

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – May 15, 2003

**South American Gold and Copper Company Limited (the "Company") (TSX: "SAG")
Announces the Following:**

1. Reduction in Exercise Price of Previously Issued Warrants and Broker Warrants

The Company is pleased to announce that it has received conditional approval from the Toronto Stock Exchange for the reduction of the exercise price from Cdn \$0.08 to Cdn \$0.06 per common share for 11,660,000 common share purchase warrants and 2,050,000 broker warrants which remain outstanding pursuant to the private placement by the Company that closed on March 28, 2002. All of these warrants and broker warrants are held by parties who are arm's length to the Company.

This reduction in exercise price shall be effective as of May 30, 2003 until 11:59 p.m. on June 10, 2003, following which date the exercise price of such warrants and broker warrants will return to Cdn \$0.08 per common share. If all of the foregoing warrants and broker warrants are exercised at the reduced price, gross proceeds from such exercise would amount to Cdn \$822,600.

2. Exercise of Cdn. \$0.055 Warrants

The Company is also pleased to announce that 11,627,125 common share purchase warrants, including 2,400,000 broker warrants, exercisable at Cdn \$0.055 per common share, were exercised during the period January 2003 to date, resulting in gross proceeds to the Company of Cdn \$639,492. These warrants and broker warrants were issued pursuant to the private placement of the Company that closed on February 2002.

3. Use of Proceeds from Exercise of Warrants

The proceeds from the exercise of the warrants described above will be used in part to fund the proposed exploration program at the recently-announced breccia pipe discovery on the Pimenton property. A portion of the proceeds will also be used in conjunction with the Company's plans to restart operations at its Pimenton gold mine.

Construction of an approximately twelve kilometer road is currently in progress on the Pimenton property which will facilitate further exploration of the breccia pipe discovery. Plans are also currently in place for a site visit by Quantec Geoscience, an experienced geophysical and geoscience firm, headquartered in Toronto, Canada, with offices in Antofagasta, Chile, which will advise on a geophysical program to be conducted on the discovery. This will include an assessment at this stage of exploration of the use and application of the new Titan-24 Array Magnetotelluric Survey.

4. Update on Pimenton Gold Project

The Company also announced that detailed operating plans for restarting operations at its 100% owned Pimenton gold mine have been completed and financing discussions are in progress. With the gold price approaching US \$350 an ounce, Stephen W. Houghton, President and Chief Executive Officer, stated, "If current debt financing discussions remain on schedule, we plan to begin production of gold at Pimenton in early 2004."

5. Update on Cal Norte Lime Project

Mr. Houghton also reported, "Discussions for obtaining debt production financing for the Cal Norte lime project are proceeding favorably. While there has been a reduction in imported lime prices in the Central Regions of Chile, we believe this is a short term market adjustment due to current economic conditions in Argentina. We believe that with certain capital cost adjustments in combination with a 20% increase in the designed production capacity of the lime kiln to 63,000 tons of annual production, the Cal Norte project will be competitive, provide an acceptable rate of return to the Company and make a meaningful contribution to the Chilean economy's Central Regions by reducing its dependence on imported lime."

6. Alternatives to Maximize Shareholder Value

A corporate objective of the Company is to maximize shareholder value. The Company will work with IBK Capital, Toronto, Canada, reviewing alternative strategies to accomplish this goal as well as to continue to enhance shareholder value through continued exploration and development of its projects.

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".