



**Spanish Mountain**  
**Gold Ltd.**



TSX.V: SPA

# Spanish Mountain Gold: An Advanced-Stage Bulk Tonnage Gold Project

April, 2012

## Disclaimer



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- **Brian Groves, President, Chief Executive Officer and Director** has 30 years experience in the mining and exploration industry working with junior exploration, junior producing and senior mining companies including AMAX, Noranda and Placer Dome.
- **Morris Beattie, Chief Operating Officer and Director** is a metallurgical engineer with 40 years of extensive experience in all aspects of extractive metallurgy and project development. He has served as a Director of Galahad Gold Plc, Northern Dynasty Minerals and more recently, until 2008, he served as Vice President - Project Evaluations with Quadra Mining Ltd.
- **Larry Yau, Chief Financial Officer** is a Canadian Chartered Accountant and has 20 years of financial and business experience, gained primarily in the mining and resources sectors with companies including Placer Dome and Farallon resources
- **Judy Stoeterau, VP-Geology** is professional geologist with over 30 years of experience in mineral exploration covering gold, base metal, uranium and diamond projects in Canada and South America. She has worked with both junior exploration companies and senior mining firms such as Falconbridge, Getty Minerals, Placer Dome and Cameco.

- **Ian Watson, Chairman**, was formerly Chairman and Managing Director of Galahad Gold PLC (see [www.ianwatson.biz](http://www.ianwatson.biz)). Previously a Director of Northern Dynasty Minerals and UraMin Inc., he is currently Chairman of Agrifirma Brazil, a company investing in farmland in Brazil.
- **Don Coxe**, has more than thirty-nine years of institutional investment experience in North America. He has been a strategic consultant to several major gold mining companies over the last decade. He is also Strategy Advisor to BMO Financial Group and Chairman of Coxe Advisors LLP.
- **James Clare**, is a lawyer at Fraser Milner Casgrain LLP in Toronto specializing in Mining, Corporate Securities, and Mergers and Acquisitions.
- **Dale Corman**, has 40 years experience as a senior corporate officer of publicly traded mining companies and was formerly Chairman and CEO of Western Silver Corp. He is currently President and Chief Executive Officer of Western Copper Corporation.
- **Christopher Lattanzi**, is a mining engineer and was President of Micon International Limited, mineral industry consultants from its founding in 1988 to mid-2005. Mr. Lattanzi formerly served as Chairman of Meridian Gold.



Capital Structure	
Shares Outstanding	~166m
Warrants \$0.23 - \$0.70	~\$22m
Working Capital	~\$14m
Market Capital March 31, 2012	~\$82m
Ownership / Distribution	
Management and Insiders	35%
Institutional	25%
Retail	40%



## Spanish Mountain Gold Ltd is focused on:

- 200,000+ oz/year of gold production from open pit for more than 12 years with cash costs < US\$600.
- Development of new “Phoenix” gold zone.
- Working with First Nations and nearby communities. Agreements signed with Williams Lake Indian Band and Soda Creek Indian Band.
- Feasibility Study underway.
- Permitting Underway.
- Infill drilling underway to increase M&I ounces.

- Cheap power (Commercial rate 4¢/kWh )
- Pro mining government
- Mineral exploration tax credit(30% refund)
- Corporate taxes among the lowest in Canada
- Government revenue sharing with First Nations
- New mine allowance extended until 2016
- Enjoys highest possible AAA credit rating (Increased 7 times since 2001)
- Unmatched record of successful mine permits in Canada in recent years
  - Mount Milligan                      September 2009
  - Copper Mountain                  April 2010
  - New Afton                              November 2007

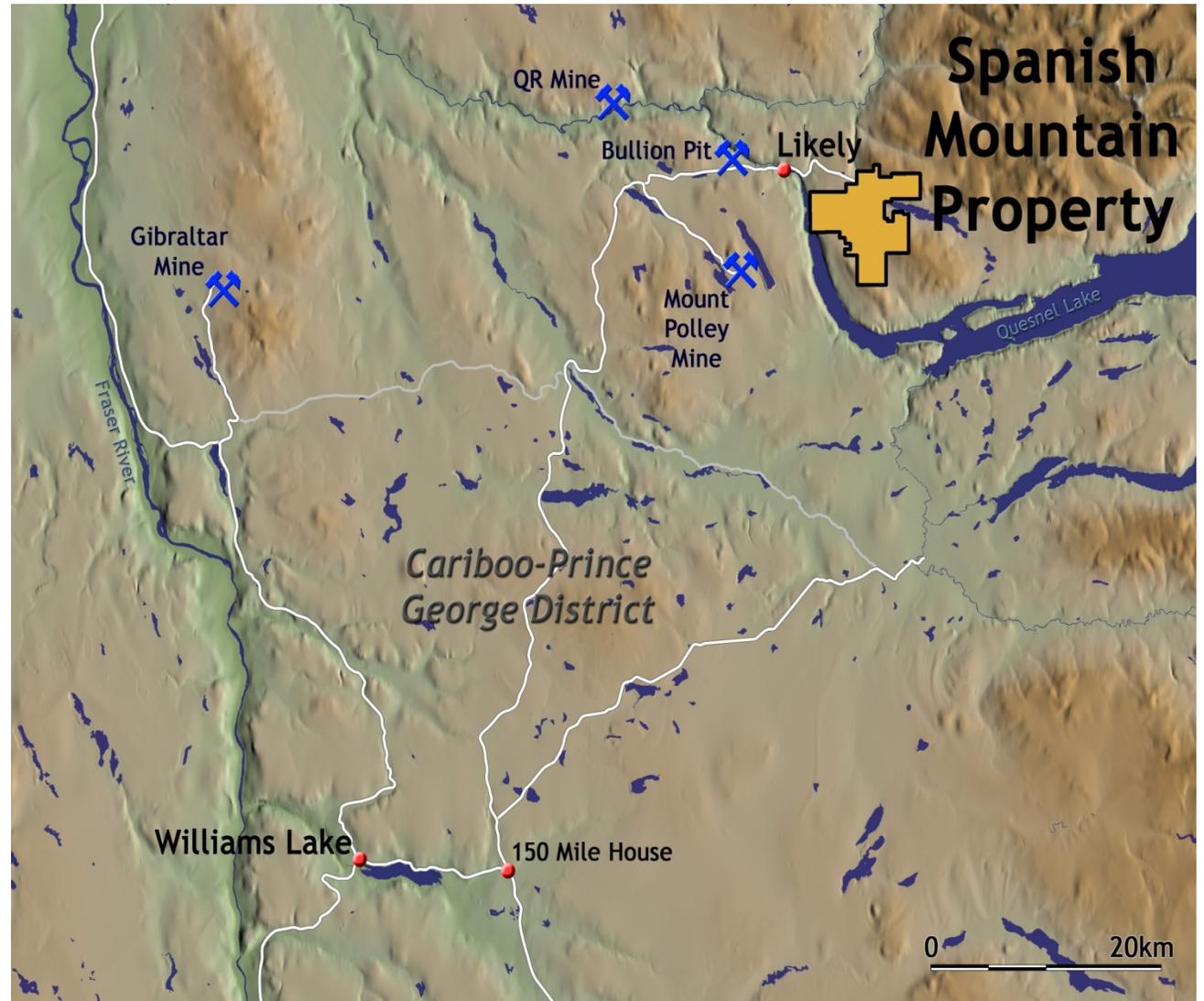




Close to producing mines:  
Mount Polley & Gibraltar

Excellent location:

- All-weather road access
- Cheap power (4¢/kWh)
- Grid power to property
- Williams Lake & Area;  
Over 10% unemployment





## NI 43-101 Resource Calculation



Spanish Mountain Gold Resource (at a 0.30 g/t gold cut-off)

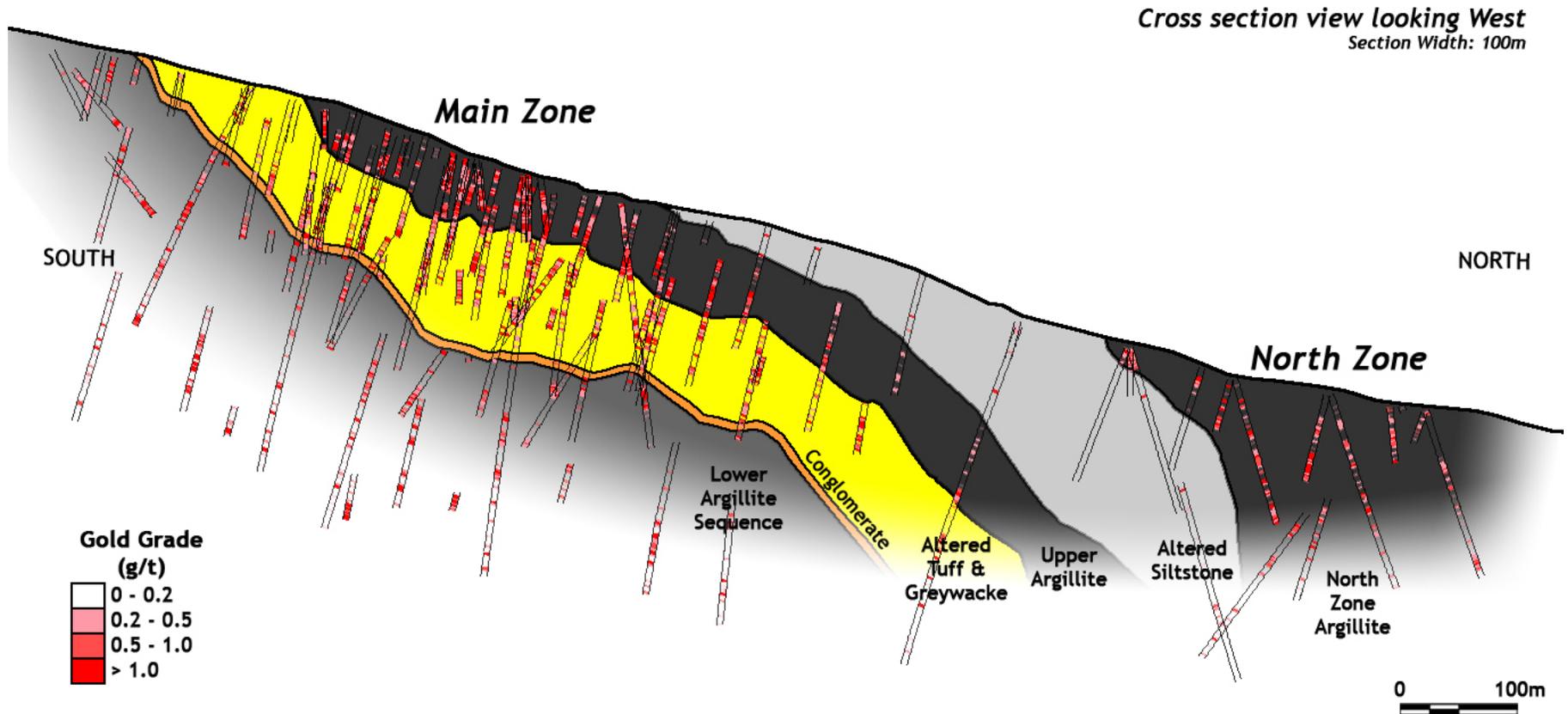
Classification	Tonnes	Gold grade (g/t)	Silver grade (g/t)	Gold (ounces)	Silver (ounces)
Measured	11,390,000	0.81	0.60	300,000	220,000
Indicated	79,710,000	0.59	0.65	1,510,000	1,670,000
Measured plus Indicated	91,090,000	0.62	0.64	1,820,000	1,870,000
Inferred	170,470,000	0.50	0.67	2,740,000	3,670,000



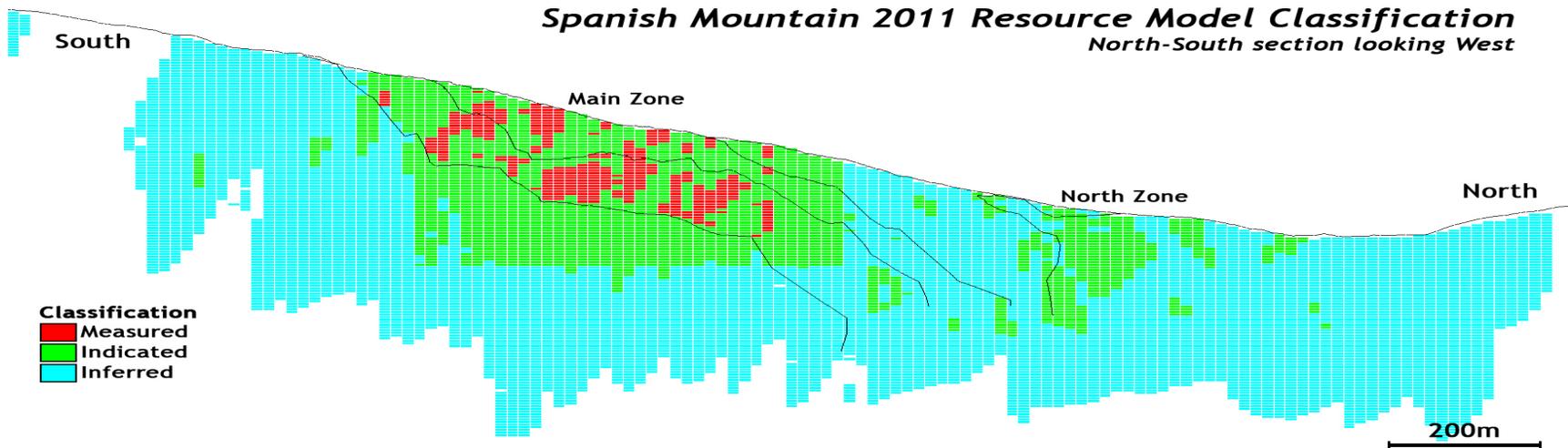
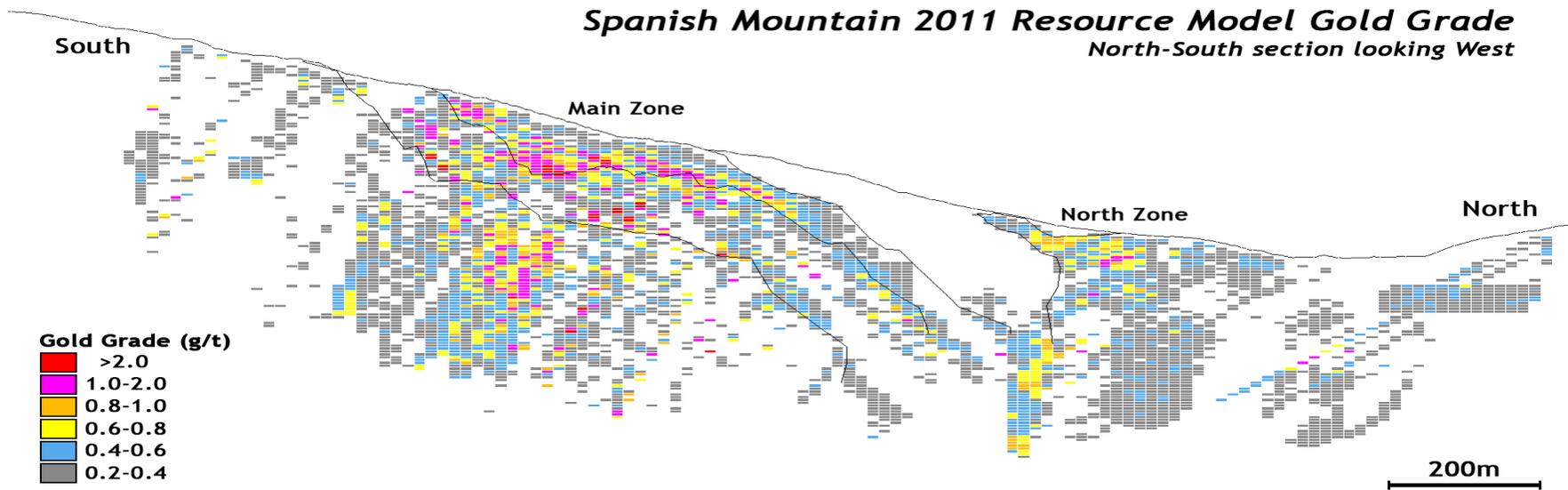
## Spanish Mountain Gold Resource (at a 0.20 g/t gold cut-off)

Classification	Tonnes	Gold grade (g/t)	Silver grade (g/t)	Gold (ounces)	Silver (ounces)
Measured	14,950,000	0.68	0.61	330,000	290,000
Indicated	123,070,000	0.47	0.64	1,860,000	2,530,000
Measured plus Indicated	138,030,000	0.49	0.64	2,170,000	2,840,000
Inferred	339,630,000	0.37	0.65	4,040,000	7,100,000

# Idealized Geological Section



# Resource Block Model

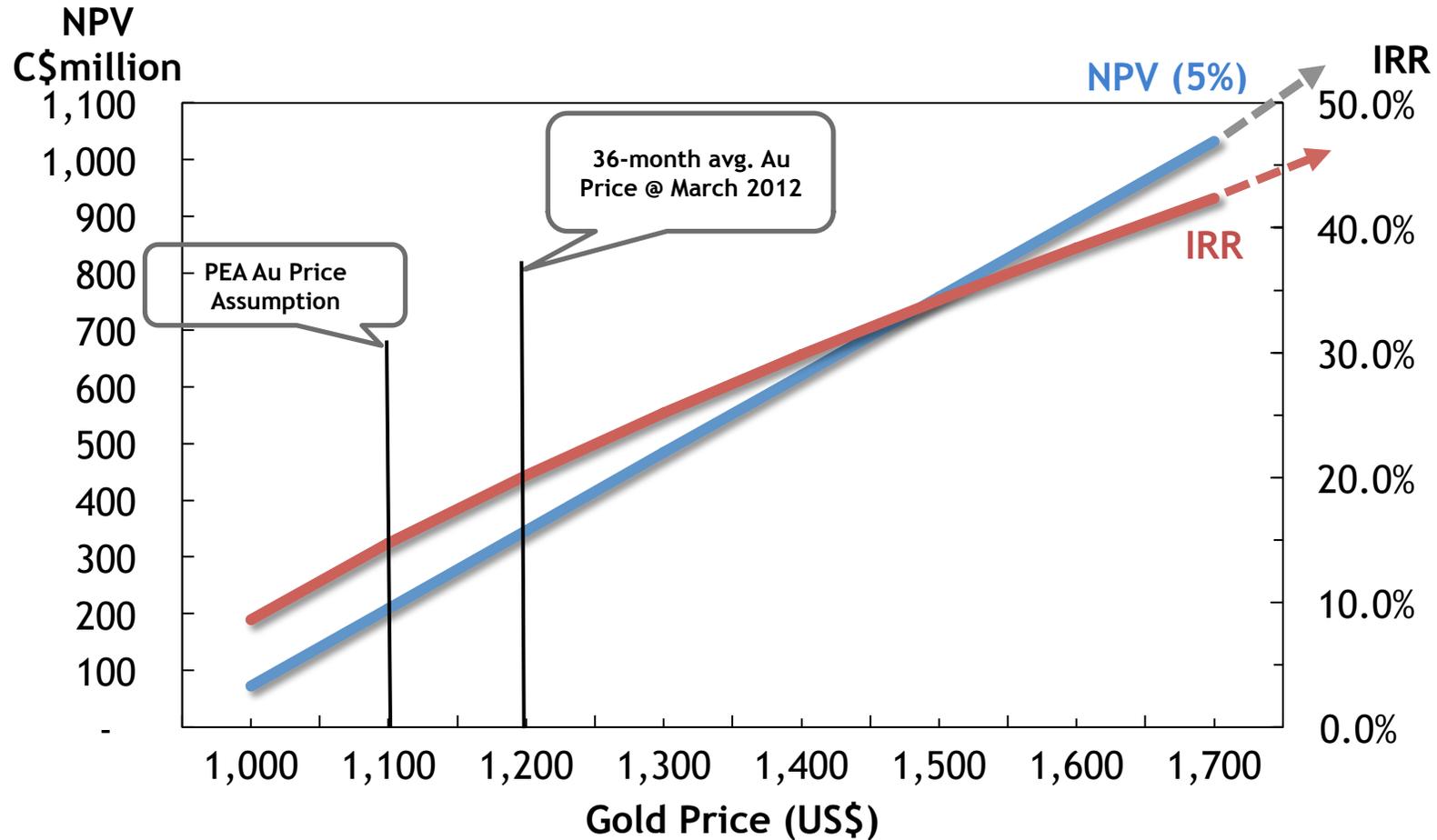


## PEA Economic Results (Completed Nov 2010)

Average annual gold production, years 1 to 5 (ounces)	213,800
Total cash cost, years 1 to 5 (US\$ per ounce)*	\$570
<i>Cash cost if mining equipment is not leased</i>	\$520
Operating cost (\$ per tonne plantfeed)	C\$10.14
Mine life (years)	10
Overall gold recovery	90%
Initial Capex	C\$496 million
Pre-tax undiscounted cumulative net cash flow	C\$411 million
Pre-tax NPV @ 5%	C\$209 million
Pre-tax IRR	14.7%
Payback (from start of milling)	4.1 years

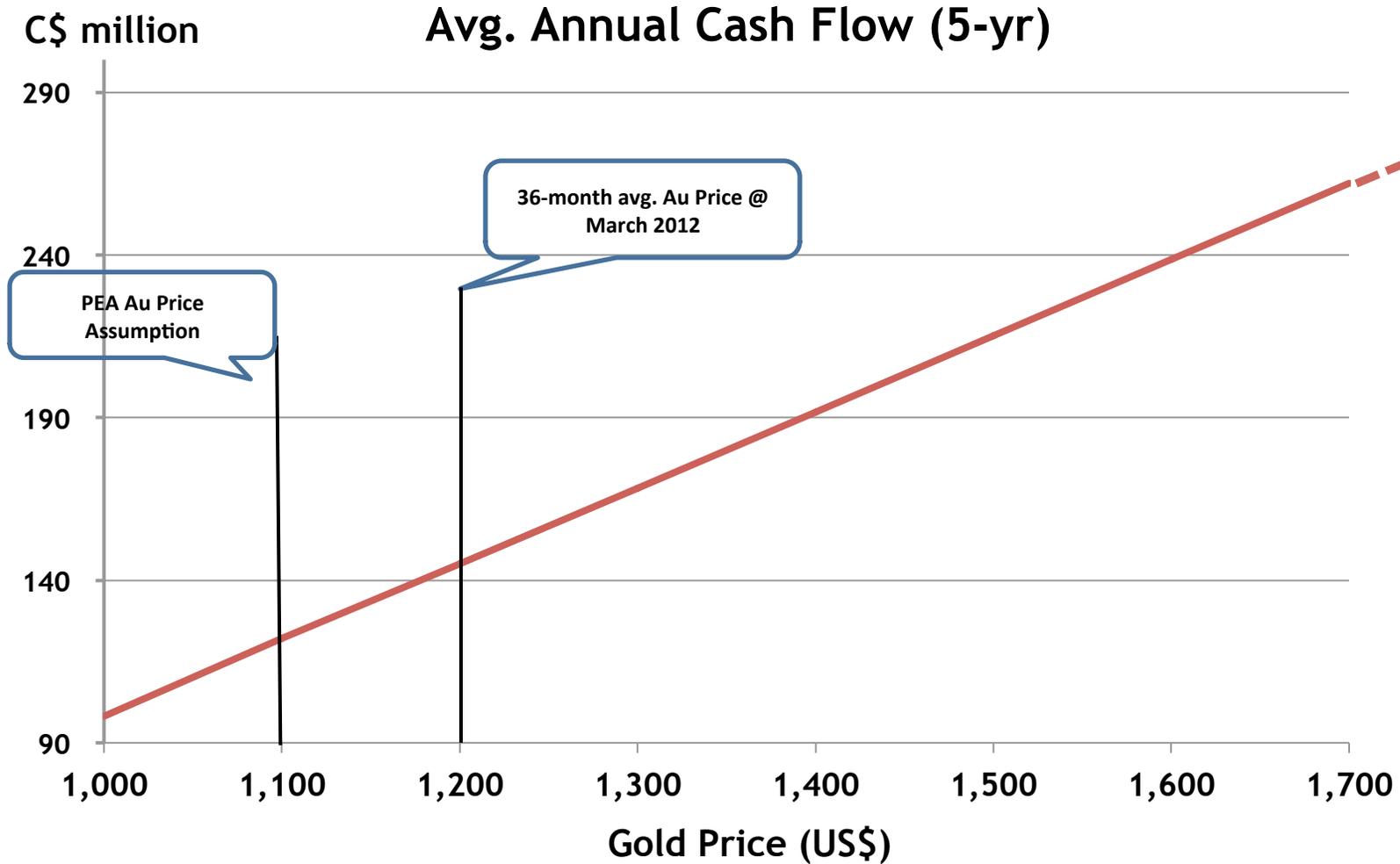
US\$1100 Au price, US\$1 = C\$1.10

# NPV & IRR—Sensitivity to Gold Price



This chart shows the sensitivity to the gold price of the project's net present value (NPV) discounted at 5% per annum and the Internal Rate of Return (IRR).

# Cash Flow—Sensitivity to Gold Price



This chart shows the sensitivity to the gold price of the project's 5 year average estimated cash flow

### PEA Case

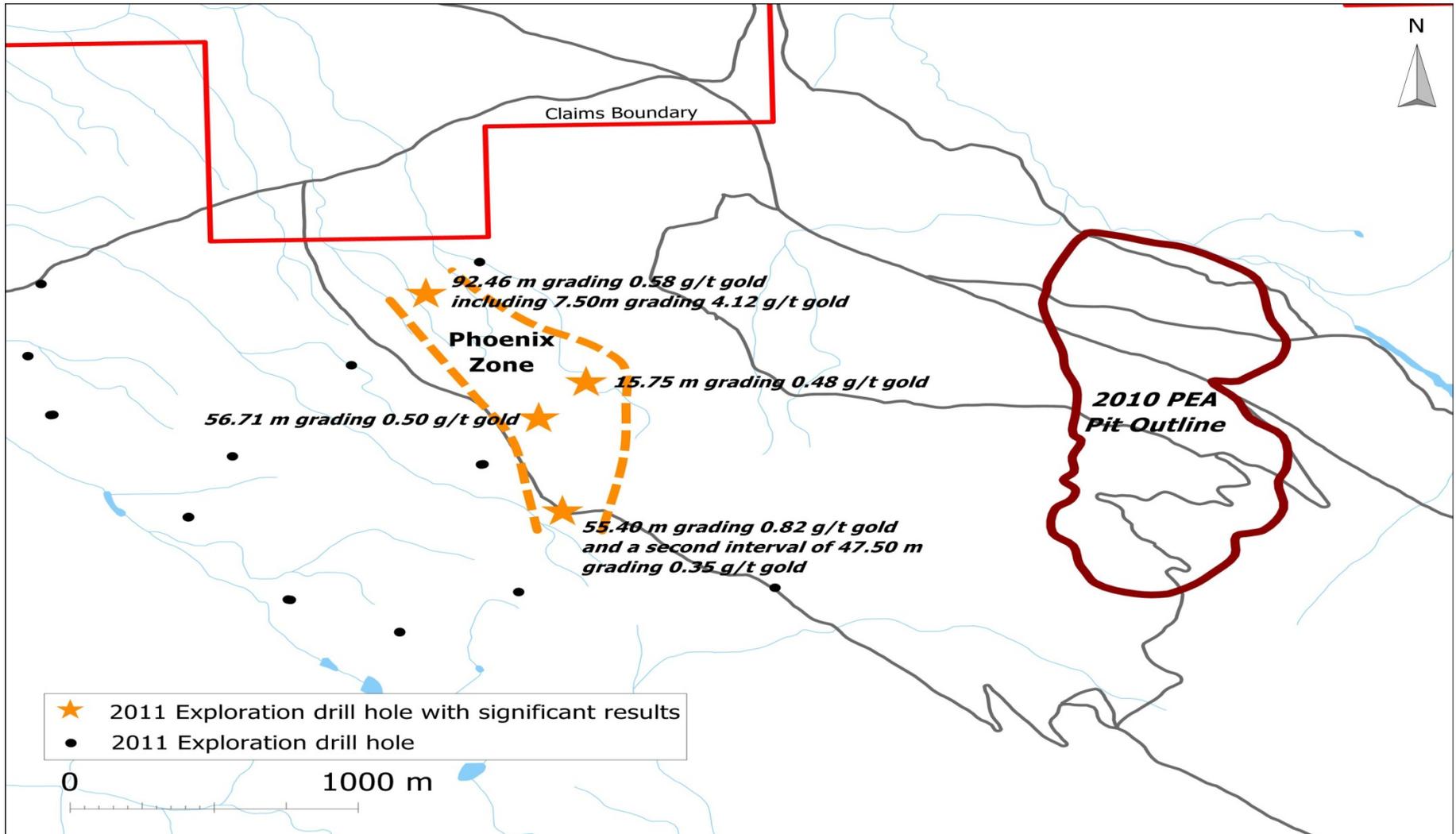
40,000 tpd project LOM w 0.2 g/t cut-off  
Initial Capital Cost = \$496 million  
LOM Capital Cost = \$513 million  
Au production = 200,000 oz/year for years 1-5  
170,000 oz year for years 6-10  
Feed Grades Year 1-3 = 0.57 g/t Au  
Years 4 - 10 = 0.41 g/t Au

### Enhanced Case (20119 43-101 Resource Estimate w 0.3 g/t cut-off and in-house estimates)

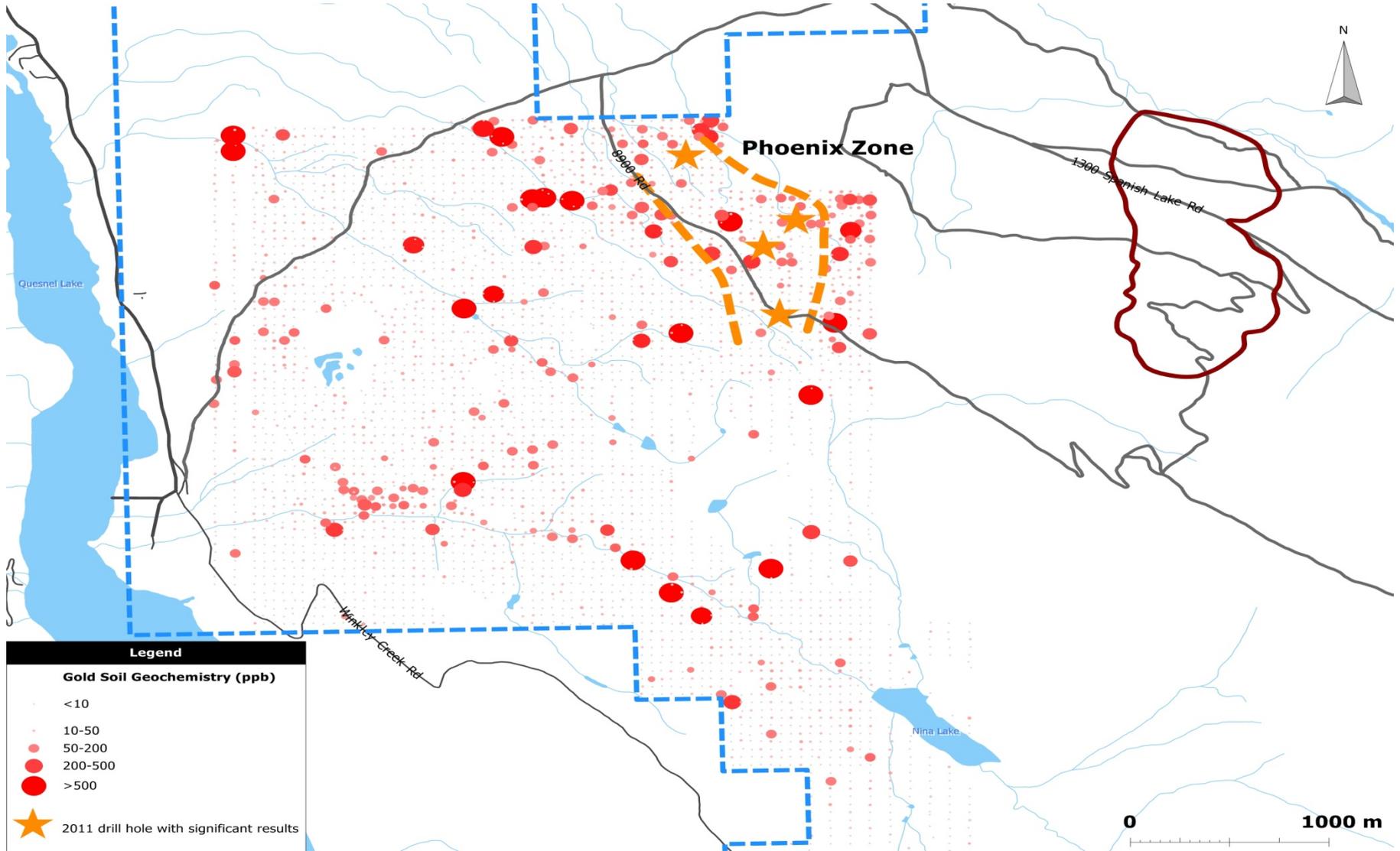
Staged Production: 25,000 tpd years 1-3  
40,000 tpd years 4-12  
Initial Capital Cost = \$550 million  
Au production = 180,000 oz/year for years 1-3  
200,000 oz/year for years 4 -12  
Feed Grades Years 1-3 = 0.80 g/t Au  
Years 4-12 = 0.46 g/t Au



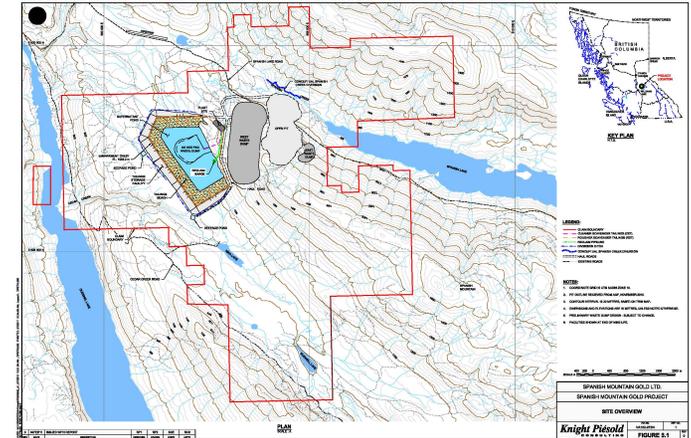
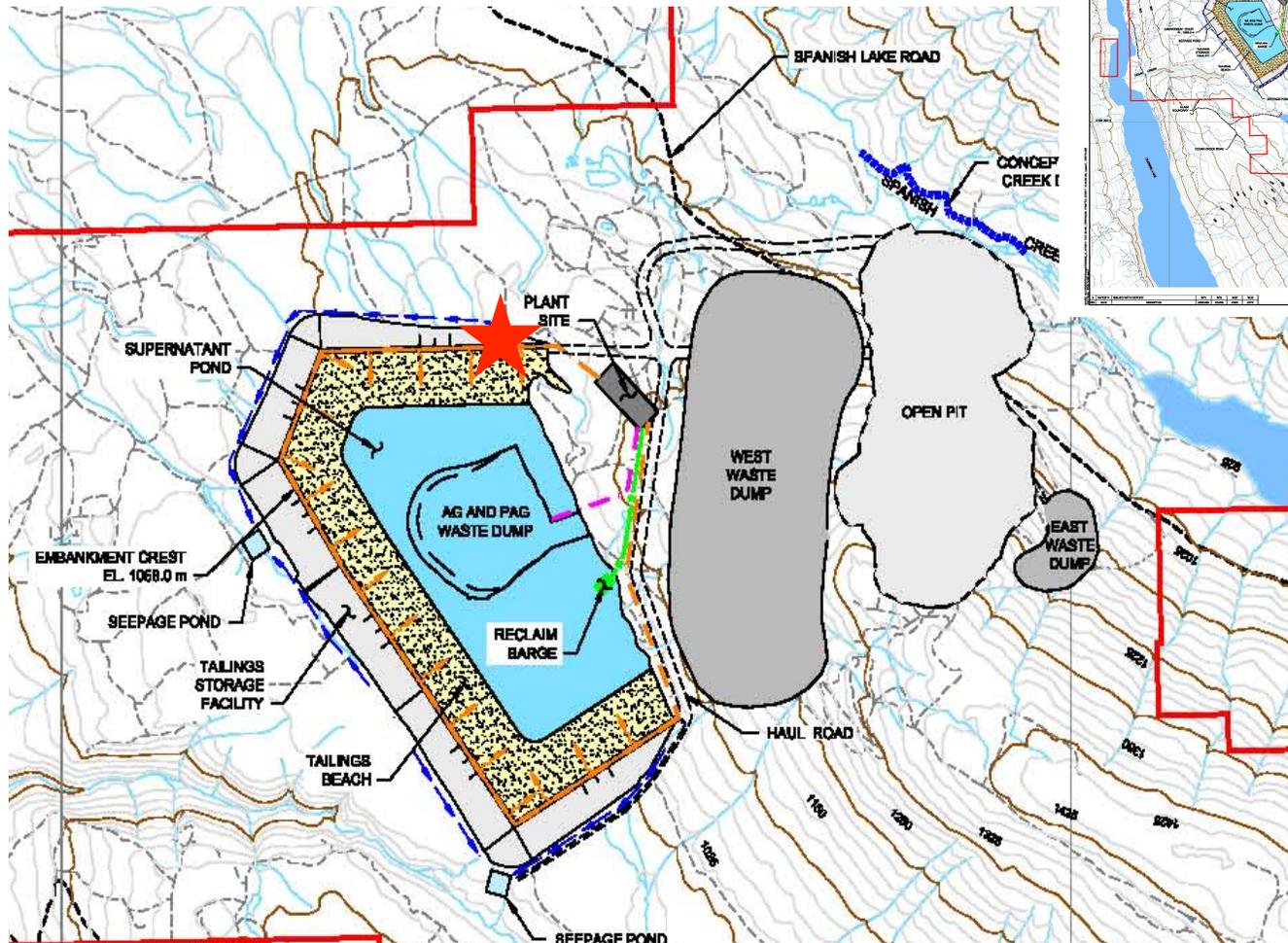
# Location of Phoenix Zone



# Gold Anomalies & Phoenix Zone

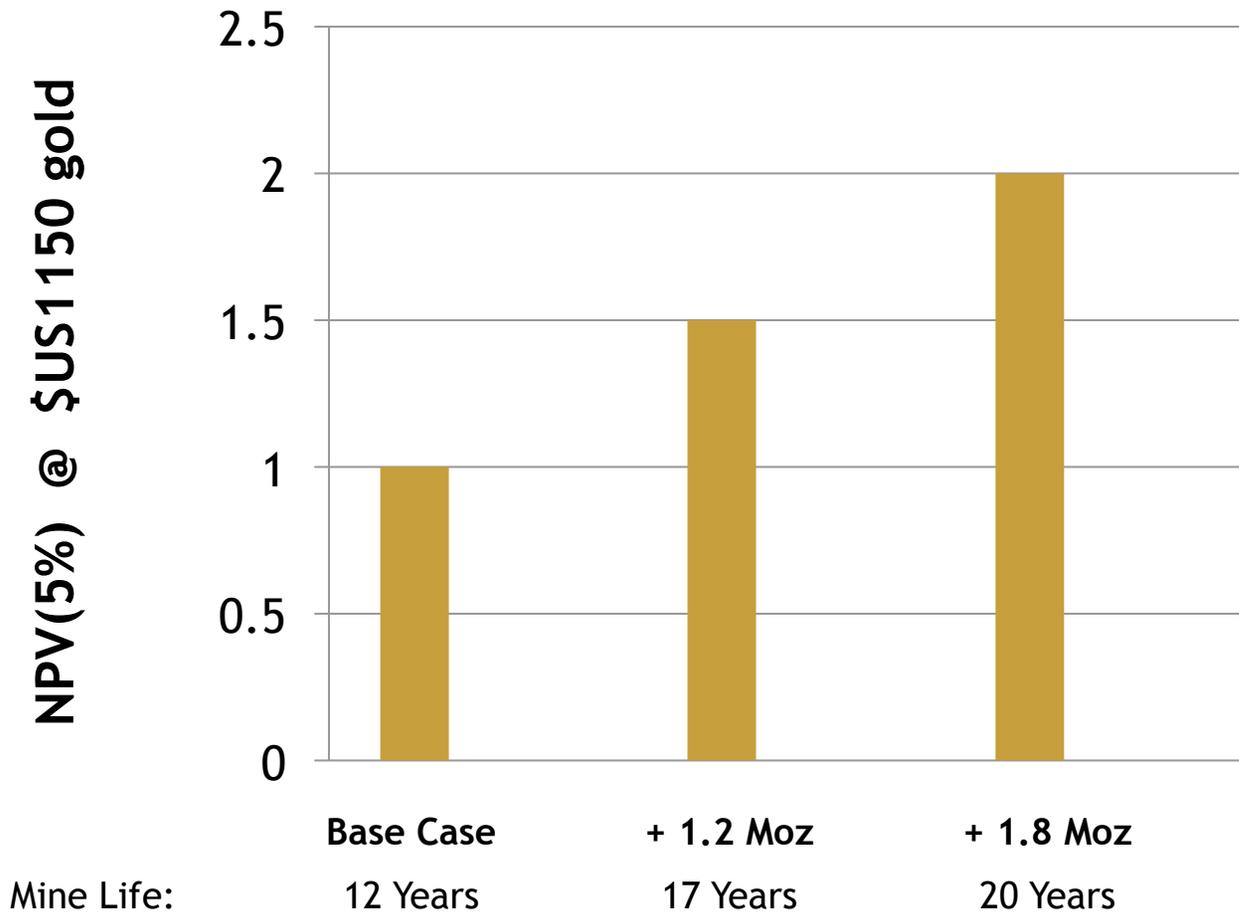


# Site Arrangement Including Open Pit, Mill, and Waste Management (Tailing) Facility



★ Phoenix Zone Location

## Estimated Impact on project economics with inclusion of Phoenix

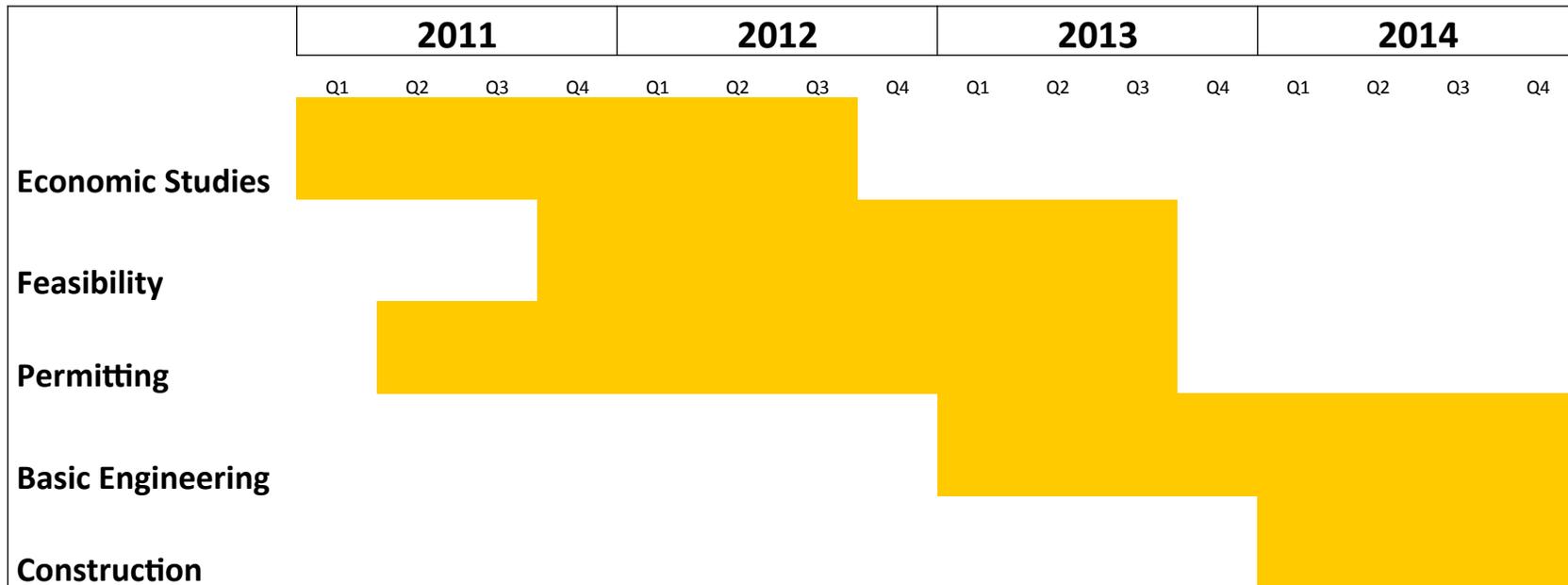




# View of Conceptual Mine Layout (Looking South towards Quesnel Lake)



# Project Schedule



Commence Production: 2015



- In-fill drilling in the Main Zone to achieve 2.5M Oz recoverable in M&I : ongoing
- Updated resource estimate for Main Zone in Q3
- Definition drilling of new phoenix gold zone commencing in May to deliver inferred resource
- Complete engineering and economic studies and move onto Feasibility Study for Main Zone
- Deliver updated technical report in Q3



## Contact Information



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