



SUPERIOR  
GOLD INC.

## **Management's Discussion and Analysis**

For the three and nine months ended September 30, 2021

November 15, 2021

(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 November 15, 2021, should be read in conjunction with Superior Gold's unaudited condensed consolidated interim financial statements and related notes for the three and nine months ended September 30, 2021 and 2020 ("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"). This MD&A 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, 2020. All dollar figures stated herein are expressed in thousands of United States dollars ("U.S. 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](http://www.sedar.com)) and on the Company's website ([www.superior-gold.com](http://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 mine with additional surface operations), the Hermes Gold Mine (which includes open pits at Hermes and interests in tenements within the Bryah Basin joint venture ranging from 70%-80%), and a central mill (located at the Plutonic Gold Mine).

### Third Quarter Highlights

- Cash flow from operations, after working capital changes, of \$6,294, exiting the quarter with a strong financial position of \$20.5 million in cash and cash equivalents
- Production of 19,379 ounces, a 23% increase over the comparative quarter of 2020
- Sold 19,282 ounces of gold at total cash costs<sup>1</sup> of \$1,341 per ounce sold and all-in sustaining costs<sup>1</sup> of \$1,453 per ounce sold, below the realized gold price<sup>1</sup> of \$1,772 per ounce
- Net income for the period was \$0.01 per share and adjusted net income was \$0.01 per share
- Initiated mining of the Perch open pit, the Company's second open pit in 2021
- Recorded zero incidences of COVID-19 infection for a seventh consecutive quarter

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

## Impact of COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic related to COVID-19. The COVID-19 pandemic is still impacting business worldwide and current measures to combat the spread are vastly different depending on the location of an entity's operations. The unpredictable nature of the length of the COVID-19 pandemic and the severity of measures that may be taken is subject to significant variability and accordingly, estimates as to the impact on the Company's financial results in future periods is uncertain. The judgments, inputs and assumptions used as at September 30, 2021 and for the three and nine months ended September 30, 2021, whether related to COVID-19 or otherwise, have been considered and, where appropriate, reflected in the condensed consolidated interim financial statements. The future impact of COVID-19 actions as at September 30, 2021 are unknown.

To date COVID-19 has not had a significant negative impact on the Company's operations. To address the risk of the pandemic to the Plutonic Operations, the Company instituted a number of measures to reduce the potential risk to employees and communities, which includes steps to mitigate the effects of potential supply chain disruptions.

The Company has had no reported incidences of infection from COVID-19 to date.

With respect to supply chain considerations, the Company has not experienced any disruptions with regards to its supply chain as a result of COVID-19 and continues to operate in a pre-COVID-19 manner albeit with an increase in inventories of critical consumables. The Company continues to work with its suppliers to ensure the ongoing availability of critical supplies. As a precautionary measure, the Company has established an inventory of key supplies at site.

The Company's revenue stream has not been materially negatively impacted by COVID-19 to date and therefore has not been subject to emergency government measures to support the Company or its workers. The Company continues to monitor actions taken by governments in Australia and Western Australia to develop plans to access any benefits that may become applicable or to react to any restrictions imposed.

To date, the Company's ability to meet its borrowing and leasing obligations have not been impacted by COVID-19 and the Company is not subject to concessions nor has it received permission to defer payments, at this time. Credit markets remain open and as a gold producer, management believes it has access to additional credit should it become necessary, at costs that are not prohibitive.

The Company is in compliance with all covenants, as of the date of this MD&A. Barring further negative impacts of COVID-19, the Company currently has no plans to renegotiate covenants. There is no guarantee that the Company would be successful in renegotiating covenants should the need arise.

<sup>1</sup>Refer to the Non-IFRS Performance Measures disclosure included in 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.

The Hermes Gold Mine ("Hermes") is located approximately 65 kilometres south-west of the Plutonic Gold Mine. It includes the wholly-owned Hermes open pits and an 80% interest in the Hermes South open pit project 20 kilometres south-west of the Hermes open pits.

The Company continues to advance other open pit opportunities near the mill, including Plutonic East, Perch, the main pit pushback project where the Company announced positive results from an independent preliminary economic assessment filed on December 30, 2020 and also developing the best long-term open pit operational scenario for Hermes and Hermes South.

#### *Quarterly performance summary*

The Plutonic Gold Operations produced and sold 19,379 and 19,282 ounces of gold, respectively, for the third quarter of 2021. Total cash costs<sup>1</sup> of \$1,341/ounce sold and all-in sustaining costs<sup>1</sup> of \$1,453/ounce sold were below the realized gold price<sup>1</sup> of \$1,772/ounce for the three-month period ending September 30, 2021. In comparison, 15,699 and 15,492 ounces of gold were produced and sold, respectively for the third quarter of 2020. Total cash costs<sup>1</sup> of \$1,471/ounce sold and all-in sustaining costs<sup>1</sup> of \$1,617/ounce sold were below the realized gold price<sup>1</sup> of \$1,756/ounce for the three-month period ending September 30, 2020.

Total cash costs<sup>1</sup> and all-in sustaining cash costs<sup>1</sup> decreased over the prior period primarily as a result of a higher number of ounces of gold sold, partially offset by the strengthening of the Australian dollar relative to the U.S. dollar in comparison to the third quarter of 2020. The Company generated net cash from operations after working capital changes of \$6,294 for the three months ending September 30, 2021.

#### *Year to date performance summary*

The Plutonic Gold Operations produced and sold 56,338 and 55,918 ounces of gold, respectively, for the nine months ended September 30, 2021. Total cash costs<sup>1</sup> of \$1,379/ounce sold and all-in sustaining costs of \$1,494/ounce were below the realized gold price<sup>1</sup> of \$1,784/ounce for the nine-month period ending September 30, 2021. In comparison, 47,227 and 47,878 ounces of gold were produced and sold, respectively, for the nine months ended September 30, 2020. Total cash costs<sup>1</sup> of \$1,393/ounce sold and all-in sustaining costs of \$1,524/ounce were below the realized gold price<sup>1</sup> of \$1,643/ounce for the nine-month period ending September 30, 2020.

Total cash costs and all-in sustaining cash costs decreased over the prior period primarily due to the higher number of ounces of gold sold, partially offset by strengthening of the Australian dollar relative to the U.S. dollar in comparison to the nine months ended September 30, 2020 as well as the inclusion of mining costs from the Plutonic East and Perch open pits which commenced in the second and third quarters, respectively, of 2021. The Company generated net cash from operations after working capital

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

changes of \$17,412 for the nine months ended September 30, 2021, excluding the repayment of \$4,413 under the Gold loan.

### **Exploration Activities**

In the first quarter of 2021 the Company embarked on an accelerated exploration program that continued through the third quarter to focus on organic growth and opening new mining fronts. During the three months ended September 30, 2021, the Company operated three underground diamond drilling rigs with 15,818 metres of drilling completed. Of the total, 9,850 metres were drilled for grade control and stope design. The remaining 5,968 metres were drilled for reserve and resource expansion.

The Company is currently focused on underground reserve and resource expansion by completing in-fill drilling and exploration drilling of new underground mining fronts, specifically the Western Mining Front and the Baltic Gap. As announced on June 23, 2021, the Baltic Gap mining front has now been interpreted to have a strike length of 350 meters and up to 200 meters down dip while remaining open along strike and at depth (refer to News Release dated March 29, 2021). These new drill intersections and drilling results announced on August 17, 2021 will be reflected in the updated Mineral Reserve and Mineral Resource estimates scheduled to be released near the end of the first quarter of 2022.

Total expenditures for the third quarter were \$1,334, of which \$834 was expensed and \$500 was capitalized to mining interests. Total expenditures for the comparative 2020 quarter were \$1,013, of which \$811 was expensed and \$202 was capitalized to mining interests.

Year to date expenditures were \$3,680, of which \$2,053 was expensed and \$1,627 was capitalized to mining interests. The comparative year to date expenditures for 2020 were \$3,321, of which \$2,068 was expensed and \$1,253 was capitalized to mining interests.

### **Outlook**

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

- Targeting mine exploration programs to open new fronts and reduce reliance on remnant mining
- Improving mining practices to lower costs and increase production
- Increasing operational efficiencies
- Optimization of the global resource model
- Advancing open pit opportunities close to the mill

The Company is tracking towards the upper end of its 2021 production guidance as summarized in the table below.

<b>2021 Guidance</b>	<b>Guidance (January 18, 2021)</b>
Production (oz of Gold)	65,000 - 75,000
Cash Costs (\$/oz) <sup>1</sup>	\$1,350 - \$1,450
All In Sustaining Costs (\$/oz) <sup>1</sup>	\$1,500 - \$1,600

Note: January 18, 2021 guidance is based on an estimated Australian to U.S. dollar exchange rate of 0.73.

## Summary of Operational Results

	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Stope material mined (000's t)	175	157	468	461
Stope grade mined (g/t)	2.95	2.96	3.23	2.84
Development ore mined (000's t)	36	58	142	186
Development grade mined (g/t)	1.15	2.10	1.39	1.98
Open pit ore mined (000's t)	192	-	293	-
Open pit grade mined (g/t)	0.76	-	0.75	-
Open pit waste mined (000's t)	176	-	340	-
Strip ratio (t:t)	0.92	-	1.16	-
Underground ore milled (000's t)	207	201	611	626
Underground grade milled (g/t)	2.65	2.79	2.80	2.60
Open pit milled (000's t)	198	-	261	-
Open pit grade milled (g/t)	0.75	-	0.77	-
Other ore milled (000's t)	-	179	249	514
Other ore grade milled (g/t)	-	0.20	0.42	0.30
Total ore milled (000's t)	405	380	1,120	1,140
Grade milled (g/t)	1.7	1.6	1.8	1.6
Gold recovery (%)	86	82	87	82
Gold produced (oz)	19,379	15,699	56,338	47,227
Gold sold (oz)	19,282	15,492	55,918	47,878
Total cash costs (\$/oz) <sup>(1)</sup>	1,341	1,471	1,379	1,393
All-in sustaining costs (\$/oz) <sup>(1)</sup>	1,453	1,617	1,494	1,524
Realized gold price (\$/oz) <sup>(1)</sup>	1,772	1,756	1,784	1,643

### Quarterly operational results

The Plutonic Gold Operations produced 19,379 ounces of gold in the three-month period ending September 30, 2021 as compared to 15,699 ounces of gold in three-month period ending September 30, 2020. The increase is largely a result of the contribution of higher grade Open pit material from the Plutonic East and Perch pits that eliminated the processing of lower grade legacy stockpiles, while underground grade was marginally lower than the comparative quarter.

Total material milled during the three months ended September 30, 2021 increased by 7% to 405 thousand tonnes compared to the same period in 2020, as throughput rates were increased as there was an increase in the availability of higher grade surface material for milling from the Plutonic East and Perch open pits. Head grade increased from 1.6 g/t to 1.7 g/t primarily as a result of the higher grade Open pit material being milled replacing the mill feed from the low grade legacy stockpiles in the three months ended September 30, 2020. Recovery rates improved as a result of the higher grades processed and the re-commissioning of the gravity circuit in the first quarter of 2021, rising from 82% to 86% in the three months ended September 30, 2021 compared to the prior quarterly period.

Gold sold increased by 3,790 ounces to 19,282 during the three months ended September 30, 2021 versus the comparative period in 2020. The 24% increase was primarily due to the higher grade Open pit material that replaced lower grade legacy stockpiles milled in the quarter along with the higher recovery versus the prior period.

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

Total cash costs<sup>1</sup> were \$1,341/ounce sold for the three months ended September 30, 2021, a decrease from \$1,471/ounce sold for the three months ended September 30, 2020 due to more ounces sold, offset by the strengthening Australian dollar which increased Cost of sales along with higher mining costs for the Plutonic East and Perch open pits, as outlined in the Cost of Sales section of this MD&A. All-in sustaining costs<sup>1</sup> decreased from \$1,617/ounce sold to \$1,453/ounce sold predominantly due to lower total cash costs per ounce and lower sustaining capital expenditures, partially offset by higher general and administrative costs, as outlined in the General and administrative section of this MD&A.

#### ***Year to date operational results***

For the nine months ended September 30, 2021 the Plutonic Gold Operations produced 56,338 ounces of gold compared to 47,227 ounces of gold in the nine-month period ending September 30, 2020. The increase is primarily the result of a greater contribution of higher grade Stope material and Open pit material from the Plutonic East and Perch pits that reduced the proportion of lower grade legacy stockpiles being milled. Total material milled decreased marginally by 2% to 1,120 thousand tonnes while head grade increased from 1.6 g/t to 1.8 g/t in the nine months ended September 30, 2021 as mill feed from the low grade legacy stockpile was replaced by higher grade Stope and Open pit material. Recovery rates for the nine months ended September 30, 2021 increased from 82% to 87% as a result of higher grades from the elimination of the low grade and lower recovery legacy stockpile and the re-commissioning of the gravity circuit in the first quarter of 2021.

Gold sold increased by 8,040 ounces to 55,918 during the nine months ended September 30, 2021 versus the comparative period in 2020. The 17% increase was primarily due to the greater proportion of higher grade material, noted above, being processed during the period.

Total cash costs<sup>1</sup> were \$1,379/ounce sold for the nine months ended September 30, 2021, which decreased from \$1,393/ounce sold from the nine months ended September 30, 2020 due to the higher number of ounces of gold sold, partially offset by the strengthening Australian dollar which increased Cost of sales, as outlined in the Cost of Sales section of this MD&A. All-in sustaining costs<sup>1</sup> decreased from \$1,524/ounce sold to \$1,494/ounce sold due to lower total cash costs per ounce and sustaining capital expenditures, partially offset by higher general and administrative costs.

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

## Summary of Quarterly Financial Results

	Three month period ended September 30, 2021	Three month period ended June 30, 2021	Three month period ended March 31, 2021	Three month period ended December 31, 2020
	As at September 30, 2021	As at June 30, 2021	As at March 31, 2021	As at December 31, 2020
Revenue	\$ 34,187	\$ 34,418	\$ 31,220	\$ 27,422
Cost of sales	28,300	29,531	26,920	27,144
Exploration expense	834	597	622	577
General and administrative	1,425	1,561	1,464	1,546
Operating Income (loss)	3,628	2,729	2,214	(1,845)
Income before taxes	2,381	1,696	3,560	1,511
Net income	1,091	1,198	3,527	1,478
Earnings per share –basic and diluted	0.01	0.01	0.03	0.01
Adjusted net income (loss) <sup>1</sup>	1,760	1,726	1,779	(749)
Adjusted net income (loss) per share – basic <sup>1</sup>	0.01	0.01	0.01	(0.01)
Cash flow from (used in) operations	6,294	2,746	3,959	(6,622)
 Cash and cash equivalents	 20,537	 17,412	 17,908	 17,294
Non-current assets	72,260	75,956	77,958	78,800
Total assets	103,462	104,603	107,217	109,166
Current liabilities	23,740	23,863	26,811	31,755
Non-current liabilities	38,620	39,564	40,106	40,279

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

	Three month period ended September 30, 2020	Three month period ended June 30, 2020	Three month period ended March 31, 2020	Three month period ended December 31, 2019
Revenue	\$ 27,223	\$ 25,026	\$ 26,476	\$ 27,959
Cost of sales	25,600	24,155	23,701	29,119
Exploration expense	811	613	644	812
General and administrative	1,209	681	1,017	1,167
Operating Income (loss)	(397)	(423)	1,114	(3,139)
Income (loss) before taxes	(2,019)	(334)	(3,804)	(3,627)
Net income (loss)	(2,051)	(364)	(3,836)	(3,375)
Earnings (loss) per share				
–basic and diluted	(0.02)	(0.00)	(0.04)	(0.03)
Adjusted net income (loss) <sup>1</sup>	(1,255)	(630)	(115)	(3,156)
Adjusted net income (loss) per share – basic <sup>1</sup>	(0.01)	(0.01)	(0.00)	(0.03)
Cash flow from operations	377	579	(863)	10,507
	As at September 30, 2020	As at June 30, 2020	As at March 31, 2020	As at December 31, 2019
Cash and cash equivalents	14,077	15,615	16,279	22,232
Non-current assets	67,609	62,035	58,074	62,882
Total assets	91,110	86,747	82,982	96,920
Current liabilities	33,995	33,075	30,240	37,135
Non-current liabilities	35,307	30,573	31,495	32,318

## Results of Operations

The condensed consolidated interim financial statements are presented in U.S. 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 U.S. dollars for financial reporting purposes. The Company's results of operations are therefore subject to the impact of foreign exchange fluctuations.

The price of gold has risen over the comparable period in 2020, which has increased the Realized Gold Price<sup>1</sup> in the three and nine months ended September 30, 2021. The price of gold at September 30, 2021 has declined from the price at December 31, 2020, which has decreased the liability associated with the Company's outstanding Call options. The Call options are settled at their respective strike prices according to the terms under the gold loan ("Gold loan") to Auramet International LLC ("Auramet") (refer to note 9 of the condensed consolidated interim financial statements).

## Operating Income (loss)

Operating income for the three months ended September 30, 2021 was \$3,628 compared to an operating loss of \$397 for the three months ended September 30, 2020 due to higher Revenue, partially offset by higher Cost of sales of \$2,700 and higher General and administrative costs of \$216 as outlined in the General and administrative section of this MD&A.

Operating income for the nine months ended September 30, 2021 was \$8,571 compared to \$294 for the nine months ended September 30, 2020 due to a \$21,100 increase in Revenue from higher gold sales, offset in part by higher Cost of sales of \$11,295 and higher General and administrative costs of \$1,543 as outlined in the General and administrative section of this MD&A.

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

## Revenues

During the three months ended September 30, 2021 Metal sales totaled \$34,187 from the sale of 19,282 ounces of gold, an increase of \$6,964 from \$27,223 from the sale of 15,492 ounces of gold for the three months ended September 30, 2020. Gold revenues were higher as a result of 3,790 more ounces being sold and a marginal increase in the realized gold price<sup>1</sup> to \$1,772/ounce from \$1,756/ounce.

During the nine months ended September 30, 2021 Metal sales totaled \$99,825 from the sale of 55,918 ounces of gold, an increase of \$21,100 from \$78,725 from the sale of 47,878 ounces of gold for the nine months ended September 30, 2020. Gold revenues were higher as a result of 8,040 more ounces being sold due to improvements in grade and recoveries stemming from initiatives taken at the end of 2020 to target higher average underground stope grades as well as the contribution of the Plutonic East open pit which shifted mill feed away from low grade legacy stockpile ore.

## Cost of Sales

	Three months ended September 30				Nine months ended September 30			
	2021		2020		2021		2020	
	\$		\$		\$		\$	
Mining	\$	16,233	\$	15,365	\$	47,442	\$	44,397
Processing		5,405		5,531		17,403		16,198
Depreciation and amortization		2,556		2,467		7,538		6,400
Site services		3,878		1,551		10,492		4,204
Gold royalty		865		624		2,526		1,955
Change in inventories		(637)		62		(650)		302
	\$	28,300	\$	25,600	\$	84,751	\$	73,456

Cost of Sales were \$28,300 for the three months ended September 30, 2021, an increase of \$2,700 from \$25,600 for the three months ended September 30, 2020. Cost of sales includes mine production costs, processing costs, site services, royalties, and depreciation and amortization. Cost of sales were \$2,700 higher in the current period versus the same period in 2020 due to the stronger Australian dollar, the impact of which resulted in a \$762 increase. The rise in Mining costs stemmed from the \$425 increase associated with the stronger Australian dollar on Mining costs and the addition of \$898 of surface mining costs from the commencement of mining at the Plutonic East and Perch pits, as well as site bonuses due to improved performance over 2020, partially offset by a reallocation of \$1,205 of camp costs from the Mining category into the Site services category to allow for more effective site reporting. The change in Site services costs of \$2,327 reflected the reallocation of costs, mostly \$1,205 from the Mining category. The increase in gold royalties was a result of the stronger Australian dollar and more ounces sold in the quarter. Cost of sales decreased due to the variance in the Change in inventory category. The Change in inventory of (\$637) in the three months ended September 30, 2021 reflected an increase in stockpile inventory from the Plutonic East and Perch open pits and in gold in circuit inventory. The Change in inventory of \$62 in the three months ended September 30, 2020 reflected minor offsetting changes in the various inventory categories.

Cost of Sales were \$84,751 for the nine months ended September 30, 2021, an increase of \$11,295 from \$73,456 for the nine months ended September 30, 2020. Cost of sales were higher in the current period versus the same period in 2020 predominantly due to the stronger Australian dollar, the impact of which resulted in a \$9,213 increase. The rise in Mining costs stemmed from a \$5,414 increase associated with the stronger Australian dollar on Mining costs, the addition of \$2,584 of surface mining costs from

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

the commencement of mining at the Plutonic East and Perch open pits and personnel bonuses due to improved performance over 2020, partially offset by a reallocation of \$5,230 of camp costs from the Mining category into the Site services category to allow for more effective site reporting, as well as cost reductions. The change in Site services costs of \$6,288 primarily reflected the reallocation of \$5,230 of costs from the Mining category. The increase in gold royalties was a result of the stronger Australian dollar and more ounces sold in the nine months ended September 30, 2021. Cost of sales decreased due to the variance in the Change in inventory category. The Change in inventory of (\$650) in the nine months ended September 30, 2021 reflected an increase stockpile inventory from the Plutonic East and Perch open pits. The Change in inventory of \$302 in the nine months ended September 30, 2020 reflected a decrease in gold in circuit inventory, partially offset by increases in gold in circuit and finished goods inventories.

### General and administrative

General and administrative expenses in the three months ended September 30, 2021 were \$216 higher in comparison to the three months ended September 30, 2020, primarily a result of higher insurance premiums of \$145, reflecting general market pressures on insurance costs.

For the nine months ended September 30, 2021, general and administrative expenses increased by \$1,543 in comparison to the nine months ended September 30, 2020 as a result of a \$613 recovery of the 2019 senior management bonus accrual in June of 2020 as no bonus was paid in respect of the 2019 fiscal year, whereas a bonus was paid out in respect of the 2020 fiscal year during the three months ended June 30, 2021, leaving a \$32 recovery of the 2020 accrual. In addition, higher insurance premiums of \$434, reflecting general market pressures on insurance costs. Consulting costs for business development initiatives of \$328 also contributed to the increase in general and administrative costs. The 2020 comparative amount included a one-time credit for the final assessment of Australian stamp duty of \$133.

### Other Expenses (Income)

Other Expenses for the three months ended September 30, 2021 totaled \$1,247 and included a restructuring charge associated with Toronto office personnel of \$1,113 and net finance cost of \$283, partially offset by a \$90 Change in valuation of Derivative financial instruments. Net finance cost was comprised predominantly of lease finance charges of \$174 and a foreign exchange loss of \$111. Other Income for the three months ended September 30, 2020 totaled \$1,622 and included: i) a restructuring charge of \$1,173 associated with the Company's former Chief Executive Officer in July of 2020, ii) the Change in valuation of Derivative financial instruments of \$66, iii) a Gold loan accretion charge of \$408, and iv) lease and short-term finance charges of \$156.

Other Expenses for the nine months ended September 30, 2021 totaled approximately \$934 and included: i) a restructuring charge associated with Toronto office personnel of \$1,927, ii) a Gold Loan accretion charge of \$486, iii) \$586 for lease and short-term finance charges, offset by iii) the Change in valuation of Derivative financial instruments of \$1,903 and iv) a foreign exchange gain of \$97. Other Expenses for the nine months ended September 30, 2020 were comprised predominantly of: i) the Change in valuation of Derivative financial instruments of \$3,297, ii) a restructuring charge of \$1,173 associated with the Company's former Chief Executive Officer in July of 2020, iii) a Gold Loan accretion charge of \$1,344, iv) a foreign exchange loss of \$128 and v) \$327 for lease and short-term finance charges.

In the nine months ended September 30, 2021 the Change in the valuation of Derivative financial instruments was \$1,903, a result of the revaluation of the Call Options issued as part of the Gold loan agreement with Auramet in the fourth quarter of 2019. The charge reflects the delivery and decrease in the fair value of the Call options, primarily the result of the lower Australian dollar denominated gold price during the period ended September 30, 2021.

### **Net income (loss) for the period ended September 30, 2021**

The total net income of \$1,091 for the three months ended September 30, 2021 resulted primarily from Operating income of \$3,628, the Change in valuation of derivative financial instruments of (\$90), offset by the restructuring charge of \$1,113, tax expense of \$1,290 and net finance cost of \$283. The total net loss of \$2,051 for the three months ended September 30, 2020 resulted primarily from the restructuring charge of \$1,173, net finance cost of \$515 and Operating loss of \$397.

The total net income of \$5,816 for the nine months ended September 30, 2021 resulted primarily from Operating income of \$8,571 and the Change in valuation of Derivative financial instruments of \$1,903, partially offset by the restructuring charges of \$1,927, the Gold loan accretion charge of \$486, tax expense of \$1,821 and finance charges on leases of \$586. The total net loss of \$6,251 for the nine months ended September 30, 2020 resulted primarily from the Change in valuation of Derivative financial instruments of \$3,297, net finance cost of \$1,849, restructuring charge of \$1,173, partially offset by Operating income of \$294.

### **Adjusted net income (loss)**

Adjusted net income<sup>1</sup> for the third quarter of 2021 was \$1,760 or \$0.01 per share compared to adjusted net loss of \$1,255 or \$0.01 per share in the three months ended September 30, 2020, primarily due to the higher Operating Income 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 income for the nine months ended September 30, 2021 amounted to \$5,265 or \$0.04 per share compared to adjusted net loss of \$1,999 or \$0.02 per share in the nine months ended September 30, 2020, primarily reflecting lower Operating Income and higher net finance cost in 2020, offset by the impact of Derivative financial instruments.

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 September 30, 2021**

As at September 30, 2021, the Company's current assets totaled \$31,202 and current liabilities amounted to \$23,740, for a net working capital surplus of \$7,462. The majority of current assets are cash and cash equivalents of \$20,537 and inventories of \$9,220. The increase from a working capital deficit of \$1,389 as at December 31, 2020, was predominantly the result of Operating income during the nine months ended September 30, 2021, repayments of the Gold loan and Short-term loan and decreases in the current portion of the Derivative financial instruments reflecting the lower Call option liability.

Non-current assets decreased by \$6,540 from December 31, 2020. The decrease was predominantly the result of depreciation expense of \$7,581 and foreign exchange impacts of \$4,999. These amounts

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

were offset by a number of items including a right-of-use asset addition of \$1,076 for mobile equipment at the mine site. Non-current asset additions were \$2,913. Of this amount, \$2,699 was spent on development of the underground operations and advancement of the open pit opportunity located near the mill. Additionally, \$2,084 of capital expenditures were incurred during the nine months ended September 30, 2021, \$1,171 of which was for betterments to existing equipment in the mill and \$913 for mobile equipment.

Current liabilities fell by \$8,015 to \$23,740 predominantly due to the reduction in the current portion of Deferred revenue of \$3,919 stemming from the full repayment of the Gold loan during the nine months ended September 30, 2021; a decrease in the current portion of derivative financial instruments as a result of exercises, expiries and a lower gold price; reductions in Accounts payable and repayments of the Short-term loan.

Non-current liabilities decreased by \$1,659, as a result of the impact of foreign exchange movement on the non-current portions of provisions and lease obligations as well as repayments of lease liabilities, offset by the higher deferred tax liability stemming from the tax expense in the nine months ended September 30, 2021.

Share capital consisted of capital stock, net of issue costs, of \$62,493, an increase of \$485 from the issuance of common shares from the vesting of restricted share units and the exercise of stock options.

### **Cash from Operating Activities**

During the three months ended September 30, 2021 cash from operating activities before working capital changes was \$5,065, a \$6,049 increase over cash used in operating activities of \$984 for the three months ended September 30, 2020. The increase in cash generated from operating activities was predominantly a result of stronger operating earnings in the three months ended September 30, 2021 in comparison to the three months ended September 30, 2020, as outlined above together with the absence of Gold loan repayments which was fully paid in June 2021.

During the nine months ended September 30, 2021 cash generated from operating activities before working capital changes was \$10,284, while cash generated from operating activities was \$759 for the nine months ended September 30, 2020. This increase resulted from stronger operating earnings, excluding depreciation expense, during the nine months ended September 30, 2021, partially offset by the final repayments under the Gold loan of \$4,413 and higher employee provision payments reflecting higher annual-service-leave payments. The impact of non-cash working capital changes for the nine months ended September 30, 2021 was an increase in cash of \$2,715 due to the collection of receivable and other asset balances.

### **Cash used in Investing Activities**

Cash used in investing activities in the three months ended September 30, 2021 was primarily comprised of expenditures on mine interests, property, plant and equipment of \$1,608 in support of underground mine development, open pit development and mill improvements, an increase of 27% compared to the \$1,270 spent in the three months ended September 30, 2020, primarily for the development of the Plutonic East and Perch open pits.

Cash used in investing activities in the nine months ended September 30, 2021 was primarily comprised of expenditures on mine interests, property, plant and equipment of \$4,868 primarily in support of underground mine development, open pit development and mill improvements, an increase of \$578 or 13% compared to the nine months ended September 30, 2020, mainly attributable to the development of the Plutonic East and Perch open pits.

### **Cash used in Financing Activities**

Cash used in financing activities in the three months ended September 30, 2021 of \$936 was attributed to repayments of the Company's short-term loans, lease obligations, and interest thereon. For the three months ended September 30, 2020 cash used in financing activities comprised repayments of the Company's short-term loans, lease obligations and interest thereon of \$1,136. The decrease from 2020 was a result of the power supply lease, which commenced in the third quarter of 2020, and has a longer term relative to the Company's other leases, resulting in higher initial interest payments and lower principal repayments.

Cash used in financing activities in the nine months ended September 30, 2021 of \$4,289 was comprised of the repayment of the Company's lease obligation, short-term loan and interest thereon of \$4,310, partially offset by the exercise of stock options of \$21. For the nine months ended September 30, 2020 cash used in financing activities comprised the repayment of the Company's lease obligation, short-term loan and interest thereon of \$3,923. Increased lease and short-term loan repayments in 2021 reflected higher amounts financed under the short-term loan as a result of higher insurance premiums and the power supply lease, which commenced in the third quarter of 2020, and has a longer term relative to the Company's other leases, resulting in higher initial interest payments and lower principal repayments, as noted above.

### **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**

The price of gold has increased the Realized Gold Price<sup>1</sup> over the comparable period in the three and nine months ended September 30, 2021 and estimates for the price of gold remain positive for the next twelve months. Other than the change in the liability associated with the Company's outstanding Call options, which are settled in gold from production, there have been no materially negative impacts on the Company's current operations.

The Company currently sells gold to two counterparties; the Perth Mint and Auramet. There have been no materially negative impacts on the Company's ability to sell gold or deliver gold into the Call options (refer to note 9 of the condensed consolidated interim financial statements) or the Gold loan with Auramet.

During the three and nine months ended September 30, 2021, the Company used 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 accounts payable, lease obligation balances and debt obligations. On

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

November 12, 2019, the Company entered into a Gold loan with Auramet under which the Company received gross proceeds of AUD\$15 million before associated costs. As at September 30, 2021, the Company: has fulfilled its obligation to deliver 7,920 ounces of gold under the Gold loan; has 4,500 gold call options outstanding with Auramet at a strike price of AUD\$2,360 per ounce of gold (these call options have expiration dates between October 31, 2021 and December 31, 2021 at 1,500 ounces per month); has no amounts outstanding under the zero cost collar price protection program, as all of the puts and calls under the zero cost collar price protection program matured on or before December 31, 2020. The Company agreed to sell a minimum of 80% of its gold production at market prices from the Plutonic Gold Operations to Auramet for a period that is not less than 6 months following repayment of the 7,920-gold ounce obligation (refer to notes 9 and 10 of the condensed consolidated interim financial statements).

The Company forecasted that it will have sufficient cash inflows to satisfy the Company's obligations as they come due over the next twelve months. As at September 30, 2021, the Company has cash and cash equivalents of \$20,537 and a working capital surplus of \$7,462. Management believes the cash on hand and subsequent cash flow from operations of the Plutonic Gold Operations are sufficient to fulfill its immediate operating and capital requirements. The Company may require additional capital or financing to complete or accelerate programs associated with any future development and exploration initiatives that are not contemplated in its current life of mine plan. Superior Gold's ability to raise equity or 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/or currency exchange rates.

### Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

### Commitments & Contingencies

Commitments contracted for and contingencies at the end of the reporting period not recognized as liabilities are as follows:

	September 30, 2021	December 31, 2020
Property, plant and equipment (i)	\$ 4,047	\$ 1,483
Guarantee (ii)	- \$ 2,503	
	<b>\$ 4,047</b>	<b>\$ 3,986</b>

*(i) Capital commitments*

In the nine months ended September 30, 2021, the Company entered into commitments for milling and mobile equipment as well as a tailings wall lift. These commitments totaled \$4,047 at September 30, 2021 (December 31, 2020 - \$1,483).

*(ii) Contingencies*

The Company signed an agreement with its existing supplier to upgrade its power supply. As a result of completing the power supply upgrade, the Company was required to provide a guarantee to the supplier. On June 24, 2021 a guarantee was issued under the Letter of guarantee facility (refer to note 13 of the interim financial statements).

*(iii) Contingent Consideration*

As part of the acquisition of the Plutonic Gold Operations, the Company agreed to pay Northern Star Resources Inc. milestone payments ("Milestone Payments") of AUD\$2.5 million for every 250,000 ounces of NI 43-101 compliant measured and indicated resources identified at the Plutonic Gold Operations in excess of the 1,717,000 ounces of Joint Ore Reserves Committee 2012 compliant measured, indicated and inferred resources. The aggregate of the Milestone Payments are capped at AUD\$10 million.

The fair value of the Milestone Payments was determined to have \$nil value as at September 30, 2021 (December 31, 2020 - \$nil) as Management determined that it was uncertain that the threshold outlined in the Acquisition Agreement of 1,717,000 ounces of Joint Ore Reserves Committee 2012 compliant measured, indicated and inferred resources will be reached.

### **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, 2020. 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, 2020.

The accounting policies and management estimates applied in the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 are consistent with those used in the Company's consolidated financial statements for the year ended December 31, 2020. Other than the decrease in the liability associated with the Company's Call options, primarily as a result of their expiry and exercise, respectively, as well as lower gold prices, there have been no material impacts on the Company's key assumptions underlying critical accounting estimates as of the date of this MD&A.

### **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, 2020 and are consistent with those used in the Company's condensed consolidated interim financial statements for the three and nine months ended September 30, 2021. 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

There have been no new accounting standards or amendments to accounting standards, effective January 1, 2021 which the Company has adopted.

## Recent Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are disclosed in Note 4 of the condensed consolidated interim financial statements.

## Outstanding Share Data

The following table summarizes the capitalization of the Company as at November 15, 2021, the date of this MD&A:

	Exercise price	Expiry date	Quantity
Number of common shares issued			
Common shares	Not applicable	Not applicable	122,735,058
Number of common shares issuable			
Stock options	\$0.79	February 23, 2022	4,766,667
Stock options	\$0.79	July 5, 2022	150,000
Stock options	\$0.79	September 5, 2022	200,000
Stock options	\$1.02	June 8, 2023	125,000
Stock options	\$0.41	March 29, 2024	500,000
Stock options	\$0.76	August 15, 2024	50,000
Stock options	\$0.63	September 25, 2024	83,333
Stock options	\$0.37	March 30, 2025	200,000
Stock options	\$0.60	May 13, 2025	150,000
Stock options	\$0.87	August 4, 2025	1,000,000
Stock options	\$0.56	April 14, 2026	200,000
Stock options	\$0.49	August 13, 2026	1,250,000
DSUs <sup>1</sup>	Not applicable	Not applicable	424,656
PSUs	Not applicable	May 14, 2022	151,500
PSUs	Not applicable	May 20, 2023	75,000
PSUs	Not applicable	April 14, 2024	262,500
RSUs	Not applicable	August 15, 2022	50,000
Warrants	\$1.5166	February 23, 2022	14,429,521
			<b>146,803,235</b>

<sup>1</sup> This figure excludes cash-settled DSUs issued under the Phantom Unit Plan.

## 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

(in thousands of dollars, except oz or per oz amounts)	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Gold sold (oz)	19,282	15,492	55,918	47,878
Cost of Sales	28,300	25,600	84,751	73,456
Adjustments for:				
Depreciation and amortization	(2,569)	(2,486)	(7,581)	(6,449)
Share-based payments included in Cost of Sales	23	(17)	14	(44)
Inventory movements	120	(295)	28	(194)
Silver credits and other	(21)	(18)	(87)	(81)
Cash costs	25,853	22,784	77,125	66,688
Total cash costs (per gold oz)	1,341	1,471	1,379	1,393
Adjustments for items affecting all-in sustaining cash costs:				
Sustaining exploration and capital expenditures <sup>1</sup>	1,233	1,421	2,938	3,629
Share-based payments included in Cost of Sales	(23)	17	(14)	44
Corporate, general and administration <sup>2,3</sup>	960	801	3,464	2,499
Rehabilitation accretion	1	25	9	94
All-in sustaining cost	28,024	25,048	83,522	72,954
All-in sustaining cost (per gold oz)	1,453	1,617	1,494	1,524

### Realized gold price

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

(in thousands of dollars, except oz or per oz amounts)	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Metal sales	\$34,187	\$27,223	\$99,825	\$78,725
Silver sales	(21)	(18)	(87)	(81)
Revenues from gold sales	34,166	27,205	99,738	78,644
Gold sold (oz)	19,282	15,492	55,918	47,878
Realized gold price (\$/oz)	\$1,772	\$1,756	\$1,784	\$1,643

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.

3. Corporate, general and administration costs exclude depreciation and certain business development costs.

## Adjusted net income (loss) and Adjusted basic net income (loss) 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 royalty payable, restructuring expenses, gain on sale of assets, charges pertaining to derivative financial instruments 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.

(in thousands of dollars, except per share amounts)	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2020	2020
Net income (loss) for the period	\$1,091	(\$2,051)	\$5,816	(\$6,251)
Adjusted for:				
Change in valuation of royalty payable	-	-	-	132
Restructuring expenses	1,113	1,173	1,927	1,173
Gain on sale of assets	(59)	-	(64)	-
Derivative financial instruments	(90)	(66)	(1,903)	3,297
Effect on income taxes of the above items	(295)	(311)	(511)	(350)
Adjusted net income (loss)	\$1,760	(\$1,255)	\$5,265	(\$1,999)
Weighted average number of common shares outstanding - basic	122,309,562	97,134,473	121,983,420	97,111,728
Adjusted basic net income (loss) per share	0.01	(0.01)	0.04	(0.02)

## 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

- ii. submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- iii. 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 most recent annual information form ("AIF") dated October 16, 2020 under the heading "Risks and Uncertainties". The AIF is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Forward-looking information**

This MD&A contains forward-looking information or incorporates by reference "forward-looking statements" with respect to the Company. Except for statements of historical fact relating to Superior, information contained herein constitutes forward-looking statements, including 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 most recently filed technical report ("Technical Report"); information related to the Company's previously announced strategic review process, the potential outcome of such review process and the intended maximization of shareholder value that the Company believes could result from such review process; 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; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements are characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "will", "could" or "should" occur. 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; the impact of inflation on operating or capital costs; 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; the absence of an outbreak or escalation of infectious diseases or other similar health threats, including the novel coronavirus ("COVID-19") outbreak, that could result in the suspension or shutdown of the Plutonic Gold Operations; impact the supply chain; or cause inflationary pressures on operating or capital costs; 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, 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.

All forward-looking information contained in this MD&A is given as of the date hereof and is based upon the opinions and estimates of management and information available to management of the Company as at the date hereof. The Company undertakes no obligation to update or revise the forward-looking information contained in this MD&A, whether as a result of new information, future events or otherwise, except as required by applicable laws.

### **Technical Information**

Scientific and technical information in this MD&A has been reviewed and approved by Ettienne Du Plessis, who is a “qualified person” as defined by National Instrument 43-101 (NI 43-101). Mr. Du Plessis is an employee of the Company and serves as Chief Geologist.

### **Additional Information**

Additional information regarding the Company, including the Company’s Annual Information Form, can be found at [www.sedar.com](http://www.sedar.com) and [www.superior-gold.com](http://www.superior-gold.com).