

# News Release

## **SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED**

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### **FOR IMMEDIATE RELEASE – February 3, 2004**

#### **SAGC Announces OPIC Finance, Funding and Progress on Operations at its Pimenton Gold Mine**

**Toronto, Ontario, Canada** – South American Gold and Copper Company Limited announced today that loan documentation in respect of its previously announced \$2,800,000 financing commitment from the Overseas Private Investment Corporation (“OPIC”) has been completed and that its wholly owned subsidiary, Compañía Minera Pimenton, has received the initial funding of US \$1,200,000 from OPIC.

Proceeds of the OPIC financing will be dedicated solely to the estimated US \$4,000,000 of capital and operating funds required to restart operations at the Company's Pimenton gold mine, located approximately 180 road kilometers north of Santiago, Chile. As previously reported, the Company raised approximately US \$4,652,000, net of expenses, in equity financing in December 2003, a part of which is being used to supplement the OPIC financing for restarting operations at Pimenton.

Compañía Minera Pimenton expects to receive the balance of US \$1,600,000 of the OPIC financing commitment in early April 2004.

Stephen W. Houghton, President and Chief Executive Officer, stated that on behalf of the Board of Directors of the Company, “we are very pleased to have OPIC's commitment in assisting the Company to restart operations at Pimenton. Currently there are nearly one hundred persons directly or indirectly employed at Pimenton as a result of the OPIC financing commitment. Rehabilitation of infrastructure facilities at Pimenton is in full progress. In addition, a reconfiguration of the plant and plant equipment has commenced and mine development activities are advancing on schedule.”

The Company also announced that Mr. Houghton recently exercised 8,000,000 employee common stock options and has agreed not to sell or dispose of any of his shareholdings held as at January 30, 2004, until such time as the OPIC loan has been repaid in full.

In addition, the Company also reported that the holders of a Net Smelters Royalty (“NSR”) on the Pimenton property, one of whom is an officer and director of the Company, have agreed to defer payment of the NSR, to the extent required under the loan agreement with OPIC.

In closing his remarks, Mr. Houghton stated, “The OPIC financing was accomplished by a total ‘team effort’ on the part of many unnamed personnel at Pimenton and the Company as well as by law firms representing Pimenton and the Company located in Santiago, Chile; New York; Bermuda and Canada. The OPIC team and Pincock Allen & Holt have been a pleasure to work with in accomplishing this financing for Pimenton.”

South American Gold and Copper Company Limited is a mineral exploration and development company with properties and activities currently focused in Chile. Its common shares are listed on the Toronto Stock Exchange under the symbol “SAG”.