



Suite 920 – 1055 West Hastings St.

Vancouver, BC V6E 2E9

Tel (604) 601 3650

June 23, 2010

Spanish Mountain Gold Provides Update on Spanish Mountain Project

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) announces the following update of activities for its wholly-owned Spanish Mountain Gold Project near Likely, British Columbia.

Metallurgy

Confirmatory metallurgical test work is ongoing at G&T Metallurgical Laboratories under the direction of Dr Morris Beattie, P. Eng. Highlights of results to date are as follows:

- A standard process of flotation followed by regrinding and Carbon-in-Leach processing of the concentrate achieves an overall recovery of 90%.
- Preliminary grinding tests have confirmed that the gold mineralization exhibits low work indices. These data indicate the potential for lower power consumption during the milling process which could result in lower overall operating costs for processing.
- Test work on additional samples from holes drilled across the Main Zone of gold mineralization will continue in order to establish design criteria to a pre-feasibility level of study.

Drilling and other field activities

Drilling has commenced within the Main Zone of gold mineralization and will have the following three principal objectives:

- Seven HQ diameter holes for a total of 2000 metres will be completed to gather geotechnical information to aid in the design of a potential open pit.
- Four additional HQ diameter holes will be drilled and two of the geotechnical holes will also be used to gather samples for additional metallurgical tests. These holes will be distributed across the Main and North Zones to demonstrate consistency in the metallurgical behaviour of the gold mineralization.
- Seven holes will be drilled in areas proximal to the Main Zone of gold mineralization to determine the potential for expansion of the Main Zone gold resource (see the news release of the Company dated March 18, 2009) and to test additional areas for gold mineralization.

Other field work will focus on sampling for Acid Base Accounting purposes. Samples have been gathered from drill core and drill core sample rejects from holes previously

drilled across the Main Zone and the surrounding areas. These samples have been submitted for analysis and the results will aid in the advancement of the design and management of potential tailings and waste rock storage facilities.

Preliminary assay results from the twenty three large diameter HQ drill holes completed in 2009 have been received and the data are currently being reviewed to ensure QA/QC compliance. Final assays are expected during July 2010.

Cedar Creek Property Acquisition

With respect to the recently acquired Cedar Mountain property, the Company has identified several areas with potential to host gold mineralization interpreted from previous soil geochemical surveys and 2006 airborne geophysical data. These target areas will be further refined by infill soil geochemical surveys in preparation for more advanced exploration work.

Preliminary Economic Assessment

The Company has commissioned a Preliminary Economic Assessment (“PEA”) for the Spanish Mountain project and has engaged PEG Mining Consultants of Barrie, Ontario to complete this study. The study will establish realistic assumptions of operating and capital costs to develop a potential mine at the Spanish Mountain project. The results of this assessment are expected during the fourth quarter of 2010. Ron Halas, who has been recently appointed Chief Operating Officer of the Company, will be leading the initiatives to move the Spanish Mountain project forward through the PEA and ultimately towards development and production.

The scientific and technical information contained in this news release is based upon information prepared by or under the supervision of Stuart Morris, the Company’s VP, Development Geology, a qualified person (as defined in NI 43-101).

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 approximately \$5.5 million (with no debt) and has applied for Mineral Exploration Tax Credit refund from the Province of British Columbia totaling \$1.9 million. These funds are expected imminently.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Brian Groves

Brian Groves.
President and CEO

Contact:

Brian Groves
(604) 601-3651

or

B&D Capital Partners
(604) 685-6465

info@spanishmountaingold.com

www.spanishmountaingold.com

Certain of the statements made and information contained in this press release may constitute forward-looking information within the meaning of applicable securities legislation. All information and statements which are not historical fact constitute forward-looking information and, in many cases, can be identified by words such as "may", "will", "expect", "plan", "anticipate", "believe", "estimate", "potential", or other similar terminology. The forward-looking information contained in this press release is based on the reasonable expectations and beliefs of management as at the date of this press release and involves numerous assumptions, known and unknown risks and uncertainties, both general and specific to the Company and the industry in which the Company operates. Such assumptions, risks and uncertainties include, but are not limited to future prices of gold, the factual results of current exploration, development and mining activities, changes in project parameters as plans continue to be evaluated as well as those factors disclosed in the Company's documents filed from time to time with the securities regulators and available at www.sedar.com. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Company, or industry results, may vary materially from those described in this press release. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as otherwise required by law, the Company does not intend to and assumes no obligation to update or revise forward-looking information, whether as a result of new information, plans, events or otherwise.

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.