



Spanish Mountain Gold

**Multi-Million Ounce Gold
Resource in British Columbia**

August 2019



Cautionary Statements



Certain of the statements and information on this presentation constitute “forward-looking statements” or “forward-looking information”. Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those reflected in the forward-looking statements or information, including, without limitation, risks relating to results from infill and exploration drilling, geotechnical studies, metallurgical studies, planning of tailings facilities, access to power supply, fluctuations in the spot and forward price of gold or certain other commodities, timing of receipt of permits and regulatory approvals, the sufficiency of the Company’s capital to finance the Company’s operations, geological interpretations and potential mineral recovery processes, changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, business opportunities that may be presented to, or pursued by, the Company, operating or technical difficulties in connection with mining activities. In addition, there are risks and hazards associated with the business of gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Readers should carefully review the Risk Factors section of the continuous disclosure documents of the Company and the Company’s technical reports available under its profile on the SEDAR website at www.sedar.com for more information on such risks.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. The Company’s forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of posting on the presentation, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management’s assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.

Preliminary Economic Assessment is preliminary in nature and may include measured and indicated mineral resources as well as inferred mineral resource. A measured or indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. An inferred mineral resource is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. Mineral resources are not mineral reserves do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

The Company’s measured and indicated resources estimates were prepared in accordance with NI 43-101 by Gary H. Giroux, M.ASc., P.Eng. of Giroux Consultants Ltd with an effective date of October 3, 2016. Mr. Giroux is a Qualified Person under NI 43-101 and is consultant who is independent of the Company.

Judy Stoeterau, P.Geo., an Officer and Vice-President of Geology of the Company, is a qualified person as defined under National Instrument 43-101. Ms. Stoeterau has reviewed and approved the project’s written technical information presented herein.

The 2017 PEA does not include assessment of any resources comprising the Second Zone. There is no assurance that any potential values or benefits can be realized.

Highlights

- **Multi-million ounce gold resources*** : 3.5 million ounces Measured & Indicated (“M&I”) + 1.8 million ounces Inferred
- **Low political risk and close proximity to:**
 - ✓ Infrastructure
 - ✓ Labour
 - ✓ Suppliers
 - ✓ Existing mines
- **Low cost operations:** Simple metallurgy + Ready access to grid power/ labour/ suppliers
- **Advanced Stage Project:**
 - ✓ >\$75m total expenditures to date
 - ✓ 814 drill holes over 172,862 m
- **2017 Preliminary Economic Assessment:**
 - ✓ High-grade pit-delineated core as a standalone operation with mine life over 24 years; potential economic viability reported in Preliminary Economic Assessment (processing M&I resource only)

* See cautionary statements

Project Location

- Close to producing mines – Mount Polley, QR Mine & Gibraltar
- Paved highway access
- Hydroelectric power available
- Support Centre in Williams Lake (97km on highway) – labour, CAT Dealership, maintenance & supplies



The BC Advantage

- Politically stable jurisdiction
- Cheap electrical power - < 6¢/kWh
- Among lowest corporate tax rates in Canada
- Successful mine permitting in recent years:
 - New Afton - November 2007
 - Mount Milligan - September 2009
 - Copper Mountain - April 2010
 - Red Chris - May 2012
 - Quintette - June 2013
 - Silvertip - June 2015
 - Brucejack - September 2015
 - Blackwater - April 2019

Resource Table

Gold Resource within Constraining Pit* (at a 0.15 g/t gold economic cut-off)

| Category | Tonnes (Million) | Gold grade (g/t) | Gold (Million oz) |
|----------------------|---------------------|---------------------|----------------------|
| Measured | 44 | 0.53 | 0.75 |
| Indicated | 226 | 0.38 | 2.76 |
| M&I Total | 270 | 0.40 | 3.51 |
| Inferred | 181 | 0.31 | 1.81 |



2017 PEA processed only M&I resource:

- ~35 million tonnes @ average **0.8 g/t** (first 5 years)
- ~75 million tonnes @ average **0.7 g/t** (first 10 years)

* See cautionary statements

New Approach in 2017 PEA

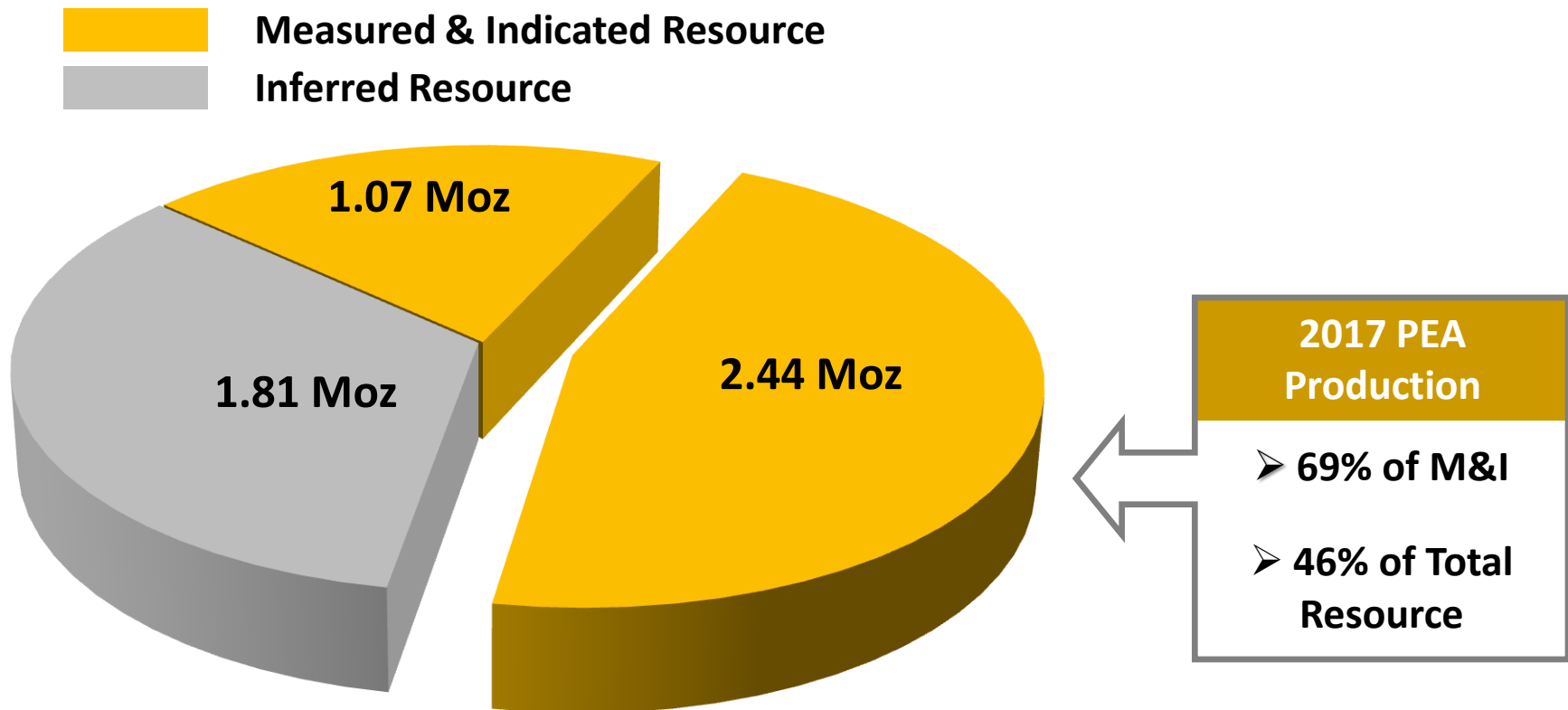
- Development of pit-delineated high grade core as a standalone operation
- Reduce throughput from 40,000 tonnes per day (“tpd”) to 20,000 tpd



Clear Advantage

- Significantly lower initial capex & generates much better economics with a longer mine life (>24 years)
- Remaining ounces within current resource are not included in the PEA / Future opportunity
- Add development flexibility & great optionality on gold

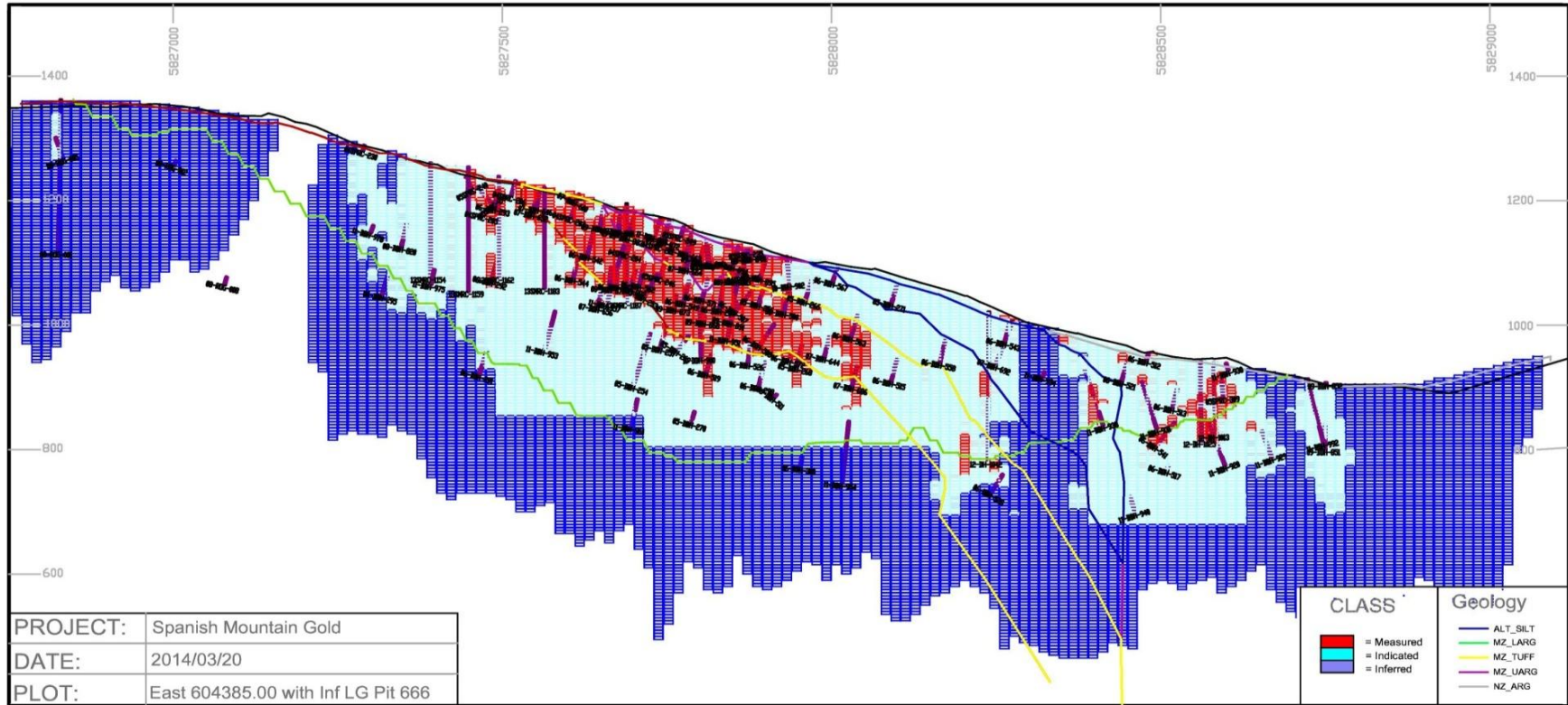
First Zone Production vs. Total Resource*



* See cautionary statements

Proposed Pit Outline in PEA

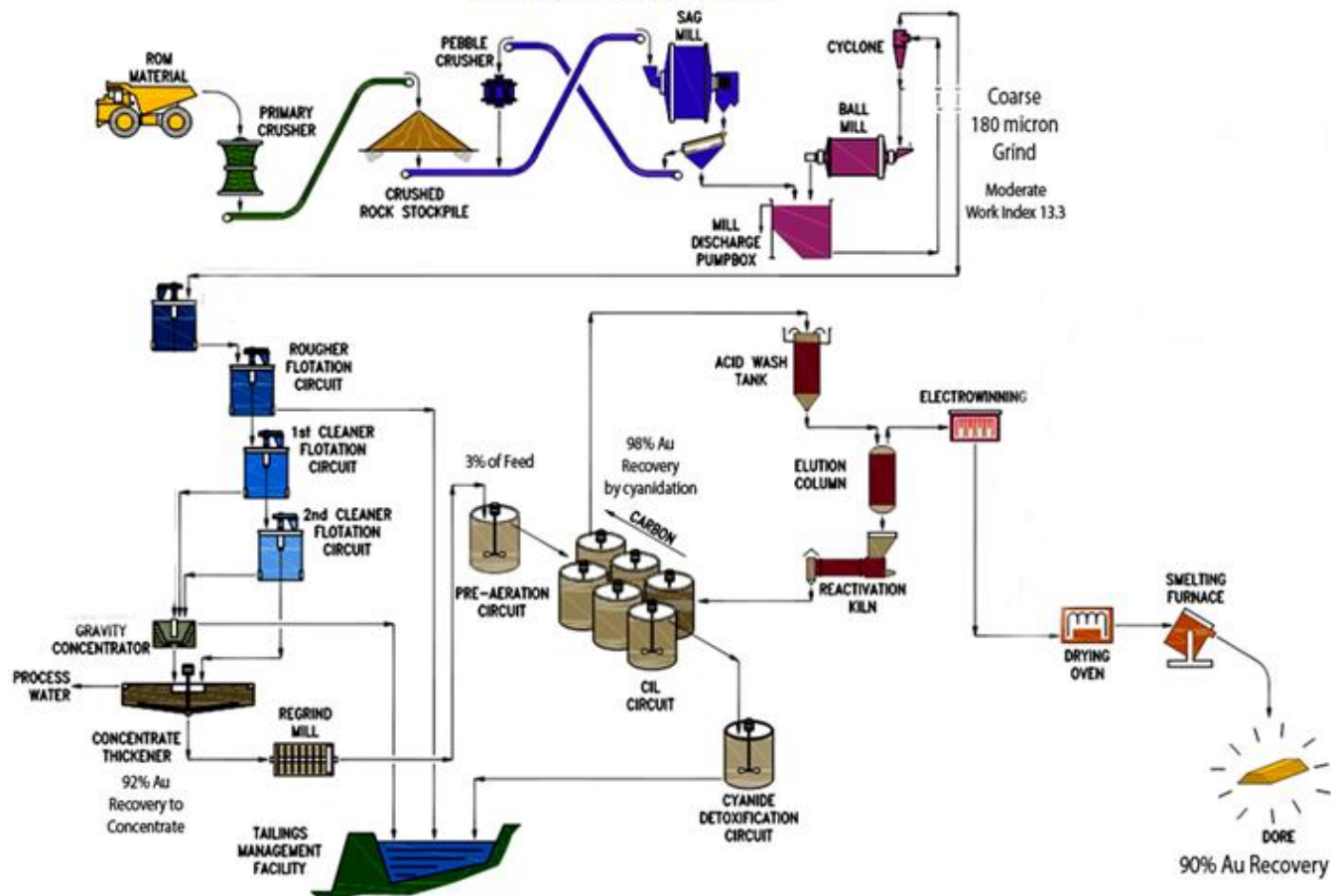
Cross Section of Proposed Pit



- 90% of pit-delineated resource is M&I
- Inferred treated as “waste” in PEA.

Simple Metallurgy/ Conventional Milling

SPANISH MOUNTAIN
PROCESS FLOWSHEET



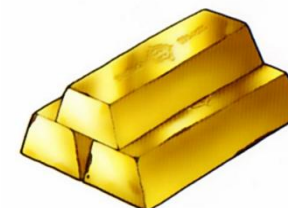
Primary
Grind

Flotation

Regrind

CIL

Overall 90% Gold Recovery



Project Economics @ \$1,250 Gold

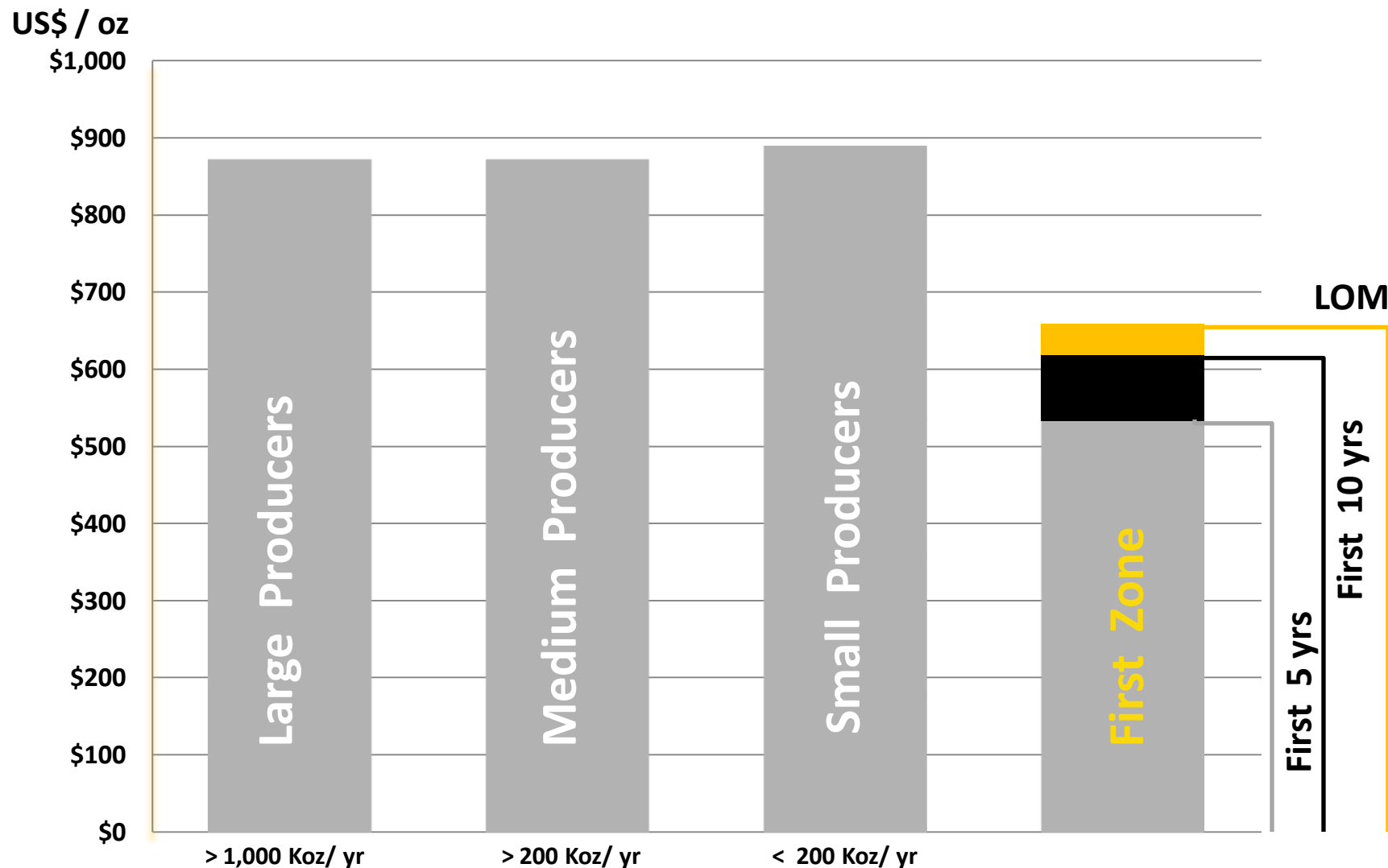


2017 Preliminary Economic Assessment Highlights *

| | |
|--|---|
| Processing Rate | 20,000 tonnes per day |
| Mine Life | 24 years |
| Total Gold Production | 2.2 million oz |
| Average Annual Gold Production | 157,000 oz/ yr (years 1 - 5) 142,000 oz/ yr (years 1 – 10) 92,000 oz/ yr (life of mine) |
| Strip Ratio | 1.4 to 1 (life of mine) |
| Operating Cost | C\$ 9.94 / tonne milled |
| Cash costs (\$ per ounce) | US\$ 469 (years 1 - 5) US\$ 555 (years 1 – 10) US\$ 595 (life of mine) |
| Initial Capex (including \$51 million contingencies) | C\$ 507 million |
| Sustaining Capex | C\$ 194 million |
| Pre / Post-tax NPV (5% discount) | C\$ 597 million/ C\$ 482 million |
| Pre / Post-tax IRR | 21% / 19% |
| Pre / Post-tax Payback | 3.67 years / 3.75 years |

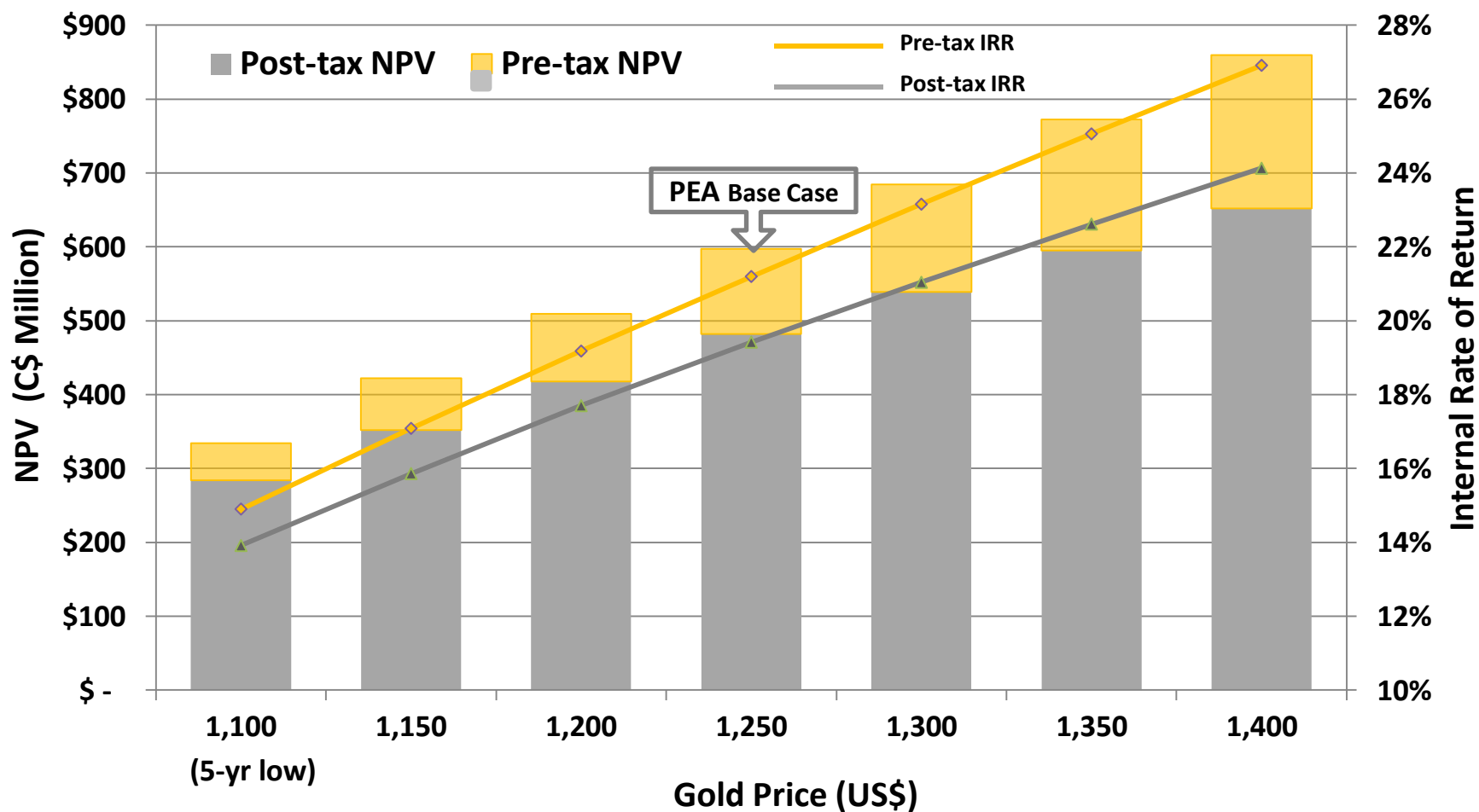
* Base case gold price of US\$1,250; USD/CAN exchange: 0.75

Below Average AISC per Ounce

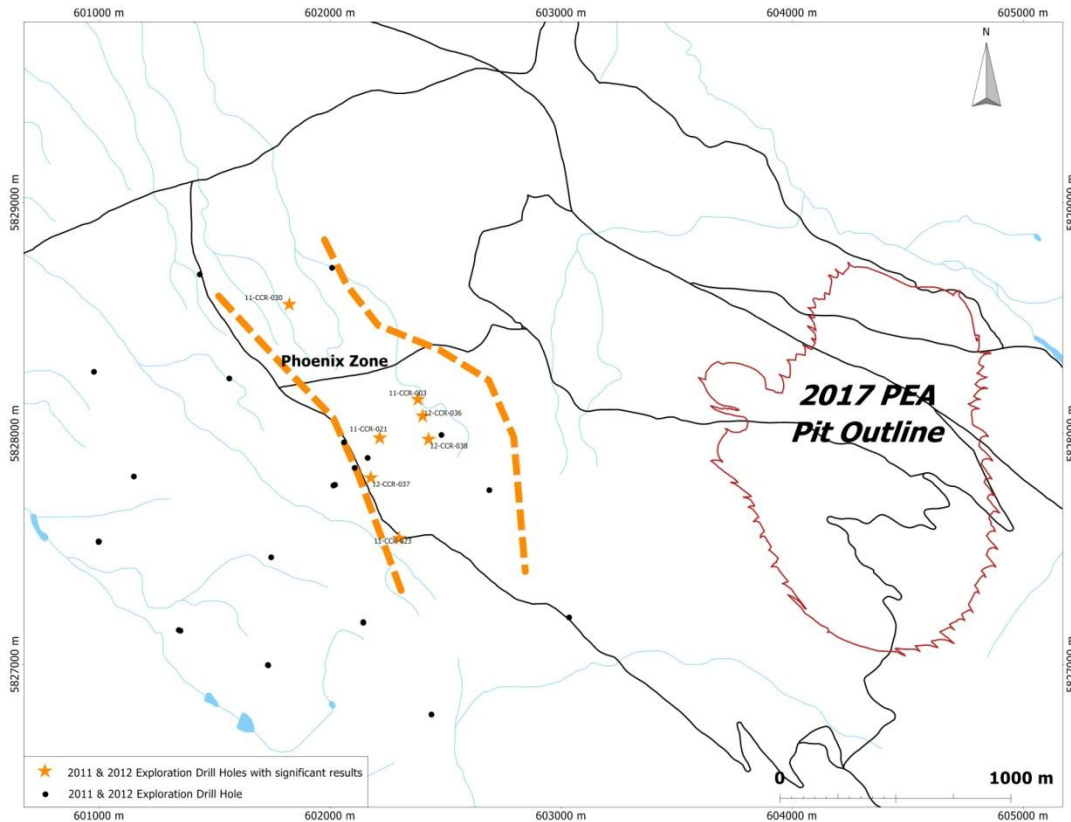


Source: CIBC World Markets; 2017 reported all-in-sustainable cost (average within each category of gold producers)

Potential Viability Even at Weak Gold Prices



Future Opportunity: Phoenix Zone



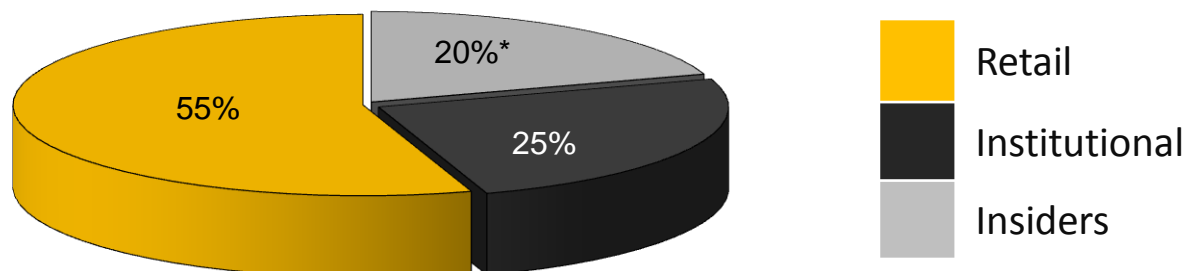
- Phoenix Zone has a strike length over 3.5km in length & less than 2km from the Main Zone
- Preliminary metallurgy suggests material is amenable to same processing flowsheet as Main Zone

Community Engagement






- Excellent relationship with Community of Likely
- Protocol Agreements signed with three First Nations bands for participation during Environmental Assessment (“EA”) and permitting review; providing a framework towards Impact Benefits Agreements
- Positive relationship for ongoing employment opportunities with local communities with a long-standing practice of hiring from local and First Nations communities
- Archaeological clearance obtained for both proposed pit and remaining project area
- **EA process commenced in 2011**
- The proposed mine will provide approximately 250 jobs during construction and 200 jobs during operations

Share Structure

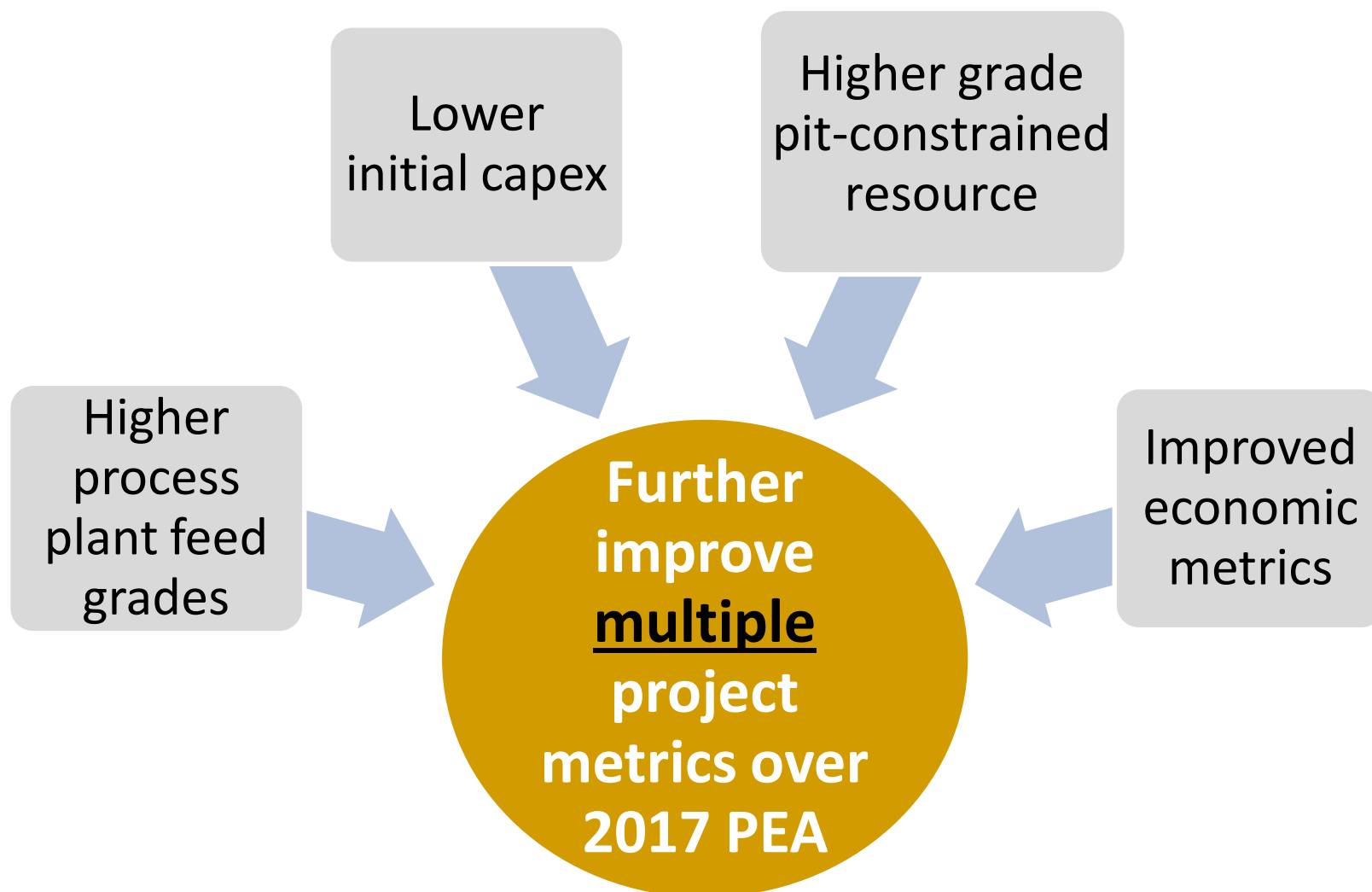
| CAPITAL STRUCTURE | |
|-------------------------------|---------------|
| Net Cash | \$1 million |
| Shares Issued and Outstanding | 239 million |
| Warrants | 32 million |
| Options | 9 million |
| Market Capitalization | ~\$25 million |



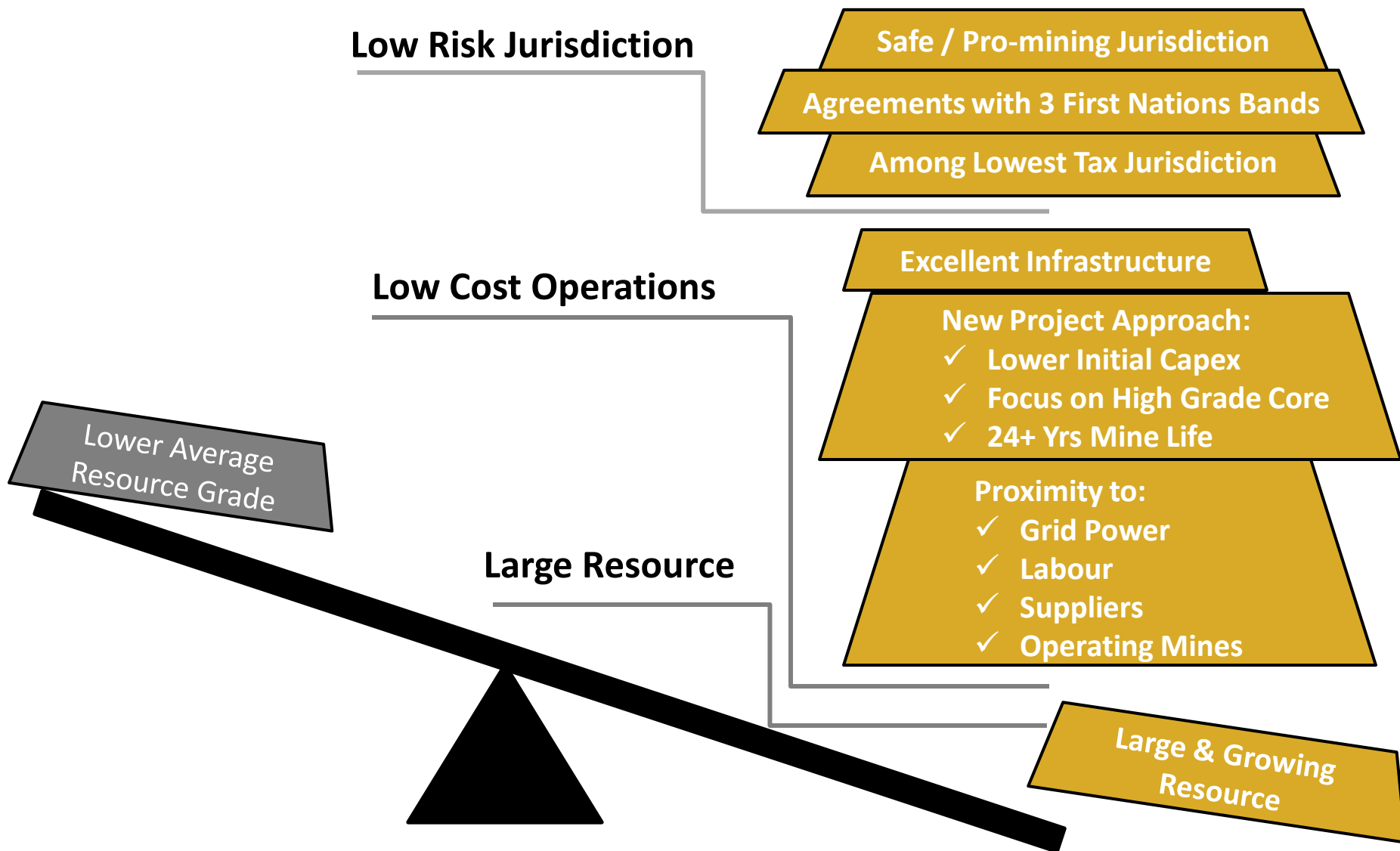
Latest Project Activities

| Study/Program | 2017 | 2018 | | | | Strategic Objectives |
|--|---|------|--|---|----|---|
| | | Q1 | Q2 | Q3 | Q4 | |
| Updated PEA |  | | | | | <ul style="list-style-type: none"> ▪ Reduce Capex by \$250m ▪ Improve Project Economics |
| Permitting for field work + placer program |  | | | | | <ul style="list-style-type: none"> ▪ Allowed Resumption of Significant Field Work |
| Archeological impact assessment | | |  | | | <ul style="list-style-type: none"> ▪ Address Community Concerns ▪ Remove Major Hurdle for Subsequent Field Work |
| Detailed metallurgical testwork | | | |  | | <ul style="list-style-type: none"> ▪ Attain High Confidence in Processing/ Metallurgy |
| Infill & exploration drilling | | | |  | | <ul style="list-style-type: none"> ▪ Add M&I Ounces in Mine Plan ▪ Conversion of “Waste” to Ounces in Mine Plan ▪ Demonstrate Further Exploration Potential in Phoenix Deposit |

2019 Project Objectives



Why the Project Works...



Management and Directors



| | |
|--|---|
| Larry Yau CEO | ■ Canadian Chartered Professional Accountant and has more than 20 years of financial and business experience, gained primarily in the mining and resources sectors with companies including Placer Dome and Farallon resources. |
| Judy Stoeterau VP Geology | ■ Professional geologist with over 30 years of experience in mineral exploration covering gold, base metal, uranium and diamond projects in Canada and South America. She has worked with both junior exploration companies and senior mining firms such as Falconbridge, Getty Minerals, Placer Dome and Cameco. |
| Morris Beattie Chairman of the Board | ■ More than 40 years of engineering background in all aspects of mine development including metallurgical development and feasibility studies. He previously served as COO and CEO of Spanish Mountain, CEO of International Molybdenum Plc, Director of various public mining companies including Galahad Gold Plc and Northern Dynasty Minerals as well as in 2008 as Vice President - Project Evaluation with Quadra Mining Ltd. |
| W. Terry MacLean Director | ■ More than 30 years of experience in all phases of mining from project development through start-ups and full operation. He has held a number of senior positions worldwide with Lundin Mining, Amax of Canada and Utah International as well as Amax Gold / Kinross Gold Corp as General Manager for the Kubaka Gold Mine. |
| Don Cox Director | ■ More than thirty-nine years of institutional investment experience in North America. He has been a strategic consultant to several major gold mining companies over the last decade. He is also Strategy Advisor to BMO Financial Group and Chairman of Cox Advisors LLP. |
| Christopher Lattanzi Director | ■ Mining engineer and was President of Micon International Limited, mineral industry consultants from its founding in 1988 to mid-2005. Mr. Lattanzi formerly served as Chairman of Meridian Gold. He is currently a Director of Argonaut Gold Inc. and Teranga Gold Corporation. |
| James Clare Director | ■ Lawyer at Bennett Jones in Toronto specializing in Mining, Corporate Securities, and Mergers and Acquisitions |
| Dale Corman Director | ■ 40 years experience as a senior corporate officer of publicly traded mining companies and was formerly Chairman and CEO of Western Silver Corp. He is currently President and Chief Executive Officer of Western Copper Corporation. |

Contact Information

Spanish Mountain Gold Ltd.

1120-1095 West Pender St.
Vancouver, B.C., V6E 2M6
Canada

www.spanishmountaingold.com

For more information please contact:

Larry Yau, CEO

Tel: +1 (604) 601-3651

Email: info@spanishmountaingold.com

or

Corporate Communications

Tel: +1 (604) 398-4377

