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July 28, 2011

## **Spanish Mountain Gold Reports Interim Drilling Results**

### **Drilling Now Underway on Cedar Creek Targets**

**Spanish Mountain Gold Ltd. (“the Company”)** (SPA-TSXV) is pleased to announce further results of the in-fill drilling program within the Main and North Zones of its Spanish Mountain Gold Project (the “Project”) located in central British Columbia, Canada. The results presented in this news release represent approximately an additional 30% of the total planned drill holes that are designed to upgrade mineralization from the Inferred to Measured and Indicated categories, test for extensions to gold mineralization laterally and at depth and to optimize the design of pit walls. The final 40% of results are expected to be available within eight weeks. The results of the drilling conducted to date continue to confirm the continuity of potentially economic mineralization in areas presently classified as inferred resources.

The Company is also pleased to announce that drill rigs have now moved onto the Cedar Creek area to begin testing gold targets defined in a soil geochemical survey.

#### **Highlights of Drilling Results include:**

##### **MAIN ZONE HIGHLIGHTS:**

- 321.5 metres (m) grading 0.65 gram/ tonne (g/t) gold including **50.00m grading 1.03g/t gold** and including 14.27m grading 2.12g/t gold in hole 11-DDH-961.
- 284.50m grading 0.50g/t gold including **66.50m grading 1.35g/t gold** in hole 11-DDH-951.
- 276.50m grading 0.37g/t gold including 28.00m grading 1.00g/t gold in hole 11-DDH-953.
- 293.50m grading 0.30g/t gold including 22.50m grading 1.03g/t gold in hole 11-DDH-954
- 249.00m grading 0.39g/t gold including 17.00m grading 1.07g/t gold in hole 11-DDH-955
- 240.43m grading 0.37g/t gold including 94.00m grading 0.52g/t gold and including 28.50m grading 1.00g/t gold in hole 11-DDH-948.

##### **NORTH ZONE HIGHLIGHTS:**

- **123.00m grading 0.91g/t gold** in hole 11-DDH-950.
- 84.85m grading 0.52g/t gold including 6.00m grading 2.13g/t gold in hole 11-DDH-945
- 147.50m grading 0.32g/t including 63.00m grading 0.51g/t gold and including 9.75m grading 1.22g/t gold in hole 11-DDH-941.

Significant assay results are contained in Table 1 appended to this news release.

### **Discussion of Results**

The 2011 drilling program on the Main and North Zones of the Spanish Mountain gold deposit has now been completed. The program was designed primarily to provide in-fill data for an updated resource calculation as a precursor to the commencement of a pre-feasibility study for the Project. The results from new zones of mineralization that have been encountered during this program will be included in the updated model. The program is also expected to provide further information on mineralization encountered at depth. A total of 4 deep holes have been drilled with an average depth of 524 m. Results from this phase of the program are expected to be received by September and will be incorporated in an updated resource model.

The drills have now been moved into the area of anomalous gold soil geochemistry in the Cedar Creek area. Preliminary reconnaissance in this area has confirmed the presence of argillite-bearing sedimentary and mafic volcanic rocks. The current drilling program is focused on testing areas defined by previous soil sampling that are anomalous in a number of elements including gold and copper. Initially, a total of 16 holes are planned for the gold target area.

Brian Groves, President and CEO commented “We are very encouraged by these drilling results from the Main and North Zones. They represent some of the longest, if not the longest intercepts of continuous gold mineralization encountered on the property. Holes such as DDH-951 clearly indicate the presence of higher grade shallow mineralization which presents a real opportunity for starter pit optimization.”

Judy Stoeterau, P.Ge., the Company’s Vice-President of Geology and the qualified person as defined under National Instrument 43-101, has reviewed the contents of this news release. All core samples are assayed at ALS Chemex Laboratory in Vancouver, BC.

### **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, Canada. The Company has no debt and owns 100% of four gold properties located in British Columbia. Additional information about the Company is available on its website: [www.spanishmountaingold.com](http://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.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

**Table 1: Significant Assay Results**

Hole	From	To	Length (m)	Au g/t	Area
11-DDH-940	3.66	24.50	20.84	0.34	NZ
11-DDH-940	91.00	95.50	3.50	0.29	NZ
11-DDH-940	137.50	139.00	1.50	8.55	NZ
11-DDH-940	242.35	260.50	18.15	0.27	NZ
11-DDH-941	78.86	80.70	1.84	1.65	NZ
11-DDH-941	<b>181.50</b>	<b>329.00</b>	<b>147.50</b>	<b>0.32</b>	<b>NZ</b>
including	202.00	203.50	1.50	1.27	NZ
and	<b>266.00</b>	<b>329.00</b>	<b>63.00</b>	<b>0.51</b>	<b>NZ</b>
and	270.50	273.50	3.00	1.02	NZ
and	285.50	287.00	1.50	1.20	NZ
and	292.00	293.50	1.50	4.15	NZ
and	319.25	320.00	0.75	3.37	NZ
and	<b>319.25</b>	<b>329.00</b>	<b>9.75</b>	<b>1.22</b>	<b>NZ</b>
and	324.50	329.00	4.50	2.04	NZ
11-DDH-942	3.66	18.85	15.19	0.74	NZ
including	12.00	17.50	5.50	1.30	NZ
11-DDH-943	117.50	119.00	1.50	3.14	NZ
11-DDH-943	158.00	159.04	1.04	26.50	NZ
11-DDH-943	200.00	200.75	0.75	17.90	NZ
11-DDH-943	256.50	258.00	1.50	1.06	NZ
11-DDH-944	51.50	54.00	2.50	0.30	NZ
11-DDH-944	73.00	109.00	36.00	0.21	NZ
11-DDH-944	180.00	255.00	75.00	0.32	NZ
11-DDH-944	221.00	255.00	34.00	0.50	NZ
including	228.00	229.50	1.50	2.28	NZ
11-DDH-945	<b>160.90</b>	<b>245.75</b>	<b>84.85</b>	<b>0.52</b>	<b>NZ</b>
including	161.00	164.00	3.00	1.13	NZ
and	<b>229.50</b>	<b>235.50</b>	<b>6.00</b>	<b>2.13</b>	<b>NZ</b>
and	245.00	245.75	0.75	22.20	NZ
11-DDH-946	101.28	217.40	116.12	0.31	NZ
including	118.50	161.50	43.00	0.53	NZ
and	132.50	134.00	1.50	1.82	NZ
and	154.00	158.50	4.50	1.77	NZ
and	216.50	217.40	0.90	2.72	NZ
11-DDH-947	4.27	13.00	8.73	1.05	NZ
11-DDH-947	89.50	91.00	1.50	1.21	NZ
11-DDH-947	129.50	130.25	0.75	1.94	NZ
11-DDH-947	192.50	250.00	57.50	0.31	NZ
including	227.50	229.00	1.50	1.05	NZ
and	277.50	279.00	1.50	1.40	NZ

Hole	From	To	Length (m)	Au g/t	Area
11-DDH-948	<b>4.57</b>	<b>245.00</b>	<b>240.43</b>	<b>0.37</b>	<b>MZ</b>
including	22.00	23.50	1.50	1.44	MZ
and	48.50	91.50	43.00	0.50	MZ
and	53.00	54.50	1.50	1.08	MZ
and	80.00	88.00	8.00	1.54	MZ
and	105.00	106.50	1.50	1.05	MZ
and	<b>151.00</b>	<b>245.00</b>	<b>94.00</b>	<b>0.52</b>	<b>MZ</b>
and	157.50	159.00	1.50	2.11	MZ
and	193.50	195.00	1.50	1.36	MZ
and	204.00	211.50	7.50	2.19	MZ
and	<b>204.00</b>	<b>232.50</b>	<b>28.50</b>	<b>1.00</b>	<b>MZ</b>
and	228.00	232.50	4.50	1.75	MZ
11-DDH-949	6.71	23.00	16.29	0.58	NZ
including	14.00	14.75	0.75	3.79	NZ
11-DDH-950	3.66	18.00	14.34	0.54	NZ
including	6.00	8.50	2.50	1.53	NZ
11-DDH-950	<b>161.50</b>	<b>284.50</b>	<b>123.00</b>	<b>0.91</b>	<b>NZ</b>
including	203.00	206.00	3.00	1.83	NZ
and	244.50	245.25	0.75	106.00	NZ
and	252.50	254.00	1.50	3.04	NZ
11-DDH-951	<b>8.50</b>	<b>293.00</b>	<b>284.50</b>	<b>0.50</b>	<b>MZ</b>
including	<b>8.50</b>	<b>75.00</b>	<b>66.50</b>	<b>1.35</b>	<b>MZ</b>
and	15.00	30.00	15.00	1.80	MZ
and	49.00	51.25	2.25	9.23	MZ
and	64.50	69.00	4.50	2.29	MZ
and	73.50	75.00	1.50	9.05	MZ
and	201.13	205.50	4.37	2.01	MZ
11-DDH-951	320.50	322.00	1.50	3.12	MZ
11-DDH-952	3.66	218.00	214.34	0.55	MZ
including	11.00	12.50	1.50	16.90	MZ
and	70.50	73.50	3.00	2.45	MZ
and	101.00	105.00	4.00	4.30	MZ
and	102.24	103.50	1.26	10.80	MZ
and	172.50	177.00	4.50	1.28	MZ
and	211.50	216.50	5.00	1.98	MZ
11-DDH-953	<b>10.00</b>	<b>286.50</b>	<b>276.50</b>	<b>0.37</b>	<b>MZ</b>
including	10.00	81.50	71.50	0.59	MZ
and	10.00	13.00	3.00	1.13	MZ
and	46.00	47.50	1.50	1.92	MZ
and	72.00	74.00	2.00	14.18	MZ
and	124.50	126.00	1.50	1.02	MZ
and	218.00	271.50	53.50	0.82	MZ
and	<b>224.00</b>	<b>252.00</b>	<b>28.00</b>	<b>1.00</b>	<b>MZ</b>

Hole	From	To	Length (m)	Au g/t	Area
11-DDH-954	<b>21.50</b>	<b>315.00</b>	<b>293.50</b>	<b>0.30</b>	<b>MZ</b>
including	48.00	135.00	87.00	0.51	MZ
and	<b>48.00</b>	<b>70.50</b>	<b>22.50</b>	<b>1.03</b>	<b>MZ</b>
and	48.00	83.00	35.00	0.82	MZ
and	111.50	112.50	1.00	3.81	MZ
and	129.00	130.50	1.50	2.13	MZ
and	133.50	135.00	1.50	1.47	MZ
and	178.50	180.00	1.50	3.47	MZ
and	189.50	191.00	1.50	4.37	MZ
and	200.00	201.50	1.50	1.43	MZ
and	301.50	303.00	1.50	1.62	MZ
and	313.50	315.00	1.50	1.21	MZ
11-DDH-955	<b>24.00</b>	<b>273.00</b>	<b>249.00</b>	<b>0.39</b>	<b>MZ</b>
including	25.50	66.50	41.00	0.53	MZ
and	<b>25.50</b>	<b>42.50</b>	<b>17.00</b>	<b>1.07</b>	<b>MZ</b>
and	89.00	90.50	1.50	1.88	MZ
and	100.00	101.50	1.50	1.97	MZ
and	128.50	160.50	32.00	0.66	MZ
and	139.00	140.50	1.50	1.81	MZ
and	148.00	149.50	1.50	1.65	MZ
and	155.50	157.66	2.16	1.98	MZ
and	212.06	214.00	1.94	1.38	MZ
and	212.06	273.00	60.94	0.51	MZ
and	217.00	220.00	3.00	1.23	MZ
and	227.50	229.00	1.50	1.16	MZ
and	252.50	254.00	1.50	2.12	MZ
and	259.50	261.00	1.50	3.33	MZ
and	267.31	268.50	1.19	2.48	MZ
11-DDH-956	3.05	142.74	139.69	0.33	MZ
including	58.50	104.50	46.00	0.58	MZ
and	65.00	67.00	2.00	2.60	MZ
and	74.50	76.79	2.29	1.19	MZ
and	92.50	95.50	3.00	2.95	MZ
and	132.50	134.00	1.50	2.94	MZ
11-DDH-956	173.50	174.25	0.75	1.02	MZ
11-DDH-956	196.50	198.00	1.50	1.08	MZ
11-DDH-956	216.00	217.14	1.14	1.81	MZ
11-DDH-956	225.50	227.00	1.50	1.88	MZ
11-DDH-956	237.50	239.00	1.50	1.57	MZ
11-DDH-956	279.31	299.00	19.69	0.56	MZ
including	293.00	294.50	1.50	2.25	MZ

Hole	From	To	Length (m)	Au g/t	Area
11-DDH-957	6.70	300.50	293.80	0.37	MZ
including	6.70	146.50	139.80	0.52	MZ
and	6.70	14.00	7.30	1.81	MZ
and	32.00	33.50	1.50	1.22	MZ
and	51.50	53.00	1.50	2.26	MZ
and	72.50	73.25	0.75	21.40	MZ
and	73.25	74.00	0.75	1.22	MZ
and	80.00	81.50	1.50	2.15	MZ
and	91.00	92.50	1.50	1.05	MZ
and	109.50	111.00	1.50	1.14	MZ
and	123.00	123.75	0.75	1.41	MZ
and	242.50	244.00	1.50	2.72	MZ
and	265.50	267.00	1.50	1.33	MZ
and	297.50	300.50	3.00	2.59	MZ
11-DDH-958	10.25	207.00	196.75	0.30	MZ
including	63.00	63.75	0.75	10.40	MZ
and	163.50	207.00	43.50	0.60	MZ
and	166.50	168.00	1.50	2.12	MZ
and	172.50	174.00	1.50	1.89	MZ
and	186.00	187.50	1.50	2.50	MZ
and	191.50	193.00	1.50	1.29	MZ
and	197.50	199.00	1.50	1.73	MZ
11-DDH-958	282.50	303.00	20.50	0.64	MZ
including	293.25	294.00	0.75	6.19	MZ
11-DDH-959	14.50	41.76	27.26	1.01	MZ
including	20.50	23.50	3.00	1.78	MZ
and	20.50	36.50	16.00	1.40	MZ
and	25.50	29.00	3.50	1.66	MZ
and	32.00	36.50	4.50	2.07	MZ
11-DDH-959a	12.50	291.50	279.00	0.33	MZ
including	12.50	55.50	43.00	0.52	MZ
and	32.50	37.00	4.50	1.43	MZ
and	104.25	105.00	0.75	1.95	MZ
and	109.50	111.00	1.50	1.40	MZ
and	115.50	116.50	1.00	1.19	MZ
and	137.00	138.50	1.50	1.30	MZ
and	215.00	291.50	76.50	0.52	MZ
and	218.00	221.00	3.00	2.70	MZ
and	225.50	228.50	3.00	1.33	MZ
and	239.50	244.00	4.50	1.54	MZ
and	250.00	253.02	3.02	1.54	MZ
and	272.50	274.00	1.50	1.03	MZ
and	281.50	283.00	1.50	1.52	MZ

Hole	From	To	Length (m)	Au g/t	Area
11-DDH-960	62.50	336.00	273.50	0.31	MZ
including	62.50	130.50	68.00	0.53	MZ
and	62.50	65.50	3.00	1.45	MZ
and	79.05	79.80	0.75	4.14	MZ
and	94.50	95.88	1.38	1.29	MZ
and	115.50	120.00	4.50	1.70	MZ
and	174.00	186.00	12.00	1.34	MZ
and	204.00	205.50	1.50	2.28	MZ
11-DDH-961	<b>6.71</b>	<b>328.27</b>	<b>321.56</b>	<b>0.65</b>	<b>MZ</b>
including	<b>72.50</b>	<b>122.50</b>	<b>50.00</b>	<b>1.03</b>	<b>MZ</b>
and	72.50	73.25	0.75	8.90	MZ
and	75.50	81.50	6.00	1.83	MZ
and	83.00	87.50	4.50	1.63	MZ
and	92.00	93.50	1.50	2.94	MZ
and	105.50	107.50	2.00	1.55	MZ
and	113.50	115.00	1.50	1.44	MZ
and	158.00	159.50	1.50	1.06	MZ
and	175.56	179.66	4.10	4.28	MZ
and	187.82	189.00	1.18	1.33	MZ
and	192.00	193.18	1.18	1.83	MZ
and	202.50	205.50	3.00	1.43	MZ
and	214.50	222.00	7.50	1.67	MZ
and	226.50	231.00	4.50	1.17	MZ
and	240.00	244.71	4.71	1.26	MZ
and	258.00	258.75	0.75	2.26	MZ
and	263.00	264.50	1.50	8.66	MZ
and	<b>314.00</b>	<b>328.27</b>	<b>14.27</b>	<b>2.12</b>	<b>MZ</b>