

# News Release

## **SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED**

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### **FOR IMMEDIATE RELEASE - October 2, 2002**

**Toronto, Ontario, Canada** - South American Gold and Copper Company Limited ("the Company")(TSX Symbol SAG) is pleased to announce that it has filed a Technical Report with the securities regulatory authorities in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba and Quebec entitled "The Reserves and Proposed Operating Plan for the Pimenton Mine, Region V, Chile," which is based on the Company's plan to restart operations at its 100% owned Pimenton gold mine at an initial rate of 2,000 tonnes of plant through-put per month.

Initial annual production is projected to be approximately 13,000 ounces of gold and 310 tonnes of copper at a cash production cost of US \$180 per ounce of gold net of copper credits.

Stephen W. Houghton, President and CEO, stated, "The economic analysis contained in the technical report as set out in National Instrument 43-101 is based solely on the mineral reserves at Pimenton which total 67,800 tonnes grading an average 18.7 grams gold and 1.57% copper per tonne, adjusted for mining dilution. Inferred mineral resources at Pimenton total an additional 208,000 tonnes with an average calculated grade of 19.2 grams of gold and 1.58% copper per tonne.

"The Company's operating plan is to progressively develop the inferred mineral resources into mineable ore. As the inferred mineral resources are developed and new veins are discovered and developed, including the recently identified Carmela vein, the Company's objective is to systematically increase production to 200 tonnes per day or 70,000 tonnes per

year. The successful implementation of this plan would bring annual production of gold at Pimenton to approximately 40,000 ounces per year.”

Pimenton is located 174 road kilometers northeast of Santiago, Chile, and lies within the porphyry gold/copper belt of Chile between the major porphyry copper deposits at Minera Los Pelambres to the north and Andina and Minera de Los Disputada to the south.

The Company completed and operated a 35 tonnes per day pilot plant at Pimenton during the period 1995-1996 and in May 1996 the plant was expanded and operated at rates up to 120 tonnes per day until February 1997 processing mainly run of mine development ore.

Operations at Pimenton were placed on care and maintenance in March 1997 due to the severe El Niño winter and the concurrent fall in gold prices.

The technical information with respect to mineral reserves, mineral resources, grades of ore and cash cost per oz gold contained in this news release are included in the technical report dated September 2002, prepared by John J. Selters, an independent “qualified person” as defined by National Instrument 43-101. Mr. Selters has reviewed and approved the contents of this news release.

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.