project area.

Victor Project

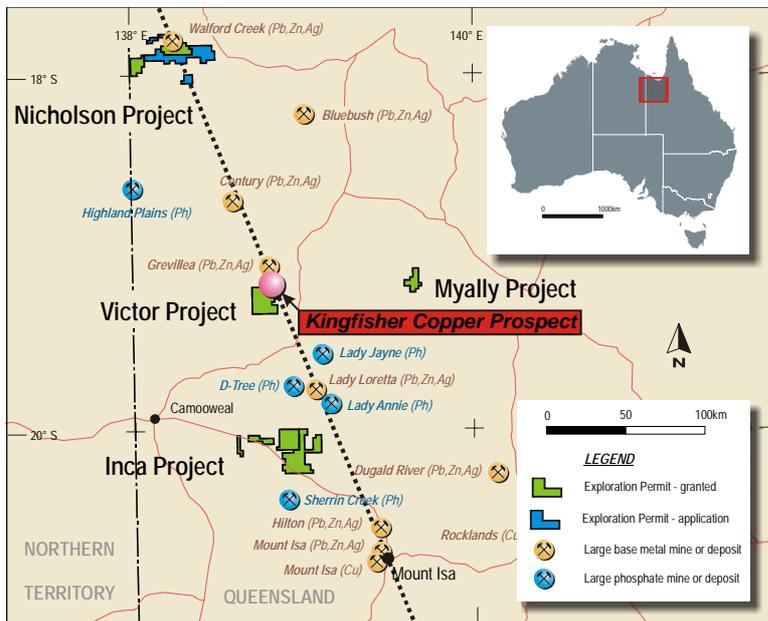


Figure 3. Superior Resources Limited – Victor Project and Kingfisher Copper Prospect locations.

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

A meeting was held during the quarter with officers of the Department of Environment and Resource Management of the Queensland Government. The purpose of the meeting was to clarify the situation with regard to the 'Wild Rivers' area and

determine any restrictions or limitations that the 'Wild Rivers' area may place on exploration (and mining) of the Kingfisher Copper Prospect.



It is apparent from the meeting that:

- the 'Wild Rivers' area is underlain by a Federal 'wetlands' environmental area (Thorntonia Aggregation),
- only low-impact exploration is allowed on these areas (this does allow drilling but does not necessarily allow the construction of access tracks which are usually required to undertake drilling safely) and
- open pit mining is not allowed

Given this situation and the fact that the area is clearly not a wetlands, further investigations and discussions are in progress to determine what course of action is available to allow exploration, and if successful, mining to proceed on the Kingfisher Copper Prospect area.

On a positive note, Superior has been granted an amount of \$75,000 for drilling at the Kingfisher Copper Prospect by the Queensland Department of Employment, Economic Development and Innovation under the Queensland Government's Collaborative Drilling Initiative (CDI). The grant is a 50% subsidy of the direct drilling costs.

Other Projects

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

Future Exploration Program

- 1 Drilling of the Mungeraba Prospect - Dajarra Project
- 2 Drilling of other VTEM targets in the Dajarra Project area
- 3 Surface geochemistry for gold at the Quita Prospect – Dajarra Project
- 4 Determine what course of action is required to allow 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

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.