



SOUTH AMERICAN SILVER CORP.

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South American Silver Corp. Reports Results from Latest Series of Drill Holes and Metallurgical Tests at the Malku Khota Silver Project

Trading Symbol: SAC-TSX

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South American Silver Corp. (“SASC” or the “Company”) is pleased to announce the results of three diamond drill holes from its Malku Khota project located in west central Bolivia: one from the South Limosna anomaly; one from the north end of the Limosna anomaly; and, one from the central Wara Wara anomaly. The hole in Wara Wara is the first in this year’s drill program in this anomaly and starts to define a new area of silver mineralization.

Drill Hole	Location	From	To	Length m	Silver gpt	Indium gpt	Gallium gpt
WwD007	Wara Wara	13.9	214.5	200.6	29.0	3.3	6.3
	including	13.9	106.5	92.6	42.3	5.0	5.8
	Which includes	90.2	106.5	16.3	109.9	6.4	7.3
	1.7 km S						
LMD010	North Limosna	31.5	187.5	156.0	31.3	2.2	2.2
	including	64.0	82.5	18.5	49.5	2.1	1.0
	and	129.6	184.8	55.2	41.8	1.8	3.5
	400 m S						
LMD009	South Limosna	52.9	287.1	234.2	19.4	6.1	2.9
	including	58	100.5	42.5	33.6	13.1	2.6

The mineralization in each hole is consistent with its neighboring holes and continues to define the mineralized zones. The approximate true width of the mineralization shown in the table above can be obtained by multiplying the length by a half for WwD007 and LMD010 and by a

third for LMD009. Holes WwD007 and LMD010 represent mineralization from near surface to a depth of approximately 100-150 metres and hole LMD009 represents mineralization from near surface to a depth of approximately 300 metres below surface.

WwD007 is the first hole in this year's drill program within the Wara Wara Anomaly. Information in Central Wara Wara now includes 3 drill holes and the surface sampling, which together define an open ended block approximately 400 metres long by up to 150 metres wide and 150 metres deep.

Drill Hole	Location	From	To	Length m	Silver gpt	Indium gpt	Gallium gpt
WwD001	Wara Wara	21.4	124	102.6	51.5	Waiting analysis	Waiting analysis
	including	21.3	26.5	5.2	426.1		
WwD007	Wara Wara	13.9	214.5	200.6	29.0	3.3	6.3
	including	13.9	106.5	92.6	42.3	5.0	5.8
	Which includes	90.2	106.5	16.3	109.9	6.4	7.3
WwD002	Wara Wara	36.0	142.0	106.0	30.8	Assays awaited	Assays awaited
	includes	45.9	56.0	10.1	112.3	Assays awaited	Assays awaited

The lengths shown for Ww001 and Ww002 are approximate true widths whereas the approximate true width of the intercepts for Ww007 shown in the table above can be obtained by multiplying the lengths by a half. All of these holes represent the shallower mineralization from surface to 100-150 metres depth.

In Central Limosna, approximately 1,700 metres to the South, the Company now has 7 holes defining a block approximately 450 metres long by up to 140 metres wide and to a depth of 400 metres. The following table lists the lengths of the entire mineralized intercepts containing silver, indium and gallium. The table includes the intervals from the re-assay of LMD002, 3, 4 and 5 for silver, indium and gallium by the ME-MS61 method.

Drill Hole	Location	Length m	Silver gpt	Indium gpt	Gallium gpt
	North				
LMD004		136.0	37.1	1.9	2.6
LMD010		172.5	30.0	2.7	2.4
LMD005		202.9	42.1	2.9	2.9
LMD003		130.0	76.4	3.4	2.7
LMD006		230.0	72.5	7.4	3.6
LMD007		351.0	28.0	11.0	3.6
LMD002		124.5	23.1	15.9	3.2

	South				

The lengths in the table above for LMD002 and LMD004 represent approximate true width, whereas intervals shown for LMD005, 6 and 10 should be multiplied by a half and LMD007 should be multiplied by a third. All of the holes represent the mineralization from near surface to approximately 100-150 metres depth except for LMD007 which includes mineralization to an approximate depth below surface of 400 metres.

It is noteworthy that the mineralization appears to be zoned with high silver and moderate indium in the middle which changes to modest silver with modest indium in the north and with modest silver and high indium in the south. The high indium is still present in South Limosna, 400 metres further south.

At the southern end of Limosna the company now has a cluster of three holes defining a block of approximately 200 metres N-S and to a depth of 300 metres.

Drill Hole	Location	Length m	Silver gpt	Indium gpt	Gallium gpt
	North				
LMD001		73	38.2	17.6	2.6
LMD008		100.3	29.7	9.1	2.6
LMD009		234.2	19.4	6.1	2.9
	including	42.5	33.6	13.1	2.6
	South				

The interval shown for LMD001 is the approximate true width whereas the interval for LMD008 should be multiplied by a half and the intervals for LMD009 should be multiplied by approximately one third. LMD001 and LMD008 represent mineralization from near surface to a depth of approximately 100 metres whereas LMD009 represents mineralization from near surface to a maximum depth below surface of approximately 300 metres.

The Company has recently received metallurgical results for the extraction of silver, indium and gold from the SGS Mineral Services, Lakefield Metallurgical Laboratory. These results are shown in the following table:

	Head Grade			Extraction (%)		
	Silver gpt	Indium gpt	Gold gpt	Silver	Indium	Gold
Met Test 4	49	34	0.02	97.7	58.9	51.8
Met Test 5	105	8.7	0.02	93.2	59.2	45.0

The procedure involved two sequential leach tests. The test first extracted the indium and some of the silver into solution using an acid leach. This was then followed by conventional cyanidation for extraction of the precious metals. Total extraction of silver was an excellent 93-98% together with 59% of the indium and up to 52% of the gold.

The acid leach test was conducted without any chemical oxidant and consumed a low 12 to 19 kg of sulfuric acid per tonne which bodes well for a commercial process. Previously, in SGS Mineral Services, Chile the Company had conducted an acid leach test with the addition of

ferric sulfate as an oxidant and obtained indium extractions in the 67% to 92% range. Further testing of indium extraction will be performed by SGS Mineral Services, Canada with a variety of oxidants and acids to balance recovery with cost.

Geochemical analysis of the Malku Khota drill core was carried out by ALS Chemex. The samples were prepared in their Oruro, Bolivia laboratory and analyzed in their ISO 9001 2000 laboratory in Lima, Peru. Silver and lead were analyzed by the ICP MS61 method using a four acid digestion. Silver values greater than 100 gpt were reanalyzed by AA62 method using a four acid digestion. Silver assays greater than 1,500 gpt were analyzed by the 30g FA-GRAV method. Gallium and indium were assayed by ICP MS61.

The Company is waiting for results from four drill holes: LMD011, LMD012, LMD013 and WwD008 and the Company is presently drilling WwD009 and LMD014.

Drilling has started at the Laurani project, where the Company is drilling the San Geronimo vein system and is waiting for results from the first hole.

Please see the South American Silver Corp.'s website, www.soamsilver.com, for maps and sections.

The metallurgical test work was conducted by the Metallurgical Operations Group, SGS Minerals Services, Lakefield, Ontario ("SGS"). The Company's metallurgical program is being supervised by Dr. David Dreisinger, Professor and Chair holder of the Industrial Research Chair in Hydrometallurgy at the University of British Columbia. Ralph Fitch, President of the Company is the Qualified Person for this project.

Certain statements contained herein constitute "forward-looking statements". Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "targeting," "suggests," "potential," "interpretation" and similar expressions. Information concerning the interpretation of drill results also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. These forward-looking statements are based on current expectations and entail various risks and uncertainties. Actual results may materially differ from expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. SASC assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

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