



SPANISH MOUNTAIN GOLD LTD.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 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 and nine months ended September 30, 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 September 30, 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.

November 27, 2024

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

	Note	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	14(a)	1,407,407	3,307,002
Accounts receivable	5	270,694	150,293
Prepaid expenses and deposits	6	94,043	127,689
		1,772,144	3,584,984
Mineral property	7,12,13	96,773,044	92,508,138
Property and equipment	8	977,909	1,059,511
Deposits for reclamation	7	91,000	91,000
Rent deposit	11	10,444	10,444
Total assets		99,624,541	97,254,077
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9,13	706,543	404,755
Current portion of lease liability	11	63,926	59,885
		770,469	464,640
Lease liability	11	182,432	230,960
Total liabilities		952,901	695,600
SHAREHOLDERS' EQUITY			
Share capital	12(b)	115,778,802	112,624,685
Reserves		1,159,805	592,621
Deficit		(18,266,967)	(16,658,829)
Total shareholders' equity		98,671,640	96,558,477
Total liabilities and shareholders' equity		99,624,541	97,254,077

Nature of operations and going concern (Note 1)
Subsequent events (Note 17)

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

/s/ "Richard Oraziotti"
Director

/s/ "Lembit Janes"
Director

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

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Consulting		159,254	165,734	269,687	203,254
Depreciation	8	18,790	17,946	56,272	57,517
Investor relations, travel and filing fees		94,632	39,303	288,971	112,238
Legal and accounting	13	255,226	126,495	494,599	308,366
Office and administrative		65,727	34,602	224,468	77,507
Salaries and wages	13	137,761	172,672	441,783	643,223
Share-based compensation	13	143,558	19,798	377,382	102,115
		874,948	576,550	2,153,162	1,504,220
Other income (expense)					
Amortization of flow-through premium liability	10	212,831	-	235,750	-
Gain on debt settlement		54,948	-	54,948	-
Interest expense	11	(3,209)	(3,931)	(10,186)	(12,232)
Interest income		31,875	54,191	89,710	105,329
Other income		-	-	39,017	-
Net loss before income tax recovery		(578,503)	(526,290)	(1,743,923)	(1,411,123)
Deferred income tax recovery	16	-	-	-	204,887
Net loss		(578,503)	(526,290)	(1,743,923)	(1,206,236)
Loss per share:					
Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares:					
Basic and diluted		389,385,814	372,934,806	380,194,985	357,609,403

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)

	Nine months ended September 30,	
	2024	2023
	\$	\$
Operating activities		
Net loss for the period	(1,743,923)	(1,206,236)
Adjustments for:		
Depreciation	56,272	57,517
Share-based compensation	377,382	102,115
Amortization of flow-through premium liability	(235,750)	-
Gain on debt settlement	(54,948)	-
Interest expense	10,186	12,232
Interest income	(46,693)	-
Deferred income tax recovery	-	(204,887)
Changes in non-cash working capital:		
Accounts receivable	(73,708)	(19,499)
Prepaid expenses	33,646	(140,084)
Rent deposit	-	6,818
Accounts payable and accrued liabilities	225,696	(1,073,888)
Cash used in operating activities	(1,451,840)	(2,465,912)
Investing activities		
Proceeds from return on the maturity of short-term investments	-	250,000
Expenditures on mineral property	(3,809,082)	(1,815,206)
Expenditures on property and equipment	-	(11,205)
Cash used in investing activities	(3,809,082)	(1,576,411)
Financing activities		
Proceeds from units issued in private placement	1,624,040	5,909,769
Proceeds from flow-through units issued in private placement	1,886,000	-
Unit issuance costs	(110,040)	-
Proceeds from exercise of stock options	16,000	239,000
Lease payments	(54,673)	(44,314)
Cash provided by financing activities	3,361,327	6,104,455
Changes in cash and cash equivalents	(1,899,595)	2,062,132
Cash and cash equivalents, beginning of the period	3,307,002	2,815,985
Cash and cash equivalents, end of the period	1,407,407	4,878,117
Supplemental cash flow information:		
Expenditures on mineral property included in accounts payable and accrued liabilities	484,262	259,971
Depreciation included in mineral property	25,330	18,017
Share-based compensation included in mineral property	6,403	16,555
Cash interest received	46,166	26,181

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
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	-	-	(376,202)	376,202	-
Share-based compensation	-	-	120,878	-	120,878
Net loss for the period	-	-	-	(1,206,236)	(1,206,236)
Balance, September 30, 2023	372,936,980	112,624,685	846,651	(15,987,799)	97,483,537
Fair value of forfeited stock options	-	-	(263,270)	263,270	-
Share-based compensation	-	-	9,240	-	9,240
Net loss for the period	-	-	-	(934,300)	(934,300)
Balance, December 31, 2023	372,936,980	112,624,685	592,621	(16,658,829)	96,558,477
Units issued in private placement	7,733,522	1,452,985	171,055	-	1,624,040
Flow-through units issued in private placement	7,858,333	1,727,833	158,167	-	1,886,000
Flow-through premium liability	-	(235,750)	-	-	(235,750)
Share issuance costs	-	(113,828)	3,788	-	(110,040)
Shares issued for debt settlement	1,831,579	293,052	-	-	293,052
Shares issued from exercise of stock options	200,000	29,825	(13,825)	-	16,000
Fair value of forfeited stock options	-	-	(135,785)	135,785	-
Share-based compensation	-	-	383,784	-	383,784
Net loss for the period	-	-	-	(1,743,923)	(1,743,923)
Balance, September 30, 2024	390,560,414	115,778,802	1,159,805	(18,266,967)	98,671,640

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 and nine months ended September 30, 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 and nine months ended September 30, 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 and nine months ended September 30, 2024, the Company incurred a net loss before income tax recovery of \$578,503 and \$1,743,923, respectively (2023 - \$526,290 and \$1,411,123, respectively), and as at September 30, 2024, had an accumulated deficit of \$18,266,967 (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 November 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 and nine months ended September 30, 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").

e) Reclassification of prior period presentation

Certain expenses in the prior period have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations. Adjustments made to the condensed interim consolidated statements of loss for the three and nine months ended September 30, 2023 to reclassify these expenses are as follows:

	As filed	Changes	Adjusted
	\$	\$	\$
Consulting fees	-	203,254	203,254
Investor relations, travel and filing fees	121,610	(9,372)	112,238
Office and administrative	280,761	(203,254)	77,507
Salaries and wages	633,851	9,372	643,223

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:

	September 30,	December 31,
	2024	2023
	\$	\$
Interest income receivable ⁽¹⁾	126,748	86,721
Sales tax recoverable	112,000	63,572
Other receivable	31,946	-
	270,694	150,293

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

SPANISH MOUNTAIN GOLD LTD.
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(Unaudited - Expressed in Canadian dollars, except where noted)

6. PREPAID EXPENSES AND DEPOSITS

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

	September 30, 2024	December 31, 2023
	\$	\$
Prepaid insurance and subscriptions	65,068	52,464
Advances to suppliers	225	75,225
Deposits	28,750	-
	94,043	127,689

7. MINERAL PROPERTY

Spanish Mountain Property, British Columbia

The Spanish Mountain property comprises approximately 53 contiguous mineral claims and 15 placer claims and covers an area of approximately 10,414 hectares that is 100% owned by the Company. The property's various claims are 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.

A summary of exploration expenditures incurred on the Company's 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	360,902
Camp materials and supplies	164,176
Contract wages	309,047
Depreciation	25,330
Drilling	856,577
Environmental assessment	281,084
Equipment rental and services	288,795
First Nations and community engagement	3,328
Fuel	60,635
Geological and technical consulting	929,155
Land tenure	4,097
Maps and reports	489,970
Preliminary economic assessment	462,875
Share-based compensation	6,402
Travel and accommodation	22,533
Balance, September 30, 2024	96,773,044

SPANISH MOUNTAIN GOLD LTD.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

7. MINERAL PROPERTY (continued)

In accordance with regulatory requirements, as at September 30, 2024, the Company holds a number of GICs totaling \$91,000 (December 31, 2023 - \$91,000) in safekeeping for the Government of British Columbia which are presented as deposits for reclamation in the statements of financial position. The security will be released once the Company fulfils its obligations pursuant to its mineral exploration permit.

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 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, September 30, 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	-	17,713	44,523	4,331	7,421	7,614	81,602
Balance, September 30, 2024	-	562,804	138,516	162,986	200,890	87,929	1,153,125
Carrying amount							
Balance, December 31, 2023	127,441	567,648	252,299	19,334	50,015	42,774	1,059,511
Balance, September 30, 2024	127,441	549,935	207,776	15,003	42,594	35,160	977,909

During the three and nine months ended September 30, 2024, depreciation of \$8,522 and \$25,330, respectively (2023 - \$9,023 and \$27,203, respectively) was capitalized to mineral property.

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 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:

	September 30, 2024	December 31, 2023
	\$	\$
Trade payables	257,588	377,719
Accrued liabilities	402,723	15,000
Wages payable	36,924	4,598
Government agencies payable	9,308	7,438
	706,543	404,755

10. FLOW-THROUGH PREMIUM LIABILITY

On May 30, 2024 the Company issued 7,808,332 flow-through units at \$0.24 per unit for gross proceeds of \$1,874,000. The flow-through units were issued at a premium of \$0.03 per unit. As a result, a flow-through premium liability of \$235,750 was recorded.

During the three and nine months ended September 30, 2024, the Company incurred \$1,702,649 and \$1,886,000, respectively (2023 - \$nil and \$nil, respectively) of qualifying exploration expenditures. As a result, an amortization of flow-through premium liability of \$212,831 and \$235,750, respectively (2023 - \$nil and \$nil, respectively) was recorded.

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation is as follows:

	Flow-through funding and eligible expenditures	Flow-through premium liability
	\$	\$
Balance, December 31, 2023	-	-
Flow-through funds raised	1,886,000	235,750
Eligible expenditures incurred, renounced and amortization of flow-through premium liability	(1,886,000)	(235,750)
Balance, September 30, 2024	-	-

11. LEASE LIABILITY

During March 2022, the Company entered into a lease extension with the head landlord with a term from April 1, 2023 to March 31, 2028. The Company paid a deposit of \$10,444 to its head landlord upon the execution of the lease which was 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 lease payment commitments pertaining to the lease liability are as follows:

	September 30, 2024
	\$
2024	18,416
2025	75,391
2026	77,693
2027	78,268
2028	19,567
Total future minimum lease payments	269,335
Effect from discounting using the incremental borrowing rate	(22,977)
Total present value of minimum lease payments	246,358

SPANISH MOUNTAIN GOLD LTD.
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For the three and nine months ended September 30, 2024 and 2023
(Unaudited - Expressed in Canadian dollars, except where noted)

11. LEASE LIABILITY (continued)

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	(54,673)
Interest expense	10,186
Balance, September 30, 2024	246,358
Current portion	63,926
Non-current portion	182,432

12. 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 September 30, 2024 and December 31, 2023, there are no first or second preferred shares outstanding.

b) Issued and outstanding

During the nine months ended September 30, 2024, the Company had the following share capital transactions:

- On May 30, 2024, the Company completed a private placement of 6,914,285 units at \$0.21 per unit for gross proceeds of \$1,452,000. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share until May 30, 2026. Proceeds were allocated using the residual method. The closing price of one common share on May 30, 2024 was \$0.18 and as a result, \$1,313,715 was allocated to share capital and \$138,286 was allocated to reserves.
- On May 30, 2024, the Company issued 7,808,333 flow-through units at \$0.24 per unit for gross proceeds of \$1,874,000. The flow-through units were issued at a premium of \$0.03 per unit. As a result, a flow-through premium liability of \$234,250 was recorded. Each unit consists of one common share and one-half warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share until May 30, 2026, subject to earlier expiry if the ten-day volume weighted average price exceeds \$0.30 per share. Proceeds were allocated using the residual method. The closing price of one common share on May 30, 2024 was \$0.18 and as a result, \$1,483,583 was allocated to share capital and \$156,167 was allocated to reserves. In connection with the private placement and issuance of flow-through units, the Company paid combined share issuance costs of \$110,040 and issued 50,000 finders' warrants with a fair value of \$3,788. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share until May 30, 2026.
- On June 27, 2024, the Company completed a private placement of 819,237 units at \$0.21 per unit for gross proceeds of \$172,040. Each unit consists of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share until June 27, 2026. Proceeds were allocated using the residual method. The closing price of one common share on June 27, 2024 was \$0.17 and as a result, \$139,270 was allocated to share capital and \$32,769 was allocated to reserves.

SPANISH MOUNTAIN GOLD LTD.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

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

12. SHARE CAPITAL (continued)

- On June 27, 2024, the Company completed a second tranche of a flow-through unit private placement of 50,000 units at \$0.24 per unit for gross proceeds of \$12,000. The flow-through units were issued at a premium of \$0.03 per unit. As a result, a flow-through premium liability of \$1,500 was recorded. Each unit consists 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 a price of \$0.25 per share until June 27, 2026, subject to earlier expiry if the ten-day volume weighted average price exceeds \$0.30 per share. Proceeds were allocated using the residual method. The closing price of one common share on June 27, 2024 was \$0.17 and as a result, \$8,500 was allocated to share capital and \$2,000 was allocated to reserves.
- On June 27, 2024, the Company issued 200,000 common shares pursuant to the exercise of stock options with a weighted average exercise price of \$0.08 generating gross proceeds of \$16,000. In connection with the exercise, the Company transferred \$13,825 from reserves to share capital.
- On August 29, 2024, the Company issued 1,831,579 as settlement for services valued at \$348,000. The fair value of shares issued was measured using the closing price on the date that the shares were issued of \$0.16 per share for a total fair value of \$293,052. As a result, the Company recorded a gain on debt settlement of \$54,948.
- During the period ended September 30, 2024, 825,000 stock options were forfeited following the termination of certain officers and consultants of the Company and 200,000 stock options expired unexercised. As a result, \$135,785 was transferred from reserves to deficit.

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.
- During the year ended December 31, 2023, 2,550,000 stock options were 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.
- During the year ended December 31, 2023, 3,250,000 stock options were 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, December 31, 2023	14,285,715	0.25
Issued	7,845,926	0.25
Balance, September 30, 2024	22,131,641	0.25

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12. SHARE CAPITAL (continued)

A summary of the Company's share purchase warrants outstanding as at September 30, 2024 is as follows:

Date of expiry	Exercise price	Number of warrants	Weighted average remaining life
	\$	#	Years
May 12, 2025	0.25	14,285,715	0.61
May 30, 2026	0.25	7,411,308	1.66
June 27, 2026	0.25	434,618	1.74
	0.25	22,131,641	0.99

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for the share purchase warrants is as follows:

	September 30, 2024	December 31, 2023
Share price	\$0.18	\$0.23
Exercise price	\$0.25	\$0.25
Expected life	2 years	2 years
Risk-free interest rate	4.26%	3.73%
Expected volatility	94.42%	106.16%
Expected annual dividend yield	0.00%	0.00%

d) Stock options

The Company's incentive stock option plan ("Option Plan") authorizes the issuance of options up to a maximum of 10% of the Company's issued common shares. The maximum number of stock options issuable has been fixed at 37,293,698 by a special resolution of shareholders since 2023. 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 ten 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 three months following the date of grant.

During the nine months ended September 30, 2024, 825,000 stock options were forfeited following the termination of certain consultants of the Company and 200,000 stock options expired unexercised.

On May 27, 2024, the Company granted 1,425,000 stock options exercisable at \$0.24 per share to certain officers and directors. The options are exercisable for a 10-year term expiring on May 27, 2034. The options vest periodically over 18 months. The fair value of the options was determined to be \$242,207 using the Black-Scholes option pricing model.

On June 21, 2024, the Company granted 2,625,000 stock options exercisable at \$0.19 per share to certain officers and directors. The options are exercisable for a 10-year term expiring on June 20, 2034. The options vest periodically over 18 months. The fair value of the options was determined to be \$403,371 using the Black-Scholes option pricing model.

On August 27, 2024, the Company granted 400,000 stock options exercisable at \$0.17 per share to an officer of the Company. The options are exercisable for a 10-year term expiring on August 27, 2034. The options vest periodically over 18 months. The fair value of the options was determined to be \$54,321 using the Black-Scholes option pricing model.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for the stock options granted is as follows:

	September 30, 2024	December 31, 2023
Share price	\$0.18	\$0.18
Exercise price	\$0.20	\$0.18
Expected life	10 years	5 years
Risk-free interest rate	3.13%	2.37%
Expected volatility	94.00%	107.87%
Expected annual dividend yield	0.00%	0.00%

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12. SHARE CAPITAL (continued)

The weighted average remaining life in years represents the remaining period that the options granted are expected to remain unexercised. The volatility rate is based on the historical volatility of comparable companies. The risk-free rate is based on Canada government bonds with a term similar to the expected life of the stock options.

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	0.2
Granted	4,450,000	0.21
Exercised	(200,000)	0.08
Forfeited	(225,000)	0.24
Expired	(800,000)	0.08
Balance, September 30, 2024	7,175,000	0.21

A summary of the Company's stock options outstanding and exercisable as at September 30, 2024 is as follows:

Date of expiry	Exercise price	Number of options	Number of options exercisable	Weighted average
				remaining life
	\$	#	#	Years
December 16, 2025	0.36	550,000	550,000	1.21
January 24, 2027	0.21	900,000	900,000	2.32
September 13, 2027	0.15	300,000	300,000	2.95
October 12, 2027	0.14	600,000	600,000	3.03
October 19, 2027	0.13	600,000	600,000	3.05
May 27, 2034 ⁽¹⁾	0.24	1,200,000	356,250	9.66
June 20, 2034 ⁽²⁾	0.19	2,625,000	656,250	9.73
August 27, 2034	0.17	400,000	100,000	9.91
	0.20	7,175,000	4,062,500	6.74

(1) Subsequent to the period ended September 30, 2024, 75,000 of these options expired following the termination of an officer of the Company.

(2) Subsequent to the period ended September 30, 2024, 131,250 of these options were forfeited following the termination of an executive of the Company.

During the three and nine months ended September 30, 2024, the Company recognized share-based compensation from the vesting of stock options of \$146,199 and \$383,784, respectively (2023 - \$22,005 and \$120,878, respectively), of which \$2,641 and \$6,402, respectively (2023 - \$2,208 and \$18,763, respectively), was capitalized to mineral property.

During the nine months ended September 30, 2024, the weighted average share price on the date of exercise of the stock options was \$0.17 per share (2023 - \$0.20).

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13. 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
			\$	\$
Consulting fees capitalized in mineral property	-	-	-	58,500
Legal and accounting	16,577	-	49,654	-
Salaries and wages ⁽¹⁾	135,154	114,138	461,274	545,753
Share-based compensation	132,994	19,908	339,231	103,054
	284,725	134,046	850,159	707,307

(1) During the nine months ended September 30, 2024, the Company paid contractual termination benefits totaling \$nil (2023 - \$240,000), to key management personnel.

As at September 30, 2024, accounts payable and accrued liabilities included \$36,924 (December 31, 2023 - \$4,598) owed to certain officers. Interest is not charged on outstanding balances and there are no specified terms of repayment.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2024, the Company's financial instruments consist of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), rent deposit, deposits for reclamation, deposit and accounts payables and accrued liabilities, and are classified as and measured at amortized cost.

The carrying values of cash and cash equivalents, accounts receivable (excluding sales tax recoverable), rent deposit, deposits for reclamation, deposit 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, deposits for reclamation, and accounts receivable. The Company manages credit risk in respect of cash and cash equivalents and deposits for reclamation by holding these at a major Canadian financial institution with strong investment-grade ratings by a recognized agency. The Company considers the credit risk related to accounts receivable to be minimal.

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

A summary of the Company's cash and cash equivalents is as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Cash held in bank accounts	110,804	108,020
Term deposits	1,296,603	3,198,982
	1,407,407	3,307,002

For the nine months ended September 30, 2024, the weighted average interest rate earned on the Company's cash, cash equivalents and short-term investments was 4.11% (2023 - 4.41%).

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14. 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 September 30, 2024 of \$1,407,407 (December 31, 2023 - \$3,307,002) in order to meet its current liabilities. As at September 30, 2024, the Company had accounts payable and accrued liabilities of \$706,543 (December 31, 2023 - \$404,755), which have contractual maturities of 90 days or less and a current portion of lease liability of \$63,926 (December 31, 2023 - \$59,885). The amount of the Company's remaining undiscounted contractual lease payments for the lease liability is \$269,335 (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 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 September 30, 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 September 30, 2024.

15. 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 to do so in the future. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2024.

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16. INCOME TAXES

A summary of income tax computed at the statutory tax rate to income tax recovery for the nine months ended September 30, 2024 and 2023 is as follows:

	2024	2023
	\$	\$
Loss before tax	(1,743,923)	(1,411,123)
Expected income tax recovery	(470,859)	(381,003)
Items non-deductible for income tax purposes	38,240	27,870
Impact of flow through shares	509,199	-
Share issuance costs	(29,711)	(24,362)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	1,108	(86,250)
Temporary differences originated in the year	-	5,011
Change in unrecognized deferred income tax assets	(47,977)	253,847
Deferred income tax expense	-	(204,887)

A summary of the tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities is presented as follows:

	September 30, 2024	December 31, 2023
	\$	\$
Property and equipment	296,788	286,776
Non-refundable mining income tax credit	2,177,833	1,729,860
Share issuance costs and financing fees	43,781	30,254
Non-capital loss carried forward	6,753,806	6,309,292
Mineral property	(8,884,450)	(8,366,684)
Right-of-use liability, net of right-of-use asset	10,416	10,407
Other	95	95
	398,269	-
Less: unrecognized deferred tax assets	(398,269)	-
Deferred tax asset, net	-	-

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate taxable income to utilize its deferred income tax assets.

The Company is eligible for British Columbia mining exploration tax credits ("BC METC"), based on qualified mineral exploration expenditures incurred for determining the existence, location, extent or quality of a mineral resource in the province of British Columbia. The tax credit is calculated as 30% (for the area in which the Company operates) of qualified mineral exploration expenditures incurred to the extent such expenditures are not renounced or committed with respect to issued flow-through shares, if any. The filing for the BC METC is subject to an assessment process, which may include an audit by the taxation authorities. The amount ultimately recoverable may be different from the amount claimed.

A summary of the Company temporary differences and tax losses is as follows:

Temporary difference	September 30, 2024		December 31, 2023	
		Expiry		Expiry
	\$		\$	
Share issuance costs and financing fees	162,151	2042 to 2045	112,052	2042 to 2047
Allowable capital losses	702	No expiry date	702	No expiry date
Non-capital losses	25,014,095	2038 to 2041	23,367,751	2026 to 2043
Property and equipment	1,099,214	No expiry date	1,062,133	No expiry date
Non-refundable mining income tax credit	2,177,833	No expiry date	2,177,833	No expiry date
Mineral property	(32,905,372)	No expiry date	(30,987,716)	No expiry date
Right-of-use liability, net of right-of-use asset	38,582	No expiry date	38,546	No expiry date

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17. SUBSEQUENT EVENTS

a) Private placement

On November 15, 2024, the Company closed a brokered private placement of:

- 26,478,926 units of the Company at a price of \$0.135 per unit for gross proceeds of \$3,574,655. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.18 per share for a period of 24 months from November 15, 2024.
- 18,118,000 flow-through share units of the Company at a price of \$0.155 per unit for gross proceeds of \$2,808,290. Each flow-through unit is comprised of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.23 per share for a period of 24 months from November 15, 2024.
- 9,585,000 charity flow-through share units of the Company at a price of \$0.20 per unit for gross proceeds of \$1,917,000. Each charity flow-through unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.18 per share for a period of 24 months from November 15, 2024.

The Company paid total finders' fees of \$470,220 and issued 2,856,143 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of \$0.135 per share for a period of 24 months from November 15, 2024.

b) Stock options

On October 4, 2024, the Company granted 150,000 stock options exercisable at \$0.16 per share to an officer of the Company. The options are exercisable for a 10-year term expiring on October 4, 2034.

On October 15, 2024, 131,250 stock options were forfeited following the departure of an executive of the Company (Note 12(d)).

On October 29, 2024, 75,000 stock options expired following the departure of an officer of the Company (Note 12(d)).