

News Release

SOUTH AMERICAN GOLD AND COPPER COMPANY LIMITED

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FOR IMMEDIATE RELEASE – December 19, 2006

South American Gold and Copper Company Limited Announces Restructuring Plan

Toronto, Canada, South American Gold and Copper Company Limited (“SAGC”), (TSX: SAG) is pleased to announce it plans to sell, joint venture or refinance certain assets in its portfolio (the “Refinancing”). The Refinancing, combined with the previously announced \$3MM private placement led by Northern Securities Inc., if successful, will provide funds to restart the Pimenton mine and also allow the company to move ahead with the additional development of its other holdings.

SAGC’s recently appointed E.V.P. Michael Churchill commented, “The incoming management feels that there are non core assets on SAGC’s balance sheet which can provide capital with minimal shareholder dilution.” We are taking the following steps in parallel with the \$3MM private placement to attempt to unlock this value for the SAGC shareholders:

1. **Limestone.** Based on a 1996 third party offer to purchase the Rino property from SAGC for US\$ 12.5 MM, management believe there is unrealized value in this asset. The Chilean economy is experiencing rapid growth and consequent increasing cement consumption with large imports of cement clinker. SAGC will investigate the possible sale or joint venture of this property immediately.
2. **Lime.** There is a real shortage of burnt lime (CaCo) used in the processing of sulfide copper ores and gold heap leaching by the mining industry in the Central Regions of Chile which is now highly dependent on lime imports. The Company intends to re-evaluate the potential for its Cathedral lime project.
3. **Copper Porphyry.** An exploration report by Rio Tinto concluded among other comments that SAGC’s porphyry as “This new Cu-Au deposit is one of the most significant discoveries in the Farellones belt in the last years”. SAGC has been approached by several companies seeking to

joint venture the exploration and development of the copper porphyry. SAGC will assess the merits of these offers versus undertaking additional confirmatory drilling.

4. A data center for prospective bidders, lenders and joint venture partners will be available in Santiago, Chile.

Management is striving to maximize shareholder value and minimize dilution to existing shareholders in our efforts to restart the Pimenton Mine. We are attempting to combine a smaller equity offering with additional liquidity provided by selling or joint venturing assets in our portfolio which we don't believe are being reflected in our current stock price

The securities being offered have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

About South American Gold and Copper Company Limited

SAGC is an active public exploration and mining company. The Company's main focus is its Chilean gold and porphyry copper/gold mineral properties. It will be restarting the Pimenton gold mine, upon completion of financings aggregating \$14 million, and expects to achieve planned production capacity of 300 tpd ore that will produce 44,720 oz Au and 242,000 lb of copper per annum or 57,000 oz Au equivalent in 10 months. The company expects to be generating cash flow in month five of the nine-month pre-production period. SAGC will also be actively exploring the Pimenton property for additional gold resources.

Rio Tinto recently estimated that the porphyry copper/gold potential in one area of the Pimenton property has "Potential target range of up to several hundred million tonnes is thought to be a realistic scenario. Best results included 279 M 0.40 Cu – 0.43 g/t Au and 70 M 0.46 Cu – 0.49 g/t Au." Rio Tinto further postulates the potential for high grade core in depth. Additional porphyry copper/gold and gold potential exists on the nearby (12 km south) Tordillo property. SAGC will continue to evaluate the porphyry copper/gold potential at Tordillo.

SAGC will also investigate spinning out non-core mineral property assets into companies that will become public trading.

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.