

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – November 6, 2003

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (“SAGC” or “the Company”) (TSX symbol: SAG) is pleased to announce that the Company and its indirect subsidiary, Compañía Minera Pimenton (“Compañía Pimenton”), have entered into a commitment letter with the Overseas Private Investment Corporation (“OPIC”), setting forth the terms and conditions of OPIC’s commitment to provide to Compañía Pimenton, pursuant to Section 234(c) of the United States Foreign Assistance Act of 1961, as amended, a loan facility in the aggregate principal amount of up to U.S. \$2,800,000. Proceeds of the loan will be applied to the re-opening and operation of the Company’s Pimenton gold mining and milling facility located in Region V of Chile, approximately 180 kilometers northeast of Santiago.

The granting of the loan by OPIC is subject to a number of conditions, including mortgages on the Pimenton property, a pledge of the stock of Compañía Pimenton and a pledge of all of the shares of a recently created subsidiary of the Company (“Subco”) which will hold 99.9% of the shares of Compañía Pimenton.

OPIC was established as an agency of the United States Government in 1971 to provide direct loans, loan guarantees and/or political risk insurance to U.S. investors for projects which foster economic development in new and emerging markets, and expand economic development which it believes can encourage political stability and free market reforms.

The Company reported that Stephen W. Houghton, the Company’s President and Chief Executive Officer, will form a United States corporation (the “U.S. Corporation”) in accordance with provisions of the original loan application with OPIC, that will purchase a 26% interest in Subco (the “Pimenton Interest”). Funds received from the purchase price to be paid by the U.S. Corporation for the Pimenton Interest will be invested directly into Compañía Pimenton and make up a part of the required funding to restart operations at Pimenton.

Under the terms of the OPIC commitment letter, the U.S. Corporation and Mr. Houghton will be required to provide certain monetary project completion guarantees to OPIC until such time as OPIC has received a written report from Pincock Allen & Holt (“PAH”) that the Pimenton mine is operating according to the operating plan and budgets of Compañía Pimenton which have been submitted to OPIC and reviewed by PAH.

The U.S. Corporation and Mr. Houghton will be restricted by OPIC with regard to the sale or transfer of shares of the U.S. Corporation. The transfer or sale of the Subco shares owned by the Company will also be restricted by OPIC. The U.S. Corporation and Mr. Houghton will enter into a shareholders agreement with the Company that will place certain restrictions on the U.S. Corporation and Mr. Houghton including the sale or transfer of the Pimenton Interest. The Toronto Stock Exchange has conditionally accepted notice of the proposed sale of the Pimenton Interest.

Assuming SAGC, Compañía Pimenton, the U.S. Corporation and Mr. Houghton satisfy all of the conditions to the OPIC commitment letter, the final loan documentation is expected to be completed by mid to late November 2003 and should allow the Company to hold to its schedule of having Pimenton in operation by the end of March 2004.

OPIC has supported nearly U.S. \$145 billion of investments that have assisted developing countries generate over U.S. \$11 billion in host government revenues and created more than 680,000 host country jobs. OPIC promotes U.S. best practices by requiring projects which it funds to adhere to international standards on the environment, human rights and health and safety.

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.”