

NICHOLSON PROJECT MINIMUM EXPENDITURE CONDITION MET BY PARTNER

- **Teck delivers notice to Superior advising that it:**
 - **has completed the initial \$250,000 Minimum Expenditure requirement under the Nicholson Project Earn-In and JV Agreement; and**
 - **intends to proceed towards the earn-in option whereby Teck may earn a 70% in the project by spending a further \$2,250,000.**

Superior Resources Limited (ASX Code: **SPQ**) (**Superior** or **Company**) is pleased to advise that Teck Australia Pty Ltd (**Teck**) has delivered notice (Notice) to Superior advising that it has completed the \$250,000 initial “Minimum Expenditure” requirement under the Nicholson Project Earn-In and Joint Venture Agreement between Teck and Superior (**Agreement**).

Teck further confirmed that it intends to advance towards its earn-in option to earn a 70% interest in the Nicholson Project by spending a further \$2,250,000 on or before 31 December 2018.



Figure 1. Nicholson Project – project location relative to major lead-zinc mines and Superior’s projects.

Managing Director, Peter Hwang, commented:

“Teck’s progression to the substantive phase of the joint venture earn-in is a fantastic outcome for Superior’s zinc strategy and the Nicholson Project. This has come at an opportune time as we enter a bull zinc market and we are extremely pleased of the prospect of further exploration being conducted at the project.”

Superior has for a long time considered the Nicholson Project to be highly prospective for hosting another Mt Isa-style lead-zinc-silver deposit and we are pleased to see the project receiving the benefit of Teck's industry-leading technical capabilities. We look forward to the results of Teck's continued exploration program as it progresses over the course of the earn-in period."

Exploration to date

Teck commenced exploration on the Nicholson Project during the March Quarter of this year. To date, Teck has spent \$368,743 on the project by conducting the following:

- integration of Superior's data and publicly available geophysical data with Teck data and reinterpretation of the integrated data;
- compilation of a 3-D geological model;
- completion of Aboriginal cultural heritage surveys for land access; and
- completion of an Audio Magnetotellurics (**AMT**) geophysical survey.

AMT surveying is a technique used to investigate geological structures and characterise rock packages in greater clarity and at greater depths than other electromagnetic geophysical methods.

A key objective of the AMT survey is to confirm the architecture of prospective sub-basins, including key interpreted growth faults such as the Nicholson River Fault (Figure 2), which are critical in the formation of the targeted Mt Isa style mineral deposits.

The data obtained from the AMT survey is currently being processed and interpreted. It is anticipated that preliminary results may be available by year end.

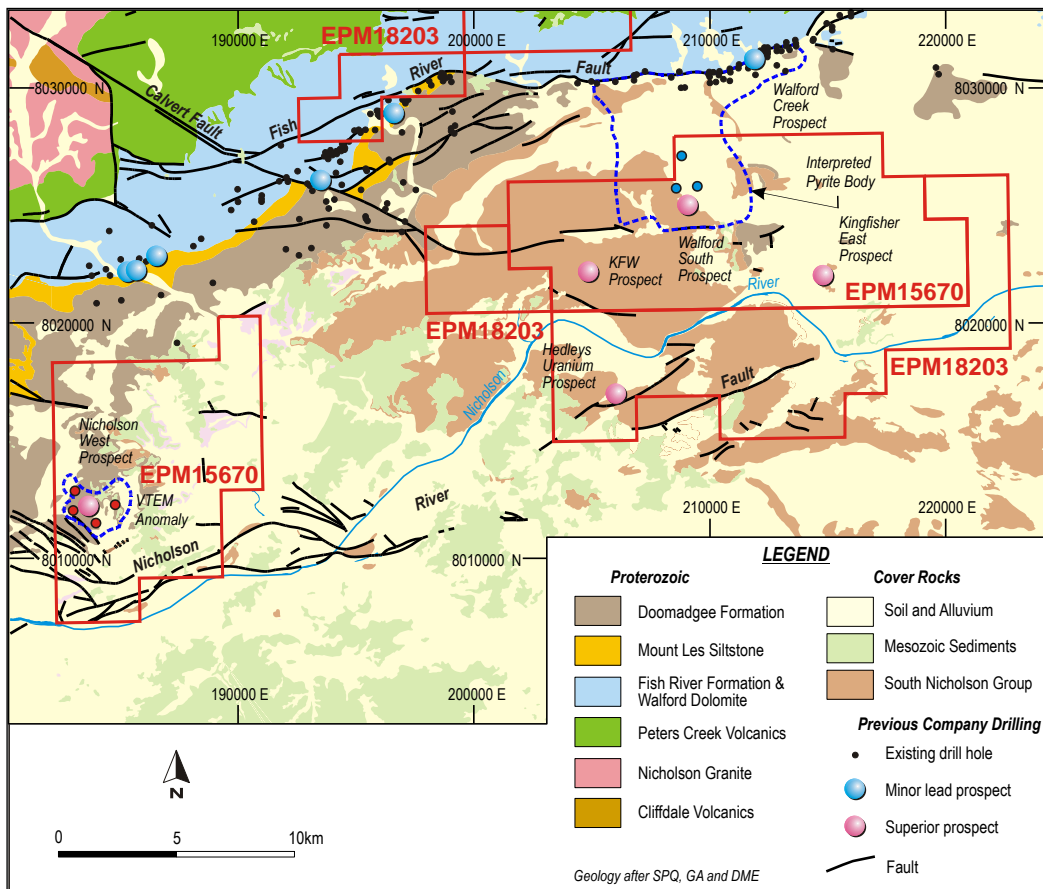


Figure 2. Nicholson Project tenements and prospect locations overlaid on background regional geology.

Background

Teck is a wholly-owned subsidiary of Canada's largest diversified resource company, Teck Resources Limited.

The Nicholson Project (EPM15670 and EPM18203), located near the Walford Creek lead-zinc-silver-copper deposit, is considered to have the potential to contain Sediment-Hosted lead-zinc-silver Massive Sulphide deposits (SHMS), similar to the Mount Isa Mine and the McArthur River Zinc Mine (refer to Figures 1 and 2).

The Nicholson Project Earn-in and Joint Venture Agreement was entered into with Teck on 9 October 2015 (refer ASX announcement 3 November 2015).

Under the terms of the Agreement, Teck has an exclusive right to earn a 70% interest in the Nicholson Project by spending \$2,500,000 in accordance with the following structure:

- (Initial Period) – incurring \$250,000 Minimum Expenditure: to be spent on exploration by 31 December 2016; and
- (Earn-In Period) – incurring \$2,250,000 in further expenditures on or before the 31 December 2018.



Peter Hwang
Managing Director

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