



1120-1095 West Pender Street
Vancouver, British Columbia, V6E 2M6
Tel: 604.601.3651

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Spanish Mountain Gold Announces Closing of Oversubscribed Private Placement

Vancouver, B.C. - Spanish Mountain Gold Ltd. (“**Spanish Mountain**” or the “**Company**”) (TSX-V: SPA) is pleased to announce that it has closed a non-brokered private placement offering (the “**Offering**”) of 40,000,000 common share units (the “**Units**”) for gross proceeds of \$4,000,000. Management has determined that it is in the best long-term interest of the Company to upsize the Offering in order to accommodate a highly respected mining investor, Mr. Eric Sprott.

Each Unit consisted of one common share of the Company and one common share purchase warrant (a “**Warrant**”). Each Warrant entitles its holder to purchase one common share at a price of \$0.15 per share for a period of two years. All of the securities issued in connection with the Offering are subject to a statutory four-month hold period expiring on November 13, 2020.

Larry Yau, CEO, commented: “I believe this private placement has fulfilled our goal of placing shares exclusively with long term supporters of our project. The Company would like to welcome the many investors from around the globe including a personal investment by Mr. Sprott as our new shareholders and thank a number of existing shareholders for increasing their investment in our Project. We regret leaving numerous orders for the private placement unfilled as we strongly believe in maintaining discipline in financing.”

No finders’ fees, warrants or commissions were paid in connection with the Offering. The Company expects to use all of the proceeds of the Offering to advance the Company’s Spanish Mountain gold project. Details of the project work will be announced shortly. The Offering is subject to final acceptance by the TSX Venture Exchange upon filing of final documentation.

An officer of the Company subscribed to a total of 1,150,000 Units in connection with the Offering. Such participation is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to nor the consideration paid by such persons exceeded 25% of the Company's market capitalization.

Mr. Sprott through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, acquired 20,000,000 Units pursuant to the Offering for a total consideration of \$2,000,000. Subsequent to the Offering, Mr. Sprott beneficially owns or controls 20,000,000 common shares of the Company and 20,000,000 Warrants representing approximately 7.2% of the issued and outstanding shares of the Company on a non-diluted basis and approximately 13.4% of the issued and outstanding shares of the

Company on a partially diluted basis assuming exercise of the Warrants acquired hereunder and forming part of the Units. Prior to the Offering, Mr. Sprott did not beneficially own or control any share of the Company.

The Units were acquired by Mr. Sprott for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company including on the open market or through private acquisitions or sell securities of Company including on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other factors that Mr. Sprott considers relevant from time to time.

A copy of the applicable early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling Mr. Sprott's office at (416) 945-3294 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd. is focused on advancing its multi-million ounce Spanish Mountain gold project in southern central British Columbia. The Company has prioritized the development of the first phase of the Project in which the pit-delineated high-grade core of the deposit is potentially expected to sustain a stand-alone operation of 11 years. The potential viability of the Project's Phase 1 has been demonstrated in a Preliminary Economic Assessment. The PEA illustrates the project potential with a combination of modest capital requirements (**US\$270m**) and low operating cost (**AISC \$549/oz**) over its mine life. Additional information on the PEA and about the Company is available on www.sedar.com and on the Company's website: www.spanishmountaingold.com

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Larry Yau
Chief Executive Officer

Inquiries:
SPANISH MOUNTAIN GOLD LTD.

Phone: (604) 601-3651
E-mail: info@spanishmountaingold.com
Website: www.spanishmountaingold.com

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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 SEDAR (see 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.