

# News Release

## **SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED**

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### **FOR IMMEDIATE RELEASE – December 2, 2003**

#### **“SAG” Announces Private Placement and Progress at Pimenton**

**Toronto, Ontario, Canada** – South American Gold and Copper Company Limited (“the Company”) (TSX: SAG) is pleased to announce that it has completed a private placement equity financing in the amount of Cdn \$3,491,614. The proceeds will be used in part to supplement the previously announced financing commitment in the amount of US \$2,800,000 from the Overseas Private Investment Corporation (“OPIC”), Washington, DC, for restarting operations at the Company’s Pimenton gold mine with a schedule for producing gold doré and a high grade copper/gold concentrate in March 2004. The Pimenton mine is located in Region V of Chile, approximately 180 road kilometers northeast of Santiago, Chile.

The financing consisted of 49,880,214 units at Cdn \$0.07 per unit, each unit comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder thereof to subscribe for one additional common share at a price of Cdn \$0.09 at any time within 24 months of date of issue. At the close of this financing, the Company now has approximately 316 million common shares outstanding. IBK Capital Corp., a private investment banking firm located in Toronto, Ontario, Canada, acted as the Placement Agent on the financing.

Stephen W. Houghton, President and Chief Executive Officer, stated “We are pleased to have completed the financing at this time as it enables the Company to maintain its schedule of placing Pimenton into operation and pouring gold during March of 2004. Refurbishment of the mine site infrastructure, facilities and plant area are actively in progress. Food service, fuel supply, transport and other related operating contracts have been negotiated and signed. Initial mine operations are also underway.

“Final loan documentation for the OPIC production financing commitment of US \$2,800,000 is scheduled to close by year-end 2003.

“It is also significant to note that during this period the Company has focused its attention on building a strong mine operating team for Pimenton, led by Mr. Hector Araya, who joined the Company in February 2003 and was recently appointed General Manager of Pimenton. Just prior to joining the Company, Mr. Araya was Senior Vice President and General Manager of Coeur D’Alene Mining Corp.’s Chilean operations and, prior to that, Operations Vice President and General Manager of the El Indio gold mine in Chile.”

In closing his remarks, Mr. Houghton stated, “We are making solid progress in crossing the threshold of being an established gold producing company in early 2004.”

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.”