

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – May 4, 2004

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (“the Company”) (TSX Symbol SAG) is pleased to announce that testing of plant operations at Pimenton have been initiated.

Stephen W. Houghton, President and CEO, stated, that the Pimenton plant has been energized (three Caterpillar 3406-350 KVA 60 cycle generators have been installed) and testing of all the electrical systems in the plant is currently being conducted. By the end of this week we will be running tests on the crushing circuit which includes the primary jaw crusher, the secondary cone crusher, the Harding ball mill and cyclones. Testing of the flotation cells and related circuits and subsequently the thickener and filters is planned during the second and third week of May and milling of ore is also scheduled to begin in the third week of May 2004.

Mining operations are in full progress and six stopes have been prepared for production. Three thousand tons of ore have been stockpiled.

This one month delay in reaching full scale production through the mill has been caused by longer than planned fabrication and delivery times of certain specialized mill components, all of which have now been received.

The tailings pond expansion construction which entailed the movement, selection and compaction of 52,000 cubic meters of appropriately sized construction materials will also be completed at the end of May 2004. This expansion will substantially increase the remaining capacity of Pimenton's existing tailings pond.

The main camp, consisting of housing and dining facilities for 125 men, has been completed. This reconstruction included installation of an entirely new roofing system over four primary building structures, installation of floors, and ceilings, entirely new electrification, heating installation, plumbing and a new potable water system and a new septic system.

New electric wiring and new ventilation systems have been installed in the mine as well as piping for compressed air and water handling systems.

The plant structure at Pimenton was totally rebuilt and enlarged and all milling equipment in the plant is new or has been completely refurbished. In addition, an entirely new electric system has been installed in the plant.

Taking into consideration the remoteness of Pimenton, the 80-kilometer distance of bringing construction materials over an unpaved road to the mine site, the unexpected occurrences which take place in totally reconstructing a plant and related infrastructure facilities, including installation of 150,000 liters of tankage for petroleum storage, it is remarkable that we have been able to achieve a re-start of mining and milling operations at Pimenton in a five-month period. Our original plans called for construction activities to begin in October 2003 and a completion date of March 31, 2004, but due to a delay in receipt of funding for the project, construction activities and mine development did not get underway until January 12, 2004.

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."