



# Corporate Presentation

April 2019

**Significant First World Gold Asset**

**TSX.V – SGI**



All amounts expressed in US\$ unless otherwise stated

# Disclaimers

## **Forward Looking Statements:**

Certain statements made in this presentation contain forward-looking information, within the meaning of applicable Canadian securities legislation, and forward looking statements, within the meaning of applicable United States securities legislation (collectively, “forward-looking information”), which reflects management’s expectations regarding Superior Gold’s future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects and opportunities.

Wherever possible, words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking information.

Such forward-looking information includes, without limitation, statements with respect to Mineral Reserve and Mineral Resource estimates; targeting additional Mineral Resources and expansion of deposits; Superior Gold’s dependency on the Plutonic Gold Operations for operating revenue and cash flows in the near term; the Corporation’s expectations, strategies and plans for the Plutonic Gold Operations, including the Corporation’s planned exploration, development and production activities at the Plutonic Gold Mine, Hermes and Bryah Basin; and future financial or operating performance and condition of the Corporation and its business, operations and properties.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management, in light of management’s experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances. While the Corporation considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

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 Corporation to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking information. Such risks include, without limitation, those discussed in the Corporation’s long form final prospectus dated February 15, 2017, a copy of which is available at [www.sedar.com](http://www.sedar.com).

The Corporation cautions that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. 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, readers should not place undue reliance on forward-looking information. In addition, please note that statements relating to “Mineral Reserves” or “Mineral Resources” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Reserves and Mineral Resources described can be profitably mined in the future.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Superior Gold and any representation to the contrary would be unlawful.

## **Market and Industry Data:**

Unless otherwise indicated, the market and industry data contained in this presentation is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believes these sources to be generally reliable, market data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Corporation has not independently verified any of the data from third party sources referred to in this presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

## **Use of Non-IFRS Financial Measures:**

This presentation refers to “all-in sustaining costs per gold ounce” and “total cash costs per gold ounce” because certain readers may use this information to assess the Corporation’s performance and also to determine the Corporation’s ability to generate cash flow. This data is furnished to provide additional information and are non-IFRS measures and do not have any standardized meaning prescribed by IFRS. All-in sustaining costs per gold ounce and total cash costs per gold ounce should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and are not necessarily indicative of operating costs presented under IFRS.

# Operations in Tier One Jurisdiction

## Operations in the world class goldfields of Western Australia

- Continuous production at Plutonic Gold mine since 1990
- Historical production of > 5.5 million ounces (a big system!)
- Attractive revaluation opportunity



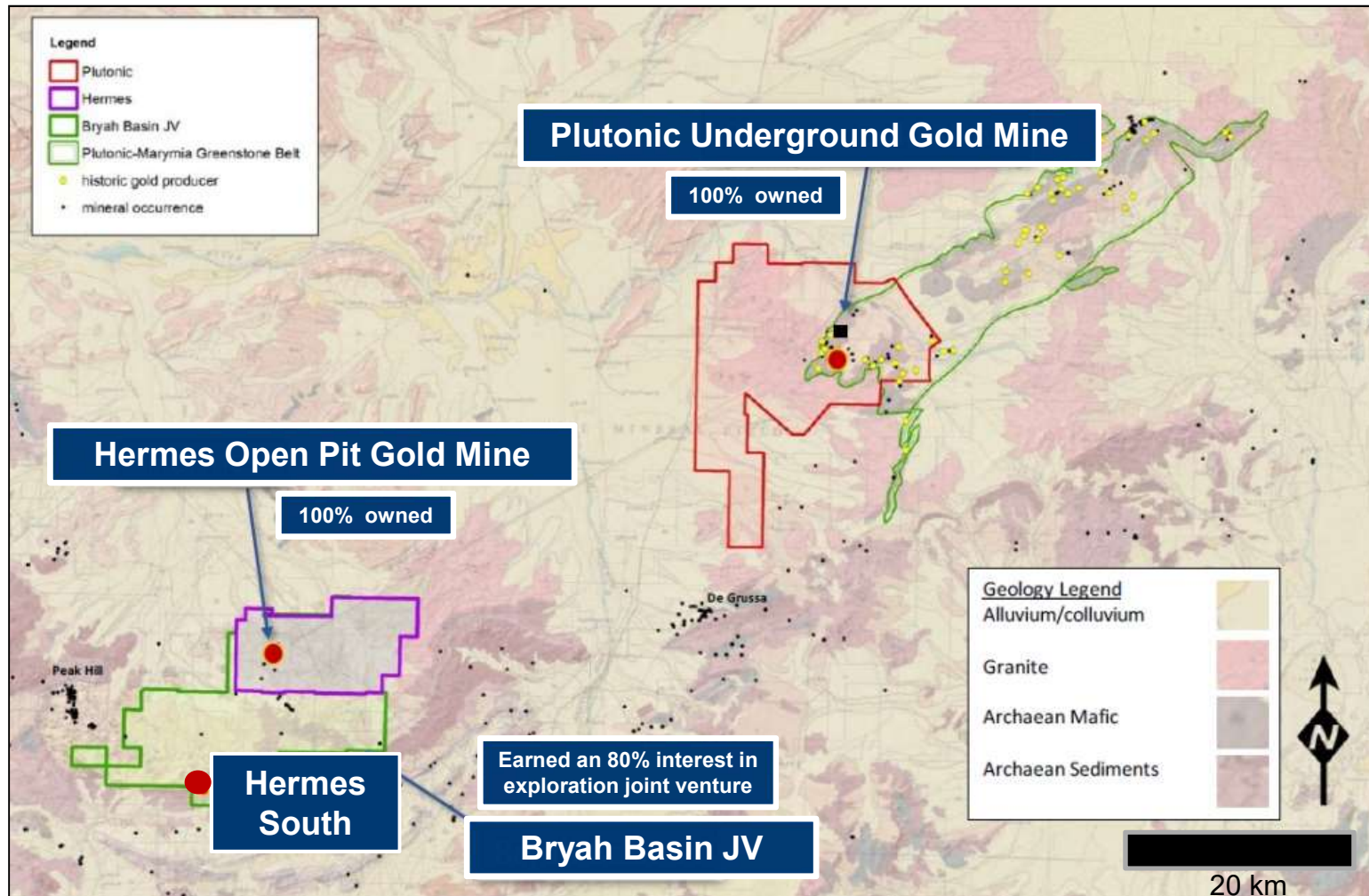
# Significant Achievements

- Demonstrated ability to generate free cash flow at the Plutonic Gold Operations
- Purchase price of AU\$40M recouped within 15 months
- Threefold increase in underground reserves at Plutonic and increase in total resources in 2018 – further increases anticipated
- Executed ‘fill the mill’ strategy
- Increased and sustained higher recoveries
- Constructed a second mine (Hermes) from internally generated funds
- Cumulative production in excess of 200,000 ounces (since acquisition) achieved in Q119



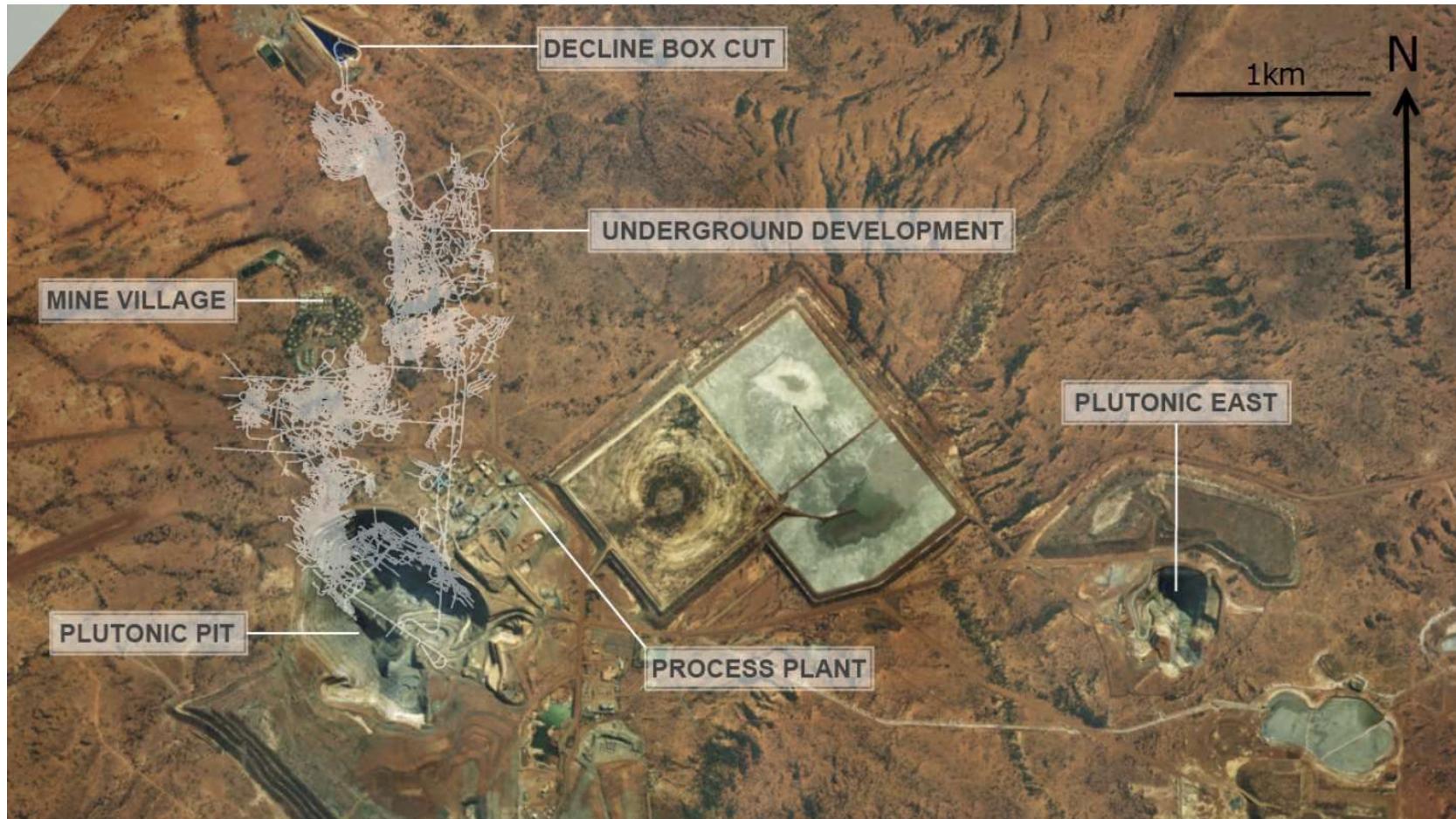
# Plutonic Gold Operations

644 Km<sup>2</sup> in world class Western Australian Goldfields – fly in/fly out operation



# Future Growth with Low Capital Intensity

Outstanding infrastructure in place



# Assets Purchased for Cents on the Dollar

**Replacement value of assets total > \$2.5 billion**

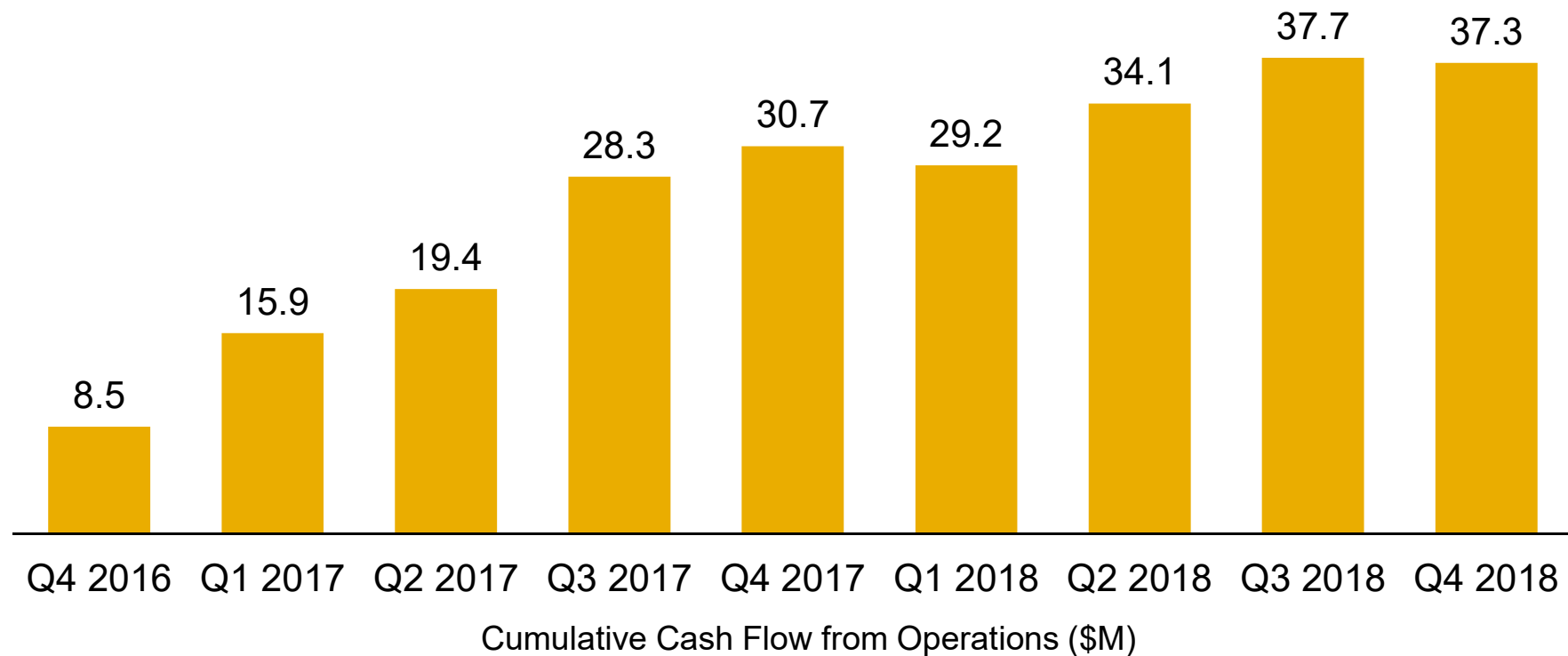
- Mills and related facilities → \$150 million
- Camp, borefields, airfield and other surface infrastructure → \$50 million
- Drilling → \$1 billion (7,000km)
- Underground development → > \$1.5 billion (450km)

**Purchased for US\$34 million (or 1 cent on the dollar)**



# Excellent Return on Investment

**Generated Cumulative Cash Flow from Operations of >\$37M**



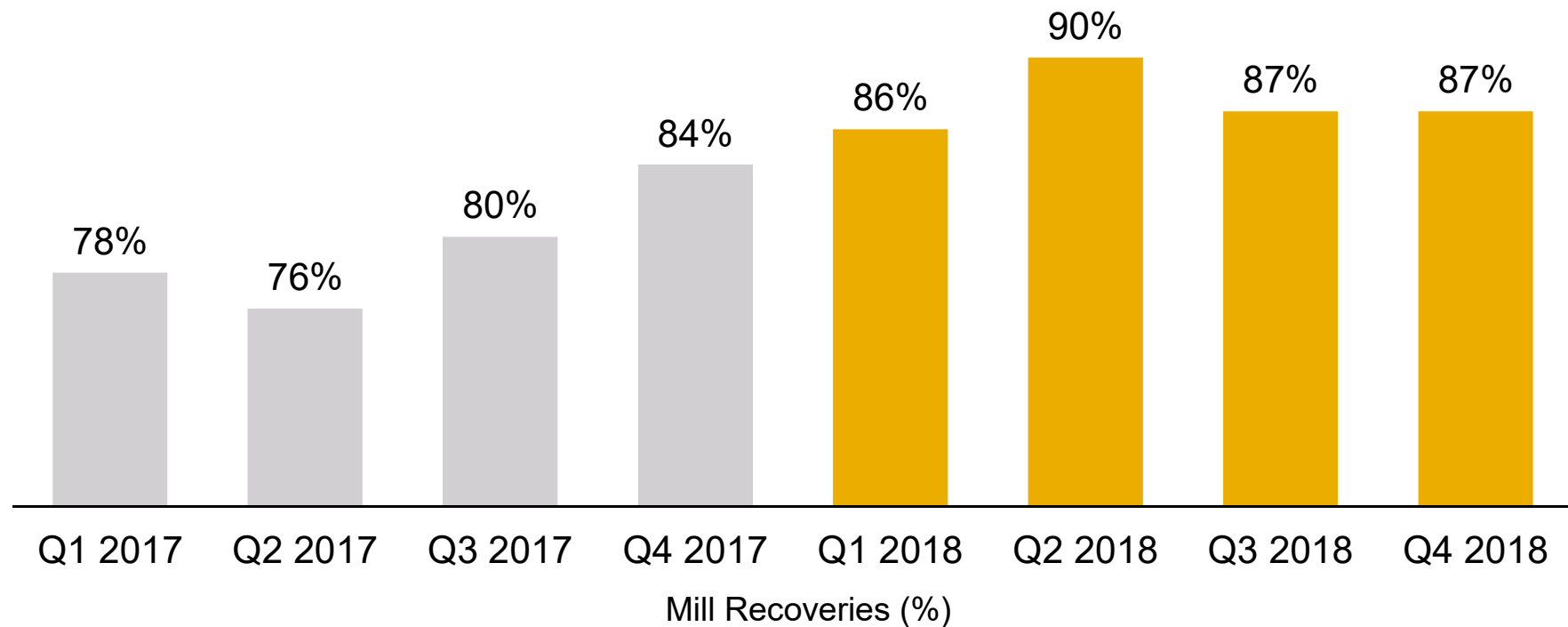
**The mine has paid for itself...**

**... and internally financed the construction of Hermes for \$12M**



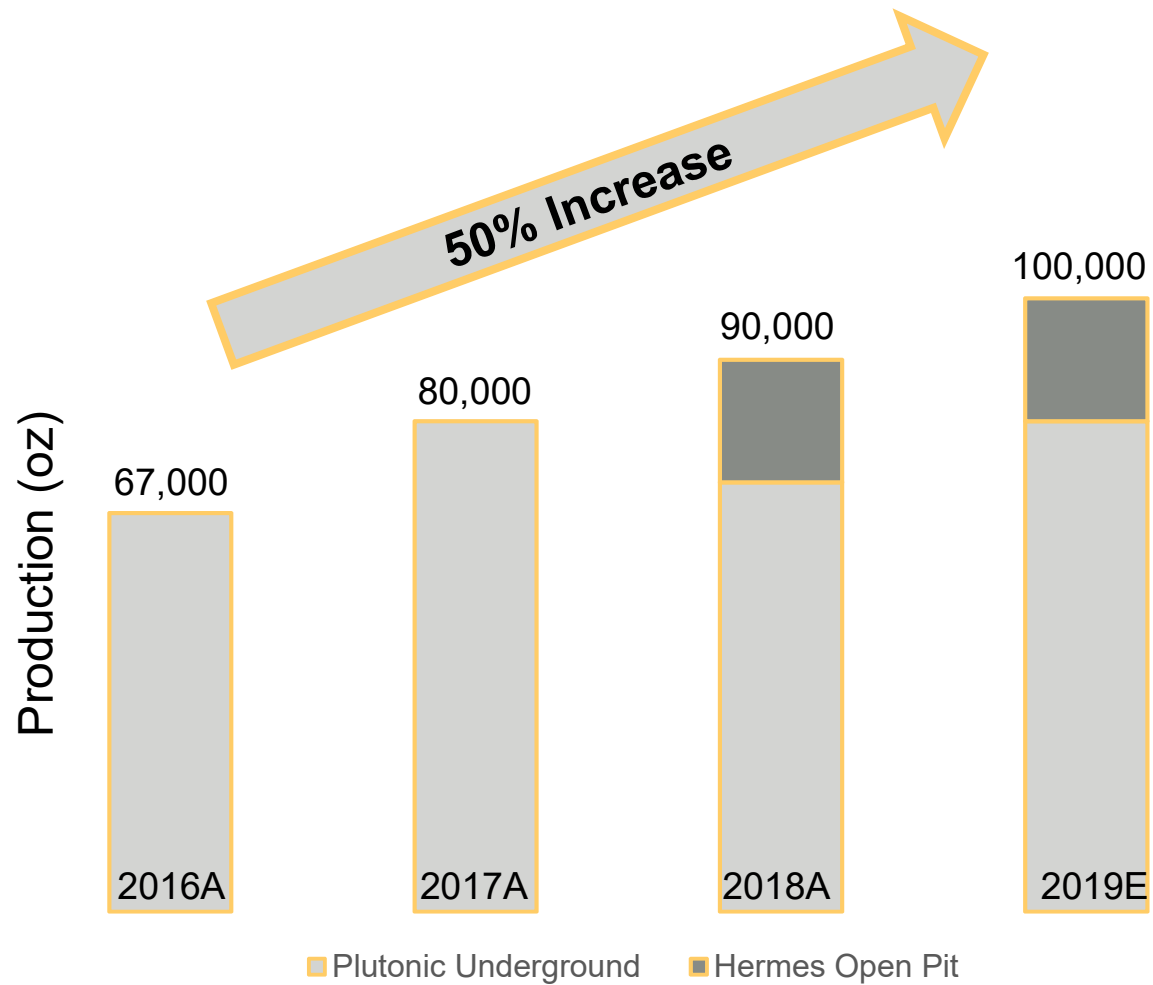
# Optimizing Operations

## Improved recoveries



**Further improvements possible in 2019 from gravity circuit**

# Aiming for 100,000 oz Producer Status



1. Plutonic Operations was producing at an annualized rate of less than 67,000 at time of acquisition in Q416.

# 2019 Guidance

	Low	High
Production (oz of Gold)	92,000	105,000
Cash Costs (\$/oz) <sup>1,2</sup>	\$975	\$1,075
All In Sustaining Costs (\$/oz) <sup>1,2</sup>	\$1,075	\$1,175
Exploration Expenditure (\$M) <sup>1,3</sup>	\$6.5	
Sustaining Capital Expenditures (\$M) <sup>1</sup>	\$6.0	
Non Sustaining Capital Expenditures (\$M) <sup>1,4</sup>	\$4.2	

<sup>1</sup> Assumes an AU\$:US\$ exchange rate of 0.73:1.

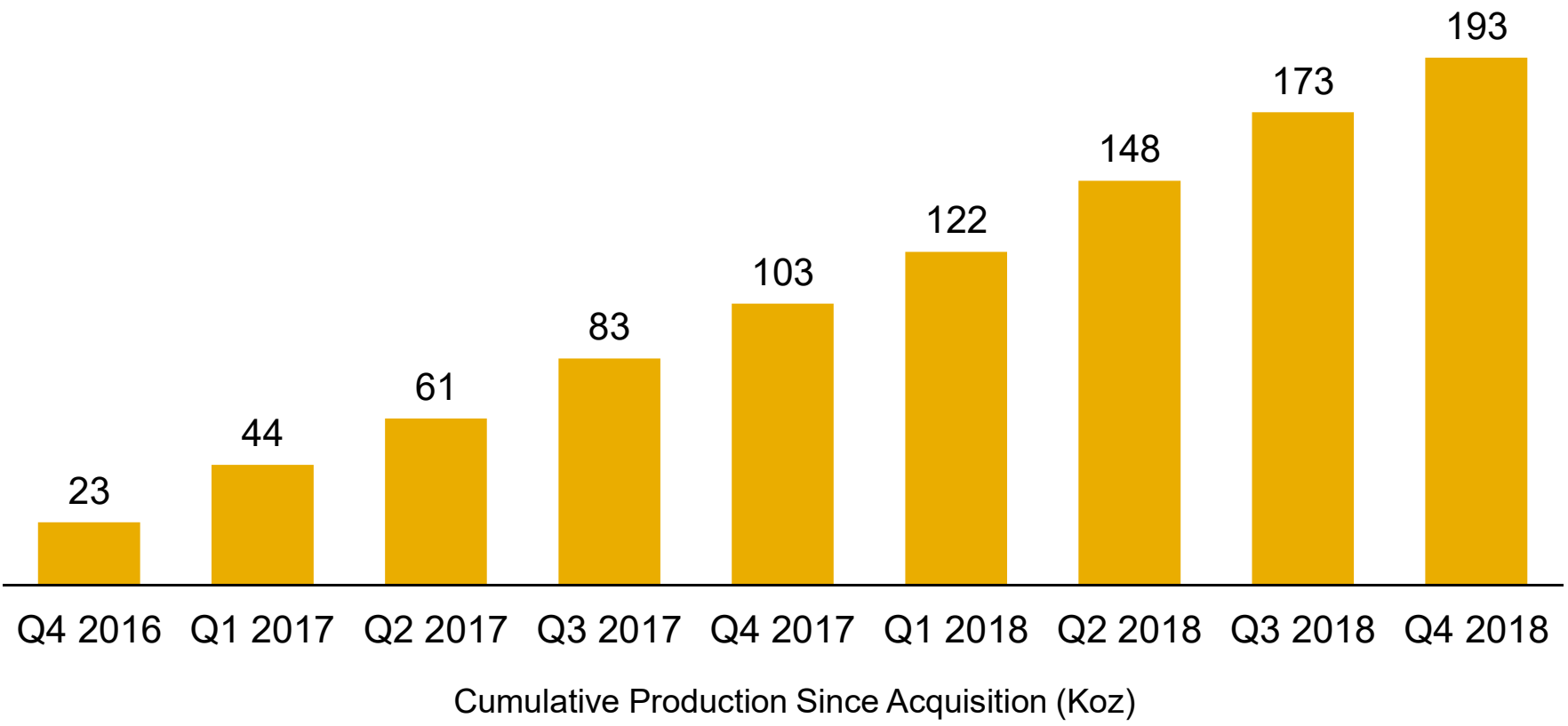
<sup>2</sup> This is a Non-IFRS measure. Refer to Non-IFRS measures section of the Company's prior MD&A's for a description of these measures.

<sup>3</sup> Exploration expenditures could increase with positive exploration results.

<sup>4</sup> Non sustaining capital expenditures are primarily related to plant upgrades and expansion drilling that is capitalized.

# Demonstrated Longevity of Plutonic Operations

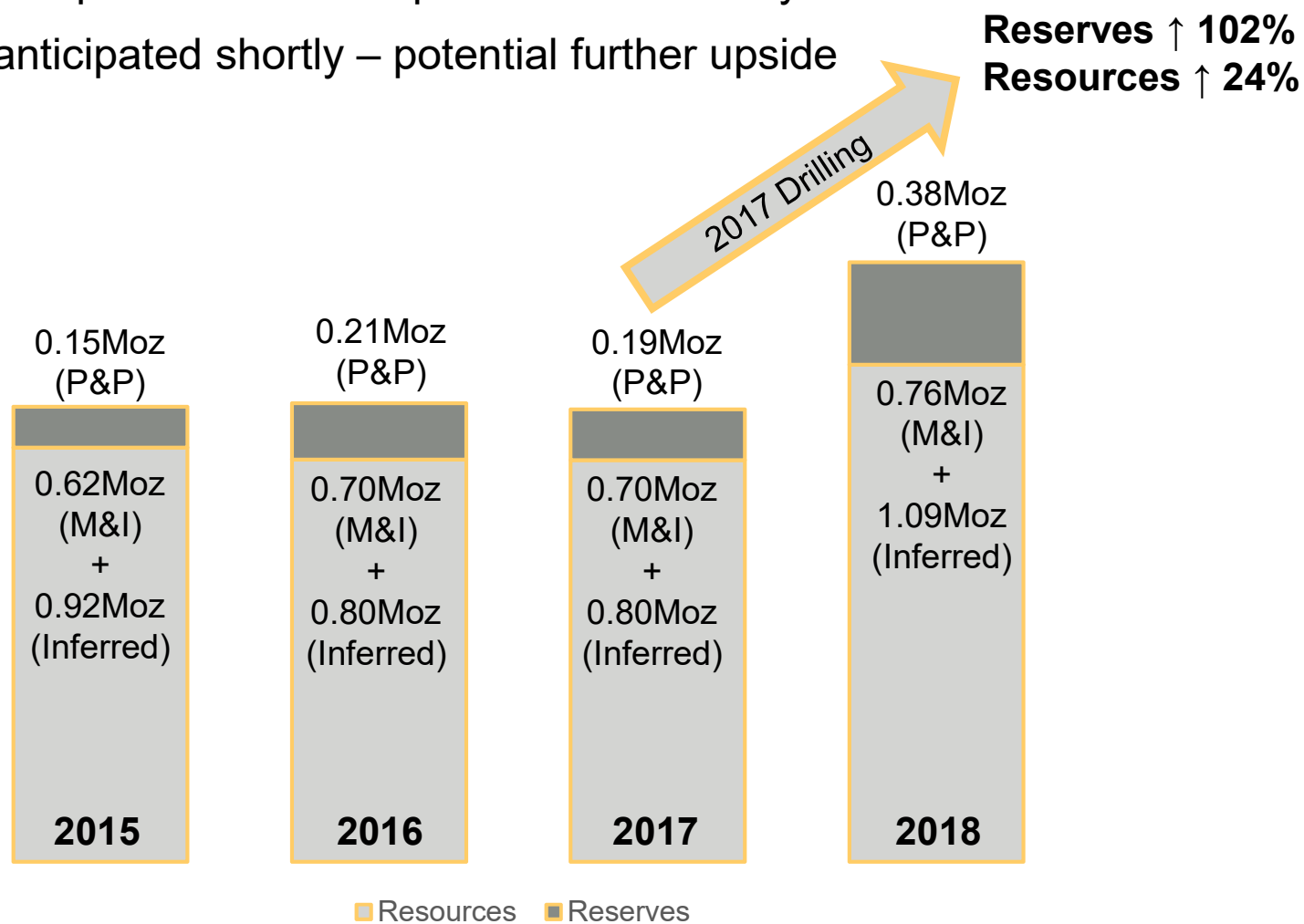
Attained cumulative production since acquisition of 200Koz in Q1 2019





# R&R Growth through the Drill Bit

- Limited exploration by previous operator in 2015 and 2016
- Reinvesting in exploration in 2017 paid off immediately
- Next update anticipated shortly – potential further upside



# Large Mineral Resource As at December 31, 2017

- Historical resource to reserve conversion rate of approximately 40% to 50% over the last 10 years
- Over the last 10 years, approximately 50% of annual gold production has been sourced from converting mineral resources or unclassified material directly into production

## Mineral Resources

	Tonnes (m)	Grade (g/t Au)	Gold (koz)
<b>HERMES</b>			
Measured and Indicated	4.77	1.97	303
Inferred	1.76	1.85	104
<b>PLUTONIC</b>			
Measured and Indicated	3.76	6.94	838
Inferred	6.53	4.64	975
<b>TOTAL MEASURED AND INDICATED</b>	<b>8.53</b>	<b>4.16</b>	<b>1,141</b>
<b>TOTAL INFERRED</b>	<b>8.29</b>	<b>4.05</b>	<b>1,079</b>

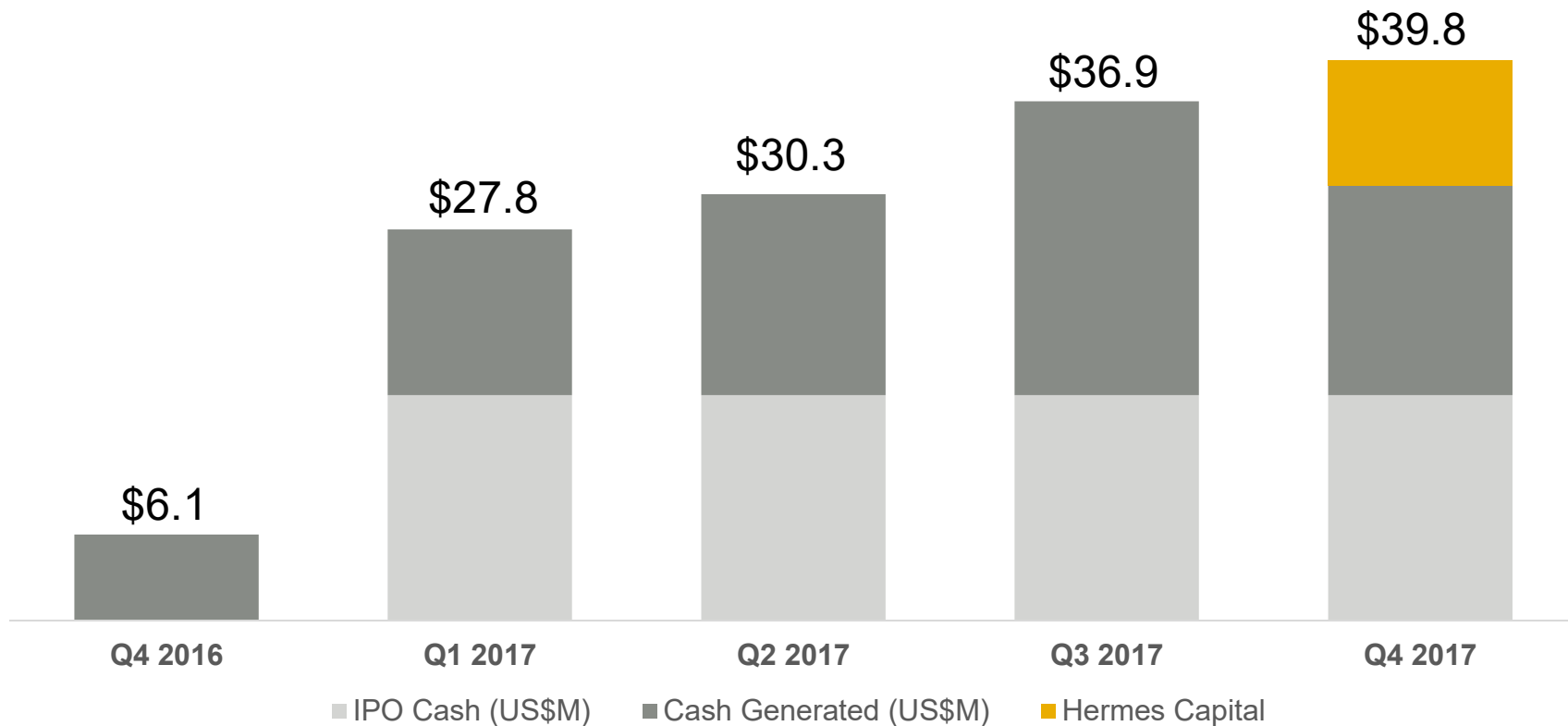
## Mineral Reserves

	Tonnes (m)	Grade (g/t Au)	Gold (koz)
<b>HERMES</b>			
Proven and Probable	1.72	1.93	106
<b>PLUTONIC</b>			
Proven and Probable	1.44	5.97	276
<b>TOTAL PROVEN AND PROBABLE</b>	<b>3.16</b>	<b>3.77</b>	<b>382</b>

Note: For additional information related to the mineral reserves and mineral resources, please refer to last slide – “Information Regarding Scientific and Technical Information”.

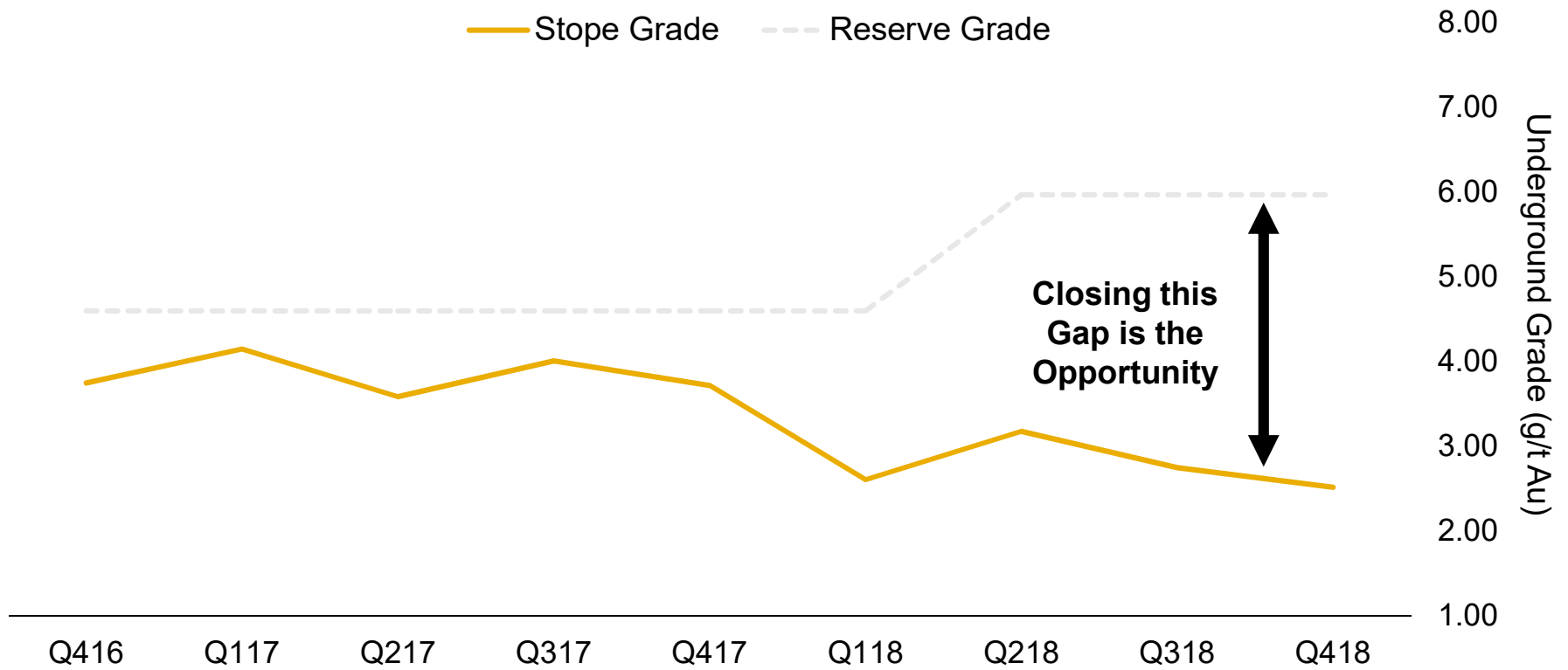
# 2016-2017: An Outstanding Start

Generated significant free cash flow with quarter over quarter growth



# 2018: Was Challenging

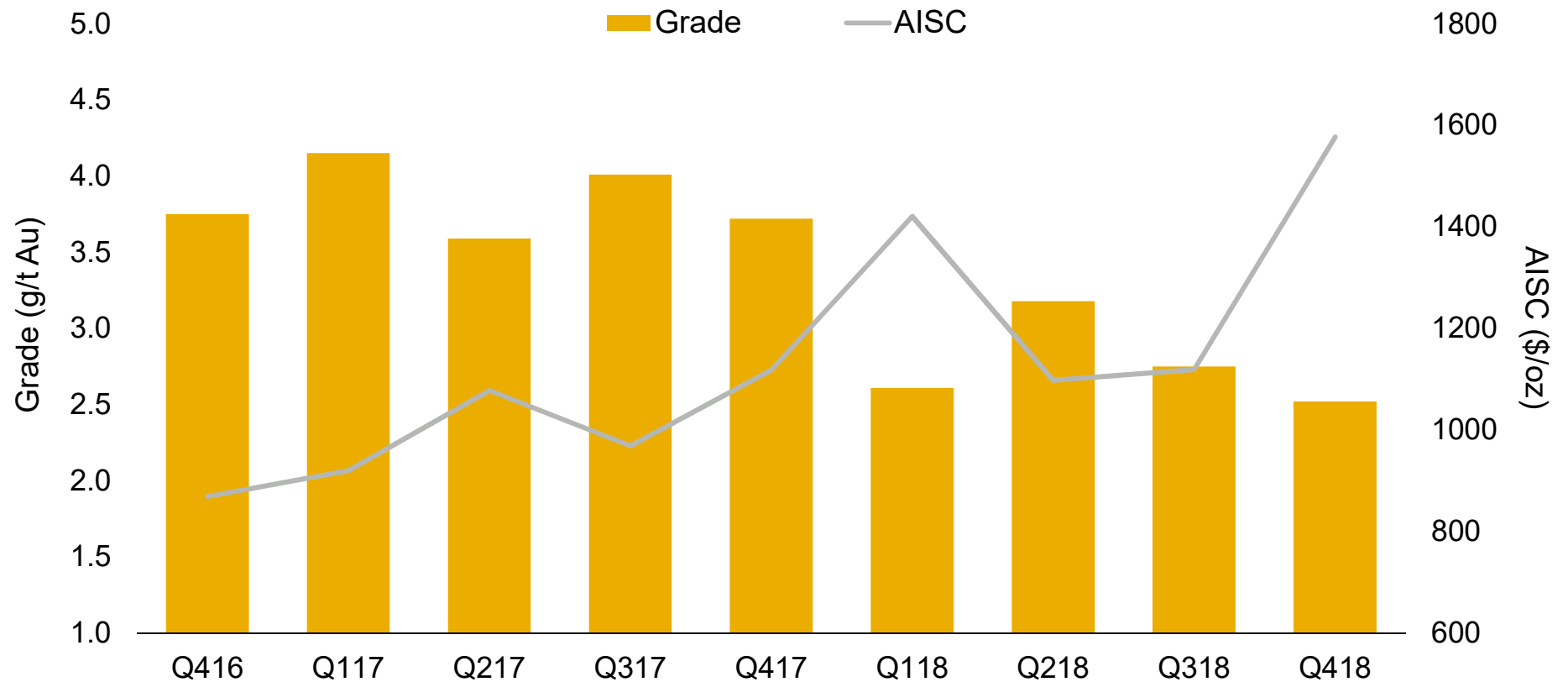
**Stope grade was below expectations**





# It's all about Grade

**AISC increased as stope grade decreased**



# What Happened?

- Harvested developed inventory → operational flexibility lost
- Maintenance fell behind → poor equipment availability
- Mined below low reserve grade (inadequate planning and excessive dilution)
- Manpower issues near Christmas

**Issues being addressed and progress being made**

**Can we fix this?**

**ABSOLUTELY!!!**

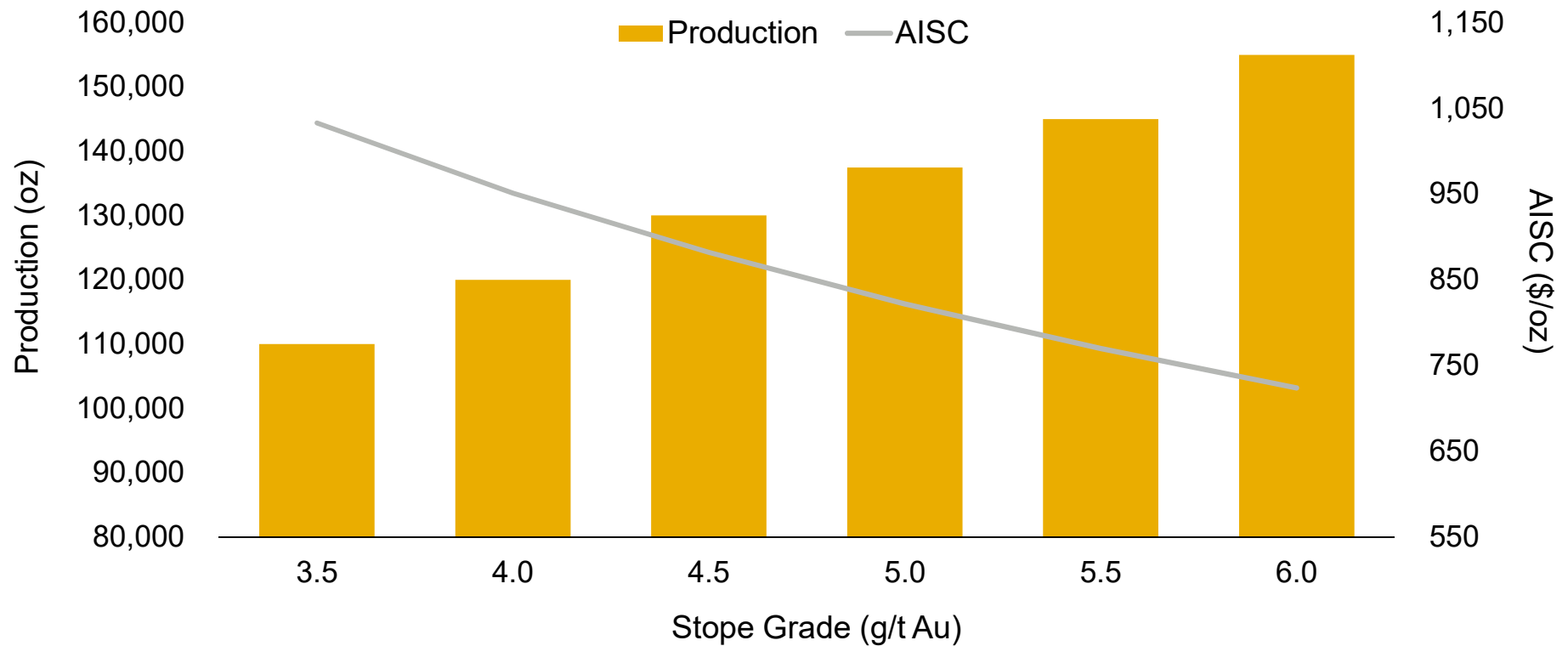
# How are we fixing it?

- Appointment of COO (Keith Boyle)
- Focus on mining to reserves & creating and following Life of Mine Plan
- Improve reconciliation between mined and resource grade
- Improve mining practices to minimize dilution and increase grade
- Improve maintenance and equipment availability
- Focus on return to free cash flow generation



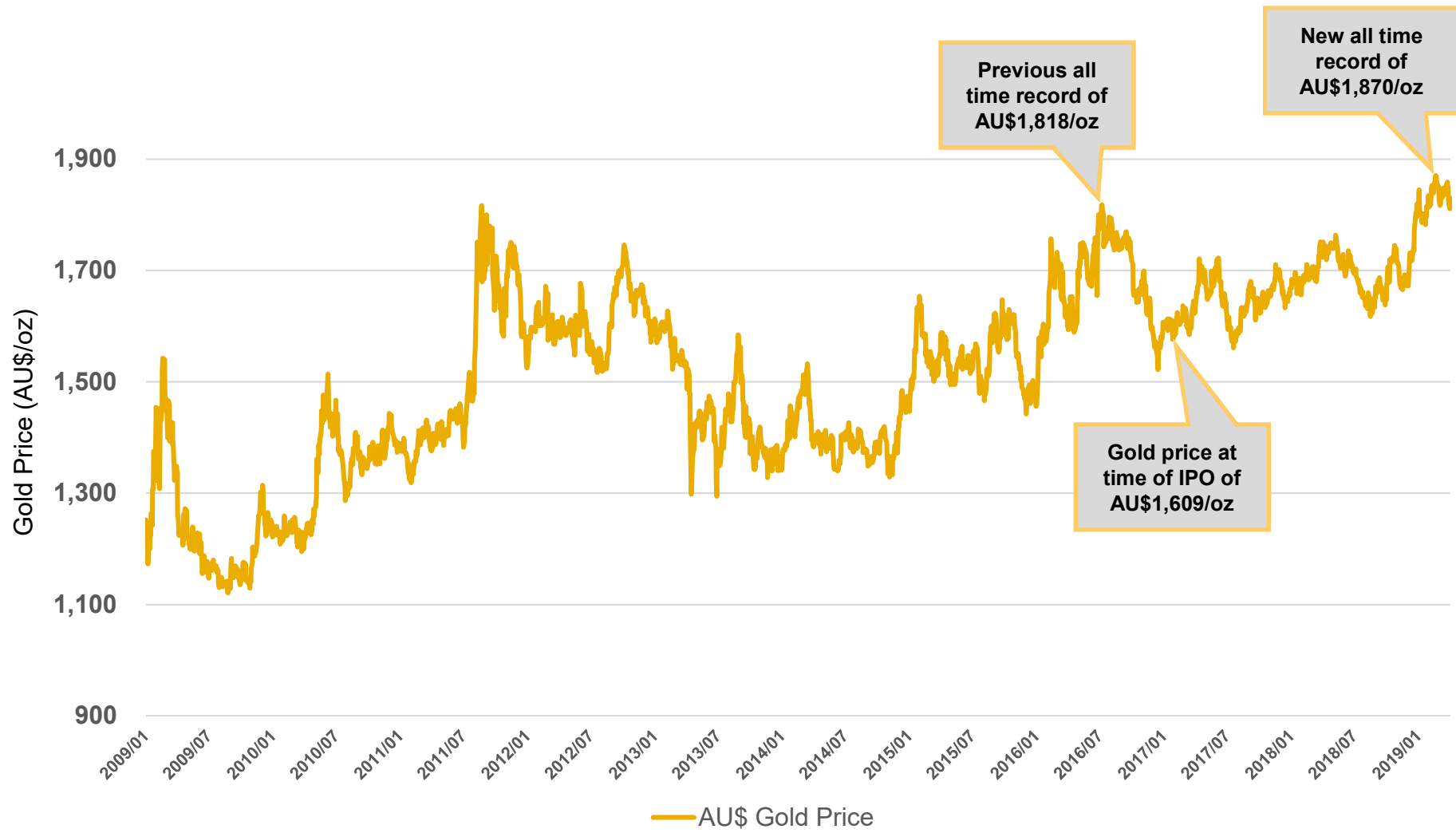
# Focus on Optimizing Grade

**Operational focus entirely on optimizing grade**



**Each 1.0 g/t Au increase in stope grade =  
20Koz/yr increase in production + US\$150/oz decrease in AISC**

# Australian Gold Price at Record Highs



# Future Growth with Low Capital Intensity

## “Fill the Mill at the Best Possible Grade” Strategy

- Conventional 1.8Mtpa CIL mill
- Significantly higher production leveraged to improved grades
- Second mill currently on care and maintenance with 1.2Mtpa capacity
- Minimal capex to restart second mill



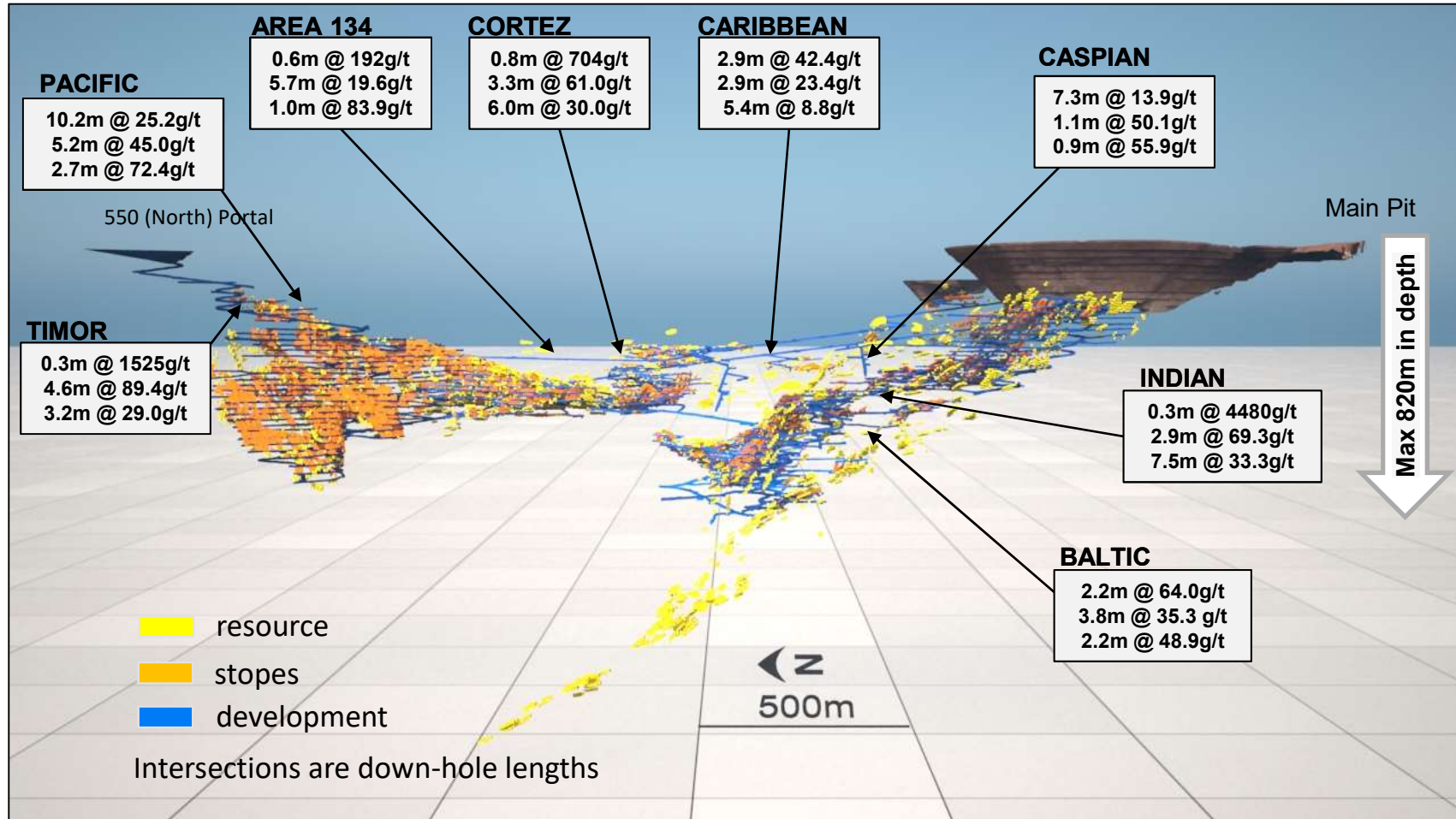
### Potential Scenarios<sup>1</sup>

Head Grade (g/t Au)	Ounces Produced (oz)
2.0	104,000
2.5	130,000
3.0	156,000
<b>3.5</b>	<b>182,000</b>

1. Based on blended grade from underground and open pit, recoveries of 90%, and 1.8Mtpa throughput rate.

# Plutonic Gold Mine Reserve Expansion Through Resource Conversion

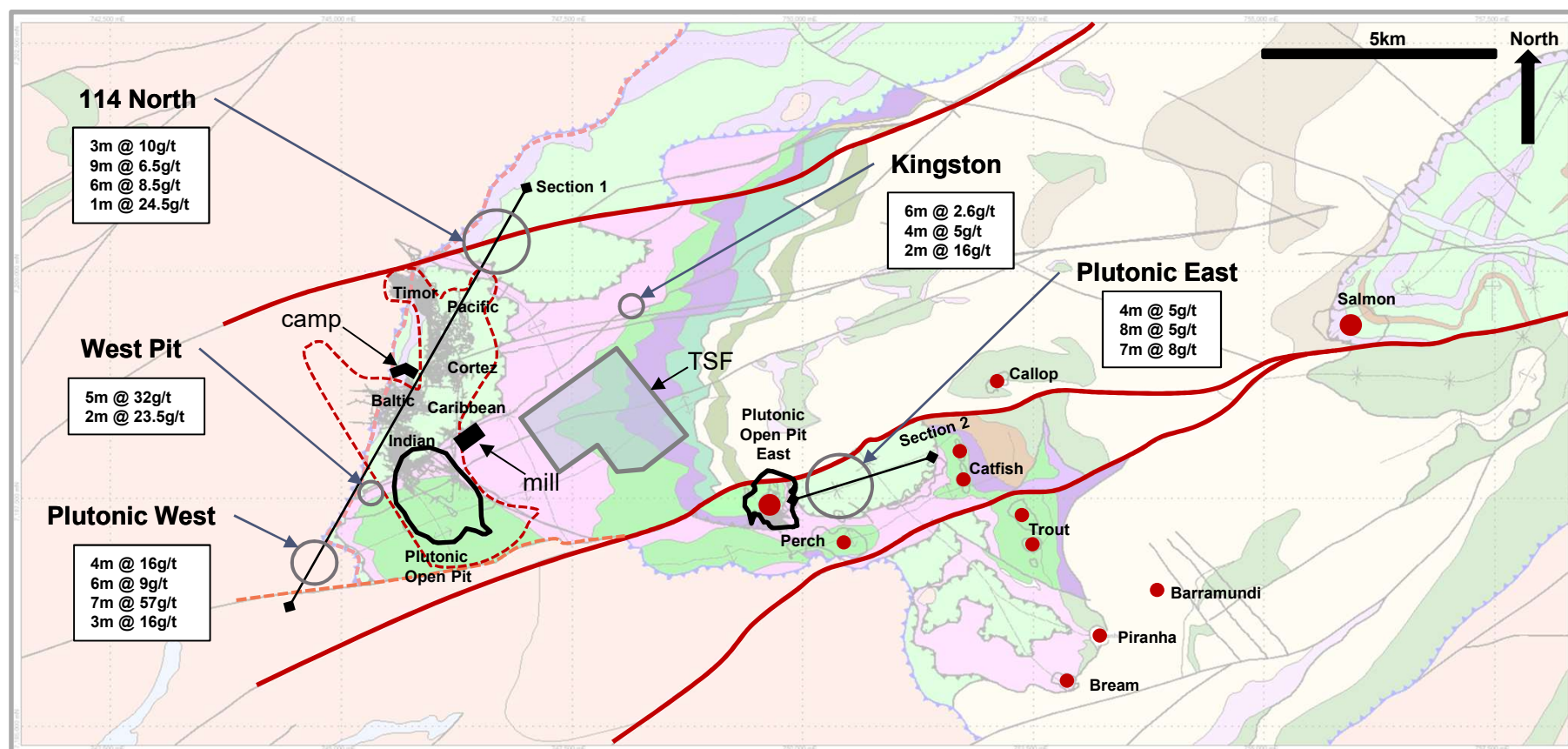
**Numerous recent high grade intersections within and near resource areas**



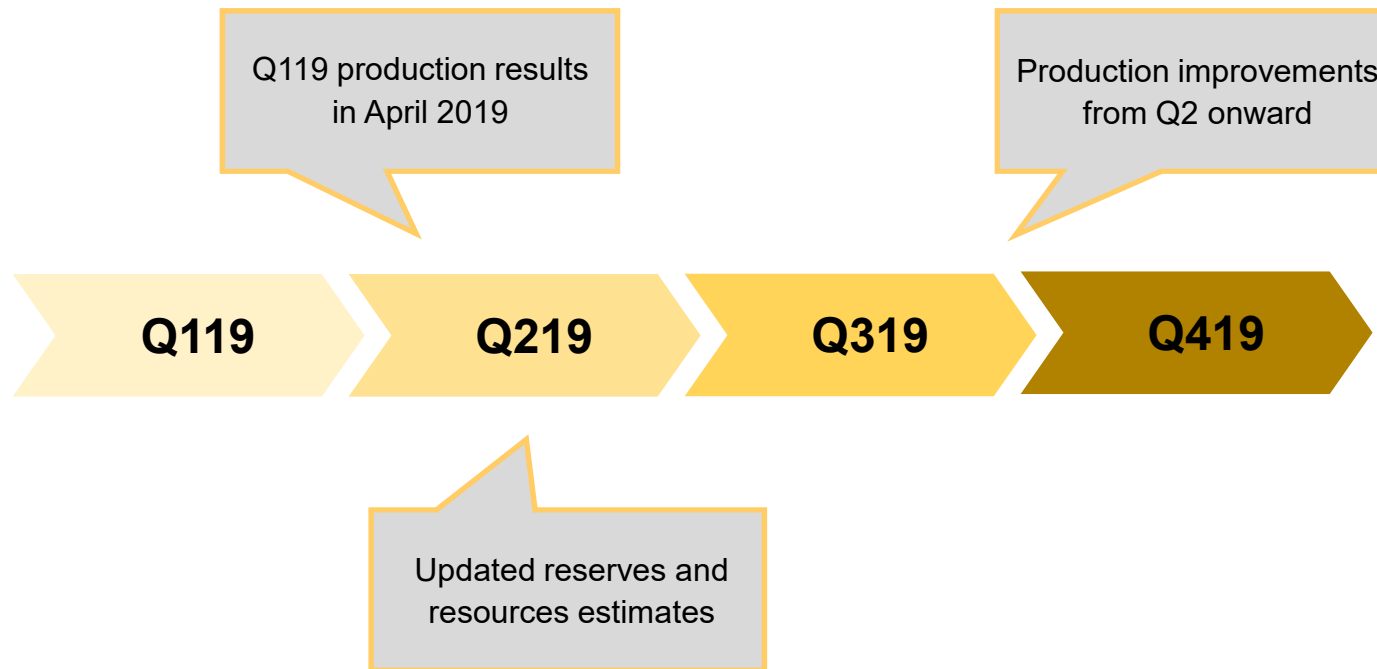


# Plutonic Gold Mine – Excellent Short Term Potential to Grow Resource

- Mining the historic database
- Near mine exploration targets → Drill ready and close to infrastructure
- Development would require low capital and short lead time



# Catalysts



**Improvement in operating performance**

**Regular exploration updates**

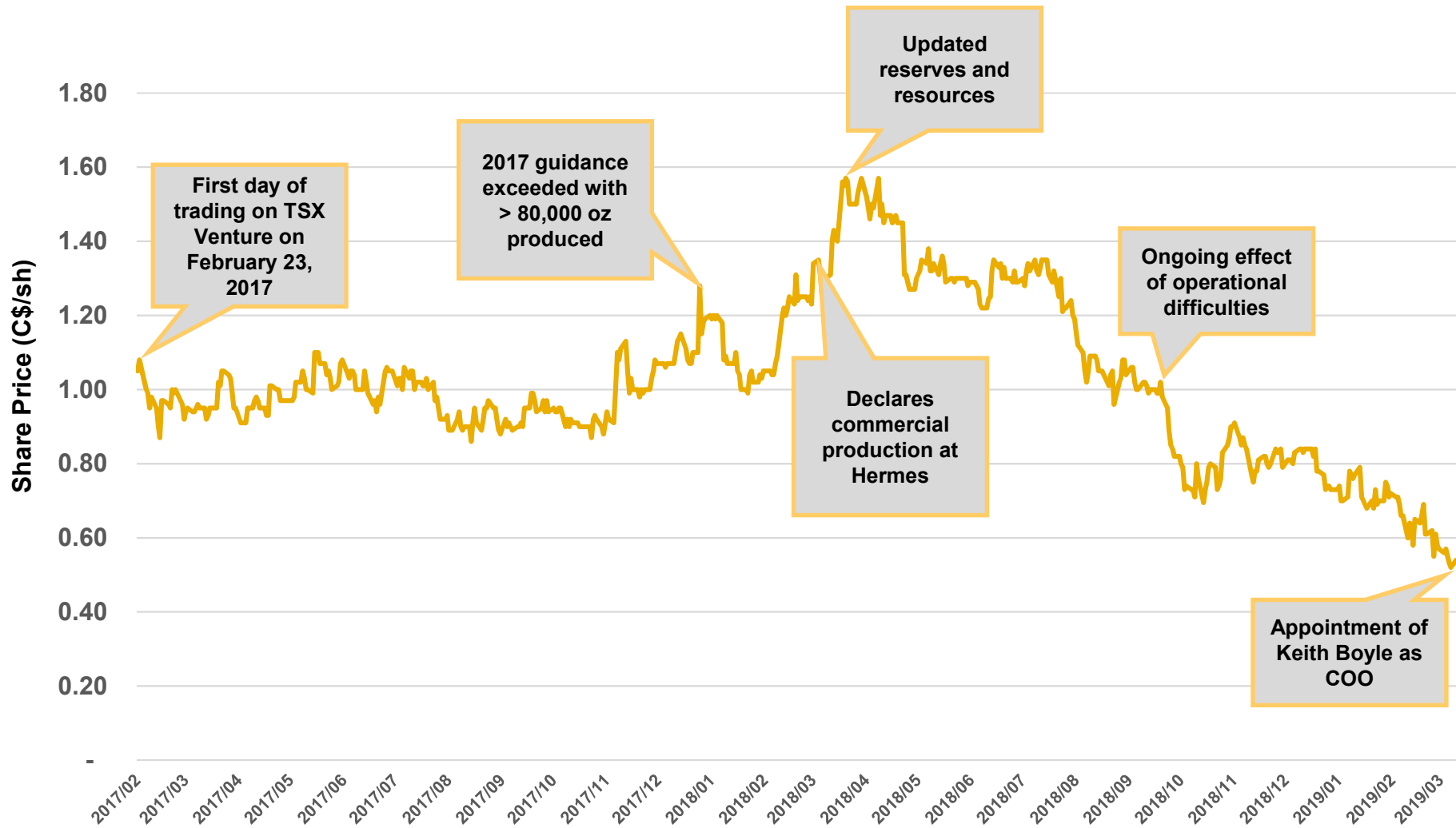
# Capital Structure

➤ <b>Current Shares Outstanding</b>	<b>95.8 million</b>		
➤ <b>Northern Star Warrants<sup>1</sup></b>	<b>14.4 million</b>	<b>\$1.52</b>	<b>Expires 23 Feb 2022</b>
➤ <b>Broker Warrants</b>	<b>1.2 million</b>	<b>C\$0.50</b>	<b>Expires 23 Feb 2019</b>
	<b>0.7 million</b>	<b>C\$1.00</b>	<b>Expires 23 Feb 2019</b>
➤ <b>Options</b>	<b>5.8 million</b>	<b>C\$1.01</b>	<b>Expires Feb 2022</b>
➤ <b>Performance Share Units</b>	<b>0.1 million</b>	<b>C\$0.62</b>	<b>Expires Apr 2021</b>
➤ <b>Fully Diluted Shares</b>	<b>118.0 million</b>		

✓ <b>Market Capitalization (basic)<sup>2, 3</sup>:</b>	<b>\$39M</b>
✓ <b>Cash and Equivalents<sup>4</sup>:</b>	<b>\$18M</b>
✓ <b>Enterprise Value:</b>	<b>\$21M</b>

1. Includes 0.47M warrants originally issued to Northern Star that were subsequently transferred to Northern Star's financial advisor following the IPO. 2. Assumes an FX rate of 0.73. 3. As of March 25, 2019. 4. As at December 31, 2018.

# The Opportunity – Share Price at All Time Low Working on Improvements



# Management Team & Board

<b>Management</b>	<b>Board of Directors</b>
<p><b>Chris Bradbrook</b> President, Chief Executive Officer &amp; Director</p> <ul style="list-style-type: none"> <li>• 30+ years experience in the mining and financial industry</li> <li>• Founder and former President and CEO of New Gold</li> <li>• Founder of Crocodile Gold (now part of Kirkland Lake Gold)</li> <li>• Involved in raising &gt;\$1bn in public and private equity markets</li> </ul>	<p><b>Mark Wellings, P.Eng</b> Chairman of the Board</p> <ul style="list-style-type: none"> <li>• Mining professional with over 25 years experience in exploration, development and production</li> <li>• Joined GMP Securities L.P. in 1996 where he spent 18 years and co-founded the firm's corporate finance mining practice</li> </ul>
<p><b>Paul Olmsted</b> Chief Financial Officer</p> <ul style="list-style-type: none"> <li>• Experienced executive in the mining industry</li> <li>• Strong leadership skills and expertise in structuring, valuing and executing on mergers, acquisitions and divestitures</li> <li>• Former SVP Corporate Development at IAMGOLD</li> </ul>	<p><b>Tamara Brown</b></p> <ul style="list-style-type: none"> <li>• VP, Investor Relations and Corp. Dev. (Americas) of Newcrest Mining</li> <li>• Former VP, Corporate Development of Primero Mining and prior to that served as VP, Investor Relations</li> <li>• Former Director, Investor Relations of IAMGOLD</li> </ul>
<p><b>Keith Boyle</b> Chief Operating Officer</p> <ul style="list-style-type: none"> <li>• Professional engineer with 30+ years of experience globally including Australia and Papua New Guinea</li> <li>• Held supervisory roles with Placer Dome, Inco, and Cominco</li> </ul>	<p><b>Shaun Day</b></p> <ul style="list-style-type: none"> <li>• Former CFO of Northern Star Resources</li> <li>• Financial and commercial experience spanning over 20 years</li> </ul>
<p><b>Pascal Blampain</b> Chief Geologist</p> <ul style="list-style-type: none"> <li>• 25 years of experience in exploration, development and production</li> <li>• Previously held Geology Manager positions with Barrick and Goldfields</li> </ul>	<p><b>René Marion</b></p> <ul style="list-style-type: none"> <li>• 30+ years of experience in the Mining Industry in both technical and management roles</li> <li>• Former President, CEO and Director of AuRico Gold</li> </ul>
<p><b>Brian Szeto</b> VP Communications &amp; Strategy</p> <ul style="list-style-type: none"> <li>• 18 years in the mining and financial industry and #1 Ranked Analyst</li> </ul>	<p><b>Chris Bradbrook</b></p> <ul style="list-style-type: none"> <li>• As mentioned under Management</li> </ul>



# Major Shareholders

<b>Owner</b>	<b>Percentage</b>
Northern Star	19.2%
CI Financial	13.1%
Board and Management	8.7%
Greywolf	8.4%
Donald Smith	3.3%
Royce & Associates	1.8%
U.S. Global	1.8%
Aegis Financial	1.7%
SSI Wealth	1.6%
Ninepoint Partners	1.2%

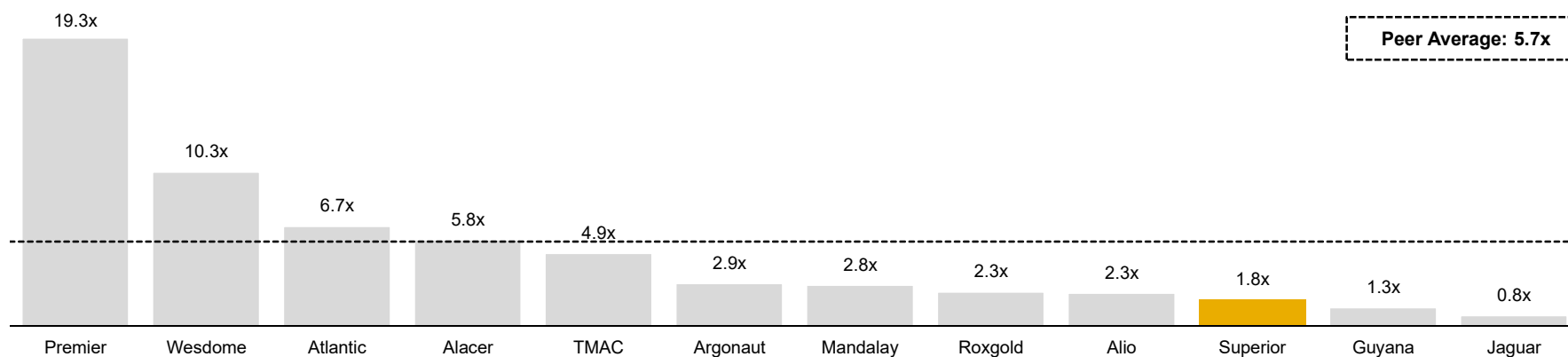
Source: Nasdaq

# Analyst Coverage

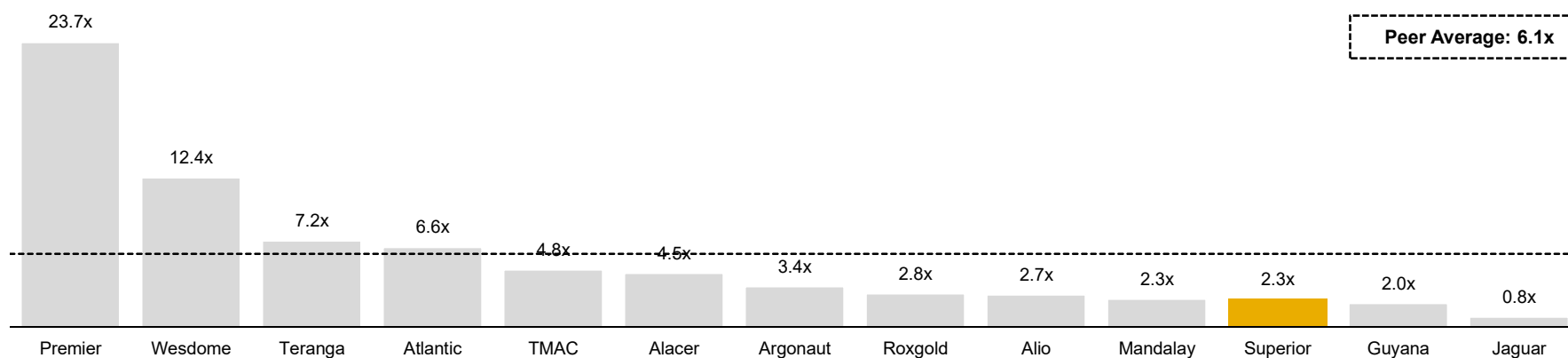
	<b>Analyst</b>	<b>Rating</b>	<b>Target Price</b>
<b>BMO</b>	Brian Quast	OUTPERFORM	C\$2.00
<b>Cormark</b>	Richard Gray	MARKET PERFORM	C\$0.80
<b>Eight Capital</b>	Craig Stanley	BUY	C\$1.50
<b>GMP</b>	Ian Parkinson	BUY	C\$1.80
<b>Haywood</b>	Pierre Vaillancourt	BUY	C\$1.50
<b>Laurentian</b>	Ryan Hanley	BUY	C\$1.25
<b>M Partners</b>	Bereket Berhe	BUY	C\$1.55
<b>PI Financial</b>	Phil Ker	BUY	C\$1.30
<b>TD Securities</b>	Daniel Earle	HOLD	C\$0.80

# Strong Revaluation Opportunity

## Enterprise Value / 2019E EBITDA (ratio)



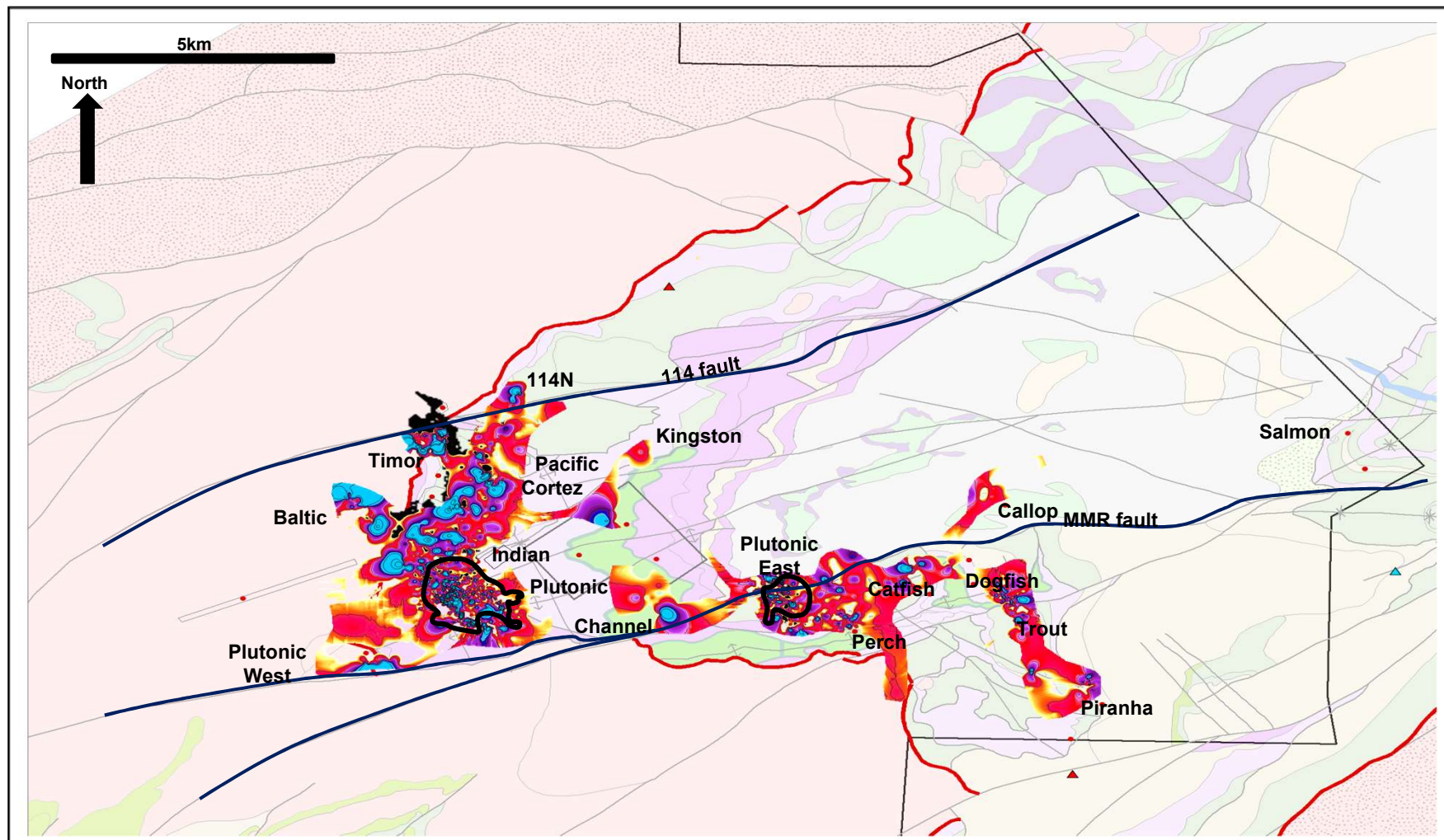
## Price / 2019E CFPS (ratio)



Source: Bloomberg, FactSet, company disclosure, available equity research; Note: Data as at March 25, 2019

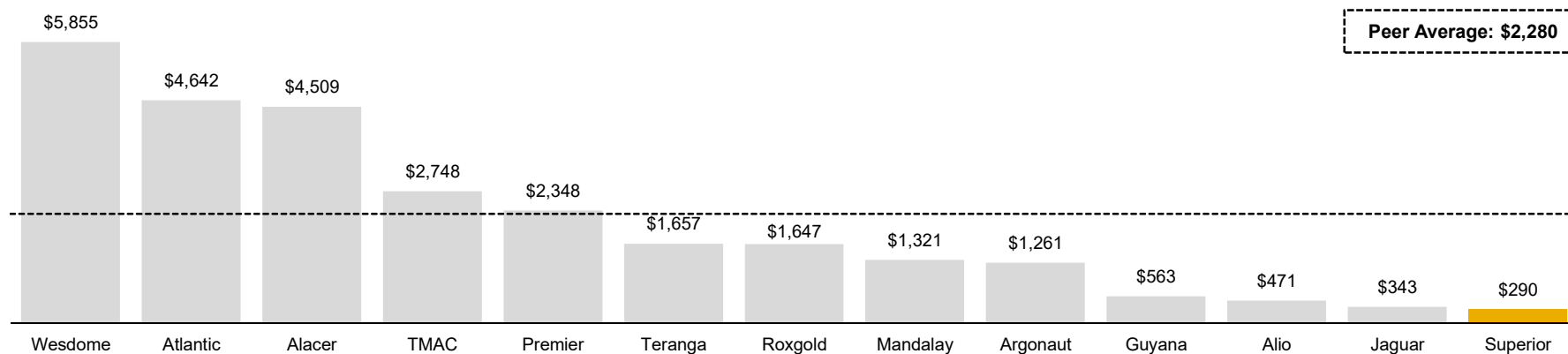
# Additional Slides

# Plutonic Gold Mine Grade Thickness Contours Reveal Key Trends

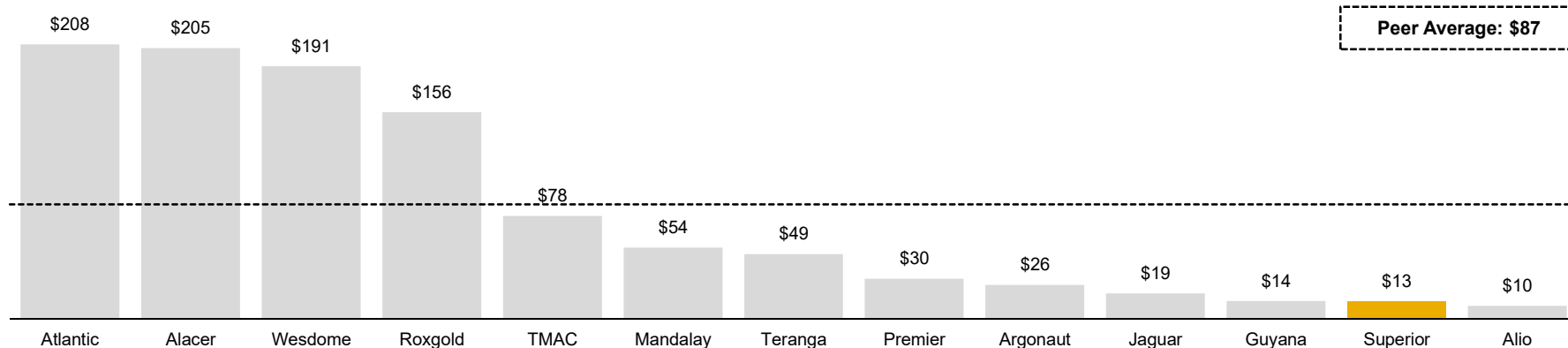


# Strong Revaluation Opportunity

## Enterprise Value / 2019E Gold Production (US\$/oz)



## Enterprise Value / Total Gold Resources (US\$/oz)



Source: Bloomberg, FactSet, company disclosure, available equity research; Note: Data as at March 25, 2019

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**TSX.V – SGI**