



December 4, 2018

**Spanish Mountain Gold Reports First Set of 2018 Drilling Results:
Intercepting More High Grade Areas within Proposed Pit**

Vancouver, BC - **Spanish Mountain Gold Ltd.** (the “**Company**”) (TSX-V:SPA) is pleased to announce the assay results from its strategic 2018 drilling program for the Spanish Mountain Gold Project (the “**Project**”) located in British Columbia, Canada.

The highly selective program targeted areas within the high-grade, near-surface First Zone of the Project’s multi-million ounce gold resource as described in the news release dated April 10, 2017. The objective of the program is to increase the total number of gold ounces captured in a possible future mine plan by reclassifying certain Inferred Resources to the Measured & Indicated categories. By design, the 2017 Preliminary Economic Assessment only incorporated M&I resources in the mine plan and thereby treated the extracted Inferred Resources as “waste”, which had the effect of artificially inflating the Project’s strip ratio and operating cost. If the current drilling program is successful in upgrading the targeted ounces in a future resource estimate, it is expected to further improve the Project’s robust economics as it effectively converts mined “waste” into mill feed and production ounces.

Highlights of the First Set of Drilling Results include:

- 27.43 metres (m) grading 1.76 grams per tonne (g/t), including 12.19m grading 3.62 g/t gold in hole 18SMRC-1221
- 67.06m grading 0.82 g/t, including 13.72m grading 1.22 g/t and 12.19m grading 1.86 g/t gold in hole 18SMRC-1224
- 16.76m grading 1.03 g/t, including 4.57m grading 2.28 g/t gold in hole 18SMRC-1225
- 41.15m grading 0.63 g/t, including 10.67m grading 1.32 g/t gold in hole 18SMRC-1226

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

The results of all six holes included in this first set of assays clearly indicate additional higher grade gold mineralization at shallow depths, most of which is at less than 100 metres from the surface. The holes are all located in areas that are proposed to be mined during the early years (Phase I) under the mine plan developed in the 2017 PEA.

As announced in the news release dated September 13, 2018, the Company has executed a number of work programs during the year in order to actively advance the Project in multiple technical areas. These programs were designed to fulfil the objectives of achieving higher feed grades, lower capital cost and a more robust resource than those assumed in the 2017 PEA. The initial results appear to support the distinct and welcome possibility for further scaling down from the 2017 mill throughput, which is expected to potentially reduce the initial capital cost significantly while maintaining the robust economics. In contrast with the previously assumed

(2012 PEA) throughput of 40,000 tonnes per day for the Project, the 2017 PEA presented a 20,000 tpd scenario focused exclusively on mining the high-grade/ near-surface First Zone resulting in a reduction of initial capital by \$257 million. The lower throughput case has materially improved all the economic metrics for the Project in spite of a significantly lower gold price assumption (US \$1,250 vs. US \$1,462). Please refer to the Company's website for a detailed comparison of these two scenarios at: www.spanishmountaingold.com/project/2017-pea-vs-2012-pea/

Management expects to report the remaining assay results as well as the results of the other programs over the next few months.

Larry Yau, Chief Executive Officer, commented: "We are delighted with this first set of assay results, which clearly sit well with our objective of converting 'waste' into mill feed in the next mine plan. Of note, this is the third consecutive drilling program over a number of years in which we have consistently encountered results with grades higher than 1 g/t over long intercepts at shallow depths, far exceeding the average grade for the entire resource. I believe that these results call for a comprehensive reassessment of the quality of our large resource as well as the economic model for its development. I look forward to reporting our progress on multiple fronts in due course."

Judy Stoeterau, P.Geo., 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 samples were assayed at ALS Global Ltd. in Vancouver, BC. The Company has retained Discovery Consultants of Vernon, BC, to independently monitor the quality control and quality assurance (QC/QA) data on the Spanish Mountain Gold Project. Analytical precision and accuracy are being measured and monitored by the use of duplicates, prep and pulp samples and by standards (reference material). Possible contamination during the sampling and processing procedures is being monitored by the insertion of blank samples.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Larry Yau
Chief Executive Officer

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This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on www.sedar.com. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table 1: Summary of Significant Assay Results

Hole	From	To	Length	Au g/t
18-SMRC-1221	0.00	10.67	10.67	0.50
including	3.05	6.10	3.05	1.17
and	3.05	4.57	1.52	1.92
18-SMRC-1221	13.72	16.76	3.05	0.46
18-SMRC-1221	19.81	21.34	1.52	0.24
18-SMRC-1221	24.38	51.82	27.43	1.76
including	28.96	41.15	12.19	3.62
and	38.10	41.15	3.05	13.26
and	38.10	39.62	1.52	25.70
18-SMRC-1221	82.30	83.82	1.52	0.47
18-SMRC-1221	89.92	96.01	6.10	0.56
18-SMRC-1221	99.06	102.11	3.05	0.35
18-SMRC-1222	27.43	28.96	1.52	0.24
18-SMRC-1222	32.00	41.15	9.14	0.30
18-SMRC-1222	45.72	47.24	1.52	0.58
18-SMRC-1222	64.01	74.68	10.67	0.38
including	64.01	65.53	1.52	1.31
18-SMRC-1222	77.73	79.25	1.52	0.83
18-SMRC-1222	91.44	92.97	1.52	0.92
18-SMRC-1222	102.11	103.63	1.52	0.20
18-SMRC-1222	106.68	111.25	4.57	0.25
18-SMRC-1222	114.30	115.83	1.52	0.22
18-SMRC-1223	0.00	24.38	24.38	0.39
including	9.14	10.67	1.52	1.56
including	21.34	24.38	3.05	0.97
and	22.86	24.38	1.52	1.26
18-SMRC-1223	30.48	32.00	1.52	0.21
18-SMRC-1223	36.58	44.20	7.62	0.23
18-SMRC-1224	4.57	71.63	67.06	0.82
including	4.57	18.29	13.72	1.22
and	6.10	7.62	1.52	1.37
and	12.19	18.29	6.10	1.82
and	12.19	15.24	3.05	2.78
and	12.19	13.72	1.52	4.24
including	22.86	25.91	3.05	1.73
and	22.86	24.38	1.52	3.06
including	35.05	47.24	12.19	1.86
and	44.20	45.72	1.52	4.18
18-SMRC-1225	0.00	16.76	16.76	1.03
including	7.62	12.19	4.57	2.28
18-SMRC-1225	22.86	27.43	4.57	1.23
including	22.86	24.38	1.52	3.31
18-SMRC-1225	45.72	79.25	33.53	0.42
including	68.58	79.25	10.67	0.76

Table 1: Summary of Significant Assay Results (continued)

Hole	From	To	Length	Au g/t
and	68.58	74.68	6.10	1.06
and	68.58	70.10	1.52	2.65
18-SMRC-1225	120.40	121.92	1.52	0.41
18-SMRC-1225	126.49	128.02	1.52	0.44
18-SMRC-1226	6.10	28.96	22.86	0.72
including	12.19	13.72	1.52	2.01
and	16.76	18.29	1.52	1.10
and	27.43	28.96	1.52	1.42
18-SMRC-1226	48.77	89.92	41.15	0.63
including	60.96	67.06	6.10	1.01
and	62.48	67.06	4.57	1.27
including	70.10	80.77	10.67	1.32
including	71.63	74.68	3.05	2.32
18-SMRC-1226	99.06	100.58	1.52	0.31
18-SMRC-1226	112.78	115.82	3.05	0.48