

## Superior Gold Inc. Announces Commencement of Drilling at Timor Extension Target

*(In US Dollars unless otherwise stated)*

TORONTO, May 31, 2017 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSX.V:SGL) is pleased to announce the commencement of drilling at the Timor Extension target, at the Company's 100% owned Plutonic Gold Mine, located in the Archean Plutonic Marymia Greenstone Belt 800 kilometres north east of Perth, in Western Australia.

The Timor orebody has been previously exploited and is now exhausted. It produced more than 800,000 ounces of gold over an eight-year period at an average grade of 7.5 g Au/t (which is greater than the current underground reserve grade of 4.6 g Au/t). Mineralization occurred over a vertical extent of 400 metres, with an average stope width of approximately 20 metres. Historically, it was the most significant economic zone of the Plutonic Gold Mine. The orebody is associated with intense deformation within the Timor fold structure, which is currently cut off to the north by the ENE-trending 114N Fault Zone. Four historical drill holes to the north of the Fault confirmed the presence of a mafic unit with primary geochemical composition comparable to that of the Plutonic host sequence.



Reinterpretation of an earlier gravity and 2D seismic survey has suggested there is possibly a significant offset to the west when crossing to the north side of the 114N Fault Zone. All available data has now been combined to produce a 3D geological model outlining a target to the northwest of the Timor orebody, which has the potential to host the continuation of the Timor orebody on the north side of the Fault Zone. It is therefore a high priority exploration target for Superior Gold.

The mafic units to the north of the Fault Zone are overlain by granite which has been thrust over it. The current exploration program will be aimed at a "proof of concept" to investigate if the folded mafic unit hosting the Timor orebody exists in the target area. If successful, more detailed follow up drilling will be conducted.

[Figures 1, 2, 3 and 4](#) illustrate the location of the Timor orebody in addition to the location of the target area in both plan and sectional view.

Two drill holes will be completed initially, each totalling 1,125 metres in depth. The first 200 metres of each hole will be conducted using reverse circulation drilling, which is the most time and cost effective method. The holes will then be completed by diamond drilling. The Company has a planned budget of approximately \$0.5 million and expects to commence drilling in early June with completion by mid-July.

Chris Bradbrook, President and CEO of Superior Gold stated: "We are very pleased to be able to commence exploration for the potential extension of the Timor orebody. Identifying the location of such a potential extension north of the 114N Fault Zone, has long been a priority of previous operators of the Plutonic Gold Mine. Superior Gold is fortunate to be able to benefit from the enhanced interpretation of previously completed geophysical surveys. Exploration of this target is consistent with the Company's goal of creating shareholder value as cost effectively as possible. Should we be able to identify a continuation of the Timor mineralization it would be a transformational event for our shareholders. We also continue to compile data from 26 years of mining and exploration at the Plutonic Gold Mine to identify other high priority targets which we believe exist on the Mines property."

## **Plutonic Gold Mine**

For the two consecutive quarters since acquiring the Plutonic Gold Mine in October 2016, Superior Gold has produced 43,763 ounces of gold and generated \$12.8 million in free cash flow. For further information please see Press Release entitled *"Superior Gold Inc. Announces First Quarter 2017 Financial and Operating Results"* available on the Company's website at [www.superior-gold.com](http://www.superior-gold.com).

## **Development Activities**

Initial development and pre-stripping operations at the Company's open-pit development project, Hermes, are scheduled to commence in mid-2017. The Hermes deposit is expected to be mined as a conventional open pit contractor-operated excavator-truck mining operation with ore being trucked for processing to the Plutonic Gold Mine mill.

## **Outlook and Strategy**

In the near term, The Corporation is focused on re-establishing the Plutonic Gold Operations as a stable gold producer capable of producing 100,000 ounces of gold annually. To achieve this goal, the Company intends to focus on its growth strategy which includes:

- Focusing on quality high-grade ounces
- Optimizing recoveries
- Increasing incremental production from underground and open pit sources
- Resource and reserve additions through property wide exploration
- Leveraging the excess mill capacity

With the proceeds raised on the completion of the initial public offering, and the cash being generated by the Plutonic Gold Mine, the Company has the liquidity available to execute on its near-term growth and exploration strategy.

## **Qualified Person**

Scientific and technical information in this press release has been reviewed and approved by Simon Lawson who is a member of the AusIMM and a "qualified person" within the meaning of NI 43-101. Mr. Lawson is an employee of the Company and serves as the 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 Gold Mine, which is a producing underground operation with a central mill, the Hermes open pit development project 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](http://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/2017-05-31-Superior-Gold-Inc-Announces-Commencement-of-Drilling-at-Timor-Extension-Target>