

TSX: SAC | US OTC: SOHAF

VALUE. GROWTH. VISION.

CORPORATE REPORT 2010



**South American
Silver Corp.**

SOUTH AMERICAN SILVER CORP.

Growing and advancing one of the world's largest silver, indium & gallium resources.

South American Silver Corp. is a growth focused mineral exploration company creating value through the exploration and development of the Malku Khota project in Bolivia, one of the world's largest silver, indium and gallium deposits, and the large-scale Escalones, copper-gold project in Chile.

The Company's approach to business combines the team's track record of world-class discoveries and successful project development and integrates a focus on strong community relations and corporate social responsibility. Management has extensive experience in the global exploration and mining industry with much of that focused in Bolivia, Chile, Peru and Argentina. The Company trades on the Toronto Stock Exchange under the symbol SAC and on the US OTC market as SOHAF.



TABLE OF CONTENTS

Letter to Shareholders	02
Corporate Summary	04
Recent Milestones	05
Corporate Objectives	05
Opportunity	06
Key Investment Highlights	06
Project Locations	08
Discovery	09
Superior Assets	09
Malku Khota	10
Escalones	12
Innovation	13
Responsibility	15
Corporate Social Responsibility	15
The Team	IBC

OPPORTUNITY

DISCOVERY

INNOVATION

RESPONSIBILITY

MAY 2011



LETTER TO SHAREHOLDERS

South American Silver Corp. was one of the top performing silver companies in 2010, significantly outperforming the silver and gold equity indices for the year.

The year 2010 proved to be a remarkable year of transition for South American Silver. Since I joined the Company as President and CEO in April 2010 and raised project funding, substantial progress has been made on the Malku Khota, silver-indium project in Bolivia. In addition, we are preparing to launch a new exploration program at our promising Escalones, copper-gold project in Chile. A key focus for 2010 was also to broaden market awareness of the exceptional investment value opportunity in South American Silver. I am pleased to report that the focused efforts of the Company resulted in South American Silver being one of the top performing silver equities in 2010. Even with this growth last year, South American Silver is still able to offer some of the best value and leverage to silver of any development stage silver company in the industry, with nearly 4 ounces of silver per share. The year ahead looks to be an exciting one as well, with the Malku Khota, silver-indium project beginning Pre-Feasibility work in Q2 and exploration activities commencing at the Escalones, copper-gold project to complete a first resource on that property. In addition, we have a number of important milestones for the projects this year which we believe will increase shareholder value, and we will continue investor outreach activities to further broaden market awareness. Today, we see South American Silver as a company on the cusp of considerable value growth as we advance each of our projects into the next stages of development.

2010 Achievements

In 2010, the Company added three officers to the senior management team. I joined as President and Chief Executive Officer, Phillip Brodie-Hall as Vice President of Project Development and Andrew Clark as Manager of Project Implementation. Going forward, we will continue to add expertise and experience to our already solid management team to support the rapid development of the Company and our assets.

In the second half of 2010, we completed two financings totaling approximately \$36 million to help facilitate the advancement of our projects. The largest component of the second financing was with a strategic investor Zamin Precious Minerals, a key regional player with an established portfolio of South American projects in Brazil, Uruguay and Bolivia. The Company began 2011 with more than \$30 million in cash to fund the advancement of our world-class Malku Khota project into the Feasibility stage, as well as to advance our Escalones project to the resource definition stage.

Our 2010 drill program, which was completed in December, focused on infill drilling in preparation for the Q1, 2011 updated resource estimate and PEA. The results of the updated resource showed a 60% increase in Measured and Indicated resource to 230 million ounces of silver, plus an additional Inferred resource of 140 million ounces of silver. The updated resource also included 1,481 tonnes of indium and 1,082 tonnes of gallium in the Measured and Indicated category, and an additional 935 tonnes of indium and 1,001 tonnes of gallium Inferred.

The updated Preliminary Economic Assessment more than doubled projected annual mine production for the first 5 years to more than 13.2 million ounces of silver, 80 tonnes of indium and 15 tonnes of gallium. In addition, the study showed significantly increased base-case cash flows, project valuations and rates of returns.

The Year Ahead

This year, we will continue to build on the outstanding success of 2010. In the months ahead, we look forward to reporting on a number of key milestones including the advancement of our Malku Khota project into the Pre-Feasibility stage of development. Our 2011 drill program will focus on conversion of resources into reserves and will look to expand our world-class resource, which remains open both laterally along the trend and at depth.

We will continue to focus on community relations as a key part of our business strategy. With the acceleration of activities at our Malku Khota project we anticipate an increased level of stakeholder engagement to ensure that we include local communities in the advancement of the projects by utilizing local labour, services and personnel whenever possible.

We are also very excited about the initiation of the exploration program at our Escalones, copper-gold project. Escalones is located in a premier copper mining district in central Chile, very near to El Teniente, the world's largest underground copper mine. Initial drilling on the property has shown excellent potential to develop a significant copper-gold-silver resource. We believe that the addition of an NI 43-101 qualified resource estimate planned for later this year could add substantial value to the Company.

A Word of Thanks

I wish to extend my gratitude to our shareholders for their continued support during this exciting phase of growth for the Company. In addition, I'd like to thank our dedicated employees, management team and Board of Directors, without which we could not continue to deliver the tremendous value that our shareholders expect. We believe 2011 will be another outstanding year for the Company and we look forward to sharing our progress over the weeks and months ahead.

Sincerely,



Greg Johnson
President & CEO



CORPORATE SUMMARY

BUSINESS STRATEGY

As a growth focused exploration and development company, our business strategy is to combine three key business elements to drive superior shareholder returns:

Identification of World Class Opportunities

A foundation for success in the mining industry is the ability to recognize early, exceptional mineral opportunities that have the scale potential to become world-class mines.

An Experienced Management Team

A second element is an experienced management team, with the dedication and expertise to advance its projects through each of the stages of development, plus the ingenuity and capital markets experience to effectively convey the value message to investors.

And Strong Market Fundamentals

Lastly, the market fundamentals for the Company and the metals under development must be compelling. South American Silver offers investors strength in all three components of its business, with two high-potential assets in its portfolio: Malku Khota in Bolivia, one of the world's largest silver, indium and gallium resources, and Escalones, a large-scale, copper-gold project in central Chile.

Our management team has drawn on its significant experience in the global exploration and mining industry to rapidly advance its projects, drive shareholder value and deliver solid financial growth. To reduce overall development risk the Company has developed guidelines for corporate social responsibility including a focused community relations program. We also believe that market awareness is a critical element of market value, so investor outreach initiatives are a priority as well.

With attractive base-case valuations, cash flow projections and rates of return using metal prices at less than half of recent levels, South American Silver is poised to be one of the leading companies in the sector.

Additionally, with the bullish fundamentals for silver based on new industrial and medical uses and increasing investor demand, combined with the surging growth for the high-tech metals, indium and gallium in flat panel displays, LED lighting and solar technology, the long term picture appears very bullish.

RECENT MILESTONES

- The updated Malku Khota economic assessment study from March 2011 more than doubled mine production estimates to 13.2 million ounces silver, 80 tonnes of indium and 15 tonnes of gallium for the first 5 years of a 15 year mine life. Base-case annual cash flows, project valuations and rates of returns also significantly expanded over previous studies.
- South American Silver began the year with over \$30 million in funding, putting the Company in a very strong financial position with 18-24 months of cash on hand. These funds will advance the Malku Khota, silver-indium project into Feasibility, while also accelerating the advancement of the Escalones, copper-gold project in Chile to the resource definition stage.
- In December 2010, South American Silver completed a drill program at our Malku Khota project for an updated resource estimate which expanded the overall silver and indium resources for the project and added a first resource for gallium, copper, lead and zinc. The drill program expanded Measured and Indicated resources by 60% and converted 80% of the resources in the PEA pit model to the Measured and Indicated category in preparation for the definition of Proven and Probable reserves for the project.
- In early 2010, the Company announced the appointment of Greg Johnson as President and CEO, Phillip Brodie-Hall as Vice President, Project Development and Andrew Clark as Manager of Project Implementation. Mr. Johnson's corporate finance, project development and exploration experience along with Mr. Brodie-Hall and Mr. Clark's experience in engineering construction, project development, and mine design & management complements the management team's extensive combined experience in successful project discovery, resource expansion and development.

CORPORATE OBJECTIVES

PROJECT ADVANCEMENT With funding in place to advance the Malku Khota project well into Feasibility, South American Silver is focused on rapidly advancing each of our projects into the next stages of development. Pre-Feasibility activities are planned to kick off in Q2, 2011 and Feasibility activities are targeted for 2012. An exploration program will start in Q2 to define a first resource at our Escalones, copper-gold project in Chile, with a resource estimate and significant drill program planned for the second half of 2011.

INTERNAL GROWTH As the Company advances each of our projects through the various stages of development, we will look to continue to build management depth particularly in operations and community relations to support the Company's rapid growth.

COMMUNITY RELATIONS Community Relations has always been a vital component to our business strategy. We believe that involving local communities in each stage of a project is the key to a timely and successful development process. As we advance, we will maintain open communication with our surrounding communities and look for opportunities to contribute to local economic development and help build business capacity. To facilitate this process the Company is assembling a dedicated community relations team.

INCREASE MARKET EXPOSURE Over the last year, the Company has increased its market exposure and introduced new investors to the tremendous value opportunity that South American Silver offers. As we move forward, we will continue to build on these efforts in 2011 to further expand the Company's shareholder base. The Company is also looking at the possibility to list on the NYSE-AMEX exchange in 2011 to facilitate increased trading and liquidity, particularly in the US market.

A silver bar with the markings "9998 SILVER" and "1 KILO" is shown next to a topographic map of South America. The word "OPPORTUNITY" is overlaid in large white letters on the map.

OPPORTUNITY

KEY INVESTMENT HIGHLIGHTS

SUPERIOR ASSETS

Malku Khota, silver-indium-gallium project (100%), Bolivia

- One of the world's largest silver-indium-gallium resources with 230.3 million ounces of silver, 1,481 tonnes of indium and 1,082 tonnes of gallium, Measured and Indicated; and an additional 140 million ounces of silver, 935 tonnes of indium and 1,001 tonnes of gallium, Inferred
- Bulk mineable, open pit, sediment hosted deposit
- Low capital and operating costs as a heap leach or combination heap leach/milling operation
- Huge resource expansion potential with only 5 kilometers of the prospective host stratigraphy tested on the 50 square kilometer property
- Updated PEA and resources as of Q1, 2011
- Potential to be one of the largest new producers of silver, indium and gallium in development

Escalones, copper-gold porphyry project (100%), Chile

- Large-scale target in world-class mining district near El Teniente
- Mapping and interpretation of geophysics in Q2
- Potential development of significant new resource in second half of 2011

Experienced leadership with well-defined business strategy

- Experienced management team with a track record of market value creation, discovery & advancement of large projects, and key operational/process expertise
- Well-defined business strategy to drive value through rapid project advancement

Financing in place

- Well financed into Feasibility on Malku Khota and to the resource stage at Escalones
- Strategic investment by Zamin group, a key regional player in South America with track record of successful project development with governments in the region

One of the top performing silver companies in 2010

One of the most leveraged silver companies with nearly 4 oz of silver per share

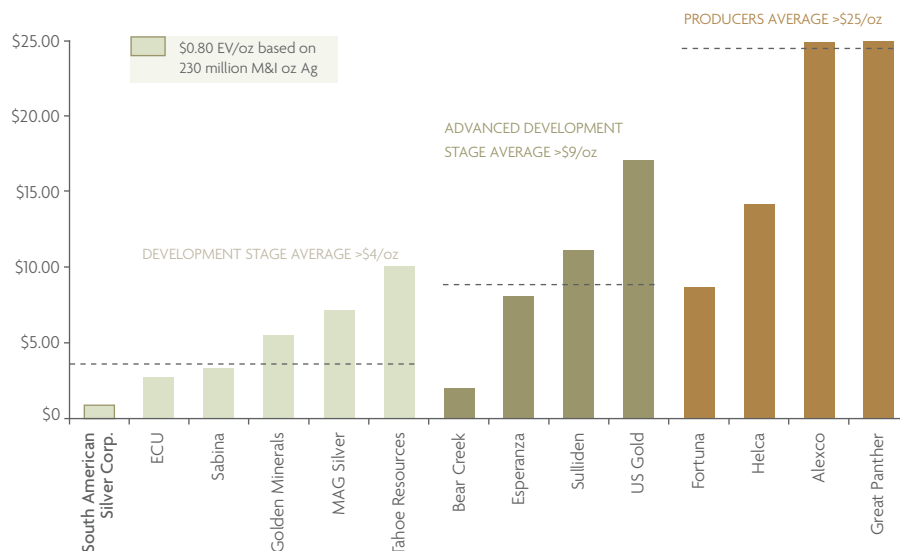
Significantly undervalued relative to peers at under \$1 per ounce of silver compared to a peer average of \$4.00/oz.

Canaccord Report, January 17, 2011,

*EV/oz truncated to \$25

Note: All companies have projects in South and/or North America

TREMENDOUS VALUE OPPORTUNITY



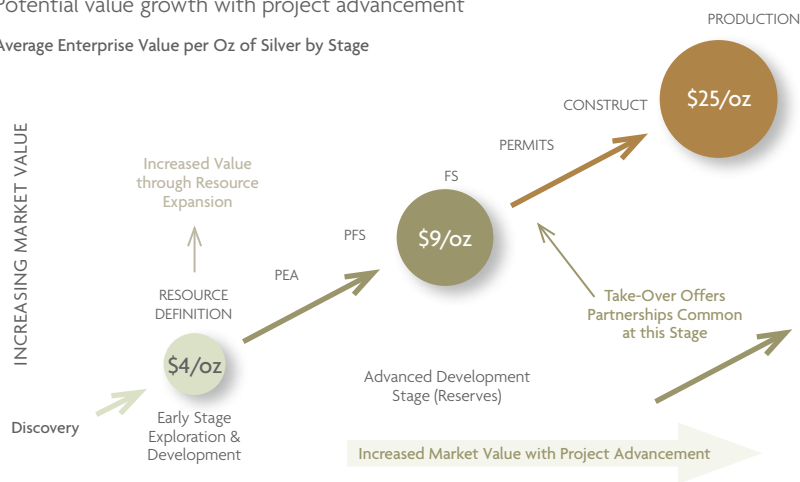
In early stage of exploration in development stage value curve with potential for significant value growth as the resource grows and project advances into Pre-Feasibility, Feasibility and Production.

Recent average EV/oz of silver at various development stages for North and South American based projects based on data from Canaccord, Wellington West and Company reports.

DEVELOPMENT STAGE VALUE CURVE

Potential value growth with project advancement

Average Enterprise Value per Oz of Silver by Stage



Strong Market Fundamentals

- Exposure to the indium and gallium strategic metals sector, recently highlighted by the US Department of Energy along with several key rare earth metals as two critical technology metals in potential shortage
- Silver fundamentals positive for continued higher silver prices
- Bullish silver supply/demand outlook
- Silver one of only precious metals not yet to hit all-time nominal highs from the 1980's (\$50/oz)
- Indium and gallium two of the most scarce strategic high-technology metals
- Surging demand for indium and gallium in new high-technology applications such as flat panel displays, LED lighting and solar energy
- By-product indium production potentially unable to sustain growing demand, with most indium produced as a by-product of zinc refining

PROJECT LOCATIONS

MALKU KHOTA

South American Silver's most advanced project is the Malku Khota, silver-indium-gallium project located in Bolivia. Malku Khota is one of the world's largest undeveloped silver, indium and gallium resources with an NI 43-101 qualified Indicated resource of 230.3 million oz of silver, 1,481 tonnes of indium and 1,082 tonnes of gallium and additional Inferred resource of 140 million oz of silver, 935 tonnes of indium and 1,001 tonnes of gallium.

An updated preliminary economic assessment ("PEA") completed in March 2011 showed robust economics for a bulk mineable heap-leach operation with low capital and operating costs on a per ounce basis. Base-case cash flows, project valuations and rates of returns significantly expanded over prior studies. The project is road accessible and has commercial power available within 15 kilometers of the site.

ESCALONES

The Escalones, copper-gold-molybdenum porphyry and skarn prospect in central Chile is located approximately 100 km south-east of Santiago by road. The property is 35 kilometers east of El Teniente, the world's largest underground copper mine, and shows high grades at surface at over 1% copper with significant gold, silver and molybdenum credits. Exploration has focused on a large, 4 square kilometer area of alteration, and shallow drilling has intersected zones of 75 to 100 meters grading over 1% and a single deeper hole intersected 176 meters of porphyry mineralization grading 0.6% copper. These grades and significant widths of mineralization indicate the presence of a strong mineralizing system at Escalones.

South America has some of the world's richest mineral deposits, many of which are located in the premier mining districts of Bolivia and Chile.





DISCOVERY

SUPERIOR ASSETS

MALKU KHOTA, SILVER-INDIUM-GALLIUM PROJECT (100%), BOLIVIA

- Open pit mineable, road accessible, sediment hosted deposit
- Low capital and operating costs on a per ounce basis
- Potential to be one of the top primary silver and indium/gallium producing mines with annual production of 13.2 M ounces of silver per year, 80 tonnes of indium and 15 tonnes of gallium*
- Robust economics with strong base-case cash flows, rates of return and project valuations
- Moving into Pre-Feasibility in 2011 and Feasibility in 2012
- Excellent potential for resource expansion

ESCALONES, COPPER-GOLD PROJECT (100%), CHILE

- Road-accessible, large-scale target
- Located in world-class mining district near to El Teniente, the world's largest underground copper mine
- Mapping and interpretation of geophysics in Q2, 2011
- Potentially significant copper-gold-silver deposit with resource estimate in 2011

ANNUAL PRODUCTION
*AVERAGE FIRST 5 YEARS

Ag 13.2 Mozs

In 80 t*

Ga 15 t*

*tonnes

MALKU KHOTA

A world-class silver, indium & gallium resource



With an NI-43-101 qualified Indicated resource of 230.3 M ounces of silver, plus an additional Inferred resource of 140 M ounces, Malku Khota is already one of the largest silver resources in the world. In addition to an abundance of silver, Malku Khota also contains the one of the largest known resources of indium at 1,481 tonnes, Indicated and 935 Inferred, and a significant resource of another critical metal, gallium, at 1,082 tonnes, Indicated and 1,001 tonnes, Inferred. Indium and gallium are both strategic metals used in many new high-technology applications including flat panel displays for televisions, computer monitors and smart phones.

Silver and indium mineralization at Malku Khota begins at surface and remains open to further expansion both laterally and at depth. The project is road-accessible, with commercial scale power available within 15 kilometers of site. To date, 115 holes have been drilled and a March 2011 resource update increased the Measured and Indicated ounces 60% to 230 million ounces of silver with an additional 140 million Inferred ounces. Still, only about 30% of the 50 square kilometre property at Malku Khota has been drill tested and the deposit shows excellent potential for expansion. The 2011 exploration program will focus on further infill confirmatory drilling to convert resources to reserves in preparation for the Pre-Feasibility process, as well as expansion drilling to grow what is already a world-class asset.

The updated PEA completed in March 2011, estimates the construction of a 40,000 tonnes per day open pit acid-chloride heap leach operation. The study predicts that Malku Khota could produce some 13.2 million ounces of silver, 80 tonnes of indium and 15 tonnes of gallium per year for the first 5 years of the operation's 15 year mind life. The mine would also annually produce several million pounds of by-product lead, copper and zinc, contributing to the project's low operating costs which are projected to be in the lower quartile of primary silver producers.

RESOURCE SUMMARY

RESOURCE	AG (G/T)			IN (G/T)		GA (G/T)		CU (%)	
	Tonnes	Grade	Ozs	Grade	Tonnes	Grade	Tonnes	Grade	Lbs
Measured	30,989,448	33.4	33,319,487	6.1	188	4.5	139	0.02	13,947,823
Indicated	224,001,987	27.3	196,960,598	5.8	1,293	4.3	943	0.02	106,366,881
M&I	254,991,434	28.1	230,280,085	5.8	1,481	4.3	1,082	0.02	120,314,704
Inferred	230,013,794	18.9	140,027,216	4.1	935	4.3	1,001	0.02	102,081,329

RESOURCE	PB (%)		ZN (%)		AG_EQ (G/T)	
	Grade	Lbs	Grade	Lbs	Grade	Ozs
Measured	0.07	48,665,367	0.02	16,239,090	48.2	47,943,510
Indicated	0.07	404,649,086	0.05	230,573,72	42.5	306,119,818
M&I	0.07	453,314,453	0.04	246,812,81	43.2	354,109,119
Inferred	0.07	362,157,607	0.05	246,150,33	32.5	240,292,377

2011 PEA SUMMARY

Mining Rate	40,000 tpd	METAL PRICES (\$US)			
Life of Mine (LOM)	15 years				
Ore mined (LOM)	200 M tonnes		BASE CASE	MID CASE	RECENT
Average silver grade ¹	42.2 g/t	Silver	\$18/oz	\$25/oz	\$35/oz
Average indium grade ¹	7.55 g/t	Indium	\$500/kg	\$570/kg	\$650/kg
Ag Eq grade	58 g/t	Gallium	\$500/kg	\$570/kg	\$730/kg
RECOVERED METALS	TOTAL	FIRST 5 YEARS	LOM ANNUAL		
Silver (oz)	158 M	13.2 M	10.5 M		
Indium (tonnes)	1,184	80.7	78.9		
Lead (lbs)	191 M	12.48 M	12.7 M		
Zinc (lbs)	135 M	42.2 M	9 M		
Copper (lbs)	88 M	5.64 M	5.87 M		
Gallium (kgs)	212,962	15,184	14,198		
	BASE CASE	MID CASE	RECENT		
First 5 years cash flow	\$185 M/yr	\$287M/yr	430 M/yr		
Net Cash Flow (no discount)	\$1.26 Billion	\$2.53 Billion	\$4.3 Billion		
NPV (5% discount) ²	\$704 M	\$1.48 Billion	\$2.57 Billion		
Internal Rate of Return	37.7 %	63%	92.9%		
Payback Period	27 months	19 months	15 months		
(1) First 5 years of production (average) (2) In US dollars, March 2011 PEA					

With the rapid demand increase for indium and gallium and with the extraordinary performance of silver through 2010 and into 2011, plus market fundamentals in place for continued higher silver prices, the South American Silver team considers 2011 to be a very exciting time to be advancing one of the world's largest resources of silver, indium and gallium.

ESCALONES

Copper-gold project



The Escalones, copper-gold project shows excellent potential to become a large-scale copper-gold asset. This year's exploration program at Escalones will focus on moving towards a resource estimate at the project, which we believe could add significant value to the Company, by adding to an already exemplary project portfolio.

The project is located approximately 100 kilometers south-east of Santiago by road in central Chile. The 100% controlled 69 square kilometer property is 35 kilometers east of El Teniente, one of the world's largest underground copper mines, and shows high grades at surface at over 1% copper with significant gold and silver credits. Exploration has focused on a large, 4 square kilometer area of alteration, and shallow drilling has intersected zones of 75 to 100 meters grading over 1% copper with a single deeper hole that intersected 176 meters of porphyry mineralization grading 0.6% copper. These grades and significant widths of mineralization indicate the presence of a strong mineralizing copper porphyry system at Escalones that the Company believes has the potential to host a significant copper, gold and silver deposit.

The Company has completed its initial geological modeling and target definition and is developing an exploration plan to include additional surface sampling, mapping, deep sensing geophysics and diamond drilling to test the strength and scale of the mineralized system. An exploration program began at the project early in 2011. With the completion of an exploration program, an initial copper-gold-silver resource at this large scale, high potential porphyry project would be targeted for completion in the second half of 2011.



INNOVATION

With one of the largest silver, indium and gallium resources in the world, South American Silver has the unique ability to offer investors exposure to the rapidly growing market for a range of high-technology applications using indium, gallium and silver as key components.

Compelling supply/demand dynamics for precious and high-technology metals including silver, indium and gallium suggest potential for continued higher prices for each of these metals.

Increasing investment demand and new emerging industrial uses for silver in bio-medical, alternative energy, and automotive industries have resulted in significant demand growth for silver in recent years.

The indium and gallium market has also shown rapid demand growth in industrial and high-technology applications ranging from touch screens and solar panels to long life LED lighting. While demand for these metals is continuing to grow rapidly, very limited supply currently exists.

With one of the world's largest resources of indium and gallium, South American Silver offers investors exceptional exposure to these exciting niche strategic metals.

In addition to the immense silver, indium and gallium resource, the potential to rapidly develop a significant copper-gold resource gives investors additional exposure to the promising copper-gold market.

Ag 230 Mozs
M&I | 140 Moz INFERRED

In 1,481 t*
M&I | 935 TONNES INFERRED

Ga 1,082 t*
M&I | 1,001 TONNES INFERRED

*tonnes

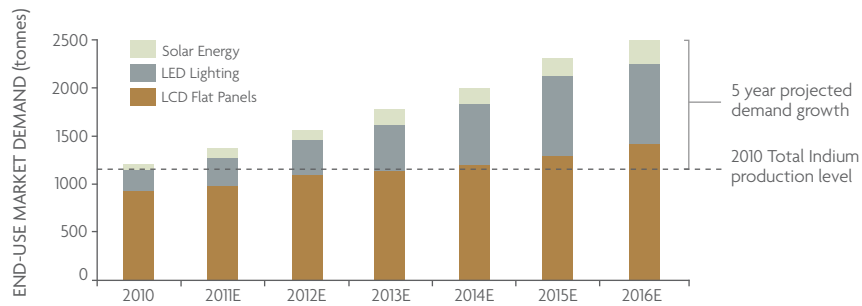
Innovation continued

INDIUM AND GALLIUM FUNDAMENTALS

The rapid growth in global indium and gallium usage is a result of its prevalence as an essential component in many emerging high-technology applications due to their unique electrical and optical properties. Flat panel displays for televisions, computer monitors, touch screens and smart phones, as well as thin film solar technology and high efficiency LED lighting all require the use of indium and gallium in their manufacturing.

INDIUM DEMAND

Growing demand is high-tech markets



Growth assumptions based on data from Displaybank in LCD TV Association "LCD TV Matters"-Volume 3, Issue 2, February 2010, Strategies Unlimited, August 2009, Solarbuzz, Photon International, GFMS, Nanomarkets, and the US Department of Energy Critical Minerals Strategy Report

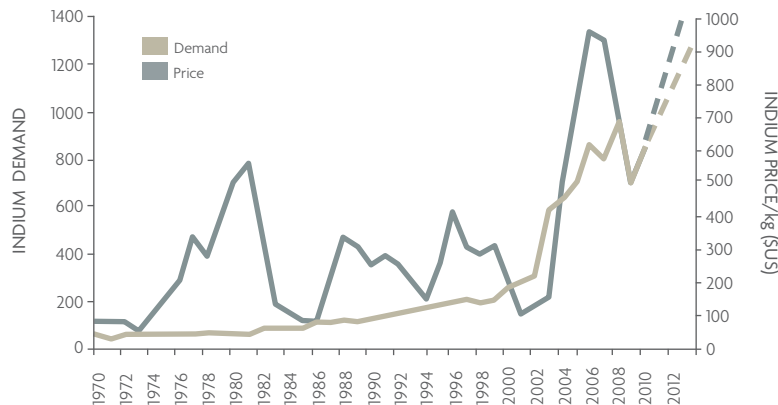
Supply/Demand

The world demand for indium, which continues to grow rapidly, has more than doubled in the past several years and has increased more than 10-fold over the past decade. Recent UN and US Department of Energy studies have highlighted indium, among some other rare elements, as a strategic metal in critical supply due to surging demand, low recycling rates, and insufficiency of primary producers. Over the past five years, the price per kilogram of indium has ranged from between \$300-\$400/kg to over \$1000/kg.

With the accelerating demand for the high-tech metal and limited production growth capacity from by-product zinc refining, many analysts predict significantly higher future indium prices are required to stimulate new sources of indium production.

INDIUM FUNDAMENTALS

World indium demand vs price (1969-2013)



Indium: Global Industry Markets and Outlook, 9th Edition 2010 (Roskill)

*2011-2013 Data are estimates only

SILVER FUNDAMENTALS

Supply/Demand

Currently, annual mine production versus demand remains in shortfall 150 to 200 Moz. The main growth areas for the industrial use of silver over the past decade have predominately been in electronics, renewable energy and health sectors, all of which rely on the properties of the metal as a catalyst, for storing or conducting electricity and as a biocide. It is from these broad areas of development that novel areas of silver demand are likely to emerge on a commercial scale.

USES

Investment Hedge

As a precious metal, silver like gold, is considered to be a “store of value” investment and has a long history as a monetary metal. Recent years have seen consistent increases in investor demand for silver in the form of exchange traded funds (ETFs), bars and coins. Increased investment demand is often one of the most important driving factors during periods of increasing silver prices.

Alternative Energy

The photo voltaic (PV) industry has emerged as a significant industrial user of silver, growing at an exponential rate as science has raced to replace the world’s dependency on burning fossil fuels to generate energy.

Automotive

Work to develop a catalytic converter for diesel engines using silver could become a very significant new market.

High-Tech

Similar to a bar code, Radio Frequency Identification (RFID) tags are applied to or incorporated into a product, animal, or person for the purpose of identification and tracking using radio waves. Currently, the technology is used for a multitude of applications from transportation payments, such as toll roads and seasonal parking tickets, to product tracking for inventory and promotional purposes, to animal and even human identification. RFID tags, which each contain about 10 milligrams of silver, may one day replace barcodes as a universal identification and tracking technology.

Other uses contributing to demand for silver include battery technology, medical uses and environmental applications.





RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

For more than 16 years, the South American Silver management team has been conducting business in Bolivia. An important element of our business strategy has always been our well-defined community relations program, which we believe encourages community participation and allows us to help facilitate local economic prosperity, all while reducing development risk. We believe that the participation and cooperation of surrounding communities throughout the early stages of development of the Malku Khota project is essential to its success.

South American Silver, in partnership with the Business for Social Responsibility, conducted extensive research to assess community perceptions around mining issues and increase our understanding of the role of civil society and government in the successful execution of our Malku Khota project. Drawing from the BSR research and our management team's 16 years of in-country experience, we have developed a pro-active community outreach program to promote communication, address public concerns and mitigate development risk as we advance in the next stages of development.

South American Silver has focused on engagement with the surrounding local communities at Malku Khota, which have seen notable economic activity as exploration has been carried out on the project over the past 3 years. As part of the Company's ongoing community relations approach at Malku Khota, a community relations team works closely with each of the surrounding local communities to facilitate economic benefit and involvement through the various stages of project implementation. The Company plans to continue to build on its community relations programs as part of the advancement of the project toward Feasibility.

THE TEAM

MANAGEMENT

Ralph Fitch
Executive Chairman

Greg Johnson
President & CEO

William Filtness
Chief Financial Officer

Phillip Brodie-Hall
Vice President of Project Development

David Dreisinger
Vice President of Metallurgy

Felipe Malbran
Vice President of Exploration

James Mallory
Vice President of Operations and Social Responsibility

Richard Doran
Vice President and Corporate Secretary

Andrew Clark
Manager of Project Implementation

Xavier Gonzales
General Manager of Compania Minera Malku Khota S.A.

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