
August 12, 2019

Spanish Mountain Gold Announces Confirmation of Metallurgical Results

Vancouver, BC - Spanish Mountain Gold Ltd. (the “Company”) (TSX-V: SPA) is pleased to announce the results of the metallurgical program for the Spanish Mountain Gold Project (the “Project”) located in central British Columbia, Canada. As previously reported in a news release dated March 13, 2019, the metallurgical program was completed at McClelland Laboratories Inc. under the direction of Mr. Daniel Sepulveda, SME-RM. The program incorporated confirmation of the power requirements for crushing and grinding, flotation parameters and cyanidation of the flotation concentrate.

Key Findings:

- Low power consumption for crushing and grinding of mill feed indicated
- Simplified process flowsheet (as announced on January 31, 2017) used in previous metallurgical test affirmed
- Overall gold recovery confirmed to be 91% vs 90% assumed in 2017 PEA
- Lower cyanide consumption than in previous test programs observed

Power requirements for crushing and grinding are in agreement with previous results that showed the deposit to exhibit low power requirements for comminution. The average crusher work index for all samples tested was 9.5 kWh/t and the average ball mill work index was 12.2 kWh/t. Together with a relatively coarse primary grind of 180 microns, these results are indicative of a low power consumption for crushing and grinding.

Following grinding, the process flowsheet incorporates conventional bulk flotation including rougher flotation followed by two stages of cleaning to produce a gold-bearing sulphide concentrate representing about 3.5% of the fresh feed weight. This concentrate is reground prior to gold extraction by CIL cyanidation. The flotation cleaner tailings are scavenged by means of gravity concentration with the gravity concentrate being added to the flotation concentrate for subsequent gold extraction.

Flotation testing of the two composites identified in the March 13 news release confirmed an average gold recovery of 92% to the combined cleaner flotation concentrate and scavenger gravity concentrate. Cyanidation of the reground concentrate prepared from a bulk flotation test using a composite from the two individual composite samples resulted in a gold extraction from the concentrate of 99%. The flowsheet's overall gold recovery (flotation, gravity scavenging and cyanidation) is therefore confirmed to be 91%. This figure is in agreement with the results of previous testwork programs.

The cyanide consumption observed during the current test program is lower than has been assumed in previous studies based on previous testwork.

Mr. Daniel Sepulveda, SME-RM, a qualified person as defined under National Instrument 43-101, has reviewed and approved the contents of this news release.

CEO Comments

Larry Yau states: “This is one of the most detailed metallurgical programs we have conducted for our Project. We are very pleased with these excellent results, which confirms our confidence in the efficient flowsheet and high overall gold recovery.

“The release of these final results marks the official conclusion of the 2018 field program. With a modest expenditure of about \$1m, we resumed field activities and successfully advanced our Project on multiple fronts. Particularly significant, we completed two time-consuming and season-dependent field programs (the detailed metallurgical testing and archaeological impact assessment), which will allow savings in time and costs along the project development path. I am confident that the findings from last year’s activities will further enhance the Project’s viability.”

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on advancing its multi-million ounce Spanish Mountain gold project in south central British Columbia. The potential viability of the project has been demonstrated in a Preliminary Economic Assessment completed in 2017 that indicated the potential for a stand-alone operation. Additional information about the Company is available on its website: www.spanishmountaingold.com.

On Behalf of the Board,
SPANISH MOUNTAIN GOLD LTD.

Larry Yau
CEO

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