

Picchu Rio Gold Mining Co. SAC announces initiation of river mining of their billions of dollars of Gold, Precious Metals and Rare Earths river deposits.

News Release:

(EMAILWIRE.COM, December 11, 2009) Houston, TX - Picchu Rio Gold Mining Corporation S.A.C. (" *Picchu Rio Gold* ") is pleased to announce that it is nearing completion of Phase IV production studies on their number 2 concession, leading to the implementation of low to medium- volume river dredging operations in the Cusco District of Echarate, Peru, South America.

" Picchu Rio Gold " has acquired four (4) of the twelve (12) concessions previously owned by Vista Continental Corporation. Mining prospects for these concessions were initially validated by the March 2002 report on placer deposits by Mr. A. David V. Heyl, an International Consulting Geologist in his own words, "The closest geologic comparisons" to the claims containing rare earths, zircon and strategic metals are "the veins and placer deposits of the Mother Lode belts of the California and Eastern Australia gold belts".

Rare Earth Elements ("REEs") Rare Earth Oxides, Zirconium and Zirconium oxides are considered essential elements in advanced technology – such as superconductive magnets for high-speed trains, genome research, advanced optics and fuel cell research – and project a value much greater than the strategic metals alone. Regarded as the cornerstones to the development of modern technology, the demand for REEs grew by 21% annually between 1997 and 2000, with projected, steady growth exceeding \$3.5 billion by 2009.

Mr. Heyl's March 2002 report on the placer deposits at two (2) of the old twelve (12) Vista Continental claims containing rare earths, zirconium and strategic metals concludes, "The total potential value for the property's geologic resource is \$10.73 Billion (*in 2002 USD \$*), the total potential resource value stated in the report for the two(2) claims comprises: REEs \$4.86 Billion , Zircon \$3.50 Billion, Ilmenite \$1.25 Billion, Gold \$1.12 Billion. These were stated as gross revenue figures before any operational costs or other expenses associated with the mining, transport, refining, storing and delivering of any materials. (*Business Wire: June 13, 2002*)

" Picchu Rio Gold " owns four (4) (+/-5,000 acres) of these original twelve (12) claims and is in negotiations for more. The \$10.73 Billion estimated valuation (*in 2002 USD \$*), is based only on the results of assays on two (2) of these claims to depths of ten (10) meters, while some deposits are believed to run as deep as 200 meters, according to Dr. Lawrence W. Nash, CEO and President of Vista Continental Corporation. (*Business Wire: June 13, 2002*)

A March 1, 2002 Certificate of Assay on the holding's Rare Earths by a leading and independent analysis and testing firm, Rare Metals Corporation of 29 Palms, California. (Lab ID # L-02-60-01), show the existence of:

Zirconium	234,855.74 ppm	Scandium	49.99 ppm	Yttrium	568.74 ppm
Lanthanum	1,119.88 ppm	Cerium	2,521.34 ppm	Praseodymi	635.93 ppm
Samarium	279.97 ppm	Europium	30.72 ppm	Gadolinium	182.86 ppm
Terbium	167.10 ppm	Holmium	60.47 ppm	Erbium	254.37 ppm
Thulium	86.31 ppm	Ytterbium	268.77 ppm	<u>Neodymium</u>	964.70 ppm
Dysprosium	1 96.54 ppm	Lutetium	24.08 ppm		

"Picchu Rio Gold" performed its own verification studies in 2007-2009. During the third quarter of 2009, the company also completed testing new production line technology for the capture of micron gold and mineral embedded gold, precious metals and rare earths. The addition of the Clean Gold Filtration System and Gold Exorcist Dry Filtration System to the initial processing, has both increased the capture of micron gold and increased the capture of minerals embedded with the gold and precious metals, thereby potentially doubling the previously- calculated reserve sizes and the per cubic meter mineral recovery. " Picchu Rio Gold " is shipping equipment to include a 300/yd/hr dredge, process equipment and vehicles, in order to increase production from low - test volumes to medium - production volumes in the 1st & 2nd quarters of 2010. Initial focus on returns will be through gold sales through Minerals Unlimited Company of Idaho, USA, while stockpiling precious metals for future separation and contract sales. High- volume production may be attained earlier than the second quarter projections, through joint venture capital infusion.

History: Prior to “ Picchu Rio Gold “ acquiring four of the claims and interests of Vista Continental, roughly \$7 million had been spent toward studies of the twelve (12) concessions/claims and operational preparations of a secured camp on 25 acres complete with heavy equipment, wash plant and dredge. According to Acres International, in an early February 2002 independent Scoping Study Report contracted and paid for by Vista Continental Corporation, “A considerable amount of effort and capital expenditures has been spent to prepare the project for production...It is Acres’ opinion the plant as built is satisfactory and will perform to acceptable standards...Acres considers it to be above industry standards for remote locations. Vista Continental suffered an internal collapse in 2004 and is no longer in operation, having forfeited it’s interests in Peru, Guyana and North America.

The corporate ventures of a small group of Americans through their holding company Phoenix Minerals S.A.C., hold a controlling interest in “ Picchu Rio Gold ”. The combined mineral deposits of the Phoenix Minerals seven companies comprise approximately 75 kilometers of concessions in the river and terraces of the Cusco region of Peru, South America, spanning twenty-four (24 claims). These claims are held by the seven (7) companies referred to as the Phoenix Group of Companies of which “Picchu Rio Gold” owns four (4)of the 24 claims.

Future: The Phoenix Group of Companies’ eight (8) of the original Vista Continental twelve (12) claims consisting of approximately 48 kilometers, are an asset containing approximately 655,000,000 cubic meters of auriferous gravel with an estimated 7.5 million ounces of gold. Harvesting the rare earths, zirconium and gold at the rate of 12,000/cubic meters a day represents an estimated mine life of more than 150 years, divided by three companies of the “Phoenix Group” giving 50 years per company at 12,000/cm3/ day and 17 years at 36,000/cm3/day.

“We believe Picchu Rio Gold Mining Corporation S.A.C., a faith based private mining company, is going to be a major player in the expanding world market, capable of uninterrupted long-range delivery of REEs at competitive prices. We have no capitalized debt and can expect the capability to fund our operations for many years to come from the gold revenue alone. The depth of our resources, strategic advantages of our planned refining and delivery systems, our lock on the higher technology separation methods and our strong environmental impact policy will, we believe, build shareholder value over the long term as the demand for rare earths grows even stronger”, said Picchu Rio Gold Mining Corporation S.A.C. General Manager, Colin McKenzie. Phoenix Minerals S.A.C. www.riogoldmining.com

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Contact:

Phoenix Minerals S.A.C.

Colin McKenzie (GM)
Montero Rosas 1225, Dpto. 104,
Santa Beatriz, Lima 1, Peru
Tel: (011) 511-715-8242
Email: machupicchuriogold@yahoo.com
www.riogoldmining.com