

# Superior Resources Limited

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## ASX ANNOUNCEMENT 30 May 2016

### SUPERIOR ENTERS INTO A STRATEGIC GOLD MINING ALLIANCE WITH DYSART MINING GROUP

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- Superior signs a Gold Mining Alliance and Joint Venture agreement with mining group, Dysart Mining Group.
  - Formation of 50:50 Development Joint Ventures upon project acquisition.
  - Funded path to development and production.
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In a move to accelerate the company's transformation towards becoming a gold producer, Superior Resources Limited (ASX Code: **SPQ**) (**Superior** or **Company**) today announced that it has entered into a strategic gold mining alliance with Dysart Mining Group (**DMG**), a group of interrelated private companies comprising well-resourced mine management, development and operational businesses.

Superior and DMG have joined forces under a Gold Mining Alliance and Joint Venture Heads of Agreement (**HOA**), which was entered into by Superior and DMG's special purpose company, Caesar Gold Mines Pty Ltd. The alliance has been formed for the purpose of creating a group that together has the necessary financial, technical, operational and corporate capability to successfully acquire defined gold resources and to develop the resources into production.

The HOA creates the framework to enable outcomes in three main areas:

1. formalisation of a Strategic Gold Mining Alliance (**Alliance**);
2. establishment of a mechanism to identify and evaluate potential mining projects; and
3. the creation of project specific 50:50 joint ventures and establishment of fundamental terms to the joint ventures.

The HOA is binding in relation to the joint venture terms and non-binding in relation to the alliance arrangements.

#### Value Proposition

SPQ and DMG have recognised the considerable opportunities that can be captured during the current buoyant market within the Australian gold resources sector. Combined with the greater availability of advanced stage gold projects, the alliance partners also recognised the strategic advantages of combining each parties' capabilities to create a sector-leading engagement from which considerable value can be derived.

A particular advantage that the Alliance delivers is its ability to move efficiently and ahead of the industry by combining Superior's corporate and geotechnical capabilities as well as its market exposure with DMG's mining expertise and its ability to deliver processing plant engineering, design



and construction at substantially reduced CAPEX costs when compared to current Australian market rates.

### **The Alliance Structure**

Broadly speaking, under the Alliance Superior will identify and acquire advanced stage gold projects, including delivering regulatory approvals to enable project development and DMG will undertake mine design together with providing fully financed modular plant design, procurement and construction.

Upon the acquisition of each project, a 50:50 joint venture will be formed and definitive joint venture agreements will subsequently be entered into by the parties.

The Alliance is not limited to gold projects and the parties will be actively seeking opportunities in respect of other commodities as appropriate.

Superior's Managing Director, Mr Peter Hwang, commented:

*"The Alliance arrangement is a significant step forward for Superior, as it has immediately empowered the company with a complete set of capabilities to enable the acquisition and development of gold projects. More importantly, the arrangement with DMG effectively provides a funded path to development and production from the many gold projects that are coming onto the market.*

*Already, the Alliance is participating in two formal sale processes for the acquisition of advanced stage gold projects. A fundamental focus of the Alliance is to only acquire projects in relation to which a pathway to immediate or near-term production has been identified.*

*With the current market down turn and availability of projects, we are excited about the potential that the Alliance presents. We believe that the relationship creates a unique proposition within the junior resources sector largely through the Alliance's ability to significantly reduce CAPEX development costs. We are combining our respective capabilities in an environment characterised by lowering acquisition, development and operational costs and a positive Australian dollar gold price outlook.*

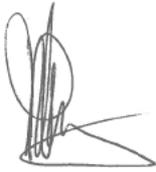
*Both Superior and DMG view the Alliance as a triple-win, with the third beneficiary being the Companies' shareholders.*

*I would like to acknowledge the enthusiasm and goodwill extended by DMG's management team during the formation of the Alliance and we look forward to the exciting opportunities ahead of us".*

### **About Dysart Mining Group**

Dysart Mining Group comprises a privately owned group of companies which conduct mine management, development and operational businesses in Australia. In particular, DMG is developing the Dysart East Coal Project in Queensland for Bengal Coal Pty Ltd (**BCPL**), which is a 2 million tonne per annum (ROM) prime hard coking coal project. BCPL's coal project is backed by Indian group, Bengal Energy Ltd. The project is at the final stage of contract negotiation on detailed design, procurement and financing to be provided by Chinese suppliers.

DMG's expertise includes mining and construction project implementation in the coal and minerals sectors.



**Peter Hwang**  
**Managing Director**

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