

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – October 8, 2008

South American Gold and Copper Company Limited Announces Issuance of Convertible Debentures

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the “Company”) (TSX: SAG) reported that its wholly owned subsidiary, Compañía Minera Pimenton will issue Convertible Debentures secured by equipment leases totalling Cdn \$706,808, subject to the Toronto Stock Exchange final approval.

The Convertible Debentures are non interest bearing and are convertible at Cdn \$0.05 per share or for up to a total of 14,136,160 shares. Under the terms of the Convertible Debentures, the net amount (total lease payments less lease payments made less the balance of interest due on the remaining lease payments) shall be convertible into common shares of the Company. The total lease payments are Cdn \$17,600 per month. As the lease payments are made by Compañía Minera Pimenton, the amount of the Convertible Debenture is correspondingly reduced.

Compañía Minera Pimenton may on 30 days notice to the lessors prepay the net amount due to be paid to the lessor less all remaining interest due under the leases or the lessor may elect to take the balance of the lease payment (net of interest on the remaining lease payments) in shares of the Company within the 30 day notice period.

The Convertible Debentures will be issued to cover nine equipment leases used to lease purchase equipment for the Pimenton gold mine on terms not currently available to Pimenton. Two Directors and Officers of the Company have made this financing possible which has greatly benefited the operations of the Pimenton gold mine.

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

“Cautionary Statement Regarding Forward-Looking Information. Except for statements of historical fact, all statements and information in this press release, including without limitation, statements and information regarding the Pimenton gold mine, forecasted production, future plans, financing requirements, objectives and results constitute forward-looking information within the meaning of applicable Canadian securities legislation, which involve risks, uncertainties and assumptions, many of

which are beyond our control. All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. Actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, South American Gold and Copper Company Limited and its subsidiaries, expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.”