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## **Spanish Mountain Gold Provides Update on Environmental Assessment & Project Optimization**

**Vancouver, BC - Spanish Mountain Gold Ltd.** (the “**Company**”) (TSX-V: SPA) is pleased to report progress achieved on a number of value-added initiatives for the Spanish Mountain Gold Project (the “**Project**”) located in British Columbia, Canada. As previously announced, the Company prioritizes its resources on advancing the Project’s environmental assessment/ permitting process and further optimizing several key project areas. The work programs underway build on the successful completion of the Pre-feasibility study (PFS filed in June 2021) in which a multi-million ounce Mineral Reserve has been delineated along with robust economics and a 14-year mine plan.

### **Environmental Assessment**

The Company continues to execute its stated strategy of fast-tracking its multi-million ounce Resource through the process for environmental assessment/ permitting. The formal regulatory process began in March 2022 with the submission of the Project’s Initial Project Description and timely acceptance of the same by the provincial and federal agencies within 30 days. On an ongoing basis, senior management meets regularly with the agencies as well as the representatives from the First Nations and surrounding communities to keep all stakeholders informed.

The Company strongly believes that support from the First Nations and surrounding communities are critical for the success of the Project and has been diligently building a robust working relationship for over a decade. Over the past six months, the Company has signed Engagement Agreements or commenced negotiation of Life-of-mine Relationship Agreements with all three First Nations whose traditional territories include the project area. The Company initiated in-person meetings with local stakeholders on June 2, 2022, with two open house information sessions in the town of Likely, BC, which is approximately 6 kilometres from the proposed mine. The event, which was well attended by more than 50 community members, provided management with an opportunity to present information about the Project as well as to receive feedback from the attendees. The Company is grateful for the participation and support from the community members and will work hard to keep them informed of the project plans and activities. Management will continue to meet with the First Nations, surrounding communities, regional governments and regulatory agencies as we advance the project through the regulatory stages.

The Company is pleased to report that it is on track to achieve the ambitious EA milestones announced in January 2022 and will continue to seek ways to improve or expedite the intricate process.

## **Project Optimization**

The Company has a number of optimization exercises underway with the objective of identifying areas where enhancement of project economics and process improvements are potentially achievable. The Project's definitive feasibility study is expected to capture the full benefit of these exercises. Latest results from some of these exercises are presented below.

### **Power Line**

A study by an independent engineering and construction firm was commissioned to investigate the constructability issues with respect to the routing for a power line to the proposed mine utilizing existing route corridors and traversing more accommodating terrains over a shorter distance.

The Company is pleased to report that a modified route for the power line, as suggested by the study, may potentially lead to reductions of the overall permitting risks as well as the linear length by eight percent relative the proposed route assumed in the PFS. Specifically, the study investigates a viable route bypassing a populated area near Likely in order to reduce community impacts; the Construction Difficult Analysis of the bypass concluded that 62% falls into the "easy" category and another 27% in the "medium" category. The technical team will continue to work with consultants and BC Hydro (the provincial utility) to refine the parameters for the new power line and address technical and permitting issues.

As detailed in the PFS, the Project's location is supported by excellent infrastructure including an abundance of connectivity to the provincial power grids supplied with low-cost, renewable hydro power. There is also an established right-of-way between various substations and the proposed mine site.

### **Gold Recovery**

The Company has engaged an independent expert consultant to conduct a targeted metallurgical program to further optimize the milling process incorporated in the PFS. Having received the results of the latest metallurgical work that validated and improved the current flowsheet, the Company is on track to commence Phase 2 of the program later in the year. This program will include lithology composites to further optimize the flowsheet followed by confirmation test work on variability composites. Upon completion of the exercise, the optimized flowsheet and processing configuration will form the basis for the definitive feasibility study.

## **Resource Expansion**

While the Company's current priority is to de-risk and optimize the Project through the environmental assessment/ permitting phase, the technical team will continue to advance the objective of resource expansion.

The geological team conducted a grassroots exploration program last fall testing various targets northwest of the pit boundary. The findings from this program have help identify the areas with the best prospect for adding ounces to the overall Mineral Resource. In due course, a drilling program will be planned and conducted in these areas.

Larry Yau, Chief Executive Officer, commented: "I am pleased with the steady and meaningful progress our team has made on multiple fronts. Particularly, we believe that the availability of cheap, renewable grid power for our Project represents a key strategic advantage. I am confident that we can leverage this to further enhance our performance in operational metrics as well as issues in respect of Environmental, Social & Governance"

### **About Spanish Mountain Gold**

Spanish Mountain Gold Ltd. is focused on advancing its 100%-owned Spanish Mountain gold project in southern central British Columbia. The Company is simultaneously pursuing the dual objectives of delivering critical project milestones for the multi-million ounce Mineral Reserve and further expanding the overall Mineral Resource. The Pre-Feasibility Study (2021) demonstrates the Project's potential to be a mining operation with a robust production profile (**>150,000 oz per year**) and profitability (**AISC \$801 per oz**) over a mine life of 14 years. Details on the Project and the Company are available on [www.sedar.com](http://www.sedar.com) and on the Company's website: [www.spanishmountaingold.com](http://www.spanishmountaingold.com)

On Behalf of the Board,  
**SPANISH MOUNTAIN GOLD LTD.**

Larry Yau  
Chief Executive Officer

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