

# Superior Gold Reports 10% Increase in Second Quarter Gold Production to 19,356 Ounces

## ***COMMENCEMENT OF OPEN PIT MINING AT PLUTONIC EAST ON SCHEDULE***

*(In US Dollars unless otherwise stated)*

TORONTO, July 14, 2021 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV:SGI) announced detailed production results for the second quarter of 2021 for the Company's 100%-owned Plutonic Gold operations, located in Western Australia.

### **Second Quarter Highlights**

- Production of 19,356 ounces, a 10% increase over the prior quarter and 28% increase over the prior year period
- Stope grade of 3.3 g/t gold in the second quarter as the Company remains on track to target an average stope grade in excess of 3.0 g/t gold for the year
- Commenced open pit mining at Plutonic East on schedule increasing surface feed grade
- Recovery increased to 88% from 86% in the prior quarter as a result of higher head grades due to the contribution of Plutonic East open pit ore
- Continued exploration success including **14.8 g/t gold over 13.4 metres** (hole UDD24342) at the Baltic Gap Mining Front<sup>1</sup>
- Full repayment of Auramet gold loan on schedule which will provide close to \$10 million per year in additional cash flow beginning in the third quarter of 2021<sup>2</sup>
- Exited the quarter with a strong financial position of \$17.4 million in cash and cash equivalents
- Recorded zero incidences of COVID-19 infection for a sixth consecutive quarter

Chris Jordaan, President and CEO of Superior Gold stated: "We are extremely pleased to report a fourth consecutive quarter of improving production at our Plutonic Gold Operations. Our second quarter production of 19,356 ounces, represents a 10% quarter-over-quarter and 28% year-over-year increase (Figure 1). The strategic projects and operational initiatives that we put in place last year have resulted in a steady improvement in our performance as we continue to target an average underground stope grade in excess of 3.0 g/t gold as well as increase our surface grades by re-commencing open pit mining.

We continue to advance the strategic projects necessary to reposition Plutonic for sustainable, long term success. These projects include the resumption of open pit mining with mining at Plutonic East commencing on schedule during the second quarter. The higher-grade open pit feed in conjunction with opening new high-grade underground mining fronts is expected to result in a continued improvement in our grade profile moving forward. Over the course of the first half of the year, we have provided a number of important exploration updates that continue to point towards the identification of higher-grade stopes on the operational front in the near future. Ongoing geological initiatives have improved our understanding of the mineralization at Plutonic and specifically the northwest trending faults that control the concentration of higher-grade gold mineralization.

These operational improvements plus our improved understanding of the mineralization at Plutonic, combined with the full repayment of our gold loan during the quarter, will result in a significant improvement in our ability to generate free cash flow over the course of 2021 and beyond."

The Company expects to release its complete financial and operating results for the second quarter in August

2021.

## Second Quarter Production Details

Preliminary production details are summarized in the table below.

Operating Parameters <sup>1</sup>	Three Months Ended March 31, 2021	Three Months Ended June 30, 2021	Six Months Ended June 30, 2021
Stope material mined (Tonnes)	137,191	156,006	293,197
Stope grade mined (g/t Au)	3.54	3.26	3.39
Development material mined (Tonnes)	49,771	56,163	105,933
Development grade mined (g/t Au)	1.30	1.63	1.47
Surface material milled (Tonnes) <sup>2</sup>	154,089	157,520	311,609
Surface material grade (g/t Au) <sup>2</sup>	0.41	0.58	0.50
Total material milled (Tonnes)	355,678	359,403	715,081
Grade milled (g/t Au)	1.78	1.90	1.84
Gold recovery (%)	86	88	87
Gold Produced (ounces)	17,603	19,356	36,959
Gold Sold (ounces)	17,538	19,099	36,637
Cash and Cash Equivalents (\$ million)	17.9	17.4	17.4

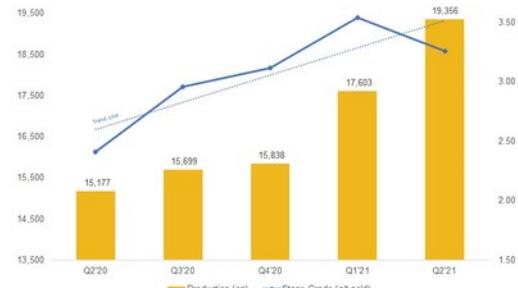
<sup>1</sup>Numbers may not add due to rounding.

<sup>2</sup>Surface material milled in Q2 2021 includes surface feed from Plutonic East

## Figure 1: Steady Improvement on the Operational Front

### Commencement of Open Pit Production on Schedule

As part of the Company's strategy to expand production and fully utilize the existing infrastructure at the Plutonic Gold Operations, work continued during the second quarter of 2021 on optimizing several potential open pit sources and finalizing resources and scheduling. These open pits are comprised of the Plutonic East, Perch and Salmon pits on the Plutonic Mine property, along with the Hermes and Hermes South open pits to the southwest. The Company began the mining of the Plutonic East open pit in the second quarter as scheduled. The Company aims to utilize the production from these open pits plus the Main Pit push-back, along with operational improvements from the underground, to maximize the Plutonic Gold Operations' ability to generate significant free cash flow.



### Expanding into New Mining Fronts

During the second quarter of 2021, the Company provided an exploration update for the Baltic Gap mining front containing important high-grade drill results from its underground drill program as part of its strategy to expand into new mining fronts, improve mining grades and productivity, and reduce reliance on remnant mining.

The drill results released on June 23, 2021, showed 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. The new Baltic Gap mining front is also directly adjacent to

existing underground infrastructure, thus requiring minimal capital to develop the area. Results such as drill hole UDD24342, which intersected 14.8 g/t gold over 13.4 metres, give the Company further confidence in mining higher grades at Plutonic in the future.

Results to date support our view that the Baltic Gap is potentially an important new area of production at Plutonic. The Baltic Gap results are now drilled at an average spacing of 20 metres, but are not yet included in our current Mineral Resource estimates.<sup>1</sup>

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<sup>1</sup> Refer to the Press Release dated June 23, 2021 for additional information.

<sup>2</sup> Refer to the Press Release dated June 21, 2021 for additional information.

## **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.

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