

Superior Gold Inc. Announces Further Growth in Mineral Reserves and Resources and Provides an Operational Update

PLUTONIC UNDERGROUND MINE LIFE INCREASED FOR SECOND CONSECUTIVE YEAR

UNDERGROUND STOPE GRADE CONTINUED TO INCREASE THROUGH APRIL

(In US Dollars unless otherwise stated)

TORONTO, May 7, 2019 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV:SGI) is pleased to announce the updated Mineral Reserve and Mineral Resource estimates as at December 31, 2018 for its Plutonic Gold Operations located in Western Australia, which are comprised of the 100%-owned Plutonic underground gold mine and 100%-owned Hermes open pit gold mine, along with the Company's interest in the Bryah Basin joint venture.

Comparisons are made to the prior Mineral Reserve and Mineral Resource estimates as described in the previously filed National Instrument 43-101 (NI 43-101) report dated May 17, 2018.

Highlights of the 2018 estimates include:

- Underground Mineral Reserves at the Plutonic mine increased by approximately 25% to 343,000 ounces gold grading 4.73 g Au/t, which is a fourfold increase from the level at the time of the Company's initial acquisition of the Plutonic Gold Operations in October 2016.
- Total Mineral Reserves increased to 414,000 ounces gold grading 3.22 g Au/t.
- Underground Mineral Reserves after depletion were added at less than \$13 per ounce, demonstrating both the strength of the mineralized system and the validity of dedicating a third underground diamond drill rig to reserve and resource expansion.
- Total Measured and Indicated Resources across all projects increased to 1.23 million ounces gold.
- Total Inferred Resources across all projects increased almost 70% to 1.83 million ounces gold.

Chris Bradbrook, President and CEO of Superior Gold stated: "We are extremely pleased to be able to provide this updated Mineral Reserve and Mineral Resource estimate, which continues to deliver on our stated goal of increasing both reserves and resources and extending the mine life at our Plutonic Gold Operations. We are particularly pleased with the cost effective way in which we have been able to add reserves at the Plutonic Mine.

Our new Chief Operating Officer ("COO"), Keith Boyle, has made a positive contribution since his appointment and his comments below identify how we are focusing on ongoing operational improvements and free cash flow generation, and the progress being made."

Mineral Reserves as at December 31, 2018 were estimated using a long term gold price of A\$1,650 per ounce (\$1,217 per ounce). Mineral Resources as at December 31, 2018 were estimated using a long term gold price of A\$1,700 per ounce (\$1,254 per ounce). Dilution of 10% was factored into the estimation of underground Mineral Reserves. Cut off grades for the Mineral Reserve and Mineral Resource estimates were 2.00 g Au/t for underground and 0.60 g Au/t for open pit.

Mineral Reserve Estimates

Table 1. Proven and Probable Mineral Reserves^{1 2}

	December 31, 2017				December 31, 2018		
	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)	Depleted Oz 2017- 2018 (000's)	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)
Underground							
<i>Plutonic</i>							
Proven	0.73	6.43	151		1.23	4.82	191
Probable	0.71	5.50	125		1.03	4.61	152
Total	1.44	5.97	276	66	2.26	4.73	343
Open Pit							
<i>Hermes</i>							
Probable	1.72	1.93	106	42	1.51	1.32	64
<i>Stockpiles</i>							
Proven					0.23	0.94	7
Grand Total	3.16	3.77	382	108	4.00	3.22	414

¹ Mineral Reserves are included within the Mineral Resources

² All figures are rounded and use significant figures. Subtotals, totals, and weighted averages are calculated from quantities before rounding

The underground grade declined relative to the year end 2017 reserves due to a combination of factors including more detailed modelling based on mining experience and addition of new reserves below the grade of the prior reserve estimate. The Hermes reserve and resource grades decreased as a result of mining experience which indicated poor reconciliations to the initial reserve grade which had utilized insufficient grade capping parameters.

Mineral Resource Estimates

Table 2. Measured and Indicated Mineral Resources^{1 2}

	December 31, 2017			December 31, 2018		
	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)
Underground						
<i>Plutonic</i>						
Measured	1.50	8.05	389	1.78	7.66	437
Indicated	2.25	6.20	449	2.95	5.94	564
Total	3.76	6.94	838	4.73	6.59	1,001
Open Pit						

<i>Hermes</i>						
Measured	0.85	1.46	40			
Indicated	3.92	2.09	263	4.70	1.46	221
Total	4.77	1.97	303	4.70	1.46	221
<i>Stockpiles</i>						
Measured				0.23	0.94	7
Grand Total	8.53	4.16	1,141	9.65	3.96	1,229

¹ Mineral Resources are inclusive of Mineral Reserves.

² All figures are rounded and use significant figures. Subtotals, totals, and weighted averages are calculated from quantities before rounding.

The Hermes Measured and Indicated Mineral Resource includes a Mineral Resource estimate for the Hermes South Project of which Superior Gold's 80% interest is 1.03 million tonnes grading 1.79 g Au/t for 59,000 ounces.

Table 3. Inferred Mineral Resources¹

	December 31, 2017			December 31, 2018		
	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)	Tonnes (millions)	Grade (g Au/t)	Oz Au (000's)
Underground						
<i>Plutonic</i>						
Inferred	6.53	4.64	975	10.45	4.90	1,645
Open Pit						
<i>Hermes</i>						
Inferred	1.76	1.85	104	4.00	1.40	180
Grand Total	8.29	4.05	1,079	14.45	3.93	1,825

¹ All figures are rounded and use significant figures. Subtotals, totals, and weighted averages are calculated from quantities before rounding.

The Hermes Inferred Mineral Resource includes a Mineral Resource estimate for the Hermes South Project of which Superior Gold's 80% interest is 0.76 million tonnes grading 1.38 g Au/t for 34,000 ounces.

Operational Update

Keith Boyle, COO stated: "As part of my appointment, I was tasked with optimizing the long term operating plan to maximize free cash generation.

This has led to a renewed focus on maximizing underground grade and minimizing dilution, which is already providing positive results. The underground stope grade for April averaged above 3.50 g Au/t, approaching

the average quarterly grades last achieved in 2017. We are pleased with the trend that we have established of increasing the stope grade from 2.52 g Au/t in the fourth quarter of 2018; 2.79 g Au/t in the first quarter of 2019 to the levels achieved in April.

For the open pit operations, multiple factors have been considered in our long term planning, including the focus on free cash flow generation. We examined 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. Our initial economic analysis of a potential layback at the Plutonic East open pit has suggested superior returns exist from pursuing this operation as soon as possible, with potential longer term opportunities also a possibility. At Hermes, we considered the timing of potential production (based on permitting considerations) from Hermes South relative to the depletion of Hermes and determined it was optimal to focus on the future of Hermes and Hermes South as a combined operation. Consequently, for the immediate future, we will now focus on Plutonic East and suspend mining operations at Hermes in May 2019, although we will process the remaining substantial stockpiles for the remainder of 2019. This will allow us to optimize near term cash flow whilst developing the best long term open pit operations scenario. We will aim to provide more details on the plans for Plutonic East as soon as possible. It is worth noting that the potentially open pitminable mineralization at Plutonic East is not currently included in our current resource estimation of open pit mineralization, as the work was completed subsequent to December 31, 2018.

Our guidance for 2019 remains unchanged.

I accepted the role of COO because I saw tremendous potential and believe we are beginning to realize that potential, and look forward to providing more details at the earliest opportunity. We are encouraged by the progress that we are making with our operating improvements and are looking forward to providing additional positive results in the near future."

Technical Reports

An updated NI 43-101 Technical Report effective December 31, 2018 will be available on the Company's SEDAR profile at www.sedar.com within 45 days of this press release.

Qualified Persons

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, and has approved disclosure of the Mineral Reserve and Mineral Resource estimates' technical information and data. Mr. Blampain is an employee of the Company and serves as Chief Geologist.

Matt Keenan (BEng BCom MSc) is a member of the AusIMM (CP) and a "qualified person" within the meaning of NI 43-101, has approved disclosure of the Mineral Reserve estimates' technical information and data. Mr. Keenan is an employee of Entech Pty Ltd who were engaged by the Company to assist in the the estimate and design of the Mineral Reserves for the underground Plutonic Gold Mine based on the Mineral Resource estimates as of December 31, 2018.

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, which is a producing underground operation with a 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 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 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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<http://superiorgold.mediaroom.com/2019-05-07-Superior-Gold-Inc-Announces-Further-Growth-in-Mineral-Reserves-and-Resources-and-Provides-an-Operational-Update>