

Superior Gold Inc. Files Technical Report to Support Previously Released Preliminary Economic Assessment for the Plutonic Main Pit Push-Back Project and Updated Mineral Resource Estimate

(In Australian Dollars unless otherwise stated)

TORONTO, Dec. 30, 2020 /CNW/ - **Superior Gold Inc.** ("Superior Gold" or the "Company") (TSXV: SGI) today announced the filing of an independent technical report in accordance with Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") to support the Preliminary Economic Assessment ("PEA") of a push-back of the previously producing main pit as well as an updated Mineral Resource estimate at its 100%-owned Plutonic Gold Operations located in Western Australia.

The technical report is entitled, "2020 Mineral Resource and Reserve Estimate for the Plutonic Gold Operations Including Main Open Cut Pit Area", is dated December 30, 2020, is effective December 31, 2019 and is available under Superior Gold's profile on SEDAR at www.sedar.com and on the Company's website at www.superior-gold.com.

PEA Highlights:

- Robust economics with after-tax Net Present Value (5% discount rate) ("NPV_{5%}") of \$120 million and an after-tax Internal Rate of Return ("IRR") of 35% at \$2,150 per ounce of gold (US\$1,505 per ounce)
- Low capital intensity project with only \$82 million pre-production capital cost net of \$22 million of pre-production revenue
- Average production of 60,000 ounces gold per year over six years for 357,000 ounces of total production
- Low life-of-mine ("LOM") All-In Sustaining Cost ("AISC") of US\$863 per ounce gold
- Technically simple project based on a push-back of the existing Plutonic Main Pit utilising existing processing and other existing infrastructure
- Significant leverage to gold price: \$265 million NPV_{5%} at recent spot price of \$2,850 per ounce of gold (US\$2,000 per ounce)
- Value enhancement potential available through removing open pit constraints, resource expansion and exploration drilling
- Proceeding to a PFS expected to be completed in the first half of 2022

Updated Mineral Resource Highlights:

- Updated Measured and Indicated Mineral Resources of 1.89 million ounces of gold (16.26 million tonnes at a 3.6 g/t Au grade)
- Updated Inferred Mineral Resources of 3.07 million ounces of gold (30.55 million tonnes at a 3.1 g/t Au grade)

The updated Mineral Resource estimate and PEA were completed under the supervision of Stephen Hyland, FAusIMM who is a "qualified person" as defined by NI 43-101 and is independent of the Company. Mr. Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) and a "qualified person" within the meaning of NI 43-101. Mr. Hyland is employed by Hyland Geological and Mining Consultants (HGMC) and has been engaged on the basis of professional association between client and independent consultant.

The PEA was prepared under the supervision of the Qualified Person, Mr. Hyland by the following individuals at RPM Advisory Services Pty Limited ("RPM Global"), all of whom are Qualified Persons under the terms of NI 43-101:

- Mining: Mr Igor Bojanic, FAusIMM
- Processing and Infrastructure: Dr Andrew Newell, MAusIMM (CP), MIE (CP)

Though the RPM Global team were not designated Qualified Persons for the purposes of the PEA, they do meet the requirements for Qualified Persons under the terms of NI 43-101.

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 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, 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.

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: the Plutonic Main Pit having the potential to be a robust open pit gold mine with compelling project economics; the results of the PEA, including, but not limited to, the NPV_{5%}, IRR, estimated costs, average production, production rate, LOM and AISC; the expectation that the Plutonic Main Pit will be a robust operation and profitable at a variety of prices and assumptions; the expected high quality of the Plutonic Main Pit concentrates; the potential impact of the Plutonic Main Pit in the Western Australia, including but not limited to the potential generation of tax revenue and contribution of jobs; value enhancement of the Plutonic Main Pit having the potential through removing open pit constraints, resource expansion and exploration drilling; and the expectation of proceeding to a PFS in respect of the Plutonic Main Pit. These statements are subject to risks and uncertainties, including, but not limited to: the reasonability of the economic assumptions at the basis of the results of the PEA and technical report; changes in interpretations of geological, geostatistical, metallurgical, mining or processing information and interpretations of the information resulting from future exploration, analysis or mining and processing experience; declines in general economic conditions; fluctuations in exchange rates and changes in political conditions, in tax, royalty, environmental and other laws in Western Australia and financial market conditions; new information from drilling programs or other exploration or analysis; unexpected variations in mineral grades, types and metallurgy; fluctuations in silver and gold prices; and failure of mined material to meet expectations. 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 filed on SEDAR (www.sedar.com) for a discussion of other risks including risks related to 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, 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.

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