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Spanish Mountain Gold Provides Clarification on Recent Project Update

Spanish Mountain Gold Ltd. (the “**Company**”) (TSX-V: SPA) announces that as a result of a review by the British Columbia Securities Commission, the Company is issuing the following news release to clarify disclosure contained within the news release issued by the Company on March 7, 2013 pertaining to the Spanish Mountain Project (the “**Project**”).

Potential Grade Increase

The Company announced the potential for a grade increase for results from Reverse Circulation (“RC”) drilling compared to assay results from diamond drilling. A supporting report was prepared by Dr. M.J.V. Beattie and filed on SEDAR on March 26, 2013.

The Company wishes to clarify that the information disclosed therein is conceptual in nature, there are not sufficient reverse circulation drilling data to support a change to the resource estimate and it is uncertain if further drilling will result in a grade increase being achieved. Furthermore, the Company cautions investors against placing undue reliance on those statements contained within the News Release dated March 7, 2013.

Disclosure of Mineral Resources

The Company referenced the existing NI 43-101 mineral resource for the Spanish Mountain Project within the news release issued on March 7, 2013 in a non-compliant manner. Total contained ounces of gold were presented for each of the Measured and Indicated and Inferred categories without disclosing grade and tonnages for each category as required by NI 43-101.

The Company wishes to state that the mineral resource compliant with NI 43-101 is as presented in the following tables (and originally disclosed by the Company in a News Release dated July 24, 2012) using cut-off grades of 0.3g/t gold and 0.2 g/t gold.

Spanish Mountain updated resources (at a 0.30 g/t gold cut-off) effective July, 2012

Classification	Tonnes	Gold grade (g/t)	Silver grade (g/t)	Gold (ounces)	Silver (ounces)
Measured	21,240,000	0.73	0.64	500,000	440,000
Indicated	113,230,000	0.56	0.69	2,040,000	2,510,000
Measured plus Indicated	134,470,000	0.59	0.68	2,540,000	2,950,000
Inferred	147,830,000	0.49	0.67	2,320,000	3,180,000

Spanish Mountain updated resources (at a 0.20 g/t gold cut-off) effective July, 2012

Classification	Tonnes	Gold grade (g/t)	Silver grade (g/t)	Gold (ounces)	Silver (ounces)
Measured	29,360,000	0.60	0.67	560,000	630,000
Indicated	186,870,000	0.44	0.69	2,620,000	4,150,000
Measured plus Indicated	216,220,000	0.46	0.68	3,180,000	4,780,000
Inferred	316,740,000	0.36	0.65	3,650,000	6,620,000

Tonnages and contained ounces presented above may not total as shown due to rounding. Readers are cautioned that mineral resources, which are not mineral reserves, do not have demonstrated economic viability.

The Company cautions investors to not rely on the statements pertaining to mineral resources as presented in the news release dated March 7, 2013 but to refer to the mineral resources presented above. Furthermore, the Company will ensure that all future references to mineral resources pertaining to the Project will be presented in a manner compliant with NI 43-101.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

Brian Groves,
President & CEO

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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 "Preliminary Economic Assessment for the Spanish Mountain Project" (the "PEA") referred to herein is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The PEA effective November 15, 2012 was prepared was completed by TetraTech, an internationally recognized engineering firm.

Cautionary Note Regarding Mineral Resources and Mineral Reserves

Readers are advised that National Instrument 43-101 of the Canadian Securities Administrators requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to the Company's current technical reports and other continuous disclosure documents filed by the Company, available on SEDAR at www.sedar.com for further information regarding the mineral resource estimates of the Company's projects, which are subject to the qualifications and notes set forth therein, as well as for additional information relating to the Company more generally.

Mineral resources, which are not mineral reserves, have a great amount of uncertainty as to their existence and do not have demonstrated economic or legal viability. Inferred mineral resources have insufficient confidence to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability suitable for public disclosure. Neither the Company, nor readers, should assume that all or any part of an inferred mineral resource will be upgraded to indicated or measured mineral resources. Most projects at the inferred mineral resource stage do not ever form the basis of feasibility or other economic studies, or achieve successful commercial production. Each stage of a project is contingent on the positive results of the previous stage and that there is a significant risk that the results may not support or justify moving to the next stage.

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.