

# News Release

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

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### **FOR IMMEDIATE RELEASE – March 15, 2004**

#### **South American Gold and Copper Company Limited Provides Update**

**Toronto, Ontario, Canada** – South American Gold and Copper Company Limited (“the Company”) (TSX Symbol SAG) issued the following announcement today.

Stephen W. Houghton, President and CEO, stated, “The Company has received many queries regarding the Company’s request to shareholders to authorize an increase in the authorized capital of the Company at its Annual and Special Meeting of Shareholders to be held on March 30, 2004. The Company is a Nova Scotia corporation and under Nova Scotian law the Company must seek shareholder approval to increase its authorized share capital. Unlike the Canada Business Corporations Act and many provincial corporate statutes, the Nova Scotian corporate statute does not allow a company to have an authorized share capital consisting of an unlimited number of common shares. However, the Company wishes to clarify that an increase in authorized share capital only gives the Company the ability to issue additional common shares and is not an immediate or automatic increase in the Company’s outstanding shares. The Company’s cash position (unaudited) at February 29, 2004, was in excess of Cdn \$3,500,000, which, along with the next anticipated draw down of US \$1,600,000 under its previously announced financing for Pimenton, is sufficient to finance our current project needs.”

Mr. Houghton also stated that plans for restarting operations at Pimenton are now targeted for April 30<sup>th</sup>, 2004. The delay from the originally scheduled March 31<sup>st</sup>, 2004 start date has been caused by delays in receipt of certain milling equipment from the United States, Canada and England, which has now arrived in Chile and is being installed at the plant, and two unseasonal heavy rain storms in early February which caused construction delays.

Dr. David R. S. Thomson, EVP and Director of Exploration, with forty years of exploration and development experience in Chile and Peru, stated “The geophysical program at the Pimenton breccia pipe complex as well as the diamond drill program are proceeding on schedule. Our plans, weather permitting, are to drill four drill holes, totaling approximately 2,200 meters, and to assimilate the results of the drill program and geophysical studies before releasing results of this initial exploration program on the breccia pipe complex.”

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.”