

February 22, 2012

Spanish Mountain Gold Provides Feasibility Study Timeline & Project Update

Spanish Mountain Gold Ltd. (“the Company”) (SPA-TSXV) is pleased to announce that it intends to proceed with a Feasibility Study (“FS”) for its Spanish Mountain Gold Project (“the Project”) located in central British Columbia, Canada.

The Company will retain the same team of highly respected professionals, led by Tetra Tech (formerly Wardrop) as Project Manager, to complete a National Instrument 43-101 compliant feasibility study, by the third quarter of 2013.

The Company previously announced the commencement of a Pre-Feasibility Study (the “PFS”) for the Project in a news release dated August 31, 2011 and indicated that it may elect to initiate a Feasibility Study without prior completion of the PFS. With the recent discovery of the Phoenix Zone (as disclosed in the Company’s news release dated December 07, 2011) located approximately two kilometers west of the Main Zone within the Project area, the Company believes that the optimal strategy is to quantify and include the new Phoenix zone in the Project’s economic studies without adversely impacting the schedules for the completion of the FS and the subsequent potential mine development. Prior to the completion of the definitive FS, the Company expects to provide a technical report during the third quarter of this year that will refine the estimates of capital and operating costs forming the basis for the Preliminary Economic Assessment completed in December, 2010. The report is expected to reflect the development of the Main and North Zones (hereinafter referred to as the “Main Zone”) as well as the Phoenix Zone and will include the results from the studies currently underway in the areas of resource definition, geotechnical, metallurgical, tailings facilities and power supply.

Current Drilling Program

In conjunction with the ongoing economic assessment of the Project, the Company has commenced in-fill drilling of the Main Zone with the objective of enabling a further re-classification of the multi-million ounce inferred resource to the measured and indicated categories. This program is expected to last three months and will include total drilling in excess of 25,000 metres. To date, 33 holes have been completed out of the total program of 142.

The Company also plans to further define the Phoenix Zone with an initial drill program totalling approximately 15,000 metres with the objective of publishing an initial resource statement for this deposit in the inferred category within the next six months.

Project Studies

Significant progress has been made in the project studies since their commencement in August, 2011, with a number of areas achieving or approaching a prefeasibility level of detail. A staged development plan starting at 25,000 tonnes per day (tpd) and increasing to 40,000 tpd is being used as the basis for advancing the engineering studies. Due to higher grades to be processed during the first stage, the gold production using this scenario would be nearly constant for the life of mine at about 200,000 ounces per year. Geotechnical studies have advanced to a prefeasibility level of detail and the results of this work are being used for pit development and optimization studies. The metallurgical development of the project has advanced through variability testing and the results of the testwork are being used for the design and costing of a process plant to a prefeasibility level of accuracy. A staged development scenario has been developed for the tailings storage facility and these studies will also achieve a prefeasibility level of detail within the next few months. Studies of alternatives for the supply of power to the project for the two production levels are advancing. All studies that are being carried out for waste characterization are advancing beyond the level of detail that is usual for a prefeasibility level of study.

Brian Groves, President and CEO stated: "The discovery of the Phoenix Zone in the Cedar Creek area has the potential to significantly enhance the economic robustness of the Project. We are focused on defining the financial impact of the discovery of Phoenix for the Project and for shareholders. It is a rare occurrence to both discover a new zone of mineralization at this stage of project development and to have the financial resources to demonstrate the value of the discovery."

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

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Brian Groves,
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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.

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