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*These securities have not been registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Offering Document does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act.*

## OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

August 7, 2025



SPANISH MOUNTAIN GOLD LTD.  
(the “Company” or “SPA”)

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SUBSCRIPTION PRICE \$0.145 PER UNIT

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### PART 1 – SUMMARY OF OFFERING

#### What are we offering?

<b>Description of Securities</b>	<p>20,689,655 units of the Company (each, a “Unit”) at a price of \$0.145 per Unit for \$3,000,000 of gross proceeds. Each Unit will be comprised of one common share of the Company (a “Common Share”) and one common share purchase warrant of the Company (each, a “Warrant”). Each Warrant will entitle the holder thereof to acquire an additional Common Share (each, a “Warrant Share”) at a price of \$0.22 per Warrant Share at any time prior to the date which is 36 months from the Closing Date (as defined below).</p> <p>At the same time, the Company is offering 12,121,212 Flow-through units (the “FT Units”, and together with the Units, the “Offered Securities”) for gross proceeds of \$2,000,000.</p> <p>The FT Units will consist of one Common Share issued on a “flow-through” basis (a “FT Share”) and one-half of one Common Share purchase warrant (each whole warrant, a “FT Unit Warrant”) and will be priced at \$0.165 per FT Unit. Each FT Unit Warrant will entitle the holder thereof to acquire an additional Common Share to be issued on a non-flow-through basis (each, a “FT Unit Warrant Share”) at a price of \$0.22 per FT Unit Warrant Share for a period expiring on the date that is 36 months from the Closing Date (as defined below). The FT Shares will qualify as “flow-</p>
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	through shares” within the meaning of subsection 66(15) of the <i>Income Tax Act</i> (Canada)(the “ <b>Income Tax Act</b> ”).
<b>Offering:</b>	<p>A brokered private placement of the following Offered Securities: (i) 20,689,655 Units for aggregate gross proceeds of \$3,000,000; and (ii) 12,121,212 FT Units for aggregate gross proceeds of \$2,000,000, is being made pursuant to an agency agreement, to be entered into between the Company and Red Cloud Securities Inc. (the “<b>Agent</b>”), as lead agent and sole book runner (the “<b>Offering</b>”). The Company has granted the Agent an option, exercisable in full or in part, up to 48 hours prior to the closing of the Offering, to sell up to an additional \$1,000,000 of gross proceeds in any combination of the Offered Securities at their respective offering prices (the “<b>Agent’s Option</b>”). If the maximum gross proceeds of the Offering are increased beyond \$5,000,000, the size of the Agent’s Option shall be increased to 20% of the maximum gross proceeds under the Offering.</p> <p>The Units will be offered by way of the “listed issuer financing exemption” under Part 5A (the “<b>LIFE Exemption</b>”) of National Instrument 45-106 – <i>Prospectus Exemptions</i> (“<b>NI-45-106</b>”). Subject to compliance with applicable regulatory requirements and in accordance with NI 45-106, the Units are being offered to purchasers resident in the provinces of Alberta, British Columbia, Manitoba, Ontario, and Saskatchewan (“<b>Canadian Offering Jurisdictions</b>”). The securities of the Company issuable from the sale of such Units will not be subject to a statutory hold period in accordance with applicable Canadian securities legislation if sold to purchasers resident in Canada.</p> <p>The Units may also be sold in the United States on a private placement basis pursuant to one or more exemptions from registration requirements of the United States Securities Act of 1933, as amended (the “<b>U.S. Securities Act</b>”), and certain offshore foreign jurisdictions.</p> <p>The FT Units will be offered by way of the “accredited investor”, the “minimum amount investment” and other prospectus exemptions under NI 45-106 and other securities regulations that may be available in Canadian selling jurisdictions.</p>
<b>Resale Restrictions</b>	<p>The Common Shares and Warrant Shares (upon exercise of the Warrants) acquired under the LIFE Exemption by investors resident in Canada will not be subject to a hold period pursuant to applicable Canadian securities laws. All securities acquired pursuant to the “accredited investor” and “minimum amount investment” exemptions under NI 45-106 will be subject to a hold period of four (4) months pursuant to applicable Canadian securities laws.</p> <p>The Offered Securities and the Warrants and FT Unit Warrants forming part of the Offered Securities, and the Warrant Shares and FT Unit Warrant Shares issuable upon the exercise thereof, have not been and will not be registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants and FT Unit Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available at the time of exercise. Securities issued to, or for the account or benefit of, a U.S. person or a person in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein, and may be represented by definitive certificates or other instruments bearing a legend regarding such restrictions.</p>
<b>Offering Price:</b>	\$0.145 per Unit and \$0.165 per FT Unit.

<b>Offering Amount:</b>	The maximum offering amount under the Offering (prior to exercise of the Agent's Option) shall be an aggregate gross proceed of \$3,000,000, through the sale of 20,689,655 Units and 12,121,212 FT Units. Assuming the Offering is fully subscribed and the Agent's Option is exercised in full, the size of the Offering will be \$6,000,000.
<b>Closing Date:</b>	The Offering is scheduled to close on or around August 27, 2025, or such other date as the Company and the Agent may agree (the "Closing Date").
<b>Exchange:</b>	The Common Shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "SPA".
<b>Last Closing Price:</b>	On August 6, the last trading day before the announcement of the Offering, the closing price of the Common Shares on the TSXV was \$0.16.

***No securities regulatory authority or regulator has assessed the merits of these Securities or reviewed this document. Any representation to the contrary is an offence. This Offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.***

***The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person or any person in the United States, absent an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available at the time of exercise. Securities issued to, or for the account or benefit of, a U.S. person or a person in the United States pursuant to exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws will be "restricted securities" within the meaning of Rule 144 under the U.S. Securities Act subject to certain restrictions on transfer set forth therein, and may be represented by definitive certificates or other instruments bearing a legend regarding such restrictions.***

***Unless otherwise indicated, all references to "\$", "C\$" or "dollars" in this Offering Document refer to Canadian dollars, which is the Company's functional currency. References to "US\$" in this Offering Document refer to United States dollars.***

#### **General Information**

The Company is conducting a listed issuer financing under section 5A.2 of NI 45-106. In connection with this Offering, the Issuer represents the following is true:

- The Company has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The Company is relying on the exemptions in Coordinated Blanket Order 45-935 Exemptions from Certain Conditions of the Listed Issuer Financing Exemption (the "Order") and is qualified to distribute securities in reliance on the exemptions included in the Order.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption and the Order in the 12 months immediately before the date of this Offering Document, will not exceed the greater of \$25,000,000 and the amount that is equal to 20% of the Company's market capitalization, to a maximum of \$50,000,000.
- The Company will not close this Offering unless The Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.

- **The Company will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which The Company seeks security holder approval.**

#### **Cautionary Note Regarding Forward-Looking Statements**

Except for statements of historical fact, information contained herein constitutes “forward-looking information” and “forward-looking statements”, collectively referred to as forward-looking information within the meaning of applicable Canadian and United States securities legislation. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “planned”, “expect”, “project”, “predict”, “potential”, “estimate”, “targeting”, “intends”, “believe”, and similar expressions, or describes a “goal”, or variation of such words and phrases or states that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information herein include, but are not limited to, those relating to: the Company’s expectations with respect to the use of proceeds and the use of the available funds following completion of the Offering; the completion of the Offering and the expected Closing Date, the issuance of the Offered Securities and the Warrant Shares and FT Unit Warrant Shares upon exercise of the Warrants and FT Unit Warrants, respectively, the proposed participation, including participation size, the anticipated costs and timing of additional exploration programs on the Company’s mineral properties, and the results therefrom; the funds from the Offering along with the Company’s working capital being sufficient to complete its intended activities; expectations regarding ability to raise further capital, changes in project parameters as the Company receives additional information from its activities; the Company’s ability to continue as a going concern; and the Company’s going-forward strategy. There can be no assurances that the Offering will be completed on the terms stated or at all. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made. Such factors and assumptions may include, but are not limited to: the Company’s ability to close the Offering on the terms disclosed herein, or at all, that proceeds from the Offering together with the Company’s working capital will be sufficient to complete its short term objectives, that the Company will derive the benefits from ongoing exploration as currently expected by management, that the current programs will proceed as currently contemplated, that the Company will use the proceeds from the Offering as currently contemplated, the future prices of minerals and precious metals, the price of other commodities such as, fuel and electricity; currency exchange rates and interest rates; favourable operating conditions, political stability, timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; estimates of costs and expenditures to complete the Company’s programs and achieve its stated goals; the Company’s ability to raise sufficient capital to fund planned exploration activities and maintain corporate capacity; stability in financial and capital markets; and there being no significant disruptions affecting the development and operation of the Company’s projects. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such risks and other factors include, among others, and without limitation: that the Offering may not close within the timeframe anticipated or at all or may not close on the terms and conditions currently anticipated by the Company for a number of reasons including, without limitation, as a result of the occurrence of a material adverse change, disaster, change of law or other failure to satisfy the conditions to closing of the Offering; the Company will not be able to raise sufficient funds to complete its planned exploration program; that the Company will not derive the expected benefits from its current program; the Company may not use the proceeds of the Offering as currently contemplated; the Company may fail to find a commercially viable deposit at any of its mineral properties; the Company’s plans may be adversely affected by the Company’s reliance on historical data compiled by previous parties involved with its mineral properties; mineral exploration and development are inherently risky industries; the mineral exploration industry is intensely competitive; additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company; fluctuations in the demand for gold or gold prices generally; the Company may not be able to identify, negotiate or finance any future acquisitions successfully, or to integrate such acquisitions with its current business; the Company’s exploration activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted; the Company’s operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations; there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned; the Company

faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company; the volatility of global capital markets over the past several years has generally made the raising of capital more difficult; inflationary cost pressures may escalate the Company's operating costs; compliance with environmental regulations can be costly; social and environmental activism can negatively impact exploration, development and mining activities; the success of the Company is largely dependent on the performance of its directors and officers; the Company's operations may be adversely affected by First Nations land claims; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; the Company may be adversely affected if potential conflicts of interests involving its directors and officers are not resolved in favour of the Company; the Company's future profitability may depend upon the world market prices of gold (among other metals); dilution from future equity financing could negatively impact holders of the Company's securities; failure to adequately meet infrastructure requirements could have a material adverse effect on the Company's business; the Company's projects now or in the future may be adversely affected by risks outside the control of the Company; the Company is subject to various risks associated with climate change, the Company is subject to general global risks arising from epidemic diseases, the ongoing conflicts in Ukraine and the Middle East, rising inflation and interest rates and the impact they will have on the Company's operations, supply chains, ability to access mining projects or procure equipment, supplies, contractors and other personnel on a timely basis or at all is uncertain; as well as other risk factors in the Company's other public filings available at [www.sedarplus.ca](http://www.sedarplus.ca) ("SEDAR+"). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, performance, or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information. The Company undertakes no duty to update any forward-looking information to conform such information to actual results or to changes in the Company's expectations, except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this Offering Document is expressly qualified by this cautionary statement.

### **Scientific and Technical Information**

The scientific and technical information contained in this Offering Document relating to the Company's mineral properties has been reviewed and approved by Mr. Julian Manco, Geo, a "qualified person" ("QP") within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Historical data contained in this Offering Document has not been verified.

## **PART 2 – SUMMARY DESCRIPTION OF BUSINESS**

### **What Is Our Business?**

The Company's primary asset is the Spanish Mountain property located approximately 180 kilometres north of Kamloops, British Columbia and 66 km northeast of Williams Lake, BC. The Spanish Mountain property refers to the contiguous mineral and placer claims the Company holds while the Spanish Mountain gold project (the "**Project**") refers to the mineral resources in the area within the property, and the exploration and development of the property.

The Company's focus is to advance the exploration and development of the Project towards a construction decision in or before 2027. The Company will publish within the next two weeks of the date of this Offering Document a new NI 43-101 Technical Report setting out the executable vision to advance the Project. This new NI 43-101 Technical Report, with a de-risked and optimized Preliminary Economic Assessment (PEA) and an updated Mineral Resource Estimate (MRE), will supersede the prior technical report of the Company (i.e., the Pre-Feasibility Study that was filed on SEDAR+ on June 3, 2021).

The address of the Issuer's corporate office and its principal place of business is 910 1111 Melville St., Vancouver, British Columbia V6E 3V6

## Recent Developments

The following is a brief summary of key recent developments involving or affecting the Company since its most recent fiscal year end for which it has filed annual audited financial statements (being December 31, 2024):

- On January 21, 2025, the Company provided an update on the Project and announced the 2025 exploration drill program.
- On January 27, 2025, the Company was listed on the OTCQB Venture Market.
- On February 21, 2025, the Company announced that it has changed its trading symbol on the OTCQB Venture Market from “SPAZF” to “SPAUF”.
- On March 19, 2025, the Company announced the engagement of German Mining Networks GmbH to provide marketing and investor relations services in Europe.
- On April 21, 2025, the Company reported initial drill results from its 2025 Winter exploration diamond drill program.
- On April 24, 2025, the Company reported near surface high grade gold intercepts in the K-Zone.
- On June 2, 2025, the Company intercepts extensive near surface gold mineralization at Phoenix Target.
- On June 9, 2025, the Company announced a grant of 2,860,500 stock options (“**Options**”) to directors and officers and 221,500 Options to employees and consultants pursuant to the terms of the Company’s stock option plan. Each Option entitles the holder to acquire One Common Share at an exercise price of \$0.175 per Common Share for ten years.
- On June 17, 2025, the Company concluded its 2025 Winter Drilling program with a 300 metre step-out hole intersecting .49g/t over 100.49 metres in the K-Zone.
- On July 3, 2025, the Company announced the results of a Preliminary Economic Assessment (“**PEA**”), including an updated mineral resource estimate (“**MRE**”), for the Project. The PEA is a conceptual study of the potential economic viability of the Main Deposit Mineral Resource, that includes the Main Zone and North Zone. The PEA will be published in an NI 43-101 Technical Report within two weeks of the date of this Offering Document.
- On July 4, 2025, the Company announced a debt settlement with Whittle Consulting Ltd. (“**Whittle**”) to settle an aggregate of \$379,720 in outstanding debt (the “**Debt Settlement**”). The Debt Settlement closed on July 22, 2025. As part of the Debt Settlement, the Company paid Whittle \$14,320 in cash and issued 2,110,919 Common Shares at a deemed price of \$0.1731 per Common Share.

## Material Facts

### Flow-Through Share Considerations

The following discussion is relevant only to the initial purchaser(s) of FT Shares (each, a “**Subscriber**”) who, for the purposes of the Income Tax Act, is resident or deemed to be resident in Canada at all relevant times.

This summary reflects that the Company is agreeing to incur “Qualifying Expenditures” in an amount not less than the flow-through funds to be renounced to Subscribers with an effective date of no later than December 31, 2025. While the Company will furnish each Subscriber of FT Shares hereunder with information with respect to renounced Qualifying Expenditures for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each Subscriber. The Company’s commitment with respect to incurring and renouncing Qualifying Expenditures will be fully set forth in a subscription agreement to be entered into with the Subscriber.

The Canadian federal and provincial income tax consequences to a particular Subscriber will vary according to a number of factors, including the particular province in which the Subscriber resides, carries on business or has a permanent establishment, the legal characterization of the Subscriber as an individual or a corporation, and the amount that would be the Subscriber’s taxable income but for the investment in the FT Shares. This summary does not describe the special

tax considerations applicable to a purchaser of FT Shares who chooses to donate their FT Shares to a registered charity. Such potential purchasers should consult their own tax advisors.

### **Qualifying Expenditures**

Subject to certain limitations and restrictions contained in the Income Tax Act and the *Income Tax Act* (British Columbia), respectively, the Company will be entitled to renounce to the initial purchaser of FT Shares hereunder certain Qualifying Expenditures incurred by the Company during the period beginning on the Closing Date and ending on December 31, 2026 (Expenditure Period). The Qualifying Expenditures will be renounced to the Subscriber with an effective date on or before December 31, 2025. Such Qualifying Expenditures that are properly renounced to a Subscriber will be deemed to have been incurred by that Subscriber on the effective date of the renunciation and will be added to such Subscriber's "cumulative Canadian exploration expense" (as defined in the Income Tax Act) ("**CCEE**") account and will also qualify as "BC flow-through mining expenditures" as such term is defined in subsection 4.721(1) of the *Income Tax Act* (British Columbia) (the "**BCITA**") for the purposes of the 20% BC mining flow-through share tax credit (the "**BC FTME**").

The Income Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Company to renounce certain Qualifying Expenditures incurred by it in 2026 to Subscribers effective on December 31, 2025. In other words, the Subscribers are deemed to have incurred the Qualifying Expenditures on December 31, 2025, even though the Company may not incur the Qualifying Expenditures until 2026. For this rule to apply the Company must renounce the Qualifying Expenditures to the Subscriber in either January, February or March of 2026. In the event that the Company does not incur the amounts renounced under the one year "look-back" rule by the end of 2026, the Company will be required to reduce the amount of Qualifying Expenditures renounced to the Subscribers and the Subscribers' income tax returns for the years in which the Qualifying Expenditures were claimed will be reassessed accordingly. The Company has agreed to indemnify each FT Share subscriber for the additional taxes payable by such subscriber in the event of the Company's failure to renounce the Qualifying Expenditures as agreed.

A Subscriber may deduct in computing such Subscriber's income from all sources for a taxation year an amount not exceeding 100% of the balance of such Subscriber's CCEE account at the end of that taxation year. Deductions claimed by a Subscriber reduce the Subscriber's CCEE account. To the extent that a Subscriber does not deduct the balance of such Subscriber's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with the provisions of the Income Tax Act. The right to deduct CCEE accrues to the initial Subscriber of FT Shares and is not transferable.

A Subscriber who is an individual (other than a trust) may be entitled to a non-refundable investment tax credit equal to 15 percent of a "flow-through mining expenditure" renounced to the Subscriber (the "**Federal FTME Credit**"). A "flow-through mining expenditure" is defined in subsection 127(9) of the Income Tax Act to include certain CEE incurred in conducting certain mining exploration activity from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource described in paragraph (a) or (d) of the definition of "mineral resource" as defined in the Income Tax Act. The investment tax credit may be deducted in accordance with detailed rules in the Income Tax Act against tax payable under the Income Tax Act in the taxation year in which the flow-through mining expenditure is incurred, or carried back three years and forward twenty years. The Company has agreed to incur and renounce CEE that will qualify for this investment tax credit.

A Subscriber who is an individual (other than a trust) and who for purposes of the BCITA is resident or deemed to be a resident in British Columbia at all relevant times (a “BC Subscriber”) may be entitled, in addition to the Federal FTME Credit discussed above, to the BC FTME, which is a non-refundable investment tax credit (deductible against provincial income taxes payable by the subscriber under the BCITA) equal to 20 percent of the “BC flow-through mining expenditures” renounced to the Subscriber in respect of their FT Shares. A “BC flow-through mining expenditure” is defined in s. 4.721(1) of the BCITA to mean certain Canadian exploration expense incurred in conducting certain mining exploration activity from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource that is a base or precious metal deposit or is a mineral deposit in respect of which the [Minister](#) of Natural Resources has certified that the principal [mineral](#) extracted is an industrial [mineral](#) contained in a non-bedded deposit. The BC FTME Credit may be deducted in accordance with detailed rules in the BCITA against tax payable under the BCITA. The Company has agreed to incur and renounce expenditures to BC Subscribers in respect of their FT Shares that will qualify for the BC FTME Credit.

If a Subscriber acquires FT Shares through a Registered Plan, the CEE renounced will not be available as a deduction against the income of the annuitant, holder or beneficiary of such plan and the associated tax benefits will be lost.

There are no other material facts about the securities being distributed hereunder that have not been disclosed either in this Offering Document or in another document filed by the Company over the 12 months preceding the date of this Offering Document on the Company’s profile at [www.sedarplus.ca](http://www.sedarplus.ca). Investors should read these documents prior to investing.

#### **What are the business objectives that we expect to accomplish using the available funds?**

The Company’s primary business objectives are to continue to optimize, derisk and advance the Project. The funds raised will be used to continue drilling in the K-Zone and Phoenix Target as well as confirm whether the planned location for the mill and tailings do not contain ore. Funds in excess of day to day running costs and non-committed to flow-through eligible exploration would be used to further work leading towards the development.

### **PART 3 – USE OF AVAILABLE FUNDS**

#### **What will our available funds be upon the closing of the Offering?**

The following table (“Table 1”) sets out information regarding the Issuer’s available funds after completion of the Offering.

		<b>Assuming 100% of the Offering</b>	<b>Assuming Full Exercise of the Agent’s Option<sup>(2)</sup></b>
<b>A</b>	Amounts to be raised by the Offering	\$5,000,000	\$6,000,000
<b>B</b>	Selling commissions and fees <sup>(1)</sup>	\$300,000	\$360,000
<b>C</b>	Estimated Offering costs (e.g., legal, filing fees, audit filing)	\$200,000	\$200,000
<b>D</b>	Net proceeds of Marketed Offering: $D = A - (B+C)$	\$4,500,000	\$5,440,000
<b>E</b>	Working capital as at most recent months end (July 31, 2025)	\$(391,000)	\$(391,000)
<b>F</b>	Additional sources of funding <sup>(3)</sup>	\$900,000	\$900,000
<b>G</b>	<b>Total available funds: <math>G = D+E+F</math></b>	<b>\$5,009,000</b>	<b>\$5,949,000</b>

**Notes:**

(1) Upon closing of the Offering, the Company will pay to the Agent the following agency fee: (i) a cash commission equal to six percent (6%) of the gross proceeds raised through the Offering, which if the Offering is fully subscribed (including exercise of the Agent’s Option in full), is estimated to be \$360,000, subject to a reduced commission of two point five percent (2.5%) for those Offered Securities sold to certain purchasers designated by the Company on the President’s List (as defined herein) up to a maximum of \$3,000,000 worth of Offered Securities sold through the President’s List; and (ii) such number of Broker Warrants (as defined herein) equal to six percent (6%) of the Offered Securities sold under the Offering, subject to a reduced commission of three percent (3%) for those Offered Securities sold to certain purchasers designated by the Company on the President’s List, up to a maximum of \$3,000,000 worth of Offered Securities sold through the President’s List.

(2) Pursuant to the Agent's Option, the Company has granted to the Agent an option, exercisable in full or in part up to 48 hours prior to the closing of the Offering, to sell up to an additional \$1,000,000 in any combination of the Offered Securities. An aggregate of \$60,000 may be paid in association therewith as Agent's commission. If the maximum gross proceeds of the Offering are increased beyond \$5,000,000, the size of the Agent's Option shall be increased to 20% of the maximum gross proceeds under the Offering.

(3) Assumes an estimated \$850,000 BC Mineral Tax Credit refund for the 2024 tax year, and \$50,000 in interest income.

The current size of the Offering will cover operating, general and administrative costs of the Company for the next 12 months, as well as funds to undertake defined exploration work to progress the Project. Should the Offering be oversubscribed and increased, additional exploration and development work is contemplated. Significant funds are required to progress the Project to a build decision, anticipated to be in 2027. Future equity financings are anticipated.

### How will we use the available funds?

The Company intends to use the net proceeds from this Offering to fund general working capital, further work towards development, and conduct additional exploration activities on the Project and property to test new targets and expand the understanding of the mineral endowment on the property:

Description of intended use of available funds	Assuming 100% of the Offering	Assuming 100% of the Agent's Option <sup>(2)</sup>
Exploration and Evaluation Expenditures <sup>(1)</sup>	\$2,000,000	\$2,150,000 <sup>(3)</sup>
PEA, development, engineering and other technical work		\$790,000
General and administrative costs <sup>(2)</sup>	\$3,000,000	\$3,000,000
Unallocated working capital	\$9,000	\$9,000
<b>Total:</b>	<b>\$5,009,000</b>	<b>\$5,949,000</b>

#### Notes:

(1) Estimated exploration expenditures are expected to consist of drilling, prospecting, sampling, geophysics, and geological work.

(2) Estimated general and administrative costs are expected to consist of (without limitation) salaries and professional fees, listing and filing fees, transfer agent and shareholder communication costs, insurance costs, information technology costs and other administrative costs.

(3) This number assumes that 85% of the securities issuable under the Agent's Option are Units and 15% are FT Units, and that the Agent's Option has not been increased to over \$1,000,000.

Gross proceeds from the sale of the FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 127(9) of the *Income Tax Act* (Canada) (or would so qualify if the references to "before 2026" in paragraph (a) of the definition of "flow-through mining expenditure" in subsection 127(9) of the Tax Act were read as "before 2027" and the references in paragraphs (c) and (d) of that definition to "before April 2025" were read as "before April 2026") and will be renounced to subscribers no later than December 31, 2025, pursuant to the terms of the subscription agreement to be entered into between the Company and such subscribers of FT Shares. Such expenses will also qualify as "flow-through mining expenditures" as defined in subsection 127(9) of the *Income Tax Act*. The above noted allocation represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning, and expectations of management of the Company. The most recent financial statements of the Company included a going-concern note. Management is aware, in making its going concern assessment, of recurring losses and on-going negative cash flow that may cast significant doubt on the Company's ability to continue as a going concern. The Company is an advanced stage resource exploration company, transitioning to become a developer, that does not generate any revenue and has been relying on equity-based financing to fund operations. The business of mining and exploration involves a high degree of risk and there can be no assurance that the Company's exploration programs and economic evaluations will result in profitable mining operations. The Company's continued existence is dependent upon the development of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, making the required payments pursuant to mineral property option agreements, and/or securing additional financing; all of which are uncertain. While the Offering is intended to permit the Company to meet its financial obligations over the next 12 months, it will require additional financing to continue with exploration and development of the Project. It is therefore expected that the Company will continue to have a going concern note in its next annual financial statements.

#### How have we used the other funds we have raised in the past 12 months?

The proceeds of private placements completed in November 2024, being the fundraising activities of the Company completed in the prior 12 months, were disclosed to be used to fund exploration and evaluation expenditures, PEA engineering and other technical work for the Company's Project located in British Columbia and for general working capital purposes:

Proposed Use of Funds of 2024 Private Placement		Actual Use of Funds from 2024 Private Placement	(Over)/Under Expenditure	Explanation of Variance on Business Objectives
Exploration and Evaluation Expenditures	\$4,725,290	\$4,725,290	Nil	Fully incurred CEE by June 30, 2025
PEA and General Corporate Purposes	\$3,574,655	\$3,574,655	Nil	Fully utilized by June 30, 2025
<b>TOTAL:</b>	<b>\$8,299,945</b>	<b>\$8,299,945</b>	Nil	

#### PART 4 – FEES AND COMMISSIONS

##### Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Company has engaged the Agent to act as lead agent and sole bookrunner in connection with the Offering. The Offered Securities sold by the Agent will be offered and sold pursuant to an agency agreement to be entered into between the Company and the Agent. The Company shall pay to the Agent the following agency fee: (i) a cash commission equal to six percent (6%) of the gross proceeds raised through the Offering, which if the Offering is fully subscribed (including exercise of the Agent's Option in full), is estimated to be \$360,000, subject to a reduced commission of three percent (3%) for those Offered Securities sold to certain purchasers designated by the Company on a president's list (the "**President's List**"), up to a maximum of \$3,000,000 worth of Offered Securities sold through the President's List; and (ii) non-transferable Common Share purchase warrants (each, a "**Broker Warrant**") equal to six percent (6%) of the Offered Securities sold under the Offering, subject to a reduced commission of three percent (3%) for those Offered Securities sold to certain purchasers designated by the Company on the President's List, up to a maximum of \$3,000,000 worth of Offered Securities sold through the President's List. The President's List is initially set to include proceeds of \$1,000,000, but can be increased to the lesser of 20% of the maximum gross proceeds under the Offering and \$3,000,000, if the gross proceeds of the Offering are increased beyond \$5,000,000. Each Broker Warrant entitles the holder thereof to acquire one (1) Common Share (a "**Broker Warrant Share**") at an exercise price of \$0.145 per Broker Warrant Share, for a period of 36 months from the closing of the Offering.

##### Does the Agent have a conflict of interest?

To the knowledge of the Company, it is not a "related issuer" or "connected issuer" of or to the Agent, as such terms are defined in National Instrument 33-105 Underwriting Conflicts.

#### U.S. OFFERING RESTRICTIONS

The Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state in the United States and, subject to certain exemptions from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States.

This Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any Units in the United States to, or for the account or benefit of, U.S. persons or persons in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of Units within the United States or, to or for the account or benefit of, U.S. persons or persons in the United States by any dealer (whether or not participating in the Offering) may violate the registration provisions of the U.S. Securities Act unless made otherwise than in accordance with an exemption from the registration requirements under the U.S. Securities Act and similar exemptions under applicable state securities laws.

The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. person, nor will certificates or other instruments representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and provided that, subject to certain exceptions, the Issuer has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Issuer.

#### **PART 5 – PURCHASERS’ RIGHTS**

##### **Rights of action in the Event of a Misrepresentation.**

If there is a misrepresentation in this Offering Document, you have a right

- (a) to rescind your purchase of these securities with the Issuer, or
- (b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

#### **PART 6 – ADDITIONAL INFORMATION ABOUT THE ISSUER**

##### **Where can you find more information about us?**

The Company's continuous disclosure filings with applicable securities regulatory authorities in the provinces and territories of Canada are available electronically under the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR+) at [www.sedarplus.ca](http://www.sedarplus.ca).

For further information regarding the Company, visit our website at: <https://spanishmountaingold.com>

**Investors should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of the Offered Securities.**

*[Signature page follows]*

**PART 7 – DATE AND CERTIFICATE**

Dated: August 7, 2025

**This Offering Document, together with any document filed under Canadian securities legislation on or after August 7, 2024 contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

*“Peter Mah”*

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Peter Mah  
Chief Executive Officer

*“Mark Ruus”*

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Mark Ruus  
Chief Financial Officer