



Suite 920 – 1055 West Hastings St.

Vancouver, BC V6E 2E9

Tel (604) 601 3650

August 26, 2010

Spanish Mountain Gold Announces Grant of Options

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) announced today the grant of options to acquire an aggregate of 600,000 common shares of the Company to two directors of the Company, in each case at an exercise price of \$0.45 until August 23, 2015. The foregoing is subject to regulatory acceptance.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on advancing its flagship Spanish Mountain gold project in central southern British Columbia. The Company has a current cash position of \$4 million and has applied for Mineral Exploration Tax Credit refund from the Province of British Columbia totaling \$1.9 million. These funds are expected to be received in the third quarter of 2010.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD

Brian Groves

Brian Groves.
President

Contact:

Bill Gillies
(604) 601-3650

or B&D Capital Partners
(604) 685-6465

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release may contain certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. Actual results and future events could differ materially from those anticipated in such statements. 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 with the TSX Venture Exchange, the British Columbia Securities Commission and the US Securities and Exchange Commission.

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