
August 19, 2019

Spanish Mountain Gold Announces Findings from Alternatives Study

Vancouver, BC - Spanish Mountain Gold Ltd. (the "**Company**") (TSX-V: SPA) is pleased to announce encouraging findings from an alternatives study for the Spanish Mountain Gold Project (the "Project") located in central British Columbia, Canada. The results highlight potential improvements to the project and provide support for the project objectives defined by the Company's management.

As announced in a news release dated July 3, 2019, the Company engaged Moose Mountain Technical Services, a consulting firm that has extensive working knowledge of the Project, to evaluate alternative project scenarios incorporating higher grade drilling and other technical results from the 2018 field programs. Specifically, the block model for the Project's mineral resource was updated and was used to assess a mining scenario that could potentially fulfill four key project objectives as follows:

- Lower initial capital cost
- Higher process plant feed grades
- Refined pit shell that could isolate a higher grade pit-constrained resource
- Improved economic metrics for the Project

Study's Findings

The preliminary findings of the study suggest that there is a reasonable basis to assess the technical and economic viability of a mining operation with a milling throughput of 10,000 tonnes per day (tpd) vs. 20,000 tpd presented in the 2017 Preliminary Economic Assessment. Under the project scenario being investigated, a mine plan is expected to focus on the initial first decade of operation resulting in a Project with higher feed grades and higher average resource grade. Furthermore, in spite of reducing the proposed milling rate by 50% compared to the 2017 PEA, the Project's production profile with the proposed mining scenario potentially could remain robust with a target average gold production of above 100,000 ounces of gold per year⁽¹⁾.

Mr. Marc Schulte, P.Eng, a qualified person as defined under National Instrument 43-101, has reviewed and approved the scientific and technical information included this news release.

Larry Yau, CEO, comments: "We have set very ambitious objectives for improving our Project in multiple areas. Fortunately, our large mineral resource allows incredible development flexibility and scalable capital requirements. The findings from our alternatives study seem to suggest our objectives are attainable. I believe we have reasonable basis to further investigate the new project scenario in a more comprehensive manner. I look forward to reporting on the next steps for delivering on our project objectives very soon."

⁽¹⁾ the target milling throughput and gold production represent broad project objectives set by the Company and are not supported by a Preliminary Economic Assessment. While the recent studies indicate that the Project's resource could potentially sustain a lower throughput mine plan on the basis of mineralization and grade distribution, the potential economic viability of such a plan has not yet been demonstrated with a PEA. Readers are cautioned against assuming otherwise until such time as a new PEA is completed for the Project.

About Spanish Mountain Gold

Spanish Mountain Gold Ltd is focused on advancing its flagship 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,
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