

VANCOUVER, BC--(Marketwired - October 12, 2016) - Spanish Mountain Gold Ltd. (the "Company") (TSX VENTURE: SPA) is pleased to announce two targeted programs for advancing its Spanish Mountain Gold Project (the "Project") located in central British Columbia, Canada.

Alternate Mine Plan

A previous news release dated September 23, 2014 indicated that the Company would continue to evaluate such alternatives as a lower throughput project that focused on the higher grade central portion of the deposit. The Company has now engaged Moose Mountain Technical Services to study alternatives in developing a mine plan for a conceptual 20,000 tonnes per day (tpd) project. The study will be completed using an updated block model that incorporates the high grade drill results achieved during 2013 and 2014 drill programs. In the Project's previous Preliminary Economic Assessment, the mine plan entailed a throughput of 40,000 tpd throughout its mine life of 14 years. The Company believes that a lower throughput scenario will potentially reduce the initial capital expenditure while maintaining a robust production profile at a reasonable unit cost.

Metallurgical Process

Over the course of reviewing the results of previous metallurgical test programs, the Company's staff identified the potential to simplify the process flowsheet while maintaining an overall gold recovery indicated in the previous PEA. A test program to demonstrate the efficacy of the simplified flowsheet is being conducted by Met Solve Laboratories Inc of Langley, B.C. A simplified flowsheet can potentially eliminate certain capital and operational costs incorporated in the previous PEA and could further improve the Project's economics.

Larry Yau, CEO, commented: "Our decision to commence these studies is based on extensive internal investigation targeting technical areas that we believe will potentially lead to material improvements to the Project's economics. I believe the findings of the exercise will further enhance the understanding of our mineral resource and look forward to incorporating them in a new PEA in the future."

About Spanish Mountain Gold

[Spanish Mountain Gold Ltd.](#) is focused on advancing its flagship Spanish Mountain gold project in southern central British Columbia. The positive economics of the multi-million ounce Mineral Resource have been demonstrated in a Preliminary Economic Assessment. Additional information about the Company is available on its website:

www.spanishmountaingold.com

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Larry Yau,
Chief Executive Officer

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This news release contains forward-looking information, which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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