

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

Registered Office:
79 WELLINGTON STREET WEST, SUITE 2300
TORONTO, ONTARIO M5K 1H1
CANADA

Toronto Office:
67 Yonge Street, Of. 1201
Toronto, Ontario M5J 1J8
CANADA

Santiago Office:
LA CONCEPCION 266, Of. 704
PROVIDENCIA, SANTIAGO, CHILE
Telephone: 56-2-264-2295

For further information, contact:
Stephen W. Houghton, CEO
David R. S. Thomson, EVP
E-Mail: sage@sagchile.cl
Telephone: 56-2-264-2295
Website: www.sagc.com

NOT TO BE DISTRIBUTED OR DISSEMINATED IN THE UNITED STATES

FOR IMMEDIATE RELEASE – December 15, 2010

South American Gold and Copper Company Limited Reports Results for its Fiscal Year Ended September 30, 2010.

Toronto, Ontario, Canada - South American Gold and Copper Company (the “Company”) (SAG-TSX) reported that it has filed its audited fiscal year ended September 30, 2010 financial statements on SEDAR today.

Revenues from gold sales were US \$9,998,000 and revenues from copper and silver sales were US \$951,000 and other sales were US \$10,000 or total revenues of US \$10,959,000 for the fiscal year ended September 30, 2010. This compares to revenues from gold sales of US \$9,176,000 and revenues from copper and silver sales of US \$1,140,000 or total revenues of US \$10,316,000 for the year ended September 30, 2009.

On a consolidated basis, net earnings were a negative US \$274,000 for the year ended September 30, 2010 before depreciation, amortization and reclamation of US \$1,662,000, stock based compensation of US \$1,072,000 and write off of exploration properties of \$2,240,000. This compares to a net earnings of US \$2,160,000 before depreciation, amortization and reclamation of US \$1,603,000, stock based compensation of US \$254,000 and write off of exploration properties of US \$199,000 for the year ended September 30, 2009.

At September 30, 2010 cash was US \$1,470,000 compared to cash of US \$855,000 at September 30, 2009.

In addition, on a consolidated basis the Company received approximately US \$2,235,000 of additional cash flow during the fiscal year ended September 30, 2010 through the recovery of Value Added Taxes (IVA) which as received, is a debit to recoverable taxes and a credit to cash on the balance sheet. The recoverable IVA taxes are not flowed through the income statement. At September 30, 2010 the Company had an additional US \$1,406,000 of recoverable IVA taxes which are expected to be recoverable during the fiscal year ended September 30, 2011.

The Company's sales of gold, copper and silver for the year ended September 30, 2010 were slightly above the year ended September 30, 2009 due to increased prices of gold, copper and silver but actual ounces of gold and silver and pounds of copper sold were below the year ended September 30, 2009. A part of the Company's Pimenton gold mine was partially closed by the Chilean Regulatory authorities due to a fatal mining accident which occurred in a productive section of the mine. This impacted mine operations from June 2009 until the first half of the year ended September 30, 2010.

Problems with equipment and lack of skilled mechanics lead to delays in the development program already adversely affected by the accident. This in turn lead to production plan delays as higher grade stopes were not prepared in time to meet production grade estimates. As a result of mining from lower grade stopes the head grade dropped to 8.9g/t Au and 0.53% Cu during the first six months of the year. For the last six months of the year ended September 30, 2010 the head grade increased to 12.1 g/t and 0.59% Cu.

In addition, mine operating expenses increased during the year ended September 30, 2010 primarily due to higher labor costs as wage pressure increased combined with hiring of more miners to prepare the mine for the planned production increases. As mentioned above, productivity was significantly affected by low mine equipment availability due to maintenance issues.

The regulatory problem has been resolved and the mine equipment availability problems have been improved with an aggressive hiring and parts purchasing program. The total fleet of available mining equipment is being increased by 100% and should be in operation by late January 2011. The Company expects the mine to gradually increase production above the current 100 tons per day during the year ending September 30, 2011 and at current reserve grades

Compañía Minera Pimenton financial statements are consolidated into the financial statements of South American Gold and Copper Company Limited.

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

FORWARD-LOOKING STATEMENTS: This news release contains certain "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Except for statements of historical fact relating to the company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate", "estimate" and other similar words, or statements that certain events or

conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors. The Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.