

## FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

South American Gold and Copper Company Limited (the "Company")  
100 Wellington Street West  
Suite 500  
Toronto, Ontario M5K 1H1

2. **Date of Material Change**

March 3, 2011.

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was released through Canada News Wire Group at Toronto, Ontario on March 3, 2011.

4. **Summary of Material Change**

The material change is described in the Company's news release attached hereto as Schedule "A", which news release is incorporated herein.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

No information other than that provided in Item 4 above is presently available.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this report.

Stephen W. Houghton  
Chief Executive Officer  
(212) 751-0083

9. **Date of Report**

March 8, 2011.

# News Release

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## Schedule “A”

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

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**FOR IMMEDIATE RELEASE** – March 3, 2011

#### **South American Gold and Copper Company Limited Announces a Proposed Reverse Split of Its Shares and Positive Exploration and Development Results at Pimenton**

Toronto, Ontario, Canada – South American Gold and Copper Company Limited (the “Company”) (TSX-SAG) reported today that its Board of Directors has made a decision to reverse split the Company’s shares on the basis of ten old shares for one new share subject to shareholder approval at the Company’s Annual and Special Meeting of Shareholders to be held on March 28, 2011. The Company will also seek shareholder approval to change the name of the Company to “Cerro Grande Mining Corporation”. The Company also intends to change its TSX stock symbol to “CEG” subject to approval of the name change by the shareholders.

The financial reasons given for this decision are:

1. The Company’s Pimenton Gold/Copper mine is expected to continue producing at gradually increasing rates. The Company has also recommenced work on its porphyry deposit at Pimenton. The number of shares currently outstanding dilutes the earnings per share and gold ounces produced per share of the Company to a level which makes it extremely difficult to obtain institutional investor interest.

In addition to the positive performance of the Company's Pimenton Gold/Copper mine, adequate recognition of the Company's exploration and development program both in the Pimenton mine and on its porphyry deposit are not being given full credit. An up date of these activities is as follows:

2. Drifting on the 3375 and 3315 levels at the northern end of the Lucho vein has shown an increase in mineralization width.

On the 3375 level, the last 43 meters to the north averaged, over a width of 0.86 meters, 11.36g/t gold, 1.02% copper and trace silver.

On the 3315 level over 90 meters, the first 50 meters averaged, with a 1.32 meter width , 22.65 g/t gold, 2.55% copper and trace silver. The second 40 meters averaged, over 0.97 meter width, 11.83 g/t gold, 1.66% copper and trace silver.

The average vein width to date within the Pimenton mine area has been less than 35 centimeters which is diluted out to a minimum of 80 centimeters for mining. The associated alteration adjacent to the vein has also increased in width from a few centimeters to several meters. The increased width with good grades and increased alteration is in line with the long held view that the Pimenton veins will improve with depth.

3. A crosscut being driven on the 3260 Esperanza level will come under the main producing veins. At 185 meters from the surface portal, a 345 degree trending structure with strong mineralization has appeared. This structure has been followed for 170 meters. At its southern end a strong vein at 325 degrees strike cuts obliquely across the main structure and has been drifted on for 40 meters averaging over a 0.64 meter width, 4.76 g/t gold; 51.58 g/t silver and 3.37% copper. At the northern end of the main structure and over an open length of 65 meters to the north, there is a well developed stockwork which is in the order of 30 meters wide. Assays from samples on 2 meter centers within two remuck crosscuts across the structure average:

Stockwork Assays:

Southern crosscut: over 18 meters 1.66 g/t gold, 0.128 copper with trace silver.

Northern crosscut: over 20 meters 1.26 g/t gold, 0.07 % copper with trace silver.

The importance of the 30 meter wide stockwork referred to above is that it is thought to be near porphyry copper gold mineralization. The trace of the northwest striking prominent Pimenton Valley fault coincides in the mine area with a strong gold, copper, and molybdenum Mobile Metal Ion anomaly as well as an induced polarization anomaly. The fault lies approximately 400 meters to the southwest of the near parallel crosscut on the 3260 level. This target is well within the capacity of the new drill. In the coming winter, when the rig cannot be used on much of the surface at Pimenton due to snow conditions, drilling underground will probe at depth the northwest trending mineralization referred to above as well as the parallel Pimenton Valley Fault.

4. Presently a start has been made on a new diamond drill hole, PP-001, 200 meters due north of Rio Tinto's hole PMDD-004. PP-001 is located at UTM coordinates: 6407079 north; 385871 east; altitude 3532 meters; azimuth 90 degrees and an inclination of 65 degrees. This hole will check for a northern extension of the Resource estimate of

40,000,000 tons running 0.37% copper and 0.42 g/t gold made recently by Watts, Griffiths and McOuat Limited. Drilling will continue on the surface until the onset of winter in late April or early May 2011.

Positive cash flow and earnings from the Pimenton Gold/Copper mine has made this aggressive exploration possible. As the positive earnings and cash flow from Pimenton continue to increase, exploration of the porphyry deposit at Pimenton will advance concurrently at increasing rates. The Board believes that the achievements made to date and the prospects for the Company's future are not recognized by the financial markets and believes the reverse split will attract greater institutional interest in the Company.

Dr. David R. S. Thomson, EVP and Director of Exploration and a Director of the Company, is a Qualified Person under NI 43-101 has reviewed and approved this News Release.

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

#### FORWARD-LOOKING INFORMATION

This news release contains certain "forward-looking information". All information, other than information pertaining to historical fact which addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. Such forward-looking information includes, among other things, statements relating to: the expectation that further drilling will add substantially to existing reserves, the proximity of the 30 meter wide stockwork to the porphyry copper gold mineralization, underground drilling during the coming winter, the expected timing for continuation of surface drilling and the expected effect of the reverse split.

Forward-looking information reflects the current internal projections, expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: changes in mineral prices; changes to government regulations and policies affecting the Company's business and activities, including tax and trade laws and policies; delays in obtaining or failure to obtain required regulatory permits and approvals from government authorities; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; the possibility that future exploration results will not be consistent with the Company's expectations; environmental and safety risks including increased regulatory burdens; weather and other natural phenomena; seismic activity; risk relating to the labour supply and the other risks involved in the mineral exploration and development industry; changes in the anticipated demand for minerals including factors related to world population growth, and income per capita; changes in equity and debt markets; inflation; changes in exchange rates; exploration costs varying significantly from estimates; delays in the exploration and development of, and/or commercial production from the properties the Company has an interest in; equipment failure; unexpected geological or hydrological conditions; political developments in Chile; imprecision in preliminary mineral resource estimates; success of future exploration and development initiatives; the existence of undetected or unregistered interests or claims, whether in contract or in tort, over the property of the Company; risks related to the exploration stage of the Company's properties; other exploration, development and operating risks; liability and other claims asserted against the Company; and volatility in prices of publicly traded securities.

Any forward-looking information speaks only as of the date on which it is stated and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

Mineral resource figures included in this news release are estimates and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information

becomes available, including as a result of future exploration activities. While the Company believes that the mineral resource estimate included in this news release are well established, by their nature mineral resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. The technical report entitled "A Technical Review of the Pimenton Properties in Central Chile for South American Gold and Copper Company Limited" dated January 31, 2011 prepared by James A. McGregor of Watts, Griffis and McOuat Limited and Marco A. Sironvalle contains additional information relating to the Pimenton properties. A copy of this technical report is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The extent to which mineral resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. The evaluation of mineral reserves or mineral resources is always influenced by economic and technological factors, which may change over time. No assurances can be given that any mineral resource estimate will ultimately be reclassified as proven or probable reserves.

If the Company's mineral resource estimates for its mineral properties are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. Measured and indicated mineral resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred mineral resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred mineral resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves as there is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.