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June 30, 2011

Spanish Mountain Announces \$15,000,000 Financing

Spanish Mountain Gold Ltd. (the “**Company**”) (TSX-V:SPA) is pleased to announce that it is undertaking a private placement of up to 25,000,000 units (the “**Units**”) at a price of \$0.60 per unit for gross proceeds of approximately CAD\$15,000,000 (the “**Offering**”). Each Unit consists of one common share and one-half of one share purchase warrant (“**Unit Warrant**”). Each Unit Warrant entitles the holder to acquire an additional common share of the Company at a price of \$0.70 per share for a period of two years. The Offering is expected to close by July 7, 2011.

Pursuant to the Offering, Mr. Ian Watson, a director of the Company, is expected to acquire 5,000,000 of the Units for approximately \$3,000,000, representing approximately 20% of the Offering and 3.19% of the issued and outstanding shares after the Offering is completed. In addition, certain directors and officers of the Company are expected to acquire an aggregate of 800,000 Units.

The proceeds from the Offering will be used to advance the development of the Company’s Spanish Mountain gold project, to explore the contiguous Cedar Creek claims and for general corporate purposes. In connection with the Offering, a cash finders’ fee of up to 3.0% of the gross proceeds of the Offering will be paid to certain finders. All of the securities issued in connection with the Offering will be subject to a four-month hold period in accordance with applicable Canadian securities laws.

The terms of the Offering are subject to the acceptance of the TSX Venture Exchange.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on the responsible development of its flagship Spanish Mountain gold project in southern central British Columbia. The Company has no debt and owns 100% of all four gold properties located in British Columbia. Additional information about the Company is available on its website: www.spanishmountaingold.com

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

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This News Release contains forward-looking statements. Forward looking statements are statements which relate to future events. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking-statements. Management has assumed that these will be our major projects going forward. Risks include that we are unable to satisfy environmental or other regulators, that we determine that our resources are not commercially viable, or that we have difficulties due to unavailability of labour or equipment.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggests herein. Except as required by applicable law the Company does not intend to update any forward-looking statements to conform these statements to actual results.