



SOUTH AMERICAN SILVER CORP.

FOR IMMEDIATE RELEASE: 08-07

**South American Silver Reports 50,200,000 Ounce Silver and
288,000 Kilogram Indium Resource at Malku Khota**

Trading Symbol: SAC-TSX

May 13, 2008

South American Silver Corp. (“SASC” or the “Company”), (TSX: SAC), is pleased to report the initial resource at its Malku Khota silver-indium property in Bolivia. An independent 43-101 compliant resource has been completed by the consultant Alan Noble, principal mining engineer with Ore Reserves Engineering, and will be included in an updated 43-101 report authored by Kurt Katsura, the author of the original Malku Khota 43-101 technical report, and Alan Noble, to be filed in the next few weeks. This initial resource includes mineralization from a portion of the Limosna and Wara Wara zones based on assay results available to the Company as of the end of March.

This resource does not yet include drilling from much of the Limosna higher grade enrichment mineralization and none from the new Sucre zone. The Company has completed an additional 11,000 metres of drilling that is not included in this resource. The total drilling to date is 22,000 metres. The Company plans to release new drill results from approximately 4,000 metres of the additional drilling next week once final assay results are received. In addition, the Company plans to update this initial resource as soon as sufficient additional drill results have been received, probably in July.

The highlights of the resource estimate are shown in the following tables:

	Cutoff (gpt Ag)	Million Tonnes	Contained Metal		Metal Grade	
			Silver (Oz – Millions)	Indium (kg - thousands)	Silver (gpt)	Indium (gpt)
Indicated Resource:	10	48.5	50.2	288	32	5.9
	20	25.9	39.3	184	47	7.1
	30	13.7	29.8	94	68	6.9
	50	7.0	21.7	37	96	5.3

Inferred Resource:	10	99.6	74.7	487	23	4.9
	20	45.2	48.3	302	33	6.7
	30	19.8	28.5	136	45	6.9
	50	4.8	11.2	25	73	5.2

Recent approximate prices for the metals include silver at US\$0.54 per gram (US\$17.00/oz) and indium at US\$0.68 per gram (US\$685/Kg)

Ralph Fitch, President of the Company stated “This is an excellent initial resource and is particularly exciting since we already have carried out metallurgical tests showing good recoveries in both silver and indium. (62.9% -96.9% silver and 61%-77% indium recoveries-see SAS PR08-05, April 11, 2008) I am looking forward to the next update of the resource with considerable anticipation because it will include mineralization from several additional fans of holes in the higher grade enrichment zone at Limosna and the completely new Sucre zone where we have already reported some excellent results. It’s good to remember that this resource is based on drilling within only 3.5 km of the 15 km of strike that the Company holds. This being so, I believe we have an excellent chance of developing a significant silver and indium resource at Malku Khota.”

The resource was estimated using inverse-distance-power estimation on composited drill hole assays from 31 drill holes. Results were estimated into a block model developed within Datamine software.

Ralph Fitch, President of the Company is the Qualified Person for this project and has reviewed the content of this press release. He has been assisted by Mr. Felipe Malbran, Executive Vice President, Exploration for the Company.

Certain statements in this press release constitute “forward-looking statements”. These forward-looking statements include, but are not limited to, statements regarding estimated mineral resources and the potential for delineation of additional resources through further exploration at the Malku Khota Project. Forward-looking statements express, as at the date of this press release, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. Forward-looking statements are based on certain assumptions, including the key assumptions and parameters on which such estimates are based, involve risks and uncertainties and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, possible variations in mineral resources, grade or recovery rates; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; political, regulatory and other risks of the mining industry; and other risks more fully described in the Company's Annual Information Form filed and publicly available on SEDAR at www.sedar.com. Readers are cautioned not to place undue reliance on the forward-looking statements contained in this press release. Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

This press release uses the terms 'indicated resources' and 'inferred resources' which are terms recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects). Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will be converted into reserves. In addition, 'inferred resources' have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that an Inferred Resource will be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Assessment as defined under 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

SASC is a mineral exploration company that acquires, explores and develops mineral properties, primarily silver, gold and copper in South America. The Company presently holds interests in three properties: the flagship Malku Khota silver-indium-gold and the Laurani gold-silver properties in Bolivia and the Escalones copper-gold-molybdenum property in Chile.

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