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Spanish Mountain Gold Announces Assay Results from Spanish Mountain &

Drilling at Thunder Ridge Nears Completion

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) announces details of assay results received from twenty four large-diameter (HQ) drill holes completed on the Spanish Mountain Gold Project in southern central British Columbia. Most of the holes were drilled to a depth of 150 metres (m) with the deepest to 160 m. The drilling was completed in late 2009 in a known area of near-surface higher grade gold mineralization. The samples from these holes are also being used for ongoing metallurgical test work being carried out at G&T Metallurgical Laboratory in Kamloops, British Columbia. Work to date has continued to confirm that gold recoveries of 90% can be achieved by a conventional process utilizing flotation and Carbon-in-Leach processing of the concentrate. All core samples were fire assayed at ALS Chemex Laboratory in Vancouver, British Columbia.

The Company also announces that drilling of seven holes at Thunder Ridge is underway and should be completed within one week.

Spanish Mountain Project Highlights

Highlights of assay results include:

- 40.0 metres (m) grading 1.19 g/t gold including 8.0 m grading 2.25 g/t gold in Hole 09-DDH-892.
- 27.5 m (starting at 38.0 m down the hole) grading 1.56 g/t gold including 17.0 m grading 2.29 g/t gold in Hole 09-DDH-891.
- 55.5 m grading 0.93 g/t gold including 12.0 m grading 1.71 g/t gold in Hole 09-DDH-871.
- 39.5 m (starting at 14.5 m down the hole) grading 1.18 g/t gold including 8.0 m grading 2.35 g/t gold and a second interval of 27.0m grading 0.87 g/t gold including 10.5 m grading 1.35 g/t gold in Hole 09-DDH-886.
- 20.0 m grading 1.30 g/t gold including 3.0 m grading 5.39 g/t gold in Hole 09-DDH- 888 and,
- 56.5 m (starting at 39.0 m down the hole) grading 0.81 g/t gold including 12.5 m grading 1.66 g/t gold in Hole 09-DDH-896.

Significant assay results are contained in the table (Table 1) appended to this news release.

These results confirm the presence of a near-surface higher grade area of gold mineralization within the Main Zone, which is being assessed as the economically advantageous location for a potential starter pit. The Company will incorporate these results and the results from other holes drilled in 2009 into an updated geological model as part of the current Preliminary Economic Assessment (“PEA”) (See Company News Release dated June 23, 2010). The PEA is progressing as planned and the Company expects delivery of the final report in the fourth quarter of this year.

The core from five additional HQ drill holes completed this spring has been shipped to SGS Lakefield in Ontario for test work designed to provide detailed information for crushing and grinding circuit design.

The Company anticipates that the current drilling programme at Spanish Mountain will be completed in August and assay results should be available in September.

Thunder Ridge Project Highlights

The Thunder Ridge property is located approximately 100 km south of Spanish Mountain and the Company has completed 23 holes to date. The current programme comprises seven holes for a total of approximately 1,700 m. All assay results from this drilling are expected in September.

Stuart Morris, P. Geo, the Company’s VP, Development Geology is a qualified person (as defined in NI 43-101) and has reviewed the contents of this news release.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on advancing its flagship Spanish Mountain gold project in central southern British Columbia. The Company has a current cash position of approximately \$5.0 million and has applied for Mineral Exploration Tax Credit refund from the Province of British Columbia totaling \$1.9 million. These funds are expected to be received in the third quarter of 2010.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

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Table 1: Significant Assay Results

Drill Hole	Core size	From	To	Width(m)	Gold g/t
09-DDH-869	HQ	79.5	84.5	5	0.63
	and	89	102.5	13.5	0.38
	and	107	141	34	0.95
	Including	108.5	110	1.5	3.59
	Including	118	121	3	3.51
	Including	124	129	5	1.39
09-DDH-870	HQ	8.5	11.5	3	0.73
	and	34	41.5	7.5	0.34
	and	47.5	64.5	17	0.37
	and	76.5	85	8.5	1.19
	Including	76.5	81.5	5	1.68
	and	107.5	138	30.5	0.97
	Including	112	113.5	1.5	6.70
	Including	127	128.5	1.5	6.29
09-DDH-871	HQ	46	101.5	55.5	0.93
	Including	50.5	59.5	9	1.45
	Including	67	79	12	1.71
09-DDH-872	HQ	40	48	8	0.85
	and	54	70	16	0.55
	Including	61.5	64	2.5	1.31
	and	80.5	125	44.5	0.72
	Including	94	104.5	10.5	1.30
	and	132.5	139	6.5	1.17
09-DDH-873	HQ	65.5	86.5	21	0.52
	Including	67	68.5	1.5	1.60
	and	95.5	115	19.5	0.46
	Including	113.5	115	1.5	1.61
	and	122.5	131.5	9	0.37
09-DDH-874	HQ	63.5	69.5	6	0.35
	and	93.5	111.5	18	0.46
	Including	110	111.5	1.5	1.25
	and	119	153	34	0.53
09-DDH-875	HQ	18	32.5	14.5	0.36
	Including	31	32.5	1.5	1.52
09-DDH-876	HQ	95.5	107.5	12	1.24
	Including	95.5	97	1.5	6.20

Table 1: Significant Assay Results (cont'd)

Drill Hole	Core size	From	To	Width(m)	Gold g/t
09-DDH-878	HQ	6.1	13	6.9	1.16
	and	96.5	114.5	18	0.68
	Including	96.5	98.5	2	2.93
		123.5	134.5	11	0.48
09-DDH-880	HQ	82	119.5	37.5	0.73
	Including	88	89.5	1.5	10.90
09-DDH-881	HQ	43.5	63.5	20	2.06
	Including	43.5	45	1.5	24.30
	and	93.5	111.5	18	0.64
09-DDH-882	HQ	8.5	17.5	9	1.14
	and	89	98	9	0.76
	and	122	134	12	0.71
	Including	128	129.5	1.5	2.10
09-DDH-883	HQ	23	32	9	1.05
	Included	26	30.5	4.5	1.46
	and	51.5	56	4.5	0.77
	and	65	72.5	7.5	1.18
	Including	71	72.5	1.5	4.21
	and	101	110	9	0.49
	and	128.5	151.49	22.99	0.63
09-DDH-886	HQ	14.5	54	39.5	1.18
	Including	19	27	8	2.35
	Including	34.5	39	4.5	2.53
	and	64.5	69	4.5	1.04
	and	88.5	91.5	3	0.68
	and	103.5	130.5	27	0.87
	Including	103.5	108	4.5	1.52
	Including	120	130.5	10.5	1.35
09-DDH-887	HQ	79	85	6	0.54
	and	95.5	103.5	8	1.14
	and	135	145.5	10.5	0.51

Table 1: Significant Assay Results (cont'd)

Drill Hole	Core size	From	To	Width(m)	Gold g/t
09-DDH-888	HQ	41.5	64	22.5	0.37
	Including	52	55	3	1.11
	and	79	101.5	22.5	0.50
	and	130	150	20	1.30
	Including	147	150	3	5.39
09-DDH-891	HQ	26	33.5	7.5	0.61
	and	38	65.5	27.5	1.56
	Including	48.5	65.5	17	2.29
	and	71.5	114	42.5	0.52
	and	133.5	148.5	15	0.57
09-DDH-892	HQ	73	113	40	1.19
	Including	73	79	6	2.16
	Including	90	97.5	7.5	1.28
	Including	102	110	8	2.25
09-DDH-893	HQ	48	57.5	9.5	0.95
	and	78.5	90.5	12	0.73
	and	102.5	117	14.5	1.21
	Including	104	107	3	2.71
09-DDH-894	HQ	21.5	39.5	18	1.22
	Including	32	38	6	2.63
	and	48.5	68.5	20	0.93
	Including	50.5	55	4.5	1.54
	and	73	100	27	0.51
09-DDH-895	HQ	16.5	66	49.5	0.76
	Including	36	42	6	1.94
	and	84	96	12	1.13
09-DDH-896	HQ	12	22.5	10.5	0.73
	and	39	95.5	56.5	0.81
	Including	57	69.5	12.5	1.66
	and	133.5	138	4.5	0.63
09-DDH-897	HQ	56.5	92.5	36	0.68
	Including	86.5	89.5	3	1.89
09-DDH-898	HQ	71	103	32	0.56
	Including	93.5	98	4.5	1.26

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