

# FINANCE VIDEO: Superior Lake Resources Ltd: Restart Study Outlines Low Cost Zinc Operation

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Perth, Australia - Superior Lake Resources (ASX:SUP) has released details of a restart study for its Superior Lake zinc project ('the Project') in Canada. Highlights of the announcement include the following.

- Restart study confirms robust economics forecast:

o post-tax net present value 10% - US\$158 million;

o low all in sustaining operating costs ('AISC') - US\$0.51/lb (lowest global cost quartile);

o low initial capital costs - US\$75 million.

- Initial mine life 6.5 years, with excellent potential to increase - exploration target 2.1 to 5.2 Mt grading between 13.3% and 15.4% Zn.

- Annual average concentrate production of 88,000 tpa Zn and 6,700 tpa Cu.

- Fully funded definitive feasibility study commenced - due for completion mid-2019.

Analyst comment: this is a strong result for SUP, given that it took control of the Project less than 12 months ago. The standout feature of the study was the low AISC of US\$0.51/lb (C1 cost US\$0.39/lb), which ranks the Project in the lowest cost quartile of zinc producers globally. It ensures that the Project will remain profitable in the future, even if the zinc price deteriorates (current spot - US\$1.21/lb), which appears unlikely in the near term in that zinc stockpiles remain at near record lows, with limited new supply forecast to enter the market.

Virtual site trip: we recently visited the Project in Canada and were impressed. As expected, the surrounding infrastructure is world-class. Moreover, existing development at the site, which will be utilised in the future, has kept capital costs relatively low for a project of this type. We encourage investors to view our virtual site trip by visiting <http://thesophisticatedinvestor.com.au>

Valuation: in light of the restart study, we have provided an initial valuation target for SUP of \$0.12 / share (share price \$0.045 / share). We determined this valuation by via a DCF valuation on the Superior Lake project at a discount rate of 10%. For more details of the key assumptions underlying our valuation, watch the attached video.

To view the video, please visit:

<http://www.abnnewswire.net/press/en/94990/SUP>

About Superior Lake Resources Ltd:

[Superior Lake Resources Ltd.](#) (ASX:SUP) engages in the exploration and development of mineral prospects in Australia and Canada. It primarily explores copper, zinc, gold, and other base metals. The company holds interests in the Pick Lake Zinc project covering 47.5 square kilometers of area located in northwest Ontario; and the Winston Lake Project covering 4.5 square kilometers of area located in northwest Ontario. It also holds interests in the Leonora Project located in the Eastern Goldfields Province of the Archaean-aged Yilgarn Craton of Western Australia; and the Mt Morley Project covering 50 square kilometers of area located in Western Australia. The company was founded in 2009 and is based in Perth, Australia. [Superior Lake Resources Ltd.](#) is a subsidiary of Add New Energy Investment Holdings Group Limited.

About The Sophisticated Investor:

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#### Source:

[Superior Lake Resources Ltd.](#)  
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#### Contact:

Adam Kiley Director TSI Capital Pty Ltd E: [adam.kiley@tsicapital.com.au](mailto:adam.kiley@tsicapital.com.au)

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