



St. Augustine

GOLD & COPPER

St. Augustine Gold and Copper Limited Announces Issuance of Tranche 2 Shares to Russell Mining and Minerals, Inc.

Spokane, WA, October 3, 2012 – St. Augustine Gold and Copper Limited (TSX: SAU) ("St Augustine" or the "Company") announced issuance of the Tranche 2 shares to Russell Mining and Minerals, Inc. ("RMMI") pursuant to the agreed terms in the Sale Purchase Agreement dated October 18, 2010 ("SPA") between the Company and RMMI after receiving independent verification that the work done to date on the King-king project, including the Declaration of Mine Feasibility has triggered the obligation to issue the 75,000,000 shares under the terms of the SPA. These shares will be subject to trading restrictions until February 4, 2013.

The SPA and related information circular distributed in November 2010 in connection with the shareholder approval of the Tranche 2 shares are available on SEDAR.

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 report released August 15, 2011, Measured and Indicated mineral resources are 962.3 million tonnes at 0.254% total copper, 0.062% soluble copper, and 0.334 grams per tonne ("g/t") gold. Inferred mineral resources are 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 and is in 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.

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 and approved the scientific and technical information contained in 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 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:

St. Augustine Gold and Copper Ltd.

Kristi Harvie

Manager Investor and Corporate Affairs

T: 509-343-3193

E: kharvie@sagcmining.com

CHF Investor Relations

Jeremy Hill

Associate Account Manager

T: (416) 868-1079 ext. 238

E: jeremy@chfir.com

CHF Investor Relations

Jeanny So

Director of Operations

T: (416) 868-1079 ext. 225

E: jeanny@chfir.com