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## **Spanish Mountain Reveals Project Strategy for 2021 and Accelerates Field work with a Winter Program**

**Vancouver, BC. Spanish Mountain Gold Ltd.** (“Spanish Mountain” or the “Company”) (TSX-V: SPA) is pleased to provide an update on the current year’s project strategy for the Spanish Mountain gold project (the “Project”) in British Columbia, Canada. To accelerate the planned activities for the year, the Company will add a winter field program, which will be mobilized in February. All the programs listed below will be funded with cash on hand.

### **Preliminary Feasibility Study**

The Company expects to deliver on its stated objective of presenting the results of the Preliminary Feasibility Study (PFS) for Phase 1 of the Project within the first quarter of 2021. Phase 1 of the Project focuses on processing exclusively the near-surface/ higher-grade portion of its multimillion ounce gold resource as a standalone operation. The PFS will also delineate a Mineral Reserve for Phase 1 of the Project.

### **Winter Field Program**

Preparation is underway to fast-track the current year’s geotechnical field work by adding a winter program. Mobilization of the work crew is expected to occur in February. The program comprises approximately 14 geotechnical drill holes located in areas where winter conditions allow cost-effective road access. The data collected will be used to support the proposed configuration of the Project’s critical mining infrastructure.

As in previous field program, the health and safety protocol will be observed and strictly enforced by management to ensure the health of staff, consultants and community members.

### **Resource Expansion & Reserve/Resource Estimate Update**

In addition to fast-tracking Phase 1 of the Project to be “shovel ready”, the Company will continue to pursue the objective of rapid resource expansion. During 2020, the Company conducted an exploration drilling program targeting four different areas with 28 drill holes located adjacent to the boundary of the current resource. The assay results for these drill holes will be announced as they become available. The results are also expected to generate prospective drilling targets for an additional exploration program this summer or fall.

The PFS will report a Mineral Reserve for Phase 1 as well as a resource estimate update for the Project. The Company expects the updated resource estimate to reflect the benefits of the optimized pit defined

under the PFS and the higher gold price environment. In order to maintain the scheduled release of the PFS, the resource update is not expected to include the results from the December resource drilling. These results, along with those from the upcoming resource drilling program, will be incorporated in a future resource update.

### **Environmental Assessment**

Following the appointment of the *Director, Sustainability & Indigenous Affairs* in December 2020, the Company will immediately resume the environmental assessment process and consultations with the First Nations and surrounding communities.

The field work for gathering extensive environmental data will continue this summer and also on an ongoing basis in order to support the sustainability strategy developed for the proposed mining operations. The planned program will augment various baseline environmental studies, data collection and monitoring activities the Company has conducted since 2007.

### **Project Optimization**

Throughout the course of completing the PFS, the Company's technical team has identified several areas that may potentially add significant value to the Project. The activities required for these optimization exercises are not expected to delay the delivery of the full feasibility study, which will capture the incremental value.

The Company plans to complete optimization programs this summer as follows:

- Metallurgical Recovery & Processing—the Company has identified certain opportunities to potentially reduce capital and operating costs related to processing. A pilot project for the use of alternate flotation equipment in the processing plant will commence shortly. Furthermore, laboratory work will be conducted to test the possibility that a finer primary grind for flotation may further improve the overall gold recovery without significantly increasing operating cost.
- Mine Plan—the current mine plan, by design, selects only a portion of Measured & Indicated Resources for processing and treats Inferred Resources mined as “waste”. The Company plans to investigate the value of further expanding M&I Resources mined under Phase 1 as well as selectively upgrading certain Inferred Resources through infill drilling in order to increase the number of total gold ounces captured in the mine plan and the Reserve.
- Geotechnical—the Company will continue its extensive geotechnical program to confirm the basis of design for the proposed mining infrastructure. The results are expected to define and optimize the pit slope for mining and the overall layout of the mine facilities.

### **Commencement of Full Feasibility Study**

The Company believes the upcoming PFS and the extensive optimization initiatives throughout the current year will further confirm the Project's potential. The completion of the optimization process will be immediately followed by the commencement of a full feasibility study (FS) for Phase 1 of the Project in order to capture the full extent of the project value.

Larry Yau, CEO commented: *"In spite of the challenges associated with the pandemic, we had a transformative year in 2020 during which we successfully secured funding that enables us to define and pursue our dual project objectives within a compressed timeline. In 2021 we will intensify our activities to advance our Project on multiple fronts in order to further demonstrate our Project's vast potential. We will be providing timely updates to our shareholders as we progress throughout the year"*

### **About Spanish Mountain Gold**

Spanish Mountain Gold Ltd. is focused on advancing its multi-million ounce Spanish Mountain gold project in southern central British Columbia. The Project is well funded to pursue the dual objectives of fast tracking Phase 1 of the Project to be "shovel ready" and actively expanding the mineral resource. The Company has commenced a Preliminary Feasibility Study for Phase 1 with the target of completion during the second quarter of 2021. Phase I focuses on the pit-delineated high-grade core of the deposit that is potentially expected to sustain a stand-alone operation for more than a decade. The potential viability of Phase 1 has been demonstrated in a 2019 Preliminary Economic Assessment, which profiles an operation with low operating cost and modest capital expenditures. Additional information on the PEA and about the Company is available on [www.sedar.com](http://www.sedar.com) and on the Company's website: [www.spanishmountaingold.com](http://www.spanishmountaingold.com)

On Behalf of the Board,  
**SPANISH MOUNTAIN GOLD LTD.**

Larry Yau  
Chief Executive Officer

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