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For Immediate Release

November 27, 2012

Spanish Mountain Announces Private Placement of up to \$3,000,000

VANCOUVER, B.C. - Spanish Mountain Gold Ltd. (“**Spanish Mountain**” or the “**Company**”) (TSX-V: SPA) is pleased to announce that it has engaged Secutor Capital Management Corporation (“**Secutor**”) to act as lead agent on a brokered private placement (the “**Offering**”) to raise up to \$3,000,000 through the issuance of flow-through units (the “**FT Units**”). Each FT Unit will be sold at a price of \$0.33 per FT Unit (the “**Issue Price**”) and will consist of one common share of the Company which will be designated as a flow-through share (the “**FT Shares**”) for the purposes of the Income Tax Act (Canada) (the “**Tax Act**”) and one-half of one common share purchase warrant (a “**Warrant**”). Each full Warrant entitles its holder to purchase one common share (a “**Warrant Share**”) at a price of \$0.45 per Warrant Share for a period of 18 months following the closing of the Offering (the “**Closing Date**”). The Company has also granted Secutor an over-allotment option, exercisable at the Issue Price at any time prior to the Closing Date, to purchase FT Units for up to an additional 15% of the total size of the Offering.

Secutor will be paid an aggregate cash commission equal to 6% of the gross proceeds received by the Company from purchasers of the FT Units. The Closing Date is scheduled to take place on or about December 12, 2012, or such other date as the Company and Secutor may agree, and is subject to the completion of subscription agreements with the investors and the approval of the TSX Venture Exchange. The Offering is available to accredited investors only, and all securities issued in connection with the Offering will be subject to a four month hold period in Canada.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the 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.

The proceeds from the Offering will be used by the Company to incur exploration expenditures on the Company’s properties in British Columbia (the “**Properties**”). Such exploration expenditures on the Properties will constitute “Canadian exploration expenses” and “flow through mining expenditures” as defined in the Tax Act which can be renounced to purchasers of the FT Units for the 2012 taxation year.

The Offering is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including from the TSX Venture Exchange, as well as the negotiation and execution of certain documentation, including an agency agreement between Secutor and Spanish Mountain.

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

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 Spanish Mountain's 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 the Properties will be Spanish Mountain's major projects going forward. Risks include that Spanish Mountain is unable to satisfy environmental or other regulators, that Spanish Mountain determines that its resources are not commercially viable, or that Spanish Mountain has difficulties due to unavailability of labour or equipment. The Offering is subject to approval by the TSX Venture Exchange.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect Spanish Mountain's current judgment regarding the direction of its 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,

Spanish Mountain does not intend to update any forward-looking statements to conform these statements to actual results.

Neither TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.