

# News Release

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

Registered Office:  
79 WELLINGTON STREET WEST, SUITE 2300  
TORONTO, ONTARIO M5K 1H1  
CANADA

Santiago Office:  
LA CONCEPCION 266, Of. 704  
PROVIDENCIA, SANTIAGO, CHILE  
Telephone: 56-2-264-2295

Toronto Office:  
67 Yonge Street, Of. 1201  
Toronto, Ontario M5J 1J8  
CANADA

For further information, contact:  
Stephen W. Houghton, CEO  
David R. S. Thomson, EVP  
E-Mail: [sagc@sagchile.cl](mailto:sagc@sagchile.cl)  
Telephone: 56-2-264-2295  
Website: [www.sagc.com](http://www.sagc.com)

### **NOT TO BE DISTRIBUTED OR DISSEMINATED IN THE UNITED STATES**

**FOR IMMEDIATE RELEASE** – February 7, 2011

### **South American Gold and Copper Company Limited Reports Best Quarter Ever for its First Fiscal Quarter Ended December 31, 2010**

Toronto, Ontario, Canada - South American Gold and Copper Company (the “Company”) (TSX-SAG) reported that it has reached an all time high in results for its first fiscal quarter ended December 31, 2010 compared with previous quarters in the Company’s history.

Revenues for the Company’s first fiscal quarter ended December 31, 2010 were US \$6,163,000 of which gold sales were US \$5,482,000 and copper and silver sales were US \$681,000. This compares with the year ago quarter ended December 31, 2009 with revenues of US \$2,163,000 of which gold sales were US \$1,915,000 and copper and silver sales were US \$248,000.

Net earnings of the first quarter ended December 31, 2010 were US \$1,678,000 compared to a loss of US \$1,020,000 for the comparable quarter a year ago.

The Company reported a cash position of US \$3,009,000 for the period ended December 31, 2010 compared to US \$1,470,000 for the comparable period a year ago. The net current ratio was 1:05 to 1:00 in the quarter ended December 31, 2010 compared to .80 to 1:00 a year ago.

Gold ounces sold during the quarter ended December 31, 2010 were 4,027 ounces compared to 1,688 ounces a year ago.

The cash cost per ounce of gold net of by-product credits was US \$592 for the quarter

ended December 31, 2010 compared to \$1,194 for the comparable quarter a year ago.

The Company's first fiscal quarter results ended December 31, 2010 are available on the Company's web site: [www.sagc.com](http://www.sagc.com) and have been filed with SEDAR.

South American Gold and Copper Company Limited is a minerals producing, exploration and development company with properties and activities currently focused in Chile.

**FORWARD-LOOKING STATEMENTS:** This news release contains certain "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Except for statements of historical fact relating to the company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.