

# Superior Gold Reports First Quarter 2023 Results

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(In US Dollars unless otherwise stated)

TORONTO, May 23, 2023 - [Superior Gold Inc.](#) ("Superior Gold" or the "Company") (TSXV: SGI) (OTCQX: SUPGF) announced its financial results for the first quarter of 2023 for the Company's 100%-owned Plutonic Gold Operations, located in Western Australia.

## First Quarter Highlights

- Production of 14,437 ounces of gold, with sales of 14,351 ounces of gold in Q1 2023.
- Underground production tonnage mined of 234kt, exceeding the quarterly production rates over the last two years.
- Leading underground key performance indicators continued to improve for the quarter relative to Q1 2022:

● Announced the entering into of a unanimously Board approved arrangement agreement with [Catalyst Metals Ltd.](#) ("Catalyst") whereby Catalyst would acquire the common shares of the Company, representing a premium of 62% to the closing price of Superior shares on the day prior to

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the announcement (February 22, 2023). See news release dated May 16, 2023 for the merits of the transaction.

1 For Non-IFRS Measures noted above and included elsewhere in this news release, refer to the Non-IFRS measures section of the Company's MD&A for a description of these measures.

● **Steady**

~~outstanding~~, President and CEO of Superior Gold stated: "The Company remained focused on improving its leading performance indicators during the first quarter of 2023. Development and production drilling rates remain on a positive

~~and~~ we ceased open pit operations in order to re-focus on the underground.

~~Steady~~

~~from~~

~~massing~~, drilled stocks increased by approximately five-fold to 95,466t compared to the end of Q4 2022. Development ~~and~~ production drilling rates along with improved stock inventories were delivered to plan and were much improved over 2022. ~~and~~ these initiatives have led to improving underground production from 11,923 ounces in Q4 2022 to 14,329 in Q1 2023. ~~and~~ By continuing to focus on these leading performance indicators the Company expects to improve its ~~flexibility~~ throughout the remainder of 2023.

~~the~~

~~gathered~~

~~Plutonic~~ requires consistent drilling and development and we are starting to see the benefits of the operational improvement program implemented in the fourth quarter of 2022. April production was 5,818oz of gold with sales of 5,783oz, delivering ~~and~~ performance and cash flow. In April 2023, 87,547t of total ore were mined at an overall grade of 2.41g/t with a stope grade of 2.53g/t. The improved development rates, drilled stocks and ability to truck the ore to surface have all contributed to this ~~and~~ performance as we continue to implement the Plutonic Operational Improvement Program.

~~Subsequent~~

~~2022~~

~~the~~

~~We~~ continue to advance work on the transaction with Catalyst for the scheduled special meeting of shareholders for Ju

~~2023~~

~~Company~~

~~continues~~

~~Summary of Operational and Financial Results:~~

~~quarter~~

~~focus~~

~~improve~~

~~short~~

~~operational~~

~~liquidity~~

~~program~~

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~~transactional~~

~~related~~

~~quarter~~

~~of~~

~~2022.~~

Operating Parameters <sup>1</sup>	Three Months Ended	Three Months Ended	Three Months Ended
	Mar 31, 2023	Dec 31, 2022	Sept 30, 2022
Stope material mined (Tonnes)	197,600	153,951	148,980
Stope grade mined (g/t Au)	2.41	2.41	2.62
Stope production drilling (metres)	41,371	46,382	22,466
Development material mined (Tonnes)	36,187	57,519	29,020
Development grade mined (g/t Au)	1.28	0.99	0.82
Development metres	1,853	1,971	1,608
Surface material milled (Tonnes)	7,588	138,143	261,437
Surface material grade (g/t Au)	0.52	0.67	0.65
Total material milled (Tonnes)	246,439	359,900	438,987
Grade milled (g/t Au)	2.14	1.46	1.32
Gold recovery (%)	85 %	86 %	86 %
Gold Produced (ounces)	14,437	14,448	15,946
Gold Sold (ounces) <sup>2</sup>	14,351	14,794	14,875
Total cash costs (\$/ounce) <sup>3</sup>	\$1,827	\$1,964	\$1,789
All-in sustaining costs (\$/ounce) <sup>3</sup>	\$1,969	\$2,091	\$1,989

<sup>1</sup> Numbers may not add due to rounding.

<sup>2</sup> Difference between produced and sold is due to timing of sales vs production for the period.

<sup>3</sup> For Non-IFRS Measures noted above and included elsewhere in this news release, refer to the Non-IFRS measures section of the Company's MD&A for a description of these measures.

Financial details for the first quarter of 2023 and comparable quarter of 2022 are summarized in the table below:

Financial Parameters	Three months Ended	Three months Ended
All amounts in \$ millions except where noted	March 31, 2023	March 31, 2022
Revenue	26,516	30,216
Cost of sales	29,618	26,691
General and administrative	2,237	1,465
Operating income (loss)	(5,532)	1,441
Income (loss) before taxes	(7,331)	1,281
Net income (loss)	(7,362)	1,424
Earnings (loss) per share - basic and diluted	(0.06)	0.01
Adjusted net income (loss) <sup>1</sup>	(6,352)	1,424
Adjusted net income (loss) per share - basic <sup>1</sup>	(0.05)	0.01
Cash flow from operations after working capital changes	(2,189)	412
Weighted average number of common shares outstanding (basic)	123,419,989	122,888,508

<sup>1</sup> For Non-IFRS Measures noted above and included elsewhere in this news release, refer to the Non-IFRS measures section of the Company's MD&A for a description of these measures.  
Plutonic Gold Operations

The Plutonic Gold Operations produced and sold 14,437 and 14,351 ounces of gold, respectively, for the first quarter of 2023. In comparison, 16,747 and 15,823 ounces of gold were produced and sold, respectively for the first quarter of 2022. The reduction over the comparable prior period in 2022 was primarily a result of lower grade tonnes milled from underground operations and no contribution of tonnages from open pit sources in the first quarter of 2023. During the comparable quarter of 2022, open pit tonnes milled were sourced from the Plutonic East and Perch open pits.

Total cash costs of \$1,827/ounce sold were below the realized gold price of \$1,846/ounce, while all-in sustaining costs of \$1,969/ounce sold were above, for the three-month period ended March 31, 2023. Total cash costs of \$1,558/ounce sold and all-in sustaining costs of \$1,729/ounce sold were below the realized gold price of \$1,910/ounce for the three-month period ended March 31, 2022.

The Company generated a net loss from operations of \$5.5 million for the three months ended March 31, 2023 compared operating income of \$1.4 million in the comparable period of 2022. The reduction was driven by primarily lower revenue from lower ounces sold, increased depreciation and a reduction in changes in inventory due to a build up of gold in circuit and the timing of sales at the end of the quarter of 2022.

#### 2023 Plutonic Operational Improvement Program and April 2023 Comparative Results

During the fourth quarter of 2022, the Company suspended open-pit mining operations and focused solely on the underground mine and the key leading performance indicators to target future improved operational results. The key performance drivers identified included: i) a commitment to further improving safety performance, ii) a drive to improve development rates to improve access to an increased number of stopes and at higher grades, iii) increased production drilling rates, iv) improved underground drilled and broken stock, and v) improved underground unit mining costs. The following figures illustrate the operation's key leading performance indicators.

Development rates were 1,853 metres for Q1 2023, down 4% on a daily rate from 1,971 metres achieved in Q4 2022. Rates equivalent to Q4 2022 have been maintained in April. Lower rates were planned for Q1 and Q2, 2023 with the Company ramping up to a target in excess of 2,100metres per quarter later in 2023 given the latest optimised mine planning and schedules.

Production drilling rates were 41,371 metres for Q1 2023, down from 46,382 in the fourth quarter, but remain well above the rates achieved during the COVID impacted quarters of Q2 and Q3 2022. Rig availability was impacted in the latter half of Q1 and into April, however, the Company is commissioning a rental unit in May to improve rates. Higher productivity from the drill rigs in operation has contributed to an uplift in stopes tonnes liberated per metre of long hole drilling and at these demonstrated rates, the Company revised the monthly target to between 18,000-18,500m/month.

Total underground ore mined has increased markedly from Q3 2022. Continued improvements has resulted in an increase in total ore mined to 89,958 tonnes for April, a 15% improvement over the Q1 2023 and a 27% increase relative to Q4 2022 average monthly rate.

#### 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 National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("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 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, financial results, the Company's annual production guidance, the benefits of targeting sustained higher development rates and management's focus on underground mining. 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, including but not limited to, assumptions about assumptions about the Company's future business objectives, goals, and capabilities, the regulatory framework applicable to the Company and its operations, and the Company's financial resources. Furthermore, such forward-looking information involves a variety of known and unknown risks and uncertainties, including, but not limited to, risks and uncertainties related to (i) the available funds of the Company and the anticipated use of such funds, (ii) the availability of financing opportunities, (iii) legal and

regulatory risks, (iv) risks associated with economic conditions, (v) risks related to the Company's underground mining operations, (vi) risk of litigation, (vii) risks related to the ongoing COVID-19 pandemic, and its impact on the Company's operations (viii) risks related to the resumption of operations at the Main Pit Deeps project, (ix) reliance on the expertise and judgment of senior management, and ability to retain such senior management, \* risks relating to the management of growth 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 dated October 16, 2020 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 event or circumstance anticipated by this forward-looking information will occur as anticipated by the forward-looking information of Executive Officer, investor or officer of the Company, or what will be the Company's Chief Financial Officer 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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**Non-IFRS Measures**  
**AGB/Disclaimer:**

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). For a more comprehensive overview of the financial and operating highlights presented in this news release, please refer to the Company's latest Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A"), and the Company's most recent Condensed Consolidated Interim Financial Statements (the "Financial Statements"), filed on SEDAR available at [www.sedar.com](http://www.sedar.com), and available on the Company's website at [www.superior-gold.com](http://www.superior-gold.com).

The Company uses "total cash costs", which is a non-IFRS financial measure intended to reflect, as close as possible, the direct cost of producing and selling an ounce of gold. The Company uses "All-in Sustaining Costs" or "AISC", which is a non-IFRS financial ratio intended to provide investors with transparency regarding the total costs of producing and selling one ounce of gold in the relevant period. The Company uses "average realized gold price", which is a non-IFRS financial measure. Realized gold price is calculated as metal sales per the Financial Statements, less silver sales.

For a further discussion of the use of these non-IFRS financial measures and for a reconciliation to the most directly comparable IFRS measures refer to the Company's most recent MD&A.

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