

# News Release

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

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#### **FOR IMMEDIATE RELEASE – December 18, 2007**

#### **South American Gold and Copper Company Announces Closing of Private Placement for Cdn \$3,842,800**

**Toronto, Ontario, Canada** - South American Gold and Copper Company Limited (the “Company”) (TSX: SAG) today closed its previously announced private placement offering of up to 92,375,000 units of securities of the Company (the “Offering”). An aggregate of 92,375,000 Units were fully subscribed at a price of Cdn \$0.0416 per unit raising gross proceeds of Cdn \$3,842,800, or US \$4,000,000. The private placement is subject to the submission of customary documentation to the Toronto Stock Exchange.

Each unit consists of one common share of the Company (each, a “Common Share”) and one-half of one Common Share Purchase Warrant (each whole Common Share Purchase Warrant, a “Warrant”) at a price of Cdn \$0.0416 per unit with each Warrant exercisable to purchase one Common Share until December 17, 2009, at an exercise price of Cdn \$0.06 per Common Share.

In connection with the Offering, the Company paid an aggregate cash commission to Global Advisors Management Limited of US \$320,000 and issued 5,616,936 Common Share Purchase Warrants (each a “Broker Warrant”), with each Broker Warrant exercisable to purchase one Common Share at an exercise price of Cdn \$0.045 until December 17, 2009.

The proceeds of the Offering will be primarily used to restart the Company’s 100% owned Pimenton gold mine and the balance will be used for general corporate purposes. As previously announced on October 22, 2007, the Company set out the following sequence of goals for Pimenton:

1. Restart exploration and development crosscuts and raises;
2. Use drilling to increase resources and reserves at Pimenton; and
3. Start mine preparation for a 200 tpd operation.

The mine is permitted to go into full production subject to providing SERNAGEOMIN, the Chilean Government Mining Agency, with two weeks notice.

The Cdn \$3,842,800 private placement is in addition to the Cdn \$397,433 the Company received from the exercise of 9,936,092 Warrants which expired on November 30, 2007, thereby giving the Company a total gross proceeds of Cdn \$4,240,233.

Patrick Esnouf, President, stated, "The financing from Latin American investors, allows us to begin the refurbishment of the plant, which was partially damaged by snow load in 2005. We expect to achieve this by May 2008 and plan to get back into production in a favorable pricing environment. The mine previously ran at its peak of 220 tpd but at a time when the gold price was \$390 to \$442 per ounce. The current plan is to start production at 50 tpd and to increase production gradually as we increase proven and probable reserves from the development of the Esperanza adit and as development of the mine proceeds."

Further exploration on the Company's Bandurrias copper prospect will be deferred until such time as the Pimenton mine is put into profitable operation.

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 ecological 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.