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Spanish Mountain Gold Announces Commencement of New PEA

VANCOUVER, BC - **Spanish Mountain Gold Ltd.** (the “Company”) (TSX-VENTURE:SPA) is pleased to announce the engagement of a team of experienced consultants to conduct a new Preliminary Economic Assessment in accordance with standards mandated by NI 43-101 for the Spanish Mountain Gold Project (the "Project") located near Likely in central British Columbia, Canada.

Each member of the PEA team has been involved in the Project’s previous studies and is familiar with its technical attributes. They will contribute in their respective areas of expertise as follows:

- Moose Mountain Technical Services—Lead Consultant, Mine Plan & Metallurgy
- Discovery Consultants—Geology and Exploration
- Giroux Consultants Ltd.—Resource Estimating
- Knight Piésold Ltd.—Tailings, Water Balance & Permitting

The PEA will investigate the technical and economic viability as well as the quality of the Company’s multi-million ounce gold resource; specifically its new two-zone project approach in which the resource’s high-grade core (the First Zone) is expected to sustain a profitable stand-alone operation exceeding 20 years. The Company has recently announced a tentative mine plan for the First Zone at 20,000 tonnes per day (Nov. 22, 2016) and a streamlined flowsheet for the metallurgical recovery process (Jan. 31, 2017). The PEA is expected to capture the opportunities and potential savings associated with the planned lower production rate as identified in internal and external studies to date.

The Company expects to announce the results of the PEA in the second quarter of 2017.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on advancing its flagship Spanish Mountain gold project in southern central British Columbia. The positive economics of the multi-million ounce Mineral Resource have been demonstrated in a previous Preliminary Economic Assessment. The Company is currently investigating a two-zone project approach in which the resource’s high grade core (the First Zone) is expected to sustain a profitable stand-alone operation exceeding 20 years. 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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