FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company:**

St. Augustine Gold and Copper Limited ("St. Augustine")
400 S. Jefferson, Suite 202
Spokane, WA
99204

2. **Date of Material Change:**

May 14, 2012

3. **News Release:**

A press release reporting the material change was issued on May 14, 2012 via Marketwire.

4. **Summary of Material Change:**

The Corporation announced that it has completed the Declaration of Mine Project Feasibility ("DMPF") for the King-king project ("King-king" or the "Project"), a major mining development in the Philippines. The Company's partner, Nationwide Development Corporation ("NADECOR"), as party to the Mineral Production Sharing Agreement with the Philippine Government, has submitted the DMPF to the Department of Environment and Natural Resources and the Mines and Geosciences Bureau for review and approval.

5. **Full Description of Material Change:**

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The DMPF is a regulatory requirement that includes 20 plans, certifications and other documents required to obtain approval from the Philippine government to develop King-king. This submittal begins the process of permitting of the Project and represents an important milestone. NADECOR's and the Company's mutual commitment to development of the Project in a manner that is protective of health, safety and the environment was incorporated into the DMPF.

It is important to note that NADECOR is in the process of resolving internal issues within its board of directors; however these issues did not impact the scheduled submission of the DMPF. Also, while some delay in the issuance of deliverables due to St. Augustine by NADECOR has occurred as a result, the Company understands that NADECOR's board members and key shareholders are working toward resolution of these issues. Company management is communicating constantly with its partner to ensure the interests of the Company and the Project are protected. The on-time submission of the DMPF is a good example of this communication.

NADECOR representative Conrado T. Calalang, a senior NADECOR board member, past Chairman and major shareholder, stated, "NADECOR is delighted with the successful completion of this major milestone, which will enable us, together with our partner St. Augustine, to accelerate the development of this major mining project, which will bring many benefits to the Philippines, particularly in the Pantukan community and Compostela Valley Province."

The Company has invested more than $70 million in the Project and the DMPF to date. The next steps for the Project are the completion of a pre-feasibility study and following that, a bankable feasibility study. The bankable feasibility study is targeted for completion later this year to coincide with anticipated receipt of approved permits. St. Augustine recently released its Q1 financial statements which reported that it currently has approximately $16 million in cash, some of which will be allocated for the above mentioned work.

Corporate Social Responsibility ("CSR") Initiatives

The Company recognizes that King-king is a critically important project for the Philippines and understands the importance of long-term sustainability and the importance of the contributions the Project will have on the Philippines and the surrounding communities. King-king is a flagship project for the country which will generate significant social and economic benefits for the Philippines for many years.

During 2011, the Company expanded the CSR team and hired a CSR Team Leader to head up initiatives that benefit the Pantukan community, Compostela Valley Province, and assess options to enhance the long-term community support of King-king. The CSR team is passionate about investing in the community and has received strong community support. Current CSR projects underway support education, healthcare, livelihood and infrastructure improvements within the communities associated with the Project. Continued community development is planned in 2012 to support the permitting effort and to obtain the required endorsements from local government units.

The Project will generate significant high paying jobs for locals, including 4,000 jobs during construction and 2,000 during operation. As well, significant tax and royalty revenue will be paid to the government and indigenous people, in addition to the continued purchase of goods and services from local businesses by the Project. Finally, Philippine mining law requires that 1.5% of the Project's operating expenses be earmarked for investments in the community.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not applicable.

7. **Omitted Information:**

Not applicable.

8. **Executive Officer:**

For further information, please contact:
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Telephone: (509)343-3193
Email: info@sagcmining.com

9. **Date of Report:**

May 14, 2012