



SUPERIOR GOLD ANNOUNCES STRONG FOURTH QUARTER AND FULL-YEAR 2021 FINANCIAL RESULTS

ENHANCED CASH FLOW FROM OPERATIONS AND GROWING CASH POSITION

(In US Dollars unless otherwise stated)

Toronto, Ontario, March 8, 2022 – Superior Gold Inc. (“Superior Gold” or the “Company”) (TSXV: **SGI**) (OCTMKTS: **SUPGF**) announces financial results for the fourth quarter and full-year 2021 for the Company's 100%-owned Plutonic Gold operations, located in Western Australia.

Fourth Quarter Highlights

- Production of 20,983 ounces, a 32% increase over the comparative quarter of 2020
- Sold 21,143 ounces of gold at a realized gold price of \$1,786 per ounce, resulting in an AISC margin² of \$370 per ounce
- Reduced all-in sustaining costs¹ (“AISC”) by \$269 per ounce or 16% to \$1,416 per ounce, reduced total cash costs¹ by \$276 per ounce or 18% to \$1,290 per ounce, in comparison to the fourth quarter of 2020, despite a significant increase of \$22/oz in sustaining exploration and capital¹
- Cash flow from operations, after working capital changes, of \$8.5 million, an increase of \$15.2 million from the fourth quarter of 2020, exiting the quarter with a strong financial position of \$23.8 million in cash and cash equivalents and a working capital¹ position of \$10.4 million
- The Company is now an unhedged producer following the delivery of the remaining ounces under call options related to the repaid Auramet gold loan
- Net income for the period was \$0.03 per share and Adjusted net income¹ was \$0.03 per share
- Gold recovery rates increased to 87% in Q4 2021 from 84% in Q4 2020
- Appointment of Vice President, Investor Relations

Full-Year Highlights

- Exceeded top end of 2021 production guidance with 77,321 ounces produced, a 23% increase over the prior year, and came in below the bottom end of 2021 AISC¹ guidance
- Sold 77,061 ounces of gold at a realized gold price¹ of \$1,784 per ounce, generating revenue of \$137.7 million
- Reduced AISC¹ by \$92 per ounce or 6% to \$1,472 per ounce, reduced total cash costs¹ by \$81 per ounce or 6% to \$1,355 per ounce over the same period in 2020, despite the strengthening of the Australian dollar in the first half of 2021
- Cash flow from operations, after working capital changes, excluding the gold loan repayment of \$4.4 million to Auramet was \$26.0 million, which is a record for the Company

- Net income for the year of \$0.08 per share and Adjusted net income¹ of \$0.07 per share vs. net loss for the year of (\$0.05) per share and Adjusted net income¹ of (\$0.04) per share in 2020
- Gold recovery rates increased to 87% in 2021 from 83% in 2020
- Fully repaid the gold loan with Auramet and settled all remaining gold call options to end the year as an unhedged gold producer
- Began mining of the Plutonic East and Perch open pits and announced an early entry into the main pit deeps in 2022
- Continued exploration success along the Western Mining Front and the Indian Access Mining Front

1. This is a Non-IFRS measure. Refer to the Non-IFRS measures section of the Company's prior MD&As for a description of these measures.

2. AISC margin is calculated as realized gold price per ounce less AISC per ounce

Chris Jordaan, President, and CEO of Superior Gold stated: "We are pleased to report strong fourth-quarter financial and operating results, successfully achieving the first goal of our growth strategy to delivering a safe, stable and predictable operation producing between 70-85koz/a. The Company exceeded annual production guidance for 2021 while realizing a seventh consecutive quarter of improving gold production and cash position at our Plutonic Gold Operations. We will continue to focus on operational initiatives with the goal of further reducing costs as we progress into 2022.

With our improved operating performance and the full repayment of the gold loan at the end of the second quarter of 2021, operating cash flow for the fourth quarter of 2021 increased to \$8.5 million after working capital changes an increase of \$15.2 million from the same period in 2020. This demonstrates the ability of Plutonic to generate meaningful cash flow when performing at consistent levels and is a testament to the site team's continued successful execution of the improvement initiatives we put in place. I am also pleased to report that the Company will see a significant tightening of our share structure with the recent expiration of 14.4 million acquisition warrants, and the expiration of 4.8 million options by the end of the first quarter of 2022, which will benefit existing shareholders.

The improvement initiatives that the Company has made continue to positively contribute to our operating results and to our underground stope grade which has remained above 3.0 g/t on average. We also continue to see increases in our surface grades by further optimizing open pits. Looking ahead to 2022, we will be advancing many value-enhancing projects that we believe will further increase production, lower costs and extend our mine life. The Company also continues with resource block modeling improvements designed to better predict the spatial positioning of the ore at Plutonic. As a result, larger more productive stopes are now being identified, developed, and mined. This is evidenced by the continued increase in tonnage mined from underground stopes in each quarter of 2021 with the full year stope tonnage production up 8% over 2020. The Company is targeting further increases in underground production in 2022. We remain fully committed to repositioning the asset to focus on higher grade, higher-margin ounces that will continue with a state of significant free cash flow generation at Plutonic going forward."

Summary of Financial and Operational Results:

	Three months ended December 31, 2021	Twelve months ended December 31, 2021
All amounts in \$ millions except where noted		
Financial		
Revenue	37.8	137.7
Cost of sales	29.4	114.2
Exploration expense	1.1	3.1
General and administrative	1.3	5.8
Operating income (loss)	6.0	14.6
Income (loss) before taxes	6.1	13.7
Net income (loss)	4.1	9.9
Earnings (loss) per share - basic and diluted	0.03	0.08
Adjusted net income (loss) ¹	3.9	9.1
Adjusted net income (loss) per share - basic ¹	0.03	0.7
Cash flow from operations	8.5	21.5
Weighted average number of common shares outstanding (basic)	122,735,058	122,172,874
Operational		
Gold produced (ounces)	20,983	77,321
Gold sold (ounces)	21,143	77,061
Total cash costs (\$/ounce) ¹	1,290	1,355
All-in sustaining costs (\$/ounce) ¹	1,416	1,472
Average realized price ¹ (\$/ounce)	1,786	1,784
Total underground material mined (Kt)	222	832
Total material milled (Kt)	389	1,509
Grade milled (g/t gold)	1.9	1.8
Recovery (%)	87	87

¹ This is a Non-IFRS measure. Refer to the Non-IFRS measures section of the Company's prior MD&As for a description of these measures.

Plutonic Gold Operations

The Plutonic Gold Operations produced and sold 20,983 and 21,143 ounces of gold, respectively, for the fourth quarter of 2021. Total cash costs¹ of \$1,290/ounce sold and AISC¹ of \$1,416/ounce were below the realized gold price¹ of \$1,786/ounce for the three-month period ending December 31, 2021. In comparison, 15,838 and 15,855 ounces of gold were produced and sold, respectively for the fourth quarter of 2020. Total cash costs¹ of \$1,566/ounce sold and AISC¹ of \$1,685/ounce were below the realized gold price¹ of \$1,726/ounce for the three-month period ending December 31, 2020.

Total cash costs¹ and AISC¹ decreased by 18% or \$276 per ounce sold and 16% or \$269 per ounce sold, respectively despite an increase of \$22/oz in sustaining exploration and capital, over the prior period primarily as a result of increased underground tonnages and higher-grade open

pit material mined leading to an increased milled grade and subsequently higher number of ounces of gold sold. The decrease in all-in sustaining cash costs¹ was partially offset by higher sustaining exploration and capital expenditures¹ in comparison to the fourth quarter of 2020.

The Company generated net cash from operations after working capital changes of \$8.5 million for the three months ending December 31, 2021, up \$15.2 million from the fourth quarter of 2020.

Year to date performance Summary

The Plutonic Gold Operations produced 77,321 ounces and sold 77,061 ounces for the twelve months ended December 31, 2021, representing a year-over-year increase of 23% and 21% for each respectively. Total cash costs¹ of \$1,355/ounce sold and AISC¹ of \$1,472/ounce were below the realized gold price¹ of \$1,784/ounce for the twelve-month period ending December 31, 2021. Total cash costs and AISC reduced 6% respectively during the twelve months ended December 31, 2021, from the same period a year ago, despite the strengthening of the Australian dollar

Total cash costs¹ and AISC¹ decreased over the prior period primarily due to 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. Also, improved recovery rates and a higher number of ounces of gold sold contributed to lower costs which were partially offset by the strengthening Australian dollar which increased the Cost of sales and higher general and administrative costs.

The Company generated net cash from operations after working capital changes, excluding the gold loan repayment of \$4.4 million to Auramet of \$26.0 million for the twelve-month period ending December 31, 2021, compared to \$1.4 million in 2020.

1 This is a Non-IFRS measure. Refer to the Non-IFRS measures section of the Company's prior MD&As for a description of these measures.

Exploration Activities

During the three months ended December 31, 2021, the company reported progress for two exploration programs. Results were reported for 43 holes totaling 6,874 meters.

The first set of results, reported on November 29, 2021, was for the continued significant intersects the Company realized while continuing to open the 1.6-kilometre-long western mining front. A total of 20 underground exploration drill holes, were drilled from August to October 2021, for a total of 2,939 metres of drilling. This drilling was focused on extending and infilling the Western Mining Front, which includes the Baltic West and Baltic West Extension Zones. The Western Mining Front is yet to be fully drill tested and remains open along strike and both up and down dip.

The second set of results reported on December 13, 2021, extended high-grade mineralization within the Indian Access zone which is close to the current portal at the Plutonic Mine. A total of 23 underground exploration drill holes, were drilled through to October 2021, for a total of 3,935

metres of drilling. Drilling was focused on extending and infilling known mineralization in the Indian Access area, located between the existing Caribbean and Indian mining areas at Plutonic. The Indian Access mining area is under-explored and remains open along strike and both up and down dip as it is yet to be fully drill tested. The Indian Access mining area increased in priority following a reinterpretation of mineralization controls particularly given its proximity to existing infrastructure and surface. This area of interest represents a footprint of approximately 400 metres by 200 metres between existing development and a potential new mining front that is separate from the previously announced Western Mining Front.

The Company has prioritized exploration in 2022 and has an increased budget for exploration of between \$8.0 to \$10.0 million. Continued exploration of the western mining front will continue as well as Indian access and there will be additional exploration at potential new open-pit targets.

2022 Guidance

The Company previously provided its 2022 guidance on January 17, 2022. Details of production, cost, and capital expenditure guidance for the year are summarized in the table below. It is anticipated that the first quarter will be the weakest for 2022 due to a planned 14-day maintenance shutdown on the SAG mill to perform preventative maintenance on the foundation and rotating equipment in anticipation of higher throughput rates. It is however expected that production will progressively improve as the Company increases production tonnages from the underground and accesses higher grade open-pit material from Main Pit Deeps.

The Company aims to increase the annualized production rate to 100,000 ounces in the second half of 2022. Furthermore, our 2022 guidance reflects additional investment to open new underground mining fronts identified from the successful 2021 exploration program, plus the continued development and mining of open pit targets, expected to result in an improvement in the Company's grade profile. The Plutonic underground mine is expected to mine up to 30% of the ore from new areas, a significant improvement when compared to 100% remnant mining in 2021. With improved production, costs should reduce further. Capital spending is set to increase relative to 2021 as the Company proceeds with investments in operations to unlock additional value. These investments are designed to deliver the Company's strategy to fully optimize the underground operation and when combined with the addition of new sources of open-pit feed, are expected to positively contribute to the Company's overall profitability.

2022 Operating Parameters	Low	High
Production (oz of Gold)	80,000	90,000
Cash Costs (\$/oz) ¹	\$1,300	\$1,450
All-In Sustaining Costs (\$/oz) ¹	\$1,450	\$1,600

¹ This is a Non-IFRS measure. Refer to the Non-IFRS measures section of the Company's prior MD&As for a description of these measures. Calculated at a US\$/AU\$ exchange rate of 0.75:1

² Exploration expenditures could increase with positive exploration results.

³ Non-sustaining capital expenditures are primarily related to underground capitalized development for new mining fronts, pre-production capital for Main Pit Deeps, and other site upgrades.

Outlook

The Company has a clear goal 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 continues to focus on:

- Targeting mine exploration programs to open new mining fronts and reduce reliance on remnant mining whilst increasing ore delivery from the underground
- Improving mining practices to lower costs and increase production
- Increasing operational efficiencies, especially in the process plant
- Continuing the optimization of the global resource model
- Optimizing costs especially in UG and OP mining, on contract spend, labour, and maintenance
- Advancing open pit opportunities close to the mill

Conference Call

Management will host a conference call and webcast on Tuesday, March 8, 2022, at 10:00 AM ET to discuss the fourth quarter and full-year 2021 financial and operating results.

Conference Call and Webcast

Date: Tuesday, March 8, 2022, at 10:00 AM ET

Toll-free North America: +1 888 664 6392

Local or International: +1 416 764 8659

Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1532229&tp_key=6a0866b763

Conference Call Replay

Toll-free North America: +1 888 390 0541

Local or International: +1 416 764 8677

Passcode: 740583#

The conference call replay will be available for 365 days.

The presentation will be available on the Company's website at www.superior-gold.com.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Ettienne Du Plessis, who is a "qualified person" as defined by NI 43-101. Mr. Du Plessis is not independent of the Company within the meaning of NI 43-101.

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 and central mill, numerous open-pit projects including the Plutonic Main Pit push-back project, 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.

Continue to Follow, Like and Watch our progress:

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For further information, please contact:

Superior Gold Inc.

Mike McAllister, CPIR

Vice President Investor Relations

investor@superior-gold.com

Tel: 647-925-1293

Forward Looking Information

This news 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 includes information with respect to guidance as to projections, outlook, guidance, forecasts, estimates, and other statements regarding future or estimated financial and operational performance, gold production and sales, revenues and cash flows, and capital costs (sustaining and non-sustaining), including projected cash operating costs and all-in sustaining costs) as well as statements with respect to the mine-plan, exploration, drilling, operating, and organizational matters and activities relating to the Plutonic Gold Operations and the Company generally, including its liquidity and capital requirements and financial results. By identifying such information in this manner, the Company is alerting the reader that such information is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward-looking information.

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. Readers are encouraged to refer to the Annual Information Form of the Company for

a discussion of other risks including outbreaks or threats of outbreaks of viruses, other infectious diseases, or other similar health threats, such as the novel coronavirus outbreak, which could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions, labour shortages, shutdowns, inflationary pressures on operating or capital costs, the inability to sell gold, capital markets volatility or other unknown but potentially significant impacts. The Company cannot accurately predict what effects these conditions will have on the Plutonic Gold Operations or the financial results of the Company, including uncertainties relating to travel restrictions to the Plutonic Gold Operations or otherwise and business closures that have been or may be imposed by governments. If an outbreak or threat of an outbreak of a virus or other infectious disease or other public health emergency occurs, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

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 as no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, and if any of them do so, what benefits the Company will derive therefrom. Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this news 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) accept responsibility for the adequacy or accuracy of this release.

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