

Superior Gold Reports Fourth Quarter And Full-year 2022 Production And Provides 2023 Guidance

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ACHIEVES 2022 REVISED GUIDANCE

(In US Dollars unless otherwise stated)

TORONTO, Jan. 25, 2023 - [Superior Gold Inc.](#) ("Superior Gold" or the "Company") (TSXV: SGI) (OTCQX: SUPGF) announced detailed production results for the fourth quarter and full year 2022 and provides 2023 guidance for the Company's 100% owned Plutonic Gold operations, located in Western Australia.

Fourth Quarter Highlights:

- Production of 14,448 ounces of gold, with sales of 14,794 ounces of gold
- Open-pit mining was suspended in October 2022 due to operational underperformance, with the Company's focus on the higher-grade underground mine
- Safety performance improved substantially, and the total reportable injury frequency rate reduced by 63% from the 2022 target
- Leading underground key performance indicators improving throughout the quarter:
 - Development rates increased
 - Production drilling improved
 - Ore hauled from underground increased
 - Stope grade of 2.4 g/t g
- Achieved revised annual guidance with the production of 62,336 ounces and sales of 62,218 ounces. Production was below 2021 primarily as a result of labour shortages due to COVID-19 impacts in Western Australia causing lower development rates and impacting access to higher-grade stopes
- Positive exploration results in 2022 support the Company's strategy of opening new mining fronts at the Western Australia's Baltic Gap and at Indian Access within the Plutonic underground, with access through our improved development program
- Financial position of \$8.1 million in cash and cash equivalents as at December 31, 2022

Chris Jordaan, President and CEO of Superior Gold stated: "The Company faced a number of challenges during 2022. Performance in the second and third quarters was impacted by extended Western Australia border closures, due to COVID-19, as well as a general shortage of skilled labour once borders opened up across Australia. During this period underground development averaged only 514 metres per month, which is inadequate to achieve planned production targets. In addition, operational underperformance of the open-pit led to production levels well below expectations. The open-pit underperformance necessitated a significant focus from management and diluted management attention to the underground mine. In Q3, a detailed review of open-pit performance was conducted and at the start of Q4, suspension activities commenced for the open-pit operation. With the detailed review and overall business performance, a restructuring program was completed and adjustments to the operating model were made. These included reducing operational headcount and transitioning in Q4 to batch milling. In addition, a comprehensive business improvement process was commenced, reducing monthly operating costs and improving underground productivity.

Productivity improvements specifically focussed on increasing development from 514 metres per month to a target of 714 metres per month and production drilling from 9,000 metres per month to more than 20,000 metres per month to increase, overall, developed, drilled and broken stock inventory. This is expected to provide the flexibility needed to target an increased stope grade towards 3.0 g/t and maintain consistent production from the underground of 80,000 tonnes per month. By the end of the quarter, these leading indicators had improved significantly with the highest rates for the year being achieved in December, including a development rate of 714 metres, production drilling of 20,155 metres and ore hauled from underground of 80,000 tonnes. As we continue to target these rates on a sustained basis, we expect a commensurate increase in available inventory and improved production performance from the underground.

During 2022 the Company provided a number of encouraging exploration updates that continue to point toward the identification of more productive mining fronts. Ongoing geological initiatives including the implementation of a new modelling technique improved our understanding of the mineralization at Plutonic and specifically the northwest-trending faults that control the

concentration of higher-grade gold mineralization. Finally, the Company successfully updated its Mineral Reserve and Resource statement which incorporated a 66% increase in Mineral Reserves and a 29% increase in Inferred Mineral Resources.

Looking ahead, in 2023 the operating focus will be solely on the underground mine. Management will continue to focus on leading performance indicators of increasing development, production drilling rates and building inventory. This is expected to provide improved operational flexibility with higher and more consistent grades and tonnages being delivered to the mill. We understand our performance in 2022 was a disappointment and that we must improve our operating performance and results in 2023 in order to improve our financial position. We saw a marked improvement in our operating performance during the final stages of the fourth quarter and expect to continue to build on those improvements as we move into 2023."

Figures 1 and 2 illustrate how management's focus on the key leading indicators are expected to improve operating performance in the underground. Based on past performance, it is clear that sustained higher development rates and stope production rates leads to improved available stope inventory and operating performance in the underground. Going forward into 2023, management will be providing detail on these key operating metrics in its operating results to demonstrate our commitment to target performance."

The Company will be releasing its complete financial and operating results for the fourth quarter and full year of 2022 in early 2023.

Fourth Quarter and Full Year 2022 Production Details

Preliminary production details are summarized in the table below:

Operating Parameters ¹	Three Months Ended Sept 30, 2022	Three Months Ended Dec 31, 2022	Twelve Months Ended Dec 31, 2022
Stope material mined (Tonnes)	148,980	153,951	653,982
Stope grade mined (g/t Au)	2.62	2.41	2.52
Stope production drilling (metres)	22,466	46,382	141,714
Development material mined (Tonnes)	29,020	57,519	148,592
Development grade mined (g/t Au)	0.82	0.99	0.94
Development metres	1,608	1,971	6,695
Surface material milled (Tonnes)	261,437	138,143	763,154
Surface material grade (g/t Au)	0.65	0.67	0.64
Total material milled (Tonnes)	438,987	359,900	1,565,354
Grade milled (g/t Au)	1.32	1.46	1.46
Gold recovery (%)	86 %	86 %	85 %
Gold Produced (ounces)	15,946	14,448	62,336
Gold Sold (ounces)	14,875	14,794	62,218
Cash and Cash Equivalents (\$ million)	11.6	8.1	8.1

¹Numbers may not add due to rounding.

Cash Position

The Company concluded the year with a cash position of \$8.1 million reflecting reduced ounce production, the suspension of open-pit operations and certain related AUD\$ payables. With the suspension of open-pit operations and the refocus on the underground and driving development and production drilling, combined with strong gold prices, the Company is targeting reduced costs, improved performance and cash generation going forward.

2023 Guidance

Details of production, cost, and capital expenditure guidance for 2023 are summarized in the table below.

With production stabilizing and expected to improve, targeting gold production of close to 6,000 ounces in January from underground, costs are expected to reduce in 2023. While capital spending is set to decrease relative to 2022, the Company expects to proceed with required investments in operations such as increasing development rates and production drilling to unlock stope optionality and unlock additional value.

	2023 Guidance		2021A	2020A
Operating Parameters	Low ⁴	High ⁴		
Production (oz of Gold)	65,000	74,000	77,321	63,065
Cash Costs (\$/oz) ¹	\$1,375	\$1,550	\$1,355	\$1,564
All In Sustaining Costs (\$/oz) ¹	\$1,600	\$1,800	\$1,472	\$1,665
Exploration Expenditures (\$ million) ²	\$1.0 - \$3.0		\$2.6	\$3.1
Capital Expenditures (\$ million) ³	\$7.0 - \$9.0		\$8.5	\$6.6

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 0.7:1
2	Exploration includes sustaining and non-sustaining expenditures which for 2023 could increase with positive exploration results.
3	Capital expenditures are primarily related to underground capitalized development for new mining fronts and other site upgrades.
4	Underground production only

2023 Operational Improvement Program

During the fourth quarter of 2022, the Company suspended open-pit mining operations and re-focused on the underground and the key leading performance indicators to target future improved operational results. A summary of the key performance drivers for 2023 are listed below and a detailed overview and progress update will be provided in Q1 2023:

1. Safety and Sustainability: safety performance improved by 63% for the reportable injury frequency rate. The Company remains committed to further improving its total reportable injury frequency rate in 2023.
2. Development Rates: development rates increased 22% to 1,971 metres in Q4 2022 compared to 1,608 metres in Q3 2022, ramping up to a target of 2,250 metres per quarter later in 2023.
3. Production Drilling Rates: production drilling rates increased 106% to 46,362 metres in Q4 2022 compared to 22,450 metres in Q3 2022 with a target of approximately 60,000 metres per quarter moving forward.

4. Developed Inventory: improved development rates and activity in line with our Life of Business plan is increasing inventory across 2023.
5. Improved Unit Cost -The restructuring of operations and a renewed focus on the underground provide for greater measures through batch milling, reduction of warehouse inventory and processes and a reduced labour force. The continues to have a strong focus on unit costs and dedicated routines and programs in place to continuously improve financial discipline.

Update on Vango Litigation 2016 Right of First Refusal Case Appeal

The Company wishes to provide an update to the market on the status of the 2016 right of first refusal ("ROFR") claim as in detail in the Superior Gold news release dated November 8, 2018, and again in a news release dated March 14, 2022. The Company indicated in the news release dated March 14, 2022, that it was successful in the litigation with respect to the ROFR in respect of the 2017 transaction and that the Company had filed an appeal for the alleged breach of the 2016 transaction. The appeal is scheduled to be heard by the Supreme Court of Western Australia Court of Appeal on February 1, 2023.

Update on Catalyst Metals Announcement

In response to a news release issued by [Catalyst Metals Ltd.](#) ("Catalyst") on January 9, 2023, the Company indicated in its same-day news release that discussions with Catalyst were ongoing in respect of a potential transaction. There continues to be no assurance that any transaction or commercial agreement will materialize from these discussions, and even if agreed upon, it may not involve a fundamental change for the Company. The Company continues to evaluate all alternatives in order to utilize the significant infrastructure available at the Plutonic Gold Operations and continues to assess opportunities as they arise.

The Company does not intend to make any additional comments regarding these discussions or any potential transaction until a formal agreement has been reached or as otherwise determined to be appropriate by the Company's board of directors.

Qualified Person

The scientific and technical information in this news release has been reviewed and approved by Etienne Du Plessis, 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, and a 50% 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 similar terminology or comparable terminology. Forward-looking information includes information with respect to guidance as to production, outlook, guidance, forecasts, estimates, and other statements regarding future or estimated financial and operational performance, including gold production and sales, revenues and cash flows, and capital costs (sustaining and non-sustaining), including projected operating costs and all-in sustaining costs) as well as statements with respect to the mine plan, exploration, drilling, open-pit projects, organizational matters and activities relating to the Plutonic Gold Operations and the Company generally, including its future capital requirements, financial results, the Company's annual production guidance, the benefits of targeting sustained high production levels.

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 reliance on forward-looking information as no assurance can be given that any of the events anticipated by the forward-looking information will in fact occur.

Supernova Gold Inc., Mike Modder, Chief Financial Officer, Investor Relations, investor@supernovagold.com, Tel: 647-922-1111

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