



St. Augustine

GOLD & COPPER

St. Augustine Gold and Copper Limited Announces Completion of Previously Announced Equity Offering

Spokane, WA, October 16, 2012 – St. Augustine Gold and Copper Limited (TSX: SAU) ("St. Augustine" or the "Company") announces that the Company has completed the previously announced private placement to Queensberry Mining and Development Corp. ("Queensberry") of the Philippines for gross proceeds of US\$4.7 million. The Company issued an aggregate of 25 million units at US\$0.1883805 per unit, with each unit consisting of one common share and 0.3 of one common share purchase warrant of the Company (each whole warrant, a "Warrant") for a total 7.5 million Warrants. Each Warrant entitles Queensberry to acquire one share at a price of US\$0.2563 for a period of one year from closing of the private placement. The securities issued in connection with this closing are subject to a hold period until February 17, 2013. The net proceeds of the private placement will be used for general working capital as the Company continues its efforts on the King-king project. Following completion of the private placement, Queensberry holds approximately 20% of the issued and outstanding common shares of the Company, or 23.7% on a fully diluted basis.

Additionally, as part of the private placement, Queensberry was granted the right to acquire an additional 4.65 million shares from treasury through a private placement at US\$0.75 per share prior to November 20, 2012, subject to certain conditions, including TSX regulatory approval and any required shareholder approvals.

As previously announced, as part of the private placement transaction, Queensberry's President and CEO, Manuel Paolo A. Villar will be nominated to a director position on St. Augustine's board to replace Andrew J. Russell who has agreed to step down as a director, while staying on as Chief Executive Officer of the Company.

Queensberry is part of the Villar group of companies in the Philippines, a prominent business group. Queensberry has its head office at 3rd Floor, Star Mall Las Pines, CV Starr Avenue, Philamlife Village, Pamplona, Las Pinas City, Philippines.

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, including the nomination and appointment of Manuel Paolo A. Villar to the board of the Company and the use of proceeds of this offering. 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 ,the timing of the submission and clearing of a personal information form with the Toronto Stock Exchange in respect of Mr. Villar's directorship of the Company, 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:

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