

**August 22, 2013**

## **Spanish Mountain Gold Announces Start of Drilling Programme**

**Spanish Mountain Gold Ltd.** (the “**Company**”) (TSX-V: SPA) announces that it has commenced a Reverse Circulation (“**RC**”) drilling programme at the Company’s flagship Spanish Mountain Project (the “**Project**”) in central British Columbia, Canada.

The RC drilling programme will be within an area (the “**test block**”) of the Main Zone of gold mineralization on the Project. The Company has planned the current drilling programme to ascertain the potential for grade improvement, if any, from data collected by RC drilling compared to data from the existing diamond drill holes (“**DDH**”) in the test block.

The current resource estimate for the Main Zone was prepared using the data from 670 DDH and is set out in the NI 43-101 technical report (the “**Resource Estimate Report**”) entitled “Updated Mineral Resource Estimate on the Spanish Mountain Gold Deposit” dated August 31, 2012, which was prepared by G.H. Giroux and A. Koffyberg, both independent qualified persons within the meaning of NI 43-101.

As set out in the Resource Estimate Report, using a gold cut-off grade of 0.2 g/t, the resource estimate is as follows:

	<b>Tonnes</b>	<b>Au, g/t</b>	<b>Ag, g/t</b>	<b>Ounces Au</b>	<b>Ounces Ag</b>
Measured	29,360,000	0.60	0.67	560,000	630,000
Indicated	186,870,000	0.44	0.69	2,620,000	4,150,000
<b>M+I</b>	<b>216,220,000</b>	<b>0.46</b>	<b>0.68</b>	<b>3,180,000</b>	<b>4,730,000</b>
<b>Inferred</b>	<b>316,740,000</b>	<b>0.36</b>	<b>0.65</b>	<b>3,650,000</b>	<b>6,620,000</b>

The RC drilling programme will be in two phases:

- The current phase of approximately 10,000 metres of drilling will be confined to the test block area of the Main Zone that is classified as being within an Indicated category of gold mineralization. Drill holes will be spaced to ensure that data collected from these holes will fall also within an Indicated category using only RC data.
- A second phase is expected to immediately follow to expand beyond the area of the test block and will conform as closely as possible to the initial phases of potential

pit development proposed in the NI 43-101 technical report (“**PEA**”) entitled “Technical Report and Preliminary Economic Assessment of the Spanish Mountain Gold Project, Likely, BC” with an effective date of December 18, 2012.

RC drilling was first completed on the Project in 1984 followed by several subsequent RC programmes together with extensive diamond drilling. The Company has identified a difference in gold grades in assay results from RC and DDH drilling and disclosed this in news releases dated March 7, 2013 and April 10, 2013. Data from RC holes to date represent a small portion of all data from drilling and consequently, data from these original RC holes were not included in the current resource estimate set out in the Resource Estimate Report.

### **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 four gold properties all 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 “will”, “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 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. 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 “Preliminary Economic Assessment for the Spanish Mountain Project” (the “PEA”) referred to herein is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability.*

***Cautionary Note Regarding Mineral Resources and Mineral Reserves***

*Readers are advised that National Instrument 43-101 of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's current technical reports and other continuous disclosure documents filed by the Company, available on SEDAR at [www.sedar.com](http://www.sedar.com) for further information regarding the mineral resource estimates of the Company's projects, which are subject to the qualifications and notes set forth therein, as well as for additional information relating to the Company more generally.*

*Mineral resources, which are not mineral reserves, have a great amount of uncertainty as to their existence and do not have demonstrated economic or legal viability. Inferred mineral resources have insufficient confidence to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability suitable for public disclosure. Neither the Company, nor readers, should assume that all or any part of an inferred mineral resource will be upgraded to indicated or measured mineral resources. Most projects at the inferred mineral resource stage do not ever form the basis of feasibility or other economic studies, or achieve successful commercial production. Each stage of a project is contingent on the positive results of the previous stage and that there is a significant risk that the results may not support or justify moving to the next stage.*

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