

Superior Gold Inc. Announces Third Quarter 2019 Financial and Operating Results

(In US Dollars unless otherwise stated)

TORONTO, Nov. 19, 2019 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV:SGI) announced today its financial and operating results for the quarter ended September 30, 2019. This release should be read in conjunction with the Company's Management Discussion and Analysis (MD&A) and condensed consolidated interim financial statements for the quarter ended September 30, 2019. These documents will be posted on the Company's website at www.superior-gold.com and SEDAR at www.sedar.com.

Chris Bradbrook, President and CEO of Superior Gold stated: "The third quarter financial and operating results reflected our decision to sacrifice the short term to set up for long term sustained success. The primary focus at the Plutonic underground gold mine during the quarter was on establishing sufficient development in new areas to enable us to execute on the five year plan that was announced on October 23, 2019. The plan, which does not include production from potential open pit sources, envisages annual underground production of 70,000 to 85,000 ounces with All-in Sustaining Cash Cost¹ ("AISC") averaging less than \$1,100/oz over the next five years.

At quarter end, we had in excess of \$14 million in cash and cash equivalents despite the additional capital investment required to prepare ourselves for the execution of the 5 year underground plan. Subsequent to quarter end, we announced a short term gold loan of A\$15 million on November 14, 2019. As a result, we have the financial flexibility to execute on our long term plan and are excited about the potential of this plan.

We also achieved a significant milestone during the quarter when we reached more than 250,000 ounces of cumulative gold production since acquiring the Plutonic Gold Operations."

Summary of Financial and Operational Results:

	Three months ended September 30, 2019	Three months ended September 30, 2018
All amounts in \$ thousands except where noted		
Financial		
Revenue	26,588	31,333
Cost of sales	29,845	32,525
General and administrative	1,051	981
Operating income (loss)	(5,085)	(2,789)
Income (loss) before taxes ¹	(5,668)	(2,452)
Net income (loss) ¹	(4,150)	(1,748)
Earnings (loss) per share – basic and diluted ¹	(0.04)	(0.02)
Adjusted net income (loss) ¹	(3,875)	(2,059)
Adjusted net income (loss) per share – basic and diluted ¹	(0.04)	(0.02)
Cash from (used in) operations	730	3,582
Cash and cash equivalents	13,993	21,959

Restricted cash	130	139
Weighted number of common shares o/s – basic (000's)	96,982	95,752
Operational		
Gold produced (ounces)	16,627	24,719
Gold sold (ounces) ¹	17,900	25,842
Realized price (\$/ounce) ¹	1,483	1,211
Total cash costs (\$/ounce) ¹	1,504	1,042
All-in sustaining costs (\$/ounce) ¹	1,652	1,119
Total ore milled (000's tonnes)	415	437
Grade milled (g/t)	1.5	2.0
Gold recovery (%)	85	87

Plutonic Gold Operations

The Plutonic Gold Operations produced and sold 16,627 and 17,900 ounces of gold, respectively, for the third quarter of 2019. Total cash costs¹ of \$1,504/ounce sold and AISC¹ of \$1,652/ounce sold were above the realized gold price¹ of \$1,483/ounce for the three-month period ending September 30, 2019. In comparison, 24,719 and 25,842 ounces of gold were produced and sold, respectively for the third quarter of 2018. Total cash costs¹ of \$1,042/ounce sold and AISC¹ of \$1,119/ounce sold were below the realized gold price¹ of \$1,211/ounce for the three-month period ending September 30, 2018.

Total cash costs¹ and AISC¹ increased over the prior period, primarily reflecting fewer ounces produced in the current quarter than the same period in 2018, as a result of lower grades from the Hermes stockpiles and a decrease in tonnage milled from the Plutonic underground gold mine. The variance from prior period underground tonnes milled was caused by fewer available stopes mined due to lower stope development as the Company focused its efforts on development necessary to deliver on the new long term plan. Modestly higher general and administrative costs, relative to the same period in 2018, included higher compensation costs in 2019, which stemmed from the addition of the Company's Chief Operating Officer. The Company generated net cash from operations after working capital changes of \$0.7 million for the three months ended September 30, 2019.

Exploration Activities

During the third quarter, the Company continued to operate three underground diamond drilling rigs with 20,916 metres completed. Of the total, 10,438 metres were drilled for grade control and stope design while 10,478 metres were for reserve and resource expansion.

Limited surface exploration drilling was completed during the quarter as the Company focused its efforts on the new underground plan.

The Company continues its examination of a number of open pit alternatives including processing material from Hermes, Hermes South and sources near the Plutonic Mine which includes potential expansions of some of the past producing open pits, including Plutonic East, Trout, Perch and Salmon.

Outlook and Strategy

The Company intends to focus on establishing the Plutonic Gold Operations as a stable gold producer capable of producing at least 100,000 ounces of gold annually. To achieve this goal, the Company intends to focus on its growth strategy which includes:

- Delivery on its 5-year guidance for the underground operations as announced in its press release dated October 23, 2019
- Improve mining practices to minimize dilution and increase grade
- Improve maintenance and equipment availability
- Focus on open pit opportunities with the most optimal financial returns
- Accelerate exploration activities in 2020

With the Company's cash position, the ongoing cash from operations, and the recent gold loan obtained subsequent to the third quarter, the Company has the liquidity available to execute on these growth and exploration objectives.

Conference Call

Management will host a conference call and webcast on Tuesday November 19, 2019 at 10:00AM ET to discuss the third quarter 2019 financial and operating results.

Conference Call and Webcast

Date: Tuesday November 19, 2019 10:00AM ET

Toll-free North America: (888) 231-8191

Local or International: (647) 427-7450

Webcast: <https://event.on24.com/wcc/r/2092334/22EF70B98E3665F6A62E1D6A182955EF>

Conference Call Replay

Toll-free North America: (855) 859-2056

Local or International: (416) 849-0833

Passcode: 2172818

The conference call replay will be available from 1:00PM ET on November 19, 2019 until 23:59PM ET on December 3, 2019.

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

(1) Refer to Non-IFRS Performance Measures section of the Company's MD&A for a description and calculation of these measures.

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 mine 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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For further information: Superior Gold Inc., Brian Szeto, Vice President, Communications and Strategy; and Kate Stark, Director of Investor Relations, investor@superior-gold.com, Tel: 647-925-1293

<http://superiorgold.mediaroom.com/2019-11-19-Superior-Gold-Inc-Announces-Third-Quarter-2019-Financial-and-Operating-Results>