

Binding agreement executed to acquire up to a 85% interest in the Superior Lake Zinc Project

Highlights

- Binding agreement to acquire up to an additional 15% of Ophiolite Holdings Pty Ltd, which holds the Company's Superior Lake Zinc Project, increasing the Company's interest to up to 85%
- Two minority shareholders have elected not to participate in the sale and will contribute to the project pro rata going forward. These shareholders have a 60 day pre-emptive right to acquire a further 0.94% each in the Project.
- Consideration for the acquisition of 15% will be 185,454,375 Superior Lake shares
 - Assuming 13.13% acquisition, the consideration will be 162,705,305 Superior Lake shares
- Consideration consists of only shares in Superior Lake, with an escrow period of 12 months

Superior Lake Resources Limited (ASX: SUP) ("**Superior Lake**" or the "**Company**") is pleased to announce it has entered into a binding agreement with certain minority shareholders of Ophiolite ("**Selling Minority Shareholders**") to acquire up to an additional 15% interest of Ophiolite Holdings Pty Ltd ("**Ophiolite**"), which holds the Company's Superior Lake Zinc Project ("**Project**"). The agreement will see the Company increase its ownership in the Project to up to 85%. The offer was 494,545 Superior Lake shares for every Ophiolite share.

Two of the three Selling Minority Shareholders are entities controlled by Mr Grant Davey ("**Mr Davey**"), an Executive Director of Superior Lake. The acquisition is conditional on Superior Lake shareholder approval because these entities are related parties of the Company for the purposes of the ASX Listing Rules. The Company will seek Superior Lake shareholder approval at a general meeting expected to be held in June 2019.

As required by the ASX Listing Rules and the Corporations Act, the Company will appoint an independent expert to prepare a report on the acquisition that opines on whether the acquisition is fair and reasonable to Superior Lake shareholders (other than the Selling Minority Shareholders and their associates). This report will accompany the notice of general meeting to be sent to Superior Lake shareholders.

Two of the minority shareholders directly controlling 10% of Ophiolite have elected not to participate in the sale. All minority shareholders who are not participating in the sale have a 60-day pre-emptive right to acquire a proportion of the offered Ophiolite shares, and will continue to be free carried until the completion of a Bankable Feasibility Study ("**BFS**"), which remains on track for completion by mid-2019. Post completion of the BFS, the minority shareholders will be required to contribute towards funding required by the Company in proportion to their shareholding in Ophiolite.

A minority shareholding of 5% owned jointly between Mr. Davey and a minority shareholder who has elected not to participate, will continue to hold shares in Ophiolite for the time being. Mr Davey intends to offer to sell half of the shares he holds jointly, or a further 2.5% of Ophiolite, to Superior Lake in accordance with the pre-emption process in due course.

If the minority shareholders of Ophiolite do not exercise their pre-emptive rights, Superior Lake will issue the Selling Minority Shareholders an aggregate of 185,454,375 Superior Lake shares as consideration (subject to Superior Lake shareholder approval).

If minority shareholders of Ophiolite do exercise their pre-emptive rights, Superior Lake will issue the Selling Minority Shareholders an aggregate of 162,705,305 Superior Lake shares as consideration (subject to Superior Lake shareholder approval).

The consideration to be provided to the Selling Minority Shareholders will also be subject to either ASX imposed or voluntary escrow for a period of 12 months.

On completion of the acquisition, the relevant interest of any individual Selling Minority Shareholder in Superior Lake will not exceed 19.9%.

The share sale and purchase agreement contains further customary conditions precedent, including the completion of the pre-emptive rights process, no regulatory intervention occurring prior to completion and the execution of restriction agreements by the Selling Minority Shareholders as so required by the ASX. The agreement also contains customary termination events, including if the conditions precedent are not satisfied, either party being in continuing material breach of the share sale and purchase agreement or by Superior Lake if the Selling Minority Shareholders are in breach of their respective representations or warranties.

Further details of the acquisition will be included in the notice of general meeting expected to be sent to Superior Lake shareholders in May 2019.

Indicative timetable	
Notice of meeting sent to shareholders, including independent expert's report	May 2019
Shareholder meeting to consider the acquisition	June 2019
Completion of acquisition	June 2019

About the Company

Superior Lake Resources Limited

Superior Lake Resources Limited (ASX: SUP) is focused on the redevelopment of the Superior Lake Project in North Western Ontario, Canada. The Project is one of the highest-grade zinc deposits globally with a JORC resource of 2.15 Mt at 17.7% Zn, 0.9% Cu, 0.4 g/t Au and 33.5 g/t Ag.¹ A Restart Study completed in 2018, forecasted the Project will produce approximately 46,000tpa Zn over an initial 6.5-year mine life, with an AISC of US\$0.51/lb.² The Company is currently working towards the release of a Definitive Feasibility Study by mid-2019.

Superior Lake Mineral Resource at 3% Zn cut-off grade

Classification	Tonnage	Zn%	Cu%	Au g/t	Ag g/t
Indicated	1,992,000	17.8%	0.9%	0.4 g/t	33.7 g/t
Inferred	152,000	15.4%	0.9%	0.4 g/t	31.2 g/t
Total	2,145,000	17.7%	0.9%	0.4 g/t	33.5 g/t

To learn more about the Company, please visit www.superiorlake.com.au, or contact:

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¹ ASX announcement 7 March 2019 "Increase in Superior Lake Mineral Resource". Superior Lake confirms that it is not aware of any new information or data that materially affects the information included in the announcement of 7 March 2019 and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the announcement of 7 March 2019 continue to apply and have not materially changed.

² See ASX announcement "Outstanding study confirms Superior Lake as low-cost project" dated 10 October 2018. The Company confirms that it is not aware of any new information or data that materially affects the information in that announcement (save for the 200,000 tonnes increase in the Mineral Resource estimate announced on 7 March 2019), and that all material assumptions and technical parameters underpinning the production targets and forecast financial information based on production targets in that announcement continue to apply and have not materially changed. The inclusion of the 200,000 tonnes will not materially affect the throughput set out in the Restart Study.