

Superior Gold Inc. Announces Fourth Quarter and Full Year 2019 Detailed Production Results and Provides Full Year 2020 Guidance

PRODUCTION INCREASED BY 21% OVER PRIOR QUARTER

(In US Dollars unless otherwise stated)

TORONTO, Jan. 15, 2020 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV:SGI) announces detailed production results for the fourth quarter and full year 2019 from the Company's 100%-owned Plutonic Gold operations, located in Western Australia.

FOURTH QUARTER AND FULL YEAR 2019 PRODUCTION DETAILS

Production details are summarized in the table below.

Operating Parameters¹	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2019
Stope material mined (Tonnes)	144,754	537,868
Stope grade mined (g Au/t)	3.22	3.10
Development material mined (Tonnes)	68,839	270,238
Development grade mined (g Au/t)	1.95	1.77
Hermes material mined (g Au/t)	Nil	695,946
Hermes grade mined (Tonnes)	Nil	1.03
Hermes waste mined (Tonnes)	Nil	1,595,027
Surface material milled (Tonnes) ²	201,945	891,309
Surface material grade (g Au/t) ²	0.66	0.98
Total material milled (Tonnes)	418,208	1,681,151
Grade milled (g Au/t)	1.77	1.78
Gold recovery (%)	84	86
Gold Produced (ounces)	20,084	83,035
Gold Sold (ounces)	18,899	83,241

¹ Numbers may not add due to rounding.

² Surface material milled in Q4 consists of low grade stockpile from Hermes and other low grade material and surface material milled for the full year is primarily from Hermes but includes additional material totalling 63,534 tonnes at 0.57 g Au/t.

Figure 1 – Open Pit Priorities near Plutonic Mine



Chris Bradbrook, President and CEO of Superior Gold stated: "During the quarter, our focus remained on completing the development work required to execute our five year underground Life of Mine ("LOM") plan that was announced in October 2019. In order to achieve this goal, we maintained the increased development rates which commenced in the third quarter of this year. The total amount of development increased close to 30% in the second half of 2019 compared to the total development completed in the first half of the year. This significant improvement in development rates was the result of our continued emphasis on scheduling, improved maintenance and equipment availability.

We were pleased with the improvement in production for the fourth quarter compared to the prior quarter, which also demonstrated our ongoing focus on operating efficiencies and higher stope grade. Significant improvements in stope material mined, stope grade, and development grade resulted in a 21% increase in gold production compared to the third quarter. With production of 20,084 ounces during the fourth quarter, we have achieved our full year revised guidance of between 80,000 ounces and 85,000 ounces. Looking forward and as we execute our LOM plan, we anticipate further improvements over the course of 2020 and beyond."

The Company will be releasing its complete financial and operating results for the fourth quarter and full year 2019 before market open on March 10, 2020.

2020 GUIDANCE

Details of production, cost and capital expenditure guidance for 2020 are summarized in the table below. It is anticipated that the first quarter will be the weakest as operations begin to focus towards the areas included in the LOM plan later in the quarter.

Operating Parameters	Low	High
Production (oz of Gold)	80,000	90,000
Cash Costs (\$/oz) ¹	\$975	\$1,075
All In Sustaining Costs (\$/oz) ¹	\$1,075	\$1,175
Exploration Expenditure (millions of \$) ²	\$6.5M	
Sustaining Capital Expenditures (millions of \$)	\$7.0M	
Non Sustaining Capital Expenditures (millions of \$) ³	\$2.5M	

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 Exploration expenditures could increase with positive exploration results.

³ Non sustaining capital expenditures are primarily related to the decline development to open up the new Baltic and Baltic Deeps zones.

POTENTIAL OPEN PIT PRODUCTION IN 2020

Detailed work continues to optimize the additional potential open pit sources and to finalize resources and scheduling. These pits comprise the Plutonic East/Perch, Salmon and Workshop pits on the Plutonic Mine property (**Figure 1**), along with the Hermes and Hermes South pits to the southwest (**Figure 2**). With the update of the reserves and resources to be released near the end of the first quarter, the Company will be in a position to provide more detailed information. Currently, it is anticipated that production from the Plutonic East/Perch pit could commence during the second half of 2020, once final mining permits have been

received. The aim is to utilize the production from the open pits, along with operational improvements from the underground, to establish Superior Gold as a stable 100,000 ounce per year producer.

Qualified Person

Scientific and technical information in this news release has been reviewed and approved by Pascal Blampain, who is a member of the AusIMM and the Australian Institute of Geoscientists (AIG) and a "qualified person" within the meaning of NI 43-101. Mr. Blampain is an employee of the Company and serves as Chief Geologist.

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 gold 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 press 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 in this news release includes, but is not limited to, the Company's objectives, goals or future plans, and statements regarding exploration results and exploration plans.

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. See "Risk Factors" in the Company's prospectus dated February 15, 2017 filed on SEDAR at www.sedar.com for a discussion of these risks.

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. Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this press 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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