

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – March 4, 2004

South American Gold and Copper Company Limited Announces First Quarter Fiscal 2004 Results

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (“the Company”) (TSX Symbol SAG) announced today that it had incurred a loss of US \$211,000 for the quarter ended December 31, 2003, compared to a loss of US \$208,000 for the quarter ended December 31, 2002. A foreign exchange gain of US \$74,000 due to strong Canadian and Chilean currencies versus the US dollar was offset by a one time interest charge of US \$78,000 due to the conversion of a promissory note into common shares of the Company before the note was fully accrued from its discounted value to its face value. The promissory note had a maturity date of December 31, 2004 and Cdn. \$557,233 was converted into common shares of the Company during the quarter ended December 31, 2003. The remaining outstanding balance of Cdn. \$34,791 was converted into common shares of the Company during January 2004.

During the quarter the Company completed two private placements for net proceeds of US \$4,479,000 and signed a loan agreement with the Overseas Private Investment Corporation for US \$2,800,000 project financing for its Pimenton gold mine. The Company's primary focus in 2004 is to place the Pimenton mine into production.

The Company has restated its consolidated financial statements for the quarter ended December 31, 2003, to correct certain Shareholders' Equity line items on the Company's consolidated balance sheet to reflect an increase in the fair value assigned to the warrants issued by the Company in connection with its December 10, 2003, private placement by US \$195,643 to US \$391,286. The restatement had no impact on the Company's consolidated statements of operations and deficit or the consolidated statements of cash flows.

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”.