

# 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](mailto:manager@superiorresources.com.au)

## ASX RELEASE 7 November 2014

### Tick Hill Gold Project Commencement of Farm-in and Joint Venture

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Superior Resources Limited (**ASX Code: SPQ**) (**Superior** or the **Company**) confirms that a final "Implementation Deed" for the transfer of the Tick Hill Gold Project (**Project**) mining leases has been executed between Mount Isa Mines Limited (**MIM**) and Diatreme Resources Limited (**DRX**) (refer ASX announcement by DRX dated 7 November 2014).

The effect of this milestone is to enable the immediate commencement of the transfer of the Project mining leases from MIM to DRX. The transfer in turn will crystallise Superior's rights to:

1. commence earn-in rights to a 50% interest in the Project; and
2. commence the exploitation of surface gold, which includes investigating the processing of old mine tailings and waste rock dumps.

#### Joint Venture Agreement

Superior's rights are derived from an "Exploration Farm-in and Joint Venture Agreement" with DRX, dated 17 June 2013 (**JVA**). The transfer of the mining leases is the last condition to be fulfilled before the operation of the JVA can commence. Under the JVA, Superior has the right to earn a 50% interest in the Project by spending \$750,000 on exploration including substantial drilling over a two year period (which can be extended by agreement).

Upon a transfer of a 50% interest in the Project, Superior will be required to pay DRX \$100,000 and an amount equal to 50% of the government security bond on the mining leases.

MIM retains a royalty on gold produced from the mining leases, which is set at a variable rate depending on the annual grade of gold produced from mining. The royalty applies initially to gold produced above 5g/t Au and then, after payment of royalties totaling \$5M, to gold produced above 10g/t Au. A separate royalty rate applies to gold produced from tailings resulting from previous mining.

#### Project development potential

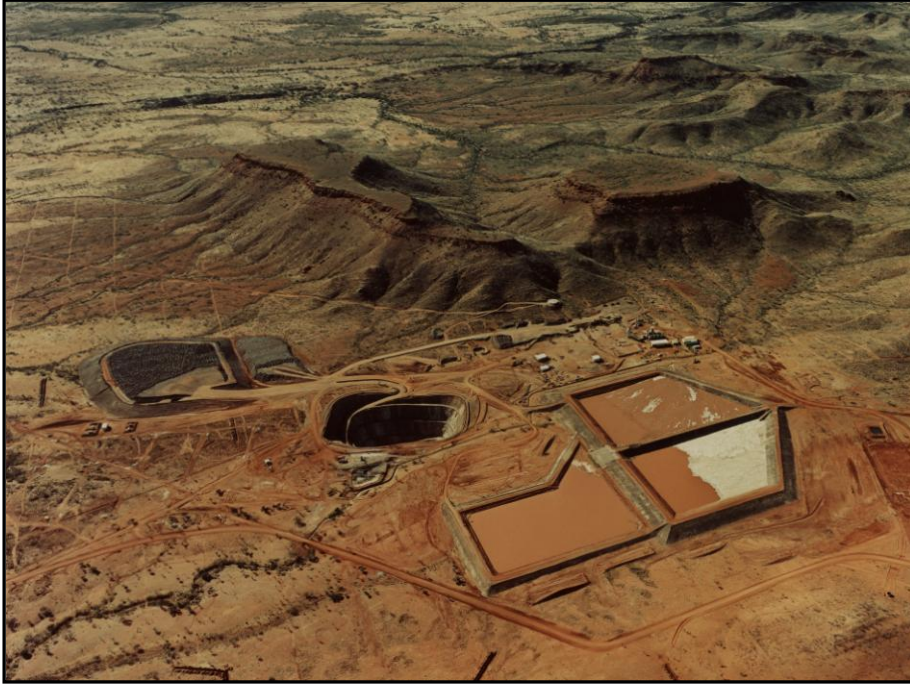
The Project represents Superior with several opportunities to realise value in both the short and long terms. Superior has identified the following opportunities relating to the Project:

- processing of old mine tailings (short term cash potential);
- potential alluvial deposits adjacent to the open cut pit (short term cash potential);
- waste rock dumps (short term cash potential);
- residual underground ore; and
- a high grade exploration target (longer term potential).



In a joint operation with DRX, Superior will immediately commence an assessment program to determine the feasibility of processing the tailings, which will include an assessment of several processing options.

At the same time, Superior will commence data compilation and processing in preparation for an exploration program aimed at identifying a high grade extension to the deposit.



Tick Hill Gold Project Mining Operations - circa 1993

### **The Tick Hill Gold Project – Background**

The Tick Hill gold mine was an extraordinarily rich, compact, high-grade orebody, renowned for its spectacular gold-peppered, pink potassic rock. Gold mineralisation at Tick Hill occurred in a well-defined high-grade shoot with the following approximate dimensions: 140m (strike) by 1m to 30m (width) by 300m (down plunge).

The Project comprises three granted Mining Leases (No's 7094, 7096 and 7097), each with an area of 130ha for a total area of 390ha. The project is located 110km southeast of Mount Isa in northwest Queensland (Figure 1).

**The Tick Hill Gold Deposit was mined between 1991 and 1995 by Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Limited) for the production of 513,333 ounces of gold from 705,000 tonnes of ore at a recovered grade of 22.6 g/t gold (MIM Holdings Limited – Annual Reports). This makes it one of the highest grade gold deposits in Australia's recent gold producing history.**

Previous mining at Tick Hill was by an open pit with an underground mine beneath the open pit. Access to the underground mine was via a decline. A blind-bored vertical shaft which connected to the decline at depth was used for ventilation and as a mine escape route. Both the decline and vertical shaft were capped by concrete at the completion of mining but both are expected to be recoverable if required for further mining. Mine workings are currently flooded.

**The prime purpose of the exploration program to be completed by SPQ is to define a high-grade gold resource similar to that previously mined by Carpentaria Gold Pty Ltd.**



SPQ has identified a fault near the bottom of the previously mined gold shoot with the possibility that the gold shoot may exist at depth in an offset position from the previously mined area. On final transfer of the Mining Leases, SPQ will initially drill areas containing the possible offset extension of the mined shoot.

Additional exploration to be completed by SPQ includes assessment of other potentially gold bearing areas within the mining leases, testing of the tailings from the previous mining to determine if these contain sufficient gold to warrant reprocessing, assessment of potential alluvial resources and investigation of the grade of the old mine dumps.

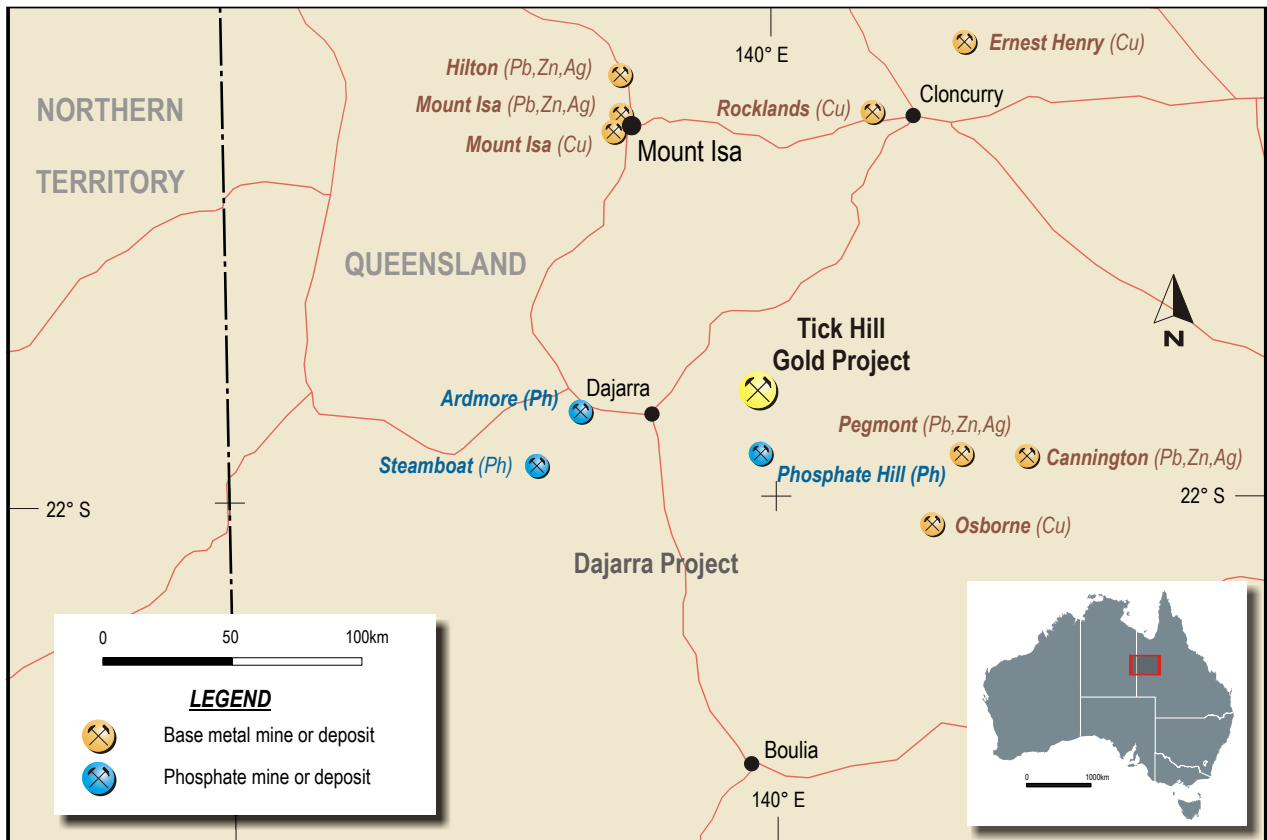


Figure 1: Tick Hill Gold Project location

**Peter Hwang**  
Managing Director

**Contact:**

**Mr Carlos Fernicola (07 3831 3922)**  
**Mr Peter Hwang (07 3839 5099)**

**Further Information:**

[www.superiorresources.com.au](http://www.superiorresources.com.au)  
[manager@superiorresources.com.au](mailto:manager@superiorresources.com.au)