



SPANISH MOUNTAIN GOLD LTD.

Management Discussion and Analysis

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian dollars)

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The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of Spanish Mountain Gold Ltd. (the "Company") and its subsidiary. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements, including the notes thereto, for the three months ended March 31 2026 and 2025 ("Financial Statements").

The Financial Statements have been prepared by management in accordance with IFRS[®] Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board, including International Accounting Standards ("IAS") 34 *Interim Financial Reporting*. In addition, the MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements"), as some disclosures from the Annual Financial Statements have been condensed or omitted. Unless otherwise stated, all amounts are presented in Canadian dollars which is the functional currency of the Company and its subsidiary. References to US\$ are to United States dollars. Other information contained in this document has been prepared by management and is consistent with the data contained in the Financial Statements.

The Company's certifying officers are responsible for ensuring that the Financial Statements and MD&A do not contain any untrue statements of material facts or omissions of material fact required to be stated or that it is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's certifying officers certify that the financial statements, together with the other financial information included in the filings fairly present in all material respects the financial condition, financial performance, and cash flows of the Company as at the date of and for the periods presented in the filings.

In this MD&A, the words "we", "us", or "our", collectively refer to the Company and its subsidiary. The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The first six months of a year are referred to as "H1" and the last six months of a year as "H2".

The Board of Directors approved the disclosure contained in this MD&A on May 29, 2026 ("MD&A Date").

The Company's Board of Directors provides an oversight role with respect to all public financial disclosures by the Company.

Management is responsible for the preparation and integrity of the Company's Financial Statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is responsible for ensuring that information disclosed externally, including the information contained within the Company's Financial Statements and MD&A, is complete and reliable.

Additional information relating to the Company including its Financial Statements may be found on the Company's website at www.spanishmountaingold.com as well as under the Company's profile on SEDAR+ at www.sedarplus.ca.

OVERVIEW

Spanish Mountain Gold Project

The Company is a development stage company that is engaged in the acquisition, exploration, and development of mineral properties. The Company's primary asset is the Spanish Mountain property located approximately 180 kilometres ("km") north of Kamloops, British Columbia ("BC") and 66 km northeast of Williams Lake, BC. The Spanish Mountain property refers to the contiguous mineral and placer claims the Company holds while the Spanish Mountain gold project (the "Project") refers to the mineral resources that the Company has defined in an area within the property. The Company's focus is to advance the development of the Project to a build decision in 2028 and conduct further exploration programs on the property.

Although the Company had advanced substantially through the environmental assessment ("EA") processes based on the previously completed 2021 Pre-Feasibility Study ("2021 PFS"), the Company chose to suspend submission of the final Detailed Project Description ("DPD") in 2023 and undertake additional geological work and a completed a detailed review of the 2021 PFS to further derisk and optimize the Project. As a result of this review, the Company completed a Preliminary Economic Assessment ("2025 PEA"), which included an updated mineral resource estimate ("2025 MRE"), and it was published on August 18, 2025. Based on the positive economics of the 2025 PEA, additional favorable drill results in 2025 and 2026, and the increase in the price of gold, the Company has commenced work on a Feasibility Study ("FS") with a targeted completion date of H1 2028. The Company plans to update the 2025 PEA in 2026, which will include an update to the 2025 MRE that incorporates drill results from the Orca Fault target area and a higher gold price. The Company has engaged provincial government agencies, First Nations, local communities and other interested parties as it makes plans to resume the EA process to advance to the next stage of the permitting process.

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In Q2 2026, the Company commenced work on the FS and engaged BBA Engineering Consultants (“BBA Consultants”) as the overarching consultant to oversee the completion of the study and has or will include additional engineering consultants with particular expertise relevant to the Project to complete parts of the study.

- **Environmental assessment and permitting:** The EA process recently has been resumed, and the Company has initiated communication with the BC Environmental Office (“BCEAO”), First Nations and the nearby community of Likely while continuing with baseline environmental work. The Company recently hired a new Vice President of Environment, Sustainability and Governance (“ESG”) who will lead the engagement process as the Project moves forward with the FS towards the provincial Environmental Assessment Certificate (“EAC”) and federal Impact Assessment (“IA”) Decision Statement (“DS”), along with other permits and authorizations required to construct and operate the mine.
- **2026 Update to both 2025 PEA and 2025 MRE**
 - The 2026 update to the 2025 MRE will include drill results received from the Winter 2025 Drill Program and the Fall 2025 Drill Program up until February 25th, 2026
 - The 2026 update to the 2025 PEA will include, in addition to the updated mineral resource estimate (MRE), a new mine plan for the Main Deposit and a higher long-term gold price.
- **Metallurgy and Mineral Processing:** Metallurgical and ore sorting test work commenced in Q1 2026 (refer to press release dated October 25, 2025) and are currently in progress.

Power, Electrification, Carbon Intensity, and Green-house Gas Emissions: The Project’s location is supported by excellent infrastructure including connectivity to the provincial power grid supplied with low-cost, renewable hydro power. The System Impact Study (“SIS”) Stage 2 Conceptual Design with BC Hydro (the provincial electric utility provider) was recently completed. The Company commenced Stage 3 of the SIS in Q2 2026 with an early works funding advance and expects to execute the Stage 3 agreement soon. The study is for the proposed engineering and construction of a new BC Hydro 230 kilovolt (“kV”) substation (“SMM”) to be located at the interconnection point near the BC Hydro McLeese Lake capacitor substation that will be connected to a proposed 74 km long 230 kV transmission line constructed by the Company. The 2025 PEA assumes the utilization of electrified drills and shovels in the operating plan and through ongoing collaboration with BC Hydro, other opportunities have been identified for consideration in the FS. These opportunities could include electrification and automation of mining and material handling solutions such as: trolley assist haul trucks, material handling by conveyors, battery powered support equipment, and other energy efficient equipment. Green-house gas emissions could be lowered by switching from conventional diesel haul trucks in the proposed open pit mine as used in the 2025 PEA study to renewable diesel.

- **Geotechnical and Hydrogeological:** BGC Engineering was engaged to evaluate, improve upon and de-risk the tailings, water, and waste management facilities as outlined in the 2021 PFS. Based on their recommendations to utilize dry stack tailings, water discharge is estimated to be reduced by approximately 50% at peak production and provide a more flexible tailings solution as outlined in the 2025 PEA. BGC Engineering completed site investigation work in Q1 2026 which confirmed the scope of the geotechnical and hydrogeological field program to complete for the FS. The geotechnical drilling commenced in May 2026. The results from the geotechnical drilling and other field programs will be used in the geotechnical and hydrological sections of the FS.
- **Project Economics:** The 2025 PEA financial model concluded the Project had favorable economics with a base case after-tax NPV_{5%} of C\$1,025 million, an after-tax IRR of 18.2% and a payback period of 3.2 years using a gold price assumption of US\$2,450/ounce (“oz”). Using a July 1, 2025 spot gold price of US\$3,300/oz gold, after-tax NPV_{5%} increases to C\$2,315 million with the after-tax IRR increasing to 32.0% and payback period reduced to 2 years (see press release dated July 3, 2025 for more details). At gold price assumption of US\$3,900/oz, which is closer to today’s long-term gold price, the after-tax NPV_{5%} increases to C\$3,227 million with the after-tax IRR increasing to 41.0% and the payback reduced to 1.7 years.

Phoenix MRE: The Company undertook additional drilling in 2025 on the previously identified Phoenix prospect. Based on 14 drill holes completed in 2025 plus 47 historical drill holes an indicated resource of 579 oz grading 0.35 g/t Au and an inferred resource of 357,000 oz grading 0.44 g/t Au was outlined using a cut-off grade of 0.2 g/t Au. These additional ounces from the Phoenix deposit were not included in the mine plan or financial model produced for the 2025 PEA. The Company is completing ore sorting and metallurgical test work to determine if ore sorting is a viable processing option to uplift the feed grade of Phoenix mineralization.

- **METSO Memorandum of Understanding (“MOU”):** In Q1 2026, the Company signed a MoU with Metso Canada Inc. regarding the collaboration and support for the proposed process plant and tailings dewatering facilities. This collaboration agreement includes trade-off studies as well as support for equipment selection and supply of process solutions. Subject to the execution of definitive agreements, Metso may also provide customary performance commitments for its equipment

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solutions as the Company advances the Project towards feasibility and ultimately a build decision. If Metso's equipment solutions are selected during the anticipated feasibility phase towards a build decision, the Company would be targeting up to \$50M of potential Original Equipment Manufacturer ("OEM") financing which could be backed by a country of manufacturing origin state export credit agency (ECA) subject to lender approvals and execution of definitive agreements. This marks a key milestone for the company as it prepares for the next stages of development and potential alternatives for project build financing.

US\$55 million Royalty Sale to Wheaton

On April 20, 2026, the Company entered into a royalty agreement (the "Royalty Agreement") with Wheaton Precious Metals Corp. ("Wheaton"), pursuant to which Wheaton agreed to pay to the Company aggregate cash proceeds of US\$55 million in three instalments in exchange for a 1.5% net smelter returns royalty ("NSR") on gold and silver production from the Spanish Mountain Gold Project (the "Project"). The first installment of US\$22.5 million was received on May 1, 2026. The second installment of US\$12.5 million is payable to Spanish Mountain Gold following the completion of 60,000 metres of drilling at the Project. The third installment of US\$20 million is payable to Spanish Mountain Gold on the receipt of approvals under the *Environmental Assessment Act* (British Columbia) for the construction, development, and operation of a mine at the Project.

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MINERAL PROPERTY

Spanish Mountain Gold Project

The Spanish Mountain property is located in the Cariboo region of central BC, 6 km east of the village of Likely, and 66 km northeast of the City of Williams Lake, a key supply hub for multiple mines and projects in the region. The property, which comprises approximately 60 contiguous mineral claims and 15 placer claims and covers an area of approximately 12,380 hectares and 2,240 hectares respectively, is 100% owned by the Company.

The property can be reached from Williams Lake via a paved secondary road that leaves Highway 97 at 150 Mile House, approximately 16 km south of Williams Lake, and continues for 87 km to the village of Likely. From Likely, the property is accessed from the Spanish Mountain Forest Service Road 1300.

The Company has been actively conducting drilling and other exploration activities on the property since 2005. The Spanish Mountain gold deposit is situated at or close to surface and amenable to open pit mining methods as defined in the 2025 PEA. The largest deposit carrying significant gold mineralization is called the Main Deposit, which has been traced by drilling over a length of approximately 1700 m long, 800 m wide, and 300 m thick, and is open in all directions. Two ages of gold mineralization have been identified in the Main Deposit. Early-stage gold mineralization is associated with disseminated and vein pyrite hosted in northwest trending structures that dip shallowing to the north primarily within argillite units and late-stage gold mineralization is hosted in narrow quartz veins that strike north to northeast and dip moderately to the west, late-stage mineralization occurs in all units, but is best developed in the altered tuff/greywacke units. Visible gold is common in late-stage mineralization and is often associated with galena and sphalerite. In 2025 and 2026, the Company has been drilling late-stage mineralization associated with the Orca fault zone and has outlined a zone of higher-grade mineralization in northeast-southwest direction within the existing pit shell.

The Company is focused on optimizing the scale and business case, while advancing the Project towards a construction decision in 2028. On March 19, 2024, the Company entered an agreement with BC Hydro and received the funding approval to assess power efficient alternatives for the comminution to support coarse particle flotation mineral processing unit operations for the Project. A draft of the report entitled, "Spanish Mountain Gold Energy Efficiency Scoping Study - Andritz Power Simulation Study," was received from Andritz, reviewed and accepted by BC Hydro, the cost of which is covered by an approved funding application made on January 29, 2025.

During Q2 2024, the Company submitted an application to BC Hydro under the "Load Attraction" funding program to potentially reduce costs to the Company in anticipation of advancing the System Impact study through the Conceptual Design and Facilities Study stages for the interconnection of a new 74 km long proposed power line that would service the proposed Project. The Company received approval for the funding application and on July 31, 2024 executed a BC Hydro Interconnection Study Fund Agreement for Load Attraction Transmission. Following the completion of Stage 2, the Company expects to commence Stage 3 in Q2 2026.

a) Mineral Resources

The 2025 MRE was prepared based on the pit shell developed using assumed cost parameters and assumptions. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. Inferred Mineral Resources have insufficient confidence to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability suitable for public disclosure.

The 2025 MRE for the Main Deposit is based on the amalgamation of what have been historically described as the Main Zone, North Zone, Slipper Zone, and K Zone. The Main Deposit is included in the financial modelling for the 2025 PEA.

A summary of the Project's Main Pit mineral resources is provided below (which excludes 2025-2026 Winter and Fall Drilling Programs):

Classification	Run of Mine (Mt)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (Moz)	Contained Silver (Moz)
Measured	77.4	0.53	0.68	1.3	1.7
Indicated	214.7	0.41	0.65	2.8	4.5
M&I Resources	292.1	0.44	0.66	4.1	6.2
Inferred Resource	14.8	0.33	0.95	0.1	0.5

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Notes:

- The 2025 MREs were prepared by Bahram Bahrami, P. Geo of Equity Exploration Consultants Ltd. (who is the independent Qualified Person for these MREs, noting the Mineral Resource estimate complies with NI 43-101 Standards of Disclosure for Mineral Projects and CIM Definition Standards for Mineral Resources and Mineral Reserves, with an effective date of January 10, 2025 for the Main deposit.
- The 2025 Main Deposit MRE is reported at a cutoff grade of 0.15 g/t Au.
- Cut-off grade assumes US\$2,400/oz. Au, US\$30/oz Ag, at a currency exchange rate of \$0.73 per US\$; 99.8% payable gold; 90.0% payable silver; \$7.00/oz. offsite costs (refining and transport), a 1.5% royalty; and uses a 90% metallurgical recovery for Au and a 50% recovery for Ag. The cut-off grade covers processing costs of \$12.00/t inclusive of site general and administrative (G&A) costs. Mining costs were \$3.75/t for ore and waste.
- The mineral resources are constrained by an open pit shell generated by applying the Lerchs-Grossman algorithm to the Spanish Mountain deposit. The pit shell was generated using the same inputs as the cutoff grade determination.

Factors that may affect the estimates include: metal price assumptions, changes in interpretations of mineralization geometry and continuity of mineralization zones, changes to kriging assumptions, metallurgical recovery assumptions, operating cost assumptions, confidence in the modifying factors, including assumptions that surface rights to allow mining infrastructure to be constructed will be forthcoming, delays or other issues in reaching agreements with local or regulatory authorities and stakeholders, and changes in land tenure requirements or in permitting requirement. Any other known legal, political, environmental, or other risks that could materially affect the potential development of the Mineral Reserves are detailed below in the section entitled "Risks and Uncertainties".

The inaugural MRE for the Phoenix Deposit, a deposit roughly 1 km northwest of the Main Deposit, is not included in the financial model for the 2025 PEA. The Company expects to follow up with additional drilling on the Phoenix Deposit over the next year.

Classification	Run of Mine (Mt)	Gold Grade (g/t)	Silver Grade (g/t)	Contained Gold (Moz)	Contained Silver (Moz)
Measured	N/A	N/A	N/A	N/A	N/A
Indicated	0.05	0.35	N/A	0.1	N/A
M&I Resources	0.05	0.35	N/A	0.1	N/A
Inferred Resource	25.4	0.44	N/A	0.4	N/A

Notes:

- The inaugural 2025 MRE for the Phoenix Deposit was prepared by Bahram Bahrami. The 2025 MRE for Phoenix is based on a 0.2 g/t cut-off and otherwise uses the same assumptions as for the Main Deposit above.
- Estimates have been rounded and may result in summation differences.
- The Phoenix Deposit 2025 MRE has an effective date of June 17, 2025

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b) Exploration Programs

Spanish Mountain Gold Ltd. completed two drill programs in 2025, one in the winter and one in the fall. The objective of the programs were:

- Extend near surface, higher-grade mineralization in five key priority areas: Main Deposit, Phoenix Deposit, K-zone, Outcropping Tuff ("OT"), and the A12 target.
- Collect drill hole sample material from the Phoenix and Main Deposits for 'ore' sorting metallurgical studies.
- Derisk infrastructure locations identified in the 2025 PEA (See July 3, 2025 news release) through drilling of high priority exploration targets to inform future engineering studies.

The planned 9,000 to 10,000 m fall program was upsized to 14,651 m (53 holes) for the same budget due to favourable seasonal conditions and drilling and execution efficiencies. Forty-eight of the 53 holes were targeted on the Orca Fault corridor, and 5 condemnation holes were drilled at the A12 target to support future processing plant site location evaluations for the FS.

Main Highlights:

- The Orca Fault mineralization was intersected in drill holes for 200 m along strike and 530 m down dip and is open to the northwest,
- Selected high-grade intercepts include:
 - 25-DH-1322 → 133.57 m @ 1.35 g/t Au, incl. 25.47 m @ 4.28 g/t
 - 25-DH-1299 → 139.82 m @ 0.82 g/t Au, incl. 34.60 m @ 2.17 g/t
 - 26-DH-1337 → 282.50 m @ 0.70 g/t Au (longest intercept)
 - 26-DH-1337 → 116.80 m @ 1.20 g/t Au
 - 25-DH-1292 → 112.00 m @ 0.77 g/t Au, incl. 41.00 m @ 0.98 g/t

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

	Three months ended March 31, 2026	Year ended December 31, 2025
	\$	\$
Balance, beginning of the period	107,877,397	98,329,390
Additions:		
Acquisition	-	42,250
Assaying	6,075	569,181
Camp materials and supplies	106,271	365,682
Contract wages	506,378	1,020,397
Depreciation	10,170	33,564
Drilling	2,384,633	4,100,992
Environmental assessment	17,136	268,136
Equipment rental and services	310,610	1,074,149
Field supplies and support services	12,053	11,673
First Nations and community engagement	1,000	4,593
Fuel	162,064	393,497
Geological and technical consulting	181,827	1,680,756
Land tenure	271	8,834
Maps and reports	246,296	705,691
Mineral exploration tax credit recovery	-	(1,327,740)
Mineral exploration tax credit recovery in accounts receivable	(3,912,533)	-
Preliminary economic assessment	21,405	506,948
Share-based compensation	4,394	50,002
Travel and accommodation	21,583	39,402
Balance, end of the period	107,957,030	107,877,397

ENGAGEMENT WITH FIRST NATIONS

The Company recognizes and respects the Indigenous rights asserted by First Nations in the Project area and has engaged First Nations regarding Project plans and activities for over a decade.

The Company signed a Protocol Agreement with Xat'sull First Nation ("XFN") on March 6, 2012, and Amended Protocol Agreement with Williams Lake First Nation on March 13, 2012, each establishing a framework for negotiating a comprehensive Participation Agreement covering the permitting, construction, operation, and closure of the Project. The Company also entered into a Cooperation Agreement with the Lhtako Dene Nation ("LDN") on July 11, 2012, establishing a framework for ongoing dialogue, information sharing, and the negotiation of a Participation Agreement. Each agreement acknowledges the respective First Nation's asserted aboriginal rights within its traditional territory, which includes the Project area, and reflects the Company's commitment to mitigating adverse Project impacts and providing economic and social benefits to the First Nations.

As part of the environmental assessment and permitting process, the Company signed a further Engagement Protocol Agreement with XFN on September 10, 2021, which contemplated the parties negotiating a comprehensive Relationship Agreement.

Following publication of the 2025 PEA, the Company met with First Nations in Q3 2025 to provide a Project update and identify next steps toward a build decision by 2028. The Company is in discussions with WLFN to revise the existing Amended Protocol Agreement and a revised draft is under preparation. The Company is in discussions with XFN to update the Engagement Protocol, which on April 22, 2026, XFN advised the Company it wishes to renegotiate.

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ENVIRONMENTAL ASSESSMENT AND PERMITTING PROCESS

The Project is subject to the requirements of both the British Columbia Environmental Assessment Act and the Federal Impact Assessment Act. The Company formally entered both processes in March 2022 with the submission of the Initial Project Description (“IPD”) and Early Engagement Plan (“EEP”) to the BC Environmental Assessment Office (“BCEAO”) and Impact Assessment Agency of Canada (“IAAC”). Agency, First Nations, and public review questions and comments were solicited then used to develop the draft DPD that was submitted to the agencies in December 2022. Environmental baseline studies resumed in 2020 and have continued to date to build on significant studies conducted from 2007 to 2012. The reviews of the IPD and EEP included extensive engagement with First Nations, regulatory agencies, and the general public. The Company expects to continue environmental field work and planning studies aimed at contributing to the FS to support the next stages of the provincial and federal environmental assessment processes. The Company recently hired a new Vice President, ESG whose primary role initially will be to progress the current Project to issuance of a provincial EAC and DS, along with project permits and authorizations required to construct and operate the mine.

OUTLOOK

The Company’s current strategy remains focused on optimizing, de-risking and advancing its Spanish Mountain Gold project towards a construction decision in 2028. The Company has advanced to a FS with the project kick off in progress. A consortium of engineering consultants has been engaged and led by BBA Consultants, a Canadian engineering and professional services firm who recently completed the FS for Osisko Development’s Cariboo project currently entering construction. The Company expects to drill over 60,000 m during the next twelve months to support the completion of the FS in H1 2028. This drilling will include resource/reserve definition, geotechnical, condemnation and hydrogeological drilling necessary for designing the proposed mine infrastructure such as the mineral processing, waste rock storage and tailing storage facilities, supporting permitting and derisking the next stage of development – i.e., a build decision with associated financing.

Titanium in the form of rutile, has been identified as a potential Critical Mineral by-product to the gold and silver production. Rutile (titanium) has not been included in the 2025 PEA or MRE and will not be included in the Updated 2026 PEA. If beneficiation tests demonstrate the potential for a saleable rutile concentrate, the Company expects to complete a mineral resource estimate sometime in late 2026 to early 2027.

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RESULTS OF OPERATIONS

The following discussion explains the variations in the key components of the Company's operating results. For details on the results of work on and other activities in connection with the Company's exploration of mineral property, see "Mineral Property."

	Q1 2026	Q1 2025
	\$	\$
Operating expenses		
Consulting	41,871	46,201
Depreciation	18,264	18,425
Investor relations, travel and filing fees	295,631	135,748
Legal and accounting	258,772	70,571
Office and administrative	83,387	80,265
Salaries and wages	203,337	216,087
Share-based compensation	64,247	50,684
	965,509	617,981
Other income (expenses)		
Amortization of flow-through premium liability	162,411	302,412
Interest expense	(2,002)	(2,824)
Interest income	811,473	52,981
Net income (loss) before income tax	6,373	(265,412)
Deferred income tax expense	(261,416)	-
Net loss and comprehensive loss	(255,043)	(265,412)

Q1 2026 compared to Q1 2025

Net income before income tax increased to \$6,373 compared to net loss of \$265,412 in the prior year comparable period, primarily due to an increase in interest income to \$811,473 from \$52,981 in the prior year comparable period. During Q1 2026, the Company recognized an accrual of \$790,191 of refund interest related to the pending reassessment refunds of the 2020 through 2022 taxation year British Columbia Mining Exploration Tax Credit ("METC").

Partially offsetting the decrease in net loss and comprehensive loss were increases to expenses and decrease to other income as follows:

- Investor relations, travel and filing fees increased to \$295,631 compared to \$135,748 in the prior year comparable period due to higher listing fees due to higher market capitalization, the participation in additional investor conferences, and engagement of financial services companies to help communicate the Company's story and news to a broader audience.
- Legal and accounting increased to \$258,772 compared to \$70,571 in the prior year comparable period due to additional legal costs primarily relating to due diligence on the sale of net smelter royalties ("NSR") on the Spanish Mountain Property.
- Amortization of flow-through premium liability decreased to \$162,411 compared to \$302,412 in the prior year comparable period as the remaining eligible exploration expenditure commitments from the August 2025 private placement were fully satisfied during the period.

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SUMMARY OF QUARTERLY RESULTS

The selected quarterly consolidated information set out below has been derived from and should be read in conjunction with the previous eight quarterly consolidated financial statements for each respective financial period.

	Q1 2026	Q4 2025	Q3 2025	Q2 2025
	\$	\$	\$	\$
Loss from operations	(965,509)	(742,064)	(765,112)	(853,791)
Net income (loss) before income tax	6,373	(365,754)	-	-
Net loss and comprehensive loss	(255,043)	(1,081,386)	(761,621)	(528,071)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024
	\$	\$	\$	\$
Loss from operations	(617,981)	(703,726)	(874,948)	(739,916)
Net loss and comprehensive loss	(265,412)	(721,323)	(578,503)	(657,734)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)

Certain tax items such as the METC tend to be processed and recognized during the third or fourth quarter of the year, when the Company is notified of the results of the Canada Revenue Agency ("CRA") review of tax returns filed, resulting in potential adjustments to the corporate tax provision for the period. Furthermore, the timing of assessment for the Company's filings by tax authorities may lead to a one-time adjustment to the period's tax provision resulting in potentially significant changes to the net loss. The Company filed its 2024 corporate income tax return claiming a tax refund of \$1,075,283 in respect of METC. It also has filed administrative appeals for previous taxation years in respect of differences in interpretation of the METC law. Subsequent to March 31, 2026 the CRA confirmed that they will reassess these previously filed filing positions in dispute. Under the Company's accounting policy, as there is now an expectation of recoverability, a receivable of \$3,912,533 was included in accounts receivable as at March 31, 2026.

Accrued interest income of \$790,191 on the prior year reassessments resulted in Q1 2026 net income before income tax. Higher costs in Q1 2026 were attributable to due diligence expenditures related to the sale of NSR on the Spanish Mountain Property, stock options granted and vesting expense during the quarter and higher investor relations activities to raise public awareness. Net loss and comprehensive loss increased in Q4 2025 from Q3 2025 was driven by a deferred income tax expense that resulted from the Fall 2025 Drill Program costs largely being renounced to flow-through shareholders. The deferred tax expense was partially offset by increased amortized flow-through premium liability compared to Q3 2025.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2026, the Company had working capital of \$4,279,643 (December 31, 2025 - \$3,832,746), which includes cash of \$1,373,871 (December 31, 2025 - \$3,837,097).

The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover certain phases of its project. The Company continuously explores financing opportunities including equity flow-through shares and other alternatives. See details of completed private placements in "Sources and uses of cash" section. The Company has 77,215,456 warrants outstanding as at March 31, 2026. If the remaining outstanding warrants were all exercised, they would raise approximately \$16,215,246.

The Company's expenditures on its mineral property, which are capitalized in accordance with its accounting policy, represent the most significant use of its capital resources.

The Company is in the development stage, which includes exploration and has no revenue from its business operations. The Company's ability to meet its future obligations and maintain operations for the foreseeable future is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds in the equity markets and obtaining a royalty sale transaction with Wheaton (see detail under subsequent events "US\$55 million Royalty Sale to Wheaton"), there is no assurance that additional funding will be available in the future at reasonable terms. The Company evaluates other financing opportunities that become available from time to time. Management carefully monitors its cash resources and explores available options to address any potential shortfall. 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.

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SOURCES AND USES OF CASH

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

	Q1 2026	Q1 2025
	\$	\$
Cash used in operating activities	(1,152,063)	(732,893)
Cash used in investing activities	(2,476,124)	(1,555,025)
Cash provided by (used in) financing activities	1,164,961	(18,416)
Change in cash during the period	(2,463,226)	(2,306,334)
Cash, beginning of the period	3,837,097	6,873,687
Cash, end of the period	1,373,871	4,567,353

Q1 2026 compared to Q1 2025

Cash used in operating activities increased to \$1,152,063 compared to \$732,893 in the prior year due to higher expenditures on legal fees, marketing activities, and other corporate overheads.

Cash used in investing activities increased to \$2,476,124 compared to \$1,555,025 in the prior year due to increased spending on mineral property exploration activities and progressing an updated PEA and FS. During Q1 2025, the Company received refunds of \$869,079 comprising the 2023 METC and related interest.

Cash provided by financing activities was \$1,164,961 compared to \$18,416 in the prior year due to the Company receiving gross proceeds of \$1,183,953 from the exercise of 5,941,533 warrants.

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:

	Q1 2026	Q1 2025
	\$	\$
Salary and wages, and fees paid to directors and officers, and affiliated Company	222,500	201,500
Share-based compensation incurred by directors and officers	45,902	80,439
	268,402	281,939

A summary of the salary and wages paid to the Company's officers is as follows:

	Q1 2026	Q1 2025
	\$	\$
Chief Executive Officer	71,250	71,250
Chief Financial Officer	66,250	66,250
Director of Exploration	47,500	47,500
Director of Finance	37,500	-
Former Vice President of Finance	-	16,500
	222,500	201,500

As at December 31, 2025, the accounts payable and accrued liabilities included a total of \$44,847 (December 31, 2025 - \$55,755) comprising of unused vacation and expenses incurred by management on behalf of the Company. Interest is not charged on outstanding balances and there are no specified terms of repayment.

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FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2026 and 2025, the Company's financial instruments consist of cash, deposits for reclamation, rent deposit, accounts payable and accrued liabilities, and lease liability, which are classified and measured at amortized cost.

The carrying values of cash, subscription receivable, deposits for reclamation, rent 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.

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 deposits for reclamation. The Company manages credit risk in respect of cash and deposits for reclamation by holding these at a major Canadian financial institution with strong investment-grade ratings by a recognized agency.

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

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

	March 31, 2026	March 31, 2025
	\$	\$
Cash held in bank accounts	1,373,871	3,837,097
	1,373,871	3,837,097

For the three months ended March 31, 2026, the weighted average interest rate earned on the Company's cash was 3.06% (2025 - 2.78%). During the year ended March 31, 2026, the Company earned interest income of \$21,282 (2025 - \$21,369) on cash held in bank accounts.

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. As at March 31, 2026, the Company has cash of \$1,373,871 (December 31, 2025 - \$3,837,097) and accounts receivable (excluding GST recoverable) of \$4,703,554 (December 31, 2025 - \$831) in order to meet its current liabilities of \$2,265,825 (December 31, 2025 - \$564,014). As at March 31, 2026, the Company had accounts payable and accrued liabilities of \$2,193,349 (December 31, 2025 - \$493,008), which have contractual maturities of 90 days or less and a current portion of lease liability of \$72,476 (December 31, 2025 - \$71,006). The amount of the Company's remaining undiscounted contractual lease payments for the lease liability is \$156,536 (December 31, 2025 - \$175,528). As at March 31, 2026, management has assessed the liquidity risk as low.

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.

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The Company's cash 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, 2026.

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, 2026.

OUTSTANDING SHARE DATA

A summary of the Company's outstanding share data is as follows:

	March 31, 2026	MD&A Date
	#	#
Common shares	510,663,655	525,324,200
Stock options	8,957,000	7,691,000
Warrants	77,215,456	63,820,911
Fully diluted shares outstanding	596,836,111	596,836,111

CAPITAL MANAGEMENT

The Company's primary funding source has been cash raised 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 three months ended March 31, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2026 and the MD&A Date, the Company has no off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at March 31, 2026 and the MD&A Date, the Company has no proposed material transactions other than discussed elsewhere or included in subsequent events.

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COMMITMENTS

Office premises lease

The Company entered into a lease extension for the Company's office premises which began April 1, 2023 and expires March 31, 2028. The total aggregate lease payments pursuant to the agreement are \$404,001. Additionally, operating costs are estimated at \$253,124 over the same period. As of March 31, 2026, the amount of the Company's remaining undiscounted contractual lease payments for the office premises lease is \$156,536 (December 31, 2025 - \$175,528).

Spanish Mountain Property, British Columbia

The Spanish Mountain property is subject to the following royalties:

- A 1.5% NSR royalty owned by Wheaton (see detail under subsequent events "US\$55 million Royalty Sale to Wheaton").
- A 2.5% NSR royalty over 12 claims that overlap with the northern and southern extents of the Main Deposit. A buydown right allows the Company to purchase 1.5% of this NSR for \$500,000, reducing the NSR to 1.0%.
- A 2.5% NSR over a claim that hosts the bulk of the Main Deposit. A buydown right allows for this to be reduced to 1.5% for \$500,000.
- On June 15, 2010, the Company acquired a 100% undivided interest in the Cedar Creek property, which is contiguous to the Spanish Mountain property. The wholly owned property is subject to a 2.5% NSR in favor of a third party. The NSR may be purchased by the Company for \$500,000 per 1% NSR. On May 23, 2011, the Company acquired two additional mineral claims that are adjacent to the Cedar Creek Property for \$110,000 cash. The claims are subject to a 3% NSR, 2.5% of which may be purchased for \$1,000,000.
- On August 21, 2012, the Company completed the acquisition of an additional group of mineral claims for consideration of \$500,000 in cash and 2,000,000 common shares of the Company. The property is subject to an underlying 4% NSR royalty. The Company has the option to reduce the net NSR royalty to 2% by paying a one-time cash payment of \$2,000,000 to the royalty holders.
- On January 10, 2025, the Company acquired a 100% undivided interest over another mineral claim southeast of the Main Deposit in return for \$3,500 plus a 0.5% NSR royalty. A buydown right allows the Company to purchase the entire royalty for \$450,000.

In accordance with regulatory requirements, as at December 31, 2025, the Company holds a number of term deposits aggregating in the sum of \$91,000 (December 31, 2024 - \$91,000) and is presented as deposits for reclamation on the statement of financial position, in safekeeping for the Government of British Columbia. The security will be released once the Company performs its obligations pursuant to its Mineral Exploration Permit.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political, economic, and cyber related risks.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry standards for the current stage of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, and title may be affected by undetected defects. Since the Company's main asset is the Spanish Mountain Gold Project, in respect of which it is currently completing an updated PEA and then thereafter a FS, the Company has no revenues and source of operating cash flow. As discussed earlier in Liquidity and Capital Resources, the Company's ability to meet its future obligations and maintain operations for the foreseeable future is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds in the equity markets, there is no assurance that additional funding will be available in the future at reasonable terms.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration and development stages and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in additional discoveries of commercial bodies of mineralization.

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The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously held an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. In August 2014, there was a breach of the tailings dam of a copper/gold mine, owned by a third party, located near Likely, B.C. resulting in significant environmental damages in the area. Although the Company's operations have not been directly affected by the incident, the long-term impact, if any, on the regulatory or permitting process in connection with the Company's project cannot be determined at this time.

FORWARD-LOOKING STATEMENTS

The Company's MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "Risks and Uncertainties" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "Risks and Uncertainties" and to those that may be discussed as part of particular forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or results or otherwise other than as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Financial Statements under IFRS[®] Accounting Standards requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

The accounting estimates, judgements and assumptions are disclosed in the notes to the Financial Statements.

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QUALIFIED PERSON

Julian Manco, MSc. P.Geo., Director Exploration for the Company, is a qualified person as defined under National Instrument 43-101. Mr. Manco has reviewed and approved the technical information presented herein.

SUBSEQUENT EVENTS

US\$55 million Royalty Sale to Wheaton

Subsequent to March 31, 2026, the Company entered into a royalty agreement (the "Royalty Agreement") with Wheaton Precious Metals Corp. ("Wheaton") on April 20, 2026, pursuant to which Wheaton agreed to pay to the Company aggregate cash proceeds of US\$55 million in three instalments in exchange for a 1.5% net smelter returns royalty ("NSR") on gold and silver production from the Spanish Mountain Gold Project (the "Project"). The first installment of US\$22.5 million was received on May 1, 2026. The second installment of US\$12.5 million is payable to Spanish Mountain Gold following the completion of 60,000 metres of drilling at the Project. The third installment of US\$20 million is payable to Spanish Mountain Gold on the receipt of approvals under the *Environmental Assessment Act* (British Columbia) for the construction, development, and operation of a mine at the Project.

The Company may buy back one-third of the NSR upon a change of control occurring prior to the earlier of December 31, 2030 and achievement of a completion test based on actual throughput relative to target. If the completion test is not fully achieved by April 1, 2030 (the "Outside Date"), the NSR will increase by up to 0.15% based on actual throughput relative to target, unless the Company elects to pay Wheaton US\$6 million in lieu. The same adjustment or payment in lieu applies on each anniversary of the Outside Date until the completion test is achieved.

Pending Positive Tax Reassessment

Subsequent to March 31, 2026, the Company is expected to receive a tax credit of \$2,755,525 in cash, consisting of \$1,965,334 for the METC and an estimated \$790,191 in interest recovered and accrued to March 31, following the CRA's acceptance of the Company's notice of objection filed in respect of prior taxation years.

Significant Warrant Exercises

Subsequent to March 31, 2026, the Company issued 13,394,545 common shares pursuant to the exercise of 13,394,545 warrants for gross proceeds of \$3,109,096.