

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – June 9, 2006

South American Gold and Copper Company Limited Announces Final Results of Drill Program by Rio Tinto

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the "Company") (TSX – SAG) announced today that it has been informed by Rio Tinto Mining and Exploration Ltd., a wholly-owned subsidiary of Rio Tinto plc, that it has elected not to proceed with exploration on the porphyry copper deposit at Pimenton. This decision has been taken based on Rio Tinto's perception that the potential size of the project does not meet its requirements. Exploration at the property was carried out under an LOU between SAGC and Rio Tinto, signed in March 2005.

At a recent technical meeting held in Santiago, Rio Tinto informed the Company of the final results of its exploration programme. The results from South American Gold and Copper Limited's perspective strongly demonstrate continued exploration drilling on the Pimenton copper gold system is justified with a solid drill target on which to build. Highlights of the results are given below:

8 holes were drilled at the property totaling 3892m of diamond drilling.

The drilling discovered a new Cu-Au porphyry deposit in the Pimenton valley under relatively shallow (80m) moraine.

The porphyry copper system measures 600 meters by 500 meters and is composed of a series of diorite porphyry facies (early, intermineral, and late mineral) with potassic alteration (potassic feldspar, biotite, magnetite and pyrite) and primary pyrite, chalcopyrite and bornite mineralisation. Towards the margins of the system sericitic calc sodic alteration is developed with abundant pyrite.

Best drill results include 279m at 0.40% Cu and 0.43g/t Au and 70m at 0.46% Cu and 0.49g/t Au.

Although the Cu and Au grades are considered subeconomic at this stage, there is potential for a higher grade chalcopyrite – bornite core which remains untested at depth.

This high grade core has the potential to host a Cu-Au resource of several hundreds of millions of tonnes.

Further deep drill holes are recommended in the main valley to evaluate the vertical extension of the mineralisation.

Dr David R. S. Thomson stated, “We are pleased with the work done by Rio Tinto and believe that the exploration program carried out by Rio Tinto has added significant value to the Pimenton project and to its shareholders. We now have one definite drill target, in addition to at least two more potential drill targets within the Pimenton alteration zone, on which to build on going exploration. We will conduct further drilling campaigns independently, or in conjunction with other majors that have recently expressed an interest in the Pimenton porphyry copper system. We are very pleased to have the project back in the Company with full and complete ownership”

The Company has recently met with representatives of Quantec Geophysical to discuss conducting a Titan 24 program on the project as a first step to further explore the porphyry drilled and identified by Rio Tinto in the Pimenton Valley as well as at least two other potential copper gold porphyry drill targets.

This report has been approved by Dr. David R. S. Thomson, EVP and Director of Exploration, who has more than 40 years experience in exploration and development in Chile and Peru. Rio Tinto Mining and Exploration Ltd. has also reviewed and approved this news release.

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