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May 15, 2012

## **Spanish Mountain Gold Reports Initial Metallurgical Results for Phoenix Zone**

**Spanish Mountain Gold Ltd. (“the Company”)** (SPA-TSXV) is pleased to announce initial metallurgical test results for the Phoenix Zone of its Spanish Mountain Gold Project (the “Project”) located in central British Columbia, Canada. The results for the Phoenix Zone presented in this news release represent preliminary tests carried out with samples from the drill program that identified the Phoenix Zone late in 2011.

### **PHOENIX METALLURGY HIGHLIGHTS**

- High recovery of gold of 30 to 50% to gravity concentrates
- Combined recovery to gravity plus rougher flotation concentrates of 93 to 95%
- Gold extraction from gravity concentrate to 95% by intensive leaching

### **Discussion of Results**

As reported previously, the 2011 drilling program at Spanish Mountain identified a new zone of gold mineralization, the Phoenix Zone. Composite samples from three drill holes over an approximate 1 km strike length in this zone were tested using the same flowsheet as has been developed for the Main Zone. This flowsheet incorporates gravity concentration followed by flotation to produce concentrates that are subsequently leached by cyanidation. The gravity concentrate is leached by means of intensive cyanidation followed by regrinding and combination with the flotation concentrate for CIL leaching. Testwork on the Main Zone has demonstrated a gold recovery of 97% or better using this procedure for the gravity concentrate. The gold extraction from the Main Zone flotation concentrate by CIL leaching has been indicated to be 95 - 97%. Metallurgical testwork on the Main Zone has reached a prefeasibility level of detail and supports an overall gold recovery of approximately 90%.

The preliminary testwork has indicated that the same flowsheet as has been developed for the Main Zone is suitable for the Phoenix Zone and that a comparable gold recovery will be achieved without additional capital expenditure being required for the milling facilities currently being incorporated in the Project’s technical studies.

The testwork will now be advanced in order to optimize the cleaner flotation conditions and the cyanidation parameters.

Brian Groves, President and CEO commented “We are very encouraged by these initial metallurgical results from the Phoenix Zone which demonstrate that a high overall recovery, as has been demonstrated for the Main Zone, can be expected for Phoenix. Our

focus remains on the advancement of our Spanish Mountain gold project and the new Phoenix discovery. The latter demonstrates that we continue to make new discoveries on our Property as we move towards feasibility.”

Dr. Morris Beattie, P. Eng, the Company's Chief Operating Officer and the qualified person as defined under National Instrument 43-101, has reviewed the contents of this news release. The metallurgical testwork was completed by G&T Metallurgical Services Ltd.

### **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 a strong cash position with no debt and owns 100% of four gold properties located in British Columbia. Additional information about the Company is available on its website: [www.spanishmountaingold.com](http://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.*

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