

News Release

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FOR IMMEDIATE RELEASE – October 22, 2007

South American Gold and Copper Company Announces Plans for Restarting Operations at Pimenton

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the "Company") (TSX-SAG) announces today the planned restart of operations at its 100% owned Pimenton gold mine. This is contingent on a substantial portion of the 43,000,000 warrants issued by the Company and expiring on November 1, 2007, at an exercise price of Cdn \$0.04 being exercised for total proceeds of up to \$1,720,000 Canadian dollars.

For a planned investment of approximately US \$1,370,000, including three months of working capital, Pimenton will mine and mill 50 metric tons of ore per day. The Company has set the following sequence of goals for Pimenton that will be financed out of production cash flow:

- 1. Restart exploration and development crosscuts and raises**
- 2. Use drilling to increase resources and reserves at Pimenton**
- 3. Start mine preparation for a 200 tpd operation**
- 4. Start drilling at Tordillo which is close to Pimenton**

As audited in March 2005 by John Selters, an independent Qualified Person under NI 43-101, Pimenton has proven reserves of 13,034 metric tons assaying 14.4 g/t gold and 1.27% copper, probable reserves of 35,038 metric tons with 14.4 g/t gold and 1.26% copper, and a inferred resource of 199,270 metric tons running 18.8 g/t gold and 1.6 % copper.

Direct operating costs of a 50 tpd operation at these grades is estimated at approximately US \$285 dollars per ounce. This cost is net of the Value Added Tax (VAT, charged at 19%) refund discussed below. Monthly production would be approximately 560 ounces of gold and 14.80 metric tons of copper, or 700 equivalent ounces of gold, at a gold price at US \$700 per ounce and copper at US \$3.00 per lb.

As detailed below, the Company has the reserves, equipment, and people to start a 50 tpd operation at Pimenton:

- In the mine there are 12,000 metric tons of ore in prepared stopes ready for extraction with grades ranging from 10.8 g/t gold and 1% copper, up to 17.5 g/t gold and 1.8% copper.
- The Pimenton plant has a complete crushing section, a 75 tpd mill and flotation cells that can be put back into service.
- Pimenton has a mine camp and all the necessary mining equipment (including scoops, mine trucks, compressors, generators, underground drilling equipment, a new Ingetrol Explorer Jr. diamond drill currently drilling at the Company's Bandurrias project) that it needs to restart production, development and exploration at the mine.
- The Company has ready access to professional consultants in geology, mining engineering, metallurgy, mine safety, as well as for all legal, environmental, labor aspects, along with a skilled pool of experienced ex-Pimenton miners.
- The mine is fully permitted and prior to restarting operations requires 15 days notice to be given to the Chilean mining authorities.
- Minera Pimenton has US \$2,400,000 in Value Added Tax (VAT) refunds recoverable against sales of concentrates.

Patrick Esnouf, President of the Company stated "With the current price of gold near a 28 year high, we believe we can quickly put the mine back into operation and be profitable. While the operating scenario is a lot smaller than the resource can support, it does have the advantage of being fundable from the exercise of existing warrants, and thus not further diluting shareholders' positions. Further, we will generate in-house financing for exploration, development and resource drilling on a property which shows tremendous high grade potential. In canvassing our backers recently, it has become clear that we need more proven and probable reserves before we can initiate plans to go to 200 tpd, which is the model Pincock, Allen and Holt reviewed for us last year".

The contents of this News Release have been reviewed and approved by William Hill, P.Eng., a Director of the Company and a Qualified Person under NI 43-101.

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 ecological 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.