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Spanish Mountain Announces Closing of \$20 Million Financing

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) is pleased to announce that it has closed its private placement offering (the “Offering”), previously announced on June 30, 2011.

Pursuant to the Offering, 33,333,328 units (the “Units”) have been placed at a price of \$0.60 per unit for total gross proceeds of approximately CAD\$20,000,000. Due to stronger than expected investor demand, the size of the Offering was increased by 8,333,328 Units for additional proceeds of \$5,000,000. Each Unit consisted of one common share and one-half of one share purchase warrant (“Warrant”), with each whole Warrant entitling the holder to acquire an additional common share of the Company at a price of \$0.70 per share for a period of two years.

Certain directors and officers of the Company including Mr. Ian Watson, the Chairman of the Board of Directors, have acquired an aggregate of 5.8 million Units for \$3,480,000.

The proceeds from the Offering will be used to advance the development of the Company’s Spanish Mountain gold project and for general corporate purposes. The Company plans to commence drilling of the gold in soil geochemical anomaly in the Cedar Creek area later this week. The centre of this area is located approximately 2.5 km west of the Main Zone of gold mineralization.

The Company is paying finders’ fees of \$416,000 in connection with the Offering. All of the securities issued under the Offering are subject to hold period which will expire on November 12, 2011 in accordance with applicable Canadian securities laws.

Brian Groves, CEO, comments: “We are very encouraged by investors’ interest in this Offering. As a result of the financing and taking into account the well in-the-money warrants expiring next year, we will have sufficient funds in place to complete the preliminary and definitive feasibility studies for the Spanish Mountain gold project, as well as to drill our various exploration targets on the property. I look forward to reporting on our progress.”

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 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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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.