



Superior
Resources

ANNUAL REPORT 2022



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(Managing Director)

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ASX Code: SPQ

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SUPERIOR RESOURCES

**Big projects.
Big potential.**

Superior Resources Limited (ASX:SPQ) is an Australian public company exploring for large copper-gold, nickel-copper-PGE, gold and lead-zinc-silver deposits in northern Queensland which have the potential to return maximum value growth for shareholders.

Based in Brisbane, Queensland, Superior is focused on multiple Tier-1 potential exploration targets and has a dominant position within the Carpentaria Zinc Province in north-west Qld and Ordovician rock belts hosting copper-gold porphyries in north-east Qld, considered equivalents of the NSW Macquarie Arc.

Amid rising demand from the green transition for metals such as copper, nickel, PGEs, cobalt and zinc, Superior has the right projects in the right location at the right time.

Our experienced Board has expertise in all aspects of minerals exploration, financial management and corporate governance, backed by an expert geological team to advance our exploration portfolio.

To find out more, please visit our website at www.superiorresources.com.au

CHAIRMAN AND MANAGING DIRECTOR'S REVIEW

Dear Fellow Shareholders

Superior Resources has enjoyed a standout year as our exploration efforts drive increased shareholder value.

The Company's market value has tripled over the past financial year, with the share price hitting record highs on the back of continued exploration success.

Thanks to the support of investors, Superior has advanced an active exploration program across our projects in northern Queensland.

Superior is well placed for further success in the year ahead, with fiscal 2022 showing a number of significant results.

Bottletree – advancing towards major discovery

The Bottletree Copper-Gold Prospect represents the first of several opportunities for Superior to discover and develop large copper-gold and nickel-copper-gold-PGE deposits within the richly endowed mineralised belts secured by the Company's 100% owned Greenvale Project tenements.

During the past year, substantial advances have been made towards a potential major copper discovery at Bottletree, with impressive drill results reinforcing its large size potential.

Commencing in September 2021, as part of a 13,000m drilling campaign across the Company's 100 per cent-owned Greenvale Project, a deep three hole diamond drilling program tested Bottletree's porphyry potential. Previous drilling in 2018 showed extensive copper mineralisation associated with an intense induced polarisation chargeability anomaly.

The 2021 program confirmed very extensive copper-gold mineralisation, with the third hole returning an impressive intersection of 632m @ 0.21% Cu, including 224m @ 0.40% Cu and 100m @ 0.53% Cu. A large-scale copper system was rapidly emerging.

In June 2022, the Company launched a new diamond drilling program at Bottletree, targeting the core of what has been interpreted as a large-scale Cu-Au porphyry system. An initial program of eight holes was planned for a minimum of 3,700m.

Post financial year-end, in August 2022 Superior announced that variable amounts of visual copper mineralisation had been intersected over almost the entire 933m length of Bottletree hole five.

Results thus far have been exceptional and we look forward to announcing further significant developments, with drilling expected to continue to calendar year-end.

Superior's other porphyry copper prospects are also advancing, with the Company planning maiden diamond drilling programs at both the Wyandotte Copper Prospect and Cockie Creek Porphyry Copper-Gold Prospect.

Steam Engine Resource upgraded

The Steam Engine Gold Project returned some impressive results during the financial year, with the resource drilling program resulting in a material upgrade to its Mineral Resource.

Superior aims to develop a low capex mining operation at Steam Engine, with the potential for near-term cashflow to drive shareholder value and significantly expedite progress at the Company's multiple other high-potential critical mineral projects, including Bottletree.

In October 2021, Superior announced a spectacular intersection grading 115.2 g/t Au at the project's Eastern Ridge Lode, which complements a bonanza intercept of 184 g/t Au reported in 2020. By the completion of the 2021 program a total of 314 holes for 22,733 metres had been drilled by Superior during the 2020 and 2021 field seasons.

As stated in the October 2021 announcement, the deeper we drill, the better the holes become at Steam Engine.

In April 2022, following the 2021 resource drilling program, Superior announced a material upgrade to the Steam Engine Mineral Resource, comprising 4.18 million tonnes @ 1.5 g/t Au for 196,000 ounces, representing a 60.7% increase in total Resources and an 80.6% rise in total Measured and Indicated Resources. The Resource has more than doubled since definition drilling started in mid-2020.

Considering that the upgraded Resource has been estimated over only 1.3 km of a total 14 kilometres of lode strike potential, Steam Engine presents the Company with a superb opportunity to develop a significant gold deposit within the Greenvale area.

Part of this lode extension potential can be seen within a 4km gold corridor between Steam Engine's Dinner Creek Lode and the northern edge of Bottletree. The lodes at the historic Windmill East and Origin prospects appear highly mineralised and identical in style to the Steam Engine Lode, with rock chip assays returning up to 65.9 g/t Au.

The Company is currently conducting a Feasibility Study on the project for a mining and processing operation. Based on the positive results of the earlier Scoping Study and the outlook for the precious metal, Superior sees reasonable prospects for the development of a new gold mine in the near term.

Dido/Big Mag expands

In March 2022, Superior received a third exploration permit (EPM 27932) over the Dido Intrusive Complex, which has confirmed potential to host major Voisey's Bay/ Julimar-Gonneville style nickel-copper-PGE magmatic sulphide systems.

The prospectivity of this area has been demonstrated by Anglo American, having previously rated the Dido Batholith among the top 10 of 100 priority target areas in Australia. Anglo American generated very extensive geological and geophysical datasets and identified numerous targets during its five-year exploration campaign.

Critically, Anglo intersected well-mineralised Voisey's Bay-style magmatic Ni-Cu-PGE sulphide intrusions in several diamond drill holes that it completed.

The Company is excited by the project's potential, having identified more than 40 high priority targets, some of which are recognised as the first Voisey's Bay-style systems in Queensland.

With this ground secured, Superior shareholders have an excellent opportunity to become part of our quest to discover a world-class nickel-copper-PGE deposit. The Company aims to commence initial drilling programs during the 2023 field season.

Investor support

Superior's successes would not have been possible without the support of investors. Thank you to all shareholders, whether recent or longstanding, who have backed the Company's capital raising initiatives over the past financial year.

Both placements conducted by the Company were substantially oversubscribed, highlighting the strength of investor demand and support for our exploration initiatives. Superior was strongly supported by a number of new domestic and global institutions together with high net worth investors, with the introduction of new institutional investors particularly significant as the Company accelerates its exciting copper and gold drilling programs.

Together with investors, Superior also thanks the Board, employees, consultants, contractors, suppliers and all those associated with the Company for your support over the past year. Our bright future would not be possible without your efforts.

Leveraging the green transition

The clean energy transition is set to significantly increase demand for key minerals and Superior shareholders are well placed to benefit.

According to the World Bank, more than 3 billion tonnes of minerals and metals will be needed to deploy wind, solar and geothermal power as well as energy storage. It predicts the need for a 500% increase in production by 2050 to meet demand for clean energy technologies.

Clearly, such strong demand forecasts highlight the need for increased minerals exploration and production.

With a project portfolio spanning copper, nickel, PGEs, zinc, cobalt, uranium and rare earth elements, Superior is set to leverage the green transition.

Thank you again for your ongoing support as we work to deliver success and growth for Superior shareholders over the coming years.

Yours sincerely

Carlos Fernicola

Chairman

Peter Hwang

Managing Director

HIGHLIGHTS



Transformational advances, with several additional porphyry copper-gold prospects being prepared for 2023 drilling campaigns



Dido/Big Mag Project expanded, becoming sector-leading Ni-Cu-PGE magmatic sulphide opportunity



Material upgrade to Steam Engine Gold Resource to 196,000 oz Au



Strong market backing, with consistently oversubscribed capital raising campaigns



Future facing project **portfolio well aligned for green transition**

Review of Operations

Superior Resources (ASX:SPQ) holds a portfolio of quality Tier 1 potential exploration projects in North Queensland prospective for copper, gold, nickel-PGE, zinc-lead-silver, rare earth elements and uranium.

 Nicholson

 Victor

 Mount Isa

 Greenvale

 Cairns

 Townsville

QLD



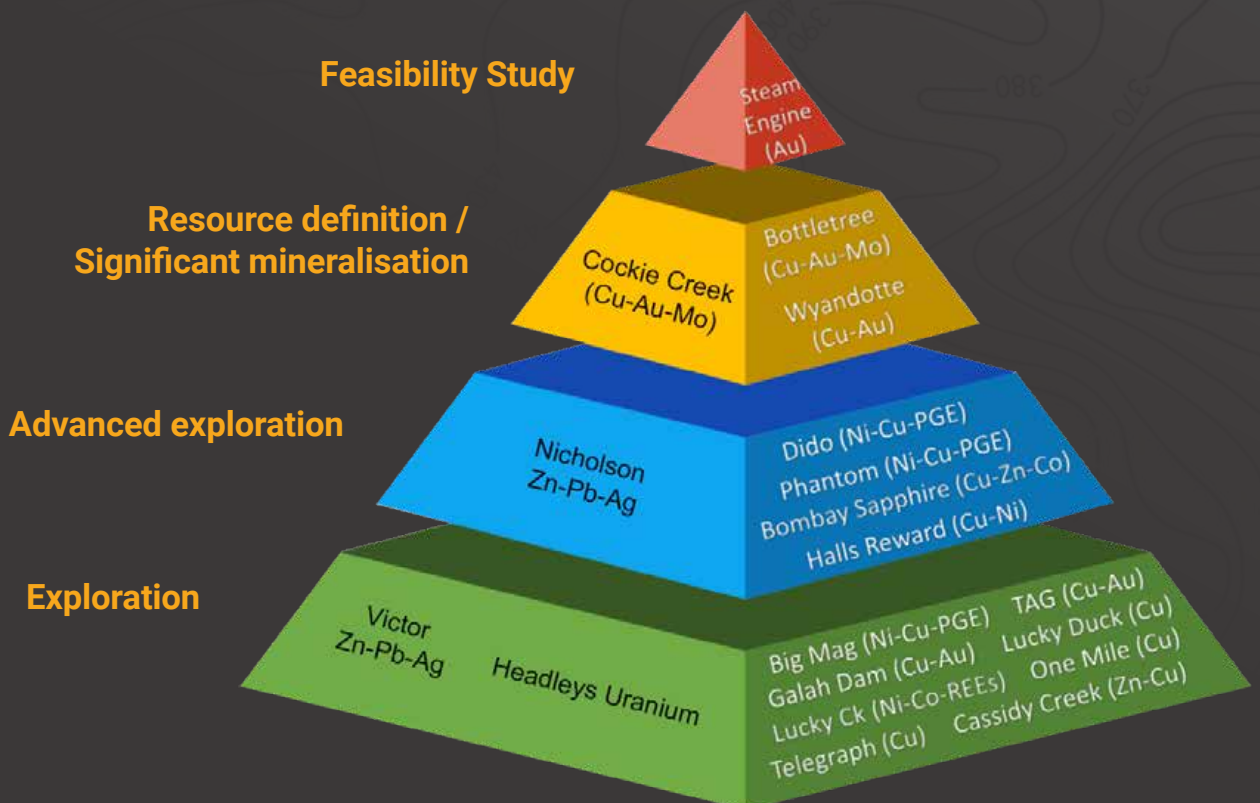
Location map showing the Company's current portfolio of projects.

 Brisbane

LEVERAGING THE GREEN TRANSITION



Superior's projects are leveraging the green transition, with our portfolio of key forward-facing metals including copper, nickel, PGEs, cobalt and zinc, together with uranium and rare earth elements.



Greenvale Project

The Greenvale Project (SPQ 100%) is highly prospective for multiple porphyry copper-gold, orogenic gold, VMS copper, Voiseys Bay style magmatic nickel-copper-PGE sulphide and zinc deposits and contains at least 60 high potential prospects.

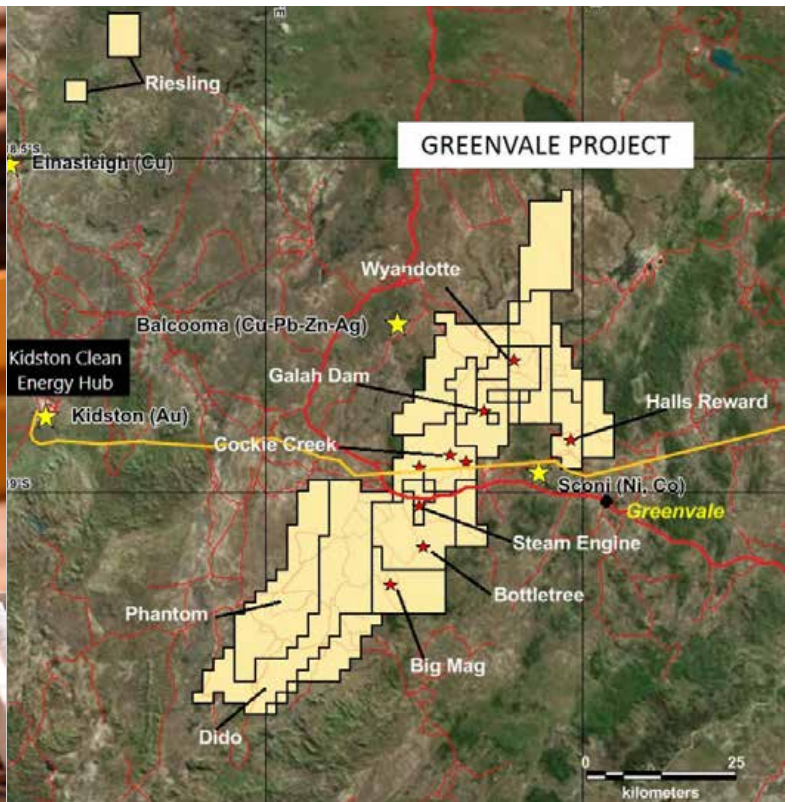
The project covers a substantial area of 1,750 sq km and is located within a region of notable economic significance, being proximal to the Kidston, Balcooma, Surveyor and Dry River South deposits.

The Kidston Clean Energy Hub, being constructed at the former Kidston mine site, will supply 100% renewable energy into the NEM via a transmission line passing through the centre of the Greenvale Project area.



Mineral prospects within the Greenvale Project include the following:

Bottletree	Porphyry copper-molybdenum-gold
Cockie Creek	Porphyry copper-gold
Wyandotte Copper	High-grade copper, potential porphyry
Galah Dam	Potential porphyry / massive sulphide copper-gold-zinc
Big Mag	Potential magmatic nickel-copper-PGE sulphide
Palmer Rails	Voisey's Bay style magmatic nickel-copper-PGE sulphide
Phantom Creek	Voisey's Bay style magmatic nickel-copper-PGE sulphide
Bombay Sapphire	Potential VMS or porphyry copper
Steam Engine	High-grade orogenic lode gold
Halls Reward	Cyprus style VMS (high-grade copper)
One Mile/One Mile Dam	Potential VMS / porphyry copper-gold
Riesling	Potential Broken Hill Style zinc-lead-copper
Lucky Creek	Lateritic Nickel-Cobalt-Rare Earth Elements



Bottletree Copper Prospect

FIRST CRITICAL DRILL HOLE: BTDD004:

Significant porphyry-style mineralisation:

- 632m @ 0.21% Cu, 0.03g/t Au, 0.60ppm Ag, 18.0ppm Mo from 5m below surface, including:
- 224m @ 0.40% Cu, 0.05g/t Au, 0.90ppm Ag, 3.5ppm Mo from 242m
 - 103m @ 0.53% Cu, 0.05g/t Au, 1.4ppm Ag, 3.3ppm Mo from 363m
 - 1m @ 5.25% Cu, 0.31g/t Au, 10.7g/t Ag, 1.5ppm Mo from 363m
 - 12m @ 1.01% Cu, 0.07g/t Au, 2.2ppm Ag, 1.9ppm Mo from 363m
 - 15m @ 1.19% Cu, 0.15g/t Au, 3.6ppm Ag, 1.9ppm Mo from 451m.

Bottletree is Superior’s most exciting large-scale copper prospect, located approximately 210 km west of Townsville, Qld and only 5 km south of the Steam Engine Gold Project.

In September 2021, a deep diamond drilling program commenced, which saw the completion of three diamond core holes totalling 2,200m, targeting the untested core of a large, high-order MIMDAS IP chargeability anomaly.

A 2018 hole drilled by Superior identified extensive copper mineralisation, returning 292m @ 0.22% Cu, including 18.7m @ 1.12% Cu (SBTRD006) (refer ASX release 25 October 2018).

On 30 November 2021, Superior announced that drilling at the first two diamond drill holes had identified the presence of extensive porphyry-style copper-gold mineralisation.

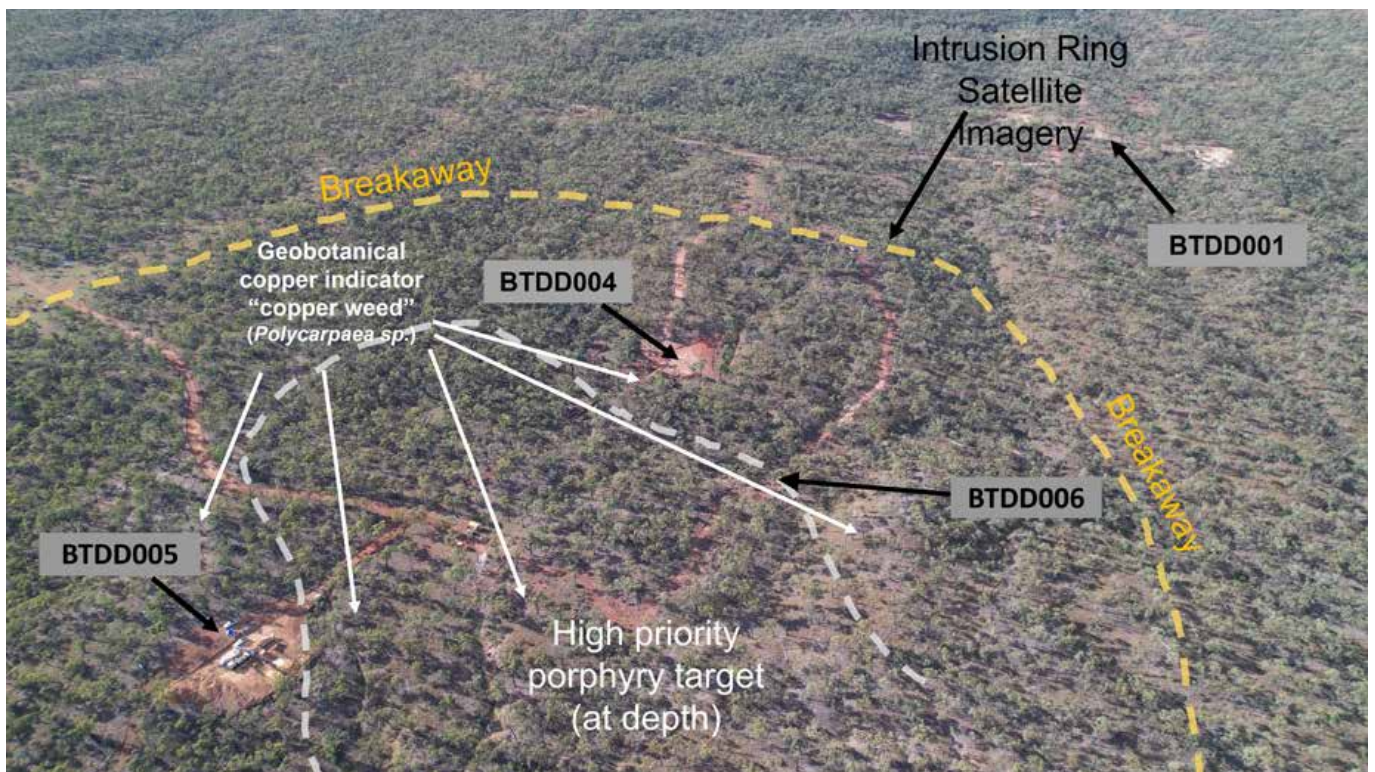
The third hole intersected numerous visually-observed copper-mineralised vein sets and disseminated copper over the majority of the 659m hole. Strong copper sulphide mineralised vein sets were intersected over an interval of approximately 200m immediately west of the chargeability anomaly.

Importantly, veins of quartz-chalcopyrite-molybdenite which resemble Type-B veins in a porphyry system were intersected. Porphyry Type-B veins are a classic indication of a nearby porphyry system.

In January 2022, Superior announced the first assay results from the 2,300m Bottletree drilling program.

BTDD001, drilled to 684.6m, intersected extensive disseminated and vein copper-gold-silver mineralisation over variably broad intervals from 132m to 681m, with individual intervals ranging up to 87m. The disseminated zones included numerous zones of high grade, intensely mineralised shear-related chalcopyrite-pyrrhotite-quartz veins returning up to 2.79% Cu.

Drilling confirmed that the extensive copper mineralisation highlighted by the chargeability anomaly does not represent the main mineralised porphyry stock, but late-stage mineralisation sourced potentially from a large copper-gold porphyry system located nearby and to the west of the anomaly.



Aerial oblique view of Bottletree Copper Prospect viewed towards northeast, showing priority porphyry core target and broader satellite-visible intrusion ring feature.



Significantly, a new understanding of the polymetallic veining suggests the mineralisation has affinities with late-stage shear veining in some Central European porphyry deposits that are developed after the main stockwork and sheeted vein mineralisation stages of porphyry system development.

In addition, the mineralisation is more extensive than indicated by the chargeability anomaly and crops out at surface. Although the drilling did not identify the targeted porphyry stock, the amount of copper mineralisation is considerable and is currently observed over at least 750m surface strike, 500m width and 600m vertical extent.

In May 2022, Superior announced assay results from a large multi-element soil geochemistry survey. The results confirmed the Company's 2021 conclusions by strongly highlighting multiple copper-gold-molybdenum porphyry core targets to the west and southwest of the 2021 area of focus.

In addition, porphyry pathfinder elements defined new targets that extend beyond the survey area, significantly expanding Bottletree's area of interest to 2.5 km by 2.0 km.

In June 2022, Superior announced assay results from the third deep diamond hole completed during 2021, BTDD004. Drilled to 658.9m, it was the third and last hole drilled at Bottletree during the 2021 field season and was designed to test the potential for porphyry copper-gold mineralisation on the western side of a large and intense MIMDAS induced polarisation (IP) chargeability anomaly.

The assays confirmed that a very extensive zone of copper mineralisation was intersected over almost the entire length of the 658.9m hole. Core from BTDD004 showed variably mineralised quartz-chalcopyrite vein sets and disseminated chalcopyrite, including a strongly mineralised 224m interval immediately to the west of the MIMDAS IP anomaly.

Although interpreted to be located some distance from the core of an intrusive porphyry system, the assays returned an

impressive main copper zone of 224m @ 0.40% Cu, 0.05g/t Au, 0.9ppm Ag, 3.5ppm Mo (molybdenum) within an overall mineralised zone of 632m @ 0.21% Cu, 0.03g/t Au, 0.60ppm Ag, 18.0ppm Mo.

The results in BTDD004 added to the mineralisation reported earlier from hole BTDD001, collared 500m to the east, which returned an overall intersection of 552.6m @ 0.16% Cu, 0.02g/t Au, 0.7g/t Ag from 132m to the end of hole at 684.6m.

BTDD004 has returned the best copper intersection so far at Bottletree and is considered to be indicative of better mineralisation towards the interpreted core of a central porphyry system, west of the 2021 MIMDAS IP anomaly.

2022 drilling program

In June 2022, Superior commenced its 2022 diamond drilling program at Bottletree, comprising an initial eight deep diamond holes for a minimum of 3,700m. The drill holes are targeting the core of at least one large, interpreted Cu-Au-Mo porphyry system that is coincident with a 1.5km x 1km soil copper anomaly and a 1km-wide induced polarisation (IP) chargeability anomaly.

Post-balance date, in August 2022 Superior announced that visual copper mineralisation had been intersected over almost the entire 933.6m Bottletree Hole 5, collared 300m west of the fourth hole. Hole 5 intersected variable zones of visually observed copper-mineralised vein sets and disseminated copper of variable intensities from near surface to end of hole at 933.6m. The results reinforced the Company's expectations of the project's very large size potential, with an extensive dispersion of copper mineralisation.

The Bottletree drilling program is expected to continue through to the end of calendar 2022.



BTDD005 – 699.9m (left), 708.5m (right) – buck quartz vein with chalcopyrite-pyrrhotite infill.

Steam Engine Gold Deposit

MINERAL RESOURCE ESTIMATE UPGRADED BY 60.7% TO 4.18 MILLION TONNES @ 1.5 G/T AU FOR 196,000 OUNCES AU, COMPRISING:

- Measured & Indicated: 2.22 million tonnes @ 1.7 g/t Au (approx. 121,000 ounces Au);
- and
- Inferred: 1.96 million tonnes @ 1.2 g/t Au (approx. 75,000 ounces Au).

The Steam Engine Gold Deposit provides Superior with a strategic opportunity to realise significant early cash flow, whilst also providing large scale deposit potential. This deposit contains at least two sub-parallel gold-bearing lodes, referred to as the Steam Engine Lode and the Eastern Ridge Lode.

A third zone of sub-parallel mineralisation exists to the east of Eastern Ridge Lode (Dinner Creek Lode) and an area of gold mineralisation comprising multiple lodes (Southern Zone) is located between, and to the south of the Steam Engine and Eastern Ridge lodes.

The results of a Scoping Study for the mining and toll treatment of approximately 65% of the current Resource tonnes was finalised in April 2021.

The positive financial outcomes indicated by the study enabled the Company to immediately commence a Feasibility Study and mining lease application process.

Maiden drilling at the Dinner Creek Zone and Resource extension drilling at the Steam Engine Lode, totalling approximately 4,500m, commenced in June 2021, with 70 RC holes drilled.

In August 2021, Superior announced the first batch of assay results from an initial 8,000m drilling campaign at the Greenvale Project. The first hole confirmed the lode thickens significantly down-dip with impressive assay results, including 10m @ 2.8 g/t Au from 58m (SRC105) and 19m @ 1.7 g/t Au from 58m.

Significantly increased thicknesses of mineralised zones were observed in several other holes, providing an early indication of the potential for a larger than expected high grade ore shoot system. In response, the Steam Engine Lode program was extended by a further 5,000m to target down-dip extensions of high grade mineralisation.

In September 2021, Superior announced a second batch of assays, confirming significant down-dip extensions to the gold mineralisation. Results included 7m @ 3.7 g/t Au from 94m (SRC126), including 4m @ 5.0 g/t Au from 94m and 6m @ 2.5 g/t Au from 75m (SRC123).

These results were followed in October 2021 by a spectacular intersection of 115.2 g/t Au from the Eastern Ridge Lode, from within an intersection comprising 5m @ 24.9 g/t Au from 27m (SRC161). The results have identified greater than expected potential for expansion of the Eastern Ridge Lode Mineral Resource.

Further assay results reported in November 2021 confirmed the down-dip strengthening of the lode, a development that has been observed over substantial portions of the Steam Engine Lode. The results included intersections of up to 21m @ 2.2 g/t Au from 160m (SRC188), further supporting significant resource growth potential.



Table 1. Steam Engine Gold Project updated JORC, 2012 Mineral Resources Estimates

Model	Classification	Tonnes	Grade (g/t Au)	Ounces (Au)
OWNER OPERATOR MODEL (0.25 g/t Au block grade cut-off)	Measured	800,000	2.1	53,000
	Indicated	1,420,000	1.5	68,000
	Inferred	1,960,000	1.2	75,000
TOTAL		4,180,000	1.5	196,000
TOLL TREATMENT MODEL (1.0 g/t Au block grade cut-off)	Measured	590,000	2.6	49,000
	Indicated	1,020,000	1.9	62,000
	Inferred	1,110,000	1.7	60,000
TOTAL		2,720,000	2.0	171,000

Upgraded resource

In April 2022, Superior announced a substantial Mineral Resource upgrade for Steam Engine, with a 60.7% increase in total resources and an 80.6% rise in total Measured and Indicated categories:

Lower Grade Owner Operated Processing Plant Model (lower cut-off grade of 0.25 g/t Au)

- 60.7% increase in total Measured, Indicated and Inferred Resource to:

4.18 Mt @ 1.5 g/t Au for 196,000 oz Au

- 80.6% increase in total Measured and Indicated Resource to:

2.22 Mt @ 1.7 g/t Au for 121,000 oz Au

High Grade Toll Treatment Model (higher cut-off grade of 1.0 g/t Au)

- 40.2% increase in the total Measured, Indicated and Inferred Resource to:

2.72 Mt @ 2.0 g/t Au for 171,000 oz Au

- 65.7% increase in total Measured and Indicated Resources to:

1.61 Mt @ 2.2 g/t Au for 111,000 oz Au

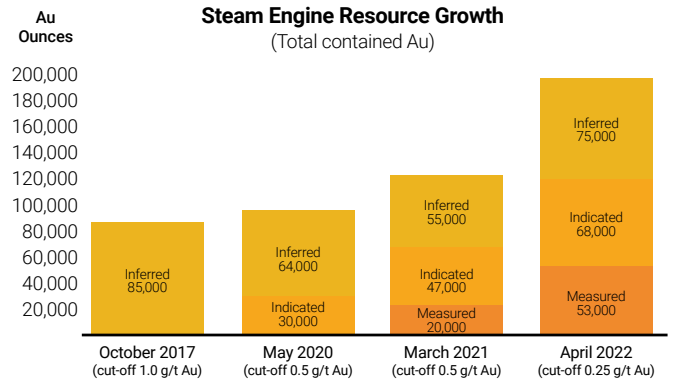


Chart showing growth of total contained Au metal from Resources Estimates of the Steam Engine Gold Project.

The key objectives for the Steam Engine Project include:

1. Determine the most beneficial strategic development pathway for the project;
2. Conduct a feasibility study on a mining and toll treatment scenario;
3. Commence an aggressive exploration drilling program to rapidly expand the Mineral Resources; and
4. Progress regulatory approvals processes, which include environmental and native title matters.

The work to achieve those goals is extensive and will include mining studies, exploration planning, environmental studies, commercial and legal matters.



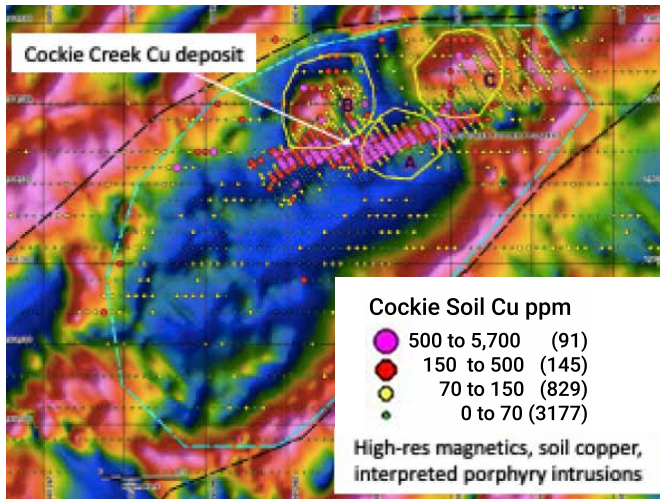
Cockie Creek Porphyry Copper-Gold Prospect

Cockie Creek is a large potential porphyry copper-gold mineralised system that extends for over 1.2 kilometres. Two large chargeability anomalies identified beneath the shallower copper mineralisation are yet to be drill tested. Modelling has opened up the potential of the area to host a significant porphyry copper-gold deposit.

The current Mineral Resource estimate comprises 13Mt @ 0.42% Cu (0.25% Cu cut-off grade) (JORC 2004), based on a strike length of 1.2 km and down to a maximum depth of 250m.

Superior has recently conducted 3D geophysical remodelling of induced polarisation (IP) chargeability datasets and combined the new models with soil geochemical datasets to identify potential extensions to the current copper resource.

The new geophysical and geochemical studies have highlighted a large potential porphyry intrusive complex to be associated with the copper resource.



Refer ASX announcement dated 27 March 2013.

Wyandotte Copper Prospect

The Wyandotte Prospect is a shallow zone of high-grade copper mineralisation, which is potentially associated with a deeper intrusion-related or porphyry system.

Historically, the main area of mineralisation has been held under mining leases and mineral development licences. The earliest significant work on the prospect was by Silver Valley Minerals (SVM) in 1969. SVM drilled 27 diamond core drill holes and established a supergene copper resource and also sank a shaft on the copper mineralisation.

The best of the drill intersections underpinning the resource were in adjacent holes, DDH05 - 5.8m @ 7.8% copper and DDH08 - 13.4m @ 3.6% copper.

Shell Minerals Exploration (Aust.) Pty Ltd conducted a review of previous work and drilled a further five diamond core drill holes in 1975. No exploration work has been conducted on the mineralised area since 1975.



Exploration Target

The historic work that has been conducted on the mineralised zone has been determined by Superior to be sufficient to enable the estimation of an Exploration Target that meets the requirements of clauses 17 and 38 of the JORC Code 2012, ASX Listing Rules 5.7, 5.12 and 5.16 and ASX Listing Rules Guidance Note 31.

The Company has defined an Exploration Target (see Cautionary Statement below), expressed as a tonnage and grade range:

Table 2. Exploration Target – Wyandotte Copper Prospect

Tonnes	SG	Cu %	Cu tonnes	Range
400,000	2.7	2.2%	8,800	Lower
1,000,000	3.0	1.9%	19,000	Upper

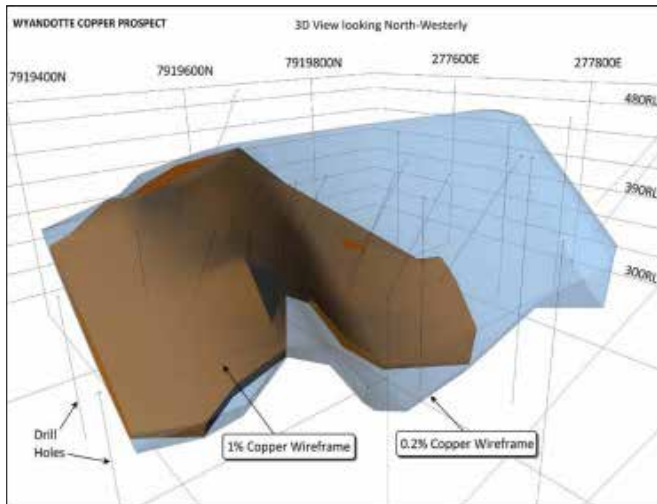
Cautionary Statement (JORC, 2012)

Exploration Target: The Wyandotte Exploration Target has been calculated using historic drill hole and assay information by a Competent Person (Competent Person declaration is provided in the latter parts of this report). The Exploration Target is reported in a form comprising a tonnage and copper mineralisation grade range. The Exploration Target does not constitute a Mineral Resource or Ore Reserve. The potential quantity and grade expressed by the Exploration Target is conceptual in nature as there has been insufficient exploration information to estimate a Mineral Resource. Furthermore, it is uncertain whether further exploration work will result in the estimation of a Mineral Resource.

In determining the Exploration Target, sectional interpretations of the historic drilling data were used to form wireframe models of the copper mineralisation for several different scenarios.

Three of the models examined areas in close proximity to the historic drilling. A fourth model examined the possibility of a down-dip extension of the copper mineralisation near the historic drilling, together with the possibility of a southern extension of the mineralisation along strike from the known mineralisation.

Tonnage and grade estimates were made of the models to help determine the likely ranges of tonnes and grade for the targeted mineralisation down to approximately 100 metres vertical depth. Only areas proximal and down dip of the historical drilling were used to determine this exploration target, as insufficient data exists at this time to determine the extent of any further along strike mineralisation.



3-D view of Wyandotte mineralisation wireframes of +1% copper and +0.2% copper mineralisation.

Proposed Drilling Program

A total of 14 drill holes for 1,075m of drilling (30m to 150m drill hole depths) have been designed to test the Exploration Target in the area of the historical drilling and also the potential for down-dip extensions of the copper mineralisation to approximately 100m vertical depth.

The proposed holes will include four diamond core drill holes for up to 200m of diamond core drilling (40m to 50m depths) with the remainder being RC drill holes.

The proposed program is planned to be conducted during the 2023 field season.

Magmatic Nickel-Copper-PGE Sulphide Project

The Dido/Big Mag Project comprises four exploration permits for minerals (EPMs) (EPM26751, EPM27754, EPM27755 and EPM27932) covering 1,158 sq km of geology considered highly prospective for world-class Ni-Cu-PGE magmatic sulphide ore deposits. The tenements are contiguous with the original Greenvale Project EPMs and extend the overall project by approximately 40 kms to the southwest and 20 kms northwards.

The priority areas of interest are the southwestern and western areas of the greater Greenvale Project, which cover most of the ~470-430 Ma Dido Batholith and the Big Mag igneous complex.

These igneous bodies are located in a zone that is thought to represent the eastern-most margin of the Australian continent that formed from the breakup of the Precambrian supercontinent, Pangaea (re-named Rodinia). Areas to the east are younger rocks that were accreted to the original Rodinian eastern margin to form the current eastern part of Queensland / Australia.

Deep penetrating faults that are formed near many craton margins act as conduits to transport primitive magmas through the earth's crust. In certain conditions, the magmas result in the formation of various ore deposits such as the type targeted by Superior.

In March 2022, Superior was granted the last outstanding exploration permit (EPM27932) in its Dido/Big Mag Project, which covers the expansive Dido Batholith and Big Mag igneous complex. The grant effectively secured what is likely to be the only confirmed Voisey's Bay/Julimar-style Ni-Cu-PGE magmatic sulphide mafic-ultramafic igneous complex in Queensland.

The grant of the tenement expands the Ni-Cu-PGE project to 1,158 sq km and the overall Greenvale Project to 1,749 sq km.

Prior to substantial data generation, academic research and initial follow up work by Anglo American up to 2012, the Dido Batholith and Big Mag had received little or no exploration and certainly no exploration for magmatic Ni-Cu-PGE sulphides.

Exploration work conducted by Anglo American over a five-year period has provided an enormous and valuable dataset that includes over 5,000 line-kms of high-quality airborne and ground geophysical survey data, soil geochemistry and geological mapping data, limited initial drill hole results and the results of petrographic and academic research on the prospective rock types.

Anglo American generated numerous (<40) magnetic and EM conductor targets. However, follow-up work was focussed on only two high priority targets. Despite initial diamond core drilling on these targets returning very positive results that confirmed the presence of extensive Voisey's Bay style Ni-Cu-PGE mineralisation, no further follow up work was conducted.

In its final statutory report to the government, Anglo American suggested that "Despite the project revealing a number of geophysical and geochemical targets the project was recommended for surrender because [Anglo American was] unable to negotiate a reasonable access agreement with one Land Owner."

Superior has successfully negotiated land access arrangements with the same landowner.

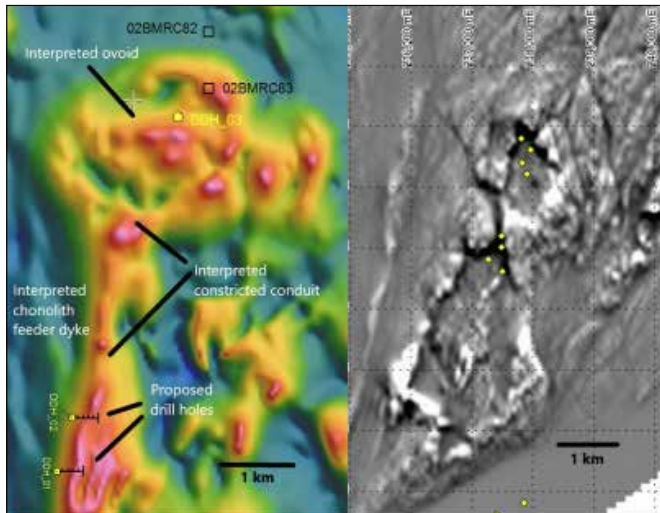
Notably, Anglo American ranked Dido/Big Mag within its top 10 targets on the basis of a bullseye magnetic feature (Big Mag), located on a craton margin directly associated with known layered mafic intrusions.

Superior considers that:

- the Spectrem airborne and other ground geophysical survey data and resulting anomalies (some of which were considered by Anglo American to be very high priority) were not followed up and are of significant interest;
- numerous (obvious) high priority mafic-ultramafic intrusions (including potential chonoliths) interpreted from magnetic imagery by Anglo American and Superior have received no exploration work and are likely to be caused by Voisey's Bay-style intrusions (a conclusion made by Anglo American). Only the Palmer Rails target received an initial round of drilling;
- a significant factor in Anglo American's and Cazaly's decision to relinquish the project tenements was the diminishing availability of funding during 2012 and 2013, which was the beginning of a deep and protracted global downturn in the exploration sector; and
- the Dido/Big Mag Project is a sector-leading Ni-Cu-PGE magmatic sulphide exploration project.

The Dido/Big Mag Project contains a large number of high priority Ni-Cu-PGE targets that will require systematic exploration. So far, Superior has identified more than 40 high priority airborne magnetic targets. Interpretation of airborne EM data and the selection of EM targets is ongoing. The quality of the anomalies identified by Superior to date, are compelling.

Forward plans include continuing geophysical interpretation of airborne electromagnetic (EM) and IP survey data to identify EM conductor and IP chargeability targets, field inspections of priority targets and preparation of drill programs.



TMI 1VD aerial magnetic images of north western corner of Big Mag anomaly as modelled and interpreted by Superior (left) and Phantom anomaly (right). Yellow diamonds on the Phantom anomaly (right) are Spectrem EM anomalies interpreted and selected by Anglo American (Source (Phantom): CR67201, Dixon, 2011, EPM15646 "Lynd" Fourth Annual Report for the period May 2010 to May 2011, Appendix 1, Polito, Project Review, 2010, Anglo American).

Victor And Nicholson Projects

The Nicholson Project (EPM15670 and EPM18203), together with the Victor Project is located north-west of Mount Isa and provides the Company with opportunities to discover similar Mount Isa style zinc-lead-copper deposits with a portfolio of drill-ready targets. The projects are located in the Carpentaria Zinc Province, which contains 20% of the world's zinc resource inventory.

In the region immediately surrounding Mount Isa, rocks prospective for Mount Isa Style deposits are exposed at or close to surface and as a consequence, have been intensely explored.

In contrast, the Company's Nicholson and Victor projects are located in an equally prospective region that is relatively unexplored. These are the most likely areas within Queensland to make the next Mount Isa discovery.

Exploration work completed to date has identified at least eight large high priority geophysical targets, each of which have potential to be caused by Tier 1-sized stratiform base metal deposits.

In addition, the project area also includes the Walford Creek West Zinc-Lead-Copper-Cobalt Prospect and the Hedleys Uranium Prospect.

During the year, Superior undertook exploration program planning, including a review of the geophysical data.

Nicholson Project

8+ Tier 1 potential EM targets	<i>Mount Isa Style (lead-zinc-silver)</i>
Walford Creek West	<i>Mount Isa Style (sulphide copper-lead-zinc-cobalt)</i>
Hedleys Uranium	<i>Uranium</i>

Victor Project

The Victor Project comprises four exploration permits for minerals covering a total area of 438 sq km. Work conducted by the Company indicates that stratigraphy prospective for the discovery of Mount Isa Style deposits is likely to be present under moderate sedimentary cover within the project area. This area is relatively unexplored.

Superior's exploration strategy is based on the mechanism of geochemical "leakage" of key metals (lead, zinc and copper) from a deeper Proterozoic mineralised source into the younger sediments overlying the Proterozoic, which may be one of the best methods of targeting prospective areas for Mount Isa style deposits.

Victor Project	<i>Mount Isa Style (lead-zinc-silver)</i>
Kingfisher	<i>Copper-cobalt</i>

During the year, Superior undertook exploration program planning, including a review of the geophysical data.

Hedleys Uranium

Hedleys Uranium is a strong, localised airborne uranium radiometric anomaly associated with a major fault. The anomaly has previously been considered to be an anomaly related to radon gas dissolved in spring waters and has not previously been drilled.

Superior's work indicates that the source of the anomaly lies approximately 100 to 150m above the major unconformity between the sandstones and siltstones of the South Nicholson Group and the underlying carbonaceous siltstones of the Doomadgee Formation and the Mt Les Siltstone.

No work was undertaken on the project during the financial year.



DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to in this Report as the **Group**) consisting of Superior Resources Limited and the entities it controlled during the year ended 30 June 2022 (**Report**).

DIRECTORS

The following persons were Directors of the Company during the year and up to the date of this Report:

P H Hwang	Managing Director
C A Fernicola	Chairman and Company Secretary
S J Pooley	Non-Executive Director

PRINCIPAL ACTIVITIES

During the year the principal activity of the Group was the continued evaluation and expansion of the Steam Engine Gold Deposit. The Group also continued exploration for copper-gold and magmatic nickel sulphide deposits in northern Queensland, Australia. There were no significant changes in the nature of the Company's activities during the year and no significant changes in activity are anticipated.

DIVIDENDS

There were no dividends paid to members during the financial year (2021: \$nil).

REVIEW OF OPERATIONS

The loss after tax for the year was \$597,287 (2021: loss of \$569,583).

Coronavirus (Covid19) Impact

The impact of the Coronavirus (COVID-19) pandemic up to 30 June 2022 has been financially neutral for the Group. The Queensland State and Australian Federal Governments provided financial support during the 2020 and 2021 financial years suspending the requirement to pay tenement rental fees and providing cash support (Jobkeeper and Cash Flow Boost) for continued employment of staff.

Operations Summary

The principal activity of the Group during the full year period was exploration for porphyry copper-gold, gold and nickel-copper-PGE deposits in northern Queensland, Australia. There were no significant changes in the nature of the Group's activities during the reporting period.

- **GREENVALE PROJECT** (porphyry copper, gold and magmatic sulphide nickel-copper-PGE)

Bottletree Copper-Gold Prospect

- Completed first stage deep diamond drilling program, which confirmed the presence of extensive porphyry-style copper-gold mineralisation¹:

Overall Copper intersection:

- **632m @ 0.21% Cu, 0.03g/t Au, 0.60ppm Ag, 18.0ppm Mo** from 5m below surface

Significant porphyry-style mineralisation:

- **224m @ 0.40% Cu, 0.05g/t Au, 0.90ppm Ag, 3.5ppm Mo** from 242m, including:
 - **103m @ 0.53% Cu, 0.05g/t Au, 1.4ppm Ag, 3.3ppm Mo** from 363m
 - **1m @ 5.25% Cu, 0.31g/t Au, 10.7g/t Ag, 1.5ppm Mo** from 363m
 - **12m @ 1.01% Cu, 0.07g/t Au, 2.2ppm Ag, 1.9ppm Mo** from 363m
 - **15m @ 1.19% Cu, 0.15g/t Au, 3.6ppm Ag, 1.9ppm Mo** from 451m.
- Commenced second stage deep diamond drilling program targeting zones of potential cores of porphyry copper-gold-molybdenum mineralisation.

¹ Refer ASX announcement dated 2 June 2022

DIRECTORS' REPORT

REVIEW OF OPERATIONS – (continued)

- Completed a large multi-element soil geochemical survey over Bottletree.

Wyandotte Copper Prospect

- Completed a technical study and established an Exploration Target.
- Planned a maiden diamond drilling program.

Cockie Creek Porphyry Copper-Gold Prospect

- Progressed a technical study.
- Planned a maiden diamond drilling program.

Commenced porphyry copper-gold potential study over the entire Greenvale Project area.

Magmatic Nickel-Copper-PGE sulphide Project

- Conducted data review and geophysical modelling of magnetic and VTEM survey data at the Big Mag, Dido and Phantom Creek nickel-copper-PGE prospects.
- Granted three new exploration permits for minerals (EPMs) (Dido, Phantom Creek and Arthur Range).

Steam Engine Gold Deposit

- Completed two drilling programs (Stage 1 and Stage 2 drilling programs).
- Upgraded the **Mineral Resource Estimate by 60.7% to 4.18 million tonnes @ 1.5 g/t Au for 196,000 ounces Au**, comprising²:
 - **Measured & Indicated: 2.22 million tonnes @ 1.7 g/t Au (approx. 121,000 ounces Au);** and
 - **Inferred: 1.96 million tonnes @ 1.2 g/t Au (approx. 75,000 ounces Au).**
- Progressing a Scoping Study on the Steam Engine Gold Deposit on the basis of a potential toll treatment operation.
- Completed an interim Steam Engine strategy study.
- Progressing a Mining Lease application for the Steam Engine Project.
- **VICTOR AND NICHOLSON PROJECTS** (SEDEX lead-zinc-silver, copper, uranium)
 - Exploration program planning including review of geophysical data.

CORPORATE and COMMERCIAL

- The Group completed two capital raising campaigns during the third calendar Quarter of 2021 and the first calendar quarter of 2022 each comprising a placement.
- Allotment and issue of 119,818,096 shares was completed on 16 September 2021 and allotment of 118,421,053 shares was completed on 8 February 2022.
The Lead Manager of the February 2022 share placement received 10,000,000 options on 7 February 2022 at no consideration.
- During the year, 81,645,478 options with an exercise price of \$0.006 were exercised. This raised \$489,873. 4,774,205 options expired on 31 December 2021.

CASH CONSERVATION

The Company's Board continues to maintain the current cash conservation measures with respect to the Company's head office and administration.

² Refer to ASX announcement dated 11 April 2022

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Apart from other matters already stated, no other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS FROM OPERATIONS

The Group is currently conducting a Feasibility Study on the prospects for mining and processing of gold ore from the Steam Engine Gold Deposit. Based on the highly positive results of the recent Scoping Study and the general gold price forecasts, the Board considers that there are reasonable prospects of development of the deposit within the next two years.

The likelihood of realising forward gold prices is difficult. The actual price of gold at any point in the future depends on numerous foreseeable and unforeseeable factors.

Results from exploration activities are difficult to predict in advance and are uncertain.

REGULATORY MATTERS

The Group's operations are subject to substantial and significant regulatory control under various Queensland State and Commonwealth legislation. Significant matters that are regulated include mining, environmental, native title and real property. No matters of material concern have arisen in relation to regulatory control up to the date of this Report.

INFORMATION ON DIRECTORS

Peter Henry Hwang B.Sc.(Hons), LLB, MAIG, MGSA, MQLS

Managing director.

Experience and expertise

Mr Hwang has over 10 years' experience as a gold, base metals and diamond exploration geologist and 20 years' experience as a solicitor practicing in Queensland and national law firms specialising in resources, commercial, M&A, infrastructure and native title law. He has extensive experience in advising on the development and permitting of mining and major infrastructure projects, mining transactions as well as resource sector mergers and acquisitions transactions.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Managing Director.

Interests in SPQ shares and options

50,220,694 ordinary shares.

DIRECTORS' REPORT

Carlos Alberto Fernicola B.Com., FCA, F Fin FCIS FGIA CTA
Chairman.

Experience and expertise

Mr Fernicola is the Principal of Carlos Fernicola & Co., Chartered Accountants. Mr Fernicola is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Governance Institute of Australia and Fellow of the Financial Services Institute of Australia. He has over 30 years of experience in accounting, taxation, audit and the financial services industry.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Chairman and Company Secretary.
 Member of the Audit Committee.

Interests in SPQ shares and options

51,999,998 ordinary shares.

Simon James Pooley B.Sc., MAIM, GAICD
Non-Executive Director.

Experience and expertise

Mr Pooley has 30 years' experience in mine development, operations and mineral exploration. He has held senior industry positions that have demonstrated leadership and management of base and precious metals exploration and mining operations, development of project assessment types including definitive and bankable feasibility studies and their conversion into mining operations and managed teams undertaking exploration evaluations and valuations, project evaluation, resource estimation and exploration management.

Other current directorships

None.

Former directorships in last 3 years

None.

Special responsibilities

Member of the Audit Committee.

Interests in SPQ shares and options

Nil.

COMPANY SECRETARY

The Company Secretary is Mr Carlos Alberto Fernicola, B.Com, FCA, FFin FCIS FGIA, CTA. Graduate Diploma Advanced Accounting, Graduate Diploma Applied Finance and Investments, Graduate Diploma Corporate Governance and Graduate Certificate Financial Planning.

Mr Fernicola was appointed to the position of Company Secretary on 11 November 2010.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The numbers of meetings of the company's Board of Directors held during the year ended 30 June 2022, and the numbers of meetings attended by each director were:

Board

<i>Director</i>	<i>Meetings Eligible to attend</i>	<i>Meetings attended</i>
PH Hwang	4	4
CA Fernicola	4	4
SJ Pooley	4	4

Audit Committee

<i>Director</i>	<i>Meetings eligible to attend</i>	<i>Meetings attended</i>
CA Fernicola	2	2
SJ Pooley	2	2

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The Directors are pleased to present your Group's 2022 remuneration report which sets out remuneration information for Superior Resources Limited's non-executive Directors, executive Directors, and other key management personnel.

The report contains the following sections:

- (a) Directors and key management personnel disclosed in this Report
- (b) Remuneration governance
- (c) Use of remuneration consultants
- (d) Executive remuneration policy and framework
- (e) Relationship between remuneration and Superior Resources Limited's performance
- (f) Non-executive director remuneration policy
- (g) Details of remuneration
- (h) Service agreements
- (i) Details of share-based compensation and bonuses
- (j) Equity instruments held by key management personnel
- (k) Loans to key management personnel
- (l) Other transactions with key management personnel

(a) **Directors and key management personnel disclosed in this Report**

Non-executive and executive Directors

P H Hwang
C A Fericola
S J Pooley

Other key management personnel

Name	Position
C A Fericola	Company Secretary

(b) **Remuneration governance**

The Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of any established incentive plans which may apply to the executive team, including key performance indicators and performance hurdles;
- remuneration levels of executive Directors and other key management personnel; and
- non-executive Directors' fees.

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

(c) **Use of remuneration consultants**

The Group has engaged the services of a remuneration consultant during the 2021 financial year.

(d) **Executive remuneration policy and framework**

The combination of base pay and superannuation make up the executive Directors' total remuneration. Base pay for the executive Directors is reviewed annually to ensure the executives' pay is competitive with the market. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) – (continued)

Long-term incentives

In the event that the Board of Directors proposes to establish any long-term incentives for executive Directors, the Board will obtain approval at a general meeting of shareholders.

Any issue of options to executive Directors is designed to focus executives on delivering long-term shareholder returns.

(e) Relationship between remuneration and Superior Resources Limited's performance

There is no direct link between remuneration, company performance and shareholder wealth. The Group's activities focus on the objective of delivery of long-term shareholder returns.

(f) Non-executive director remuneration policy

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of those Directors. Non-executive Directors' fees and payments are reviewed annually by the Board.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum total pool currently stands at \$250,000 in aggregate plus statutory superannuation.

(g) Details of remuneration

The following tables show details of the remuneration entitled to be received by the Directors and the key management personnel of the Group for the current and previous financial year.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) – (continued)

2022	Short-term benefits	Post-employment benefits	Share-based payments	
Name	Cash salary and fees \$	Superannuation \$	Options \$	Total \$
<i>Non-executive Directors</i>				
C A Fernicola	48,000	-	-	48,000
S J Pooley	32,752	3,275	-	36,027
<i>Other key management personnel</i>				
C A Fernicola (Company Secretary)	36,000	-	-	36,000
Sub-total non-executive Directors and other key management personnel	116,752	3,275	-	120,027
<i>Executive Directors</i>				
P H Hwang - Managing Director	240,000	24,175	-	264,175
Totals	356,752	27,450	-	384,202

2021	Short-term benefits	Post-employment benefits	Share-based payments	
Name	Cash salary and fees \$	Superannuation \$	Options \$	Total \$
<i>Non-executive Directors</i>				
C A Fernicola	34,000	-	-	34,000
S J Pooley	26,484	2,516	-	29,000
<i>Other key management personnel</i>				
C A Fernicola (Company Secretary)	29,000	-	-	29,000
Sub-total non-executive Directors and other key management personnel	89,484	2,516	-	92,000
<i>Executive Directors</i>				
P H Hwang - Managing Director	223,083	21,193	-	244,276
Totals	312,567	23,709	-	336,276

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) – (continued)

(h) Service agreements

Remuneration and other terms of employment of the Managing Director are formalised in an agreement. The major provisions of the agreement relating to remuneration are set out below.

P H Hwang, *Managing Director*

- Term of employment agreement – indefinite commencing 22 April 2013.
- Base salary was reviewed in February 2021 and set at \$240,000 plus superannuation and is to be reviewed at least annually by the Board.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to six months remuneration.
- Agreement may be terminated by employee giving six months' notice in writing.

(i) Details of share-based compensation and bonuses

There have been no share-based compensation and bonuses affecting remuneration in the current or a future reporting period.

(j) Equity instruments held by key management personnel

The tables below show the number of shares and options in the company that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

Ordinary Shares

Name	Balance at the start of the year	Received on exercising options	Net purchased / (sold)	Other changes	Balance at the end of the year
P H Hwang	46,796,621	3,899,717	(475,644)	-	50,220,694
C A Fernicola	51,999,998	-	-	-	51,999,998
S J Pooley	-	-	-	-	-

Options Over Unissued Ordinary Shares

Name	Balance at the start of the year	Options Exercised	Net purchased / (sold)	Other changes	Balance at the end of the year
P H Hwang	3,899,717	(3,899,717)	-	-	-
C A Fernicola	-	-	-	-	-
S J Pooley	-	-	-	-	-

All options are vested and exercisable.

(k) Loans to key management personnel

There were no loans to key management personnel during the financial period.

(l) Other transactions with key management personnel and/or their related parties

There were no other transactions with key management personnel or their related parties.

End of Remuneration Report

DIRECTORS' REPORT

SHARES UNDER OPTION

10,000,000 options were issued during the year with an exercise price of \$0.08 and an expiry date of 23 August 2023.

During the year there were 81,645,478 shares issued on the exercise of options granted.

As at the date of this Report, a total of 10,000,000 options are on issue.

INSURANCE OF OFFICERS

During the year the Group paid a premium of \$21,080 to insure the Directors and Secretary of the Company.

The risks insured include pecuniary orders and legal costs that may result from civil or criminal proceedings that may be brought against the officers in their capacity as officers and any other payments arising in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to any Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in or on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of amounts paid or payable to the auditor for audit services provided during the year are outlined in Note 20 to the financial statements. There are no non-audit services provided during the year.

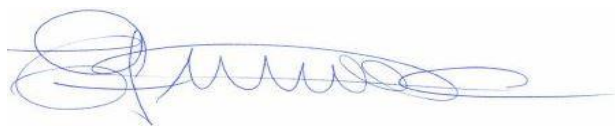
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

AUDITOR

The auditor of the Group is William Buck (Qld).

This Report is made in accordance with a resolution of the Directors.



CA Fernicola
Chairman

Brisbane, 29th day of September 2022

AUDITOR'S INDEPENDENCE DECLARATION

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SUPERIOR RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck (Qld)
ABN 21 559 713 106

J A Latif

J A Latif
Director

Brisbane, 29 September 2022

SUPERIOR RESOURCES LIMITED (ABN 72 112 844 407)**CORPORATE GOVERNANCE**

Corporate Governance practices that form the basis of a comprehensive system of control and accountability for the administration of the Group have been adopted. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

A description of the Company's current corporate governance practices is set out in the Company's corporate governance statement. This statement is available on the Company's website and can be viewed at www.superiorresources.com.au.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Other income	8	-	101,862
Accounting and audit fees		(29,037)	(26,115)
Administration expenses		(547,468)	(527,967)
Depreciation and amortisation		(5,355)	(3,790)
Office rent and outgoings		(15,427)	(15,427)
Tenement expenditure written-off	14	-	(98,145)
Loss before income tax		(597,287)	(569,583)
Income tax (expense) / benefit	9	-	-
Loss after tax for the year from continuing operations attributable to owners of Superior Resources Limited		(597,287)	(569,583)
		Cents	Cents
Earnings (loss) per share			
Basic earnings (loss) per share	25	(0.04)	(0.04)
Diluted earnings (loss) per share	25	(0.04)	(0.04)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Loss for the year from continuing operations attributable to owners of Superior Resources Limited		(597,287)	(569,583)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value (losses) / gains on financial assets at fair value through other comprehensive income, net of tax		(6,723)	28,574
Other comprehensive income for the year, net of tax		(6,723)	28,574
Total comprehensive loss for the year, net of tax, attributable to owners of Superior Resources Limited		(604,010)	(541,009)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	4,097,824	1,715,798
Trade and other receivables	11	77,041	46,798
Financial assets	12	33,336	40,059
Total Current Assets		<u>4,208,201</u>	<u>1,802,655</u>
Non-Current Assets			
Plant and equipment	13	10,347	13,018
Exploration expenditure	14	8,888,186	6,065,340
Other	15	41,500	33,500
Total Non-Current Assets		<u>8,940,033</u>	<u>6,111,858</u>
Total Assets		<u>13,148,234</u>	<u>7,914,513</u>
LIABILITIES			
Current Liabilities			
Payables	16	661,376	665,857
Total Current Liabilities		<u>661,376</u>	<u>665,857</u>
Total Liabilities		<u>661,376</u>	<u>665,857</u>
Net Assets		<u>12,486,858</u>	<u>7,248,656</u>
Equity			
Contributed equity	17	20,588,628	14,960,308
Reserves	18	(2,916,147)	(3,123,316)
Accumulated losses		(5,185,623)	(4,588,336)
Total Equity		<u>12,486,858</u>	<u>7,248,656</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Contributed Equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 30 June 2021	14,960,308	(3,123,316)	(4,588,336)	7,248,656
Loss for the year	-	-	(597,287)	(597,287)
Other comprehensive income / (loss)	-	(6,723)	-	(6,723)
Total comprehensive income for the year	-	(6,723)	(597,287)	(604,010)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	5,628,320	213,892	-	5,842,212
Balance at 30 June 2022	20,588,628	(2,916,147)	(5,185,623)	12,486,858
Balance at 30 June 2020	12,202,019	(3,210,410)	(4,018,753)	4,972,856
Loss for the year	-	-	(569,583)	(569,583)
Other comprehensive income / (loss)	-	28,574	-	28,574
Total comprehensive income for the year	-	28,574	(569,583)	(541,009)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	2,758,289	58,520	-	2,816,809
Balance at 30 June 2021	14,960,308	(3,123,316)	(4,588,336)	7,248,656

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Government		-	101,725
Payments to suppliers and employees (GST inclusive)		(597,997)	(592,199)
Interest received		-	137
Net cash outflow from operating activities	24	<u>(597,997)</u>	<u>(490,337)</u>
Cash flows from investing activities			
Payments for exploration expenditure		(2,849,909)	(1,558,254)
Payments for plant and equipment		(2,684)	(8,426)
Payments of security deposits		(8,000)	(1,000)
Net cash outflow from investing activities		<u>(2,860,593)</u>	<u>(1,567,680)</u>
Cash flows from financing activities			
Share application moneys (refunded)/received		(1,596)	3,270
Proceeds on issue of shares		6,247,962	2,922,081
Payment of capital raising costs		(405,750)	(155,597)
Net cash inflow from financing activities		<u>5,840,616</u>	<u>2,769,754</u>
Net increase in cash held		2,382,026	711,737
Cash at beginning of financial year		1,715,798	1,004,061
Cash at the end of financial year	10	<u><u>4,097,824</u></u>	<u><u>1,715,798</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General Information

Superior Resources Limited (**Company**) is a company limited by shares, incorporated, and domiciled in Australia. The Company's shares are listed on the Australian Securities Exchange.

The registered office and principal place of business of the Company is:

Unit 8, 61 Holdsworth Street
Coorparoo QLD 4151
Ph 07 3847 2887

The financial statements are for the Group consisting of Superior Resources Limited and its subsidiaries (the **consolidated entity** or the **Group**).

2. Significant Accounting Policies

(a) *Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standard Board and in compliance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements were authorised for issue by the Directors on 29 September 2022.

(b) *Basis of preparation*

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) *Principles of consolidation*

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Superior Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries or controlled operations is provided in Note 26.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of financial position, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

(d) Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Revenue is recognised when the performance obligations of a contract are satisfied.

Interest revenue is recognised using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised when there is reasonable assurance that the funding conditions will be complied and the grants will be received.

(e) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Cash and cash equivalents

For the consolidated statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

(g) *Financial instruments*

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets will be recognised on the date that the Group becomes contractually bound to the relevant asset purchase or sale transaction (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: *Revenue from Contracts with Customers*.

Classification and Subsequent Measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss.

Measurement is on the basis of the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of financial assets:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. no practical ability to make unilateral decision to sell the asset to a third party).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(h) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Equipment / Software: 3 – 5 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss. When revalued assets are sold, it is the Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022****2. Significant Accounting Policies (continued)****(j) Exploration expenditure**

Expenditure is accumulated separately for each area of interest until such time as the area is abandoned or sold. The realisation of the value of the expenditure carried forward depends on any commercial results that may be obtained through successful development and exploitation of the area of interest or alternatively by its sale. If an area of interest is abandoned or is considered to be of no further commercial interest the accumulated exploration costs relating to the area are written off against income in the year of abandonment. Some exploration expenditure may also be written off where areas of interest are partly relinquished and in cases where uncertainty exists as to the value, provisions for possible diminution in value are established.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

(k) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(m) Earnings per share*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave, which are expected to be settled within 12 months after the end of the period in which the employees render the related services, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee entitlements. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related services, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(p) Parent entity financial information

The financial information for the parent entity, Superior Resources Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements.

(q) Comparative Figures

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

(r) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(s) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that a non-financial asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (for example in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Significant Accounting Policies (continued)

(f) *Coronavirus (Covid19)*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the activities of the group including mineral exploration, capital raising, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

3. New and Amended Accounting Standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted.

There are no other standards that are not yet effective and that are expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

4. Financial Risk Management

The Group's overall risk management plan seeks to minimise potential risks resulting from the unpredictability of financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group are exposed are credit risk, liquidity risk, market risk and cash flow interest rate risk.

The Group holds the following financial assets and liabilities:

	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents (Note 10)	4,097,824	1,715,798
Other receivables (Note 11)	30,653	15,398
Financial assets at fair value through other comprehensive income (Note 12)	33,336	40,059
	4,161,813	1,771,255
Financial liabilities		
Trade and other payables (Note 16)	489,878	574,702
	489,878	574,702

Risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Managing Director has been delegated the authority for designing and implementing processes which follow the objectives and policies.

The Board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Financial Risk Management (continued)

(a) Credit risk

Credit risk is the risk of loss from a counterparty failing to meet its financial obligations to the Group.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for expected credit loss, as disclosed in the consolidated statement of financial position and notes to the financial statements.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For bank and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

	2022	2021
	\$	\$
Trade and other receivables	30,653	15,398
	30,653	15,398

Other than cash and cash equivalents, the most significant financial assets are trade and other receivables. The Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into by the Group. There were no past due debts at balance date requiring consideration of impairment provisions.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Group at the end of the reporting period.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings.

Contractual maturities of financial liabilities	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At 30 June 2022	\$	\$	\$	\$	\$	\$
Trade and other payables	489,878	-	-	-	489,878	489,878
	489,878	-	-	-	489,878	489,878
At 30 June 2021						
Trade and other payables	574,702	-	-	-	574,702	574,702
	574,702	-	-	-	574,702	574,702

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4. Financial Risk Management (continued)

(c) *Market risk*

The Group is exposed to equity securities price risk. This arises from securities investments held by the Group in Deep Yellow Limited and classified on the statement of financial position as financial assets.

The Group is not exposed to any commodity price risk.

The table below summaries the impact of increases and decreases in the Deep Yellow Limited share price on the Group's total comprehensive income and loss for the year and on equity. The analysis is based on the assumption that the share price had increased or decreased by 25% (2021: 25%) from balance date fair value with all other variables held constant.

	Impact on post-tax loss				Impact on reserves			
	2022		2021		2022		2021	
	\$	\$	\$	\$	\$	\$	\$	\$
	+25%	-25%	+25%	-25%	+25%	-25%	+25%	-25%
Investment in Deep Yellow Limited	-	-	-	-	8,334	(8,334)	10,015	(10,015)

(d) *Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets or borrowings, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

(e) *Fair value measurements*

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The net fair value of financial assets and financial liabilities approximates the respective carrying values as disclosed in the consolidated statement of financial position and the notes to the financial statements.

5. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

The Group has capitalised non-current exploration expenditure of \$8,888,186 (2021: \$6,065,340).

This amount includes costs directly associated with exploration. These costs are capitalised as an intangible asset until assessment of the permit is complete and the results have been evaluated. These costs include employee remuneration, materials, drilling costs, delay costs, rental payments and payments to contractors. The expenditure is carried forward until such a time as the asset moves into the development phase, is abandoned or sold. Given exploration activities have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable resources and the difficulty in forecasting cash flows to assess the fair value of exploration expenditure, there is uncertainty as to the carrying value of exploration expenditure. The ultimate recovery of the carrying value of exploration expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the Group's interest in the tenements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

6. Going Concern Principle

Notwithstanding that the Group incurred an operating loss after tax of \$597,287 (2021: loss of \$569,583) and a net cash outflow from operating activities of \$597,997 (2021: \$490,337) these financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business for the foreseeable future.

Based on the existing cash reserve and forecast expenditure, the Directors consider that the Group will be able to continue as a going concern and will be able to pay its debts as and when they fall due and payable.

7. Segment Information

The Group operates solely within one segment, being the mineral exploration industry in Australia.

8. Other Income

	2022	2021
	\$	\$
Interest	-	137
Government grants – Covid:		
Jobkeeper	-	55,800
Cash flow boost	-	45,925
	-	101,862

9. Income Tax

**(a) Numerical reconciliation of income tax expense / (benefit)
to prima facie tax payable:**

Profit (loss) from continuing operations before income tax expense	(597,287)	(569,583)
Tax at the Australian tax rate of 30% (2021: 26%)	(179,186)	(148,091)
Tax effect of permanent differences	-	(5,318)
Temporary differences not recognised	179,186	153,409
Income tax expense / (benefit)	-	-

(b) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	18,316,051	14,771,759
Potential tax benefit @ 30% (2021: 26%)	5,494,815	3,840,657

(c) Franking credits

Franking credits available for use in subsequent financial year	251,146	251,146
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
10. Cash and Cash Equivalents		
Cash at bank and on hand	4,097,824	1,715,798
<hr/>		
11. Trade and Other Receivables		
CURRENT		
Other receivables	30,653	15,398
Prepayments	46,388	31,400
	<u>77,041</u>	<u>46,798</u>
<hr/>		
12. Financial Assets		
CURRENT		
Deep Yellow Limited ¹		
Investments in listed equity securities designated at fair value through other comprehensive income	33,336	40,059
	<u>33,336</u>	<u>40,059</u>
<hr/>		
Total financial assets	33,336	40,059

¹ *Listed equity securities*

The investment in listed equity securities are stated at fair value. AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by the level of the following fair value measurement hierarchy:

- 1) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- 3) Level 3 – Inputs for the asset or liability that are not based on observable market data.

The listed equity securities are traded in an active market, being the Australian Securities Exchange, and consequently they are measured as a Level 1 instrument on the fair value hierarchy. The quoted market price, used to determine the value of these securities, is the bid price at balance date.

13. Plant and Equipment

	2022	2021
	\$	\$
NON-CURRENT		
Equipment / software – at cost	97,850	95,167
Accumulated depreciation	(87,503)	(82,149)
	<u>10,347</u>	<u>13,018</u>
<hr/>		
<i>Movement in Plant and Equipment</i>		
Opening net book amount	13,018	8,382
Additions	2,684	8,426
Depreciation charge	(5,355)	(3,790)
Closing net book amount	<u>10,347</u>	<u>13,018</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. Exploration Expenditure

	2022	2021
	\$	\$
Exploration phase property costs		
Deferred geological, geophysical, drilling and other expenditure – at cost		
Non-current	8,888,186	6,065,340
Total capitalised exploration expenditure	8,888,186	6,065,340
The capitalised exploration expenditure carried forward above has been determined as follows:		
Opening balance	6,065,340	4,457,027
Expenditure incurred during the year	2,822,846	1,706,458
Tenement expenditure written-off	-	(98,145)*
Closing balance	8,888,186	6,065,340

* Tenement written off due to surrender of the tenement right.

15. Non-Current Assets – Other

Security deposits	41,500	33,500
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16. Payables

Current liabilities		
Trade payables and accrued expenses	235,294	262,357
Other payables – related party (i)	254,584	312,345
Trade and other payables	489,878	574,702
Other payables – ATO	23,585	10,688
Share application monies	1,674	3,270
Employee entitlements	146,239	77,197
Total Payables	661,376	665,857

(i) These amounts represent the unpaid Directors' remuneration that may be called within the next 12 months. The liability is unsecured, and no decision has been made by the Directors on the timing or nature of the consideration to be provided in settlement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

17. Contributed Equity

	2022	2021
	\$	\$
1,701,220,418 (2021: 1,381,335,791) ordinary shares fully paid	20,588,628	14,960,308

(a) Movements in ordinary share capital

<i>Date</i>	<i>Details</i>	<i>Number of shares</i>	<i>Issue price</i>	
			\$	\$
30 June 2020		1,016,614,718		12,202,019
9 July 2020	Shares issued	33,087,190	0.003	99,262
14 July 2020	Shares issued	89,089,451	0.003	267,268
13 October 2020	Options exercised	19,217,713	0.006	114,956
6 November 2020	Options exercised	27,895,010	0.006	167,370
6 November 2020	Shares issued	5,000,000	0.005	25,000
15 December 2020	Shares issued	800,000	0.0125	10,000
17 December 2020	Shares issued	3,000,000	0.0125	37,500
18 December 2020	Shares issued	22,840,000	0.0125	285,500
19 December 2020	Shares issued	80,000,000	0.0125	1,000,000
22 December 2020	Shares issued	71,200,000	0.0125	890,000
23 December 2020	Options exercised	8,329,476	0.006	49,977
19 March 2021	Options exercised	4,262,233	0.006	25,573
	Share issue cost			(214,117)
30 June 2021		1,381,335,791		14,960,308
16 September 2021	Options exercised	1,699,088	0.006	10,194
16 September 2021	Shares issued	119,818,096	0.0105	1,258,090
11 November 2021	Options exercised	35,224,166	0.006	211,345
8 December 2021	Options exercised	15,305,430	0.006	91,833
20 December 2021	Options exercised	23,492,602	0.006	140,956
14 January 2022	Options exercised	5,725,583	0.006	34,353
20 January 2022	Options exercised	143,054	0.006	858
8 February 2022	Options exercised	55,555	0.006	333
8 February 2022	Shares issued	118,421,053	0.0380	4,500,000
	Share issue costs			
	– options to lead manager			(213,892)
	Share issue costs			(405,750)
30 June 2022		1,701,220,418		20,588,628

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll, each share is entitled to one vote.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

17. Contributed Equity (continued)

(c) Share options

<i>Date</i>	<i>Details</i>	<i>Number of options</i>	<i>Weighted Average Exercise Price \$</i>	<i>Expiry</i>
At 30 June 2020	Balance	53,127,663		
9 July 2020	Options issued	15,000,000 ^a	0.006	31-Dec-21
9 July 2020	Options issued	37,270,937	0.006	31-Dec-21
9 July 2020	Options issued	11,029,063	0.006	31-Dec-21
14 July 2020	Options issued	29,696,452	0.006	31-Dec-21
13 October 2020	Options exercised	(19,217,713)	0.006	31-Dec-21
6 November 2020	Options exercised	(27,895,010)	0.006	31-Dec-21
23 December 2020	Options exercised	(8,329,476)	0.006	31-Dec-21
19 March 2021	Options exercised	(4,262,233)	0.006	31-Dec-21
At 30 June 2021	Balance	86,419,683		
16 September 2021	Options exercised	(1,699,088)	0.006	31-Dec-21
11 November 2021	Options exercised	(35,224,166)	0.006	31-Dec-21
8 December 2021	Options exercised	(15,305,430)	0.006	31-Dec-21
20 December 2021	Options exercised	(23,492,602)	0.006	31-Dec-21
14 January 2022	Options exercised	(5,725,583)	0.006	31-Dec-21
20 January 2022	Options exercised	(143,054)	0.006	31-Dec-21
7 February 2022	Unlisted options issued	10,000,000 ^b	0.080	23-Aug-23
8 February 2022	Options exercised	(55,555)	0.006	31-Dec-21
14 April 2022	Options expired	(4,774,205)	0.006	31-Dec-21
At 30 June 2022	Balance	10,000,000		

^a The lead manager to the share placement and rights issue undertaken in June 2020 received 15 million options (during the year), having the same terms as options issued under the placement and rights issue at no consideration. The total value for the options granted is \$58,520.

^b The lead manager to the share placement undertaken in February 2022 received 10 million options (during the year). The total value for the options granted is \$213,892.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes cash and cash equivalents, equity attributable to equity holders comprising of contributed equity, reserves, and accumulated losses. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Group.

The Group monitors capital based on cash flow requirements for corporate overheads, exploration and evaluation expenditure. The Group's exposure to borrowings as at 30 June 2022 totals \$nil (2021: \$nil). The Group will continue to access capital markets and joint venture arrangements to satisfy anticipated funding requirements.

The Group's strategy to capital risk management is unchanged from prior years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

18. Reserves

	2022	2021
	\$	\$
Financial assets revaluation reserve	(3,188,559)	(3,181,836)
Share-based payment reserve	272,412	58,520
Total reserve	(2,916,147)	(3,123,316)
At beginning of year	(3,123,316)	(3,210,410)
Revaluation increment / (decrement)	(6,723)	28,574
Share-based payments	213,892	58,520
At end of year	(2,916,147)	(3,123,316)

19. Key Management Personnel Disclosures**(a) Key management personnel compensation**

	2022	2021
	\$	\$
Short-term employee benefits	356,752	312,567
Post-employment benefits	27,450	23,709
	384,202	336,276

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 11.

At 30 June 2022, \$254,584 (2021: \$312,345) remains payable.

(b) Equity instrument disclosures relating to key management personnel**(i) Options provided as remuneration and shares issued on exercise of such options**

There have been no options granted affecting remuneration in the current or a future reporting period.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of the Company and other key management personnel of the Group, including their related parties, is set out below.

<i>Name</i>	<i>Balance at the start of the year</i>	<i>Options Exercised</i>	<i>Net purchased / (sold)</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
Directors of Superior Resources Limited					
P H Hwang	3,899,717	(3,899,717)	-	-	-
C A Fernicola	-	-	-	-	-
S J Pooley	-	-	-	-	-

All options have vested and are exercised on or before 31 December 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

19. Key Management Personnel Disclosures (continued)

(iii) *Share holdings*

The number of ordinary shares in the company held during the financial year by each Director of Superior Resources Limited and other key management personnel of the Group, including their personally related parties, is set out below.

2022	<i>Balance at the start of the year</i>	<i>Received on exercising options</i>	<i>Net purchased / (sold)</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
<i>Name</i>					
Directors of Superior Resources Limited					
P H Hwang	46,796,621	3,899,717	(475,644)	-	50,220,694
C A Fernicola	51,999,998	-	-	-	51,999,998
S J Pooley	-	-	-	-	-
2021	<i>Balance at the start of the year</i>	<i>Received on exercising options</i>	<i>Net purchased / (sold)</i>	<i>Other changes</i>	<i>Balance at the end of the year</i>
<i>Name</i>					
Directors of Superior Resources Limited					
P H Hwang	46,796,621	-	-	-	46,796,621
C A Fernicola	48,000,001	3,999,997	-	-	51,999,998
S J Pooley	1,250,000	-	(1,250,000)	-	-

20. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor, its related practices and non-related audit firms:

	2022	2021
	\$	\$
<i>William Buck (Qld)</i>		
Review of financial report	5,000	5,000
Audit of financial report	15,000	15,000
	<u>20,000</u>	<u>20,000</u>

21. Contingencies

There are no contingent liabilities affecting the Group as at the date of this Report (2021: nil).

22. Commitments

(a) **Exploration commitments**

To maintain current rights to tenure of various exploration and mining tenements, the Group is required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements are as follows:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

22. Commitments (continued)

	2022 \$	2021 \$
Exploration expenditure commitments		
Commitments for payments under exploration permits for minerals in existence at the reporting date but not recognised as liabilities payable is as follows:		
Payable within one year	1,739,603	1,360,705
Payable between one and five years	6,792,626	7,437,694
	8,532,229	8,798,399

Outlays expressed as “Exploration Expenditure Commitments” may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished or certain contractual arrangements are entered into with third parties (e.g. a farm-in or joint venture arrangement). Cash security bonds totalling \$41,500 (2021: \$33,500) are currently held by the relevant governing authorities to ensure compliance with granted tenement conditions.

23. Events Occurring After Balance Date

Apart from other matters already stated, no matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect:

- (a) the Group’s operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group’s state of affairs in future financial years.

24. Reconciliation of Loss After Income Tax to Net Cash Flows From Operating Activities

	2022 \$	2021 \$
Loss for the year after income tax	(597,287)	(569,583)
Depreciation and amortisation	5,355	3,790
Tenement expenditure written off	-	98,145
<i>Changes in operating assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(15,255)	(4,627)
(Increase) / decrease in prepayments	(14,988)	(5,320)
Increase/(decrease) in trade payables	-	-
Increase/(decrease) in other payables	(44,864)	(31,383)
Increase/(decrease) in employee entitlements	69,042	18,642
Net cash outflow from operating activities	(597,997)	(490,337)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

25. Earnings (loss) Per Share

	2022 Cents	2021 Cents
(a) Basic earnings (loss) per share		
Profit (loss) per share attributable to the ordinary equity holders of the company	(0.04)	(0.04)
(b) Diluted earnings (loss) per share		
Profit (loss) per share attributable to the ordinary equity holders of the company	(0.04)	(0.04)
	2022 \$	2021 \$
(c) Reconciliations of earnings (loss) used in calculating earnings per share		
Basic earnings (loss) per share		
Profit (loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share	(597,287)	(569,583)
Diluted earnings(loss) per share		
Profit (loss) attributable to ordinary equity holders of the company used in calculating diluted earnings per share	(597,287)	(569,583)
	2022 Number	2021 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings (loss) per share	1,568,864,514	1,268,571,172
Adjustments for calculation of diluted earnings (loss) per share:		
Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings (loss) per share	1,568,864,514	1,268,571,172

Unissued ordinary shares under option are not included in the calculation of diluted earnings per share because they are antidilutive for the years ended 30 June 2022 and 30 June 2021. These shares under option could potentially dilute basic earnings per share in the future.

26. Related Party Disclosures

(a) Parent entity

The parent entity within the Group is Superior Resources Limited.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

26. Related Party Disclosures (continued)

(b) Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The % ownership interests held equals the voting rights held by the Group.:

	Country of incorporation	Principal Place of Business	% ownership interest Held by the Group		Investment	
			2022	2021	2022 \$	2021 \$
Subsidiaries						
Superior Gold Pty Ltd	Australia	Australia	100	100	1,000	1,000

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 19.

27. Share-based payments

	2022 \$	2021 \$
(a) Value of share-based payments in the financial statements		
<i>Recognised as share issue costs:</i>		
Success fee for share placement – options	213,892	58,520
Recognised in statement of changes in equity	<u>213,892</u>	<u>58,520</u>

The Group provides benefits in the form of share-based payment transactions as follows:

Type	Holder(s)	Services provided
Options	Lead Managers	Success fee for share placement

(b) Accounting Policy: share-based payment transactions

Services are rendered in exchange for options and/or shares in the Company (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled.

(c) Fair value of options

The fair value of the options granted is estimated as at the date of grant using the Black-Scholes valuation model taking into account the following inputs:

	2022	2021
Grant date	7 February 2022	9 July 2020
Vesting date	7 February 2022	9 July 2020
Expiry date	31 August 2023	31 December 2021
Number of options granted	10,000,000	15,000,000
Underlying price per share	\$0.042	\$0.007
Exercise price	\$0.080	\$0.006
Risk-free rate	0.64%	0.26%
Volatility	143.96%	116.60%
Dividend yield	0%	0%
Option value	\$0.02138	\$0.00390

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

27. Parent Entity Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2022	2021
	\$	\$
Statement of financial position		
Assets		
Current assets	4,193,096	1,787,133
Non-current assets	8,941,032	6,112,858
Total assets	13,134,128	7,899,991
Liabilities		
Current liabilities	638,795	643,276
Non-current liabilities	-	-
Total liabilities	638,795	643,276
Net assets	12,495,333	7,256,715
Shareholders' equity		
Issued capital	20,588,628	14,960,308
Reserves	(2,916,147)	(3,123,316)
Accumulated losses	(5,177,148)	(4,580,277)
	12,495,333	7,256,715
Statement of profit or loss and other comprehensive income		
Loss for the year	(596,872)	(568,914)
Other comprehensive income/(loss) net of tax	(6,723)	28,574
Total comprehensive income/(loss) for the year	(603,595)	(540,340)

(b) Contingent liabilities and commitments of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

The commitments of the parent entity are as disclosed at Note 22 for the Group.

DIRECTORS' DECLARATION

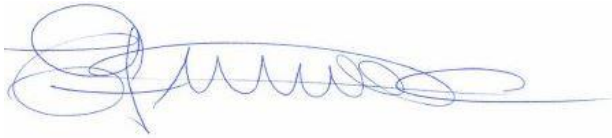
In the Directors' opinion:

1. the financial statements and notes set out on pages 14 to 40, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and
2. having regard to note 6 to the financial statements, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer/chief financial officer as required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in blue ink, appearing to read 'CA Fericola', with a long horizontal line extending to the right.

CA Fericola
Chairman

Brisbane, 29th September 2022

Superior Resources Limited

Independent auditor's report to the members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Superior Resources Limited (the Company and its subsidiaries (the **Group**)), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the **Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE OF EXPLORATION COSTS	
Area of focus	How our audit addressed it
<p>Refer also to note 14</p> <p>Capitalised exploration and evaluation assets represent 68% of the Group's total assets. The carrying value of exploration and evaluation assets is impacted by the Group's ability, and intention, to continue to explore and evaluate these assets. The results of these activities then determine the extent to which it may or may not be commercially viable to develop and extract identified reserves.</p> <p>Judgement is required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</p> <p>Due to the significance of this asset and the subjectivity involved in determining its carrying value and recoverable amount, this is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — A review of the Directors' assessment of the criteria for the capitalisation of exploration and evaluation expenditure and their assessment of whether there are any indicators of impairment to capitalised costs; — Test the additions to capitalised expenditure for the year by agreeing a sample of recorded expenditure for consistency to underlying records, capitalisation requirements of the Group's accounting policy and the requirements of AASB 6; — Considering the Group's intention and ability to continue activities necessary to support a decision to develop the exploration and evaluation assets, which included an assessment of the Group's ability to fund such activities and a review of their future budgets; — Performing an assessment of whether any indicators of impairment existed in line with requirements of Australian Accounting Standards, including a review of the integrity of tenement title status and total commitments value; and — We assessed the adequacy of the Group's disclosures in respect of the carrying value of exploration costs.



Other Information

The Directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

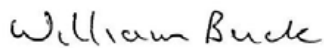
Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Superior Resources Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



William Buck (Qld)
ABN 21 559 713 106



J A Latif
Director

Brisbane, 29 September 2022

Shareholder Information

The information set out below was applicable at 25 October 2022.

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

Class of security - Ordinary Shares Range	Number of Holders
1 – 1,000	65
1,001 – 5,000	23
5,001 – 10,000	173
10,001 – 100,000	1,192
100,001 and over	1,189
Total	2,642

The number of holders holding less than a marketable parcel of ordinary shares was 276 and they held 1,853,188 securities.

B. EQUITY SECURITY HOLDERS

Total of Ordinary Shares on Issue 1,701,220,418.

Twenty largest equity security holders

Holders of fully paid ordinary shares (ASX:SPQ):

Holder	Ordinary Shares	
	Number	Percent
YARRAANDOO PTY LTD	150,000,000	8.82
MR TERRY TAYLOR & MRS LYNDA LOUISE TAYLOR	42,000,000	2.47
HBH FAMILY PTY LTD	41,949,072	2.47
HAMILTON HAWKES PTY LTD	37,919,002	2.23
KJ HARVEY & ASSOCIATES PTY LTD	37,542,724	2.21
CHOICE CONSTRUCTIONS PTY LTD	32,804,770	1.93
AIHANMI PTY LTD	31,350,000	1.84
MR MARTIN JOHN ERIC HOLTMAN	28,012,166	1.65
MALACHITE AILURIDAE PTY LTD	26,329,943	1.55
JORLYN INVESTMENTS PTY LTD	21,500,000	1.26
MR JOHN JOSEPH SCHOLL & MRS PATRICIA JOY SCHOLL	20,009,556	1.18
MR CARLOS ALBERTO FERNICOLA & MRS KERRIE ALISON FERNICOLA	19,101,666	1.12
CITICORP NOMINEES PTY LIMITED	18,470,999	1.09
MR JOHN JOSEPH SCHOLL & MRS PATRICIA JOY SCHOLL	17,098,610	1.01
TERRA SEARCH PTY LTD	15,999,766	0.94
NETWEALTH INVESTMENTS LIMITED	15,551,290	0.91
BT PORTFOLIO SERVICES LIMITED	15,207,452	0.89
CAPITAL FINANCIAL ADVISERS PTY LTD	14,604,585	0.86
TRANQUIL PLUS PTY LTD	12,928,238	0.76
LUCALES INVESTMENTS PTY LTD	12,000,000	0.71
Total	610,379,839	35.88

Unquoted equity securities

Unquoted Options	Number on issue	Number of Holders
Unlisted options @\$0.08 expiring 31 August 2023	10,000,000	1

Holders of greater than 20% of the unlisted equity securities

There are no holders with greater than 20% of the unlisted equity securities of Superior Resources Limited at the date of this report.

C. SUBSTANTIAL HOLDERS

Substantial holders of the Company's ordinary securities are set out below.

Holder of Relevant Interest	Registered Holder	Ordinary Shares	
		Number	Percent
MR GEOFFREY JAMES HARRIS	YARRAANDOO PTY LTD	150,000,000	8.81

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

a. Ordinary shares

On a show of hands each member present at a meeting in person or by proxy shall have one vote and on a poll each share shall have one vote.

b. Options

No voting rights.

Tenement Schedule

Current interests in tenements held by the Company and its subsidiaries as of 11 October 2022 are set out below.

All tenements are located within Queensland. Exploration Permits for Minerals (EPM) are specified for all minerals other than coal.

Tenement	Name	Project	Date of Grant	Date of Expiry	Area	Holder	SPQ Interest
Northwest Queensland							
EPM15670	Hedleys 2	Nicholson	21 Aug 06	20 Aug 26	186 km ²	SPQ	100%
EPM18203	Hedleys South	Nicholson	29 May 14	28 May 24	114 km ²	SPQ	100%
EPM19097	Tots Creek	Victor	27 Nov 14	26 Nov 24	108 km ²	SPQ	100%
EPM19214	Scrubby Creek	Victor	27 Nov 14	26 Nov 24	90 km ²	SPQ	100%
EPM26720	Victor Extended	Victor	30 Aug 18	29 Aug 23	60 km ²	SPQ	100%
Northeast Queensland							
EPM18987	Cockie Creek	Greenvale	25 Sep 13	24 Sep 23	153 km ²	SPQ	100%
EPM19247	Cassidy Creek	Greenvale	28 May 13	27 May 23	48 km ²	SPQ	100%
EPM25659	Dinner Creek	Greenvale	21 Apr 15	20 Apr 25	192 km ²	SPQ	100%
EPM25691	Wyandotte	Greenvale	7 Apr 15	6 Apr 25	90 km ²	SPQ	100%
EPM26165	Cockie South	Greenvale	30 Jan 17	29 Jan 27	108 km ²	SPQ	100%
EPM26751	Twelve Mile Creek	Greenvale	28 May 19	27 May 24	258 km ²	SPQ	100%
EPM27754	Dido	Greenvale	12 Aug 21	11 Aug 26	300 km ²	SPQ	100%
EPM27755	Arthur Range	Greenvale	12 Aug 21	11 Aug 26	300 km ²	SPQ	100%
EPM27932	Phantom Creek	Greenvale	7 Mar 22	6 Mar 27	300 km ²	SPQ	100%
EPM28630	Six Mile Creek	Greenvale	Application		300 km ²	SPQ	100%
EPM28632	Lyndhurst	Greenvale	Application		300 km ²	SPQ	100%
EPM28633	Middle Creek	Greenvale	Application		300 km ²	SPQ	100%

Abbreviations:

SPQ Superior Resources Limited
EPM Exploration Permit for Minerals

Mineral Resources Statement

Mineral Resources as at 30 June 2022

Project	Resource category	Cut-off grade (g/t Au)	Quantity (tonnes)	Average Grade (g/t Au)	Au (ounces)	Notes
Steam Engine Gold Deposit	Measured	0.25	800,000	2.1	53,000	1, 2
	Indicated	0.25	1,420,000	1.5	68,000	1, 2
	Inferred	0.25	1,960,000	1.2	75,000	1, 2
	Total	0.25	4,180,000	1.5	196,000	1, 2

Notes:

1. Steam Engine Gold Deposit lies 500 metres south of the Gregory Development Road within EPM26165 "Cockie South", approximately 210km west northwest of Townsville, Queensland, Australia.
2. Competent person – Mineral Resources, Mr Kevin Richter (MAusIMM); refer ASX announcement dated 11 April 2022.

Steam Engine Prospect

Information in relation to the Steam Engine Gold Deposit Mineral Resource Estimate and related information were originally reported on the ASX Market Announcements Platform on 22 March 2021 ("*Steam Engine revised Mineral Resource Estimate: JORC Measured and Indicated Resource upgraded by 31%*") and 11 April 2022 ("*Material upgrade in Steam Engine Resource to 196,000 oz Au with 80.6% increase to Measured and Indicated categories*") each of which, complies with the guidelines of the 2012 JORC Code.

Mineral Resources comparison 2021 to 2022

Project	Resource category	2022				2021			
		Cut-off grade (g/t Au)	Quantity (tonnes)	Average grade (g/t Au)	Au (ounces)	Cut-off grade (g/t Au)	Quantity (tonnes)	Average grade (g/t Au)	Au (ounces)
Steam Engine Gold Deposit	Measured	0.25	800,000	2.1	53,000	0.5	240,000	2.6	20,000
	Indicated	0.25	1,420,000	1.5	68,000	0.5	610,000	2.4	47,000
	Inferred	0.25	1,960,000	1.2	75,000	0.5	880,000	1.9	55,000
	Total	0.25	4,180,000	1.5	196,000	0.5	1,730,000	2.2	122,000

The revised Steam Engine Mineral Resource Estimate, as stated in this report and as published on 11 April 2022, is calculated using a cut-off of 0.25 g/t Au, compared with a cut-off grade of 0.5 g/t Au that was used in the 2021 Mineral Resource Estimate. A lower cut-off grade was for the 2022 Mineral Resource Estimate to enable feasibility studies to be carried out on the basis of a mining and processing operation.

Mineral Resource and Ore Reserve Governance

The Mineral Resource Estimates as reported, have been generated by a suitably qualified person using industry standard best practice modelling and estimation methods.

Unless stated otherwise, Mineral Resources and Ore Reserves are compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition.

The Mineral Resources Statement included in this report has been reviewed by a suitably qualified Competent Person.

Reporting of Exploration Results

The reporting of Exploration Results, Mineral Resources or Exploration Targets in this report reflects information that was originally reported in ASX market announcements as referenced in various parts of this report. The Company confirms that it is not aware of any new information or data that materially affects the information, results or conclusions contained in the original reported document.

In respect of previously reported Mineral Resource estimates, all originally reported material assumptions and technical parameters underpinning the estimates continue to apply and have not been materially changed or qualified. The form and context in which the relevant Competent Person's findings are presented have not been materially modified from the original document.



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