

Superior Gold Inc. Announces Underground Drilling Yields Very Encouraging Results

INTERSECTIONS INCLUDE 61 G AU/T OVER 3.30 METRES, 69.3 G AU/T OVER 2.85 METRES, AND 1525 G AU/T OVER 0.30 METRES

TORONTO, May 11, 2017 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSX.V:SGI) is pleased to announce the results of the ongoing underground diamond drill program at its 100%-owned Plutonic Gold Mine in Western Australia. The drilling has been conducted since the Company completed the acquisition of the Plutonic Gold Mine on October 12, 2016, until March 17, 2016.

Results are provided for 281 drill holes for a total of more than 21,000 metres. The drill holes were primarily completed for resource definition and grade control. 18 of these holes were conducted as part of the underground exploration program. The costs of the program are included within Superior Gold's All in Sustaining Costs, and are separate from the Company's larger scale surface and underground exploration program currently being planned. Resource definition was designed to increase the confidence level of the resource in areas where drilling was limited. Grade control drilling was completed to provide additional information for stope design ahead of mining. The exploration holes were completed to test previously undrilled areas, in the search for possible extensions of mineralization to potentially expand the overall resource.

The drilling focussed on 8 zones – Area 134; Baltic; Caribbean; Caspian; Cortez; Indian; Pacific; and Timor. Significant intersections were encountered in all zones.

KEY FINDINGS

- 330 intersections encountered more than 5g Au/t
- 157 intersections encountered more than 10g Au/t
- 63 intersections encountered more than 20g Au/t
- **Exploration intersections of up to 64.0g Au/t over 2.20 metres, 35.3g Au/t over 3.75 metres, and 19.7g Au/t over 4.60 metres were obtained**
- **90% of the exploration holes encountered intersections of more than 5g Au/t**

The location of the most significant intersections are shown in [Figure 1](#), and the details of all holes are summarized by zone in [Table 3](#).

EXPLORATION HIGHLIGHTS

The Company's work to date has identified that prior work at the mine had tended to identify the mineralized zones as isolated, unconnected units. As a result of the interpretive work by the Company's geological staff, underground exploration has begun to examine the potential link between the various zones. This initial program was very successful with more than 35 intersections in excess of 5g Au/t.

Exploration drilling in the Baltic area was aimed at testing the gap between the Baltic and Caribbean Zones. This initial work has identified at least 2 potential new lodes adjacent to the Caribbean resource zone, in addition to potential extensions of existing lodes. Follow up work will be aimed at defining the mineralization in greater detail.

The drilling in the Pacific zone targeted an area outside the resource, which was thought to have potential for high grade, sub-vertical structures. The program successfully intersected mineralization in two principal zones. Work is being planned to develop a preliminary block model for both.

Graphical details of the mineralization identified in this initial underground exploration work will be provided as the work develops.

The most significant exploration intersections are highlighted in Table 1 below.

Table 1 – Key Exploration Intersections

Drill Hole #	Easting	Northing	RL	Dip (deg)	Azimuth (deg)	Depth (m)	From (m)	To (m)	Thickness (m)	Au (gpt)
BALTIC										
UDD19111	4306	11491	1123	-8	6	195	8.25	12	3.75	35.3
							175.75	176.05	0.3	27.1
UDD19117	4323	11480	1125	27	23	180	136.8	139.1	2.3	11.5
UDD19119	4309	11490	1123	-4	18	190	6.55	8.8	2.25	27.1
UDD19120	4309	11490	1124	10	18	185	8.4	10.6	2.2	64.0
UDD19122	4329	11472	1125	17	31	201	24.2	28.8	4.6	19.7
PACIFIC										
UDD18984	4676	12852	1192	-74	233	187	79.2	80.7	1.5	13.1
							142.4	143.25	0.85	16.1
							164.1	164.8	0.7	75.2
UDD18985	4676	12852	1192	-71	231	180	166.75	168.2	1.45	41.5
UDD19012	4735	12831	1186	-90	347	106	70	70.6	0.6	61.7
UDD19014	4764	12837	1182	-89	342	90	64.4	66.4	2	10.6

HIGHLIGHTS OF OTHER DRILLING

The most significant intersections from resource definition and grade control drilling are summarized in Table 2 below.

Table 2 – Key Resource Definition and Grade Control Intersections

[illegible]

UBB18818	4853	12381	1134	52	154	97	21.65	22.4	0.75	704.0
UDD18821	4891	12300	1132	40	166	97	88	89	1	121.0
UDD18827	4950	12293	1135	54	87	133	27.7	30.8	3.1	38.7
INDIAN										
UDD18992	4310	11481	1122	-78	182	32	7.95	10.8	2.85	69.3
UDD19001	4338	11462	1123	-80	161	52	15.8	23.3	7.5	33.3
UDD18995	4328	11471	1122	-87	198	28	17.6	18.2	0.6	127.0
PACIFIC										
UDD19040	4681	12849	1192	-72	66	119	103.5	110.95	7.45	13.9
UDD19038	4671	12873	1193	-53	84	122	87.5	90	2.5	14.0
TIMOR										
UDD18904	4331	13073	1314	20	48	79	71.6	71.9	0.3	1525.0
UDD18945	4366	13115	1310	39	312	118	69.65	72.75	3.1	23.3

Chris Bradbrook, President and CEO of Superior Gold stated "These results demonstrate the strength of the mineralized system at the Plutonic Gold Mine. The Resource Definition and Grade Control drilling provides greater confidence in the continuity of the mineralization, whilst the Exploration Drilling provides confidence in our ability to grow the resource. We are extremely encouraged by these early drill results and continue to work towards increasing the confidence level in the resources, and expanding the overall resource. One of our principal goals is to increase the level of underground reserves and therefore also the mine life".

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.

Quality Control Protocols

Core is drilled BTW core diameter (42 mm). Core intervals are whole core sampled. All gold results were determined by ALS Minerals (Perth) using fire assay fusion (40g charge, lead collection method) with an ICP finish. Drill program design, Quality Assurance/Quality Control and interpretation of results are performed by qualified persons employing a Quality Assurance/Quality Control program consistent with NI 43-101 and industry best practices. Standards, blanks and duplicates are included in approximately every 20 samples for Quality Assurance/Quality Control purposes by the Company as well as the laboratory. Approximately 5% of sample pulps are sent to secondary laboratories for check assays.

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 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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