

Superior Gold Reports 11% Increase in First Quarter Gold Production to 17,603 Ounces

INCREASED UNDERGROUND STOPE GRADE FOR THIRD CONSECUTIVE QUARTER AND IMPROVED CASH POSITION

(In US Dollars unless otherwise stated)

TORONTO, April 11, 2021 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV: SGI) announces detailed production results for the first quarter of 2021 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

First Quarter Highlights

- Production of 17,603 ounces, an 11% increase over the prior quarter, with sales of 17,538 ounces
- Stope grade increased by a further 13% to 3.5 g/t gold representing an improvement for a third consecutive quarter and in-line with the Company's near-term goal of continuing to target higher grade, higher margin ounces
- Process recovery increased to 86%, in part due to the finalization of re-commissioning of the gravity circuit in the prior quarter and increase in oxide stockpile ore
- The third underground drill, which is dedicated to exploring for new mining fronts, intersected **21.8 g/t gold over 8.3 metres** at the Baltic Gap Mining Front¹ and **13.7 g/t gold over 8.8 metres** at the Western Mining Front²
- Improved cash position, exiting the quarter with a strong financial position of \$17.9 million in cash and cash equivalents
- Repayment of Auramet gold loan nearing completion with the \$2.0 million remaining outstanding at the end of the first quarter to be fully repaid by June 30, 2021
- Recorded zero incidences of COVID-19 infection for a fifth consecutive quarter

Tamara Brown, Interim CEO of Superior Gold stated: "We are delighted to report a third consecutive quarter of improving production at our Plutonic Gold Operations. Importantly, we improved our cash position relative to year end 2020 as a result of first quarter production of 17,603 ounces, which represented an 11% quarter-over-quarter and 8% year-over-year increase. The strategic projects and operational initiatives that we put in place last year have resulted in a steady improvement in our stope grade which has also increased for a third consecutive quarter and represents a 47% improvement relative to the second quarter of 2020 when we initiated a number of changes at the Company (Figure 1).

We continue to advance the strategic projects necessary to reposition Plutonic for sustainable, long term success. This includes opening new underground mining fronts plus the re-commencement of open pit mining mid-year, resulting in an expected improvement in our grade profile moving forward. In addition, an improved understanding of the mineralization at Plutonic and specifically the northwest trending faults that control the concentration of higher-grade gold mineralization, has led to many of our recent exploration successes (at the Baltic Gap and Western Mining Front) and identification of higher-grade stopes on the operational front.

¹ Refer to the Company's news release on March 29, 2021 for additional information.

² Refer to the Company's news release on March 1, 2021 for additional information.

Ultimately, these investments and an improved understanding of mineralization at Plutonic will ensure that a fully optimized underground operation, combined with the addition of new sources of open pit feed and the repayment of our gold loan by mid-2021, is expected to result in an improvement in our overall financial performance over the course of 2021 and beyond."

The Company expects to release its complete financial and operating results for the first quarter in May 2021.

First Quarter Production Details

Preliminary production details are summarized in the table below.

Operating Parameters¹	Three Months Ended	Three Months Ended
	December 31, 2020	March 31, 2021
Stope material mined (Tonnes)	139,159	137,191
Stope grade mined (g/t Au)	3.12	3.54
Development material mined (Tonnes)	56,952	49,771
Development grade mined (g/t Au)	1.75	1.30
Surface material milled (Tonnes) ²	167,501	154,089
Surface material grade (g/t Au) ²	0.34	0.41
Total material milled (Tonnes)	365,520	355,678
Grade milled (g/t Au)	1.61	1.78
Gold recovery (%)	84	86
Gold Produced (ounces)	15,838	17,603
Gold Sold (ounces)	15,855	17,538
Cash and Cash Equivalents (\$ million)	17.3	17.9

¹ Numbers may not add due to rounding.

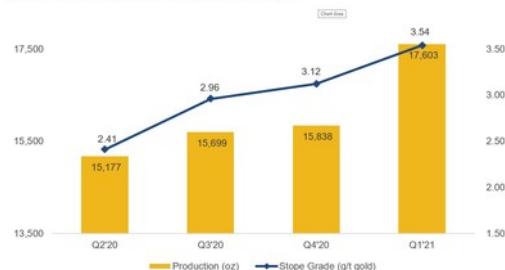
² Surface material milled in Q1 2021 is primarily the processing of low-grade stockpile.

Open Pit Production Commencing in Mid-2021

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 first 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. As

planned, the Company expects to begin mining the Plutonic East open pit in mid-2021, with grade control drilling having been completed during the first quarter. 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 return the Plutonic Gold Operations to a state of significant free cash flow generation.

Figure 1: Steady Improvement on the Operational Front



Expanding into New Mining Fronts

During the first quarter of 2021, the Company released two exploration updates 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 Company announced results from the Western Mining Front, northwest of the Baltic zone, which were highlighted by **13.7 g/t gold over 8.8 metres** (UDD23656) and **52.7 g/t gold over 1.0 metres** (UDD23653)³. These intercepts are outside of existing Mineral Resources but are within only 50 metres of existing infrastructure and can therefore be accessed with minimal capital. Encouragingly, it is worth noting that all of the drill holes completed to target depth hit significant intercepts.

Towards the end of the first quarter, the Company announced results from the Baltic Gap, which were highlighted by **21.8 g/t gold over 8.3 metres** and **13.4 g/t gold over 5.0 metres** (UDD23880) and **20.7 g/t gold over 2.1 metres** (UDD23820)⁴. The results represent the identification of a potential new mining front with mineralization extending up to 165 metres outside of the current Mineral Resource envelope. Similar to the results released last year, which were highlighted by **40.4 g/t gold over 6.5 metres** (UDD22310)⁵, these latest intercepts are outside of existing Mineral Resources, but are within only 50 metres of existing underground infrastructure.

³ Refer to the Company's news release on March 1, 2021 for additional information.

⁴ Refer to the Company's news release on March 29, 2021 for additional information.

⁵ Refer to the Company's news release on June 24, 2020 for additional information.

Strategic Review Update

The Company wishes to provide an update on its strategic review process to explore and evaluate a broad range of potential alternatives to maximize shareholder value, which was originally announced in July 2020. Since the bought deal offering in October 2020 - which the Company used to purchase a 2% royalty on the Plutonic Gold Operations, revitalize its underground mining fleet and add a third drill rig dedicated to exploration - the Company has advanced projects to assess opportunities to consolidate the Plutonic-Marymia gold belt and surrounding regions and further advance the strategic review process in Australia. The Company is also well advanced with its search for a permanent CEO. While the process is ongoing, there is nothing requiring disclosure at the present time. There can be no assurance that the strategic review process will result in any transaction. The Company does not intend to comment further unless the Board of Directors of the Company has approved a specific course of action or the Company has determined further disclosure is appropriate.

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

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