

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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“SAG” Announces Second Private Placement, Plans for Pimenton Breccia Pipe, Cal Norte and Exploration Goal for 2004

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (“the Company”) (TSX: SAG) announced today that it has completed a private placement financing in the gross amount of Cdn \$3,150,000. The net proceeds will be used in part to further advance exploration on its previously announced tourmaline breccia pipe discovery adjacent to its Pimenton gold mine project, to advance its Cal Norte lime project to the development stage and to support the Company's goal of identifying at least one additional gold and/or gold/copper project during 2004.

The financing consisted of 40,000,000 units at Cdn \$0.07875 per unit, each unit comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to subscribe for one additional common share at a price of Cdn \$0.105 at any time within 36 months of date of issue. At the close of this financing, the Company now has approximately 358 million common shares outstanding and has in the treasury net proceeds after expenses of approximately Cdn \$6,043,000. IBK Capital Corp., a private investment banking firm located in Toronto, Ontario, Canada, acted as the Placement Agent on the financing.

Stephen W. Houghton stated, “This additional private placement was undertaken by the Company as a result of its previously announced private placement being substantially oversubscribed above the 50,000,000 units which had been allocated for sale by the TSX. The additional funds will enable the Company to pursue a more aggressive exploration program on its tourmaline breccia pipe discovery. Quantec Geophysics has been retained and is scheduled to conduct a geophysical program beginning in early February 2004. During January 2004 access roads to the northwest and southeast side of the breccia pipe will be completed to facilitate the geophysical program. Several possible drill sites may also be prepared during this period.

“In addition, the Company is now in a strong position to advance its Cal Norte lime project to development and to broaden its exploration activities in meeting its goal of identifying one or more gold and/or gold/copper exploration/development targets.”

In closing his remarks, Mr. Houghton stated, “We are making solid progress at Pimenton in meeting our corporate goal 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.”