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Spanish Mountain Gold Announces Project Objectives for 2020

Vancouver, B.C. - Spanish Mountain Gold Ltd. (the “Company”) (TSX-V:SPA; OTC-SPAZF) is pleased to provide a corporate update on its 100% owned Spanish Mountain gold project (the “Project”) located in central British Columbia, Canada. In 2019 the Company completed a Preliminary Economic Assessment (the “PEA”) for the Project, the positive results of which were announced in a news release dated October 23, 2019 followed by a NI 43-101 Technical Report filed on December 4, 2019.

The PEA, the results of which are summarized below, was completed assuming a 10,000 tonnes per day (“tpd”) throughput and a base-case gold price of US\$1,275/ounce. With the gold price currently being well over US\$1,600/ounce, the Company intends to accelerate project activities as quickly as possible with the objective of achieving major milestones for the Project by the end of the year. Plans are currently being completed for a field-work and cost study program that will be executed this summer in order to further de-risk the Project and that will provide increased confidence in the highly positive results delivered under the PEA. Details of the program will be provided as work proceeds.

Financial Analysis

As reported in the October 23, 2019 new release, the PEA demonstrates the potential viability of the Project’s Phase I operation that envisages a low-cost, owner-operated open pit mine processing 39 million tonnes of material (all from Measured & Indicated resource) over an eleven-year period at an average diluted grade of 1.00 gram/tonne gold (g/t Au) and a 91% metallurgical recovery of gold.

Highlights of the PEA are as follows (all amounts are in Canadian dollars unless otherwise indicated; base case is stated using a gold price of US\$ 1,275 per ounce and an exchange rate of \$C1.00 equal US\$0.75):

- This first phase of operation has a mine life of 11 years with peak production of 130,000 ounces per annum (Year 4) and an average LOM annual production of 104,000 ounces of gold for a total of 1,145,000 ounces

- Initial capital is estimated to be C\$364M (or US\$273M), which includes a contingency of C\$42M. Sustaining capital over the life of the mine is estimated to be C\$58M
- Average metallurgical recovery of gold is 91%
- Selected operational and cost metrics are shown in the table below:

	Unit	Year 1 – 5 Average	Life of Mine Average
Gold Grade	g/t	1.13	1.00
Recovery	%	91	91
Annual Gold Production	Koz	116	104
Cash Cost / oz	US\$	481	511
All-in-sustainable Cost / oz	US\$	519	549
Total Cost / oz	US\$	776	807

Sensitivity analysis of the base case illustrates the potential impact of increasing gold price:

		Select Gold Price (US\$ per oz)								
		Units	\$1,100	\$1,200	\$1,275	\$1,450	\$1,500	\$1,600	\$1,700	\$1,800
Pre-tax:										
NPV at 5%	C\$mm		\$232	\$336	\$414	\$596	\$648	\$752	\$856	\$960
Internal Rate of Return (IRR)	%		16%	20%	23%	29%	31%	34%	37%	40%
Payback of Initial Capex	Years		4.3	3.8	3.5	2.9	2.8	2.6	2.4	2.2
Post-tax:										
NPV at 5%	C\$mm		\$201	\$274	\$325	\$443	\$476	\$543	\$609	\$676
Internal Rate of Return (IRR)	%		15%	18%	21%	26%	27%	30%	32%	35%
Payback of Initial Capex	Years		4.3	3.8	3.5	3.0	2.9	2.6	2.4	2.3

Larry Yau, CEO, commented: "The 2019 PEA clearly provides a reasonable basis for the Company to advance the Project and with the current gold price environment being well over the base case assumption we intend to proceed in a determined manner.

"Our project has an enviable combination of relatively modest initial capex and projected low all-in-sustainable cost (AISC per ounce), which makes it one of the most compelling development stage projects in the industry."

The PEA was prepared by Moose Mountain Technical Services under the direction of Marc Schulte, P. Eng., a Qualified Person, following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1. Mr. Schulte is independent of the Company and has reviewed and approved this news release.

Please refer to the Company's updated website and corporate presentation for additional details on the PEA and the project: www.spanishmountaingold.com

About Spanish Mountain Gold

Spanish Mountain Gold Ltd. is focused on advancing its flagship Spanish Mountain gold project in southern central British Columbia. The Company has prioritized the development of the first phase of the Project in which the pit-delineated high-grade core of the deposit is expected to sustain a stand-alone operation of 11 years. The potential viability of the Project's Phase 1 has 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,
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The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this press release, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs,

expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.

Cautionary Note Regarding Preliminary Economic Assessment

Preliminary Economic Assessment summarized herein is preliminary in nature and is based on measured and indicated mineral resources. A measured or indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Mineral resources, that are not mineral reserves, do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

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