

Superior Gold Reports Strong Third Quarter Results

ENHANCED CASH POSITION AND CASH FLOW FROM OPERATIONS

(In US Dollars unless otherwise stated)

TORONTO, Nov. 16, 2021 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV: SGI) announces financial results for the third quarter of 2021 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

Third Quarter Highlights

- Production of 19,379 ounces, a marginal increase over the prior quarter and 23% increase over the comparative quarter of 2020
- Stope grade of 2.95 g/t gold in the third quarter and 3.23 g/t year to date as the Company continues to target an average stope grade of 3.0 g/t gold
- Initiated mining of the Perch open pit on schedule, the Company's second open pit in 2021
- Reduced All-In Sustaining Cost¹ ("AISC") by 10% from the comparative quarter of 2020 to \$1,453 per ounce
- Achieved a realized gold price¹ of \$1,772 per ounce, resulting in an AISC margin of \$319 per ounce
- Net income for the period of \$0.01 per share and adjusted net income of \$0.01
- Generated cash flow from operations of \$6.3 million after working capital changes, an increase from \$0.4 million in the prior year period
- Strong financial position with \$20.5 million in cash and cash equivalents, a 19% or \$3.2 million increase over the December 31, 2020 position, and zero term debt
- Continued high-grade exploration results from two new underground mining fronts
- Recorded zero incidences of COVID-19 infection for a seventh consecutive quarter

Chris Jordaan, President and CEO of Superior Gold stated: "We are very pleased to report our fifth quarter-over-quarter increase in production which has led to a steady improvement in our financial position. Our third quarter production of 19,379 ounces when combined with the operational initiatives that were put in place has led to a decrease in our costs for the third quarter with an AISC per ounce decreasing to \$1,453 per ounce from \$1,519 per ounce in the second quarter of 2021. Year to date AISC per ounce is \$1,494 per ounce, below the bottom end of our cost guidance. We continue to track towards the upper end of our production guidance for the full year 2021. In addition, with the improved performance and the full repayment of the gold loan at the end of the second quarter of 2021, operating cash flow for the third quarter of 2021 increased to \$6.3 million after working capital changes from \$2.7 million in the second quarter of 2021. This demonstrates the ability of Plutonic to generate meaningful cash flow when performing at consistent levels and it is a testament to the site team's continued execution of the improvement initiatives put in place.

Technical work related to a better understanding the Plutonic orebody, including the impact of the northwest trending faults that control the location and concentration of higher-grade gold mineralization continues. Phase one of this work has been completed on four main mining areas that are likely to form the basis of our 2022 production plan. The proximity of these areas to existing workings is expected to enable quick, low-cost entry with the objective of allowing for less reliance on remnant mining beginning in 2022.

An operational review, initiated in the third quarter, is nearing completion and has identified a number of additional growth and productivity improvement projects. The completion of open pit mining at Plutonic East followed by the restart of Perch in September was completed on schedule. For the third quarter of 2021 these

open pits provided sufficient surface material to the mill to fully displace all low-grade stockpile resulting in higher grade feed to the mill. When combined with the opening of new underground mining fronts being planned, it is expected to continue to improve our grade profile and future ability to generate significant operating cash flow over the remainder of 2021 and beyond."

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

Summary of Financial and Operational Results:

	Three months ended Sept 30, 2021
All amounts in \$ millions except where noted	
Financial	
Revenue	34.2
Cost of sales	28.3
General and administrative	1.4
Operating income	3.6
Income before taxes	2.4
Net income	1.1
Earnings per share - basic and diluted	0.01
Adjusted net income ¹	1.8
Adjusted net income per share - basic ¹	0.01
Cash flow from operations	6.3
Weighted average number of common shares outstanding (basic)	122,309,562
Operational	
Gold produced (ounces)	19,379
Gold sold (ounces)	19,282
Total cash costs (\$/ounce) ¹	1,341
All-in sustaining costs (\$/ounce) ¹	1,453
Average realized price ¹ (\$/ounce)	1,772
Total underground material mined (Kt)	207
Total material milled (Kt)	405
Grade milled (g/t gold)	1.7
Recovery (%)	86

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

Plutonic Gold Operations

The Plutonic Gold Operations produced and sold 19,379 and 19,282 ounces of gold, respectively, for the third quarter of 2021. Total cash costs¹ of \$1,341/ounce sold and AISC of \$1,453/ounce sold were below the realized gold price¹ 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 costs¹ of \$1,471/ounce sold and AISC¹ of \$1,617/ounce sold were below the realized gold price¹ of \$1,756/ounce for the three-month period ending September 30, 2020.

Total cash costs¹ and AISC¹ 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 \$6.3 million for the three months ending September 30, 2021.

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

Exploration Activities

During the third quarter of 2021, the Company provided an exploration update on drilling along the Western Mining Front and Baltic Gap¹. The targeted drilling is consistent with the Company's stated exploration strategy to accelerate exploration and identify new mining fronts to ultimately allow for improved mining grades, increased productivity and reduced reliance on remnant mining.

The latest drilling results released in the third quarter show continued extensions of the western edge of the Plutonic deposit a further 60 metres along the entire Western Mining Front. Results such as drill hole UDD24141 in the Caspian zone, which intersected **42.2 g/t gold over 5.6 metres**, and drill hole UDD24376 in the Baltic Extension zone, which intersected **17.7 g/t gold over 6.4 metres** gives the Company further confidence in mining higher grades at Plutonic in the future¹.

The Company continues to be focused on reserve and resource expansion by completing in-fill drilling and exploration drilling of new mining fronts. These drill intersections, along with previous announced drill intersections in 2021 have not been reflected in Mineral Resource estimates.

¹ Refer to the News Release dated August 17, 2021, entitled 'Superior Gold intersects 42.2 g/t over 5.6 metres and 17.7 g/t over 6.4 metres as it opens 1.6km long Western Mining Front at Plutonic'.

2021 Guidance

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

Operating Parameters	Low	High
Production (oz of Gold)	65,000	75,000
Cash Costs (\$/oz) ^{1, 2}	\$1,350	\$1,450
All In Sustaining Costs (\$/oz) ^{1, 2}	\$1,500	\$1,600
Exploration Expenditure (\$ million) ³	\$3.5-6.5M	
Sustaining Capital Expenditures (\$ million)	\$4.0-4.5M	
Non Sustaining Capital Expenditures (\$ million) ⁴	\$3.0-5.0M	

¹ Assumes AU\$:US\$ exchange rate of 0.73:1.

² This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's MD&A's for a description of these measures.

³ Exploration expenditures could increase with positive exploration results.

⁴ Non sustaining capital expenditures are primarily related to pre-production capital for Plutonic East and underground development.

Conference Call

Management will host a conference call and webcast on Tuesday November 16, 2021 at 10:00AM ET to discuss the third quarter 2021 financial and operating results.

Conference Call and Webcast

Date: Tuesday November 16, 2021 10:00AM ET
Toll-free North America: (888) 664-6392
Local or International: (416) 764-8659
Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1509968&tp_key=3b9757a42f

Conference Call Replay

Toll-free North America: (888) 390-0541
Local or International: (416) 764-8677
Passcode: 491712

The conference call replay will be available until 23:59PM ET on November 30, 2021.

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

Qualified Person

Scientific and technical information in this news release has been reviewed and approved by Etienne 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.

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. Such Forward-looking information also includes information related to the Company's previously announced strategic review process, the potential outcome of such process and the intended maximization of shareholder value that the Company believes may result from such process. 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) accepts responsibility for the adequacy or accuracy of this release.

SOURCE Superior Gold

For further information: Superior Gold Inc. Paul Olmsted, CFO or Sandy Noyes, Director of Investor Relations, investor@superior-gold.com, Tel: 647-925-1293

<http://superiorgold.mediaroom.com/2021-11-16-Superior-Gold-Reports-Strong-Third-Quarter-Results>