Spanish Mountain Gold Ltd.

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INFORMATION CIRCULAR

(As at October 19, 2020, except as indicated)

Spanish Mountain Gold Ltd. (the "**Company**") is providing this Information Circular and form of proxy in connection with Management's Solicitation of Proxies for use at the Annual General and Special Meeting (the "**Meeting**") of the Company to be held on December 10, 2020, at the hour of 10:00 a.m., Pacific Time, for the following purposes:

GENERAL PROXY INFORMATION

Voting by Registered Shareholders

The following instructions are for Registered Shareholders only. If you are a Non-Registered Shareholder, please read the information under the heading *"Voting by Non-Registered Shareholders"* below and follow your nominee's (bank, trust company, securities broker, or other nominee) instructions on how to vote your Shares.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy (the "**Proxy**") are officers, directors, or designated employees of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the Meeting's proxy-related materials (the "**Meeting Materials**") to beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Voting By Proxy

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Voting In Person

Registered Shareholders who attend the Meeting may vote in person. If you are a Registered Shareholder, to ensure your vote is counted, you should complete and return the enclosed Proxy as soon as possible, even if you plan to attend the Meeting in person. Even if you return a Proxy, as applicable, you can still attend the Meeting and vote in person, in which case you will need to instruct the scrutineer at the Meeting to cancel your Proxy.

In March 2020, the World Health Organization declared COVID-19 a pandemic, and the British Columbia government declared a state of emergency in the same month and introduced plans to reduce public gatherings and non-essential travel. In light of ongoing concerns related to the spread of COVID-19, our shareholders are strongly encouraged not to attend the Meeting in person, but instead to vote on matters at the Meeting by proxy. To help mitigate the risk of the spread of COVID-19, all shareholders are encouraged to vote on the matters at the Meeting by proxy, using our management proxyholder(s) to limit the number of attendees. Only registered shareholders, non-registered shareholders who have followed the procedures described in this Information Circular, and their respective proxyholders will be entitled to attend the Meeting in person. Please do not attend the Meeting in person if you or someone with whom you have been in close contact with are experiencing any cold or flulike symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days prior to the Meeting. Meeting attendees will be required to wear a face covering for the duration of the meeting.

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, Computershare, by 10:00 a.m., Pacific Time, on December 8, 2020, or not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chair of the Meeting elects to exercise his discretion to accept late proxies. Alternatively, Registered Shareholders may submit their Proxy by mail to Computershare Trust Company of Canada, Proxy Dept.,100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1l, or by fax to 1-866-249-7775 (toll free North America) or 1-416-263-9524 (international), or online at: www.investorvote.com using the control number on the enclosed Proxy.

Notice and Access Process

In February 2013, the Canadian Securities Administrators implemented regulatory amendments to securities laws, including National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to deliver the Meeting's proxy-related materials (the "**Meeting Materials**") to their shareholders using the notice-and-access mechanism ("**Notice-and-Access**") (as defined under NI 54-101) by posting such materials both on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("**SEDAR**") website and a non-SEDAR website, rather than delivering the materials by mail. The use of Notice-and-Access will decrease the Company's paper consumption, as well as reduce its printing and mailing costs.

In order for the Company to employ Notice-and-Access, the Company must send a notice to its shareholders indicating that the proxy-related materials have been posted electronically and explaining how a shareholder can access them or request a paper copy of those materials from the Company.

The Company is sending this Information Circular to shareholders using Notice-and-Access as permitted by NI 54-101 and NI 51-102. The Meeting Materials, including this Information Circular, are available on the Company's website at www.spanishmountaingold.com/investors/shareholder-meetings/ and will remain on the website for at least one full year from the date the Meeting Materials were posted on SEDAR. The Meeting Materials are also available under the Company's profile on SEDAR at www.sedar.com.

The Company will not use procedures known as "stratification" in relation to its use of Notice-and-Access for the Meeting. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting. In regards to the meeting, registered shareholders will receive a paper copy of each of the Notice of the Meeting and a form of proxy, whereas non-registered Shareholders (see "Non-Registered Holders" section below) will receive a paper copy of the Notice of the Meeting and a voting instruction form.

Shareholders wishing to receive paper copies of the Meeting Materials may request a copy from the Company by calling toll-free in North America at 1-855-772-6397 or requesting by email to info@spanishmountaingold.com. The Company will send paper copies of the Information Circular to requesting shareholders at no cost to them within three business days of the request, if such requests are made before the Meeting, or within ten calendar days, if such requests are made after the date of the Meeting.

Voting by Non-Registered Shareholders

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's, TFSA's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a **"Nominee"**). If you purchased your shares through a broker, you are likely a non-registered shareholder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting Materials, being the Notice of Meeting, the Information Circular and, the proxy and a notice (the "**Notice-and-Access Notification**") in the form required under the Notice-and-Access regime adopted by the Canadian Securities Administrators, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting Materials to non-registered holders to seek their voting instructions in advance of the Meeting. Common Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered shareholder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and returning the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation permits the Company to forward meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

The Company does not intend to pay for an intermediary to deliver to "objecting beneficial owners" the Meeting Materials and Form 54-101F7 (Request for Voting Instructions Made by Intermediaries).

Revocability of Proxy

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chair of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Nominees to revoke the proxy on their behalf.**

Voting Securities and Principal Holders Thereof

The Company's authorized share capital consists of an unlimited number of Common Shares without par value, an unlimited number of First Preferred Shares with special rights and restrictions, and an unlimited number of Second Preferred Shares with special rights and restrictions. As of October 19, 2020 (the "**Record Date**"), there were 327,414,051 fully paid and non-assessable Common Shares issued and outstanding, each Common Share carrying the right to one vote. There are no First Preferred Shares or Second Preferred Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as at the Record Date, there were no persons or companies that beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company except as set out below:

Name of Shareholder	Number of Common Shares Beneficially Owned or Controlled	Percentage of Outstanding Common Shares
2176423 Ontario Ltd(1)	48,571,427	14.83%

NOTE
(1) A company controlled by Eric Sprott.

ELECTION OF DIRECTORS

Pursuant to the Advance Notice Policy (the "**Policy**"), as adopted by the directors of the Company on October 21, 2014, and subsequently approved by Shareholders on November 25, 2014, any additional director nominations for the Meeting must be received by the Company in accordance with the Policy. As no such nominations were received by the Company, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at seven (7).

The Company has an audit committee and a compensation committee. Members of these committees are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Jurisdiction of Residence and Position(1)	**Present Principal Occupation or Employment(1)**	**Date First Appointed as a Director**	**No. of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly(2)**
Morris Beattie(3) Chairman and Director British Columbia, Canada	Consultant , Chairman and Director for the Company	March 11, 2019	9,440,260
James Clare(3) (4) Director Ontario, Canada	Partner at Bennett Jones LLP; Director of Riverside Resources Inc. and SolGold plc	June 13, 2008	Nil
Christopher Lattanzi, P.Eng.(3) Director Ontario, Canada	Mining Engineer; Consultant; President of Micon International Limited (1988-2005); Director of Argonaut Gold Inc.	June 13, 2008	1,783,333
Dale Corman (4) Director British Columbia, Canada	Chairman and Director of Western Copper & Gold Corporation; and Northisle Copper and Gold Inc.	February 10, 2010	15,000
Donald Coxe Director Illinois, U.S.	Chairman of Coxe Advisors LLC.	September 20, 2011	1,783,332
W. Terry MacLean Director British Columbia, Canada	Retired Mining Engineer	June 26, 2019	Nil
Sara Heston(4) Director California, U.S.	Mining Finance Consultant, Director of Denver Gold Group and Doré Copper Mining	August 28, 2019	Nil

NOTES

(1) The information as to province or state and country of residence, present principal occupation or employment and the number of Common Shares beneficially owned or controlled, is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
(2) Does not include stock options or warrants held by the directors.
(3) Member of the Audit Committee
(4) Member of the Compensation Committee

To the knowledge of the Company, no proposed director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:

(i) was the subject, while the director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director was acting in the capacity as director, CEO or CFO of such company; or

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a director; or

The following directors of the Company hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
James Clare	Riverside Resources Inc.(1), SolGold plc(2)
Dale Corman	Western Copper and Gold Corporation(2), NorthIsle Copper and Gold Inc.(1)
Christopher Lattanzi	Argonaut Gold Inc.(2)
Sara Heston	Doré Copper Mining (1)

NOTES
(1) Listed on the TSX Venture Exchange
(2) Listed on the Toronto Stock Exchange

STATEMENT OF EXECUTIVE COMPENSATION

Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers* has been previously filed under the Company's profile on SEDAR and a copy of which is appended to this Information Circular as Schedule "A".

MANAGEMENT CONTRACTS

Since the beginning of the Company's most recently completed financial year ended December 31, 2019, management functions of the Company are not, and have not been, to any substantial degree performed by any person other than the executive officers and directors of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at December 31, 2019.

Equity Compensation Plan Information

Plan Category	Number Of Securities To Be Issued Upon Exercise Of Outstanding Options[(1)]	Weighted-Average Exercise Price Of Outstanding Options	Number Of Securities Remaining Available For Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	9,550,000	$0.12	7,851,903
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	9,550,000	$0.12	7,851,903

NOTE
(1) At December 31, 2019, there were no warrants or rights outstanding under the Company's Equity Compensation Plans.

The Company has a fixed number Stock Option Plan that reserves a specified number of Common Shares up to a maximum of 20% of the Company's issued Common Shares as at the date of Shareholder approval. The exercise price of any option granted shall not be less than the fair market value of the Common Shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than five years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest 25% on date of grant and a further 25% vest every six months thereafter. On June 15, 2009, the Company's Shareholders approved a special resolution setting the maximum number of stock options available for grant at 17,401,903.

APPROVAL OF CREATION OF A NEW CONTROL PERSON

In accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), the Company is required to obtain the approval of the disinterested Shareholders to approve the creation of a Control Person. The Exchange defines "Control Person" as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Background

On June 17, 2020, the Company announced a proposed non-brokered private placement offering (the "**First Offering**") of up to 20,000,000 units of the Company (the "**First Offering Units**") to raise up to $2,000,000 at a price of $0.10 per First Offering Unit. Each First Offering Unit consisted of one common share in the capital of the Company (a "**Share**") and one Share purchase warrant (a "**First Offering Warrant**"). Each First Offering Warrant would entitle the holder to purchase one additional Share at a price of $0.15 for a period of two years from the date of issuance. On July 7, 2020, the Company increased the First Offering to up to 40,000,000 First Offering Units to raise gross proceeds of up to $4,000,000 in order to accommodate a highly respected investor in the mineral sector, Mr. Eric Sprott.

In connection with closing of the First Offering, on July 13, 2020, the Company issued to 2176423 Ontario Ltd., a company controlled by Eric Sprott (together referred to as "**Sprott**"), a total of 20,000,000 First Offering Units, representing 50% of the First Offering for total consideration of $2,000,000. Subsequent to the First Offering, Sprott beneficially owned or controlled 20,000,000 Shares and 20,000,000 Share Purchase Warrants representing approximately 7.2% of the then issued and outstanding shares of the Company on a non-diluted basis and approximately 13.4% of the then issued and outstanding shares of the Company on a partially diluted basis assuming exercise of the First Offering Warrants acquired by Sprott. Prior to closing of the First Offering, Sprott did not beneficially own or control any securities of the Company.

On July 20, 2020, the Company further announced it had arranged a private placement of units priced at $0.30 per unit (the "**Second Offering Units**") for gross proceeds of $5,000,000 (the "**Second Offering**"), entirely subscribed by Sprott. Each $0.30 Second Offering Unit would consist of one Share and one Share purchase warrant (a "**Second Offering Warrant**"), whereby each Second Offering Warrant would entitle the holder to purchase another Share at a price of $0.45 for a period of two years from the date of issuance. In connection with the Second Offering, a total of 16,666,666 Second Offering Units were issued to Sprott. Due to Sprott's status as an insider of the Company resulting from the First Offering, Sprott's participation in the Second Offering was considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to nor the consideration paid by Sprott exceeded 25% of the Company's market capitalization.

Subsequent to the Second Offering, Sprott beneficially owned or controlled 36,666,666 Shares and 36,666,666 Share purchase warrants representing approximately 12.2% of the then issued and outstanding shares of the Company on a non-diluted basis and approximately 21.8% of the then issued and outstanding shares of the Company on a partially diluted basis (i.e., assuming the exercise of all 36,666,666 Share purchase warrants).

On August 6, 2020, the Company announced it had closed a non-brokered private placement offering (the "**Third Offering**") of 11,904,761 units (the "**Third Offering Units**") for gross proceeds of $5,000,000, entirely subscribed by Sprott. Each Third Offering Unit issued at a price of $0.42 on August 5, 2020, consisted of one Share and one Share purchase warrant (a "**Third Offering Warrant**"), whereby each Third Offering Warrant entitles Sprott to holder purchase one additional Share at a price of $0.60 per Share for a period of two years from the date of issuance.

In connection with the closing of the Third Offering, Sprott's participation was again considered to be a "related party transaction" as defined under MI 61-101. The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to nor the consideration paid by such persons exceeded 25% of the Company's market capitalization.

Subsequent to the Third Offering, Sprott beneficially owned or controlled 48,571,427 Shares and 48,571,427 Share purchase warrants representing approximately 15.5% of then issued and outstanding shares of the Company on a non-diluted basis and approximately 26.9% of the then issued and outstanding shares of the Company on a partially diluted basis (i.e., assuming exercise of all 48,571,427 Share purchase warrants).

As at the Record Date for this Meeting, the Company's issued and outstanding common shares totalled 327,414,051. Therefore, as at the Record Date, Sprott beneficially owned or controlled approximately 14.8% of the issued and outstanding shares of the Company on a non-diluted basis and approximately 25.8% of the issued and outstanding shares of the Company on a partially diluted basis assuming exercise of all Share purchase warrants held by Sprott. As outlined herein, if Sprott exercised all Share purchase warrants held thereby, Sprott will become a new "Control Person" of the Company.

About Eric Sprott

Mr. Eric Sprott has over 40 years of experience in the investment industry and has managed client funds for 37 years. Mr. Sprott entered the investment industry as a research analyst at Merrill Lynch Canada, Inc. In 1981, he founded Sprott Securities Limited (a predecessor to Sprott Securities Inc., now Cormark). After establishing Sprott Asset Management Inc. in December 2001 as a separate entity, he divested his entire stake in Sprott Securities Inc. to its employees. Mr. Sprott's investment abilities are demonstrated by the track record of the Sprott Hedge Fund L.P., Sprott Hedge Fund L.P. II, Sprott Offshore Fund, Sprott Canadian Equity Fund, Sprott Energy Fund and Sprott's Managed Accounts. From 2008 until September 2010, Mr. Sprott served as Chief Executive Officer of Sprott Inc., before stepping down to focus on his roles as Chairman and Chief Investment Officer.

Disinterested Shareholder Approval

Disinterested Shareholder approval means Shareholder approval obtained by ordinary resolution; provided that, in connection with the approval of the creation of a new Control Person, the votes attached to the shares held by the new Control Person, and any associates or affiliates thereof, are excluded from the calculation of such approval. Consequently, pursuant to the policies of the Exchange, disinterested Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, subject to such amendments, variations or additions as may be approved at the Meeting, approving the possible creation of a new Control Person of the Company.

In accordance with Section 1.12(a) of Policy 4.1 of the Exchange, if the issuance of Shares on conversion of Share purchase warrants will result in, or is part of a series of transactions that will result in, the creation of a new Control Person, the Exchange will require the Company to obtain Shareholder approval of the issuance of such securities in the manner prescribed by Section 1.12(e) of Policy 4.1 of the Exchange for the creation of a Control Person.

To be effective, the resolution to create a new Control Person must be approved by not less than the majority of the votes cast by the disinterested holders of the common shares of the Company, present in person or represented by proxy, at the Meeting, which excludes the votes attached to the 48,571,427 Shares held by Sprott.

The Shareholders will be asked at the Meeting to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to confirm and approve the creation of Sprott as a new Control Person, substantially in the form below:

"BE IT RESOLVED THAT:

1. The creation of 2176423 Ontario Ltd., a company controlled by Eric Sprott (together, referred to as "**Sprott**"), as a new "Control Person" (as such term is defined in the policies of the TSX Venture Exchange) of the Company, resulting from the issuance of up to 48,571,427 common shares of the Company on the conversion of common share purchase warrants held by Sprott, as more particularly described in the Information Circular of the Company dated October 19, 2020, be and is hereby approved and authorized; and

2. Any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to do all such other acts and things as such director or officer may determine to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination."

The board of directors unanimously recommends that Shareholders vote FOR such resolution approving the creation of a new Control Person.

Unless the Shareholder has specified in the proxy that their Common Shares are to be voted against the approval and authorization of the creation of Sprott as a Control Person, the Management Proxyholders will vote the Common Shares represented thereby in favour of the foregoing resolutions. In the absence of instructions to the contrary, the proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR approval of the creation of a Control Person.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the financial year ended December 31, 2019, no current or former director, executive officer, employee, proposed management nominee for election as a director of the Company nor any of their respective associates or affiliates, is, or has been at any time since the beginning of a last completed financial year, indebted to the Company or any subsidiary, nor has any such person been indebted to any other entity where such indebtedness is a subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate or any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditor.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transactions since commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

APPOINTMENT OF AUDITOR

Smythe LLP, Chartered Professional Accountants, Vancouver, British Columbia is the auditor of the Company. Smythe LLP, Chartered Professional Accountants, was first appointed auditor on May 17, 2004. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Smythe LLP as auditor of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following.

Audit Committee Charter

The Company's audit committee (the "**Audit Committee**") is governed by an audit committee charter, which was first filed as Schedule "F" attached to the Information Circular dated May 13, 2008. A copy of the charter is available online at www.sedar.com and appended to this Information Circular as Schedule "B".

Composition of the Audit Committee

The Audit Committee is currently comprised of three directors, Morris Beattie, Christopher Lattanzi and James Clare. As defined in NI 52-110, Christopher Lattanzi and James Clare are both independent. Each Audit Committee Member is financially literate and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members.

Relevant Education and Experience

Christopher Lattanzi is a professional mining engineer and is the former President of Micon International Limited, mineral industry consultants, from its founding in 1988 to mid-2005. Mr. Lattanzi has been a member of the Company's Audit Committee since 2009 and has served on a number of public resource companies' audit committees providing oversight to all matters regarding internal controls, financial reporting and disclosure. He has been active in the consulting area since 1967 when he joined David S. Robertson and Associates, Micon's predecessor firm. Prior to joining Robertson and Associates, he was in charge of mine design and operation of Canada's first oil sands operation. He has directed or participated in the preparation of feasibility studies for mineral deposits in Canada, the United States, Africa, Europe and Asia. These projects have involved base metals, precious metals and potash, and initial capital expenditures of up to about $500 million. Mr. Lattanzi served as Chairman and lead director of Meridian Gold Corp. prior to that company's merger with Yamana Resources Inc.

James Clare is a member of the Securities Law Group of Bennett Jones LLP and practices in the areas of corporate and securities law with an emphasis on corporate finance and mergers and acquisitions. Mr. Clare contributes to the Company's practices and policies on public disclosure as well as issues related to financing and securities issuance. Mr. Clare's practice is focused on the mining and oil and gas sectors. His transactional experience includes domestic and cross-border public and private corporate finance transactions, representing issuers and underwriters, as well as merger and acquisition transactions. He also advises public issuers on general corporate and securities law matters including stock exchange listings, continuous disclosure obligations and other regulatory compliance issues. In 2002 Mr. Clare was seconded to the Corporate Finance Branch of the Ontario Securities Commission.

Morris Beattie has over 40 years of experience in both technical and corporate aspects of the mining industry and has previously served as a member of the Company's Audit Committee from 2014 to 2015. He has extensive working knowledge in project development including due diligence studies, audits, preliminary economic evaluation of projects as well as directing and contributing to project feasibility studies. Mr. Beattie provides significant oversight to the Company's technical and economics disclosures concerning its projects.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2019, has the Company relied on the exemption in section 2.4 of NI 52-110 - *Audit Committees (De Minimis Non-audit Services)*, the exemption in section 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer)*, the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the auditor of the Company to the Company in each of the last two fiscal years, by category, are as follows:

Nature of Services	Fees Billed by Auditor in Year Ended December 31, 2019	Fees Billed by Auditor in Year Ended December 31, 2018
Audit Fees(1)	$26,823	$26,317
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	Nil
All Other Fees(4)	Nil	Nil
Total	$26,823	$26,317

NOTES

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category may include fees for tax compliance, tax planning and tax advice. Tax planning and tax advice may include assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

A summary of the responsibilities and activities and the membership of each of the Committees are set out below:

National Policy 58-201 - *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company`s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of the Board

The Company`s Board presently consists of seven directors, six of the directors are independent based upon the tests for independence set forth in NI 52-110. Morris Beattie is not an independent director as he receives compensation from the Company for his technical consulting services.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team. The Board considers that management is effectively supervised by the directors who are all independent, as the directors are actively and regularly involved in reviewing the operations of the Company and have regular and full access to management. All directors, except Morris Beattie who receives compensation for providing technical services to the Company, are independent and can meet at any time without any members of management being present.

Further oversight is provided through the Audit Committee that schedules meetings with the Company's auditor annually or as deemed necessary and may request meetings without management being in attendance.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;

2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;

3. access to management, technical experts and consultants; and

4. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to fulfil its responsibilities to shareholders.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

Compensation of Directors and the CEO

The Board of Directors has the responsibility for determining compensation for the directors and senior management, based on recommendations of the Compensation Committee.

To determine compensation payable, the directors consider the compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting or adjusting the compensation the directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

Board Committees

The Company has an audit committee and a compensation committee. Given the limited size of the Company's operations, the Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. To assist in its review, the Board conducts informal surveys of its directors. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

PARTICULARS OF MATTERS TO BE ACTED UPON

Other Business

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the Management Designees to vote the same in accordance with their best judgment of such matters.

Additional Information

Additional information concerning Spanish Mountain Gold Ltd. is available on SEDAR. The Company's financial information is provided in its comparative financial statements and management discussion and analysis, which can also be accessed at www.sedar.com or www.spanishmountaingold.com/investors/financial-and-regulatory-filings or by directly contacting the Company.

The content and sending of this Information Circular have been approved by the Board of Directors of the Company. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

October 19, 2020

BY ORDER OF THE BOARD OF DIRECTORS

"Larry Yau"
Larry Yau, Chief Executive Officer

Schedule "A"

SPANISH MOUNTAIN GOLD LTD.
(the "Company")

FORM 51-102F6V
STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUERS

(for the year ended December 31, 2019)

The following information is provided as required under Form 51-102 F6V – *Statement of Executive Compensation for – Venture Issuers* with an effective date of June 22, 2020. Venture Issuer has the meaning as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

Definitions

If a term is used in this form but is not defined in this section, refer to subsection 1.1(1) of the Instrument or to National Instrument 14-101 Definitions.

In this form:

"**CEO**" of the Company means an individual who acted as Chief Executive Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" of the Company means an individual who acted as Chief Financial Officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**NEO**" or "**Named Executive Officer**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities

"**plan**" includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the fiscal years ended December 31, 2019 and 2018:

Name and position	Year	Salary, Consulting Fee, Retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value Of Perquisites ($)	Value of all Other Compensation ($)	Total Compensation ($)
Larry Yau Chief Executive Officer, and Corporate Secretary	2019 2018	$169,000 $240,000	$Nil $Nil	$Nil $Nil	$Nil $Nil	$71,000[5] $Nil	$240,000 $240,000
Sharon Ng[1] Chief Financial Officer	2019	$48,000	$Nil	$Nil	$Nil	$Nil	$48,000
Morris Beattie[2] Director	2019	$14,921	$Nil	$Nil	$Nil	$Nil	$14,921
Ian Watson[2] Former Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
Donald Coxe Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
Christopher Lattanzi Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
James Clare Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
Dale Corman Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
James Rogers[3] Former Director	2019 2018	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil	$Nil $Nil
W. Terry MacLean[3] Director	2019	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil
Sara Heston[4] Director	2019	$Nil	$Nil	$Nil	$Nil	$Nil	$Nil

Notes:

(1) Ms. Ng was appointed Chief Financial Officer June 26, 2019
(2) Mr. Watson retired from the Board of Directors effective March 11, 2019. Dr. Morris Beattie was appointed as a director and the Chairman of the Board of Directors on the same date.
(3) Mr. Rogers retired from the Board of Directors effective June 26, 2019. Mr. MacLean was appointed to the Board of Directors on the same date.
(4) Ms. Heston was appointed to the Board of Directors August 28, 2019
(5) Mr. Yau voluntarily deferred a portion of his compensation during 2019 in order to preserve the cash position of the company.

Table of Compensation Securities

The following table discloses the granting and/or issuance of any compensation securities or stock options to any director and Named Executive Officer of the Corporation or any of its subsidiaries during the fiscal year ended December 31, 2019. During the year, there were no re-pricing of compensation securities under the Stock Option Plan or otherwise. All granted options have standard vesting provisions under the Stock Option Plan (see section below). The footnotes to the table disclose the number of stock options held by the directors and Named Executive Officers of the Corporation and its subsidiaries as at December 31, 2019:

Name and Position	Type of Compensation Security	Number of Compensation Securities & Number of Underlying Securities (Percentage of Class)	Date of Issue or Grant	Exercise Price ($)	Closing Price of Security on Date of Grant ($)	Closing Price of Security at Year End ($)	Expiry Date
Larry Yau[(1)] Chief Executive Officer, and Corporate Secretary	Stock Options	500,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Sharon Ng[(2)] Chief Financial Officer	Stock Options	300,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Morris Beattie[(3)] Director	Stock Options	500,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Donald Coxe[(4)] Director	Stock Options	200,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Christopher Lattanzi[(5)] Director	Stock Options	200,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
James Clare[(6)] Director	Stock Options	200,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Dale Corman[(7)] Director	Stock Options	200,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
W. Terry MacLean[(8)] Director	Stock Options	300,000	July 3, 2019	$0.08	$0.08	$0.09	July 3, 2024
Sara Heston[(9)] Director	Stock Options	300,000	August 28, 2019	$0.12	$0.13	$0.09	August 28, 2024

Notes:

(1) As at December 31, 2019, Mr. Yau held 2,500,000 stock options of the Corporation entitling him to acquire, upon exercise, 2,500,000 common shares in the capital of the Corporation. 2,125,000 options were vested.

(2) As at December 31, 2019, Ms. Ng held 700,000 stock options of the Corporation entitling her to acquire, upon exercise, 700,000 common shares in the capital of the Corporation. 475,000 options were vested.

(3) As at December 31, 2019, Mr. Beattie held 900,000 stock options of the Corporation entitling him to acquire, upon exercise, 900,000 common shares in the capital of the Corporation. 525,000 options were vested.

(4) As at December 31, 2019, Mr. Coxe held 600,000 stock options of the Corporation entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Corporation. 450,000 options were vested.

(5) As at December 31, 2019, Mr. Lattanzi held 600,000 stock options of the Corporation entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Corporation. 450,000 options were vested.

(6) As at December 31, 2019, Mr. Clare held 600,000 stock options of the Corporation entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Corporation. 450,000 options were vested.

Notes: (Continued)

(7) As at December 31, 2019, Mr. Corman held 600,000 stock options of the Corporation entitling him to acquire, upon exercise, 600,000 common shares in the capital of the Corporation. 450,000 options were vested.

(8) As at December 31, 2019, Mr. MacLean held 300,000 stock options of the Corporation entitling him to acquire, upon exercise, 300,000 common shares in the capital of the Corporation. 75,000 options were vested.

(9) As at December 31, 2019, Ms. Heston held 300,000 stock options of the Corporation entitling her to acquire, upon exercise, 300,000 common shares in the capital of the Corporation. 75,000 options were vested.

Exercise of Stock Options by Directors and NEOs

No stock options were exercised during the year ended December 31, 2019 by any directors or Named Executive Officer.

Stock Options and Other Incentive Awards Plan

The Company has a Stock Option Plan in place for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan to purchase Common Shares.

The Company has a fixed number Stock Option Plan that reserves a specified number of Common Shares up to a maximum of 20% of the Company's issued Common Shares as at the date of Shareholder approval. The exercise price of any option granted shall not be less than the fair market value of the Common Shares at the time of the grant. The expiry date for each option, set by the Board of Directors of the Company (**the "Board"**) at the time of issue, shall not be more than five years after the grant date. Unless stipulated by the Board, options granted generally vest 25% on date of grant and a further 25% vest every six months. On June 15, 2009, the Shareholders approved a resolution fixing the number of stock options available for grant at 17,401,903.

The Company does not have any share-based awards in place.

Employment, Consulting and Management Agreements

The Company has initially entered into employment agreements with Larry Yau as Chief Financial Officer and Corporate Secretary and Ms. Ng as Accounting Manager. Mr. Yau was appointed Chief Executive Officer effective September 29, 2016 after serving as Interim Chief Executive Officer since June 1, 2015. Ms. Ng succeeds Mr. Yau as Chief Financial Officer June 26, 2019.

As at December 31, 2019, an employment contract with Mr. Yau as Chief Executive Officer has not been finalized. Mr. Yau's previous position as Chief Financial Officer of the Company was affirmed by way of an agreement as amended, which remains effective until superseded. If the Company terminates Mr. Yau's contract without cause, Mr. Yau is entitled to receive twelve months Working Notice (defined below). The Company will pay Mr. Yau an amount equal to twice his annual compensation then in effect if there have been material changes to Mr. Yau's employment conditions following the occurrence of a Triggering Event (defined below). Mr. Yau is expected to apply his expertise, skills, labour and attention to the needs of the Company on a full time basis.

The employment agreement for Mr. Yau outlines his position and responsibilities as well as sets out the terms of employment and matters such as compensation and vacation. Mr. Yau's base salary is subject to annual review. At the discretion of the Board, he may receive a cash bonus reflecting favourable performance of the Company and may also receive incentive options to purchase Common Shares, at the discretion of the Board and subject to the Stock Option Plan.

The Company may terminate the agreement with Mr. Yau at any time for just cause without notice or compensation or upon the Company providing a written notice of its intent to terminate ("**Working Notice**"), unless otherwise specified or a Triggering Event has occurred. Once the Company has given a Working

Notice, then the Company, at its sole discretion, may pay a lump sum in an amount equal to their annual salary divided by twelve for each month remaining in the period following the date of receipt of Working Notice in lieu of continuing to serve the Company during such remaining period.

A "Triggering Event" is defined as (i) a take-over bid (as defined in the Securities Act (British Columbia)) which is successful in acquiring Common Shares; (ii) a change of control of the Board of Directors of the Company, defined as the election by the Shareholders of less than a majority of the persons nominated for election by management of the Company; (iii) a sale or other disposition of all or substantially all the assets of the Company; (iv) a sale, exchange or other disposition of a majority of the outstanding Common Shares in a single or series of related transactions; (v) a termination of the Company's business or the liquidation of its assets; or (vi) a merger, amalgamation or plan of arrangement or other corporate restructuring of the Company in a transaction or series of transactions in which the Shareholders as a group receive less than a majority of the outstanding Common Shares of the new or continuing corporation.

In the case of the occurrence of a Triggering Event, Mr. Yau, may elect to continue to be employed by the Company, or, if there has occurred any material alteration, reduction or diminution in the annual salary or benefits, or any material adverse change in status, position, authority, duties or responsibilities, give 30 days' notice in writing to the Company regarding the termination of their respective employment agreements within twelve months after the date of the Triggering Event.

Under the terms of his agreement, Mr. Yau, may terminate his employment with the Company at any time upon giving 90 days' written notice to the Company, after which the Company may, at its sole discretion, pay a lump sum in an amount equal to his annual salary divided by twelve for each month remaining in the notice period following the date of receipt of such notice in lieu of continuing to serve the Company during such remaining period.

As at December 31, 2019, an employment contract with Ms. Ng for her current position as Chief Financial Officer has not been finalized. Her existing employment agreement does not include customary severance provisions associated with an executive position.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

Objectives of Compensation Strategy

The objectives of the Company's compensation strategy are:

- to attract, retain and motivate executives with the requisite skills, experience and commitment necessary to achieve the Company's goals and objectives for the exploration and subsequent development of the Spanish Mountain gold project;
- to strengthen the Company's senior management team and structure an independent board to oversee the affairs of the Company by providing fair, competitive and cost-effective compensation to the Company's executives;
- to align the interests of management with those of the Shareholders; and
- to provide rewards for outstanding corporate and individual performance.

The Company has established a Compensation Committee which has been given the authority to assess the performance of the Company's senior executives and determine their compensation. The Compensation Committee also reviews, reports and provides recommendations to the Board.

The Compensation Committee consists of three members, namely Sara Heston, Dale Corman and James Clare. None of the members hold an executive position within the Company and all three are independent directors of the Board and do not receive any compensation directly or indirectly from the Company.

The Company's Board provides oversight to the Compensation Committee's activities and approves all significant actions recommended by the Compensation Committee. The Board of Directors of the Company believe that the members of the Compensation Committee collectively have the knowledge, experience and background required to fulfill their mandate.

What the Compensation Strategy is Designed to Reward

The Compensation Committee endeavours to ensure that the Company's compensation strategy effectively compensates, motivates and rewards senior management of the Company on the basis of individual and corporate performance, both short term and long term, while keeping in mind the duty that the Company owes to its Shareholders. The base salaries of senior management of the Company are set at levels which the Company believes are competitive with the base salaries paid by companies of comparable or similar size within the exploration and mining industry, thereby enabling the Company to compete for and retain executives critical to the long term success of the Company.

Each Element of Compensation

Compensation includes base salary, grants of stock options and bonuses based on available funds. The amount of bonus paid, if any, is based on individual performance and achievement of corporate responsibilities, accountabilities and overall contribution to the Company.

Why the Company Chooses to Pay Each Element

The components of executive compensation are based on pay structures that the Company considers to be reasonable for similar exploration and mining companies in terms of size, asset and stage of development. It provides the Company the ability to retain qualified and experienced individuals to achieve the Company's short and long term goals. Ultimately this provides the Company with established executives able to provide leadership and able to execute strategies consistent with the Company's corporate objectives.

How the Company Determines the Amount for Each Element

The Compensation Committee is responsible for making recommendations to the Board for compensation levels. Compensation levels have been determined through informal consultation that compares compensation levels of similar exploration and mining companies. The Company has not conducted a formal survey or benchmarking for each element of executive compensation during the most recently completed fiscal year as it believed that the current compensation arrangements remain competitive and accordingly requires no significant re-evaluation or adjustment to the elements or levels of the compensation.

When determining compensation policies and individual compensation levels for the Named Executive Officers, the Compensation Committee takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Company, the Committee and the Board's overall assessment of each executive's individual performance and his contribution towards meeting corporate objectives, levels of responsibility, length of service, and available industry comparables.

The Board of Directors and the Compensation Committee have not systematically evaluated the implications of the risks associated with the Company's compensation program. However, the Board believes that the Company's current compensation practice will not encourage Named Executive Officers to expose the Company to undue risks that will adversely impact the long term performance of the Company.

Salary: The salary for each Named Executive Officer is primarily determined having regard to his position, responsibilities, the assessment of such individual's performance and overall corporate performance as presented by management to the Board and the Compensation Committee. The base salaries of executive officers are reviewed annually and adjusted when considered appropriate. Base salary is intended to provide the Named Executive Officer with a compensation level competitive with base salaries within the mining industry.

Bonuses: The Compensation Committee will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for Shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, capital raising efforts or achieving satisfaction of predetermined and agreed upon performance criteria. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

Stock Options: The Compensation Committee may from time to time recommend the grant of stock options to the Company's executive officers under the Stock Option Plan. All grants of options are reviewed and approved by the Board. Grants of stock options are intended to enforce and encourage the executive officer's commitment to the Company's growth and the enhancement of share value and to reward executive officers for the Company's performance. The grant of stock options, as a key component of the executive compensation package, enables the Company to attract and retain qualified executives. The Compensation Committee reviews option balances and recommends grants to newly hired executive officers at the time of their employment, and considers further grants to executive officers from time to time thereafter to such executive officers. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The number of Common Shares which may be subject to option in favour of any one individual is limited under the terms of the Stock Option Plan. The Company does not have a formal policy prohibiting the purchase of financial instruments designed to hedge or offset a decrease in market value of equity based securities granted as compensation or held, directly or indirectly, by the Named Executive Officers or directors. However, the Company does not believe such hedging instruments are readily available and is not aware of any hedging strategies currently employed by any Named Executive Officers.

Schedule "B"

SPANISH MOUNTAIN GOLD LTD.

(the "Company")

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Company is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the info1mation set forth in the financial statements in accordance with generally accepted accounting principles ("GAAP"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.

4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.

5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.

6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.

7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.

8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.

9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.

10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.

11. Establish and Review the Company's procedures for the:

    - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters ; and
    - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.

12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.