

Superior Gold Reports Second Quarter Results

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(In US Dollars unless otherwise stated)

TORONTO, Aug. 17, 2022 - [Superior Gold Inc.](#) ("Superior Gold" or the "Company") (TSXV: SGI) (OTCMKTS: SUPGF) financial results for the second quarter of 2022 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

Second Quarter Highlights

- Safety performance improved during the quarter with a 24% reduction in the total injury frequency rate achieved during the period. Our safety improvement program is progressing and on track
- Production of 15,196 ounces, a 21% decrease over the comparative quarter of 2021 as a result of unusually high medical absenteeism as a result of the removal of COVID-19 restrictions in Western Australia in April 2022
- Sold 16,726 ounces of gold at total cash costs¹ of \$1,748 per ounce sold, an increase of \$336 per ounce sold or 27% in comparison to the second quarter of 2021 due to fewer ounces produced
- All-in sustaining costs¹ increased by \$410 per ounce sold or 27%, in comparison to the second quarter of 2021, to \$1,800 per ounce sold, above the realized gold price¹ of \$1,877 per ounce, due to higher total cash costs¹ as well as higher site exploration and capital expenditures¹
- Announced an updated Mineral Reserve and Resource statement indicating a 66% increase in mineral reserves
- Annual guidance adjusted with production now expected to range between 69,000 to 75,000 ounces, with all-in sustaining costs¹ to now range between \$1,800/oz to \$1,900/oz
- Strong 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.

Chris Jordaan, President, and CEO of Superior Gold stated: "In the second quarter the Company, like many operators in Western Australia, was negatively impacted by some unexpected challenges including unusually high rainfall levels and an increase in COVID-19 cases, which when combined affected flights to the mine and caused an abnormal shortage of key employees for the underground mining operations and open pit contractors on-site. Both issues impacted planned production, particularly in accessing the Main Pit mill feed that was originally planned for Q2. Additionally, many of our service providers from Perth and the major centres also suffered from high absenteeism due to COVID-19, and service levels deteriorated accordingly which had a negative impact on operational support.

We are carefully monitoring and reviewing operations for further potential disruptions from COVID-19 or other causes which could adversely affect production and costs. Therefore, after a thorough operational review, management believed it is prudent to reduce production guidance to a range between 69,000 to 75,000 ounces for 2022 and increase all-in sustaining costs¹ to between \$1,800 and \$1,900 per ounce.

The mill is now running close to its nameplate capacity of 5,000 tonnes per day. The delivery of an additional jumbo, which has arrived on site and is commissioned, and additional loaders and trucks for the underground mine are expected to have a positive impact on development metres and tonnes delivered from the underground in Q4 as we continue to target an exit rate of 100,000 tonnes per year from the underground on an annualized basis.

The delay in the open pit operations has also impacted our planned ramp-up in production. The investments we are making this year are designed to deliver 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. We will continue to target a production rate towards 100,000 ounces on an annualized basis. Our updated Life of Mine plan, based upon our current expanded reserves and resources, expected in the fourth quarter, will provide us with further strategic opportunities and options based on all recent drilling results."

Summary of Financial and Operational Results:

	Three months ended June 30, 2022	Six months ended June 30, 2022
All amounts in \$ millions except where noted		
Financial		
Revenue	31.5	61.7
Cost of sales	31.5	58.2
General and administrative	1.8	3.3
Operating income (loss)	(2.5)	(1.1)
Income (loss) before taxes	(3.0)	(1.7)
Net income (loss)	(2.0)	(0.6)
Earnings (loss) per share - basic and diluted	(0.02)	(0.00)
Adjusted net income (loss) ¹	(2.0)	(0.5)
Adjusted net income (loss) per share - basic ¹	(0.02)	(0.00)
Cash flow from operations after working capital changes	8.8	9.3
Weighted average number of common shares outstanding (basic)	123,054,690	123,062,188
Operational		
Gold produced (ounces)	15,196	31,943
Gold sold (ounces)	16,726	32,549
Total cash costs (\$/ounce) ¹	1,748	1,655
All-in sustaining costs (\$/ounce) ¹	1,929	1,832
Average realized price ¹ (\$/ounce)	1,877	1,893
Total underground material mined (Kt)	193	413
Total material milled (Kt)	407	766
Grade milled (g/t gold)	1.4	1.5
Recovery (%)	85	85

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 15,196 and 16,726 ounces of gold, respectively, for the

second quarter of 2022, a decrease of 21% and 14% respectively over the comparative prior-year period due to the 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. Total cash costs¹ of \$1,748/ounce sold and AISC¹ of \$1,929/ounce sold. Cash costs were below and AISC¹ was above the realized gold price¹ of \$1,877/ounce for the three-month period ending June 30, 2022.

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.

In comparison, 19,356 and 19,099 ounces of gold were produced and sold, respectively for the second quarter of 2021. Total cash costs¹ of \$1,412/ounce sold and AISC¹ of \$1,519/ounce sold were below the realized gold price¹ of \$1,801/ounce for the three-month period ending June 30, 2021.

Total cash costs¹ and AISC¹ increased over the prior period primarily as a result of fewer ounces sold in the current quarter due to the 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, which reduced production and the number of gold ounces available for sale.

The Company generated a net loss from operations of \$2.5 million for the three months ended June 30, 2022.

Exploration Activities

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. (Please refer to the 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 under-explored and remains open along strike and both up and down dip as it has yet to be fully drill tested.

2022 Guidance Adjustment

After reviewing operations and considering any further potential disruptions the Company felt it prudent to revise its 2022 production guidance. The revised guidance details of production and cost guidance for the year are summarized in the table below.

2022 Guidance	Original		Revised	
	Low	High	Low	High
Production (oz of Gold)	80,000	90,000	69,000	75,000
Cash Costs (\$/oz) ¹	\$1,300	\$1,450	\$1,650	\$1,750
All In Sustaining Costs (\$/oz) ¹	\$1,450	\$1,600	\$1,800	\$1,900

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. 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, August 17, 2022, at 10:00 AM ET to discuss the second quarter 2021 financial and operating results.

Toll-free North America:	+1 888 664 6392
Local or International:	+1 416 764 8659
Webcast:	https://app.webinar.net/Q6jknP1NdX0

Conference Call Replay

Toll-free North America:	+1 888 390 0541
Local or International:	+1 416 764 8677
Passcode:	637061#

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.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Ettienne 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.

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