



**Spanish Mountain
Gold Ltd.**

SPANISH MOUNTAIN GOLD LTD.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Spanish Mountain Gold Ltd. for the interim periods ended March 31, 2024 and 2023, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Smythe LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

May 27, 2024

SPANISH MOUNTAIN GOLD LTD.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,832,282	3,307,002
Accounts receivable	5	191,506	150,293
Prepaid expenses	6	50,137	127,689
		2,073,925	3,584,984
Mineral property	7, 12	93,415,503	92,508,138
Property and equipment	8	1,032,396	1,059,511
Deposits for reclamation	7	91,000	91,000
Rent deposit	10	10,444	10,444
Total assets		96,623,268	97,254,077
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9, 12	289,255	404,755
Current portion of lease liability	10	61,215	59,885
		350,470	464,640
Lease liability	10	215,368	230,960
Total liabilities		565,838	695,600
SHAREHOLDERS' EQUITY			
Share capital	11(b)	112,624,685	112,624,685
Reserves		477,300	592,621
Deficit		(17,044,555)	(16,658,829)
Total shareholders' equity		96,057,430	96,558,477
Total liabilities and shareholders' equity		96,623,268	97,254,077

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Richard Oraziotti"
Director

/s/ "Lembit James"
Director

SPANISH MOUNTAIN GOLD LTD.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended	
	Note	2024	March 31, 2023
		\$	\$
Expenses			
Consulting		65,095	3,750
Depreciation	8	18,733	21,745
Investor relations, travel and filing fees		103,572	20,195
Legal and accounting	12	160,692	144,669
Office and administrative		49,686	20,114
Salaries and wages	12	133,881	360,220
Share-based compensation	12	6,639	50,916
		538,298	621,609
Other income (expense)			
Interest expense	10	(3,579)	(4,197)
Interest income		34,191	18,422
Net loss before income tax recovery		(507,686)	(607,384)
Deferred income tax recovery		-	201,973
Net loss and comprehensive loss		(507,686)	(405,411)
Loss per share:			
Basic and diluted		(0.00)	(0.00)
Weighted average number of common shares:			
Basic and diluted		372,936,980	341,815,551

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SPANISH MOUNTAIN GOLD LTD.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	2024	March 31, 2023
	\$	\$
Operating activities		
Net loss and comprehensive loss for the period	(507,686)	(405,411)
Adjustments for:		
Depreciation	18,733	21,745
Share-based compensation	6,639	50,916
Interest expense	3,579	4,197
Interest income	(25,312)	-
Deferred income tax recovery	-	(201,973)
Changes in non-cash working capital:		
Accounts receivable	(15,901)	(3,688)
Prepaid expenses	77,552	(34,387)
Accounts payable and accrued liabilities	(74,992)	(18,523)
Cash used in operating activities	(517,388)	(587,124)
Investing activities		
Proceeds from return on the maturity of short-term investments	-	250,000
Expenditures on mineral property	(939,491)	(1,143,410)
Expenditures on property and equipment	-	289
Cash used in investing activities	(939,491)	(893,121)
Financing activities		
Lease payments	(17,841)	(8,633)
Cash used in financing activities	(17,841)	(8,633)
Changes in cash and cash equivalents	(1,474,720)	(1,488,878)
Cash and cash equivalents, beginning of the period	3,307,002	2,815,985
Cash and cash equivalents, end of the period	1,832,282	1,327,107
Supplemental cash flow information:		
Expenditures on mineral property included in accounts payable and accrued liabilities	19,663	530,733
Depreciation included in mineral property	8,382	8,997
Share-based compensation included in mineral property	-	9,933
Cash interest received	42,354	-
Cash interest paid	-	-
Cash income tax paid	-	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SPANISH MOUNTAIN GOLD LTD.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance, December 31, 2022	341,815,551	106,275,899	1,301,992	(15,157,765)	92,420,126
Share-based compensation	-	-	60,849	-	60,849
Net loss and comprehensive loss for the period	-	-	-	(405,411)	(405,411)
Balance, March 31, 2023	341,815,551	106,275,899	1,362,841	(15,563,176)	92,075,564
Units issued in private placement	28,571,429	6,000,000	-	-	6,000,000
Unit issuance costs	-	(90,231)	-	-	(90,231)
Shares issued from exercise of stock options	2,550,000	439,017	(200,017)	-	239,000
Fair value of forfeited stock options	-	-	(639,472)	639,472	-
Share-based compensation	-	-	69,269	-	69,269
Net loss and comprehensive loss for the period	-	-	-	(1,735,125)	(1,735,125)
Balance, December 31, 2023	372,936,980	112,624,685	592,621	(16,658,829)	96,558,477
Fair value of forfeited stock options	-	-	(121,960)	121,960	-
Share-based compensation	-	-	6,639	-	6,639
Net loss and comprehensive loss for the period	-	-	-	(507,686)	(507,686)
Balance, March 31, 2024	372,936,980	112,624,685	477,300	(17,044,555)	96,057,430

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

SPANISH MOUNTAIN GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Spanish Mountain Gold Ltd. (the "Company" or "Spanish Mountain") is an exploration stage resource company incorporated under the *Business Corporations Act* (Alberta) and continued into British Columbia under the *Business Corporations Act* (British Columbia). The head office and principal address of the Company is located at 910 - 1111 Melville Street, Vancouver, British Columbia V6E 3V6. The address of the Company's registered office is 1500 - 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7. The Company is listed on the TSX Venture Exchange under the symbol "SPA", on the Frankfurt Stock Exchange under the symbol "S3Y" and on the OTC under the symbol "SPAZF".

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024 and 2023 ("financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company is an exploration stage resource company which does not generate any revenue and has been relying on equity-based financing to fund its operations. While the Company expects to meet its financial obligations in the near term, it will require additional financing to meet its administrative costs and to continue to explore and develop its mineral property. There is no assurance that future funding will be available to sufficiently conduct further exploration and development of its mineral property. During the three months ended March 31, 2024, the Company incurred a net loss before income tax of \$507,686 (2023 - \$607,384), and as at March 31, 2024, had an accumulated deficit of \$17,044,555 (December 31, 2023 - \$16,658,829).

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its on-going obligations. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. Management seeks to raise capital, when necessary, to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful as it is dependent on prevailing capital market conditions and the availability of other financing opportunities. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 27, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements").

b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for certain cash flow information.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary.

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiary. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. These financial statements include the accounts of the Company and its wholly owned Canadian subsidiary, Wildrose Resources Ltd. ("Wildrose").

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the Annual Financial Statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

In the preparation of these financial statements, the Company used the same accounting estimates and judgments as those applied and disclosed in the Annual Financial Statements.

5. ACCOUNTS RECEIVABLE

A summary of the Company's accounts receivable is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Sales tax recoverable	112,949	63,572
Interest income receivable ⁽¹⁾	78,557	86,721
	191,506	150,293

(1) Comprises accrued interest income on various guaranteed investment certificates ("GICs").

6. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Prepaid insurance and subscriptions	49,912	52,464
Advances to suppliers	225	75,225
	50,137	127,689

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited - Expressed in Canadian dollars, except where noted)

7. MINERAL PROPERTY

Spanish Mountain Property, British Columbia

The property is subject to various Net Smelter Returns (“NSR”) at 2.5%. The Company may, at its option, reduce the NSR to 1.0% or 1.5% dependent on the underlying mineral claims with a maximum aggregate payment of \$1,000,000 to the vendors. The NSR may be purchased by the Company for \$500,000 per 1% NSR.

In accordance with regulatory requirements, as at March 31, 2024, the Company holds a number of GICs aggregating in the sum of \$91,000 (December 31, 2023 - \$91,000) in safekeeping for the Government of British Columbia and is presented as deposits for reclamation in the statements of financial position. The security will be released once the Company performs its obligations pursuant to its mineral exploration permit.

A summary of the Company’s exploration expenditures incurred on its mineral property is as follows:

	\$
Balance, December 31, 2022	89,740,340
Additions during the year:	
Assaying	265,192
Camp materials and supplies	80,688
Contract wages	215,114
Depreciation	36,388
Environmental assessment	1,093,533
First Nations and community engagement	92,267
Fuel	701
Geological and technical consulting	480,220
Land tenure	14,603
Maps and reports	432,303
Share-based compensation	18,763
Travel and accommodation	38,026
Balance, December 31, 2023	92,508,138
Additions during the period:	
Assaying	68,329
Camp materials and supplies	50,327
Contract wages	71,611
Depreciation (Note 8)	8,382
Environmental assessment	77,038
Fuel	236
Maps and reports	627,408
Travel and accommodation	4,034
Balance, March 31, 2024	93,415,503

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Land	Building	Right-of-use assets	Computer equipment	Furniture and equipment	Vehicles and leasehold improvements	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, December 31, 2022	127,441	1,112,739	346,292	162,399	243,484	123,378	2,115,733
Additions	-	-	-	15,590	-	-	15,590
Adjustments	-	-	-	-	-	(289)	(289)
Balance, March 31, 2024 and December 31, 2023	127,441	1,112,739	346,292	177,989	243,484	123,089	2,131,034
Accumulated depreciation							
Balance, December 31, 2022	-	521,459	34,629	155,542	181,109	66,045	958,784
Additions	-	23,632	59,364	3,113	12,360	14,270	112,739
Balance, December 31, 2023	-	545,091	93,993	158,655	193,469	80,315	1,071,523
Additions	-	5,871	14,841	1,428	2,447	2,528	27,115
Balance, March 31, 2024	-	550,962	108,834	160,083	195,916	82,843	1,098,638
Carrying amount							
Balance, December 31, 2023	127,441	567,648	252,299	19,334	50,015	42,774	1,059,511
Balance, March 31, 2024	127,441	561,777	237,458	17,906	47,568	40,246	1,032,396

During the three months ended March 31, 2024 and 2023, depreciation expense of \$8,382 and \$8,997, respectively, were capitalized to mineral property.

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Trade payables	268,766	377,719
Accrued liabilities	-	15,000
Wages payable	13,051	4,598
Government agencies payable	7,438	7,438
	289,255	404,755

10. LEASE LIABILITY

During March 2022, the Company entered into an agreement to sublease new office premises. The term of the sublease begins June 1, 2022 and expired March 31, 2023. Concurrently, the Company entered into a lease extension with the head landlord which begins April 1, 2023 and expires March 31, 2028. The Company paid a deposit of \$10,444 to its head landlord upon the execution of the lease recorded as rent deposit in March 2022.

The Company used an estimated incremental borrowing rate of 5% to measure its lease liability upon initial recognition.

A summary of the Company's operating lease commitments to the lease obligation recognized as follows:

	March 31, 2024
	\$
2024	55,248
2025	75,391
2026	77,693
2027	78,268
2028	19,567
Total future minimum lease payments	306,167
Effect from discounting using the incremental borrowing rate	(29,584)
Total present value of minimum lease payments	276,583

A summary of the Company's lease liability is as follows:

	\$
Balance, December 31, 2022	337,011
Payments	(62,154)
Interest expense	15,988
Balance, December 31, 2023	290,845
Payments	(17,841)
Interest expense	3,579
Balance, March 31, 2024	276,583
Current portion	61,215
Non-current portion	215,368

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL

a) Authorized share capital

- Unlimited number of common voting shares without par value
- Unlimited number of first preferred shares
- Unlimited number of second preferred shares

The first and second preferred shares may be issued in one or more series and the directors are authorized to fix the number in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

As at March 31, 2024 and December 31, 2023, there are no first or second preferred shares outstanding.

b) Issued and outstanding

During the three months ended March 31, 2024, 600,000 stock options were forfeited following the termination of certain officers and consultants of the Company. As a result, \$121,960 was transferred to deficit from reserves.

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On May 12, 2023, the Company completed a private placement of 28,571,429 units priced at \$0.21 per unit for total proceeds of \$6,000,000. Each unit was comprised of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date of the respective tranche and subject to earlier expiry if the ten-day volume weighted average price exceeds \$0.30 per share. On initial recognition, the warrants had a fair value of \$nil. As a result, proceeds of \$6,000,000 was allocated to share capital. In connection with the private placement, the Company paid unit issuance costs of \$90,231 in cash.
- The Company had 2,550,000 stock options exercised for proceeds of \$239,000 pursuant to which the Company issued a total of 2,550,000 common shares. As a result, \$200,017 was transferred to share capital from reserves.
- The Company had 3,250,000 stock options forfeited following the termination of certain officers and consultants of the Company. As a result, \$639,472 was transferred to deficit from reserves.

c) Share purchase warrants

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, December 31, 2022	-	-
Issued	14,285,715	0.25
Balance, March 31, 2024 and December 31, 2023	14,285,715	0.25

As at March 31, 2024, the Company's had 14,285,715 share purchase warrants outstanding and exercisable (December 31, 2023 - 14,285,715) with an exercise price of \$0.25 per common share and an expiration date of May 12, 2025. As at March 31, 2024, the remaining contractual life of outstanding warrants is 1.12 years (December 31, 2023 - 1.36 years).

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

d) Stock options

The Company's incentive stock option plan ("Option Plan") authorizes the issuance of options up to a maximum of 20% of the Company's issued common shares. The maximum number of stock options issuable has been fixed at 17,401,903 by a special resolution of shareholders since 2009. The exercise price of any stock option granted will not be less than the fair market value of a common share at the time of the grant. The expiry date for each stock option, set by the Board of Directors at the time of issue, shall not be more than five years after the grant date. Unless stipulated by the Board of Directors, stock options granted generally vest 25% on the date of grant and a further 25% vest every six months and expire after five years.

During the three months ended March 31, 2024, 600,000 stock options were forfeited following the termination of certain consultants of the Company.

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	\$
Balance, December 31, 2022	9,750,000	0.19
Exercised	(2,550,000)	0.09
Forfeited	(3,250,000)	0.25
Balance, December 31, 2023	3,950,000	0.20
Forfeited	(600,000)	0.26
Balance, March 31, 2024	3,350,000	0.18

A summary of the Company's stock options outstanding and exercisable as at March 31, 2024 is as follows:

Date of expiry	Exercise price	Number of options	Number of options exercisable	Weighted average remaining life
				Years
	\$	#	#	
July 3, 2024	0.08	400,000	400,000	0.26
December 16, 2025	0.36	550,000	550,000	1.71
January 24, 2027	0.21	900,000	900,000	2.82
September 13, 2027	0.15	300,000	300,000	3.45
October 12, 2027	0.14	600,000	450,000	3.53
October 19, 2027	0.13	600,000	450,000	3.55
		3,350,000	3,050,000	2.65

The weighted average remaining contractual life of outstanding stock options as at March 31, 2024 is 2.65 years (December 31, 2023 - 2.82 years).

During the three months ended March 31, 2024, \$6,639 (2023 - \$60,849) share-based compensation was recognized, of which \$nil (2023 - \$9,933), was capitalized to mineral property.

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, except where noted)

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of directors and executive officers of the Company.

A summary of the Company's compensation for key management personnel is as follows:

	Three months ended March 31,	
	2024	2023
	\$	\$
Geological and technical consulting	-	39,376
Legal and accounting	16,500	-
Salaries and wages ⁽¹⁾	123,920	341,227
Share-based compensation	6,639	51,413
	147,059	432,016

(1) During the three months ended March 31, 2024, the Company paid contractual termination benefits totaling \$nil (2023 - \$240,000), to key management personnel.

As at March 31, 2024, the accounts payable and accrued liabilities included a total of \$14,165 (December 31, 2023 - \$4,598) owed to certain officers. Interest is not charged on outstanding balances and there are no specified terms of repayment.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying value of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), rent deposit, deposits for reclamation and accounts payable and accrued liabilities, approximate their fair values due to their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents, short-term investments and accounts receivable. The Company manages credit risk in respect of cash and cash equivalents, short-term investments, and deposits for reclamation by holding these at a major Canadian financial institution with strong investment-grade ratings by a recognized agency. The company manages credit risk in respect to accounts receivable by holding these with government institutes or short-term investments with major Canadian financial intuitions.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents and short-term investments, as all amounts are held at a major Canadian financial institution.

A summary of the Company's cash and cash equivalents as well as short-term investments is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Cash held in bank accounts	106,929	108,020
Term deposits	1,725,353	3,198,982
	1,832,282	3,307,002

The weighted average interest rate earned on the Company's cash, cash equivalents and short-term investments at March 31, 2024 is 4.10% (December 31, 2023 - 4.41%).

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has cash and cash equivalents at March 31, 2024 of \$1,832,282 (December 31, 2023 - \$3,307,002) in order to meet its current liabilities. As at March 31, 2024, the Company had accounts payable and accrued liabilities of \$289,255 (December 31, 2023 - \$404,755), which have contractual maturities of 90 days or less and a current portion of lease liability of \$61,215 (December 31, 2023 - \$59,885). The amount of the Company's remaining undiscounted contractual maturities for the lease liability is approximately \$306,167 (December 31, 2023 - \$324,008). The Company is exposed to liquidity risk through accounts payable and accrued liabilities and lease liability.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate and foreign currency risk as follows:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

The Company's cash and cash equivalents and short-term investments are held in bank accounts earning interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as at March 31, 2024.

Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as at March 31, 2024.

14. CAPITAL MANAGEMENT

The Company's primary source of funds has been obtained through the issuance of share capital. The Company does not use any sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

In accordance with its investment policy, the Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be no assurances that it will continue into the future. There were no changes in the Company's approach to capital management during the three months ended March 31, 2024.

15. SUBSEQUENT EVENT

The Company received \$3,384,000 in relation to two concurrent, non-brokered private placements announced on May 27, 2024. Upon closing, the Company will issue 7,204,761 non-flow-through units at a price of \$0.21 per unit for total gross proceeds of \$1,513,000, where each non-flow-through unit will consist of one common share of the Company and one-half share purchase warrant. The Company will also issue 7,808,332 flow-through units at a price of \$0.24 per unit for gross total proceeds of \$1,874,000, where each flow-through unit will consist of one flow-through common share of the Company and one-half non-flow

SPANISH MOUNTAIN GOLD LTD.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, except where noted)

through share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.25 for a period of 24 months following the closing date of the private placement.

On May 27, 2024, the Company granted 1,425,000 stock options to officers, directors, employees, and consultants of the Company under the terms of the Company's stock option plan. The stock options have a two-year vesting period and are exercisable at \$0.24 per stock option.