

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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South American Gold and Copper Company Limited Announces Continued Exploration Program by Rio Tinto on Copper Porphyry at Pimenton and Temporary Closing of Pimenton Mine Due to Unusual Snow Conditions

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (the “Company”) (Toronto Stock Exchange symbol SAG) announced today that revenues received by its Pimenton mine from the sale of gold, copper and silver for the first ten days of June 2005 increased 38% to US \$208,622 (unaudited) compared to revenues of US \$147,708 (unaudited) for the same period in the month of May 2005.

However, beginning on June 9th a major snowstorm system moved through the Central Andes causing extensive avalanche activity throughout the region resulting in the closure or significant reduction in operations of several other mines in the area, the closure for nearly two weeks of the Pass de Liberadores, the principal highway from Chile to Argentina and a one week delay in the opening of a major ski resort in the area. The Jet Stream, which usually drops south of the area, shifted north over the area in which Pimenton is located. The storm began at the mine on the morning of June 9th and lasted for ten days, dropping nearly four meters (14 feet) of snow before the storm died out on the morning of the 19th. There were several unusual weather anomalies that occurred before and during the storm which caused extensive avalanche activity. First, before the storm, the weather was unseasonably mild, the daily thawing and nightly freezing of the existing snow pack formed an ice lens on the surface. Second, over three meters of unusually light snow fell at the beginning of the storm, 312 cm with only 187 mm of water in the snow (6% water content). Third, at the end of the storm 81 cm of heavy snow fell, with 158 mm of water (20% water content). The combination and, more importantly, the order of these three weather factors caused severe avalanche conditions at the mine and on a part of the 80 kilometer road to the mine site. These weather factors led to the mine and road closure for the period of June 9th to June 25th.

Following the opening of the 80 kilometer road to the mine site on June 26th all personnel at the mine were removed due to an additional forecasted heavy snow storm.

While avalanche experts at the mine site were successful in controlling most avalanches, using an “Avalancher” snow cannon thereby protecting the camp and plant buildings at the mine, the entrance and electrical and air compressor equipment at the mine portal entrance suffered avalanche damage.

Following extensive discussions with the Company's insurance carrier, the road leading to the mine site is now being reopened. Once the camp site, plant site and mine portal entrance are cleared of snow and an assessment of damage to the equipment at the mine portal entrance and any subsequent damage to the plant or camp has been made, the Company will file claims for damages with its insurance company.

The Company's insurance policy also contains a "business interruption" clause which covers business interruption due to damage of camp, plant or equipment caused by avalanches or fire, among other potential hazards. A claim for "business interruption" insurance will also be made once damage assessments have been calculated.

Stephen W. Houghton, President and Chief Executive Officer, stated that plans for restarting operations at Pimenton have been substantially completed and will be announced once a full assessment of the condition of the mine facilities has been completed and insurance claims have been filed.

Mr. Houghton also stated that the Company is pleased to report that Rio Tinto has informed the Company of its decision to continue exploration of the copper porphyry system at Pimenton in the upcoming exploration season beginning in November/December 2005. Rio Tinto has also expressed an interest in reviewing the potential porphyry copper deposit on the Company's 7,000 hectare Tordillo prospect which is located approximately 12 kilometers south southwest of Pimenton and adjacent to two other highly prospective areas of potential porphyry copper deposits on which further drilling is anticipated in the upcoming exploration season.

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

Certain information contained in this press release constitutes "forward looking statements" within the meaning of securities laws. Forward-looking statements may relate to the future outlook of the Company and anticipated events or results. In particular, statements regarding the Company's future operating results and economic performance are forward-looking statements. Forward-looking statements are made on management's belief as well as assumptions made and information currently available to, management of the Company. While such beliefs and assumptions are considered reasonable by the Company, they are inherently subject to significant business, economic and competitive uncertainties and contingencies or they may prove to be incorrect. These issues can affect the Company's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance, and should not place undue reliance on them. The Company expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any changes in events, conditions or circumstances on which any statement is based.