
November 22, 2016

Spanish Mountain Gold Announces Findings from Targeted Studies

Spanish Mountain Gold Ltd. (the “**Company**”) (TSX-V:SPA) is pleased to report on preliminary findings from two targeted programs, currently underway for advancing its Spanish Mountain Gold Project (the “**Project**”) located in central British Columbia, Canada.

Alternate Mine Plan

As previously indicated in a news release dated Oct. 12, 2016, the Company has engaged Moose Mountain Technical Services to study alternatives in developing a mine plan for a conceptually lower throughput project. The preliminary findings of the study suggest that there are reasonable bases to develop the Company’s multi-million ounce resource in two distinct zones. The first zone, located near the south central area of the deposit, comprises of mostly higher grade materials falling under the measured and indicated (M&I) classification of the resource within a conceptual pit. This zone could potentially be processed at approximately 20,000 tonnes per day (tpd) sustaining a standalone mining operation for more than 20 years⁽¹⁾. In the Project’s previous Preliminary Economic Assessment, the mine plan for the entire resource entailed a throughput of 40,000 tpd throughout its mine life of 14 years.

The Company expects that a lower throughput scenario will potentially reduce the overall capital expenditure while maintaining a robust production profile at a reasonable unit cost. Furthermore, by focusing on the selected zone for initial development, the Company may (subject to the completion of an updated PEA) proceed with a preliminary feasibility or feasibility study without first conducting a significant infill drilling program resulting in material cost and time savings.

The Company also believes that the second zone, which surrounds the first zone within the current resource, and the Phoenix zone, located 2 kilometres west, could potentially enhance the Project’s production profile, either concurrently or subsequently.

Metallurgical Process

A metallurgical test program is underway on core rejects from previous drilling campaigns. Compared to the proposed flowsheet incorporated in the previous PEA, this testwork is being completed without the inclusion of a prefloat step or gravity concentration in order to simplify the overall process flowsheet. Initial testwork has achieved sufficient success to justify the ongoing work presently underway. This

testwork will also include additional samples for the purpose of demonstrating consistency in results. The Company will release the final results as they become available.

Larry Yau, CEO, commented: “These investigative studies provide us with comfort about our Project’s development flexibility and scalable capital requirements. We look forward to reporting the results of the metallurgical evaluation and incorporating all the findings in a subsequent new PEA, which I believe will demonstrate the robust economics of our mineral resource under our new approach.”

⁽¹⁾ *while the study indicates that the first zone within the Project’s resource could potentially sustain a lower throughput mine plan on the basis of mineralization and grade distributions, the economic viability of such a plan has not yet been demonstrated with a Preliminary Economic Assessment. Readers are cautioned against assuming otherwise until a PEA is completed for the Project.*

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 Preliminary Economic Assessment. The Company is currently investigating several opportunities to further improve the Project’s economics. 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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