

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – June 30, 2010

South American Gold and Copper Company Limited Reports Conversion of Convertible Debentures, a Private Placement, Reduction of Debt to OPIC and Progress in Selling its Gold Doré to a Swiss Refinery.

Toronto, Ontario, Canada - South American Gold and Copper Company (the “**Company**”) (SAG-TSX) reported today that Compañía Minera Chañar Blanco S.A. (“Chañar Blanco”), a Company controlled by Mr. Mario Hernandez, a director and EVP of Claims and Administration of the Company and Compañía Minera Auromin Ltda. (“Auromin”), a Company controlled by Dr. David Thomson, a director and EVP of Exploration of the Company have each converted two Convertible Debentures held by each of their respective companies and issued by the Company on April 21, 2010.

Chañar Blanco converted both its A-Debenture and B-Debenture which were issued respectfully, in the principal amounts of US \$716,105 (Cdn \$734,078.90) Convertible at Cdn \$0.045 per share or into 16,312,864 shares of the Company and US \$321,667 (Cdn \$329,745) Convertible at Cdn \$0.04 per share or into 8,243,625 shares of the Company.

Auromin converted both its A-Debenture and B-Debenture which were issued, respectfully, in the principal amounts of US \$732,331.10 (Cdn \$732,331.10) Convertible at Cdn \$0.045 per share or into 16,274,024 shares of the Company and US \$250,000 (Cdn \$256,278) Convertible at Cdn \$0.04 per share or into 6,406,950 shares of the Company.

Both the A-Debentures and B-Debentures had an annual interest rate of 6% per year payable annually and a maturity date of April 21, 2015.

As a result of the Conversion of the A-Debentures and B-Debentures the Company issued a total of 47,237,463 common shares and as of June 30, 2010 had total outstanding common shares of 840,177,633 after the conversion of the A and B Debentures.

The Company also reported that Chañar Blanco and Auromin have agreed to convert respectively US \$500,000 and US \$330,000 of cash advances into common stock and common stock purchase warrants of the Company. The Private Placement, which is subject to final approval by the Toronto Stock Exchange, will consist of units, each unit consisting of one common share of the Company at Cdn \$0.03 per share and one-half common share purchase warrant, each full warrant will have an exercise period of two years from the date of issue and will purchase one common share of the Company at Cdn \$0.04 per share.

Stephen W. Houghton, CEO of the Company stated that the loan to Overseas Private Investment Corporation (OPIC) had also been reduced by \$315,000 earlier this month (in addition to \$630,000 paid during the Company's current fiscal year), leaving a principal balance of \$288,722 which it expects to pay prior to September 15. The A-Debenture and B-Debenture which have been converted in full totalled US \$2,002,182 (Cdn \$2,052,323). This is a significant reduction in the indebtedness of the Company coupled with the reduction in debt to OPIC. The Conversion of the A and B Debentures and the private placement of US \$830,000 (Cdn \$801,282) by Messrs Hernandez and Thomson by way of companies controlled by each of them shows the tremendous confidence which they both have in the future prospects for the Company.

Mr. Houghton also reported that from May 24, 2010 to date a total of 1,120 ounces of gold have been produced from gold doré which has been sent to Argor-Heraeus, a major gold refinery in Mendrisio, Switzerland. The relationship with Argor-Heraeus has greatly improved the timing of our cash flow during the last two months. The gold doré is produced from our Knelson Gold Concentrate which accounts for approximately 60% of the Pimenton Mine's total production of gold and silver. The remaining 40% of our gold is contained in our Copper/Gold flotation concentrate which we continue to sell to Enami, the Chilean state owned smelter located in Ventanas, Chile.

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

FORWARD-LOOKING STATEMENTS: This news release contains certain "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Except for statements of historical fact relating to the company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially

from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.