

## **GEOPHYSICAL SURVEY CONFIRMS MAJOR COPPER-GOLD PORPHYRY SYSTEM AND SURROUNDING GOLD STOCKWORK ZONES AT CADAN-BATOTO**

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SUR AMERICAN GOLD CORPORATION (SUR: TSX-V) is very pleased to advise that, a very large geophysical program that commenced more than two years ago has been completed and has conclusively outlined a major and strong new copper-gold porphyry system measuring 4sq km in areal extent and which has a minimum of 600 metres in depth extent at the Cadan-Batoto project in Mindanao, Philippines. In comparison to other porphyry systems in the Philippines and in other countries this is considered a large system.

In addition to the copper-gold porphyry system the survey has also outlined a highly resistive (quartz vein complexes), structurally controlled zone which commences within the porphyry system and trends ENE for a distance of more than 4km and is up to 2 km wide. This zone contains the Batoto Gold deposit and highlights for the first time that the initial 1400 m Batoto drilling program in 2006 only tested the peripheral part of this large target.

The survey was conducted by Geophysical consultants Elliot Geophysics International who have recommended that the Company undertake an initial 22 hole drill program to test these large new targets. Each hole would be between 250-500m in length.

### **BATOTO –CADAN GOLD STOCKWORK ZONE HIGHLIGHTS**

- A 50 tonne bulk channel sample across a 176 metres interval in fresh quartz diorite in Batoto Creek returned 3.17g/t gold, 47.3g/t silver and 0.10% copper. This channel sample was taken adjacent to the main copper-gold porphyry anomaly.
- An initial drilling program consisting of 6 holes totaling 1400 metres was conducted in 2006 nearly 3km from the centre of the major geophysical anomaly and all holes returned significant intersections of gold mineralization grading between 0.4 -1g/t gold with the nature of the gold distribution suggesting bulk mineable potential.
- Multiple high grade veins have been sampled in the gold stockwork zone in the Tarale area with values as high as 780g/t gold. These areas are undrilled.
- Based on the geophysical and geological evidence available it is now very clear that the 6 hole Batoto drilling program barely tested this 4km long stockwork zone.
- As a result of the geophysical survey now defining the major structurally controlled gold zone trending away from the centre of the copper gold anomaly at Cadan, the company is now making plans to commence a major drilling program in order to define the full extent of the zone.

### **CADAN COPPER-GOLD PORPHYRY SYSTEM**

- The geophysical survey and subsequent geological mapping and sampling has defined a classic porphyry copper-gold system at Cadan. The nature of the alteration within the anomaly and also outside the main anomaly conforms to a typical Philippine porphyry copper-gold system with highly anomalous gold and copper values in many areas with gold values up to 61g/t and copper consistently above 0.1%.
- Because all the porphyry systems found to date in the Company's 9000ha Compostela Valley Project area have been shown to contain potentially economic copper-gold mineralization, the Company is, understandably very excited about the potential of this new target which appears to be much larger than the other porphyry projects of Tagpura, Kalamatan, Ma-angob and Tagpura South.
- The Company has now embarked upon a major surface trenching program to better define the strongest geochemical anomalies.

## SUMMARY

All sample preparation is undertaken at the Intertek Laboratory in Surigao, Northern Mindanao. Intertek is a 9002 Certified Laboratory. Pulverized 200 gram sub samples are sent to Genalysis Laboratories in Perth, Western Australia for analysis using the FA 50/SAAS method (fire assay with atomic absorption finish) for gold, and conventional wet chemical methods for copper. Channel samples are sent to Intertek's analytical facilities in Jakarta, Indonesia. The 176 m long channel sample referred to above was assayed by JBMM Laboratories in Compostela Valley.

Mr. Ian Cooper, BSc. (University of London), A.R.S.M (Associate of the Royal School of Mines), F.G.S (Fellow of the Geological Society of London), M.Aus.I.M.M, Exploration Manager-Philippines for SUR said that: "we are very excited to receive the results of the large geophysical survey which clearly define not only a new huge copper-gold porphyry target for us but also help us understand the nature and distribution of gold mineralization within the stock work zone around the new anomaly which will help us to plan new gold programs over this area".

This news release was prepared by Mr. Rennie Blair, Company President, 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 junior exploration Company focusing on gold/silver and copper projects in the Philippines and Colombia. The Company trades on the TSX Venture Exchange (Canada) with trading symbol SUR-V.

On behalf of the board of directors

J. Rennie Blair  
President

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