# **News Release**

# SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

Registered Office SUITE 800, PURDY'S WHARF 1999 UPPER WATER STREET, TOWER 1 HALIFAX. NOVA SCOTIA B3J 2X2 New York Representative Office 420 MADISON AVENUE NEW YORK, NEW YORK 10017

For further information, contact: Stephen W. Houghton, President William C. O'Donnell, EVP Telephone: (212) 751-0083 Fax: (212) 751 0319 Website: http://www.sagc.com

## FOR IMMEDIATE RELEASE – April 15, 2003

# **South American Gold and Copper Company Limited Announces Breccia Pipe Discovery at Pimenton**

**Toronto, Ontario, Canada -** South American Gold and Copper Company Limited ("SAGC" or "the Company") (TSX Symbol SAG) announced that it has discovered a large and geologically significant tourmaline breccia pipe at its Pimenton property in the Central Chilean copper belt. This discovery is separate from the previously announced discovery of additional gold-bearing veins which extend the potential of the existing high-grade gold reserves and inferred gold mineral resources at Pimenton.

Both the large breccia pipe and the additional gold veins are located in a part of the 3,660 hectare Pimenton property that had not been explored before this past southern-hemisphere summer. They are located 3 km to the northeast of the established gold reserves and mine site.

#### **Details of the Discovery**

Dr. David R. S. Thomson, Executive Vice President and Director of Exploration and a "qualified person" for the purposes of National Instrument 43-101, stated, "Near the end of the current Chilean summer exploration program at Pimenton, tourmaline breccia float was found over a horizontal distance of 500 meters in a previously unexplored area on the northeastern edge of the Pimenton alteration zone. Follow up work has identified the source as a large and well-defined tourmaline breccia pipe together with a strongly silicified and sericitised quartz porphyry. The brecciated intrusive, in addition to tourmaline, carries strong fine to coarsely disseminated chalcopyrite and pyrite. The pipe strikes to the northeast for 1,500 meters and is at least 700 meters wide, with a possible buried extension to the north. The southwestern part, 500 meters above the Portillo Hondo stream and 3 km due north of the Pimenton camp and plant site, lies at an altitude of 3,700 meters. The northeastern end is at an altitude of 4,500 meters. The elevation difference between the two ends is 800 meters. Copper bearing mineralization has been confirmed visually up to an elevation of 4,000 meters, some 700 meters in from the southwestern limit of the breccia pipe.

"The great bulk of the Pimenton alteration zone is claimed by South American Gold and Copper Company. An estimated 50 % to 60 % of the new breccia pipe, corresponding to the lower section, is within SAGC's claims and is easily accessible. The higher, more inaccessible part is claimed by Codelco, the Chilean state owned copper company".

"The discovery of the tourmaline breccia pipe opens up the possibility of bulk tonnage copper with molybdenum credits at Pimenton. This will be in addition to the already known gold potential at Pimenton. Surface examination will endeavour to determine favourable target areas for drilling before the onset of Chile's winter in May. If normal winter conditions prevail, drilling could proceed during the winter months."

### **Background on Pimenton**

Pimenton is located in the heart of the central Chilean copper belt and has generally been regarded by several major mining companies as the upper part of a porphyry copper system over printed by younger, and narrow, high grade gold/copper veins. Anglo-American, Cominco, Newmont, Mount Isa Mines, and TVX have all worked on Pimenton. Several geologists from these and other companies have made comparisons of Pimenton with the mineralized system which hosts Codelco's Andina and Anglo American's Disputada de Las Condes porphyry copper mines. The copper mineralization of these two mines crops out at elevations ranging between 3,600 and 4,200 meters and they lie some 70 kilometers to the south of Pimenton. Andina is producing approximately 550 million pounds of copper a year from ore which runs 1.30% copper per ton. Disputada de Las Condes is producing approximately 500 million pounds of copper per year, from reserves averaging 1.03% copper per ton. Both of these mines produce copper, in part, from large tourmaline breccia pipes.

Dr. Thomson stated, "The discovery of the breccia pipe at Pimenton confirms indications we have had for a long time of the potential existence of copper mineralization in various settings beneath the gold veins. The valleys within the altered zone are extensively covered with glacial and other superficial deposits, yet their lower elevation in the mineralogical zoning sense, make them particularly attractive for geophysical studies, and later drilling for porphyry copper targets."

Initial exploration and underground development of the high grade gold veins at Pimenton has established 67,800 tonnes of measured and indicated reserves, grading 18.70 grams per tonne gold and 1.56% copper containing 40,762 ounces of gold. Additional inferred mineral resources of 208,000 tonnes run 19.22 grams gold per tonne and 1.57% copper, containing an estimated 128,530 ounces of gold. In each case, grades are fully diluted for mining widths. Further details are contained in the Company's Annual Information Form for its fiscal year ended September 30, 2002, filed with SEDAR (www.sedar.com).

SAGC's goal is to re-start gold mining operations at Pimenton while also moving ahead with exploration of the new breccia pipe discovery.

Photographs, diagrams and additional technical information on this breccia pipe discovery will be posted on the company's website, www.sagc.com.

South American Gold and Copper Company 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.