

News Release

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South American Gold and Copper Company Limited Reports on the Watts, Griffis and McOuat Limited NI 43-101 Technical Reports

Toronto, Ontario, Canada - South American Gold and Copper Company (the “Company”) (TSX-SAG) reported today that it has received the final two NI 43-101 Technical Reports from Watts, Griffis and McOuat Limited (WGM).

The first NI 43-101 report by WGM is a Technical Report on the Company’s Pimenton Properties in Central Chile, which includes the Pimenton mine, the Pimenton Porphyry deposit and the Tordillo prospect. The second NI 43-101 report by WGM is a Technical Report on the Catedral/Rino Limestone Project. These reports have been published on SEDAR and are also available on the Company’s website www.sagc.com. We encourage our shareholders and interested investors to read these Technical Reports in detail.

WGM’s Interpretation and Conclusion for their reports given below:

Alteration, geology, magnetics, resistivity, induced polarization and MMI data support a conclusion that the Pimenton properties host very large porphyry systems that have the potential for economic copper, gold and possibly molybdenum mineralization. The potential is different at the Pimenton Mine, the surrounding Pimenton Porphyry property and at Tordillo, as described below:

Pimenton Mine

The Pimenton Mine has proven and probable mineable reserves of 132,000 tonnes containing 13.5 g Au/t and 1.47% Cu, sufficient for approximately three years of operations. Based on performance in 2009/10, reserves are likely to be increased at the expense of inferred resources and the mine life will be prolonged beyond three years. The mine has reached profitability and is well managed. WGM concludes that operations will continue in this manner and that depth extensions of the vein cluster will provide resources for future exploitation. In addition, vein resources may be identified beneath known outcrops north of the mine.

Based on the proven and probable reserves, WGM has developed a cash-flow model which yields an undiscounted cash flow of \$22.9 million while the present value of the cash flow using mid-year discounting is \$21.3 million at a rate of 5% and \$20.0 million at 10%. While insufficient to retire all of the advances made to the project, it demonstrates that the mine is profitable and has the potential to maintain profitable operations beyond the three years specified and to fund the off-site exploration recommended in this and other reports prepared by WGM at this time.

Pimenton Porphyry

WGM concludes that the Pimenton Porphyry Project is host to part of a north-south belt of porphyry systems of strong economic potential. Emplaced on the property are discrete stocks and dyke-like sheets of porphyry that are elongated vertically and are frequently also elongated along structures. Different intrusive, alteration and mineralizing events coupled with erosion of higher levels of the intrusive complex have resulted in variable geology with different exploration opportunities. Recognized among them are:

- In the Pimenton valley part of the project area drilling by RT and AAC identified a porphyry system with copper and gold mineralization in two vertical to steeply-dipping, elongate bodies of accumulated stockwork mineralization exhibiting low sulphidation and potassic alteration. It includes a NI 43-101 compliant inferred resource of 40 Mt containing 0.37% Cu and 0.42 g Au/t. Although drilling by AAC did not produce their hoped-for high grades at depth, in WGM's opinion it left open potential for expanding the tonnage along strike and for finding additional zones of mineralization; and
- Possibly linked beneath volcanics at higher altitude, the porphyry intrusive complex may extend from the Pimenton valley northward into the Hondo valley. With limited exploration, exposed rocks appear to have both similar mineral potential to that described in the Pimenton valley, and unique potential related to possible caldera-type brecciation; and South of the mine camp is the so called "Vein Target" where high sulphidation and anomalous copper molybdenum values indicate a buried porphyry system in the more southern part of the property. It may be fault controlled and therefore linked structurally to the system

to the west in the Pimenton valley, but may also indicate a very different, and perhaps major, porphyry copper system linked indirectly to mineralization at the Pimenton Mine.

Tordillo

Although the exploration to date is very preliminary, and WGM's opinion is based solely on information provided to the author by SAGC, exploration is considered to be warranted with objectives of mapping and sampling to target a copper gold or copper-gold-molybdenum porphyry, and to assess the economic potential of epithermal veins in the periphery of the structure.

Catedral / Rino

The Catedral/Rino project is a potential major undeveloped limestone mining project that has been explored such that two deposits have inferred resources of approximately 86 million tonnes at an in situ grade of approximately 90% CaCO_3 , and MgCO_3 content of less than 5%. The key requirement of an adequate mineral resources for a commercial undertaking is met, as are other key requirements of an adequate source of gas for the local power requirements, an under-supplied market, and a potential market advantage. Remaining are access and construction decisions whereby costs need to be moulded with environmental constraints, permitting, and hiring of high-calibre senior personnel to take the project through the permitting stage and into production.

WGM endorses continued promotion by SAGC of the concept of a cement-making plant outside of the Santiago Metropolitan boundary, as developed in the Penta Feasibility Study, and updated by Phoenix. However, it is clear that permitting, cement marketing and capital are the major issues that will determine the fate of the cement project and resolution of these issues is unlikely to be achieved quickly.

While there are hurdles involving the Santiago Metropolitan boundary, ecological protection, land and road-use, and recreational interests; there would also be convincing benefits to industry in Chile if locally produced lime was available at a competitive price. The target may be lime production in line with SAGC's preliminary Feasibility Study, but in WGM's opinion the alternative of producing lime, fines, clinker and Portland cement on a small scale initially should be addressed. A particular constraint is that road use between San Gabriel and Santiago is closed to trucks on weekends, and weekday use is restricted. Determining the nature and cost of resolving that problem and achieving a profitable rate of production, is a priority for the EIS. In addition, by plant design and testing thereof, it must be shown convincingly in the EIS that there will be negligible adverse impact on air quality in Santiago.

In addition to completing the EIS, inferred mineral resources need to be upgraded to sufficient mineral reserves by drilling. Ongoing cost-benefit and market related studies also need to be undertaken. These needs are secondary to getting the project into a fast-track development mode. This will depend on SAGC deciding how to proceed with

selling or spinning off the project, but in any event should include discussions with the many interested parties in Chile to try to accommodate their needs, concerns, desires for participation, and needs for products.

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.