



St. Augustine Gold & Copper Limited and Nationwide Development Corp. agree basis and assurance for further earn-in investment on the King-king Copper-Gold Project

Vancouver, 10 August, 2011 – St. Augustine Gold and Copper Limited (TSX:SAU) is pleased to announce that it has agreed and executed with Nationwide Development Corp. (Nadecor) an Interim Funding Agreement (IFA) for St. Augustine's additional investment in the King-king gold and copper project (King-king Project) located in Pantukan, Compostela Valley, Philippines. The additional investment covered by the IFA is investment over and above the USD 30 million in project expenditures covered by the Preferred Share Investment Phase of the overall earn-in agreement but prior to the Joint Venture Phase. St. Augustine expects that it will invest an estimated additional USD 60 million, part of it under the IFA, 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.

The IFA confirms that all expenditures and investments made by St. Augustine for the King-king Project during the Interim Funding Phase (as established under the IFA) will be treated as earn-in and provides flexibility for both parties to optimise usage of funds. Such earn-in will eventually translate into an interest in a joint venture entity which is intended by both parties to be the holder of the Mineral Production Sharing Agreement (MPSA) for the King-king Project. Nadecor further confirms under the IFA to comply with the various agreements it has in place with St. Augustine and commits to an agreed timetable of key steps for the completion of the set-up of the above joint venture entity. As assurance for such commitment, Nadecor has given St. Augustine an option over a substantial portion of production from the King-king Project at a material discount to relevant market prices. The option covers a period of 3 years from the King-King Project reaching commercial production and is adjusted for certain circumstances. It is intended that the assurance arrangement (and as abovementioned the IFA) will expire upon the completion of the earn-in with St. Augustine then having a direct interest in the joint venture entity. The completion of the earn-in is currently planned at Q2 2012.

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 informational circular of the Company dated November 19, 2010 filed with Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

ENQUIRIES

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