

Superior Gold Announces Closing of C\$17.3 Million Bought Deal Financing

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TORONTO, Oct. 29, 2020 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV: SGI) is pleased to announce that it has closed its previously announced "bought deal" public offering of 24,644,500 common shares of the Company (the "Common Shares"), at a price of C\$0.70 per Common Share for gross proceeds of C\$17,251,150 (the "Offering"), which includes the full exercise of the Underwriters' over-allotment option. The Common Shares were offered and sold through a syndicate of underwriters led by PI Financial Corp. (collectively, the "Underwriters").

The Common Shares issued under the Offering were offered by way of a short form prospectus dated October 23, 2020 in each of the provinces of Canada, except Québec and by way of private placement in the United States. Copies of the final short form prospectus and documents incorporated by reference therein are available electronically under Superior Gold's issuer profile on SEDAR at www.sedar.com.

The Underwriters were paid a cash commission of 6% on the gross proceeds of the Offering. The net proceeds of the Offering will be used for the advancement of the Company's Plutonic Gold operations, to repurchase a royalty associated with the operations and for working capital and general corporate purposes.

Tamara Brown, Interim CEO of Superior Gold stated: "The strengthening of our balance sheet allows the Company to execute on its strategy of increasing production and cash flow from its Plutonic Gold operations. We are very pleased to be in a position to exercise our option to repurchase the Northern Star Royalty, significantly improving our projected cash flow over the next two years. We will also continue to advance underground development, accelerate our exploration plans to follow up on our recent drilling success¹ and complete a preliminary economic assessment of a pushback at the Plutonic main open pit."

An officer of the Company (the "Insider") has purchased an aggregate of 86,000 Common Shares pursuant to the Offering. Participation of the Insider in the Offering is considered a "related party transaction" pursuant to Multilateral Instrument 61-101—*Protection of Minority Holders in Special Transactions* ("MI 61-101"). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insider's participation in the Offering pursuant to sections 5.5(a), 5.5(b), and 5.7(1)(a) of MI 61-101.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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, 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. The forward-looking information contained herein includes, without limitation, information related to the timing and the completion of the Offering. 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 to be filed in connection with the Offering for a discussion of other risks. In addition, the Company is exposed to outbreaks or threats of outbreaks of viruses, other infectious diseases or other similar health threats, including 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.

¹ Refer to Superior Gold's news releases dated June 17, 2020 and June 24, 2020.

SOURCE Superior Gold

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