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March 07, 2012

## **Spanish Mountain Gold Reports Final Drilling Results From 2011 Program**

**Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV)** is pleased to announce the final results from drilling completed in 2011 within the Main Zone of its Spanish Mountain Gold Project (the “Project”) located in central British Columbia, Canada. The results for the Main Zone presented in this news release represent both in-fill drill holes designed to upgrade mineralization from the Inferred to Measured and Indicated categories and geotechnical holes drilled to optimize the design of pit walls.

The Company also announces the results from drilling of the copper target in the Cedar Creek area of the Spanish Mountain Property.

### **MAIN ZONE HIGHLIGHTS:**

- 71.05m grading 1.03g/t gold and 56.65m grading 0.49 g/t gold in hole 11-DDH-999.
- 33.56m grading 0.65g/t gold in hole 11-DDH-998.
- 32.95m grading 0.70g/t gold in hole 11-DDH-996.
- 34.50m grading 0.92g/t gold in hole 11-DDH-992.
- 27.40m grading 0.69g/t gold in hole 11-DDH-997.

Significant assay results from the Main Zone are contained in Table 1 appended to this news release. A map showing the location of drill holes reported in this release may be found on the Company website:

<http://www.spanishmountaingold.com/s/SpanishMountain.asp?ReportID=511067>

### **Discussion of Results**

The 2011 drilling program within the Main Zone was designed primarily to provide in-fill data for an updated resource calculation consistent with the Company’s stated objective of completing a feasibility study for the Project by mid – 2013. The results presented herein will be included, together with the results of additional infill drilling that is currently underway, in an updated resource estimate to be completed in late summer, 2012.

The results presented herein continue to demonstrate the occurrence of areas of higher grade gold mineralization (hole 11-DDH-999) within the Main Zone. These areas will be the focus of pit optimization studies to delineate potential starter pits within the larger pit design.

Drilling completed in the Cedar Creek area during 2011 focused on the exploration of two geochemistry anomalies, one having an elevated gold signature and the other a copper signature. The drilling of the gold anomaly identified a new gold zone, the Phoenix Zone, as announced by the Company in the news release dated 7 December, 2011. The Company is currently focusing on incorporating this new zone into the Spanish

Mountain Gold Project as part of the studies that are continuing to advance the project towards the completion of a feasibility study. In order to fully capture the added value of the Phoenix Zone the completion of a Technical Report for the overall project has been extended to late summer 2012. The Feasibility Study for the project will be commenced prior to the completion of this Technical Report and is scheduled for completion in the summer of 2013.

The results of drilling of the copper anomaly have now also been received by the Company. The results include sub-economic copper concentrations over wide intervals with narrow intervals of higher grade copper concentrations over the range of 0.11 to 0.44%Cu. The highest grade indicated was encountered within pyrrhotite mineralization in volcanics. The source of the copper will be further studied in conjunction with interpretation of the geophysical data obtained for the area. Further work on the copper anomaly will be undertaken as a second priority to the advancement of the gold project.

Brian Groves, President and CEO commented “We are very encouraged by the results from the Main Zone which continue to highlight areas of higher gold grades. Our focus remains on the advancement of our Spanish Mountain gold project and the new Phoenix discovery. The latter demonstrates that we continue to make significant new discoveries on our Property as we move towards feasibility. The copper assays though sub-economic, clearly indicate a bedrock source for the geochemical anomaly. We will continue to review these results.”

Judy Stoeterau, P.Geo., the Company’s Vice-President of Geology and the qualified person as defined under National Instrument 43-101, has reviewed the contents of this news release. All core samples were assayed at ALS Chemex Laboratory in Vancouver, BC. The Company has retained Discovery Consultants of Vernon, BC, to independently monitor the quality control and quality assurance (QC/QA) data on the Spanish Mountain Gold Project. Analytical precision and accuracy are being measured and monitored by the use of duplicate core, prep and pulp samples and by standards (reference material). Possible contamination during the sampling and processing procedures is being monitored by the insertion of blank samples.

#### **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, Canada. The Company has a strong cash position with no debt and owns 100% of four gold properties 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 "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 our 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. Management has assumed that these will be our major projects going forward. Risks include that we are unable to satisfy environmental or other regulators, that we determine that our resources are not commercially viable, or that we have difficulties due to unavailability of labour or equipment.*

*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 TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

**Table 1: Significant Assay Results**

<b>Hole</b>	<b>From</b>	<b>To</b>	<b>Length (m)</b>	<b>Au g/t</b>	<b>Area</b>	
11-DDH-989	220.00	233.00	13.00	1.01	MZ	Geotechnical Drill Hole
including	220.00	223.50	3.50	2.78	MZ	
and	227.00	233.00	6.00	0.55	MZ	
11-DDH-990	154.50	175.20	20.70	0.52	MZ	Geotechnical Drill Hole
11-DDH-991	133.50	150.11	16.61	0.38	MZ	Geotechnical Drill Hole
including	133.50	140.00	6.50	0.45	MZ	
and	143.00	150.11	7.11	0.41	MZ	
11-DDH-992	47.00	81.50	34.50	0.92	MZ	Geotechnical Drill Hole
including	47.00	64.50	17.50	0.86	MZ	
and	47.00	55.00	8.00	1.78	MZ	
and	69.00	81.50	12.50	1.31	MZ	
11-DDH-992	162.00	168.40	6.40	0.44	MZ	
11-DDH-992	222.50	231.00	8.50	0.44	MZ	

including	224.00	226.50	2.50	1.09	MZ
11-DDH-993	92.50	103.00	10.50	0.53	MZ
including	92.50	97.00	4.50	1.00	MZ
11-DDH-994	97.50	116.50	19.00	0.36	MZ
including	97.50	112.00	14.50	0.44	MZ
11-DDH-995	33.50	38.00	4.50	1.08	MZ
11-DDH-996	54.53	87.48	32.95	0.70	MZ
including	54.53	60.50	5.97	1.22	MZ
11-DDH-997	13.50	54.50	41.00	0.30	MZ
including	13.50	37.50	24.00	0.36	MZ
11-DDH-997	84.50	111.90	27.40	0.69	MZ
11-DDH-998	20.00	23.14	3.14	1.17	MZ
11-DDH-998	48.50	57.50	9.00	0.76	MZ
11-DDH-998	66.50	110.50	44.00	0.51	MZ
including	66.50	100.06	33.56	0.65	MZ
and	66.50	69.80	3.30	2.74	MZ
11-DDH-998	128.50	147.50	19.00	0.59	MZ
including	137.50	147.50	10.00	0.66	MZ
11-DDH-999	6.10	60.75	54.65	0.49	MZ
including	6.10	28.50	22.40	0.65	MZ
and	34.00	60.75	26.75	0.45	MZ

11-DDH-999	70.40	141.45	71.05	1.03	MZ
including	76.50	141.45	64.95	1.11	MZ