



December 6, 2017

Via Email

BC Environmental Assessment Office
1- 836 Yates St.
Victoria, BC V8W 1L8

Attention: Ms. Shelley Murphy, Executive Project Director

Dear Ms. Murphy:

Re: Spanish Mountain Gold Ltd. (the "Company")

Thank you for your email dated November 28, 2017 inquiring about the Company's Spanish Mountain Gold Project (the "**Project**") and our plans concerning the environmental assessment process.

I would like to provide you with a summary of our recent project activities as follows:

- Since the last update I provided on October 13, 2016, we completed two internal studies and updated Preliminary Economic Assessment, which was filed in May 2017. All of these studies were designed to conceptually improve the Project's economics and did not involve material field work.
- The Company has successfully obtained permits for conducting exploration and archeological impact assessment for the Project and may commence field activities in these areas during the spring or summer of 2018. The scope of a field program has not been finalized and will likely be limited in size.
- Although the Company has secured a level of funding to resume certain project activities, it remains a significant challenge to raise sufficient capital to substantially advance our Project. We expect project work to be limited until such time reasonable financing becomes available.
- At this point, the Company does not intend to undertake additional studies or activities specific to meeting any environmental assessment requirements. It is anticipated that any decision to resume EA activities will be contingent on securing the required funding.

Prior to planning and commencing any work in this area, the Company will contact your office (as well as the federal agency) to explore the EA options available in light of recent and upcoming changes in applicable rules and legislation and to ensure the most up-to-date process or information requirements are being met by the Company.

As always, I wish to assure you that the Company remains committed to advancing the Project and will continue to work with your office and other stakeholders to satisfy all current requirements of the environmental assessment process.

We will endeavour to provide you with regular updates on project activities or any changes to our plans. If you require additional information, please contact me.

Sincerely,
Spanish Mountain Gold Ltd.



Larry Yau
Chief Executive Officer