SUPERIOR GOLD INC.

Management's Discussion and Analysis

For the three and six months ended June 30, 2022

August 16, 2022

(Expressed in thousands of United States dollars, except where otherwise indicated)

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY

Notes

This Management's Discussion and Analysis ("MD&A") dated August 16, 2022, 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, 2022 and 2021 ("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"). As these interim financial statements do not contain all note disclosures required under International Financial Reporting Standards ("IFRS"), they should be read in conjunction with the Company's annual audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2021. All dollar figures stated herein are expressed in thousands of United States dollars ("U.S. dollars"), except for per share or per ounce amounts or unless otherwise specified. The Company's public filings can be viewed on the SEDAR website (www.sedar.com) and on the Company's website (www.superior-gold.com).

The following discussion contains forward-looking information that involves numerous risks and uncertainties. Actual future results could differ materially from those discussed in such forward-looking information as a result of these risks and uncertainties. Refer to the cautionary language at the end of this MD&A.

Description of the Business

Superior Gold Inc. (the "Company" or "Superior Gold") is a Canadian based gold producer that owns and operates the Plutonic Gold Operations located in Western Australia. The Plutonic Gold Operations include the Plutonic Gold Mine (which is a producing underground mine with additional surface operations), the Hermes Gold Mine (which includes open pits at Hermes and interests in tenements within the Bryah Basin joint venture ("BBJV") ranging from 70%-80%), and a central mill (located at the Plutonic Gold Mine).

Second Quarter Highlights

- Production of 15,196 ounces of gold, a 21% decrease over the comparative quarter of 2021 as a result of unusually high rainfall and absenteeism due to the removal of COVID-19 restrictions in Western Australia in April 2022
- Sold 16,726 ounces of gold at total cash costs[1] of $1,748 per ounce sold, an increase of $336 per ounce sold or 24% in comparison to the second quarter of 2021 due to fewer ounces produced
- All-in sustaining costs[1] increased by $410 per ounce sold or 27%, in comparison to the second quarter of 2021, to $1,929 per ounce sold, above the realized gold price[1] of $1,877 per ounce, due to higher total cash costs[1] as well as higher sustaining exploration and capital expenditures[1]
- Announced an updated Mineral Reserve and Resource statement indicating a 66% increase in mineral reserves
- Following the successful mill shutdowns in the first and second quarter, the mill is now running close to its nameplate capacity
- Solid cash and cash equivalents of $18.2 million

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

Impact of COVID-19 and Labour Market

On March 11, 2020, the World Health Organization declared a global pandemic related to COVID-19. The COVID-19 pandemic is still impacting business worldwide and current measures to combat the spread are vastly different depending on the location of an entity's operations. The government of Western Australia lifted COVID-19 restrictions in April 2022, which had a direct impact on absenteeism which may continue in the future. The Company's revenues, operating results and cash inflows are highly dependent on the availability of labour for the Plutonic Gold Operations, which are affected by the tight labour conditions within the Western Australian mining industry. High turnover both at the Plutonic Gold Operations and within the Western Australian mining industry, including external service providers, have been compounded by the impact of absenteeism in the workforce as a result of COVID-19. The judgments, inputs and assumptions used as at and for the three and six months ended June 30, 2022, whether related to COVID-19 or otherwise, have been considered and, where appropriate, reflected in the interim financial statements. To attempt to mitigate the risks of labour availability and the pandemic on the Plutonic Gold Operations, the Company maintains a number of measures to reduce the potential risk to the operation, employees and communities. The unpredictable nature of the labour market, the length of the COVID-19 pandemic and the severity of measures that may be taken is subject to significant variability and accordingly, estimates as to the impact on the Company's financial results in future periods is uncertain.

Following the removal of a number of COVID-19 restrictions in Western Australia in April 2022, the Company experienced a surge in COVID-related absenteeism which reduced both the number of available operators, impacting the ability to access higher grades, and specialized technical staff to maintain equipment causing extended downtimes. To address the risk of the pandemic and labour challenges at the Plutonic Gold Operations, the Company maintains a number of measures to reduce the potential risk to employees and communities. The Company continues to mitigate these issues by over-staffing in critical roles. The Company has also implemented an active monitoring system to track close contacts as well as testing for suspected or actual COVID-19 cases within its workforce. Furthermore, the government of Western Australia instituted a requirement that fly-in / fly-out operations ensure that all personnel working on site be vaccinated and the Company is in compliance with this requirement.

Key Business Developments

Plutonic Gold Operations

The Plutonic Gold Mine is located in the Archaean Plutonic Marymia Greenstone Belt and has been in continuous production since 1990, having produced over 5 million ounces of gold from both open pit and underground mining.

The Plutonic Gold Mine includes a producing underground gold operation and producing open pit operations in close proximity to the central mill.

The Hermes Gold Mine ("Hermes") is located approximately 65 kilometres south-west of the Plutonic Gold Mine. It includes the wholly-owned Hermes open pits and a 70-80% interest in the BBJV, which covers the Hermes South open pit project located approximately 20 kilometres south-west of the Hermes open pits as well as additional open pit targets in the region.

The Company continues to advance other open pit opportunities near the mill, including the Main Pit Deeps project, the main pit pushback project where the Company announced positive results from an

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

independent preliminary economic assessment filed on December 30, 2020 and is also developing the best long-term open pit operational scenario for the Hermes Gold Mine.

Quarterly performance summary

The Plutonic Gold Operations produced and sold 15,196 and 16,726 ounces of gold, respectively, for the second quarter of 2022. Total cash costs[1] of $1,748/ounce sold were below the realized gold price[1] of $1,877/ounce; while all-in sustaining costs[1] of $1,929/ounce sold for the three-month period ended June 30, 2022 were higher. In comparison, 19,356 and 19,099 ounces of gold were produced and sold, respectively for the second quarter of 2021. Total cash costs[1] of $1,412/ounce sold and all-in sustaining costs[1] of $1,519/ounce sold were below the realized gold price[1] of $1,801/ounce for the three-month period ended June 30, 2021.

Total cash costs[1] and all-in sustaining cash costs[1] increased by 24% or $336 per ounce sold and 27% or $410 per ounce sold, respectively, over the prior period primarily as a result of less ounces sold in the current quarter due to fewer ounces produced due to lower grade from the underground operation as well as fewer ounces produced from the Plutonic East and Perch pits as activity moved from mining these areas to development of Main Pit Deeps, which in turn, was hampered by heavy rainfall. These reductions in production were partially mitigated by the processing of low grade legacy stockpiles. All-in sustaining cash costs[1] were also higher as a result of increased sustaining exploration and capital expenditures[1] in comparison to the second quarter of 2021. The Company generated net cash from operations after working capital changes of $8,839 for the three months ended June 30, 2022.

Year to date performance summary

The Plutonic Gold Operations produced and sold 31,943 and 32,549 ounces of gold, respectively, for the six months ended June 30, 2022. Total cash costs[1] of $1,655/ounce sold and all-in sustaining costs of $1,832/ounce were below the realized gold price[1] of $1,893/ounce for the six-month period ending June 30, 2022. In comparison, 36,959 and 36,637 ounces of gold were produced and sold, respectively, for the six months ended June 30, 2021. Total cash costs[1] of $1,399/ounce sold and all-in sustaining costs of $1,515/ounce were below the realized gold price[1] of $1,790/ounce for the six-month period ending June 30, 2021.

Total cash costs[1] and all-in sustaining cash costs[1] increased over the prior period primarily due to fewer ounces produced as a result of to lower grade from the underground operation as well as fewer ounces produced from the Plutonic East and Perch pits as activity moved from mining these areas to development of Main Pit Deeps. Development of Main Pit Deeps was, in turn, hampered by heavy rainfall. In addition, the planned 15-day mill maintenance shutdown in the first quarter of 2022 also reduced production and the number of gold ounces available for sale. These reductions were partially mitigated by the processing of low grade legacy stockpiles. The Company generated net cash from operations after working capital changes of $9,251 for the six months ended June 30, 2022.

Exploration Activities

The Company continued its exploration program to focus on organic growth and opening new mining fronts in the underground mine. For the three months ended June 2022, with 17,337 metres of drilling completed in 231 holes. Of the total, 9,865 metres were drilled for grade control and stope design in 173 holes. The remaining 7,472 metres were drilled for reserve and resource expansion in 58 holes, with 6,287

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

metres for 51 holes drilled underground and also 1,184 metres from 7 holes in the Central Bore and Seaborg targets.

During the quarter, the Company announced results of extension and infill drilling results for the Indian Access area located between the Caribbean and Indian mining areas. at Plutonic. (refer to the Company's News Release dated May 31, 2022). The drill intersections expand both the Caribbean and Indian zones which are located directly adjacent to existing underground infrastructure requiring minimal capital to develop. The Indian Access mining area is underexplored and remains open along strike and both up and down dip as it has yet to be fully drill tested.

Total expenditures for the second quarter were $1,092, of which $672 was expensed and $420 was capitalized to mining interests. Total expenditures for the comparative 2021 quarter were $1,328, of which $597 was expensed and $731 was capitalized to mining interests.

Year to date expenditures were $2,320, of which $1,311 was expensed and $1,009 was capitalized to mining interests. The comparative year to date expenditures for 2021 were $2,346, of which $1,219 was expensed and $1,127 was capitalized to mining interests.

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 intends to continue:

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

The Company's detail of its revised 2022 production and cost guidance is summarized in the table below.

2022 Guidance	**Guidance (January 17, 2022)**
Production (oz of Gold)	69,000 - 75,000
Cash Costs ($/oz)[1]	$1,650 - $1,750
All In Sustaining Costs ($/oz)[1]	$1,800 - $1,900

Note: Guidance is based on an estimated Australian to U.S. dollar exchange rate of 0.75.

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

Summary of Operational Results

	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Stope material mined (000’s t)	166	156	351	293
Stope grade mined (g/t)	2.47	3.26	2.53	3.39
Development ore mined (000’s t)	28	56	62	106
Development grade mined (g/t)	0.83	1.63	0.96	1.47
Open pit ore mined (000’s t)	19	101	184	101
Open pit grade mined (g/t)	0.84	0.72	0.77	0.72
Open pit waste mined (000’s t)	360	164	589	164
Strip Ratio (t:t)	19.08	1.63	20.47	1.63
Underground ore milled (000’s t)	186	202	403	403
Underground grade milled (g/t)	2.33	2.93	2.37	2.88
Open pit ore milled (000’s t)	42	62	182	62
Open pit grade milled (g/t)	1.11	0.81	0.79	0.81
Other ore milled (000’s t)	178	95	182	249
Other ore grade milled (g/t)	0.45	0.43	0.44	0.42
Total ore milled (000’s t)	407	359	766	715
Grade milled (g/t)	1.4	1.9	1.5	1.8
Gold recovery (%)	85	88	85	87
Gold produced (oz)	15,196	19,356	31,943	36,959
Gold sold (oz)	16,726	19,099	32,549	36,637
Total cash costs ($/oz) (1)	1,748	1,412	1,655	1,399
All-in sustaining costs ($/oz) (1)	1,929	1,519	1,832	1,515
Realized gold price ($/oz) (1)	1,877	1,801	1,893	1,790

Quarterly operational results

The Plutonic Gold Operations produced 15,196 ounces of gold in the three-month period ended June 30, 2022 as compared to 19,356 ounces of gold in three-month period ended June 30, 2021. The decrease is largely a result of lower grade from the underground operation as well as fewer ounces produced from the Plutonic East and Perch pits as activity moved from mining these areas to development of Main Pit Deeps in the second quarter of 2022, which in turn, was hampered by heavy rainfall. These reductions in production were partially mitigated by the processing of low grade legacy stockpiles.

Total material milled during the three months ended June 30, 2022 was marginally higher by 48 thousand tonnes compared to the same period in 2021 due to the contribution of ore milled from the legacy stockpiles and despite a four day mill reline shutdown. Head grade declined from 1.9 g/t to 1.4 g/t in the three months ended June 30, 2022 mainly a result of lower grade from the underground and legacy stockpile material, offset in part by higher grade open pit material. Recovery rates declined in the second quarter of 2022 to 85% compared to 88% in the three months ended June 30, 2021 primarily a result of lower grade milled for the period.

As a result of the decline in production described above, gold sold decreased by 2,373 ounces or 12% to 16,726 during the three months ended June 30, 2022 versus the comparative period in 2021.

Total cash costs[1] were $1,748/ounce sold for the three months ended June 30, 2022, an increase from $1,412/ounce sold for the three months ended June 30, 2021 due to fewer ounces sold. All-in

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

sustaining costs[1] increased from $1,519/ounce sold to $1,929/ounce sold predominantly due to higher total cash costs[1] per ounce and sustaining exploration and capital expenditures[1]. Total cash costs[1] and all-in sustaining cash costs[1] increased 24% or $336 per ounce sold and 27% or $410 per ounce sold, respectively, over the prior period.

Year to date operational results

For the six months ended June 30, 2022 the Plutonic Gold Operations produced, 31,943 ounces of gold compared to 36,959 ounces of gold in the six-month period ending June 30, 2021. The decrease is primarily the result of lower grade from the underground operation as well as fewer ounces produced from the Plutonic East and Perch pits as activity moved from mining these areas to development of Main Pit Deeps in the second quarter of 2022, which in turn, was hampered by heavy rainfall. In addition, the planned 15-day mill maintenance shutdown in the first quarter of 2022 and the mill reline shutdown in the second quarter of 2022 also reduced production and the number of gold ounces available for sale. These reductions were partially mitigated by the processing of low grade legacy stockpiles. Total material milled increased by 7% to 766 thousand tonnes as feedstock from Other ore supplemented higher grade Stope and Open pit material. Head grade decreased accordingly from 1.8 g/t to 1.5 g/t in the six months ended June 30, 2022. Recovery rates for the six months ended June 30, 2022 decreased from 87% to 85% as a result of lower grades milled.

Gold sold decreased by 4,088 ounces to 32,549 ounces during the six months ended June 30, 2022 versus the comparative period in 2021. The 11% decrease was due to fewer ounces produced in the period as described above.

Total cash costs[1] were $1,655/ounce sold for the six months ended June 30, 2022, which rose from $1,399/ounce sold from the six months ended June 30, 2021 due to lower grade from the underground operation as well as fewer ounces produced from the Plutonic East and Perch pits, partially mitigated by the processing of low grade legacy stockpiles. All-in sustaining costs[1] increased from $1,515/ounce sold to $1,832/ounce sold due to higher total cash costs[1] per ounce and higher sustaining capital expenditures[1].

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

Summary of Quarterly Financial Results

	Three month period ended June 30, 2022	Three month period ended March 31, 2022	Three month period ended December 31, 2021	Three month period ended September 30, 2021
Revenue	$ 31,469	$ 30,236	$ 37,835	$ 34,187
Cost of sales	31,532	26,691	29,438	28,300
Exploration expense	672	639	1,087	834
General and administrative	1,790	1,465	1,326	1,425
Operating Income (loss)	(2,525)	1,441	5,984	3,628
Income (loss) before taxes	(2,980)	1,281	6,066	2,381
Net income (loss)	(1,990)	1,424	4,121	1,091
Earnings (loss) per share –basic and diluted	(0.02)	0.01	0.03	0.01
Adjusted net income (loss) [1]	(1,966)	1,424	3,877	1,760
Adjusted net income (loss) per share – basic [1]	(0.02)	0.01	0.03	0.01
Cash flow from operations	8,839	412	8,548	6,294

	As at June 30, 2022	As at March 31, 2022	As at December 31, 2021	As at September 30, 2021
Cash and cash equivalents	18,165	19,919	23,789	20,537
Non-current assets	72,733	74,185	74,792	72,260
Total assets	102,190	109,995	110,890	103,462
Current liabilities	27,440	24,615	25,686	23,740
Non-current liabilities	31,682	36,795	39,660	38,620

	Three month period ended June 30, 2021	Three month period ended March 31, 2021	Three month period ended December 31, 2020	Three month period ended September 30, 2020
Revenue	$ 34,418	$ 31,220	$ 27,422	$ 27,223
Cost of sales	29,531	26,920	27,144	25,600
Exploration expense	597	622	577	811
General and administrative	1,561	1,464	1,546	1,209
Operating Income (loss)	2,729	2,214	(1,845)	(397)
Income (loss) before taxes	1,696	3,560	1,511	(2,019)
Net income (loss)	1,198	3,527	1,478	(2,051)
Earnings (loss) per share –basic and diluted	0.01	0.03	0.01	(0.02)
Adjusted net income (loss) [1]	1,726	1,779	(749)	(1,255)
Adjusted net income (loss) per share – basic [1]	0.01	0.01	(0.01)	(0.01)
Cash flow from (used in) operations	2,746	3,959	(6,622)	377

	As at June 30, 2021	As at March 31, 2021	As at December 31, 2020	As at September 30, 2020
Cash and cash equivalents	17,412	17,908	17,294	14,077
Non-current assets	75,956	77,958	78,800	67,609
Total assets	104,603	107,217	109,166	91,110
Current liabilities	23,863	26,811	31,755	33,995
Non-current liabilities	39,564	40,106	40,279	35,307

[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 interim financial statements are presented in U.S. dollars, which is Superior Gold Inc.'s functional currency. The wholly-owned subsidiary Billabong Gold Pty. Ltd.'s functional currency is the Australian dollar which is translated into U.S. dollars for financial reporting purposes. The Company's results of operations are therefore subject to the impact of foreign exchange fluctuations.

Operating Income (loss)

Operating loss for the three months ended June 30, 2022 was $2,525, a decrease of $5,254 compared to Operating income of $2,729 for the three months ended June 30, 2021 due to lower Revenue of $2,949, higher Cost of sales of $2,001 and higher General and administrative costs of $229 as outlined in the Cost of Sales and General and administrative sections, respectively, of this MD&A.

Operating loss for the six months ended June 30, 2022 was $1,084 compared to Operating income of $4,943 for the six months ended June 30, 2021 due to a $3,933 decrease in Revenue and higher Cost of sales of $1,772 and higher General and administrative costs of $230 as outlined in the Cost of Sales and General and administrative sections, respectively, of this MD&A.

Revenues

During the three months ended June 30, 2022 Metal sales totaled $31,469 from the sale of 16,726 ounces of gold, a decrease of $2,949 from $34,418 from the sale of 19,099 ounces of gold for the three months ended June 30, 2021. Gold revenues were lower as a result of 2,373 fewer ounces being sold, the result of processing lower grade ore and the shift in mining activity from Plutonic East and Perch open pits to the development of the Main Pit Deeps project, which was impacted by heavy rainfall during the quarter, offset by an increase in the realized gold price[1] to $1,877/ounce from $1,801/ounce.

During the six months ended June 30, 2022 Metal sales totaled $61,705 from the sale of 32,549 ounces of gold, a decrease of $3,933 from $65,638 from the sale of 36,637 ounces of gold for the six months ended June 30, 2021. Gold revenues were lower as a result of 4,088 fewer ounces being sold due to the planned mill maintenance shutdown in the first quarter of 2022, the mill reline shutdown in the second quarter of 2022 and changes in mining activity in the second quarter of 2022, as discussed in the preceding paragraph.

Cost of Sales

	Three months ended June 30		Six months ended June 30	
	2022	**2021**	**2022**	**2021**
Mining	$ 16,013	$ 16,623	$ 32,869	$ 31,209
Processing	5,399	6,149	10,915	11,998
Depreciation and amortization	2,241	2,470	4,312	4,982
Site services	4,462	3,471	8,795	6,614
Gold royalty	970	873	1,672	1,661
Change in inventories	2,447	(55)	(340)	(13)
	$ 31,532	**$ 29,531**	**$ 58,223**	**$ 56,451**

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

Cost of Sales were $31,532 for the three months ended June 30, 2022, an increase of $2,001 from $29,531 for the three months ended June 30, 2021. Cost of sales includes mine production costs, processing costs, site services, royalties, and depreciation and amortization. The increase in Cost of sales in the current period versus the same period in 2021 were primarily due to the variance in the Change in inventory category. The Change in inventory of $2,447 in the three months ended June 30, 2022 reflected decreases in Gold in circuit inventory in the second quarter of 2022 resulting from the timing of sales versus production and the buildup of stockpile inventory due to the planned 15-day mill maintenance shutdown. The Change in inventory of ($55) in the three months ended June 30, 2021 reflected an increase in stockpile inventory from the Plutonic East open pit and finished goods inventory, partially offset by a decrease in gold in circuit inventory. In addition, Site services costs increased by $991 reflecting contractor flight and accommodation costs associated with additional maintenance activity conducted in the second quarter of 2022. These increases were partially offset by lower costs across the remaining categories reflecting lower sales volumes.

Cost of Sales were $58,223 for the six months ended June 30, 2022, an increase of $1,772 from $56,451 for the six months ended June 30, 2021. Cost of sales were higher in the current period versus the same period in 2021 predominantly due to higher Mining costs from the addition of $1,096 of surface mining costs from the mining of Plutonic East and Perch pits, which began in the second quarter of 2021. In addition, Site services costs increased by $2,181 reflecting contractor flight and accommodation costs associated with additional open pit mining and maintenance activity conducted in the second quarter of 2022. These increases were partially offset by lower costs across the remaining categories reflecting lower sales volumes. Cost of sales decreased due to the variance in the Change in inventory category. The Change in inventory of ($340) in the six months ended June 30, 2022 reflected an increase in consumables inventory. The Change in inventory of ($13) in the six months ended June 30, 2021 reflected an increase stockpile inventory from the Plutonic East open pit, partially offset by a decrease in gold in circuit inventory.

General and administrative

General and administrative expenses in the three months ended June 30, 2022 were $1,790, $229 higher than in the three months ended June 30, 2021 due to $143 of additional business development costs and $118 of higher share-based payment expense, mainly associated with DSUs granted in the three months ended June 30, 2022 as compared with the three months ended June 30, 2021. These amounts were offset by minor reductions in other general and administrative categories.

For the six months ended June 30, 2022, general and administrative expenses increased by $230 in comparison to the six months ended June 30, 2021 as a result of the higher business development and share-based payment expense referred to in the preceding paragraph.

Other Expenses (Income)

Other Expenses for the three months ended June 30, 2022 totaled $455 mainly comprised of Net finance cost which, in turn, was comprised predominantly of lease, short-term loan and other finance charges. Other Expenses for the three months ended June 30, 2021 totaled approximately $1,033 and included Restructuring charges of $814 which did not reoccur in 2022 and Net finance cost of $289, which was comprised of Accretion on the Gold loan (“Gold loan”) with Auramet International LLC (“Auramet”) of $201 as well as lease and short-term finance charges of $204, partially offset by $114 of foreign exchange gains.

Other Expenses for the six months ended June 30, 2022 totaled $615 mostly in respect of Net finance cost which predominantly comprised lease, short-term loan and other finance charges. Other Income for the six months ended June 30, 2021 totaled approximately $313 and included the Change in valuation of Derivative financial instruments of $1,813, a non-recurring Restructuring charge of $814 and Net finance cost of $691, which was comprised of Accretion on the Gold loan ("Gold loan") with Auramet International LLC ("Auramet") of $486 as well as lease and short-term finance charges of $412, partially offset by $208 of foreign exchange gains.

Net income (loss) for the period ended June 30, 2022

The total net loss of $1,990 for the three months ended June 30, 2022 resulted primarily from operating losses of $2,525 and net finance cost of $422, offset by the tax recovery of $990. The total net income of $1,198 for the three months ended June 30, 2021 resulted primarily from operating income of $2,729 offset by net finance cost of $289, the restructuring charge of $814 and tax expense of $498.

The total net loss of $566 for the six months ended June 30, 2022 resulted primarily from the operating loss of $1,084 and net finance cost of $582, partially offset by the tax recovery of $1,133. The total net income of $4,725 for the six months ended June 30, 2021 resulted primarily from Operating income of $4,943 and the Change in valuation of Derivative financial instruments of $1,813, partially offset by the restructuring charge of $814, the Gold loan accretion charge of $486, tax expense of $531 and finance charges on leases of $412.

Adjusted net income (loss)

Adjusted net loss[1] for the second quarter of 2022 was $1,966 or $0.02 per share compared to adjusted net income of $1,726 or $0.01 per share in the three months ended June 30, 2021, primarily due to the lower Operating Income in the current period (refer to the table in the section labeled "Adjusted Net Income and Adjusted basic net income per share" of this MD&A).

Adjusted net loss[1] for the six months ended June 30, 2022 amounted to $542 or $0.00 per share compared to adjusted net income of $3,505 or $0.03 per share in the six months ended June 30, 2021, primarily reflecting lower Operating Income in 2022.

Refer to "Non-IFRS Financial Performance Measures" for a reconciliation of the net income/loss to adjusted net income/loss.

Financial Position as at June 30, 2022

As at June 30, 2022, the Company's current assets totaled $29,457 and current liabilities amounted to $27,440, for a net working capital[1] surplus of $2,017. The majority of current assets are cash and cash equivalents of $18,165 and inventories of $8,972. The decrease from a working capital[1] surplus of $10,412 as at December 31, 2021, was predominantly the result of lower cash balances as a result of lower Operating income as well as repayments of the Short-term loan and higher Accounts payable balances reflecting higher capital expenditures in the quarter.

Non-current assets decreased by $2,059 from December 31, 2021. Decreases were predominantly the result of depreciation expense of $4,343, reductions in the value of the rehabilitation asset due to changes in discount rates of $4,925 and foreign exchange impacts of $3,797. Non-current asset additions

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

were $5,665, which were spent on the development of the underground operations and the advancement of open pit opportunities located near the mill. Additionally, $4,624 of capital expenditures were incurred during the six months ended June 30, 2022, $3,495 of which was for betterments to existing equipment in the mill, $1,029 for ventilation walls and $100 was for a tailings wall lift.

Current liabilities increased by $1,754 to $27,440 predominantly due to higher accounts payable balances reflecting higher capital expenditures in the three months ended June 30, 2022, partially offset by repayments of the Short-term loan.

Non-current liabilities decreased by $7,978, as a result of the impact of discount rates on the non-current portions of the rehabilitation liability as well as repayments of lease liabilities and lower deferred tax liability stemming from the tax recovery in the six months ended June 30, 2022.

Share capital consisted of capital stock, net of issue costs, of $62,719, an increase of $226 from the issuance of common shares resulting from the exercise of stock options.

Cash from (used in) Operating Activities

During the three months ended June 30, 2022 cash used in operating activities before working capital changes was $156, an $2,714 decrease over cash from operating activities before working capital changes of $2,558 for the three months ended June 30, 2021. The decrease in cash generated from operating activities was predominantly a result of $5,254 of lower operating earnings in the three months ended June 30, 2022 in comparison to the three months ended June 30, 2021, as outlined above, partially offset by the final repayment under the Gold loan of $2,203 in the three months ended June 30, 2021. These amounts were offset by $8,995 of working capital changes which reflected an increase in accounts payable due to higher capital expenditures in the quarter as well as timing, and lower Gold in circuit inventory reflecting timing of production versus sales from the first quarter of 2022.

During the six months ended June 30, 2022 cash generated from operating activities before working capital changes was $3,333, while cash generated from operating activities was $5,219 for the six months ended June 30, 2021. This decrease resulted from lower operating earnings, excluding depreciation expense, during the six months ended June 30, 2022, partially offset by the final repayments under the Gold loan of $4,413. The impact of non-cash working capital changes for the six months ended June 30, 2022 was an increase in cash of $5,918 due to higher accounts payable balances as outlined above.

Cash used in Investing Activities

Cash used in investing activities in the three months ended June 30, 2022 was primarily comprised of expenditures on mine interests, property, plant and equipment of $7,661 in support of mill improvements including the SAG mill shutdown maintenance, mobile equipment, tailings wall lift additions, underground mine development and open pit development, an increase of 357% compared to the $1,676 spent in the three months ended June 30, 2021.

Cash used in investing activities in the six months ended June 30, 2022 was primarily comprised of expenditures on mine interests, property, plant and equipment of $11,085 primarily in support of underground mine development, open pit development and mill improvements, an increase of $7,824 or 240% compared to the six months ended June 30, 2021, a significant portion attributable to the development of the Main Pit Deeps open pit project.

Cash used in Financing Activities

Cash used in financing activities in the three months ended June 30, 2022 of $1,688 was attributed to repayments of the Company's short-term loans, lease obligations, and interest thereon, partially offset by $41 in proceeds on stock option exercises. For the three months ended June 30, 2021 cash used in financing activities of $1,573 was mainly attributable repayments of the Company's short-term loans, lease obligations, and interest thereon.

Cash used in financing activities in the six months ended June 30, 2022 of $3,071 was comprised of the repayment of the Company's lease obligation, short-term loan and interest thereon of $3,235, partially offset by the exercise of stock options of $164. For the six months ended June 30, 2021 cash used in financing activities comprised the repayment of the Company's lease obligation, short-term loan and interest thereon of $3,374, partially offset by the exercise of stock options of $21.

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not have any immediate plans to pay any dividends on its Common Shares.

Liquidity and Capital Resources

The price of gold has increased the Realized Gold Price[1] over the comparable period in the three and six months ended June 30, 2022 and estimates for the price of gold remain positive for the next twelve months. As a result, there have been no materially negative impacts on the Company's current operations.

The Company currently sells gold to two counterparties; the Perth Mint and Auramet.

During the three and six months ended June 30, 2022, the Company used cash inflows from the Plutonic Gold Operations to fund its expenditures on mineral interests and property, plant and equipment, as well as pay down its lease obligation balances and debt obligations.

The Company forecasts 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, 2022, the Company had cash and cash equivalents of $18,165 and a working capital[1] surplus of $2,017. Management believes the cash on hand and subsequent cash flow from operations of the Plutonic Gold Operations are sufficient to fulfill its immediate operating and capital requirements. The Company may require additional capital or financing to complete or accelerate programs associated with any future development and exploration initiatives that are not contemplated in its current life of mine plan. Superior Gold's ability to raise equity or other forms of financing in the future under terms acceptable to the Company will be dependent on operating performance and on global markets, in particular, the price of gold and/or currency exchange rates.

The Company's revenues, operating results and cash inflows are highly dependent on the availability of labour for the Plutonic Gold Operations, which are affected by the tight labour conditions within the Western Australian mining industry. High turnover both at the Plutonic Gold Operations and within the Western Australian mining industry, including external service providers, have been compounded by the impact of absenteeism in the workforce as a result of COVID-19. To address the risks of labour availability and the pandemic on the Plutonic Gold Operations, the Company maintains a number of measures to

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

reduce the potential risk to the operation, employees and communities. The ongoing availability of labour in Western Australian, including the impact of COVID-19, represents risks that are outside of the Company's control.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Commitments & Contingencies

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

		June 30, 2022		**December 31, 2021**
Property, plant and equipment (i)	$	2,038	$	1,923
Mine development (i)		285		-
	$	**2,323**	**$**	**1,923**

(i) Capital commitments

In the six months ended June 30, 2022, the Company entered into commitments for mobile and milling equipment. These commitments totalled $2,038 at June 30, 2022 (December 31, 2021 - $1,923). Commitments related to the development of Hermes open pit opportunities and the Bryah Basin Joint Venture amounted to $285 at June 30, 2022.

(ii) Contingent Consideration

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

The fair value of the Milestone Payments was determined to have $nil value as at June 30, 2022 (December 31, 2021 - $nil) as Management determined the Plutonic Gold Operations do not currently meet the stated threshold and that it is uncertain that the threshold outlined in the Acquisition Agreement of 1,717,000 ounces of Joint Ore Reserves Committee 2012 compliant measured, indicated and inferred resources will be reached.

Critical Accounting Policies and the Use of Estimates

A detailed summary of the Company's significant accounting policies, including the use of estimates, is included in the Company's audited consolidated financial statements for the year ended December 31, 2021. The preparation of the interim financial statements requires management to make estimates and judgments which are described in the Company's audited consolidated financial statements for the year ended December 31, 2021.

The accounting policies and management estimates applied in the interim financial statements for the three and six months ended June 30, 2022 are consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2021, except for IAS 16 (refer to the section on "Adoption of New or Amended Accounting Policies" below for a discussion of the impact of this accounting standard). There have been no material impacts on the Company's key assumptions underlying critical accounting estimates as of the date of this MD&A.

Financial Instruments

The Company's significant accounting policies regarding its financial instruments are set out in the Company's audited consolidated financial statements for the year ended December 31, 2021 and are consistent with those used in the Company's interim financial statements for the three and six months ended June 30, 2022. 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

On May 14, 2020, the IASB issued amendments to IAS 16 *Property, Plant and Equipment*. The amendments to IAS 16 require that proceeds derived from items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management be recognized, along with the cost of those items, in profit or loss in accordance with applicable Standards. The entity measures the cost of those items by applying the measurement requirements of IAS 2 Inventories. The amendments were effective for annual periods beginning on or after January 1, 2022. The Company has adopted the amendment with no impact to the financial statements.

Recent Accounting Pronouncements

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

Outstanding Share Data

The following table summarizes the capitalization of the Company as at August 16, 2022, the date of this MD&A:

	Exercise price	Expiry date	Quantity
Number of common shares issued			
Common shares	Not applicable	Not applicable	123,235,058
Number of common shares issuable			
Stock options	$0.78	September 5, 2022	200,000
Stock options	$0.75	August 15, 2024	50,000
Stock options	$0.37	March 30, 2025	200,000
Stock options	$0.59	May 13, 2025	150,000
Stock options	$0.85	August 4, 2025	1,000,000
Stock options	$0.56	April 14, 2026	200,000
Stock options	$0.49	August 13, 2026	1,250,000
Stock options	$0.65	May 26, 2027	400,000
DSUs [1]	Not applicable	Not applicable	424,656
PSUs	Not applicable	May 20, 2023	75,000
PSUs	Not applicable	April 14, 2024	262,500
PSUs	Not applicable	May 27, 2025	732,470
RSUs	Not applicable	August 18, 2022	50,000
RSUs	Not applicable	May 27, 2025	192,771
			128,422,455

[1] This figure excludes cash-settled DSUs issued under the Phantom Unit Plan.

Non-IFRS Performance Measures

Working capital, 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.

Working capital

Working capital is calculated as Total current assets less Total current liabilities per the condensed consolidated interim statement of financial position. The following table provides a reconciliation of Working capital as per the interim financial statements:

(in thousands of dollars)	**As at June 30, 2022**	**As at December 31, 2021**
Total current assets	$29,457	$36,098
Total current liabilities	(27,440)	(25,686)
Working capital	$2,017	$10,412

Total cash costs and All-in sustaining costs

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

(in thousands of dollars, except oz or per oz amounts)	**Three months ended June 30**		**Six months ended June 30**	
	2022	**2021**	**2022**	**2021**
Gold sold (oz)	16,726	19,099	32,549	36,637
Cost of Sales	31,532	29,531	58,223	56,451
Adjustments for:				
Depreciation and amortization	(2,257)	(2,485)	(4,343)	(5,012)
Share-based payments included in Cost of Sales	(11)	2	(22)	(9)
Inventory movements	33	(66)	102	(92)
Silver credits and other	(67)	(19)	(86)	(66)
Cash costs	29,230	26,963	53,874	51,272
Total cash costs (per gold oz)	1,748	1,412	1,655	1,399
Adjustments for items affecting all-in sustaining cash costs:				
Sustaining exploration and capital expenditures[1]	1,477	765	2,819	1,705
Share-based payments included in Cost of Sales	11	(2)	22	9
Corporate, general and administration[2]	1,486	1,288	2,826	2,504
Rehabilitation accretion	64	4	84	8
All-in sustaining cost	32,268	29,018	59,625	55,498
All-in sustaining cost (per gold oz)	1,929	1,519	1,832	1,515

Realized gold price

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

(in thousands of dollars, except oz or per oz amounts)	**Three months ended June 30**		**Six months ended June 30**	
	2022	**2021**	**2022**	**2021**
Metal sales	$31,469	$34,418	$61,705	$65,638
Silver sales	(67)	(19)	(86)	(66)
Revenues from gold sales	31,402	34,399	61,619	65,572
Gold sold (oz)	16,726	19,099	32,549	36,637
Realized gold price ($/oz)	$1,877	$1,801	$1,893	$1,790

Adjusted net income and Adjusted basic net income per share

Adjusted net income and adjusted basic net income 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.

1. Sustaining exploration and capital expenditures have been segregated to reflect exploration expenditures on the Statement of Income and Comprehensive Income and capital expenditures on the Statement of Cash flows. Only Exploration expenditures within an operating mine are considered sustaining. Capital expenditures, including capitalized exploration costs, underground mine development, replacement of mine equipment and other capital expenditures on operating mines is considered sustaining.
2. Corporate, general and administration costs include share-based compensation, as per the Consolidated Statement of Comprehensive Income.
3. Corporate, general and administration costs exclude depreciation and certain business development costs that do not relate to existing mine operations.

Adjusted net income is defined as net income adjusted to exclude specific items that are not reflective of the underlying operations of the Company, including: restructuring expenses, (gain)/loss on sale of assets, charges pertaining to derivative financial instruments and the impact on income taxes. Adjusted basic net income per share is calculated using the weighted average number of shares outstanding under the basic method of income per share as determined under IFRS.

	Three months ended June 30		**Six months ended June 30**	
(in thousands of dollars, except per share amounts)	**2022**	**2021**	**2022**	**2021**
Net income (loss) for the period	($1,990)	$1,198	($566)	$4,725
Adjusted for:				
Restructuring expenses	-	814	-	814
(Gain) loss on sale of assets	33	-	33	(5)
Derivative financial instruments	-	(70)	-	(1,813)
Effect on income taxes of the above items	(9)	(216)	(9)	(216)
Adjusted net income (loss)	($1,966)	$1,726	($542)	$3,505
Weighted average number of common shares outstanding - basic	123,054,690	121,828,973	123,062,188	121,817,647
Adjusted basic net income (loss) per share	($0.02)	0.01	($0.00)	0.03

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 most recent annual information form ("AIF") dated October 16, 2020 under the heading "Risks and Uncertainties". The AIF is available on SEDAR (www.sedar.com).

Forward-looking information

This MD&A contains forward-looking information or incorporates by reference "forward-looking statements" with respect to the Company. Except for statements of historical fact relating to Superior, information contained herein constitutes forward-looking statements, including statements with respect to mineral reserve and mineral resource estimates; targeting additional mineral resources and expansion of deposits; the Company's dependency on the Plutonic Gold Operations for operating revenue and cash flows in the near term; the Company's ability to extend the life of the Plutonic Gold Operations; the mineral reserve and mineral resource estimates in the Company's most recently filed technical report ("Technical Report"); information related to the Company's previously announced strategic review process, the potential outcome of such review process and the intended maximization of shareholder value that the Company believes could result from such review process; the Company's expectations, strategies and plans for the Plutonic Gold Mine, including the Company's planned exploration, development and production activities at the Plutonic Gold Operations; the results of future exploration and drilling at the Plutonic Gold Operations; satisfying the requirements for the Company to maintain its interest in the BBJV; successfully adding or upgrading resources and successfully developing new deposits; future financial or operating performance and condition of the Company and its business, operations and properties; the Company's ability to adequately account for potential mine closure and remediation costs; the Company's adoption of and expectations regarding new accounting standards and interpretations; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements are characterized by words such as "plan", "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may", "will", "could" or "should" occur. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this MD&A, including, without limitation, assumptions about: favourable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the development of the Plutonic Gold Operations and pursue planned exploration; future prices of gold; the timing and results of exploration and drilling programs; the accuracy of mineral reserve and mineral resource estimates; the geology and geophysical data of the Plutonic Gold Operations being as described in the Technical Report; production costs; the accuracy of budgeted exploration and development costs and expenditures; the price of other commodities such as fuel; the impact of inflation on operating or capital costs; future currency exchange rates and interest rates; operating conditions being favourable, including whereby the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental and third party approvals and permits on favourable terms; the timely resolution of native title and aboriginal heritage issues on favourable terms; obtaining required renewals for existing approvals and permits and obtaining all other required approvals and permits on favourable terms; sustained labour stability; stability in capital goods markets; the availability of equipment; the absence of natural disasters, adverse weather conditions, accidents, unanticipated transport costs or delays in the development of projects and other factors; the absence of an outbreak or escalation of infectious diseases or other similar health threats, including the COVID-19 outbreak, that could result in the suspension or shutdown of the Plutonic Gold Operations; impact the supply chain; or cause inflationary pressures on operating or capital costs; and the availability of water, gas, electricity or other power supply, chemicals and other critical supplies. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties and other factors (as referenced elsewhere in this MD&A) which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. The Company cautions that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. In addition, statements relating to “mineral reserves” or “mineral resources” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions that the mineral reserves and mineral resources described can be profitably mined in the future.

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

Technical Information

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

Additional Information

Additional information regarding the Company, including the Company's Annual Information Form, can be found at www.sedar.com and www.superior-gold.com.