

# Superior Gold Reports Solid First Quarter Results

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## **IMPROVED WORKING CAPITAL WHILE SUCCESSFULLY COMPLETING A 15-DAY MILL MAINTENANCE SHUTDOWN. FURTHER OPERATING GROWTH TARGETED FOR THE REMAINDER OF 202**

TORONTO, May 25, 2022 - [Superior Gold Inc.](#) ("Superior Gold" or the "Company") (TSXV: SGI) (OTCMKTS: SUPGF) announces financial results for the first quarter of 2022 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

### First Quarter Highlights

- Production of 16,747 ounces, a 5% decrease over the comparative quarter of 2021 due to the planned 15-day mill maintenance shutdown in the first quarter of 2022
- Sold 15,823 ounces of gold at total cash costs<sup>1</sup> of \$1,558 per ounce sold, which was in line with management's expectations, an increase of \$172 per ounce sold or 12% in comparison to the first quarter of 2021
- All-in sustaining costs<sup>1</sup> increased by \$219 per ounce sold or 15% in comparison to the first quarter of 2021 to \$1,729 per ounce sold, below the realized gold price<sup>1</sup> of \$1,910 per ounce, in line with management's expectations which included higher sustaining exploration and capital expenditures<sup>1</sup>
- Increase in working capital<sup>1</sup> of \$0.8 million to \$11.2 million despite the planned mill maintenance shutdown
- Solid cash and cash equivalents of \$20 million
- Net income for the period was \$0.01 per share and Adjusted net income<sup>1</sup> was \$0.01 per share

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

Chris Jordaan, President, and CEO of Superior Gold stated: "Despite completing the planned and scheduled preventative maintenance mill shut down, we still delivered a strong quarter, maintaining a solid cash position of \$20 million and improving our working capital to over \$11 million. The increase in AISC per ounce was expected due to lower ounces sold in the first quarter, and we remain on track to deliver on our annual cost guidance. Production from underground exceeded our plan for the quarter, with stope grades in line with plan, and increases in tonnes and grade are expected for the remainder of the year as we develop into newly defined mineralized zones and enter the Main Pit Deeps.

COVID-19 continues to challenge Western Australia as it opened its borders and saw an increase in cases. The health and safety of our employees is paramount, and we continue to employ in-transit and on-site controls to ensure cases on-site are minimized in an attempt to reduce the impact to the Company in the second quarter of 2022 and beyond.

Looking ahead, we are continuing with our strategy, and we are targeting production and cash flow increases in the three subsequent quarters of 2022, confirming our annual production guidance as well as our annual cash cost and all-in sustaining cost guidance as shown later in this news release.

The 15-day mill shutdown was a success and consistent with the Company's strategy to invest in the fixed plant for long-term reliable and sustainable operations, providing the opportunity to increase throughput to the mill to its installed capacity. This will be considered as the Company moves toward increased underground tonnage in the latter half of 2022 and through the addition of higher-grade open pit feed from the early entry into the Main Pit Deeps project.

The Company also continues to benefit from block model improvements designed to better forecast the spatial positioning of the ore at Plutonic and the identification of larger more productive stopes to be

developed and mined.

In 2021, the Company delivered on the first goal of its growth strategy, namely a safe and sustainable operation with 77,321 ounces of gold delivered for the full year. In 2022 the Company remains on track to progress towards delivering the second goal of its growth strategy to deliver an operation of scale. The first phase of the second goal is to increase production to an annualized rate of approximately 100,000 ounces per annum in the second half of the year by increasing production from the underground mine and identifying and mining higher grade open-pit targets in the Main Pit Deeps project and other near-mill open pit targets. The investments we are making this year are designed to improve on the Company's strategy to fully optimize the underground operation and when combined with the addition of new sources of open-pit feed, are expected to positively contribute to the Company's overall profitability."

Summary of Financial and Operational Results:

	Three months ended March 31, 2022
All amounts in \$ millions except where noted	
Financial	
Revenue	30.2
Cost of sales	26.7
General and administrative	1.5
Operating income (loss)	1.4
Income (loss) before taxes	1.3
Net income (loss)	1.4
Earnings (loss) per share - basic and diluted	0.01
Adjusted net income (loss) <sup>1</sup>	1.4
Adjusted net income (loss) per share - basic <sup>1</sup>	0.01
Cash flow from operations	0.4
Weighted average number of common shares outstanding (basic)	122,888,508
Operational	
Gold produced (ounces)	16,747
Gold sold (ounces)	15,823
Total cash costs (\$/ounce) <sup>1</sup>	1,558
All-in sustaining costs (\$/ounce) <sup>1</sup>	1,729
Average realized price <sup>1</sup> (\$/ounce)	1,910
Total underground material mined (Kt)	220
Total material milled (Kt)	360
Grade milled (g/t gold)	1.7
Recovery (%)	85

<sup>1</sup> 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 16,747 and 15,823 ounces of gold, respectively, for the first quarter of 2022, a decrease of 5% and 10% respectively over the comparative prior-year period due to the completion of a planned 15-day mill maintenance shutdown. Total cash costs<sup>1</sup> of \$1,558/ounce sold and

AISC<sup>5</sup> of \$1,729/ounce sold were below the realized gold price<sup>5</sup> of \$1,910/ounce for the three-month period ending March 31, 2022.

In comparison, 17,603 and 17,538 ounces of gold were produced and sold, respectively for the first quarter of 2021. Total cash costs<sup>5</sup> of \$1,386/ounce sold and AISC<sup>5</sup> of \$1,510/ounce sold were below the realized gold price<sup>5</sup> of \$1,777/ounce for the three-month period ending March 31, 2021.

Total cash costs<sup>5</sup> and AISC<sup>5</sup> increased over the prior period primarily as a result of fewer ounces sold in the current quarter due to the planned mill maintenance shutdown, which reduced production and the number of gold ounces available for sale.

The Company generated net cash from operations before working capital changes of \$3.5 million for the three months ended March 31, 2022.

### Exploration Activities

During 2021 the Company accelerated its exploration program to focus on organic growth and opening new mining fronts in the underground mine. This work continued during the three months ended March 2022 and for the quarter, the Company operated two underground diamond drilling rigs with 18,676 metres of drilling completed in 268 holes. Of the total, 12,930 metres were drilled for grade control and stope design in 223 holes. The remaining 5,746 metres were drilled for reserve and resource expansion in 45 holes. The first 167 metres of 7 planned diamond drill holes were drilled in surface exploration. The Company continues its focus on underground reserve and resource expansion by completing in-fill drilling and exploration drilling of new underground mining fronts, specifically the Western Mining Front, the Baltic Gap, and the Eastern Mining Front.

Drilling during the quarter was partly focused on infilling the 2.4-kilometre-long Eastern Mining Front (refer to News Release dated April 21, 2022). These new drill intersections potentially expand the Eastern Mining Front by a further 180 metres adjacent to existing underground infrastructure. The second set of results also announced after the quarter-end, continue to demonstrate high-grade drill results along the 1.6 kilometre long Western Mining Front in the underground mine (refer to News Release dated April 27, 2022). The results expand the Western Mining Front by a further 130 metres. An 85-metre exploration drill drive was started in Q1 with drilling planned to commence in the second quarter.

### 2022 Guidance

The Company continues to maintain its 2022 guidance which was previously announced on January 17, 2022. Details of production and cost guidance for the year are summarized in the table below.

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

<sup>6</sup> Refer to the Company's news release on March 1, 2021 for additional information.

<sup>7</sup> Refer to the Company's news release on March 29, 2021 for additional information.

<sup>8</sup> Refer to the Company's news release on June 24, 2020 for additional information.

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

<sup>1</sup> 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. Calculated at a US\$/AU\$ exchange rate of 0.75:1

#### Conference Call and Webcast

Management will host a conference call and webcast on Wednesday, May 25, 2022, at 10:00 AM ET to discuss the first quarter 2021 financial and operating results.

Toll-free North America: +1 888 664 6392

Local or International: +1 416 764 8659

Webcast: [https://produceredition.webcasts.com/starthere.jsp?ei=1548579&tp\\_key=eb84ecdd3a](https://produceredition.webcasts.com/starthere.jsp?ei=1548579&tp_key=eb84ecdd3a)

#### Conference Call Replay

Toll-free North America: +1 888 390 0541

Local or International: +1 416 764 8677

Passcode: 846006#

The conference call replay will be available for 365 days.

The presentation will be available on the Company's website at [www.superior-gold.com](http://www.superior-gold.com).

#### Qualified Person

The 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.

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#### Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws

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

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Furthermore, such forward-looking information involves a variety of known and unknown risks, uncertainties, and other factors which may cause the actual plans, intentions, activities, results, performance, or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Readers are encouraged to refer to the Annual Information Form of the Company for a discussion of other risks including outbreaks or threats of outbreaks of viruses, other infectious diseases, or other similar health threats, such as the novel coronavirus outbreak, which could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions, labour shortages, shutdowns, inflationary pressures on operating or capital costs, the inability to sell gold, capital markets volatility or other unknown but potentially significant impacts. The Company cannot accurately predict what effects these conditions will have on the Plutonic Gold Operations or the financial results of the Company, including uncertainties relating to travel restrictions to the Plutonic Gold Operations or otherwise and business closures that have been or may be imposed by governments. If an outbreak or threat of an outbreak of a virus or other infectious disease or other public health emergency occurs, it could have a material adverse effect on the Company's business, financial condition, and results of operations.

The Company cautions that there can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, investors should not place undue reliance on forward-looking information as no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, and if any of them do so, what benefits the Company will derive therefrom. Except as required by law, the Company does not assume any obligation to release publicly any revisions to forward-looking information contained in this news release to reflect events or circumstances after the date hereof. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accept responsibility for the adequacy or accuracy of this release.

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(In US Dollars unless otherwise stated)

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