

Superior Gold Inc. Initiates Process to Maximize Shareholder Value

30.07.2020 | [CNW](#)

ANNOUNCES MANAGEMENT CHANGE, SECOND QUARTER 2020 PRODUCTION RESULTS AND REVISED 2020 GUIDANCE

TORONTO, July 30, 2020 - [Superior Gold Inc.](#) ("Superior Gold" or the "Company") (TSXV: SGI) announces that effective at the close of business on July 31, 2020, Christopher Bradbrook will step down as the Company's President and Chief Executive Officer. Mr. Bradbrook was the founder of the Company and has been President and CEO since its formation in 2017. Mr. Bradbrook will also tender his resignation as a Director of the Company.

Tamara Brown, an Independent Director of the Company since 2017, will assume the role of Interim Chief Executive Officer, effective at the close of business on July 31, 2020. Ms. Brown brings over 25 years of mining industry and capital markets experience including in senior leadership roles. Of particular importance is Ms. Brown's experience with leading corporate development activities and participating in strategic review processes.

Following recent discussions, the Company's Board of Directors has established a Special Committee and formally initiated a strategic review process to explore and evaluate a broad range of potential alternatives focused on maximizing shareholder value. The alternatives could include, but are not limited to, a potential sale or merger of the Company, a joint venture, the addition of a new strategic shareholder or other various financing alternatives. The Special Committee will also initiate a search to find a permanent CEO; and the Compensation and Nominating Committee will undergo a search for a new independent director to fill the vacancy from Mr. Bradbrook's departure. The Special Committee will be comprised of Independent Directors Mark Wellings, Chairman and Rene Marion, Audit Committee Chair. In connection with Ms. Brown's appointment as Interim CEO, the Company will grant an aggregate of 1,000,000 stock options to Ms. Brown at an exercise price to be determined in accordance with the policies of the TSX Venture Exchange and consistent with the Company's Omnibus Equity Incentive Plan.

Mark Wellings, Chairman of Superior Gold, stated, "The Board is committed to driving value for shareholders and we have implemented the necessary changes in order to conduct a robust and thorough strategic review process. The ultimate value of the Plutonic Gold mine may be achieved by being part of a larger portfolio with a stronger balance sheet to better capitalize the current operations and fully explore its prospective land package. Tamara is well experienced to assist us through this process and in addition, as an Australian citizen, can more easily travel to site during the current COVID-19 ("COVID") travel restrictions. I would like to thank Chris Bradbrook for all his efforts in founding Superior Gold and building it to this point. We would not have had this valuable gold mining asset if it wasn't for Chris' perseverance several years ago when gold assets weren't fashionable. We wish him well in his future endeavours."

"I am pleased to step in and assist Superior Gold as we explore all alternatives to maximize value for our shareholders. I believe the Plutonic Gold mine's existing mineral reserves and resources, established infrastructure and surrounding land package in a world class mining jurisdiction have inherent value well beyond what is currently reflected in our share price. I am committed to leading Superior Gold until we have a clear path towards unlocking that value or appoint a permanent CEO capable of delivering on our vision," said Tamara Brown, Independent Director and incoming Interim CEO.

There can be no assurance that the strategic review process will result in any transaction. The Company does not intend to comment further unless the Board of Directors of the Company has approved a specific course of action or the Company has determined further disclosure is appropriate.

SECOND QUARTER PRODUCTION DETAILS

Production details are summarized in the table below.

Operating Parameters ¹	Three month period ended June 30, 2020	Six month period ended June 30, 2020
Stope material mined (Tonnes)	182,895	304,036
Stope grade mined (g Au/t)	2.41	2.78
Development material mined (Tonnes)	66,779	128,027
Development grade mined (g Au/t)	1.54	1.93
Surface material milled (Tonnes) ²	159,167	335,098
Surface material grade (g Au/t) ²	0.28	0.35
Total material milled (Tonnes)	394,012	795,861
Grade milled (g Au/t)	1.42	1.56
Gold recovery (%)	84%	83%
Gold Produced (ounces)	15,177	31,528
Gold Sold (ounces)	15,536	32,386
Preliminary Total Cash Cost (\$/oz) ³	1,426	1,356
Preliminary All-In Sustaining Cash Cost (\$/oz) ³	1,547	1,479
Cash Balance (\$ Million)	15.6	15.6

¹ Numbers may not add due to rounding.

² Surface material milled in Q220 and H220 are primarily the processing of low-grade stockpile.

³ 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.

Production in the second quarter of 2020 came in below internal budgets. Although the stope grade remained below the reserve grade, we believe the underground physicals of the operations are performing at the highest level since the Company acquired the asset, where the stope tonnage mined increased by 51% relative to the first quarter of 2020.

As the health and safety of our employees and contractors is of paramount importance, the Company continues to adhere to the measures that have been put in place to mitigate the threat of COVID as described in the press release dated March 19, 2020. To date, there have been no incidences of infection from COVID at either the operations or corporate offices. However, the restrictions of the COVID protocols impacted the Company advancing its open pit plan, which will be deferred pending COVID restrictions easing.

Revised 2020 Guidance

The Company now anticipates production of between 60,000 and 70,000 ounces of gold in 2020. As part of a review of the underground operations, the Company has refocused its efforts on a cost reduction program that targets higher grade stopes while improving productivity. The Company is pleased to report that the initiatives underway are starting to achieve positive results as subsequent to the end of the quarter, the stope

grade has increased, averaging over 3 g Au/t to date for the third quarter. Looking beyond 2020, the Company remains committed to executing on its five-year Life of Mine plan and remains encouraged about the longer-term potential of the Plutonic Gold operations where the Company's most recent Mineral Reserve and Resource estimate (refer to the press release dated July 21, 2020) continues to illustrate a large mineralized system that represents significant future opportunities.

2020 Guidance	Original	Revised
Production (oz of Gold)	80,000 - 90,000	60,000 - 70,000
Cash Costs (\$/oz) ¹	\$975 - \$1,075	\$1,250 - \$1,350
All In Sustaining Costs (\$/oz) ¹	\$1,075 - \$1,175	\$1,350 - \$1,450

Notes:

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.

Qualified Person

Scientific and technical information in this news release has been reviewed and approved by Keith Boyle, P.Eng., Chief Operating Officer of the Company, who is a "qualified person" as defined by National Instrument 43-101 (NI 43-101). Mr. Boyle 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, 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. The forward-looking information contained herein includes, without limitation, information related to: (i) the Company's plans to carry out a 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; and (ii) Ms. Brown's appointment as Interim Chief Executive Officer and the Company's ability to take advantage of her experience in corporate development activities and strategic review processes. 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. See "Risk Factors" in the Company's prospectus dated February 15, 2017 filed on SEDAR at www.sedar.com for a discussion of these risks. In addition, The Company is exposed to outbreaks or threats of outbreaks of viruses, other infectious

diseases or other similar health threats, including the novel coronavirus ("COVID-19") outbreak, which could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions, labour shortages, shutdowns, 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.

(In US Dollars unless otherwise stated)

SOURCE Superior Gold

Contact

[Superior Gold Inc.](#), Brian Szeto, Vice President, Corporate Development, or Kate Stark, Director of Investor Relations, investor@superior-gold.com, Tel: 647-925-1293

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