
March 17, 2011

Spanish Mountain Gold and Williams Lake Indian Band Announce Signing of Protocol Agreement for Spanish Mountain Project

Spanish Mountain Gold Ltd. (“SMG”) (SPA-TSXV) is pleased to announce the signing of a Protocol Agreement (the “Agreement”) with Williams Lake Indian Band (“WLIB”). The Agreement addresses issues in relation to the development of SMG’s Spanish Mountain gold project located near Likely, British Columbia. The announcement follows a WLIB community meeting held on March 14, 2011, during which members of the WLIB were given the opportunity to discuss the project, ask questions and address representatives of SMG.

Under the Agreement, SMG recognizes and respects WLIB’s asserted aboriginal rights and title in the area of the Spanish Mountain gold project and the WLIB recognizes and respects SMG’s rights and interests in the exploration and development of the Project. The Agreement also reflects a commitment by both SMG and WLIB for continued engagement in a respectful and collaborative manner.

The Agreement provides capacity support to WLIB for its ongoing involvement in the Project as well as training, employment, and business opportunities. Additionally, the Parties have committed to negotiate a more detailed agreement regarding the impacts and benefits associated with the construction, operation and reclamation of a large scale mine development.

WLIB’s Chief Ann Louie states:

“We are pleased to conclude this agreement, and by the show of support in our community. I think it demonstrates that First Nations and private industry can work together positively and co-operatively and seek to find mutually beneficial common ground. Our community is as interested as everyone else in seeing our region survive and thrive economically. We just need to make sure that we move forward in a fashion that is environmentally sensible and respectful of our traditional uses of the land.”

Brian Groves, President and CEO of SMG echoes Chief Louie’s remarks:

“We are very pleased to have signed this agreement with the WLIB. Spanish Mountain Gold Ltd. places a high priority on building and maintaining strong relations with those First Nations in whose Traditional Territories we operate. This Agreement formalizes our emerging relationship with the WLIB and provides a strong framework for open communication, consultation and discussion at each stage of the ongoing development of the Spanish Mountain Project.”

The Company wishes to acknowledge the support of Catana Consulting, a Vancouver-based consultancy specializing in First Nation engagement activities, whose assistance was instrumental in the successful completion of this Protocol Agreement.

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 no debt and owns 100% of all four gold properties located in British Columbia. Additional information about the Company and its project are available on its website: www.spanishmountaingold.com

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

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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.