



**SUPERIOR
GOLD INC.**

Management's Discussion and Analysis

For the three and six months ended June 30, 2019

August 13, 2019

(Expressed in thousands of United States dollars, except where
otherwise indicated)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY

Notes

This Management's Discussion and Analysis ("MD&A") dated August 13, 2019, should be read in conjunction with Superior Gold's unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2019 and 2018 ("interim financial statements") which are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). As these interim financial statements do not contain all note disclosures required under International Financial Reporting Standards ("IFRS"), they should be read in conjunction with the Company's annual audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2018. All dollar figures stated herein are expressed in thousands of United States dollars, except for per share or per ounce amounts or unless otherwise specified. The Company's public filings, can be viewed on the SEDAR website (www.sedar.com) and on the Company's website (www.superior-gold.com).

The following discussion contains forward-looking information that involves numerous risks and uncertainties. Actual future results could differ materially from those discussed in such forward-looking information as a result of these risks and uncertainties. Refer to the cautionary language at the end of this MD&A.

Description of the Business

Superior Gold Inc. (the "Company" or "Superior Gold") is a Canadian based gold producer that owns and operates the Plutonic Gold Operations located in Western Australia. The Plutonic Gold Operations include the Plutonic Gold Mine (which is a producing underground operation), the Hermes Gold Mine (which includes an open pit operation and up to an 80% interest in the Bryah Basin joint venture), and a central mill (located at the Plutonic Gold Mine).

Second Quarter Highlights

- Produced 23,849 ounces of gold, up 6% and 16%, respectively, from the first quarter of 2019 and fourth quarter of 2018, and down 7% from the comparable period in 2018
- Sold 23,937 ounces of gold at total cash costs¹ of \$1,222 per ounce sold and all-in sustaining costs¹ of \$1,293 per ounce sold, below the realized gold price¹ of \$1,320
- Net loss for the period of (\$0.02) per share
- Achieved cumulative production in excess of 239,000 ounces since acquisition of the Plutonic Gold Operations
- Cash, cash equivalents and restricted cash of \$17,322 at June 30, 2019

¹ Refer to the "Non-IFRS Performance Measures" disclosure within this MD&A for a description and calculation of these measures.

Key Business Developments

Plutonic Gold Operations

The Plutonic Gold Mine is located in the Archaean Plutonic Marymia Greenstone Belt and has been in continuous production since 1990, having produced over 5 million ounces of gold from both open pit and underground mining. At the time of the acquisition, the excess mill capacity allowed for a “fill the mill” strategy through organic growth opportunities, joint venture opportunities as well as regional opportunities to consolidate the land position.

The Hermes Gold Mine is located approximately 65 kilometres south-west of the Plutonic Gold Mine. It includes the wholly-owned Hermes open pits, that until recently, were being mined as a conventional open pit contractor operated excavator-truck mining operation with ore being trucked for processing at the Plutonic Gold Mine mill, and the 80% interest in the Hermes South open pit project 20 kilometres south-west of the Hermes open pits. Extraction at the Hermes Gold Mine was temporarily suspended on May 31, 2019 as Management decided to focus on Plutonic East while developing the best long-term open pit operational scenario.

Quarterly performance summary

The Plutonic Gold Operations produced and sold 23,849 and 23,937 ounces of gold, respectively, for the second quarter of 2019. Total cash costs¹ of \$1,222/ounce sold and all-in sustaining costs of \$1,293/ounce were below the realized gold price¹ of \$1,320/ounce for the three-month period ending June 30, 2019. In comparison, 25,608 and 25,797 ounces of gold were produced and sold, respectively for the second quarter of 2018. Total cash costs¹ of \$1,013/ounce sold and all-in sustaining costs of \$1,098/ounce were below the realized gold price¹ of \$1,303/ounce for the three-month period ending June 30, 2018.

Total cash costs and all-in sustaining cash costs increased over the prior period primarily reflecting fewer ounces produced in the quarter than the same period in 2018 as a result of lower grades at Hermes as well as slightly lower overall recoveries, despite an increase in tonnes milled. An increase in payroll and a focus on improving underground mobile fleet performance that led to higher maintenance costs, as described in the Cost of sales section, further in this MD&A, contributed to the increase in total cash costs and all-in sustaining cash costs. Partially offsetting these increases were lower quarter-over-quarter General and administrative costs. Lower General and administrative costs reflected lower compensation and consulting costs in 2019. The main reduction stems from the finalization of senior management's short-term incentive compensation as a result of short-term incentives not being awarded to executives for 2018 performance. The Company generated net cash from operations after working capital changes of \$4,247 for the three months ending June 30, 2019.

Year to date performance summary

The Plutonic Gold Operations produced and sold 46,324 and 46,441 ounces of gold, respectively, for the six months ended June 30, 2019. Total cash costs¹ of \$1,185/ounce sold and all-in sustaining costs of \$1,270/ounce were below the realized gold price¹ of \$1,313/ounce for the six-month period ending June 30, 2019. In comparison, 44,840 and 44,737 ounces of gold were produced and sold, (including 4,968 pre-production Hermes ounces) respectively for the six months ended June 30, 2018. Total cash costs¹ of

\$1,088/ounce sold and all-in sustaining costs of \$1,211/ounce were below the realized gold price¹ of \$1,313/ounce for the six-month period ending June 30, 2018.

Total cash costs and all-in sustaining cash costs increased over the prior period primarily reflecting higher payroll, maintenance and mining costs, as described in the Cost of sales section, further in this MD&A, despite an increase in tonnes milled. Partially offsetting these increases were lower General and administrative costs. Lower General and administrative costs reflected lower compensation and consulting costs in 2019. The reduction stems from the finalization of senior management's short-term incentive compensation in 2019 discussed above and higher consulting in the first three months of 2018 due to administrative projects, which did not reoccur in the first quarter of 2019. The Company generated net cash from operations after working capital changes of \$4,650 for the six months ended June 30, 2019.

Exploration Activities

During the second quarter, the Company continued to operate three underground diamond drilling rigs with 19,270 metres completed. Of the total, 5,450 metres were drilled for grade control and stope design while 13,820 metres were for reserve and resource expansion.

Surface exploration drilling comprised a 6 drill hole program that included 1,092m of reverse circulation drilling and 1,032m of diamond drilling. The objective of the program was to test the modelled updip extension of the mine mafic host for mineralization. Results for this program are expected during the third quarter of 2019.

Total expenditures for the quarter were \$1,259, of which \$523 was expensed and \$736 was capitalized to mining interests. Year to date expenditures were \$2,545, of which \$1,075 was expensed and \$1,470 was capitalized to mining interests.

Total expenditures for the comparative 2018 quarter were \$1,723, of which \$485 was expensed and \$1,238 was capitalized to mining interests. The comparative year to date expenditures were \$4,771 of which \$884 was expensed and \$3,887 was capitalized to mining interests.

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 as well as Trout, Perch and Salmon.

At the Company's 80% owned Hermes South project scoping work is ongoing on the Hermes South prospect. As part of that work, the Company is assessing Hermes South and the future of Hermes as a combined operation.

Outlook

The Company intends to focus on re-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:

- Focus on mining to reserve grade within an updated Life of Mine Plan

- Improve reconciliation between mined and reserve/resource grade
- 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

With the Company's cash position and the ongoing cash from operations, the Company has the liquidity available to execute on these growth and exploration objectives.

Summary of Operational Results

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Stope material mined (000's t)	150	157	274	310
Stope grade mined (g/t)	3.36	3.18	3.10	2.90
Development ore mined (000's t)	72	35	143	91
Development grade mined (g/t)	1.74	1.79	1.75	1.66
Hermes ore mined (000's t)	186	253	696	410
Hermes grade mined (g/t)	0.94	1.51	1.03	1.54
Hermes waste mined (000's t)	298	2,269	1,595	4,787
Strip Ratio (t:t)	1.6	9.0	2.3	11.7
Underground ore milled (000's t)	211	189	403	399
Underground grade milled (g/t)	2.89	2.93	2.68	2.62
Hermes ore milled (000's t)	217	181	433	281
Hermes grade milled (g/t)	1.09	1.75	1.29	1.77
Other ore milled (000's t)	5	19	12	52
Other ore grade milled (g/t)	0.39	0.52	0.37	0.59
Total ore milled (000's t)	433	389	848	732
Grade milled (g/t)	2.0	2.3	1.9	2.1
Gold recovery (%)	87	90	88	89
Gold produced (oz)	23,849	25,608	46,324	44,840
Gold sold (oz)	23,937	25,797	46,441	44,737 ⁽²⁾
Total cash costs (\$/oz) ^{(1) (2)}	1,222	1,013	1,185	1,088
All-in sustaining costs (\$/oz) ^{(1) (2)}	1,293	1,098	1,270	1,211
Realized gold price (\$/oz) ⁽¹⁾	1,320	1,303	1,313	1,313

⁽¹⁾ Refer to the Non-IFRS Performance Measures disclosure included in this MD&A for a description and calculation of these measures.

⁽²⁾ Includes 4,968 ounces sold from Hermes pre-commercial production.

Quarterly operational results

The Plutonic Gold Operations produced, 23,849 ounces of gold in the three-month period ending June 30, 2019 compared to 25,608 ounces of gold in three-month period ending June 30, 2018 primarily as a result of lower grade tonnes milled from the Hermes Gold Mine and lower recoveries, partially offset by an increase in tonnages milled from both the Plutonic Gold Mine and Hermes Gold Mine. The variance from prior period underground tonnes milled resulted in more ounces produced at the Company's underground operations. The focus during the quarter was to carry on with operational improvements begun in the first quarter of 2019 which responded to crusher repair, equipment availability, as well as power and water supply limitation issues encountered in the fourth quarter of 2018. As a result, the

Company achieved better results in stope grade mined and development ore mined, in comparison to the three months ended June 30, 2018 at the underground operations.

Total material milled during the three months ended June 30, 2019 increased by 11% to 433 ktonnes compared to the same period in 2018, primarily as a result of the increased mill feed from both the Hermes Gold Mine and Plutonic Gold Mine which more than offset a reduction in the contribution of low grade stockpile in the three months ended June 30, 2018. Head grade decreased from 2.3 g/t to 2.0 g/t primarily as a result of the lower grade material milled from Hermes. Recovery rates decreased from 90% to 87% due to the higher proportion of underground feed which has lower recoveries than ore from the Hermes Gold Mine.

Gold sold decreased by 1,860 ounces to 23,937 during the three months ended June 30, 2019 versus the comparative period in 2018. The 7% decrease was primarily due to lower recoveries and lower grade milled, mainly from the Hermes open pit, partially offset by higher tonnes milled from both the Hermes Gold Mine and underground operations.

Total cash costs¹ were \$1,222/ounce sold for the three months ended June 30, 2019, an increase from \$1,013/ounce sold from the three months ended June 30, 2018 due largely to higher payroll and a focus on improving underground fleet performance that led to higher maintenance and mining costs as well as lower grade and recovery from the Hermes open pit, as outlined above. All-in sustaining costs¹ increased from \$1,098/ounce sold to \$1,293/ounce sold due to higher total cash costs per ounce, offset, in part, by lower General and administrative expenses. General and administrative costs reflected lower compensation and consulting costs in 2019. The main reduction stems from the finalization of senior management's short-term incentive compensation as a result of short-term incentives not being awarded to executives for 2018 performance.

Year to date operational results

For the six months ended June 30, 2019 the Plutonic Gold Operations produced, 46,324 ounces of gold compared to 44,840 ounces of gold in the six-month period ending June 30, 2018. The increase is a result of the higher tonnes milled from the Hermes Gold Mine. Total material milled increased by 16% to 848 ktonnes reflecting a full six months of feedstock from the Hermes open pit in the year-to-date ended June 30, 2019 as compared to the prior period where development of the Hermes open pit was being finalized and commercial production, for accounting purposes, became effective April 1, 2018. Head grade decreased marginally from 2.1 g/t to 1.9 g/t as a result of a greater contribution of lower grade Hermes ore in comparison to 2018, partially offset by higher grade ore from the underground operation being mined and milled. Recovery rates were consistent with the prior period.

Gold sold increased by 1,704² ounces to 46,441 during the six months ended June 30, 2019 versus the comparative period in 2018. The 4% increase was primarily due to higher tonnes milled from underground and open pit mines, partially offset by slightly lower grade mined.

Total cash costs^{1,2} were \$1,185/ounce sold for the six months ended June 30, 2019, an increase from \$1,088/ounce sold from the six months ended June 30, 2018 due largely to higher payroll, maintenance and mining costs as well as lower grade from the Hermes open pit, as outlined above. All-in sustaining costs^{1,2} increased from \$1,211/ounce sold to \$1,270/ounce sold due to higher total cash costs per ounce, offset, in part, by lower General and administrative expenses. General and administrative costs reflected lower compensation and consulting costs in 2019. The reduction stems from the finalization of senior

management's short-term incentive compensation in 2019 as discussed above and higher consulting in the first three months of 2018 due to administrative projects, which did not reoccur in the six months ended June 30, 2019.

Summary of Quarterly Financial Results

Beginning April 1, 2018, the results of the Hermes Gold Mine have been included as commercial production was effective on that date.

	Three month period ended June 30, 2019	Three month period ended March 31, 2019	Three month period ended December 31, 2018	Three month period ended September 30, 2018
Revenue	\$ 31,629	\$ 29,407	\$ 23,917	\$ 31,333
Cost of sales	32,739	30,960	31,054	32,525
Exploration expense	523	552	501	616
General and administrative	657	973	978	981
Operating Income (loss)	(2,290)	(3,078)	(8,616)	(2,789)
Income (loss) before taxes	(2,314)	(3,108)	(9,099)	(2,452)
Net income (loss)	(1,909)	(2,585)	(6,714)	(1,748)
Earnings (loss) per share				
–basic and diluted	(0.02)	(0.03)	(0.07)	(0.02)
Adjusted net income (loss) ¹	(1,909)	(2,622)	(6,873)	(2,059)
Adjusted net income (loss) per share – basic ¹	(0.02)	(0.03)	(0.07)	(0.02)
Cash flow from (used in) operations	4,247	403	(374)	3,582
	As at June 30, 2019	As at March 31, 2019	As at December 31, 2018	As at September 30, 2018
Cash and cash equivalents	17,187	16,098	17,332	21,959
Non-current assets	61,052	63,031	63,167	66,028
Total assets	95,961	97,036	95,906	103,660
Current liabilities	29,566	27,403	25,998	18,675
Non-current liabilities	31,320	32,382	31,015	38,795

	Three month period ended June 30, 2018	Three month period ended March 31, 2018	Three month period ended December 31, 2017	Three month period ended September 30, 2017
Revenue	\$ 33,631	\$ 18,633	\$ 25,587	\$ 26,662
Cost of sales	30,501	20,011	24,253	23,021
Exploration expense	485	399	429	273
General and administrative	1,080	1,542	1,246	857
Operating Income (loss)	1,565	(3,319)	(341)	2,511
Income (loss) before taxes	1,282	(8,515)	(955)	3,077
Net income (loss)	737	(5,575)	(2,315)	2,328
Earnings (loss) per share				
–basic and diluted	0.01	(0.06)	(0.02)	0.02
Adjusted net income (loss) ¹	654	(2,172)	(2,136)	2,202
Adjusted net income (loss) per share – basic ¹	0.01	(0.02)	(0.02)	0.02
Cash flow from operations	4,959	(1,599)	2,588	8,843
	As at June 30, 2018	As at March 31, 2018	As at December 31, 2017	As at September 30, 2017
Cash and cash equivalents	21,762	23,866	29,121	35,128
Non-current assets	69,461	73,525	63,853	55,573
Total assets	108,976	113,158	107,240	104,030
Current liabilities	19,202	26,141	19,602	18,786
Non-current liabilities	41,110	37,789	32,367	27,694

¹. Refer to the Non-IFRS Performance Measures disclosure included in this MD&A for a description and calculation of these measures.

Results of Operations

The consolidated financial statements are presented in United States dollars, which is Superior Gold Inc.'s functional currency. The wholly-owned subsidiary Billabong Gold Pty. Ltd.'s functional currency is the Australian dollar which is translated into United States dollars for financial reporting purposes. The Company's results of operations are therefore subject to the impact of foreign exchange fluctuations.

Operating Income (loss)

Operating loss for the three months ended June 30, 2019 was \$2,290 compared to Operating income of \$1,565 for the three months ended June 30, 2018 due to lower Revenue of \$2,002 and higher Cost of sales of \$2,238, partially offset by lower General and administrative expense of \$423 as outlined below.

Operating loss for the six months ended June 30, 2019 was \$5,368 compared to \$1,754 for the six months ended June 30, 2018 due to higher Cost of sales of \$13,187, partially offset by higher Revenue of \$8,772 and lower General and administrative expense of \$992 as outlined below.

Revenues

During the three months ended June 30, 2019 gold revenues totaled \$31,629 from the sale of 23,937 ounces of gold, a decrease of \$2,002 from \$33,631 from the sale of 25,797 ounces of gold for the three months ended June 30, 2018. Lower gold revenues resulted from 1,860 fewer ounces being sold which was partially offset by an increase in the realized gold price¹ to \$1,320/ounce from \$1,303/ounce. The

reduction in ounces sold was due to fewer ounces being produced as a result of the lower grade ore milled from the contribution from the Hermes Gold Mine which was offset, in part, by an increase in the total tonnes milled for the quarter.

During the six months ended June 30, 2019 gold revenues totaled \$61,036 from the sale of 46,441 ounces of gold, an increase of \$8,772 from \$52,264 from the sale of 39,769 ounces of gold for the six months ended June 30, 2018. Higher gold revenues resulted from 6,672 more ounces being sold due to the inclusion of the Hermes Gold Mine in results from operations following the declaration of commercial production. During the six months ended June 30, 2018 the Company capitalized to Mining Interests, \$6,648 of proceeds from the sale of 4,968 ounces of gold from Hermes pre-production at an average price of \$1,338/ounce. These proceeds were capitalized as the Company declared commercial production on the Hermes project, for reporting purposes effective April 1, 2018. An increase in total tonnes milled partially offset by a decrease in head grade primarily resulting from an increased contribution of lower grade Hermes ore in 2019 as compared to low grade stockpile ore with an even lower grade in 2018, also contributed to the increase in revenue.

Cost of Sales

	Three months ended				Six months ended			
	June 30				June 30			
			2019	2018			2019	2018
Mining	\$	21,061	\$	20,213	\$	41,851	\$	31,453
Processing		6,162		5,467		11,619		9,301
Depreciation and amortization		3,235		5,417		8,906		7,607
Site services		972		1,251		1,720		2,365
Gold royalty		834		945		1,636		1,551
Change in inventories		475		(2,792)		(2,033)		(1,765)
	\$	32,739	\$	30,501	\$	63,699	\$	50,512

Cost of Sales were \$32,739 for the three months ended June 30, 2019, an increase of \$2,238 from \$30,501 for the three months ended June 30, 2018. Cost of sales includes mine production costs, processing costs, site services, royalties, depreciation and amortization. Cost of sales were higher in the current period versus the same period in 2018 predominantly due to higher payroll and maintenance costs at the underground operations that more than offset a reduction in mining costs at Hermes following its temporary stoppage. The higher payroll and maintenance costs accounted for approximately 75% of the increase in costs at the underground operation over the comparable period in 2018 which reflected additional personnel hired in the fourth quarter of 2018 to address underground operational limitations and the Company's focus on improving underground fleet performance. Higher tonnes milled also resulted in increased cyanide and power costs within the Processing category. Cost of sales also increased as a result of the variance in the Change in inventories category. The credit of \$2,792 for the Change in inventories in the three months ended June 30, 2018 resulted from the build-up of ore stockpile inventory at Hermes. The stockpile inventory was partially drawn down and processed during the three months ended June 30, 2019. These amounts were partially offset by the decrease in Depreciation and amortization as a result of the Reserve and Resource update announced in May 2019 and the temporary stoppage of mining at the Hermes Gold Mine. The Plutonic Gold Operations uses the unit-of-production basis when depreciating and amortizing mine specific assets which results in a depreciation and amortization charge proportional to the depletion of the anticipated remaining life of mine which is based on the estimated mineral reserves and mineral resources of the property to which the assets relate. The decrease in gold royalties largely reflects fewer ounces sold in the quarter. Site services decreased in part

due to the adoption of IFRS 16 which resulted in lease costs being reflected within Depreciation and Lease finance charges, whereas they were previously reported as Site services, along with a decrease in payroll and share-based payment costs.

Cost of sales were \$63,699 for the six months ended June 30, 2019, an increase of \$13,187 over the six months ended June 30, 2018. Of the increase in Cost of sales, \$5,888 was a result of the inclusion of Hermes Gold Mine mining costs which achieved commercial production for reporting purposes effective April 1, 2018. During Q1 2018, \$7,608 of Hermes pre-production costs were capitalized to Mining interests. Additionally, higher payroll costs at the underground operations reflect additional personnel hired in the fourth quarter of 2018 as well as the Company's focus on improving underground fleet performance that led to higher maintenance costs. The higher payroll and maintenance costs accounted for approximately 90% of the increase in costs at the underground operation over the comparable period in 2018. Higher tonnes milled for the six month period in 2019 relative to the comparable period in 2018 increased cyanide and power costs within the Processing category. Depreciation and amortization costs were higher due to the higher number of ounces mined, primarily from Hermes. The Plutonic Gold Operations uses the unit-of-production basis when depreciating and amortizing mine specific assets as described in the preceding paragraph. The increase in gold royalties reflects the increase in gold sold with the addition of Hermes production following commercial production effective April 1, 2018 and given that Hermes sales has additional third-party royalties in addition to those owed to the government of Australia on the Plutonic Operations. These amounts were partially offset by the credit for inventory movement of \$2,033 in the six months ended June 30, 2019 due to the increase of Hermes ore stockpile inventory, stemming from the mining rate being in excess of the processing rate for Hermes ore. Site services decreased in part due to the adoption of IFRS 16 which resulted in lease costs being reflected within Depreciation and Lease finance charges, whereas they were previously reported as Site services, along with a decrease in payroll and share-based payment costs.

General and administrative

In comparison to the three months ended June 30, 2018, general and administrative expenses decreased by \$423 in the three months ended June 30, 2019 due to lower payroll costs as a result of the finalization in 2019 of accruals for 2018 short-term incentive compensation in which no short-term incentive being awarded to executives for 2018.

For the six months ended June 30, 2019, general and administrative expenses decreased by \$992 in comparison to the six months ended June 30, 2018 due to lower payroll costs as a result of the finalization in 2019 of accruals for 2018 short-term incentive compensation mentioned above and lower consulting costs due to administrative projects completed in the first quarter 2018.

Other Expenses (Income)

Other Expenses for the three months ended June 30, 2019 totaled approximately \$24 and included charges for accretion on provisions of \$101 and lease and short-term finance charges of \$93, offset by foreign exchange gains of \$130 and interest income of \$40. Other Expenses for the three months ended June 30, 2018 totaled \$345 and included \$189 of foreign exchange losses and \$120 of accretion on provisions.

Other Expenses for the six months ended June 30, 2019 comprised mainly \$71 of Net finance and other costs which included charges for accretion on provisions of \$221 and lease finance charges of \$206

offset by foreign exchange gains of \$272 and interest income of \$84. Other Expenses for the six months ended June 30, 2018 totaled \$5,479 comprised mainly of the loss, and change in valuation of, the contingent payable to Northern Star Resources of \$4,602 and also included \$778 of Net finance and other costs comprised predominantly of \$508 of foreign exchange losses and \$237 of accretion on provisions.

Net Income (loss) for the period ended June 30, 2019

The total net loss of \$1,909 for the three months ended June 30, 2019 resulted primarily from the Operating loss of \$2,290 as noted previously, partially offset by an income tax recovery of \$405 resulting from the pre-tax Operating loss. The total net income of \$737 for the three months ended June 30, 2018 resulted primarily from the Operating income of \$1,565 partially offset by an income tax expense of \$545 and Other Expense of \$283.

The total net loss of \$4,494 for the six months ended June 30, 2019 resulted primarily from the Operating loss of \$5,368 as noted previously, partially offset by an income tax recovery of \$928 resulting from the pre-tax Operating loss. The total net loss of \$4,838 for the six months ended June 30, 2018 resulted primarily from the Operating loss of \$1,754 and the loss on the Northern Star royalty of \$4,602 (refer to note 18 of the condensed consolidated interim financial statements as at June 30, 2018) partially offset by an income tax recovery of \$2,395. The income tax recovery resulted primarily from the pre-tax Operating loss and the recognition of deferred tax assets associated with the rehabilitation provision due to the update to Mineral Reserves and Mineral Resources. The deferred tax asset associated with the increase in the noncurrent liability has been recognized as at June 30, 2018 as it is considered probable that future taxable amounts will be available to utilize this temporary difference.

Adjusted net income (loss)

Adjusted net loss for the second quarter of 2019 amounted to \$1,909 or \$0.02 per share compared to adjusted net income of \$654 or \$0.01 per share in the three months ended June 30, 2018, primarily reflecting the net loss in the current period (refer to the table in the section labeled “Adjusted Net Income and Adjusted basic net income per share” of this MD&A).

Adjusted net loss for the six month ended June 30, 2019 amounted to \$4,531 or \$0.05 per share compared to adjusted net loss of \$1,518 or \$0.02 per share in the six months ended June 30, 2018, primarily reflecting lower Operating Income in 2019, partially offset by a lower income tax recovery.

Adjusted net income/loss reflects the following: Net income/loss was adjusted to exclude specific items that are not reflective of the underlying operations of the Company, including: loss on settlement of the contingent royalty payable to Northern Star, the change in valuation of the warrant liability, and the associated impact on income taxes. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. Refer to section “Non-IFRS Financial Performance Measures” for a reconciliation of the net income/loss to adjusted net income/loss.

Financial Position as at June 30, 2019

As at June 30, 2019, the Company’s current assets totaled \$34,909 and current liabilities amounted to \$29,566 for a net working capital balance of \$5,343. The majority of the current assets pertained to cash and cash equivalents of \$17,187 and inventories of \$15,221. The movement from a working capital

balance of \$6,741 as at December 31, 2018 was mainly the result of capital expenditures in support of the underground mine, and the adoption of IFRS 16 Leases which resulted in the recognition of current lease liabilities being recognized for contracts previously classified as operating leases, and lower operating earnings outlined above.

Non-current assets decreased by \$2,115 from December 31, 2018. The majority of the decrease pertained to depreciation expense \$8,938 and foreign exchange impacts on non-current asset balances of \$366, partially offset by additions during the six months ended June 30, 2019 and the recognition of lease assets, previously treated as operating leases, upon the adoption of IFRS 16 on January 1, 2019 of \$2,334. Non-current asset additions were \$3,500. Of this amount, \$1,563 was spent on development of the ongoing underground operations and \$1,491 resulted from increases to the rehabilitation asset mainly due to changes in discount and inflation rates. Additionally, \$1,515 of capital expenditures were incurred during the six months ended June 30, 2019, \$463 of which was for expansion of a tailings storage facility, \$646 was for betterments to existing equipment and \$213 related to water bores for haul roads.

Current liabilities increased by \$3,568 to \$29,566 mainly due to the increase in accounts payable of \$2,865 and adoption of IFRS 16 which increased the current portion of lease obligations by \$589.

Non-current liabilities increased by \$305, which resulted from the impact of changes in discount and inflation rates and accretion, less amounts spent, on the rehabilitation liability of \$1,491, \$221 and \$334, respectively. These amounts were offset by a decrease in the deferred tax liability due to the income tax recovery recorded in the first six months of 2019 of \$928 and the elimination of the warrant liability upon exercise of the Broker Warrants and expiry of the Offering Broker Warrants.

Share capital consisted of capital stock, net of issue costs, of \$50,025. The increase of \$712 from December 31, 2018 resulted from the exercise of Broker Warrants.

Cash from Operating Activities

During the three months ended June 30, 2019 cash generated from operating activities before working capital changes was \$1,402, while cash generated from operating activities was \$5,324 for the three months ended June 30, 2018. The decrease in cash generated from operating activities resulted from lower operating income, excluding depreciation expense, discussed above. The impact of non-cash working capital changes for the three months ended June 30, 2019 was an increase in cash of \$2,845 due to higher accounts payable balances.

During the six months ended June 30, 2019 cash generated from operating activities before working capital changes was \$4,227, while cash generated from operating activities was \$4,683 for the six months ended June 30, 2018. The decrease in cash generated from operating activities resulted from lower operating income, excluding depreciation expense, discussed above, partially offset by higher income taxes paid in the six months ended June 30, 2018. The impact of non-cash working capital changes for the six months ended June 30, 2019 was an increase in cash of \$423 due to higher accounts payable balances offset by the increase in stockpile inventory.

Cash used in Investing Activities

Cash used in investing activities in the three months ended June 30, 2019 primarily comprised expenditures on mine interests, property, plant and equipment of \$2,104 primarily in support of

underground mine development, a decrease of \$5,150 or 71% compared to the three months ended June 30, 2018. The lower spending in the current quarter compared to 2018 reflected reduced spending from the development of the Hermes project in 2018. The higher capital spending on the Hermes project in 2018 was partially offset by a reduction in restricted cash.

Cash used in investing activities in the six months ended June 30, 2019 primarily comprised expenditures on mine interests, property, plant and equipment of \$3,366 primarily in support of underground mine development, a decrease of \$6,634 or 66% compared to the six months ended June 30, 2018. Lower spending in the current quarter compared to 2018 reflected the reduced spending from the development of the Hermes project in 2018, partially offset by a reduction in restricted cash.

Cash from Financing Activities

Cash used in financing activities in the three months ended June 30, 2019 of \$1,147 comprised the repayment of the Company's lease obligation, short-term loan and interest thereon. For the three months ended June 30, 2018 cash used in financing activities comprised the repayment of the Company's lease obligation, short-term loan and interest thereon of \$810, partially offset by an exercise of stock options. Increased lease payments in 2019 stemmed from the adoption of IFRS 16 which resulted in lease payments, recorded as operating cash flow activities in 2018, being recorded as financing activities beginning on January 1, 2019.

Cash used in financing activities in the six months ended June 30, 2019 of \$1,728 comprised the repayment of the Company's lease obligation, short-term loan and interest thereon, partially offset by the exercise of Broker warrants. For the six months ended June 30, 2018 cash used in financing activities comprised the repayment of the Company's lease obligation, short-term loan and interest thereon of \$1,339, partially offset by an exercise of stock options. Increased lease payments in 2019 stemmed from the adoption of IFRS 16 which resulted in lease payments, recorded as operating cash flow activities in 2018, being recorded as financing activities beginning on January 1, 2019.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not have any immediate plans to pay any dividends on its Common Shares.

Liquidity and Capital Resources

During the six months ended June 30, 2019, the Company used cash balances and cash inflows from the Plutonic Gold Operations to fund its expenditures on mineral interests and property, plant and equipment, as well as pay down its lease obligation.

During the six months ended June 30, 2018, the Company similarly used cash balances and cash inflows from the Plutonic Gold Operations to fund its expenditures on mineral interests and property, plant and equipment, in particular to complete its Hermes development project. On March 26, 2018, the Company declared commercial production at the Hermes project, with inclusion of operating results commencing April 1, 2018. Additionally, the Company used cash to pay down its lease obligation.

The Company has forecast that it will have sufficient cash inflows to satisfy the Company's obligations as they come due over the next twelve months. As at June 30, 2019, Superior Gold has a working capital balance of \$5,343. As at December 31, 2018 the Company had a working capital balance of approximately \$6,741. The variance of \$1,398 resulted from operating losses outlined above, capital expenditures to in support of the underground operations, and higher stockpile inventory as the Company mined ore tonnes at Hermes faster than they were processed.

Management believes the cash on hand and subsequent cash from operations of the Plutonic Gold Operations are sufficient to fulfill its immediate operating and capital requirements. The Company may require the issuance of equity or other forms of financing to complete or accelerate programs associated with its development and exploration initiatives. Superior Gold's ability to raise equity and other forms of financing in the future under terms acceptable to the Company will be dependent on operating performance and on global markets, in particular, the price of gold and currency exchange rates.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	June 30, 2019	December 31, 2018
Property, plant and equipment	\$ 648	\$ 414
	\$ 648	\$ 414

In the six months ended June 30, 2019, the Company entered into commitments for milling equipment. These commitments totaled \$648 at June 30, 2019.

Critical Accounting Policies and the Use of Estimates

A detailed summary of the Company's significant accounting policies, including the use of estimates, is included in the Company's audited consolidated financial statements for the year ended December 31, 2018. The preparation of the condensed consolidated interim financial statements requires management to make estimates and judgments which are described in the Company's audited consolidated financial statements for the year ended December 31, 2018.

The accounting policies and management estimates applied in the condensed consolidated interim financial statements for the three and six months ended June 30, 2019 are consistent with those used in the Company's consolidated financial statements for the year ended December 31, 2018, except for IFRS 16 and IFRIC 23 (refer to the section on "Adoption of New or Amended Accounting Policies" below for a discussion of the impact of these accounting standards).

Financial Instruments

The Company's significant accounting policies regarding its financial instruments are set out in the Company's audited consolidated financial statements for the year ended December 31, 2018. The Company is of the opinion that it is not exposed to significant interest, currency or credit risks arising from outstanding financial instruments.

Adoption of New or Amended Accounting Policies

The Company adopted the following accounting standard and amendments to accounting standards, effective January 1, 2019:

IFRS 16 Leases

The Company adopted IFRS 16, Leases ("IFRS 16"), effective January 1, 2019. The objective of IFRS 16 is to recognize substantially all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a "right-of-use" asset and a lease liability calculated using a prescribed methodology. The Company has adopted IFRS 16 using the modified retrospective approach which does not require restatement of comparative periods. Comparative information has not been restated and continues to be reported under IAS 17, Leases ("IAS 17"), and IFRIC 4, Determining Whether an Arrangement Contains a Lease ("IFRIC 4"). The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately if they are different from those under IFRS 16.

The impact of the transition is shown in the table below. The Company's accounting policy under IFRS 16 is as follows:

- At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. Lease terms range from 2 to 7 years for mobile equipment, power plant, office space and office equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.
- The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- Variable lease payments not included in the initial measurement of the lease liability are charged directly to net earnings.
- The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under

a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

- When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impact of transition to IFRS 16

On adoption, the Company has recognized a right-of-use asset and lease obligations of \$2,334 as of January 1, 2019, with no net impact on retained earnings. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average incremental borrowing rate applied was 7.9%.

The following table reconciles the Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019:

Operating lease commitments at December 31, 2018	\$ 2,515
Discounted using the incremental borrowing rate at January 1, 2019	(378)
Other adjustments	197
Lease liabilities previously recorded as finance lease obligations	5,488
Lease obligations recognized at January 1, 2019	\$ 7,822

IFRIC 23 – Uncertainty over Income Tax Treatments

The Company adopted IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23") on January 1, 2019 with retrospective application. IFRIC 23 clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. The effect of uncertain tax treatments are recognized at the most likely amount or expected value. The adoption of IFRIC 23 had no impact on the condensed consolidated interim financial statements.

Outstanding Share Data

The following table summarizes the capitalization of the Company as at August 13, 2019, the date of this MD&A:

	Exercise price	Expiry date	Quantity
Number of common shares issued			
Common shares	Not applicable	Not applicable	96,982,473
Number of common shares issuable			
Stock options	\$0.75	February 23, 2022	4,816,667
Stock options	\$0.75	July 5, 2022	300,000
Stock options	\$0.75	September 5, 2022	200,000
Stock options	\$0.75	November 3, 2022	50,000
Stock options	\$0.75	December 15, 2022	200,000
Stock options	\$0.97	June 8, 2023	125,000
Stock options	\$0.39	March 29, 2024	750,000
PSUs	Not applicable	June 8, 2021	125,000
PSUs	Not applicable	March 29, 2022	250,000
PSUs	Not applicable	May 14, 2022	151,500
Warrants	\$1.5166	February 23, 2022	14,429,521
			118,380,161

Non-IFRS Performance Measures

Total cash costs per gold ounce, all-in sustaining costs per gold ounce, realized price and adjusted net income are non-IFRS performance measures, they do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. In addition to conventional measures prepared in accordance with IFRS, certain investors may use these measures to evaluate the Plutonic Gold Operation's performance. Accordingly, these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Total cash costs and All-in sustaining costs

Cash costs and all in sustaining costs reconciled to cost of sales as follows:

<i>(in thousands of dollars, except oz or per oz amounts)</i>	Three months ended		Six months ended	
	June 30		June 30	
	2019	2018	2019	2018
Gold sold (oz)	23,937	25,797	46,441	39,769
Cost of Sales	32,739	30,501	63,699	50,512
Adjustments for:				
Depreciation and amortization	(3,251)	(5,417)	(8,938)	(7,607)
Share-based payments included in Cost of Sales	(19)	(75)	(38)	(166)
Inventory movements	(190)	1,138	363	589
Silver credits and other	(28)	(18)	(58)	(48)
Cash costs	29,251	26,129	55,028	43,280
Total cash costs (per gold oz)	1,222	1,013	1,185	1,088
Adjustments for items affecting all-in sustaining cash costs:				
Sustaining exploration and capital expenditures ¹	915	912	2,073	1,869
Share-based payments included in Cost of Sales	19	75	38	166
Corporate, general and administration ²	657	1,080	1,630	2,622
Rehabilitation accretion	101	120	221	237
All-in sustaining cost	30,943	28,316	58,990	48,174
All-in sustaining cost (per gold oz)	1,293	1,098	1,270	1,211

1. Sustaining exploration and capital expenditures have been segregated to reflect exploration expenditures on the Statement of Income and Comprehensive Income, effective June 30, 2018

2. Corporate, general and administration costs include share-based compensation, as per the Consolidated Statement of Comprehensive Income

Realized gold price

Realized gold price is calculated as metal sales per the statement of comprehensive loss, less silver sales. The following table provides a reconciliation of Realized gold price per ounce sold to revenues as per the consolidated financial statements:

<i>(in thousands of dollars, except oz or per oz amounts)</i>	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Metal sales	\$31,629	\$ 33,631	\$ 61,036	\$ 52,264
Silver sales	(28)	(18)	(58)	(48)
Revenues from gold sales	31,601	33,613	60,978	52,216
Gold sold (oz)	23,937	25,797	46,441	39,769
Realized gold price (\$/oz)	\$1,320	\$1,303	\$1,313	\$1,313

Adjusted net income and Adjusted basic net income per share

Adjusted net income/loss and adjusted basic net income/loss per share are used by management and investors to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net income/loss is defined as net income/loss adjusted to exclude specific items that are not reflective of the underlying operations of the Company, including: loss on settlement of the contingent payable to Northern Star, bargain purchase gain on the acquisition of the Plutonic Gold Operations, the change in valuation of the warrant liability, business acquisition costs, and the impact on income taxes. Adjusted basic net income/loss per share is calculated using the weighted average number of shares outstanding under the basic method of income/loss per share as determined under IFRS.

<i>(in thousands of dollars, except per share amounts)</i>	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Net income (loss) for the period	(\$1,909)	\$737	(\$4,494)	(\$4,838)
Adjusted for:				
Loss on settlement of contingent royalty payable to Northern Star	-	69	68	4,602
Change in valuation of the warrant liability ⁽¹⁾	-	(131)	(85)	99
Effect on income taxes of the above items	-	(21)	(20)	(1,381)
Adjusted net income (loss)	(\$1,909)	\$654	(\$4,531)	(\$1,518)
Weighted average number of common shares outstanding - basic	96,982,473	95,736,905	96,743,688	95,703,210
Adjusted basic net income (loss) per share	(0.02)	0.01	(0.05)	(0.02)

¹ Balance included in the statement of comprehensive earnings.

Disclosure Controls and Procedures

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and uncertainties

The Company is subject to a number of risks and uncertainties which are not discussed in this MD&A. If any of such risks occur, or if others occur, the Company's business, operating results and financial condition could be seriously harmed and investors may lose a significant proportion of any investment in the Company. To properly understand such risks, readers are directed to the Company's Final Long Form Prospectus dated February 15, 2017 under the heading "Risk Factors". The Final Long Form Prospectus is available on SEDAR (www.sedar.com).

Forward-looking information

This MD&A contains forward-looking information, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, "forward-looking information"), which reflects management's expectations regarding the Company's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking information. Such forward-looking information includes, without limitation, statements with respect to mineral reserve and mineral resource estimates; targeting additional mineral resources and expansion of deposits; the Company's dependency on the Plutonic Gold Operations for operating revenue and cash flows in the near term; the Company's ability to extend the life of the Plutonic Gold Operations; the mineral reserve and mineral resource estimates in the Company's amended and restated technical report filed on July 30, 2019 ("Technical Report"); the Company's expectations,

strategies and plans for the Plutonic Gold Mine, including the Company's planned exploration, development and production activities at the Plutonic Gold Operations; the results of future exploration and drilling at the Plutonic Gold Operations; satisfying the requirements for the Company to maintain its interest in the Bryah Basin joint venture; successfully adding or upgrading resources and successfully developing new deposits; future financial or operating performance and condition of the Company and its business, operations and properties; the Company's ability to adequately account for potential mine closure and remediation costs; the Company's adoption of and expectations regarding new accounting standards and interpretations, including the introduction of IFRS 9, IFRS 15, and IFRS 16; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this MD&A including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Plutonic Gold Operations and pursue planned exploration; future prices of gold; the timing and results of exploration and drilling programs; the accuracy of mineral reserve and mineral resource estimates; the geology and geophysical data of the Plutonic Gold Operations being as described in the Technical Report; production costs; the accuracy of budgeted exploration and development costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals and permits on favourable terms; the timely resolution of native title and aboriginal heritage issues on favourable terms; obtaining required renewals for existing approvals and permits and obtaining all other required approvals and permits on favourable terms; sustained labour stability; stability in capital goods markets; the availability of equipment; the absence of natural disasters, adverse weather conditions, accidents, unanticipated transport costs or delays in the development of projects and other factors; and the availability of water, gas, electricity or other power supply, chemicals and other critical supplies. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors (as referenced elsewhere in this MD&A) 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.

The Company cautions that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. 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, readers should not place undue reliance on forward-looking information.

In addition, please note that statements relating to "mineral reserves" or "mineral resources" are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions that the mineral reserves and mineral resources described can be profitably mined in the future.

Forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

Technical Information

Scientific and technical information in this news release has been reviewed and approved by Pascal Blampain, who is a member of 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.

Additional Information

Additional information regarding the Company can be found at www.sedar.com and www.superior-gold.com.