

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – November 2, 2005

South American Gold and Copper Company Limited Announces Plans for Restarting Operations at Pimenton, Status of Insurance Claims, IVA Recovery, Adjustment to Warrant Exercise Price and Status of Rio Tinto Agreement

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (the “Company”) (Toronto Stock Exchange symbol SAG) announced today that it has finalized plans to initiate the restarting of operations at its 100% owned Pimenton gold mine which was shut down on June 9, 2005, due to avalanches which caused damage to electrical and related equipment at the mine's principal portal entrance and caused the shutdown of mining and milling operations at the mine. The Company's plans are to have the Pimenton mine back into operation during December 2005, under a recently completed and revised mine plan which has targeted gold production of 23,462 ounces and copper production of 1,399,809 pounds, or just under 29,000 gold equivalent ounces for the calendar year 2006.

The Company is aggressively pursuing discussions with Cruz del Sur, the Chilean insurance company which insures Pimenton. The insurance policy on Pimenton covers both physical damage as well as coverage for business interruption caused by avalanche damage, fire and certain other events. Pimenton's claims for business interruption and physical damage under this policy are for in excess of US \$3,000,000.

Normally, IVA (VAT) taxes previously paid by Pimenton are reimbursed to Pimenton at the rate of US \$0.19 for each US \$1.00 of metal value sold to the Enami Smelter. However, under certain provisions of the Chilean Internal Revenue Code companies which hold export certificates may be entitled to apply for a prepayment of IVA (VAT) taxes previously paid. Pimenton holds an export certificate and has applied for and is in negotiations for an initial recovery of US \$347,000 previously paid by Pimenton on fixed asset purchases leaving a balance of approximately US \$1,500,000 of IVA taxes previously paid on consumable items and services and for which amount Pimenton intends to apply for a further prepayment. Currently the IVA tax rate in Chile is 19% and is paid on fixed asset purchases as well as on most goods and services purchased.

Due to the uncertainty of the exact timing of reaching a final resolution of its insurance claims and the timing of receipt of recoverable IVA, the Company announced that it has received conditional approval from the Toronto Stock Exchange to extend the expiration date to November 30, 2005, and to reduce the exercise price from Cdn. \$0.09 to Cdn. \$0.055 on all warrants which were issued in conjunction with its November 2003 private placement and which expire at varying dates during the month of November 2005. As additional consideration for those who exercise, each exercising warrant holder will be granted a new whole warrant for each warrant exercised, each new warrant entitling such holder to acquire one further additional common share for a two year period at a price of \$0.07 per share. Gross proceeds, if all warrants and broker warrants issued in conjunction with this private placement are exercised, would amount to Cdn. \$1,645,290, a part of which will be used to support the restarting plans for Pimenton.

Stephen W. Houghton, President and Chief Executive Officer, reported that the Company's and Rio Tinto Exploration Ltda.'s ("Rio Tinto") legal counsel are finalizing the Joint Venture Option Agreement pursuant to the terms of the previously announced Letter of Understanding between Rio Tinto and the Company. Additional details of this Joint Venture Option Agreement will be announced following the signing of the Agreement.

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

Certain information contained in this press release constitutes "forward looking statements" within the meaning of securities laws. Forward-looking statements may relate to the future outlook of the Company and anticipated events or results. In particular, statements regarding the Company's future operating results and economic performance are forward-looking statements. Forward-looking statements are made on management's belief as well as assumptions made and information currently available to, management of the Company. While such beliefs and assumptions are considered reasonable by the Company, they are inherently subject to significant business, economic and competitive uncertainties and contingencies or they may prove to be incorrect. These issues can affect the Company's actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance, and should not place undue reliance on them. The Company expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any changes in events, conditions or circumstances on which any statement is based.