

Quarterly Activities Report Three months ended 31 March 2021

Superior Lake Resources Limited (ASX: SUP) ("Superior Lake" or the "Company") is pleased to provide its quarterly activities report for the quarter ended 31 March 2021.

Completion of vend of Superior Lake Zinc Project

Post Quarter end, the Company successfully completed the divestment of its Superior Lake Zinc Project ("Project") to TSX Venture Exchange ("TSXV") listed company Metallum Resources Inc. (TSXV: MZN) ("Metallum"), previously known as CROPS Inc. ("Transaction"). The Company received 128,920,000 Metallum shares and \$0.75 million cash.

Disposal of the Project allows the Company to maintain an indirect interest in the Project without having to incur the associated costs of maintaining and developing the Project and will enable the Company to focus on, and apply the proceeds from the Transaction towards, sourcing new opportunities which the Board believes will add value to Shareholders.

Consequences of the Transaction

As a consequence of completing the Transaction:

- Any subsequent transaction the Company enters into will attract the application of Listing Rule 11.1.3 and as a result will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules; and
- Subject to ASX's policy on immediately suspending an entity's securities from quotation when a recompliance transaction is announced, ASX will afford the Company a period of six months from the date the disposal is announced to demonstrate to the ASX that it is compliant with Listing Rule 12.1 (the requirement that an entity's operations are sufficient to continue quotation of the entity's securities and continued listing). If the Company does not demonstrate compliance with this rule to ASX's satisfaction by the six month anniversary, ASX will suspend trading in the Company's securities. Compliance with Listing Rule 12.1 will be considered in the context of any proposed recompliance transaction.

North American Uranium Strategy

The Company continued to progress its North American uranium strategy, which entails consideration of various potential opportunities, including the acquisition of exploration properties and production assets.

During the Quarter, the Company reached agreement with Sachem Cove on the extension of the exclusivity option with Premier Uranium LLC ("Premier") to 30 June 2021. In consideration for the extension, the Company issued 4 million unlisted options to Sachem Cove expiring 29 January 2024, half of which are exercisable at \$0.22 and the balance exercisable at \$0.26.

Premier is 100% owned by leading global uranium investor Sachem Cove Partners LLC ("Sachem Cove"), a uranium/nuclear energy dedicated fund led by respected uranium investor Mike Alkin. As part of the



extension, the Company has agreed to offer Sachem Cove the first right of refusal to participate as a cornerstone financier in relation to any acquisition of assets pursuant to its North American uranium strategy.

Corporate

Cash

As at 31 March 2021, the Company had cash of \$615,000. Post Quarter end, pursuant to completion of the Transaction, the Company received payments for reimbursement of transaction costs and a completion fee totalling \$758,000, which gives the Company a cash balance as at 30 April 2021 of \$1,266,000 (unaudited).

Annual General Meeting

The Company will hold its annual general meeting at 10:00 am on Wednesday 26 May 2021.

Payments to Related Parties

During the Quarter, payments to directors were \$46,000, all of which comprised directors' fees.

Mr Grant Davey, who is a Non-Executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd ("**Matador Capital**"). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office administration services, accounting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus basis (March quarter \$42,000 unaudited).

Information required under ASX Listing Rule 5.3.3

Pursuant to completion of the Transaction, the Company disposed of the tenements that comprised the Project. The Company does not currently hold any tenements.

Authorised for release by the Board of Directors.

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

Grant Davey Executive Director +61 8 6117 0479

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Superior Lake Resources Limited

ABN

64 139 522 553

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(69)	(69)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(64)	(64)
	(e) administration and corporate costs	(131)	(131)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and incentives	-	-
1.8	Other (Business development activities)	(67)	(67)
1.9	Net cash from / (used in) operating activities	(331)	(331)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(51) ¹	(51) ¹
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(51)	(51)

¹ As announced on the Australian Stock Exchange on 10 September 2020, the Company has entered into a definitive agreement to vend its interests in the Superior Lake Zinc Project located in Ontario, Canada into the TSXV listed Company Metallum Inc. (TSXV: MZN) formerly CROPS Inc. On completion of the transaction, which occurred subsequent to the end of the quarter, the Company was reimbursed a CAD500,000 payment which was made in the December quarter as the final payment under the Pick Lake Option Agreement. The Company was reimbursed 50% of a CAD50,000 payment made in the current quarter as an extension fee that was paid under the Winston Lake Option Agreement. Furthermore, the Company received AUD200,000 as a completion payment under this agreement subsequent to quarter end.

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	175	175
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	175	175

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	822	822
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(331)	(331)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(51)	(51)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	175	175
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	615	615

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	48	55
5.2	Call deposits	567	767
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	615	822

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	88
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Payments to all Directors for Directors' fees (December quarter: \$46,000).

Mr Grant Davey, who is a Non-Executive Director of the Company is a Director and shareholder of Matador Capital Pty Ltd ("**Matador Capital**"). The Company makes payments to Matador Capital under a Shared Services Agreement in which Matador Capital provides office space, general office costs, accounting services and technical exploration and geological staff to the Company. The services provided by Matador Capital are recovered from the Company on a cost-plus basis (March quarter \$42,000).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(331)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(331)
8.4	Cash and cash equivalents at quarter end (item 4.6)	615
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	615
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.9
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
As at the date of lodgement of this Appendix 5B the Company's cash balance is \$1,266,000. Based on the formula above this would give the Company 3.8 quarters of cashflow. It is expected that the net operating cashflow outflows will likely decrease in the next quarter. The Company spent \$69,000 during the quarter on environmental and holding costs of its now divested zinc project. During the following quarter this will reduce to zero.		

- 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As announced on the Australian Stock Exchange on 10 September 2020, the Company has entered into a definitive agreement to vend its interests in the Superior Lake Zinc Project located in Ontario, Canada into the TSXV listed Company Metallum Inc. (TSXV: MZN) formerly CROPS Inc. On completion of the transaction, which occurred subsequent to the end of the quarter, the Company was reimbursed a CAD500,000 payment which was made in the December quarter as the final payment under the Pick Lake Option Agreement. The Company was reimbursed 50% of a CAD50,000 payment made in the current quarter as an extension fee that was paid under the Winston Lake Option Agreement. Furthermore, the Company received AUD200,000 as a completion payment under this agreement subsequent to quarter end.

- 8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Given the reduction in expenses expected in the following quarter as outlined in 8.8.1 and the funding received post quarter end as outlined in 8.8.2, yes.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.