

Batoto Gold Project-Exploration Update

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Sur American Gold Corporation (SUR-V) is very pleased to advise several significant exploration and drilling developments have occurred at the Company's Batoto Gold Project in the Compostela Valley, Eastern Mindanao, Philippines.

DRILLING UPDATE AT EAST BATOTO ZONE

- Mining progress has significantly increased with the addition of the second drilling shift approximately three weeks ago and refinements to drilling operations.
- Batoto #4 (-60 degrees declination towards an azimuth of 030 degrees but deviated to the north) was completed at 399.10 metres. Multiple zones of moderate to strong quartz-sericite-pyrite alteration were intersected throughout the hole commencing at the surface and appeared to increase in both alteration intensity and vein density down the hole. In previous holes these zones have been shown to host potentially economic gold mineralization. Additional drill rods will be required to extend the hole to the limits of mineralization at a future date.
- The drill hole entered the protore (fresh unweathered, un-oxidized mineralization) at about 180 metres down hole and continued in fresh, hard, variably veined and altered quartz diorite until the end of the hole. Numerous quartz-sericite-pyrite veinlets and many wider quartz veins (up to 2 metres wide) were intersected.
- Chalcedonic quartz veining was noted in the interval 320-350 metres. This type of quartz is a feature of epithermal gold deposits which in general contain higher gold grades than mesothermal (deeper) quartz veining (e.g. at the Diwalwal gold deposit located only 40 km north of Batoto). Diwalwal contains grades of between 6 and 100 g/t gold and is one of the largest and highest grade epithermal gold systems in the SW Pacific Rim of Fire.
- Batoto #5 will commence within 24 hours and will be drilled parallel to Batoto #2 (i.e. at -50 degrees to the SE), 75 metres from that hole and projected to be drilled to a downhole depth of between 300-400 metres.

SOUTH WEST GEOPHYSICAL ANOMALY

- Strong quartz stockwork veining often with disseminations of chalcopyrite (copper iron sulphide) has now been discovered in several locations in an extensive and wide zone (+/- 300-500 metres) abutting the north-easterly portion of the recently discovered and announced major geophysical anomaly. Twenty eight (28) grab samples were taken for analysis of 32 elements in Canada. Stockwork quartz veining containing strong gold values is a typical occurrence around porphyry copper-gold systems world wide.
- Elliot Geophysics International Pty Ltd, the Company's geophysical consultants is currently extending the 100m spaced survey lines in a 1km by 1km area to the south and east of the apparent "heart of the anomaly". Further surveying will be needed to the west of the anomaly to fully define its actual dimensions which at this time appears to have many of the hallmarks of a potentially large gold-rich porphyry copper system.

All sample preparation is undertaken at the Intertek Laboratory in Surigao, Northern Mindanao. Intertek is a 9002 Certified Laboratory. Pulverized 200 gram sub samples from the drilling program are then sent to Genalysis Laboratories in Perth, Western Australia for analysis using the FA 50/SAAS method (fire assay with atomic absorption finish).

SUMMARY

According to Sur American Gold President, Mr. Rennie Blair MSc, F.Aus.IMM, "the Company continues to be very up beat about these new exploration developments both at the initial drilling area of East Batoto and the new large SW anomaly in West Batoto. We are also obviously very happy with the significantly greater drilling rate which will greatly assist in providing timely and regular results to the market".

This news release was prepared by Mr. Blair who is the qualified person as required by National Policy 43-101 and who is the technical person responsible for this news release.

Sur American Gold Corporation is a well financed junior exploration Company and trades on the TSX Venture Exchange (Canada) with trading symbol SUR-V.

On behalf of the board of directors

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The TSX Venture Exchange has neither approved nor disapproved the contents of this news release