

Getting to Know....Kim Litke!

Hi! I'm Kimberly Litke, the Exploration Manager at Spanish Mountain.

My job is to assist in carrying out all the mineral exploration activities within Spanish Mountain Gold. This includes the organization, execution and supervision of the on-going field work here in Likely.

The thing I enjoy most about my job is the people I work with, the beautiful location and getting to spend time at the camp!



Questions? Comments? Please Contact Us!

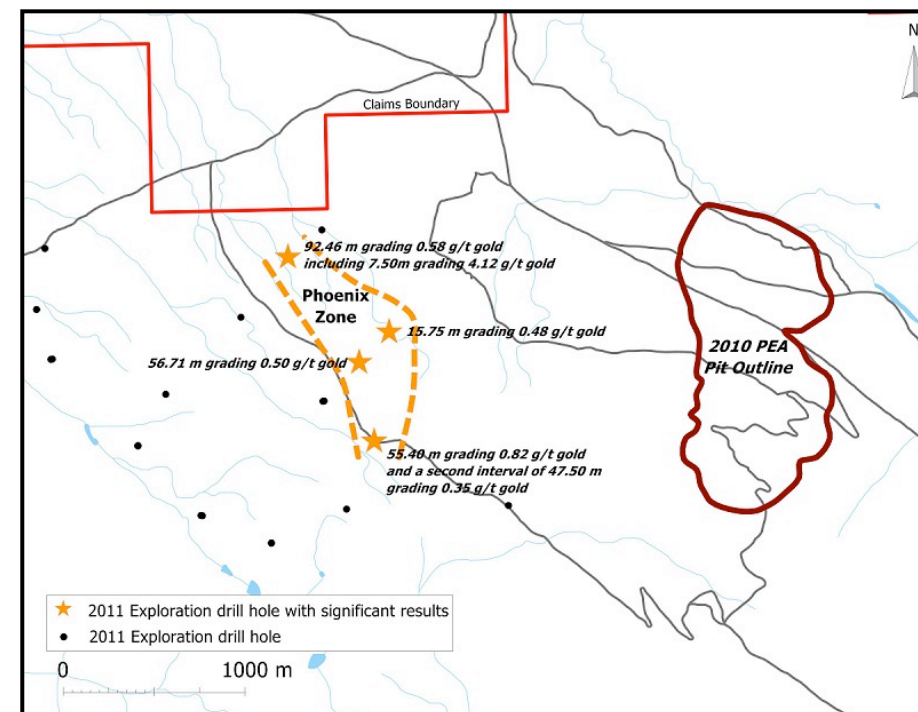
This newsletter is driven by you, our neighbours. We look forward to hearing from you! Do you have questions or comments about the project or the exploration/mining industry? Are there events you want us to attend or jobs you want to learn more about? Or maybe you just want to say "Hi" and introduce yourself? Please don't hesitate to contact us!

Please email us at:

community@spanishmountaingold.com

Community Bulletin

What is Happening at Spanish Mountain?



The Phoenix Zone

In December, Spanish Mountain Gold was very excited to announce the discovery of a new gold deposit at its Spanish Mountain Project, which they have called the Phoenix Zone. This new zone of interest is located in the Cedar Creek area approximately 2km west of the Main Zone. The Phoenix Zone was initially discovered when soil samples taken from the area were found to contain traces of gold.

What does this mean for the Project?

Further drilling to better understand the Phoenix Zone will take place this summer. The results of this drilling will allow Spanish Mountain Gold to understand the potential implications for the economics of the overall Spanish Mountain Project. The Phoenix Zone is located in the same area that Spanish Mountain Gold has identified as their proposed tailings storage area. Despite the discovery of the Phoenix Zone, studies indicate that the tailings facility is best located in that area. Updated designs of the tailings facility that allow for continued exploration of the Phoenix Zone are in progress in order to accommodate this exciting new discovery.

We will be sure to update you as more is learned about the potential of the new Phoenix Zone.

Where We've Been - Roundup 2012

In January SMG, Xat'súll Nation and Williams Lake Indian Band members attended Roundup 2012 - the mineral exploration industry's annual conference held in Vancouver. During the conference, members and staff of Xat'súll and Williams Lake attended a site tour of the ALS Minerals Lab in North Vancouver. This is the Assay Lab that SMG sends its core samples to for testing.

After putting on a pair of safety goggles, the group started the tour in the preparation shed where all samples are received, coded, labeled and then prepared for testing in the lab. This preparation process is very noisy but the group watched as rock samples were crushed and pulverized and then sent to the different labs for testing. There are many different ways to analyze the samples so the group toured through a number of areas and labs to witness a variety of techniques and processes.

Everyone agreed that a lot of hard and detailed work goes into getting the test results and finding out how much gold the core samples contain!



Top: Fire Assay at ALS Minerals.

Bottom: Morgan Tanner, Chris Wycotte and Chief Ann Louie collect their safety glasses before the Assay Lab tour.

SMG and Xat'súll First Nation Protocol Agreement

In March of this year SMG and Xat'súll First Nation signed a Protocol Agreement.

The Agreement formalizes SMG's relationship with Xat'súll and provides a strong framework for open communication, consultation and discussion at each stage of the ongoing development of the Spanish Mountain Project.

Xat'súll will receive capacity support for its ongoing involvement in the Project as well as training, employment, and business opportunities. Additionally, the parties have committed to negotiate a more detailed agreement regarding the impacts and benefits associated with the construction, operation and reclamation of a large scale mine development.

A similar agreement was reached and signed between SMG and Williams Lake Indian Band last year.

Environmental Assessment

Likely Xat'súll Community Forest Receives Federal Funding

In the fall of 2011 the Canadian Environmental Assessment Agency (CEAA) announced the availability of public funding to assist the public in participating in the Environmental Assessment process. This funding is provided through the Participant Funding Program to encourage public participation in upcoming steps of the comprehensive study process. In January, CEAA announced it had allocated funding to the Metis Nation of BC and the Likely Xat'súll Community Forest and Likely District Chamber of Commerce. This funding will support the participation of the Likely Xat'súll Community Forest and Likely District Chamber of Commerce in the federal environmental assessment of the proposed Spanish Mountain Project.

Q&A with Robin Hood & Erin Robinson

What is the Likely Xat'súll Community Forest?

The Likely Xat'súll Community Forest (LXCF) is a type of forest tenure called a Community Forest Agreement (CFA). The CFA gives the communities of Likely and Xat'súll access to 20,000 hectares to sustainably manage with community interests in mind.

What year did this form and why?

The LXCF received its forest license in 2003. The following is the mission statement for the LXCF: "Through the collaboration of community members both in Likely and Soda Creek, we intend to create a model multi-use forest that ensures environmental quality, while creating economic opportunities. This forest will become the focal point of community pride."

Who is involved?

The communities of Likely and the Xat'súll First Nation (Soda Creek).

Why did you decide to apply for Federal Funding from the Canadian Environmental Assessment Agency?

The LXCF applied for funding to contribute local and traditional knowledge about the ecology, socio-cultural, and economic factors in the Quesnel River Watershed. The Likely Xat'súll Community Forest holds the forest license that overlaps the mining area proposed by Spanish Mountain Gold. The LXCF will act as a liaison between the communities of Likely, Xat'súll, CEAA and Spanish Mountain Gold.

How will this funding help you?

This funding will help the community to keep informed about the developments of Spanish Mountain Gold's proposed project and give input into the Environmental Assessment Process.

The EA Process - Where Are We Now?

Spanish Mountain Gold has submitted the Project Description to the BC Environmental Assessment Office (EAO) and received a Section 10 order that states that the project will need to be assessed. We are now waiting for a Section 11 order to be issued which will outline the scope, procedures, and methods by which an assessment must be conducted.

Out and About at Spanish Mountain

Team Members who have joined us in the past 6 months:

Earl Roper - Maintenance Manager - Likely
 Millie Lacroix - Housekeeping - Likely
 Brittany Careless - Kitchen Help - Likely
 Kathy Hillary - On Site Book-Keeper - Likely
 Chris Wycotte - Geotech - Xat'súll
 Dale Salinger - Geologist - Boston
 Breanna Force - Geologist - Kansas
 Kim Litke - Exploration Manager - Vernon
 Lee Sellars - Environmental Monitor - Xat'súll
 Douglas Soich - Environmental Monitor - WLIB



LEFT: **Brittany Careless** (Kitchen Help) is a volunteer with the Fire & Rescue. She has her Level 1 Worksafe First Aid and is currently enrolled in the Academy of Emergency Training Level 3 First Responder Course sponsored by the Likely & District Volunteer Fire & Rescue Society.

MIDDLE (from left): **Chris Wycotte** and **Vern Michel** on Snowmobiles at Spanish Mountain.

RIGHT: **Earl Roper** (Maintenance Manager) at camp.

Proud to Sponsor and Support

Likely Archery Rod & Gun Club AGM and Wildlife Banquet Fundraiser!

SMG was pleased to support the Wildlife Banquet Fundraiser hosted by the Likely Archery Rod & Gun Club in the beginning of May.

WLIB Youth attend 2012 Aboriginal Youth Conference....

SMG sponsored conference fees for four youth from the Williams Lake Indian Band (WLIB) to attend the 2012 Aboriginal Youth Conference in Nanaimo. The conference theme was "A Generation on the Move" and participants aged 14-24 focused on many important issues including Health, Language, Culture, the Environment, Employment, Education, Sports and Recreation.

Our Community in Action

Birthdays at Spanish Mountain Gold!



From Left: Marie-Eve Nolin and Robin Harms celebrate with Birthday Cake at the camp.

Q&A with Millie Lacroix....

Can you tell us a little about yourself?

We moved back to Likely 3 years ago after spending 20+ years in Squamish. My parents live here and have had a place here since 1969. My family and I love it here, especially getting out on the lake, fishing.

Where did you grow up? *Williams Lake*

Where do you live? *Likely*

How did you come to work at SMG?

Through a friend suggesting I should submit a resume.

What did you do before working at SMG? *Relief work at the local bar.*

What do you do at SMG? *Housekeeping*

What do you enjoy about working at SMG?

The people!



Above: Millie during her First Aid Level 1 course