



St. Augustine

GOLD & COPPER

St. Augustine Gold & Copper Ltd. Announces Completion and Submittal of the Declaration of Mine Project Feasibility For the King-king Project

Spokane, WA, May 14, 2012- St Augustine Gold & Copper Limited (TSX: SAU) ("St. Augustine" or the "Company") is pleased to announce that it has completed the Declaration of Mine Project Feasibility ("DMPF") for the King-king project ("King-king" or the "Project"), a major mining development in the Philippines. The Company's partner, Nationwide Development Corporation ("NADECOR"), as party to the Mineral Production Sharing Agreement with the Philippine Government, has submitted the DMPF to the Department of Environment and Natural Resources and the Mines and Geosciences Bureau for review and approval.

The DMPF is a regulatory requirement that includes 20 plans, certifications and other documents required to obtain approval from the Philippine government to develop King-king. This submittal begins the process of permitting of the Project and represents an important milestone. NADECOR's and the Company's mutual commitment to development of the Project in a manner that is protective of health, safety and the environment was incorporated into the DMPF.

It is important to note that NADECOR is in the process of resolving internal issues within its board of directors; however these issues did not impact the scheduled submission of the DMPF. Also, while some delay in the issuance of deliverables due to St. Augustine by NADECOR has occurred as a result, the Company understands that NADECOR's board members and key shareholders are working toward resolution of these issues. Company management is communicating constantly with its partner to ensure the interests of the Company and the Project are protected. The on-time submission of the DMPF is a good example of this communication.

NADECOR representative Conrado T. Calalang, a senior NADECOR board member, past Chairman and major shareholder, stated, "NADECOR is delighted with the successful completion of this major milestone, which will enable us, together with our partner St. Augustine, to accelerate the development of this major mining project, which will bring many benefits to the Philippines, particularly in the Pantukan community and Compostela Valley Province."

St. Augustine CEO Andrew J. Russell stated, "We are very pleased with the submission of the DMPF through our partner NADECOR, and particularly appreciative of the support of the Aquino Administration for companies like ours that are engaged in responsible mining, and we look forward to working with the Philippine government in pursuing its mineral development goals for the Filipino people."

The Company has invested more than \$70 million in the Project and the DMPF to date. The next steps for the Project are the completion of a pre-feasibility study and following that, a bankable feasibility study. The bankable feasibility study is targeted for completion later this year to coincide with anticipated receipt of approved permits. St. Augustine recently released its Q1 financial statements which reported that it currently has approximately \$16 million in cash, some of which will be allocated for the above mentioned work.

Corporate Social Responsibility (“CSR”) Initiatives

The Company recognizes that King-king is a critically important project for the Philippines and understands the importance of long-term sustainability and the importance of the contributions the Project will have on the Philippines and the surrounding communities. King-king is a flagship project for the country which will generate significant social and economic benefits for the Philippines for many years.

During 2011, the Company expanded the CSR team and hired a CSR Team Leader to head up initiatives that benefit the Pantukan community, Compostela Valley Province, and assess options to enhance the long-term community support of King-king. The CSR team is passionate about investing in the community and has received strong community support. Current CSR projects underway support education, healthcare, livelihood and infrastructure improvements within the communities associated with the Project. Continued community development is planned in 2012 to support the permitting effort and to obtain the required endorsements from local government units.

The Project will generate significant high paying jobs for locals, including 4,000 jobs during construction and 2,000 during operation. As well, significant tax and royalty revenue will be paid to the government and indigenous people, in addition to the continued purchase of goods and services from local businesses by the Project. Finally, Philippine mining law requires that 1.5% of the Project’s operating expenses be earmarked for investments in the community.

ABOUT THE KING-KING PROJECT

King-king is one of the largest undeveloped copper-gold deposits in the world. As released in the October 2010 Technical Report and the updated resource released August 15, 2011, Measured and Indicated mineral resource is 962.3 million tonnes at 0.254% total copper, 0.062% soluble copper, and 0.334 g/t gold. Inferred mineral resource is an additional 188.8 million tonnes at 0.215% total copper, 0.048% soluble copper, and 0.265 g/t gold. The Measured and Indicated mineral resource consists of 5.4 billion pounds of contained copper and 10.3 million troy ounces of contained gold.

The King-king deposit is a gold rich copper-gold porphyry deposit located in the southeast of the Philippine Island of Mindanao, 35km east of Davao City and 13 km from the coast. The Project is listed as one of the top priority projects by the Philippine Mines and Geosciences Bureau. The Project has a low strip ratio (0.8:1) and is at an advanced stage with 95,651 meters of drilling composed of 291 core and reverse circulation holes, including 6,052 meters of new drilling composed of 14 core holes (and 1 RC) in 2011. King-king has entered into the feasibility stage of development (social, environmental and engineering phases).

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. James J. Moore, P.E., St. Augustine Gold and Copper Limited, a qualified person under NI 43-101, has reviewed the resource contents of this news release.

A NI 43-101 compliant technical report entitled "King-king Copper-Gold Project Mindanao, Philippines" dated October 12, 2010, and prepared by Michael G. Hester, FAusiMM of Independent Mining Consultants, Inc., Donald F. Earnest, P.G., of Resource Evaluation, Inc. and John G. Aronson of AATA International, Inc. has been filed by the Company on www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein, without limitation, the use of net proceeds are forward-looking statements. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties related to fluctuations in gold, copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainties relating to the completion of a bankable feasibility study; uncertainty of estimates of capital and operating costs, recovery rates production estimates and estimated economic return; the need for cooperation of the Company's joint venture partner and government agencies in the development of the Company's mineral projects; the need to obtain additional financing to develop the Company's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for the Company's mineral projects; and other risks and uncertainties disclosed under the heading "Risk Factors" in the Annual Information Form dated March 21, 2012, and filed with Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

For Further Information Please Contact:

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