



St. Augustine

GOLD & COPPER

St. Augustine Gold & Copper Ltd. and Nationwide Development Corp. confirm \$30 million in earn-in investment and sign additional agreements on the King-king Copper-Gold Project

Vancouver, 5 July, 2011 – St. Augustine Gold and Copper Ltd. (TSX:SAU) is pleased to announce that Nationwide Development Corp. (Nadecor) has confirmed St. Augustine's investment of approximately USD 30 million in project expenditures through the end of the first quarter of 2011 in the King-king gold and copper project (King-king Project) located in Pantukan, Compostela Valley, Philippines under the Preferred Share Investment Phase of the earn-in agreement. As such, Nadecor has recognized St. Augustine's full payment for its 30% equity interest in the King-king Project and all documents relating to this recognition by Nadecor shall be put in escrow pending the incorporation of the joint venture entity that will be the holder of the Mineral Production Sharing Agreement for the King-king Project.

St. Augustine expects that it will invest an estimated additional USD 60 million to complete its full earn-in interest by Q2 2012 when the bankable feasibility study is forecast to be completed. Upon completion of earn-in, both parties will fund, on a retained interest basis, all future cash calls needed for the joint venture with respect to the remaining King-king Project development costs.

Additionally, St. Augustine is pleased to announce that with its partner Nadecor it has executed several key agreements for the King-king Project. Under these agreements, St. Augustine will continue to provide technical services to the King-king Project. They also cover finalization of the JV incorporation documentation, and agreement on the parameters of an interim funding arrangement through the completion of the earn-in.

Under the signed agreements, St. Augustine has been formally appointed the technical partner of Nadecor and will continue to support the activities that will accelerate the completion of the bankable feasibility study and shall further infuse capital into the King-king Project. The principals of St. Augustine have had extensive experience in developing large copper-gold projects regionally as well as in other parts of the world. St. Augustine is currently assisting Nadecor in completing its exploration and environmental work programs as well as environmental monitoring and activities to make the King-king Project a model of environmental and social stewardship.

Until the MPSA is transferred to the relevant Joint Venture Corporation, Nadecor is the MPSA holder and responsible for completion of the approved Exploration and Environmental Work programs, which includes completion of the required Declaration of Mine Project Feasibility and environmental permit application documents, such as the Environmental Impact Statement (EIS) and Social Development and Management Plan (SDMP). Under the Technical Services Agreement emplaced, St. Augustine, through its wholly owned subsidiaries, will assist Nadecor in completing the above documents and studies as well as complete a bankable feasibility study. Additionally, all documentation required for permitting by the Philippine government and the IFC standards will be completed.

The King-king Project is one of the Philippine Department of Environment and Natural Resources' (DENR's) top priority mining projects. The project has been independently confirmed under both Canadian NI 43-101 and Australian JORC regulatory rules to have a measured and indicated mineral resource of 792 million tonnes and an inferred resource of 125 million tonnes, making it one of the largest undeveloped copper-gold projects in the world. This measured and indicated resource has a gold equivalent grade of 0.815 ounces per tonne of ore, which equates to 20.7 million equivalent ounces of gold. The copper and gold resource contains is 9.4 million ounces gold and 4.9 billion lbs of copper with grades of 0.279% copper and 0.371 g/t gold. Mine life is 23 years with a planned throughput of 100,000 tonnes per day.

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. James J. Moore, P.E., a qualified person under NI 43-101, has reviewed the contents of this press 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 Ratel on www.sedar.com.

For further information about the Company, please refer to the Company's filings on SEDAR (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 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 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 prospectus of the Company dated June 29, 2010 and the Circular, both filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

ENQUIRIES

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