

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – June 4, 2003

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

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 \$0.0956 to Cdn \$0.065 per common share for 1,208,471 broker warrants issued to IBK Capital Corp. which were issued and which remain outstanding in connection with two private placements by the Company in 2001 for which IBK Capital Corp. acted as agent. IBK Capital Corp. is at arm's length to the Company.

This reduction in exercise price shall be effective as of June 19, 2003 until 11:59 p.m. on June 29, 2003, following which date the exercise price of such broker warrants will return to Cdn \$0.0956 per common share. If all of the broker warrants are exercised at the reduced price, gross proceeds from such exercise would amount to Cdn \$78,550.62.

Stephen W. Houghton, President and CEO, stated, "IBK Capital Corp. has previously exercised a total of 4,450,000 broker warrants at an exercise price of Cdn \$0.055 per common share with respect to 2,400,000 broker warrants and at an exercise price of Cdn. \$0.06 per common share with respect to 2,050,000 broker warrants resulting in proceeds to the Company of Cdn \$255,000 in addition to the Cdn \$78,550.62 which it expects to receive on exercise of the 1,208,471 broker warrants at Cdn \$0.065 per common share. The Board of Directors of SAG is gratified by the confidence placed in the Company's future prospects by IBK Capital Corp."

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".