



**ST. AUGUSTINE ANNOUNCES ADDITIONAL INVESTMENT
BY QUEENSBERRY MINING AND DEVELOPMENT CORP., REVISION TO
RESTRUCTURING WITH NADECOR AND NEW MANAGEMENT AND
DIRECTORS AND AGM ADJOURNMENT**

Spokane, WA, July 2, 2014 – St. Augustine Gold and Copper Limited (TSX: SAU) ("St. Augustine" or the "Company") is pleased to announce a private placement with strategic partner and insider Queensberry Mining and Development Corp. ("Queensberry") subject to final TSX approval. The placement is for 145,000,000 shares (29.7% of the current issued and outstanding shares) at a subscription price of US\$0.10 per share (a 25% discount to market at the time the placement was priced) for a total investment of US\$14.5 million. This investment will see Queensberry materially affect control of the Company as defined by the TSX rules. Queensberry will increase their ownership from 102,718,500 shares representing 21.06% of the issued and outstanding shares currently to 247,718,500 shares representing 39.15% post-closing, replacing Russell Mining Corporation as the largest shareholder, who will then hold 22.8%. The funds received will be used for working capital and to further advance the King-king Project. This includes acquisition of land and the discharge of obligations under the Project Framework Agreement as detailed below. It is anticipated that closing will occur 5 days after the date of this press release in accordance with TSX rules.

As part of the transaction, St. Augustine and Nationwide Development Corporation ("Nadecor") have agreed in principle to amend the Project Framework Agreement ("PFA") such that Nadecor will be entitled to a reduced number of shares than was previously disclosed as part of the joint venture restructuring approved by the TSX and majority shareholders and described in the Company's press release dated December 3, 2013. In return for this adjustment St Augustine will agree to accelerate payments to be made under the PFA, including an advance of approximately \$2.5 million to Nadecor, assume and discharge directly additional debts of Nadecor not exceeding \$2.5 million, as well as fund a jointly owned project company so that this company can undertake the land acquisition referred to above. The number of shares to be issued by St Augustine to Nadecor shareholders under the amended PFA will be decreased from 324,568,751 shares to 185,000,000 shares, which represents 29.2% of the issued and outstanding shares subsequent to the private placement noted above, and 22.6% subsequent to closing of the PFA. The deemed price of shares to be issued associated with the agreement will also be amended from US\$0.10 per share to US\$0.07 per share. The execution of the agreement emplacing these changes is anticipated to occur within this month and the final approval of these amendments is subject to final approval from the TSX. As a result of the foregoing amendments to the PFA, the

number of shares to be issued to Queensberry as a shareholder of Nadecor under the PFA will be reduced from approximately 14,487,409 to 8,257,637 representing 1.3% of the outstanding shares after completion of the private placement. After the issuance of the shares pursuant to the PFA, Queensberry will hold 255,976,137 shares representing 31.3% of the outstanding shares post-closing.

The Company is relying upon written consents from shareholders holding more than 50% of the issued and outstanding shares of the Company other than Queensberry, as contemplated in subsection 604(d) of the TSX company manual. TSX requires shareholder approval as the transactions referred to above will materially affect control of the Company and more than 25% of the Company's issued and outstanding shares are being issued. Disinterested shareholder approval is required as more than 10% of the issued and outstanding shares are being issued to an insider. As a result of this written majority shareholder approval, shareholders will not be required to vote on this matter.

The Company also announces that Robert L. Russell, Max Anhoury and Terry Krepiakovich have resigned from the board. Two new independent board members have been appointed, subject to regulatory approval. The board now consists of 5 members, all of whom will be nominated for election at the upcoming annual shareholders' meeting.

Anacordita McGee, of Charlotte, North Carolina, received her Bachelor of Science in Business Administration and Accountancy, cum laude honors, from the University of the Philippines, Quezon City, Philippines in 1978. She is also qualified as a certified public accountant in the Philippines. Ms. McGee currently works as a consultant with Robert Half Management Resources, Intl.

Yolanda L. Coronel-Armenta of San Diego, California received her Bachelor of Science in Business Administration and Accountancy at University of the Philippines in 1978, two Certificates in Real Estate from UCLA and is qualified as a Certified Public Accountant in both the Philippines and the State of Texas. Ms Coronel-Armenta currently works for Cahan Properties, Inc. as an accountant, finance and leasing officer.

Coincident with these board changes, Andrew J. Russell has stepped down as president and CEO. Manuel Paolo A. Villar has assumed that position as well as the position of chairman of the board. Andrew J. Russell remains on the board as Executive Director.

Manuel Paolo A. Villar, Chairman and CEO, stated "While we wish to thank all the retiring board members for their past efforts in getting the project to where it is today, I wish to particularly thank Bob Russell for his efforts. He has been key in managing to keep the various parties to the transaction focused on moving the project forward. As we welcome our 2 new board members, I look forward to continuing to work with Andy Russell to bring the King-king deposit into production."

Given the short notice of these new appointments, the AGM held on June 26, 2014 was adjourned until July 10, 2014 at which time the various items of business will be dealt with.

King-king Gold-Copper Project

The King-king Copper-Gold Project is located in Pantukan, Compostela Valley, Philippines, and is expected to recover 3.16B lbs. of copper and 5.43M oz. of gold over its 25 year mine and process life. According to the Preliminary Feasibility Study that was press released on September 18, 2013 and then filed on www.sedar.com on November 1, 2013, the Project has a pre-tax NPV of \$2.0 billion with an IRR of 24.8%. The mineral reserve amounts to 617.9 million tonnes at 0.300% total copper and 0.395 g/t gold.

About St. Augustine

St. Augustine (SAU.T) is a TSX-listed mining company focused on the development of the King-king Copper-Gold Project. King-king, a copper-gold porphyry deposit located in Pantukan, Compostela Valley, Philippines, is one of the largest undeveloped copper-gold deposits in the world. King-king is listed as a top three-priority project by the Philippine government.

NATIONAL INSTRUMENT 43-101 COMPLIANCE

Mr. James J. Moore, P.E., Vice President Technical of St Augustine and a qualified person under National Instrument 43-101 ("NI 43-101") has reviewed and approved the scientific, technical and economic information contained in this news release.

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 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 closing of the financing, 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 22, 2013, and filed with Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

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