



ST. AUGUSTINE GOLD AND COPPER ANNOUNCES START OF 12,000 METER DRILLING PROGRAM TO PROVIDE ADDITIONAL SUPPORT DATA FOR ITS PLANNED DEFINITIVE FEASIBILITY STUDY FOR KING-KING GOLD AND COPPER PROJECT

JANUARY 27, 2011

St. Augustine Gold and Copper Limited (formerly Ratel Gold Limited) ("**St. Augustine**" or the "**Company**") (TSX Code : SAU) is pleased to announce that heavy equipment has been rented from Monark (CAT equipment representative on Mindanao) for repair of the access road to the King-king project and for rehabilitation of the former drill roads. The access road has been repaired and rehabilitation of former drill roads for drill rigs to access new drilling locations began this week.

Mobilization of two core drilling rigs and one RC rig to the King-king project site has begun by the drilling contractor, DrillCorp. Drilling is planned to start this week with resource, geotechnical and geohydrology drill holes.

Purposes of the drilling work in the open pit area are for slope stability studies (geotechnical and geohydrological testing), augment resource estimate confidence and additional tonnes of resource, environmental studies, and pit perimeter monitoring wells. An estimated 24 DDH holes and 7 RC holes will be drilled during a 4 month campaign. Approximately 10,000 meters of core will be produced along with 2,000 meters of drill chips from the RC program. After geological logging is completed, the core and chips will be sampled and assayed on 3 meter intervals. Information from these studies will support the Preliminary Economic Assessment (to NI 43-101 standards) scheduled for publication in Q4 2011. This program augments the already extensive database completed by previous exploration.

ABOUT ST. AUGUSTINE GOLD AND COPPER LIMITED

St. Augustine Gold and Copper Limited is a mining company whose main focus is bringing the King-king property located in the Philippines (the "**King-king Project**") into production. The Company has an exclusive option to earn up to a 60% interest in the King-king Project. It is listed on the TSX and trades under the symbol "SAU".

ABOUT THE KING-KING PROJECT

The King-king deposit is a gold rich, copper-gold porphyry deposit located in the south east of the Philippine Island of Mindanao, located 92kms NW of Davao City and 13 kms from the coast. The project is listed as one of the top priority projects by the Philippine Mines and Geosciences Bureau and the project has a low strip ratio (0.8:1 compared to an industry average of 2.5:1). The project is advanced stage with 89,922 meters of drilling composed of 276 core and reverse circulation holes and has entered the feasibility stage of development (social, environmental and engineering).

King-king is one of the largest undeveloped copper-gold deposits in the world, with a measured and indicated equivalent copper-gold resource of 791.5 Mt at 0.815 g/t equivalent gold for 20.7M equivalent gold ounces (0.279% Cu for 4.9B lbs of Cu and 0.371 g/t Au for 9.4M ounces of contained Au) and a further 2.75M equivalent gold ounces in inferred resources (125.5Mt at 0.237% Cu lbs and 0.308 g/t Au). Completion of a definitive feasibility study is expected in the first quarter of 2012 and centers around a plan to produce up to 100,000 tonnes of ore per day by open pit methods.

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.

ENQUIRIES

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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.