

For: South American Gold and Copper Company Limited (TSX:SAG)

PRESS RELEASE

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South American Gold and Copper Company Limited Announces Proposed Joint Ventures, Financing and Pimenton Production Results for September

TORONTO, ONTARIO - October 1, 2004 - **South American Gold and Copper Company Limited** (the "Company") (Toronto Stock Exchange Symbol SAG) announced today that it will initiate joint venture discussions with selected international mining companies which have previously expressed an interest in the porphyry copper potential at Pimenton. This initiative has been taken in order to enhance planned exploration activities and expenditures on the porphyry copper mineralization at Pimenton. Under the terms of the proposed joint venture, the Company will retain its 100% interest in the Pimenton gold mine.

The Company also announced that it has entered into joint venture discussions with a global producer of lime and limestone products.

The general scope of the joint venture would be to initially supply metallurgical grade lime to a Chilean mining company with multiple operations in Chile, first with imported lime which would be supplied by the lime trading affiliate of the international lime and limestone products company and secondly to establish Chilean based production facilities of lime utilizing the Company's Catedral and Cal Norte limestone properties.

In order to support and continue to maintain a significant ownership position in the potential porphyry copper deposit, the Company plans to fund its prorated share of the exploration program which will be proposed under the terms of the joint venture on the potential porphyry copper deposit at Pimenton. The Company also plans to fund a part of the joint venture arrangement for the supply of lime to the aforementioned mining company based in Chile.

Stephen W. Houghton, President and CEO, stated that while its Pimenton gold mine will make a positive contribution to the Company's cash needs to fund a part of the joint venture arrangements, the timing requirements for funding of the joint ventures will require funds more rapidly than can be generated by Pimenton, which is just now in its third month of production. The Board of Directors of the Company has taken into consideration the potential significance of these joint ventures to the Company weighed against the additional dilution of a private placement financing and has determined that the potential positive impact of the joint ventures to the Company's shareholders outweighs the immediate dilutive effect of an additional financing at this time. The Board has therefore taken the decision to appoint IBK Capital Corp., Toronto, Canada, to act as Placement Agent for a private placement of up to Cdn \$2,310,000. The currently planned private placement, subject to final Toronto Stock Exchange approval, will consist of up to 30,000,000 Units priced at Cdn \$.07 per Unit with each unit consisting of one common share of stock and one half common stock purchase warrant. Each whole warrant will be exercisable at Cdn. \$0.09 for a

period of 24 months from the placement date. In addition, up to 3,000,000 common shares will be reserved for non-arms length purchasers at a price per share of Cdn \$0.07 per share with no purchase warrants attached.

The Company also announced that production at its Pimenton gold mine for the month of September 2004 is expected to be 786.7 ounces of gold, 597.7 ounces of silver and 43,980 pounds of copper or 938.4 gold equivalent ounces, a 34% increase over the 770.7 gold equivalent ounces produced in August 2004.

Mr. Houghton stated that as refinements are made to mining methods which have been implemented during September 2004 and further improvement in plant operations and equipment are achieved, the Company expects a continued and progressive increase in gold, copper and silver production at Pimenton.

South American Gold and Copper Company Limited is a minerals producing, 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."

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