



SOUTH AMERICAN SILVER CORP.

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South American Silver Corp. Files Third Quarter 2008 Financial Statements

Trading Symbol: SAC-TSX

November 13, 2008

South American Silver Corp. (“SASC” or the “Company”) reports that it has released its unaudited consolidated financial statements for the nine months ended September 30, 2008 and the related management’s discussion and analysis of financial position and results of operations (“MD&A”).

As at September 30, 2008, the Company had cash and cash equivalents of US\$8.7 million and working capital of US\$8.3 million. With this funding in place, the Company is in a strong financial position to pursue its current exploration and property acquisition strategy.

An updated NI 43-101 compliant resource report in respect of the Malku Khota project will be filed on SEDAR shortly, using results from 75 drill holes. The Company intends to follow this with a preliminary economic assessment in the fourth quarter. The Company will also continue a low level exploration program at Laurani and reconnaissance to develop new targets and acquire new properties. At Escalones, the Company has presently put exploration on hold and may look for a partner.

At Malku Khota, the Company’s exploration plan involves completion of an additional 1,000 metres of drilling for a total of approximately 31,000 metres of diamond drilling. In addition to the ongoing drill program at Malku Khota, an aggressive program of metallurgical work to examine metallurgical recoveries of silver, indium, gold and associated metals is underway. The metallurgical testing is being carried out at the SGS Mineral Services, Canada, Lakefield Metallurgical Laboratory. The latest metallurgical results have been reported in the press release dated October 16, 2008. These results indicate that the indium can be precipitated to form potentially saleable products from the acid chloride leach solutions as well as the silver. 99.2% of the indium was extracted from the leach solution. The Company also reported that acid chloride leach test work on 10 mesh material achieved recoveries of 62%-97% for silver and 61%-77% for indium. A flotation test on a lead-silver rich sample achieved a 97.5% silver and 97.3% lead recovery into a low-grade bulk concentrate.

Community relations are an important part of doing business in Bolivia and the Company has a Community Relations Manager who speaks both Aymara and Quechua to maintain good relations with the communities in which the Company operates. The Company has signed agreements of cooperation with each of the eleven communities in the area and has an excellent working relationship with each of these groups. The Company, through a consulting group, has completed a series of lectures to each community to make them better informed about mining development.

Copies of the unaudited consolidated financial statements and related MD&A can be found on SEDAR at www.SEDAR.com.

Certain statements contained herein constitute “forward-looking statements”. These forward-looking statements are based on current expectations. The nature, timing and extent of the exploration programs may materially change from current intentions for a number of reasons. Additionally, “forward looking statements” look into the future and provide an opinion as to the effect of certain events and trends on the business. These forward-looking statements are based on current expectations and entail various risks and uncertainties. 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.

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-gold and the Laurani gold-silver properties in Bolivia and the Escalones copper-gold-molybdenum property in Chile.

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