

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – October 31, 2008

South American Gold and Copper Company Limited Announces Termination of Joint Venture with Anglo American Norte S.A.

Toronto, Ontario, Canada - South American Gold and Copper Company Limited (the "Company") (TSX: SAG) announced that it has received notice from Anglo American Norte S.A. that it has terminated its Letter of Understanding (LOU) dated March 12, 2007, on the porphyry copper deposit at Pimenton and as a consequence, does not wish to proceed with negotiations on the Joint Venture Option Agreement on the property.

Anglo American plc, the parent of Anglo American Norte S.A., announced in its press release dated October 23, 2008, "The current volatility and uncertainty in global markets, coupled with the slowdown in the world's major economies, has had a significant impact on commodity prices. Against this economic background, Anglo American is conducting a review of its project pipeline to assess capital expenditure profiles on a project by project basis, as well as intensively driving its asset optimisation programme and related cost discipline across the businesses."

David Thomson, Executive Vice President and Director of Exploration and a Director of the Company stated, "We are pleased to have the Pimenton porphyry project back in our own hands. We entered into the LOU with Anglo American Norte S.A. at a time when we were not in a position to move the project forward on our own. We have gained additional and valuable information on the Pimenton porphyry deposit through the work of both Anglo American Norte S.A. and Rio Tinto Mining and Exploration Ltd. We will continue exploration of the project from the cash flow expected to be generated by our Pimenton gold/copper mine and do not rule out the possibility of entering into Joint Venture discussions on the project in the future."

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 or the Pimenton porphyry deposit, 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.”