



Suite 920 – 1055 West Hastings St.

Vancouver, BC V6E 2E9

Tel (604) 601 3651

March 9, 2011

Spanish Mountain Announces Closing of Financing and Change in Management Team

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 February 17, 2011. Pursuant to the Offering, a total of 6,410,257 common shares of the Company (the “FT Shares”) were issued on a “flow-through” basis at a price of \$0.78 per FT Share for gross proceeds of \$5,000,000.

The proceeds of the private placement will be used to fund programs on the Company's mineral properties in British Columbia, Canada. The Company has received final acceptance from the TSX Venture Exchange in connection with the Offering.

Pursuant to transactions which occurred subsequent to the closing of the Offering, Mr. Ian Watson, a director of the Company, acquired 1,142,857 of the FT Shares for approximately \$600,000, representing approximately 17.83% of the Offering and 0.88% of the current issued and outstanding common shares of the Company (the “Shares”). Mr. Watson now owns, directly and indirectly, a total of 13,454,497 Shares and also holds stock options to acquire up to 300,000 Shares and share purchase warrants to acquire up to 10,403,640 Shares (together, the “Convertible Securities”). Mr. Watson's current shareholding represents approximately 10.31% of outstanding Shares (on a non-diluted basis). Should Mr. Watson also exercise his Convertible Securities, he will own 17.10% of the outstanding Shares on a partially diluted basis (i.e., assuming no other convertible securities are exercised).

The Company has paid total cash finder's fee of \$128,076.93 pursuant to the Offering. All of the securities issued under the Offering are subject to hold period which will expire on July 9, 2011 in accordance with applicable Canadian securities laws.

Management Team

The Company is also pleased to announce the appointment of Ian Watson as Chairman of the Company's Board of Directors. Mr. Watson has been a director of the Company since September 2009.

The Company is pleased to report that Judy Stoeterau, P. Geo. has been appointed Vice-President, Geology. Judy has over 30 years of experience in mineral exploration and corporate management, working on gold, base metal, uranium and diamond projects in Canada and South America. She has worked with both junior exploration companies and senior mining firms such as Falconbridge, Getty Minerals, Placer Dome and Cameco.

The Company believes that Judy's comprehensive understanding of the operations of junior mineral exploration companies and her strong professional reputation in the industry are further enhancement to the Company's management team. She will immediately focus on advancing and expanding the mineral potential of the Company's properties. Judy replaces Stuart Morris. We thank Mr. Morris for his contributions to the Company.

The Company has granted incentive stock options to acquire an aggregate of 1,170,000 common shares of the Company to directors, officers and employees of the Company, at an exercise price of \$0.65 per share, exercisable until March 9, 2016. The foregoing is subject to regulatory acceptance.

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

Brian Groves,
President and CEO

Contact:

Bill Gillies

or

B&D Capital Partners

(604) 601-3651

(604) 685-6465

info@spanishmountaingold.com

www.spanishmountaingold.com

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.