



## **SOUTH AMERICAN SILVER CORP.**

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### **South American Silver Corp. Announces Additions to Management Team and Acceleration of Activities at the Malku Khota Silver-Indium Project**

**August 5, 2010, South American Silver Corp. (TSX: SAC, US OTC: SOHAF)** is pleased to announce that with the completion of the recent financing the Company is taking steps to accelerate and optimize project development activities at the large Malku Khota Silver-Indium project and advance the project rapidly toward the feasibility stage. These steps include mobilization of two additional drills to the project to accelerate the current drill program and the addition of two experienced mine development engineers to the South American Silver management team. Joining the management team are Mr. Phillip Brodie-Hall, as Vice President, Project Development, and Mr. Andrew Clark as Manager, Project Implementation.

Mr. Brodie-Hall is a professional engineer who brings over 35 years of engineering construction and project development experience to the Company from a career that has covered nearly every aspect of evaluation, feasibility studies and project development in the mining and mineral processing industries. He has had first-hand experience with projects in Australia, Southeast Asia, Africa, the Middle-East, Eurasia, and North and South America.

Mr. Clark has over 30 years experience in the design and management of industrial, mining, materials handling, chemical and petrochemical projects. These projects have ranged from feasibility studies through to commissioning and handover of completed facilities. He has held a number of senior management roles during his career and has extensive international experience as a project manager, having worked on projects in Africa, Australia, the Middle East, Eurasia, and North and South America.

"We are very pleased to announce these additions to the South American Silver management team at this time in the development of the Company," said Mr. Greg Johnson, President and CEO of South American Silver Corp. "The extensive experience and expertise in the design and building of mines that Mr. Brodie-Hall and Mr. Clark bring to the Company is invaluable, and adds to the existing depth in exploration, metallurgy and operating/process experience. Along with Dr. David Dreisinger, Vice President, Metallurgy, we believe that the Company now has the core engineering team in place to manage the development process and to fully realize the potential value of its projects."

#### **Update on the Malku Khota Silver-Indium Project**

South American Silver's most advanced project is the Malku Khota Silver-Indium project located in the world-class silver mining district of central Bolivia. Malku Khota is one of the world's largest silver and indium resources with an NI 43-101-qualified indicated resource of 144.6 million ozs silver and 845 tonnes of indium and an additional inferred resource of 177.8 million ozs silver and 968 tonnes of indium. A Preliminary Economic Assessment ("PEA") was prepared by Pincock Allen & Holt Inc. in March 2009 which showed robust economics for a bulk-mineable heap leach operation

with the potential to be one of the largest new silver and indium producing mines in development. The project is road-accessible, with commercial power within 15 kilometres of site.

Two additional drills are being mobilized to the project to accelerate the current drill program and allow for testing of additional high priority targets. Disseminated silver and indium mineralization at Malku Khota begins at the surface and remains open to further expansion laterally and at depth in a regionally extensive sandstone unit which continues for over 15 kilometers on the property.

Drilling is focused on expansion down dip and along the trend at the Limosna and Wara Wara deposits, especially in areas of higher grade mineralization, in preparation for an updated resource estimate in the second half of this year. Nine holes totaling 3,708 meters have been completed to date in 2010 with assays anticipated to be released over the next several months as results are finalized and interpreted.

### **Update on Metallurgical and Engineering Studies**

Since completion of the Preliminary Economic Assessment in March 2009, work at Malku Khota has focused on expansion drilling and ongoing metallurgical and process-related test work to refine the leach recovery characteristics of the silver, indium and associated lead, zinc and copper mineralization. The test work to date supports the amenability of heap leaching and/or milling of the mineralized material at Malku Khota applying the same type of process as used in copper oxide SX-EW heap leach mining and by the indium refineries that process by-product indium from zinc smelting.

More detailed engineering studies are underway for the balance of 2010 which will further refine metallurgical recoveries anticipated by representative mineralized zones throughout the deposit and define the potential location of mine facilities, infrastructure required to support the operation and a conceptual plan for implementation utilizing local resources as much as possible. This information will be the basis for a number of optimization studies that will be applied to a range of operating scenarios combining different throughput and production rates and leaching processes to be incorporated in the updated Preliminary Economic Assessment planned for the end of 2010.

### **About South American Silver Corp.**

South American Silver Corp. is a growth focused mineral exploration company creating value through the exploration and development of the 100% owned Malku Khota Silver-Indium project in Bolivia, one of the world's largest undeveloped silver and indium deposits, and the 100% owned large-scale Escalones Copper-Gold project in Chile. The Company's approach to business combines the team's track record of discovery and advancement of large projects, key operational and process expertise, and effective community relations to increase shareholder value. Management has over 100 years of combined experience in the global exploration and mining industry with much of that focused in Bolivia, Chile, Peru and Argentina. The Company's shares are listed on the Toronto Stock Exchange under the symbol "SAC" and on the US OTC market as "SOHAF". Additional information related to South American Silver Corp. is available at [www.soamsilver.com](http://www.soamsilver.com) and on SEDAR at [www.sedar.com](http://www.sedar.com)

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Certain statements contained herein constitute “forward-looking statements”. These forward-looking statements include, but are not limited to, statements regarding estimated mineral resources, the potential for delineation of additional resources through further exploration at the Malku Khota property and the refinement of the acid chloride leach process. 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; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; political, regulatory, environmental 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](http://www.sedar.com). There can be no assurance that the Malku Khota property will be commercialized or that commercial heap leaching will produce positive results. 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* (“NI 43-101”)). 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 economic assessment as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

The PEA includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the results projected in the PEA or this press release will be realized and actual results may vary substantially.