



SOUTH AMERICAN SILVER CORP.

FOR IMMEDIATE RELEASE: 09-12

South American Silver Corp. Completes \$2.78 Million Financing

Trading Symbol: SAC-TSX

November 27, 2009

South American Silver Corp. ("SASC" or the "Company") is pleased to report that it has closed a private placement financing for gross proceeds of \$2,778,500 (the "Financing") through the issuance of 6,946,250 units (the "Units") at a price of \$0.40 per Unit. The issuance of 6,946,250 Units today is part of a larger offering by the Company of up to 8,126,250 Units. Additional closings may occur up to December 10, 2009.

Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.60 per Common Share for a period of two years.

In connection with the Financing, the Company paid \$132,000 in cash to certain brokers and issued an aggregate of 330,000 non-transferable broker warrants entitling the holder to subscribe for Units at a price of \$0.40 per Unit for a period of 18 months.

The Company plans to use the net proceeds from the Financing to accelerate infill drilling and engineering work related to the Pre-feasibility study at its Malku Khota silver-indium deposit and for general corporate purposes.

Ralph Fitch, President and CEO of the Company, stated "This infusion of cash allows us to aggressively pursue the Pre-feasibility program while maintaining a strong treasury. We believe that we have a strong project as indicated in our previously released Preliminary Economic Assessment and look forward to moving the project closer to production through the Pre-feasibility process. This is an exciting stage in which we start to transform our substantial resource into a mine." (Indicated Resource: 145 million oz. of silver and 845 tonnes of indium plus an Inferred Resource of 178 million oz. of silver and 968 tonnes of indium)

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the United States of America (the "United States") or to or for the benefit of U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

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 two material properties: the flagship Malku Khota silver-indium-gold property in Bolivia and the Escalones copper-gold-molybdenum property in Chile.

Certain statements in this press release constitute “forward-looking statements”. These forward-looking statements include, but are not limited to, statements regarding the possibility of additional closings, the Pre-feasibility program, reported resource figures and the development of a mine on the Company’s mineral properties. 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, the effect of capital market conditions and other factors on capital availability and the ability to complete additional closings; possible variations in mineral resources, grade or recovery rates, silver or indium prices, operating or capital costs; 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 in 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.

The Company’s Preliminary Economic Assessment Study 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 Preliminary Economic Assessment Study will be realized and actual results may vary substantially.

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