Multi Million Ounce Gold Resource in British Columbia

Two Zone Approach

May 2017
Cautionary Statement

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

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

The “Preliminary Economic Assessment for the Spanish Mountain Project” (the “PEA”) referred to herein is preliminary in nature and includes mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The Company’s measured and indicated resources estimates were prepared in accordance with NI 43-101 by Gary H. Giroux, M.ASc., P.Eng. of Giroux Consultants Ltd with an effective date of October 3, 2016.

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

* Within the presentation refers reader to the cautionary statement.
Highlights

• 3.88 million ounces Measured & Indicated (“M&I”) + 4.11 million ounces Inferred Gold Resources*

• Low political risk and close proximity to:
  - Infrastructure
  - Labour
  - Suppliers
  - Existing mines

• Low cost operations

• New Two-Zone project approach:
  - **First Zone**: High-grade pit delineated core as a standalone operation with mine life over 24 years; robust economics reported in Preliminary Economic Assessment (processing M&I resource only)
  - **Second Zone**: Multi-million ounce gold resource to potentially expand and extend First Zone production for decades
Project Location

- Close to producing mines – Mount Polley, QR Mine & Gibraltar
- Paved highway access
- Hydroelectric power available
- Support Centre in Williams Lake – labour, CAT Dealership
The BC Advantage

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

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

**Clear Advantage**

- Multi-million ounces defined within current resource & mineable by extending the First Zone pit
- Can **extend or expand** First Zone’s mine production through development of the Second Zone
- Unparalleled long life asset (potential mine life > 30 years)
- Add development flexibility & great optionality on gold
Resource Table

Spanish Mountain Gold Resource* (at a 0.15 g/t gold economic cut-off)

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnes (Million)</th>
<th>Gold grade (g/t)</th>
<th>Gold (Million oz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>46</td>
<td>0.53</td>
<td>0.77</td>
</tr>
<tr>
<td>Indicated</td>
<td>260</td>
<td>0.37</td>
<td>3.1</td>
</tr>
<tr>
<td>M&amp;I Total</td>
<td>306</td>
<td>0.39</td>
<td>3.88</td>
</tr>
<tr>
<td>Inferred</td>
<td>450</td>
<td>0.28</td>
<td>4.11</td>
</tr>
</tbody>
</table>

First-Zone’s PEA processed only M&I resource:

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

Cross Section of Proposed Pit

- 90% of pit delineated resource is M&I
- Inferred treated as waste in PEA.
Simple Metallurgy/ Conventional Milling

Primary Grind

Flotation

Regrind

CIL

Overall 90% Gold Recovery
## Economics: First Zone

### April 2017 Preliminary Economic Assessment Highlights *

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

* Base case gold price of US$1,250; USD/CAN exchange: 0.75
Below Average AISC per Ounce

Source: CIBC World Markets; 2016 reported all-in-sustainable cost (average within each category of gold producers)
Robust Economics Even at Weak Gold Prices
### Opportunity: Second Zone

<table>
<thead>
<tr>
<th>First Zone</th>
<th>Second Zone</th>
</tr>
</thead>
</table>
| ● *PEA Mine Plan only incorporates Measured & Indicated Resource in cash flow model*  
● *Much higher grade than average resource*  
• 0.8 g/t over 5 years  
• 0.7 g/t over 10 years  
● *Sustainable standalone operations for >24 years*  |  
● Multi-million ounces defined within current resource & mineable by extension of the First Zone pit  
● Can extend or expand First Zone’s mine production by extension of pit  
● Unparalleled long life asset (potential mine life > 30 years)  
● Add development flexibility & great optionality on gold |
## Two Zone Approach: Changing Scope

<table>
<thead>
<tr>
<th></th>
<th>2012 PEA</th>
<th>First Zone</th>
<th>Second Zone Opportunities*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Processing Rate</strong></td>
<td>40,000 t/d</td>
<td>20,000 t/d</td>
<td>Mill expansion</td>
</tr>
<tr>
<td><strong>Initial Capex</strong></td>
<td>C$763 M</td>
<td>C$ 507 M</td>
<td>Already in place:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✓ Infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✓ Equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>✓ labour</td>
</tr>
<tr>
<td><strong>LOM Au Production</strong></td>
<td>2.8 M oz</td>
<td>2.2 M oz</td>
<td>Additional multi-million oz</td>
</tr>
<tr>
<td><strong>Average Annual Au Production</strong></td>
<td>268K oz (Yrs 1 - 3) 197K oz (LOM)</td>
<td>157K oz (Yrs 1 - 5) 142K oz (Yrs 1 – 10) 92K oz (LOM)</td>
<td>Extend and Expand production profile</td>
</tr>
<tr>
<td><strong>Cash Cost ($ per oz)</strong></td>
<td>US$ 526 (Yrs 1 - 3) US$ 774 (LOM)</td>
<td>US$ 469 (Yrs 1 - 5) US$ 555 (Yrs 1 – 10) US$ 595 (LOM)</td>
<td>Benefit from synergies</td>
</tr>
<tr>
<td><strong>Mine Life</strong></td>
<td>14 years</td>
<td>24 years</td>
<td>Decades</td>
</tr>
</tbody>
</table>

Next Slide: Investment Returns
### 2012 PEA

<table>
<thead>
<tr>
<th></th>
<th>First Zone</th>
<th>Second Zone Opportunities*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumed Gold Price</td>
<td>US$ 1,250</td>
<td>($212 lower)</td>
</tr>
<tr>
<td>Post-tax NPV @ 5%</td>
<td>C$ 482 m</td>
<td>(up 63%)</td>
</tr>
<tr>
<td>Post-tax IRR</td>
<td>19%</td>
<td>(up 7%)</td>
</tr>
<tr>
<td>Payback</td>
<td>3.7 years</td>
<td></td>
</tr>
</tbody>
</table>

**PHOENIX ZONE**

- Assumed Gold Price: US$ 1,462 vs. US$ 1,250 (US$ 212 lower)
- Post-tax NPV @ 5%: C$ 295 m vs. C$ 482 m (up 63%)
- Post-tax IRR: 12% vs. 19% (up 7%)
- Payback: 4.4 years vs. 3.7 years
Further Exploration Potential

Phoenix Zone Core Drilling Highlights: (Similar grades to Main Zone)

- 92.46 m grading 0.58 g/t Au including 7.50m grading 4.12 g/t Au
- 55.40 m grading 0.82 g/t Au
- 60 m grading 0.48 g/t Au
- 9.10 m grading 0.67 g/t Au

- Phoenix Zone has a strike length just over 2.5km in length approximately 2km from the Main Zone
- Preliminary metallurgy suggests material is amenable to same processing flowsheet as Main Zone
Track Record of Resource Growth*

* At economic cut-off grade
First Zone Production vs. Total Resource

- **Inferred Resource**: 4.11 Moz
- **Measured & Indicated Resource**:
  - 1.44 Moz
  - 2.44 Moz

- **First Zone Production**:
  - 62% of M&I
  - 30% of Total Resource
Community Engagement

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

**CAPITAL STRUCTURE**

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Net Cash</strong></td>
<td>$3 million</td>
</tr>
<tr>
<td><strong>Shares Issued and Outstanding</strong></td>
<td>218 million</td>
</tr>
<tr>
<td><strong>Warrants $0.05</strong></td>
<td>17 million</td>
</tr>
<tr>
<td><strong>Options $0.16 - $0.55</strong></td>
<td>7 million</td>
</tr>
<tr>
<td><strong>Market Capitalization</strong></td>
<td>$40 million</td>
</tr>
</tbody>
</table>

* Chairman and CEO are two largest individual shareholders
### Recent Project Activities

<table>
<thead>
<tr>
<th>Study/Program</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sept</td>
<td>Oct</td>
</tr>
<tr>
<td>Mine Plan Study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metallurgical study</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New PEA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field work*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*To be determined

Note: all of these programs are expected to be funded with cash on hand
Why the Project Works...

- **Safe / Pro-mining Jurisdiction**
- **Agreements with 3 First Nations Bands**
- **Among Lowest Tax Jurisdiction**

- **Excellent Infrastructure**
  - Two-Zone Approach:
    - Lower Initial Capex
    - High Grade Core
    - 24+ Yrs Mine Life
  - Proximity to:
    - Grid Power
    - Labour
    - Suppliers
    - Operating Mines

- **Low Risk Jurisdiction**

- **Low Cost Operations**
  - Lower Average Resource Grade

- **Large Resource**
# Management and Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Background</th>
<th>Experience Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Larry Yau</td>
<td>CEO &amp; Interim CFO</td>
<td>Canadian Chartered Professional Accountant</td>
<td>More than 20 years of financial and business experience, gained primarily in the mining and resources sectors with companies including Placer Dome and Farallon resources.</td>
</tr>
<tr>
<td>Judy Stoeterau</td>
<td>VP Geology</td>
<td>Professional geologist</td>
<td>Over 30 years of experience in mineral exploration covering gold, base metal, uranium and diamond projects in Canada and South America. Worked with junior and senior mining firms such as Falconbridge, Getty Minerals, Placer Dome and Cameco.</td>
</tr>
<tr>
<td>Ian Watson</td>
<td>Chairman, Director</td>
<td>Formerly Chairman and Managing Director</td>
<td>Formerly Chairman and Managing Director of Galahad Gold PLC. Previously a Director of Northern Dynasty Minerals and UraMin Inc., currently Chairman and Managing Director of Genagro.</td>
</tr>
<tr>
<td>Jim Rogers</td>
<td>Director</td>
<td>Critically acclaimed author, financial commentator and successful investor</td>
<td>Critically acclaimed author, financial commentator and successful international investor. Frequently featured in publications and is a regular guest on television shows around the world. Co-founder of the Quantum Fund.</td>
</tr>
<tr>
<td>Don Coxe</td>
<td>Director</td>
<td>Institutional investment experience</td>
<td>More than thirty-nine years of institutional investment experience in North America. Strategic consultant to major gold mining companies. Strategy Advisor to BMO Financial Group and Chairman of Coxe Advisors LLP.</td>
</tr>
<tr>
<td>James Clare</td>
<td>Director</td>
<td>Lawyer specializing in Mining, Corporate Securities, and Mergers and Acquisitions</td>
<td>Lawyer at Bennett Jones in Toronto specializing in Mining, Corporate Securities, and Mergers and Acquisitions.</td>
</tr>
<tr>
<td>Dale Corman</td>
<td>Director</td>
<td>Corporate officer of publicly traded mining companies</td>
<td>40 years experience as a senior corporate officer of publicly traded mining companies and was formerly Chairman and CEO of Western Silver Corp. Currently President and Chief Executive Officer of Western Copper Corporation.</td>
</tr>
<tr>
<td>Christopher Lattanzi</td>
<td>Director</td>
<td>Mining engineer and President of Micon International Limited</td>
<td>Mining engineer and was President of Micon International Limited, mineral industry consultants from its founding in 1988 to mid-2005. Mr. Lattanzi formerly served as Chairman of Meridian Gold.</td>
</tr>
</tbody>
</table>
Contact Information

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