

**Attention Business Editors:****South American Gold and Copper Company Limited Announces Proposed Private Placement**

Stock Symbol: TSX: SAG

TORONTO, March 24 /CNW/ - South American Gold and Copper Company Limited ("Company") (TSX - SAG) announced that, subject to regulatory approval, the Company will undertake a non-brokered private placement ("Offering") of convertible secured debentures with a term to maturity of 7 years bearing an annual interest rate of LIBOR plus 2% in the aggregate principal amount of US\$1,600,000 ("Debentures").

The principal amount of the Debentures and the interest payable thereon in the first year are convertible for up to 30,536,384 common shares of the Company. The Debentures are being issued to two directors of the Company to repay cash advances made by them to the Company. The Debentures and any common shares issued upon the exercise thereof are subject to a hold period in accordance with applicable Canadian securities legislation. No bonus, finder's fee, commission or agents' options have or will be issued in connection with the Offering.

The proposed Offering was approved by the board of directors of the Company. Each of the directors with a material interest in the proposed Offering declared their interest and abstained from voting on the resolution to approve the proposed Offering. The proposed Offering is exempt from the valuation and minority approval requirements of OSC Rule 61-501 as the fair market value of the proposed Offering is less than 25% of the market capitalization of the Company.

If the Debentures are fully converted into common shares of the Company in accordance with the terms thereof, the direct and indirect ownership of one of the directors participating in the proposed Offering will increase to approximately 11.4% of the issued and outstanding common shares of the Company. Each of the directors participating in the proposed Offering has advised that they have no present intention to acquire ownership of, or control over, additional securities of the Company.

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

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