



Spanish Mountain Gold's Resource Update Adds More Metal While Boosting The Average Grade

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Core Shacks at Spanish Mountain

Management at Spanish Mountain Gold published an updated NI 43-101 resource estimate for their Spanish Mountain Gold Project in central British Columbia this Thursday. The Spanish Mountain team were successful not only in adding more gold to the resource but have delivered a meaningful increase to the average grade.

The previous resource at Spanish Mountain was published in July of 2012. Since then, the company has completed a great deal of exploration including 9,229 metres of reverse circulation drilling in 56 holes. That drilling program was undertaken when the Spanish Mountain team identified the potential for a grade increase as the core drilling used for the majority of the resource estimation appeared to significantly

underestimate the resource grade. In addition, the extensive inferred resources in the resource estimate provided the opportunity to upgrade metal to the measured and indicated categories.

Back in September of 2013, Spanish Mountain's, then chief operating officer, Dr. Morris Beattie, explained the situation to Minesite. "There were quite a few reverse circulation holes drilled and we noticed a bias but we decided to use only the diamond drilling in the previous resource. When we had a bit of time to look at the results more closely, it wasn't just a random variation. At every grade level we're seeing a bias", he explained.

Management were pleased to report that the results of exploration conducted over the past year have proven that the grades stated in the previous resource estimate were indeed understated.

In fact, a detailed study on a 50 million tonne portion of the resource, dubbed the Test Block, has confirmed that huge discrepancies exist between the core and reverse circulation drill results. Discrepancies of 11.5 per cent, 25 per cent, and 41.7 per cent were found in the upper argillite, tuff, and lower argillite domains respectively. While management warn that the results seen in the Test Block cannot be directly transferred to the resource en masse, the results provide significant blue sky.

Taking a closer look at the updated estimate, the company has been able to add 27 per cent more gold to the measured category while boosting the indicated resource by 6.5 per cent. In aggregate, the

measured and indicated resource at Spanish Mountain has expanded 10 per cent in the latest resource estimate to 237,830,000 million tonnes grading 0.46 grams per tonne gold and 0.69 grams per tonne silver for 3.5 million ounces of contained gold and 5.28 million ounces of silver.

In addition, the Spanish Mountain project holds an inferred mineral resource of 310,970,000 tonnes grading 0.35 grams per tonne gold and 0.63 grams per tonne silver for an additional 3.5 million ounces of gold and 6.3 million ounces of silver.

Having successfully added more gold to their measured and indicated resource at Spanish Mountain as well as proven their hypothesis that grades were understood, the Spanish Mountain team intend to continue with exploration in the 2014 field season.

Dr. Beattie, who took the position of chief executive in October of 2013, commented on the resource update: "We are very pleased that our expectations for the demonstration of a potential grade increase have been met and that this increase has yielded an increase in the measured and indicated resource categories for the deposit. The company will now focus on additional drilling this summer and on advancing the project in other areas."

Spanish Mountain Gold's share price has remained steady this week at C\$0.07 on the TSX Venture Exchange.
