



## **SOUTH AMERICAN SILVER CORP.**

**FOR IMMEDIATE RELEASE: 08-04**

### **South American Silver Corp. Files Fiscal 2007 Annual Financial Statements**

**Trading Symbol: SAC-TSX**

**March 31, 2008**

South American Silver Corp. (“SASC” or the “Company”) reports that it has released its audited financial statements for the year ended December 31, 2007 and the related management’s discussion and analysis of financial position and results of operations (“MD&A”). The Company has also filed its annual information form in respect of the year ended December 31, 2007.

In February 2007, the Company completed its IPO for net proceeds of US\$14.9 million and as at December 31, 2007, the Company had cash and cash equivalents of US\$12.9 million and working capital of US\$12.5 million. Cash equivalents comprise term deposits and bankers’ acceptances. With this funding in place, the Company is in a strong financial position to pursue its current exploration and property acquisition strategy.

The Company’s strategic plan for the coming year is to focus on preparing an NI 43-101 compliant resource study at the Malku Khota project and follow this with a preliminary economic assessment. The Company will also continue exploration at Laurani and reconnaissance to develop new targets and acquire new properties. At Escalones, the Company has applied for a drill permit so that it can drill this porphyry copper system starting in October-November of 2008.

At Malku Khota, the Company’s exploration plan involves completion of the approximately 17,000 metre diamond drilling program and the development of exploration tunnels to provide bulk samples to check drill hole grades. The Company expects to be in a position to publish an initial resource at the end of April, 2008 from a portion of the mineralized system. Following this, probably late in the year, the Company is planning to complete an initial economic assessment.

Community relations are an important part of doing business in Bolivia and the Company has hired a Community Relations Manager to maintain good relations with the communities in which we work. The Company has signed agreements of cooperation with each of the communities in the area.

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. Metallurgical results have been reported in press releases dated September 10 and October 15, 2007. These results indicate that in laboratory scale tests, 64-97% of the silver can be leached and approximately 59% of the indium. Further testing is underway to refine recoveries and usage of reagents.

The Company's exploration plan for Laurani includes a drilling and tunneling program designed to outline a resource within the vein targets and to test the disseminated silver-lead-zinc targets on the property. The positive results obtained from Malku Khota have led the Company to focus more attention on that project and slow down the exploration at Laurani.

At Escalones, the Company plans to drill the previously-identified large porphyry copper-gold target, subject to first obtaining drill permits. The number of holes to be drilled is still under study.

Copies of the audited financial statements, related MD&A and annual information form can be found on SEDAR at [www.SEDAR.com](http://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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