

September 28, 2010

Spanish Mountain Gold Announces Positive Results of Gold Recovery Testwork

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) is pleased to announce the results of ongoing flotation testwork on samples from the Spanish Mountain gold project near Williams Lake, British Columbia.

Highlights

- 95% recovery of gold to a cleaned concentrate.
- The inclusion of a gravity concentration circuit will increase overall gold recovery and will provide greater flexibility in the operation of the circuit.
- Confirmatory testwork with respect to cyanidation recovery on primary concentrates is ongoing.
- The overall gold recovery from gravity concentration, flotation and cyanidation is expected to be 90%.

Flotation testwork was carried out on three composite samples from the Spanish Mountain Gold Project in British Columbia. The samples were taken from an area that is currently being investigated as the economically advantageous location for a potential starter pit under the Preliminary Economic Assessment (“PEA”). The composites had head gold grades varying from 0.45 to 0.94 g/t Au and represented different lithologies from within the deposit.

The testwork demonstrated that at a primary grind of 80% passing 184 microns a rougher gold recovery of 96.5% can be achieved. Cleaning of the rougher concentrate through a single stage of open circuit cleaning results in a loss of gold equal to approximately 1.5%. The Company therefore believes that the results support previous metallurgical test results that indicated 95% recovery of gold to a cleaned concentrate. The Company also believes that optimization of the flotation conditions may result in a slight increase in gold recovery in the order of 1%. Additional cyanidation recovery testwork on primary concentrates is being conducted to confirm the previous testwork results indicating a 95% extraction from the concentrates.

Consistent with the results generated by various metallurgical analyses to date, gold recovery assumption at 90% will be used for the PEA which is currently being prepared and which the Company expects to release during the fourth quarter of 2010.

The flotation testwork was undertaken at G&T Metallurgical Laboratory in Kamloops, British Columbia under the supervision of Dr. Morris Beattie, P. Eng, a qualified person under National Instrument 43-101, who has reviewed the contents of this news release.

A complete report detailing this testwork will be available shortly under the profile of the Company on SEDAR and on the website of the Company.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on developing its flagship Spanish Mountain gold project in central southern British Columbia. The National Instrument 43-101 compliant resource estimate released in 2009 documented that 3.9 Million oz Au are contained (at a 0.30 g/t Au cut-off grade) in the measured and indicated resource categories. The Company has no debt and owns 100% of all four gold properties located in British Columbia.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

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