

Superior Gold Reports Robust Second Quarter Results

SECOND CONSECUTIVE QUARTER OF STRONG CASH FLOW FROM OPERATIONS

(In US Dollars unless otherwise stated)

TORONTO, Aug. 10, 2021 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV: SGI) announces financial results for the second quarter of 2021 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

Second Quarter Highlights

- Increased production by 28% over prior year period and 10% over the first quarter of 2021 to 19,356 ounces, with sales of 19,099 ounces
- Maintained strong mined stope grade of 3.3 g/t gold in the second quarter
- Commenced open pit mining at Plutonic East on schedule increasing surface feed grade
- Metallurgical recovery increased to 88% from 86% in the first quarter of 2021 as a result of higher head grades due to the contribution of Plutonic East open pit ore
- Realized a record average gold price of \$1,801/ounce above All-In Sustaining Cost¹ ("AISC") of \$1,519/ounce
- Net income for the period of \$0.01 per share and adjusted net income of \$0.01 per share
- Generated cash flow from operations of \$4.9 million after working capital changes prior to the repayment of the gold loan
- Early full repayment of the Auramet gold loan and exited the second quarter with zero term debt
- Strong financial position of \$17.4 million in cash and cash equivalents
- Announced additional positive exploration results which included **14.8 g/t gold over 13.4 metres** at the Baltic Gap Mining Front²
- Recorded zero incidences of COVID-19 infection for a sixth consecutive quarter

Chris Jordaan, President and CEO of Superior Gold stated: "We are very pleased to report our fourth quarter-over-quarter increase in production. The operational initiatives that we put in place last year are resulting in a steady improvement in our operating results, including a 21% increase in mined stope grade year-to-date compared to 2020. These operational improvements continue to drive our increasing cash flow from operations which has resulted in an increase of the Company's working capital position to \$4.8 million in the second quarter.

In addition, we have further advanced our geological understanding of the Plutonic orebody, including the northwest trending faults that control the location and concentration of higher-grade gold mineralization. This has led to a number of strategically significant exploration results, demonstrating that there are a number of new high-grade mining fronts potentially opening at Plutonic, as well as the identification of higher-grade stopes on the operational front. During the quarter, we provided an exploration update at the Baltic Gap Mining Front where we have expanded the known high-grade Plutonic mineralization as part of our strategy to identify new mining fronts to allow for improved mining grades and productivity and reduced reliance on remnant mining.

We also continue to advance other strategic projects necessary to reposition Plutonic for sustainable, long-term success. The restart of open pit mining at Plutonic East was completed on schedule. The displacement of low-grade stockpile with higher grade open pit feed, in conjunction with the opening of new underground mining fronts, is expected to continue to improve our grade profile and ability to generate operating cash flow

over the remainder of 2021 and beyond."

¹ This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's prior MD&A's for a description of these measures.

² Refer to the News Release dated June 23, 2021.

Summary of Financial and Operational Results:

	Three months ended June 30, 2021
All amounts in \$ millions except where noted	
Financial	
Revenue	34.4
Cost of sales	29.5
General and administrative	1.6
Operating income	2.7
Income before taxes	1.7
Net income	1.2
Earnings per share - basic and diluted	0.01
Adjusted net income ¹	1.7
Adjusted net income per share - basic ¹	0.01
Cash flow from operations	2.7
Weighted average number of common shares outstanding (basic)	121,828,973
Operational	
Gold produced (ounces)	19,356
Gold sold (ounces)	19,099
Total cash costs (\$/ounce) ¹	1,412
All-in sustaining costs (\$/ounce) ¹	1,519
Average realized price ¹ (\$/ounce)	1,801
Total underground material mined (Kt)	212
Total material milled (Kt)	359
Grade milled (g/t gold)	1.9
Recovery (%)	88

¹ This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's MD&As for a description of these measures.

Plutonic Gold Operations

The Plutonic Gold Operations produced and sold 19,356 and 19,099 ounces of gold, respectively, for the second quarter of 2021. Total cash costs¹ of \$1,412/ounce sold and AISC¹ of \$1,519/ounce sold were below the realized gold price¹ of \$1,801/ounce for the three-month period ending June 30, 2021.

In comparison, 15,177 and 15,536 ounces of gold were produced and sold, respectively for the second quarter of 2020. Total cash costs¹ of \$1,426/ounce sold and AISC¹ of \$1,547/ounce sold were below the realized gold price¹ of \$1,608/ounce for the three-month period ending June 30, 2020.

Total cash costs¹ and AISC¹ decreased over the prior period primarily as a result of a higher number of

ounces of gold sold, partially offset by the strengthening of the Australian dollar relative to the U.S. dollar in comparison to the second quarter of 2020, which contributed \$208/ounce and \$215/ounce, respectively to the increase in total cash costs and AISC.

The Company generated net cash from operations after working capital changes of \$4.9 million for the three months ending June 30, 2021, excluding the repayment of \$2.2 million under the gold loan.

¹ This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's prior MD&A's for a description of these measures.

Exploration Activities

During the second quarter of 2021, the Company provided an exploration update at the Baltic Gap Mining Front containing important high-grade drill results from its underground drill program as part of its strategy to identify new mining fronts to allow for improved mining grades and productivity and reduced reliance on remnant mining.

The latest drilling results show continued growth of the new Baltic Gap Mining Front, which now extends over an interpreted strike length of 350 metres and up to 200 metres down dip, while remaining open along strike and at depth. Results such as drill hole UDD24342, which intersected **14.8 g/t gold over 13.4 metres**, gives the Company further confidence in mining higher grades at Plutonic in the future¹.

The Baltic Gap Mining Front extends approximately 700 metres along the northern edge of the Baltic zone of the Plutonic orebody and remains open, with several historic high-grade intercepts indicating continuity of mineralization outside of the current Mineral Resource envelope.

¹ Refer to the News Release dated June 23, 2021.

2021 Guidance

The Company continues to maintain its 2021 guidance which was previously announced on January 21, 2021. Details of production, cost and capital expenditure guidance for the year are summarized in the table below.

Operating Parameters	Low	High
Production (oz of Gold)	65,000	75,000
Cash Costs (\$/oz) ^{1, 2}	\$1,350	\$1,450
All In Sustaining Costs (\$/oz) ^{1, 2}	\$1,500	\$1,600
Exploration Expenditure (\$ million) ³	\$3.5-6.5M	
Sustaining Capital Expenditures (\$ million)	\$4.0-4.5M	
Non Sustaining Capital Expenditures (\$ million) ⁴	\$3.0-5.0M	

¹ Assumes AU\$:US\$ exchange rate of 0.73:1.

² This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's MD&A's for a description of these measures.

³ Exploration expenditures could increase with positive exploration results.

⁴ Non sustaining capital expenditures are primarily related to pre-production capital for Plutonic East and underground development.

Conference Call

Management will host a conference call and webcast on Tuesday August 10, 2021 at 10:00AM ET to discuss the second quarter 2021 financial and operating results.

Conference Call and Webcast

Date: Tuesday August 10, 2021 10:00AM ET
Toll-free North America: (888) 664-6392
Local or International: (416) 764-8659
Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1480260&tp_key=079c56cc85

Conference Call Replay

Toll-free North America: (888) 390-0541
Local or International: (416) 764-8677
Passcode: 141091

The conference call replay will be available from 1:00PM ET on August 10, 2021 until 23:59PM ET on August 24, 2021.

The presentation will be available on the Company's website at www.superior-gold.com.

Qualified Person

Scientific and technical information in this news release has been reviewed and approved by Keith Boyle, P.Eng., Chief Operating Officer of the Company, who is a "qualified person" as defined by NI 43-101. Mr. Boyle is not independent of the Company within the meaning of NI 43-101.

About Superior Gold

Superior Gold is a Canadian based gold producer that owns 100% of the Plutonic Gold Operations located in Western Australia. The Plutonic Gold Operations include the Plutonic underground gold mine and central mill, numerous open pit projects including the Plutonic Main Pit push-back project, the Hermes open pit projects and an interest in the Bryah Basin joint venture. Superior Gold is focused on expanding production at the Plutonic Gold Operations and building an intermediate gold producer with superior returns for shareholders.

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws that is intended to be covered by the safe harbours created by those laws. "Forward-looking information" includes statements that use forward-looking terminology such as "may", "will", "expect", "anticipate", "believe", "continue", "potential" or the negative thereof or other variations thereof or comparable terminology. Forward-looking information includes information with respect to guidance as to projections, outlook, guidance, forecasts, estimates, and other statements regarding future or estimated financial and operational performance, gold production and sales, revenues and cash flows, and capital costs (sustaining and non-sustaining), including projected cash operating costs and all-in sustaining costs) as well as statements with respect to the mine-plan, exploration, drilling, operating and organizational matters and activities relating to the Plutonic Gold Operations and the Company generally, including its liquidity and capital requirements and financial results. Such Forward-looking information also includes information related to the Company's previously announced strategic review process, the potential outcome of such process and the intended maximization of shareholder value that the Company believes may result from such process. By identifying such information in this manner, the Company is alerting the reader that such information is

subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Readers are encouraged to refer to the Annual Information Form of the Company for a discussion of other risks including outbreaks or threats of outbreaks of viruses, other infectious diseases or other similar health threats, such as the novel coronavirus outbreak, which could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions, labour shortages, shutdowns, the inability to sell gold, capital markets volatility or other unknown but potentially significant impacts. The Company cannot accurately predict what effects these conditions will have on the Plutonic Gold Operations or the financial results of the Company, including uncertainties relating to travel restrictions to the Plutonic Gold Operations or otherwise and business closures that have been or may be imposed by governments. If an outbreak or threat of an outbreak of a virus or other infectious disease or other public health emergency occurs, it could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information as no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, and if any of them do so, what benefits the Company will derive therefrom. Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this news release to reflect events or circumstances after the date hereof.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Superior Gold

For further information: Superior Gold Inc., Brian Szeto, Vice President Corporate Development or Sandy Noyes, Director of Investor Relations, investor@superior-gold.com, Tel: 647-925-1293

<http://superiorgold.mediaroom.com/2021-08-10-Superior-Gold-Reports-Robust-Second-Quarter-Results>