

Management's Discussion and Analysis

For the three and six months ended June 30, 2018

August 20, 2018



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MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY

Notes

This Management's Discussion and Analysis ("MD&A") dated August 20, 2018, should be read in conjunction with Superior Gold's unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 2018 and 2017 ("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") and the Company's annual audited financial statements and the Management's Discussion and Analysis for the year ended December 31, 2017. All dollar figures stated herein are expressed in thousands of United States 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) and on the Company's website (www.superior-gold.com).

The Company was incorporated on July 4, 2016 and acquired the Plutonic Gold Operations from Northern Star Resources Ltd. on October 12, 2016

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 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, the Hermes open pit gold mine, a central mill and the right to an 80% interest in the Bryah Basin joint venture.

The Company was incorporated under the Business Corporations Act (Ontario) on July 4, 2016 as 2525908 Ontario Inc. On December 14, 2016, the Company changed its name to Superior Gold Inc. The Company is engaged in the acquisition, exploration, development and operation of gold resource properties.

Second Quarter Highlights

- Record quarterly gold production since acquisition of 25,608 ounces, up over 45% from the equivalent period in 2017
- Highest quarterly gold recoveries since acquisition, at an average of 90%, achieved
- Sold 25,797 ounces of gold, at a total cash cost¹ of \$1,013 per ounce sold, all-in sustaining cost¹ of \$1,098 per ounce sold and average realized gold price¹ of \$1,303 per ounce sold
- Cash flow from operating activities of \$4,959 for the second quarter, including a \$2,053 stamp duty payment stemming from the acquisition
- Cash, cash equivalents and restricted cash of \$21,904 at June 30, 2018
- Construction of the gravity circuit largely complete at June 30, 2018, with commissioning on July 9, 2018

¹ Refer to the "Non-IFRS Performance Measures" disclosure within 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. At the time of the acquisition, the excess mill capacity allowed for a fill the mill strategy through organic growth opportunities, joint venture opportunities as well as regional opportunities to consolidate the land position.

The wholly-owned Hermes open pit gold mine is located approximately 65 kilometres south-west of the Plutonic Gold Mine. The Hermes deposit is being mined as a conventional open pit contractor operated excavator-truck mining operation with ore being trucked for processing at the Plutonic Gold Mine mill.

The Plutonic Gold Operations produced and sold 25,608 and 25,797 ounces of gold, respectively for the second quarter of 2018. Total cash costs¹ of \$1,013/ounce sold and all-in sustaining costs of \$1,098/ounce were below the realized gold price¹ of \$1,303/ounce for the three-month period ending June 30, 2018. In comparison, 17,556 and 19,353 ounces of gold were produced and sold, respectively for the second quarter of 2017, while total cash costs¹ and all-in sustaining costs¹ of \$966/ounce sold and \$1,078/ounce sold were below the realized gold price¹ of \$1,254/ounce for the three-month period ending June 30, 2017. Total cash costs and all-in sustaining cash costs increased slightly over the prior year primarily reflecting lower grades in the underground operations in April 2018 which resulted in fewer ounces being produced. These cost per ounce increases were offset by a full quarter of production from the Hermes open pit as a result of commercial production being reported effective April 1, 2018 and the higher realized gold price in the second quarter of 2018 as compared to the second quarter of 2017. The Company generated net cash from operations after working capital changes of \$4,959 for the three months ending June 30, 2018.

For the six months ended June 30, 2018 the Plutonic Gold Mine and Hermes open pit produced and sold 44,840 and 39,769 (excluding 4,968 ounces capitalized as pre-production ounces in the first quarter of 2018) ounces of gold, respectively. These ounces were produced at total cash costs¹ of \$1,088/ounce sold and all-in sustaining costs¹ of \$1,211/ounce which were below the realized gold price¹ of \$1,313/ounce for the six-month period ending June 30, 2018. In comparison, 38,325 and 41,154 ounces of gold were produced and sold, respectively for the six months ended June 30, 2017. Total cash costs¹ and all-in sustaining costs¹ of \$873/ounce sold and \$994/ounce sold were below the realized gold price¹ of \$1,236/ounce for the six-month period ending June 30, 2017. The Variance stems primarily from lower grades at the Company's underground operations during the first quarter of 2018. Additionally, the proceeds of \$6,648 from 4,968 ounces of gold sold during the first quarter were capitalized to Mining Interests rather than credited to Metal sales. The Company generated net cash from operations after working capital changes of \$3,360 for the six-month period ending June 30, 2018.

Exploration Activities

During the second quarter, the Company's ongoing underground diamond drilling program focused on six zones at its wholly-owned Plutonic Gold Mine: Caribbean, Caspian, Cortez, Indian, Pacific and Timor. A number of significant intersections were encountered. Results were released for 169 drill holes for a total of more than 12,600 metres. The drill holes were primarily completed for resource definition

and grade control purposes. Resource definition drilling was designed to increase the confidence level of the mineral resources in areas where drilling was limited as part of the ongoing work to upgrade resources to reserves. Grade control drilling was completed to provide additional information for stope design ahead of mining. The following key findings were noted:

- 89.4 g Au/t over 4.6 metres
- 29.0 g Au/t over 3.2 metres
- 12.3 g Au/t over 5.7 metres
- 33.7 g Au/t over 2.0 metres
- True widths are estimated to be approximately 70% of the reported drill intercept length

The Company's interest in the unincorporated Bryah Basin joint venture is an earn-in option which, upon completion of required expenditures of AUD\$1.2 million by April 2018, entitled Superior Gold to an interest of up to 80% in the unincorporated joint venture. The Company completed the AUD\$1.2 million earn-in expenditure requirement as of March 31, 2018 and provided the required notice of completion during the second quarter of 2018. As part of the work at Hermes South, which is included in the Bryah Basin joint venture, the Company released results of its reverse circulation drilling program. The goal of the program was to expand the existing resource and explore for additional zones of mineralization. The results returned:

- 142.0 g Au/t over 4m from 56 metres downhole
- 37.7 g Au/t over 3m from 27 metres downhole
- 13.5 g Au/t over 4m from 50 metres downhole
- 6.4 g Au/t over 12m from 62 metres downhole
- 11.8 g Au/t over 3m from 62 metres downhole
- All intersections were outside of the existing resource

Outlook

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

- Increasing annual gold production at its Plutonic and Hermes operations
- Resource and reserve additions through increased drill activity in 2018
- The "Fill the mill at the best possible grade" strategy at its existing Plutonic Gold Operations site

With the Company's cash position, ongoing cash generated from the Plutonic Gold Mine and the recent completion of the Hermes project, the Company has the liquidity available to execute on its near-term growth and exploration strategy. This will enable the Company to execute on its medium to long-term goals of:

- Further exploration and development at the Plutonic Gold Operations
- Acquisition of precious metals properties in established low risk jurisdictions

Summary of Operational Results

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Stope material mined (000's t)	157	150	310	305
Stope grade mined (g/t)	3.18	3.59	2.90	3.87
Development ore mined (000's t)	35	57	91	102
Development grade mined (g/t)	1.79	2.31	1.66	2.52
Hermes ore mined (000's t)	253	-	410	-
Hermes grade mined (g/t)	1.51	-	1.54	-
Hermes waste mined (000's t)	2,269	-	4,787	-
Strip Ratio (t:t)	9.0	-	11.7	-
Underground ore milled (000's t)	189	217	399	415
Underground grade milled (g/t)	2.93	3.17	2.62	3.48
Hermes ore milled (000's t)	181	-	281	-
Hermes grade milled (g/t)	1.75	-	1.77	-
Other ore milled (000's t)	19	92	52	226
Other ore grade milled (g/t)	0.52	0.37	0.59	0.44
Total ore milled (000's t)	389	309	732	641
Grade milled (g/t)	2.3	2.3	2.1	2.4
Gold recovery (%)	90	76	89	77
Gold produced (oz)	25,608	17,556	44,840	38,325
Gold sold (oz) ⁽²⁾	25,797	19,353	44,737	41,154
Gold sold (excluding Hermes)	N/A	N/A	39,769	N/A
Total cash costs (\$/oz) ^{(1) (2)}	1,013	966	1,088	873
All-in sustaining costs (\$/oz) ^{(1) (2)}	1,098	1,078	1,211	994
Realized gold price (\$/oz) ⁽¹⁾	1,303	1,254	1,313	1,236

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

⁽²⁾ For the six months ended June 30, 2018 excludes 4,968 ounces sold from Hermes pre-commercial production.

The Plutonic Gold Operations produced, a record 25,608 ounces of gold in the three-month period ending June 30, 2018 compared to 17,556 ounces of gold in three-month period ending June 30, 2017 as a result of higher tonnes milled and higher recoveries stemming from a full quarter of production from the Hermes open pit, partially offset by fewer tonnes milled from the low grade stockpile as well as less underground ore mined during April 2018. Total material milled increased substantially by 26% to 389 ktonnes reflecting a full quarter of commercial production from the Hermes open pit in the three months ended June 30, 2018 which more than offset the contribution of low grade stockpile material in the three months ended June 30, 2017. Head grade remained constant as marginally lower grade areas of the underground operation being mined and milled during the three months ended June 30, 2018 were offset by the contribution of higher grade Hermes ore which replaced the low grade stockpile material milled in the comparable period in 2017. Recovery rates rose from 76% to 90% due to operational improvements, a decrease in the proportion of milled tonnages from areas that typically have lower recoveries and the higher recovery ore from Hermes.

For the six months ended June 30, 2018 the Plutonic Gold Operations produced, 44,840 ounces of gold compared to 38,325 ounces of gold in the six-month period ending June 30, 2017 as a result of the contribution of tonnes milled from the Hermes open pit and higher recoveries. Total material milled increased by 14% to 389 ktonnes reflecting a full quarter of feedstock from the Hermes open pit in the three months ended June 30, 2018 which replaced the low-grade stockpile material in the six months ended June 30, 2017. Head grade decreased slightly as a result of lower grade areas of the underground operation being mined and milled during the first quarter of 2018, offset by higher grade Hermes ore

which replaced the low grade stockpile material milled in the comparable period in 2017. Recovery rates rose from 77% to 89% due to operational improvements, a decrease in the proportion of milled tonnages from underground areas that typically have lower recoveries and the addition of ore from Hermes.

Gold sold increased by 6,444 ounces during the three months ended June 30, 2018 to an all-time high, since acquisition, of 25,797 ounces. The 33% increase, in comparison to the three months ended June 30, 2017, was primarily due to higher production stemming from the Hermes open pit.

For the six months ended June 30, 2018 gold sold increased by 3,583 ounces to 44,737 ounces, including 4,968 pre-commercial production Hermes ounces that were capitalized to Mining Interests. The 9% increase, in comparison to the six months ended June 30, 2017, was due to the contribution of the Hermes open pit offset by the reduced contribution from low grade stockpile material during the first three months of 2018 and mining and processing lower grade underground ore that was outside of plan.

Total cash costs^{1,2} were \$1,013/ounce sold for the three months ended June 30, 2018, an increase from \$966/ounce from the three months ended June 30, 2017 due largely to inventory movements during the quarter. All-in sustaining costs^{1,2} increased from \$1,078/ounce sold to \$1,098/ounce sold due to higher total cash costs per ounce. On a 'per-ounce' basis all adjustments to total cash costs, which derived the all-in sustaining cost figure, were lower than the comparative period due to the increase in ounces sold.

Total cash costs^{1,2} were \$1,088/ounce sold for the six months ended June 30, 2018, an increase from \$873/ounce from the six months ended June 30, 2017 due largely to lower sales volumes from reduced underground mining grades in the first three months of 2018 as a result of mining low grade extensions that were out of plan. Total cash costs also increased due to higher costs of sales, excluding depreciation (refer to the discussion of Cost of Sales included in this MD&A). All-in sustaining costs^{1,2} increased from \$994/ounce sold to \$1,211/ounce sold due to higher total cash costs per ounce and higher corporate general and administration expenses resulting from the finalization of senior management's 2017 short-term incentive compensation review and higher consulting costs primarily due to administrative projects, both completed in the first three months of 2018.

Summary of Quarterly Financial Results

Superior Gold Inc. was incorporated on July 4, 2016 and acquired the Plutonic Gold Operations on October 12, 2016 with the results of operations being effective as of October 1, 2016. During the period from incorporation on July 4, 2016 to September 30, 2016, Superior Gold's principal activity was the evaluation of, and negotiations in respect of acquiring, the Plutonic Gold Operations. The Company had no mining activity during this period and therefore the results are not readily comparable to subsequent quarters. Beginning April 1, 2018, the results of the Hermes open pit have been included as commercial production was effective on that date.

	Three month period ended June 30, 2018	Three month period ended March 31, 2018	Three month period ended December 31, 2017	Three month period ended September 30, 2017
Revenue	\$ 33,631	\$ 18,633	\$ 25,587	\$ 26,662
Cost of sales	30,501	20,011	24,253	23,021
Exploration expense	485	399	429	273
General and administrative	1,080	1,542	1,246	857
Operating Income (loss)	1,565	(3,319)	(341)	2,511
Income (loss) before taxes ¹	1,282	(8,515)	(955)	3,077
Net income (loss) ¹	737	(5,575)	(2,315)	2,328
Earnings (loss) per share				
–basic and diluted ¹	0.01	(0.06)	(0.02)	0.02
Adjusted net income (loss) ¹	654	(2,172)	(2,136)	2,202
Adjusted net income (loss) per share – basic ¹	0.01	(0.02)	(0.02)	0.02
Cash flow from (used in) operations	4,959	(1,599)	2,588	8,843
	As at June 30, 2018	As at March 31, 2018	As at December 31, 2017	As at September 30, 2017
Cash and cash equivalents	21,762	23,866	29,121	35,128
Non-current assets	69,461	73,525	63,853	55,573
Total assets	108,976	113,158	107,240	104,030
Current liabilities ¹	19,202	26,141	19,602	18,786
Non-current liabilities ¹	41,110	37,789	32,367	27,694

	Three month period ended June 30, 2017	Three month period ended March 31, 2017	Three month period ended December 31, 2016	Period from incorporation on July 4, 2016 to September 30, 2016
Revenue	\$ 24,324	\$ 26,642	\$ 24,750	\$ -
Cost of sales	23,521	21,937	19,727	-
General and administrative	948	828	610	131
Exploration expense	76	160	-	-
Operating Income (loss)	(221)	3,717	4,413	(131)
Income (loss) before taxes	140	(3,899)	4,086	(531)
Net income (loss)	(82)	(3,013)	3,805	(531)
Earnings (loss) per share				
–basic and diluted	(0.00)	(0.05)	0.10	(0.05)
Adjusted net income (loss) ¹	(213)	2,109	2,854	N/A
Adjusted net income (loss) per share – basic ¹	(0.00)	0.03	0.11	N/A
Cash flow from operations	3,424	7,394	8,465	198
	As at June 30, 2017	As at March 31, 2017	As at December 31, 2016	As at September 30, 2016
Cash and cash equivalents	28,613	25,925	6,096	216
Non-current assets	55,768	56,100	56,104	-
Total assets	98,673	97,982	75,457	13,472
Current liabilities	15,423	16,386	34,253	765
Non-current liabilities	28,649	27,550	27,130	-

^{1.} Refer to the Non-IFRS Performance Measures disclosure included in this MD&A for a description and calculation of these measures.

Results of Operations

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

Operating Income (loss)

Operating income for the three months ended June 30, 2018 was \$1,565 compared to a loss of \$221 for the three months ended June 30, 2017 due to higher revenue of \$9,307, Cost of sales of \$6,980 and exploration expense of \$409 as outlined below.

Operating loss for the six months ended June 30, 2018 was \$1,754 compared to income of \$3,496 for the six months ended June 30, 2017 due to higher Cost of sales of \$5,054, general and administrative expense of \$846 and exploration expense of \$648, partially offset by higher revenue of \$1,298 as outlined below.

Revenues

For the three months ended June 30, 2018, gold revenues totaled \$33,613 from the sale of 25,797 ounces of gold, an increase of \$9,342 from \$24,271 from the sale of 19,353 ounces of gold for the three

months ended June 30, 2017. Higher gold revenues resulted from 6,444 more ounces sold during the three months ended June 30, 2018 as a result of a full quarter of production from the Hermes open pit as well as an increase in recoveries and an increase in the realized gold price¹ to \$1,303/ounce from \$1,254/ounce partially offset by a decrease in ounces from the low grade stockpile.

During the six months ended June 30, 2018 gold revenues totaled \$52,216 from the sale of 39,769 ounces of gold, an increase of \$1,353 from \$50,863 from the sale of 41,154 ounces of gold for the three months ended June 30, 2017. Higher gold revenues resulted from and an increase in the realized gold price¹ to \$1,313/ounce from \$1,236/ounce partially offset by 1,385 fewer ounces sold during the six months ended June 30, 2018. The Variance stems primarily from lower grades at the Company's underground operations during the first quarter of 2018. In addition, during the six months ended June 30, 2018 the Company capitalized to Mining Interests, \$6,648 of proceeds from 4,968 ounces sold at an average price of \$1,338/ounce. These proceeds were capitalized as the Company had not declared commercial production on the Hermes project, for reporting purposes. In addition, a decrease in head grade, partially offset by an increase in recoveries contributed to the variance in revenue.

Cost of Sales

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Mining	\$ 20,213	\$ 10,995	\$ 31,453	\$ 21,174
Processing	5,467	5,265	9,301	10,387
Depreciation and amortization	5,417	4,161	7,607	9,021
Site services	1,251	1,031	2,365	2,219
Gold royalty	945	607	1,551	1,275
Change in inventories	(2,792)	1,462	(1,765)	1,382
	\$ 30,501	\$ 23,521	\$ 50,512	\$ 45,458

Cost of Sales were \$30,501 for the three months ended June 30, 2018, an increase of \$6,980 from \$23,521 for the three months ended June 30, 2017. Cost of sales includes mine production costs, processing costs, site services, royalties, depreciation and amortization. Cost of sales were generally higher in the current period due to the inclusion of costs from the Hermes open pit since commercial production, effective April 1, 2018, occurred and included of \$8,833 of Hermes open pit mining costs. Depreciation expense was \$1,256 higher reflecting the depreciation of assets associated with the Hermes open pit development, partially offset by an increased number of ounces used in the depletion calculation stemming from the increased number of ounces estimated in the technical report entitled Resource and Reserve Estimate for the Plutonic Gold Operations dated May 17, 2018 ("Technical Report") with an effective date of December 31, 2017. The Plutonic Gold Operations uses the unit-of-production basis when depreciating and amortizing mine specific assets which results in a depreciation and amortization charge proportional to the depletion of the anticipated remaining life of mine which is based on the estimated mineral reserves and mineral resources of the property to which the assets relate. In addition, the processing costs were slightly higher because of the processing of Hermes ore, partially offset by a decrease in maintenance costs compared to the three months ended June 30, 2017. Site services were up marginally due in equal parts to increases in freight and salary costs. The increase in gold royalties reflects the addition of Hermes production. These increases were partially offset by the credit for inventory movement of \$2,792 in the three months ended June 30, 2018 due to stockpile inventory of Hermes ore which did not exist in 2017.

Cost of Sales were \$50,512 for the six months ended June 30, 2018, an increase of \$5,054 from \$45,458 for the six months ended June 30, 2017. Cost of sales were higher in the current period due to the inclusion of Hermes costs, in general. Mining costs were \$10,279 higher as a result of \$8,833 of Hermes open pit mining costs and higher tonnes mined in the first quarter of 2018. Depreciation expense of \$7,607 was \$1,414 lower due to an increased number of ounces used in the depletion calculation stemming from the increased number of ounces determined in the updated Mineral Reserve and Mineral Resource report as at December 31, 2017 partially offset by the depreciation of Hermes assets in the second quarter of 2018 as well as fewer ounces sold during the first quarter of 2018. The Plutonic Gold Operations uses the unit-of-production basis when depreciating and amortizing mine specific assets which results in a depreciation and amortization charge proportional to the depletion of the anticipated remaining life of mine which is based on the estimated mineral reserves and mineral resources of the property to which the assets relate. Processing costs were \$1,086 lower mainly due to the capitalization of \$1,288 of costs of processing Hermes ore during the first three months of 2018. The \$276 increase in gold royalties reflects the addition of Hermes ounces. These reductions were partially offset by the credit for inventory movement of \$1,765 in the six months ended June 30, 2018 due to stockpile inventory of Hermes ore which did not exist in 2017.

General and administrative

In comparison to the three months ended June 30, 2017, general and administrative expenses increased by \$132 in the three months ended June 30, 2018 due to higher payroll costs. The increase in payroll costs related to senior management's 2018 short-term incentive compensation.

In comparison to the six months ended June 30, 2017, general and administrative expenses increased by \$846 in the six months ended June 30, 2018 due to higher payroll and consulting costs. The increase in payroll costs related to the finalization of senior management's 2017 short-term incentive compensation and accruals for 2018 short-term incentive compensation. Consulting costs increased by \$165, primarily due to administrative projects completed in the first quarter.

Other Expenses (Income)

Other Expenses for the three months June 30, 2018 totaled approximately \$283 and were comprised mainly of the foreign exchange losses of \$189 and \$120 of charges for accretion on provisions. Other Income for the three months ended June 30, 2017 totaled \$361 and was comprised mainly of \$329 of foreign exchange gains, \$273 of business acquisition expenses recovered, partially offset by \$232 of accretion on provisions.

Other Expenses for the six months June 30, 2018 totaled approximately \$5,479 and were comprised mainly of the \$4,602 loss associated with the charge recorded for the valuation of the Northern Star Royalty, an indirect result of the increase in the Mineral Reserves and Mineral Resources as at December 31, 2017, foreign exchange losses of \$508 and \$237 of charges for accretion on provisions. Other Expenses for the six months ended June 30, 2017 totaled \$7,255 and were comprised of the loss on settlement of the contingent payable of \$7,056 to Northern Star Resources (refer to note 18 of the condensed consolidated interim financial statements as at June 30, 2018) and \$467 of charges for accretion on provisions, partially offset by the recovery of \$461 of business acquisition expenses.

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.

Net Income (loss) for the period ended June 30, 2018

The total net income of \$737 for the three months ended June 30, 2018 resulted primarily from the Operating income of \$1,565 partially offset by an income tax expense of \$545 and Other Expense of \$283.

The net loss for the three months ended June 30, 2017 of \$82 was mainly attributed to the Operating loss of \$221 and income tax expense of \$222 less the recovery of business acquisition expenses of \$273.

The total net loss of \$4,838 for the six months ended June 30, 2018 resulted primarily from the Operating loss of \$1,754 and the loss on the Northern Star royalty of \$4,602 (refer to note 18 of the condensed consolidated interim financial statements as at June 30, 2018) partially offset by an income tax recovery of \$2,395. The income tax recovery resulted primarily from the pre-tax Operating loss and the recognition of deferred tax assets associated with the rehabilitation provision due to the update to Mineral Reserves and Mineral Resources. The deferred tax asset associated with the increase in the non-current liability has been recognized as at June 30, 2018 as it is considered probable that future taxable amounts will be available to utilize this temporary difference as a result of the increase in Mineral Reserves and Mineral Resources as at December 31, 2017.

Adjusted net income (loss)

Adjusted net income for the second quarter of 2018 amounted to \$654 or \$0.01 per share compared to adjusted net loss of \$213 or \$0.00 per share in the three months ended June 30, 2017, primarily reflecting higher Operating Income, partially offset by higher income tax expense in the second quarter of 2018 (refer to the table in the section labeled 'Adjusted Net Income and Adjusted basic net income per share' of this MD&A).

Adjusted net loss for the six month ended June 30, 2018 amounted to \$1,518 or \$0.02 per share compared to adjusted net income of \$1,895 or \$0.02 per share in the six months ended June 30, 2017, primarily reflecting lower Operating Income in 2018, partially offset by a higher income tax recovery.

Adjusted net income reflects the following: Net income/loss was adjusted to exclude specific items that are significant, and not reflective of the underlying operations of the Company, including: loss on settlement of the contingent royalty payable to Northern Star, bargain purchase gain on the acquisition of the Plutonic Gold Operations, the change in valuation of the warrant liability, business acquisition costs, and the associated impact on income taxes. Adjusting for these items provides an additional measure to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented. 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 June 30, 2018

As at June 30, 2018, the Company's current assets totaled \$39,515 and current liabilities amounted to \$19,202 for a net working capital balance of \$20,313. The majority of the current assets pertained to cash and cash equivalents of \$21,762. The movement from a working capital balance of \$23,785 as at December 31, 2017 was mainly the result of decreases in cash of \$7,359 reflecting development of the Hermes project, offset by an increase in inventory of \$2,650 primarily brought about by the Hermes stockpile, an increase of \$2,493 in the receivables and other assets due to an increase in sales tax receivable associated with expenditures pertaining to the Hermes project and a reduction of restricted cash of \$1,656 reflecting the issuance of letters of guarantee to the affected suppliers.

Non-current assets increased by \$5,608 from December 31, 2017. The majority of the increase pertained to capitalized development expenditures of \$11,924. Of this amount, \$6,370 was spent on finalizing development of the Hermes project (net of \$6,648 received from pre-production gold sales), \$3,344 to the ongoing underground operations, and \$2,209 resulted from increases to the rehabilitation asset due to higher disturbance from Hermes development. Exploration and evaluation additions of \$137 reflected expenditures incurred in the second quarter on the Bryah Basin joint venture tenements incurred after notice was provided to the joint venture partner that the earn-in milestone was achieved. Additionally, \$8,791 of capital expenditures were incurred during the six months ended June 30, 2018, \$6,122 of which was for mobile equipment acquired under finance leases, \$1,371 for a new gravity circuit to improve recoveries, \$293 for haul road construction and \$584 for betterments to existing equipment. These amounts were partially offset by depreciation expense \$7,607, foreign exchange impacts on non-current asset balances of \$3,978 and a reclassification of \$1,229 of Hermes Mining Interests to stockpile inventory (current assets).

Current liabilities decreased by \$400 to \$19,202 mainly due to decreases in income taxes payable of \$1,645 offset by an increase of \$1,890 in the current portion of finance lease obligations which resulted from the increase in non-current assets discussed above.

Non-current liabilities increased by \$8,743, of which \$4,602 related to a contingent royalty payable to Northern Star Resources as part of the acquisition of the Plutonic Gold Operations. The consideration offered to Northern Star in the Acquisition Agreement (refer to note 18 of the condensed consolidated interim financial statements for the period ended June 30, 2018) included a royalty which was recorded at a fair value of \$nil at the time of the acquisition. This was because the number of ounces of gold to be recovered in the future was unlikely to exceed the 300,000-ounce threshold established in the Acquisition Agreement based on the Mineral Resource and Mineral Reserves estimate completed at that time. As a result of the updated Technical Report completed in the quarter ended March 31, 2018, this royalty will likely become payable as the number of ounces anticipated to be recovered in the future now exceeds the 600,000-ounce cap established in the Acquisition Agreement. The Company has therefore accrued a liability of \$4,602 with a corresponding charge to the condensed consolidated interim statement of income based on the present value of the royalty's AUD\$6.5 million buyback option (refer to note 18 of the condensed consolidated interim financial statements for the period ended June 30, 2018). Further increases in non-current liabilities resulted from finance lease obligation and the rehabilitation provision due to Hermes development described in the discussion of increases in non-current assets, above.

Share capital consisted of capital stock, net of issue costs, of \$49,313. The increase of \$93 from December 31, 2017 resulted from an exercise of stock options.

Cash from Operating Activities

During the three months ended June 30, 2018 cash generated from operating activities was \$4,959, an increase from cash generated of \$3,424 for the three months ended June 30, 2017. This included a \$2,053 stamp duty payment stemming from the acquisition. The increase in cash generated from operating activities resulted from higher Operating Income, excluding depreciation expense, partially offset by higher income taxes paid as compared to the three months ended June 30, 2017.

During the six months ended June 30, 2018 cash generated from operating activities was \$3,360, a decrease from cash generated of \$10,818 for the six months ended June 30, 2017. This decrease resulted primarily from lower Operating Income, excluding depreciation expense and higher income taxes paid.

Cash used in Investing Activities

Cash used in investing activities in the three months ended June 30, 2018 primarily comprised expenditures on mine interests, property, plant and equipment of \$7,254 primarily in support of Hermes and underground mine development. This represents an increase of capital expenditures of \$6,318 compared to the three months ended June 30, 2017. The increase in capital expenditures was partially offset by the reduction in restricted cash of \$1,561 to \$142. Letters of guarantee were issued to suppliers thus removing the restrictions.

Cash used in investing activities in the six months ended June 30, 2018 primarily comprised expenditures on mine interests, property, plant and equipment of \$10,000 primarily in support of Hermes and underground mine development, partially offset by the reduction in restricted cash discussed in the preceding paragraph. For the six months ended June 30, 2017 cash used in financing activities pertained to \$7,633 payment as part of the acquisition of the Plutonic Gold operations as well as capital expenditures of \$2,655 in support of underground mine development.

Cash from Financing Activities

Cash used in financing activities in the three months ended June 30, 2018 comprised the repayment of the Company's short-term loan, finance lease obligation and interest thereon of \$810, partially offset by a stock option exercise of \$66. For the three months ended June 30, 2017 cash used in financing activities comprised the repayment of the Company's short-term loan, finance lease obligation and interest thereon of \$561 and the payment of share issue costs from the Company's initial public offering.

Cash used in financing activities in the six months ended June 30, 2018 comprised the repayment of the Company's short-term loan, finance lease obligation and interest thereon of \$1,339, partially offset by a stock option exercise of \$66. For the six months ended June 30, 2017 cash from financing activities resulted from the Company's initial public offering which generated proceeds from share issuances less share issue costs of \$22,975. This was offset by the repayment of the Company's short-term loan, finance lease obligation and interest thereon of \$1,946.

Liquidity and Capital Resources

During the six months ended June 30, 2018, the Company used cash balances and cash inflows from the Plutonic Gold Operations to fund its expenditures on mineral interests, including Hermes development, and property, plant and equipment, and pay down its finance lease obligation.

During the six months ended June 30, 2017, the Company completed its initial public offering and satisfied the contingent payable to Northern Star through the payment of cash and the issuance of common shares and common share purchase warrants (refer to note 18 of the consolidated financial statements as at December 31, 2017). Subsequent to the acquisition of the Plutonic Gold Operations, the Company has generated cash flows from the Plutonic Gold Operations as well as the net proceeds from its initial public offering and overallotment to satisfy its liabilities as at June 30, 2017.

The Company has forecast that it will have sufficient cash inflows to satisfy the Company's obligations as they come due over the next twelve months. As at June 30, 2018, Superior Gold has a working capital balance of \$20,313. As at December 31, 2017 the Company had a working capital balance of approximately \$23,785. The variance of \$3,472 resulted from decreases in cash balances offset by increases in inventories as well as receivables and other assets in order to invest in the Company's Hermes and underground assets.

Management believes the cash on hand and subsequent cash from operations of the Plutonic Gold Mine are sufficient to fulfill its immediate operating and capital requirements. The Company may require the issuance of equity or other forms of financing to complete programs associated with its development and exploration initiatives. Superior Gold's ability to raise equity and other forms of financing in the future under terms acceptable to the Company will be dependent on global markets, in particular, the price of gold and currency exchange rates.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments

(i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

	June 30, 2018	December 31, 2017
Property, plant and equipment	\$ 375	\$ 1,548
Mine development	730	1,612
	\$ 1,105	\$ 3,160

In the six months ended June 30, 2018, the Company entered into a commitment for milling equipment as well as the remaining commitment for the installation of a gravity circuit to improve metallurgical recovery. These commitments totalled \$375 at June 30, 2018. Commitments related to the construction of a tailings lift amounted to \$730 at June 30, 2018.

(ii) *Non-cancellable operating leases*

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company has entered into an operating lease for the operation and maintenance of a power station for the Plutonic mine site. The lease term is seven years and commenced in July 2014. The Company has also entered into an operating lease for its head office in Toronto. The lease term is for five years and commenced in June 2017. Commitments for minimum lease payments in relation to these non-cancellable operating leases (excluding variable per kilowatt hour charges for the power station lease) are as follows:

	June 30, 2018
Within one year	\$ 1,678
Later than one but not later than five years	1,792
	\$ 3,470

Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Management compensation	\$ 317	\$ 201	\$ 885	\$ 352
Directors' fees	33	23	67	47
Share-based payments	130	231	322	325
	\$ 480	\$ 455	\$ 1,274	\$ 724

Northern Star is a related party as a result of its ownership interest in the Company's common shares and warrants.

In the three and six months ended June 30, 2018 (June 30, 2017), the Company paid Northern Star \$nil and \$29, respectively, related to the finance lease obligation (2017 - \$262 and \$439, respectively). The Company assumed the lease from Northern Star upon acquisition of the Plutonic Gold Operations. The amount owing to Northern Star at June 30, 2018 is \$4,602, representing the non-current contingent royalty (note 18) (December 31, 2017 - \$29). In the three and six months ended June 30, 2018, the Company received no amounts from Northern Star (June 30, 2017 - \$nil) and there are no amounts receivable at June 30, 2018.

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, 2017. The preparation of the condensed consolidated interim financial statements requires management

to makes estimates and judgments which are described in the Company's audited consolidated financial statements for the year ended December 31, 2017.

The accounting policies and management estimates applied in the condensed consolidated interim financial statements for the three and six months ended June 30, 2018 are consistent with those used in the Company's consolidated financial statements for the year ended December 31, 2017, except for IFRS 15 and IFRS 9 (refer to the section on 'Adoption of New or Amended Accounting Policies' below for a discussion of the impact of these accounting standards).

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, 2017, except as noted below in the section labelled 'Adoption of New or Amended Accounting Policies'. 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

The following accounting standard is effective and implemented as of January 1, 2018 (refer to notes 3 and 5 of the June 30, 2018 condensed consolidated interim financial statements):

IFRS 9 Financial Instruments: Classification and Measurement

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its Consolidated Financial Statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at fair value through profit or loss are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for

the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- i) It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- ii) Its contractual terms give rise to cash flows that are solely payments of principal and interest.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Asset of liability	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Restricted cash	FVTPL	FVTPL
Amounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liability	Amortized cost
Short-term loan	Other financial liability	Amortized cost
Finance lease obligation	Other financial liability	Amortized cost
Contingent Royalty payable	N/A	Fair value
Warrant liability	FVPTL	FVPTL

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from contracts with customers has replaced IAS 18 Revenue, IAS 11 Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company generates revenue primarily from selling gold. The Company has adopted IFRS 15 in its consolidated financial statements using the full retrospective approach without practical expedients on January 1, 2018. Accordingly, information for 2017 has not been restated. The details of accounting policy changes and the quantitative impact of these changes are described below.

IFRS 15 requires that revenue from contracts with customers be recognized upon the transfer of control over goods or services to the customer. The recognition of revenue upon transfer of control to the customer is consistent with our revenue recognition policy as set out in Note 2(o) of the 2017 consolidated financial statements, as the condition is generally satisfied when title transfers to the customer. As such, upon adoption, this requirement under IFRS 15 resulted in no impact to the financial statements as the timing of revenue recognition on gold sales is unchanged and is presented as previously reported under IAS18, IAS11 and related interpretations. Additional disclosure has been presented in note 5 as a result of adopting IFRS 15.

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB issued IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration. The Interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The Interpretation is applicable for annual periods beginning on or after January 1, 2018. The Company has adopted the Interpretation in its financial statements for the annual period beginning on January 1, 2018. The Company evaluated the impact of applying IFRIC 22 and concluded that the adoption of the standard did not have a material impact on the consolidated financial statements.

Recent Accounting Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company's condensed consolidated interim financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the consolidated financial statements to be material.

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on January 1, 2019. The Company has not yet determined the impact of adopting IFRS 16 on the financial statements.

IFRIC 23 – Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Company has not yet determined the impact of adopting IFRIC 23 on the financial statements.

Outstanding Share Data

The following table summarizes the capitalization of the Company as at August 20, 2018, the date of this MD&A and June 30, 2018:

	Exercise price	Expiry date	Quantity
Number of common shares issued			
Common shares	Not applicable	Not applicable	95,752,473
Number of common shares issuable			
Stock options	\$0.76	February 23, 2022	5,650,000
Stock options	\$0.76	July 5, 2022	300,000
Stock options	\$0.76	September 5, 2022	200,000
Stock options	\$0.76	November 3, 2022	150,000
Stock options	\$0.76	December 15, 2022	200,000
Stock options	\$0.99	June 8, 2023	125,000
PSUs	Not applicable	May 10, 2021	100,000
PSUs	Not applicable	June 8, 2021	125,000
Warrants	CAD\$0.50	February 23, 2019	1,230,000
Warrants	CAD\$1.00	February 23, 2019	681,525
Warrants	\$1.5166	February 23, 2022	14,429,521
			118,943,519

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

Cash costs and all in sustaining costs reconciled to cost of sales as follows:

<i>(in thousands of dollars, except oz or per oz amounts)</i>	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Gold sold (oz)	25,797	19,353	39,769	41,154
Cost of Sales	30,501	23,521	50,512	45,458
Adjustments for:				
Depreciation and amortization	(5,417)	(4,161)	(7,607)	(9,021)
Share-based payments included in Cost of Sales	(75)	(111)	(166)	(156)
Inventory movements	1,138	(508)	589	(234)
Silver credits and other	(18)	(53)	(48)	(109)
Cash costs	26,129	18,688	43,280	35,938
Total cash costs (per gold oz)	1,013	966	1,088	873
Adjustments for items affecting all-in sustaining cash costs:				
Sustaining exploration and capital expenditures ¹	912	892	1,869	2,589
Share-based payments included in Cost of Sales	75	111	166	156
Corporate, general and administration ²	1,080	948	2,622	1,776
Rehabilitation accretion	120	232	237	467
All-in sustaining cost	28,316	20,871	48,174	40,926
All-in sustaining cost (per gold oz)	1,098	1,078	1,211	994

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

Realized gold price

Realized gold price is calculated as metal sales per the statement of comprehensive 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:

<i>(in thousands of dollars, except oz or per oz amounts)</i>	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Metal sales	\$33,631	\$ 24,324	\$52,264	\$ 50,966
Silver sales	(18)	(53)	(48)	(103)
Revenues from gold sales	33,613	24,271	52,216	50,863
Gold sold (oz)	25,797	19,353	39,769	41,154
Realized gold price (\$/oz)	\$1,303	\$1,254	\$1,313	\$1,236

Adjusted net income and Adjusted basic net income 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 significant, but not reflective of the underlying operations of the Company, including: loss on settlement

of the contingent payable to Northern Star, bargain purchase gain on the acquisition of the Plutonic Gold Operations, the change in valuation of the warrant liability, business acquisition costs, 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.

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Net income (loss) for the period	\$737	(\$82)	(\$4,838)	(\$3,095)
Adjusted for:				
Loss on settlement of contingent payable to Northern Star	69	-	4,602	7,056
Change in valuation of the warrant liability ⁽¹⁾	(131)	60	99	374
Business acquisition costs (recovery)	-	(273)	-	(461)
Effect on income taxes of the above items	(21)	82	(1,381)	(1,979)
Adjusted net income (loss)	\$654	(\$213)	(\$1,518)	\$1,895
Weighted average number of common shares outstanding - basic	95,736,905	95,669,140	95,703,210	80,140,200
Adjusted basic net income (loss) per share	0.01	(0.00)	(0.02)	0.02

1. Balance included in the statement of comprehensive earnings.

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 submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii. 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 Final Long Form Prospectus dated February 15, 2017 under the heading "Risk Factors". The Final Long Form Prospectus is available on SEDAR (www.sedar.com).

Forward-looking information

This MD&A contains forward-looking information, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, "forward-looking information"), which reflects management's expectations regarding the Company's future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities. Wherever possible, words such as "predicts", "projects", "targets", "plans", "expects", "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking information. Such forward-looking information includes, without limitation, 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 Technical Report; 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, Hermes and Bryah Basin; 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, including the introduction of IFRS 9, IFRS 15, and IFRS 16; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

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; 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; 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; and the availability of equipment. 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.

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, please note that 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.

Forward-looking information contained herein is made as of the date of this MD&A and the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

Technical Information

Scientific and technical information in this news release has been reviewed and approved by Pascal Blampain, who is a member of the AusIMM and the Australian Institute of Geoscientists (AIG) and a "qualified person" within the meaning of NI 43-101. Mr. Blampain is an employee of the Company and serves as Chief Geologist.

Additional Information

Additional information regarding the Company can be found at www.sedar.com and www.superior-gold.com.