



SOUTH AMERICAN SILVER CORP.

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South American Silver Corp. Announces Intention to Develop NI 43-101 Resource at Malku Khota Silver Property

Trading Symbol: SAC-TSX

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South American Silver Corp. (“SASC” or the “Company”) announced its plans today to proceed with the preparation of a NI 43-101 resource compliant study to establish an initial resource estimate in a portion of its Malku Khota silver-indium-gold property in west central Bolivia. The Company has contracted with Mr. Alan Noble, P.E., principal mining engineer with Ore Reserve Engineering located in Lakewood, Colorado, to independently develop the initial resource at Malku Khota. The Company has completed 11,238 metres of drilling in 36 drill holes at Malku Khota since the inception of the project. The resource study is expected to be completed in April. The initial resource estimate will be developed from a portion of the 4 km of strike along the ridge line that includes the drill holes. The Company will update the resource as more drill information becomes available. The entire strike length of the Malku Khota property is 15 km and is controlled 100% by the Company.

The silver-indium mineralization that the Company has drilled at Malku Khota is disseminated within a sandstone unit that forms a long ridge which is over 4 km. in length, rising 150 metres above the plain. A photograph of the Malku Khota sandstone ridge can be found at the Company’s website, www.soamsilver.com. The last ten drill holes were reported in SASC PR08-01, Jan. 16, 2008. Seven of the holes were from the Limosna anomaly (holes LMD011-017) at the south end of the ridge and three were from the Wara Wara anomaly (holes WWD08-010) at the north end of the ridge.

Results previously reported included the first two drill holes drilled from the top of the Limosna ridge which were designed to test for the silver enrichment seen in the Pique Pobre tunnel, previously developed by the Colonial Spanish in the 17th century. Hole LME 016 included 200 metres of 99.2 gpt silver, which is approximately equivalent to 1.9 gpt gold at today’s metal prices. This 200 metre interval starts 2 metres below the surface from the Malku Khota ridge line. This hole also included 50.7 metres of 220.1 gpt silver, equivalent to approximately 4.2 gpt. gold at today’s prices for silver and gold.

Please see the South American Silver Corp.’s website, www.soamsilver.com, for maps and sections. Ralph Fitch, President of the Company, is the Qualified Person for this project and has reviewed the content of this press release.

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. Subject to applicable laws, 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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