



SOUTH AMERICAN SILVER CORP.

FOR IMMEDIATE RELEASE: 09-13

South American Silver Corp. Completes Final Tranche of \$3.25 Million Financing

Trading Symbol: SAC-TSX

December 7, 2009

South American Silver Corp. ("SASC" or the "Company") is pleased to announce that it has closed the second tranche of its previously announced private placement ("Private Placement"). The second tranche consisted of the issuance of 1,180,000 units ("Units") at a price of \$0.40 per Unit for gross proceeds of \$472,000. All amounts are expressed in Cdn\$.

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 second tranche, the Company paid a broker a cash commission of \$7,320 and issued 18,300 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 closed the first tranche of the Private Placement on November 27, 2009 which included the issuance of 6,946,250 Units for gross proceeds of \$2,778,500. Please see the Company's press release of November 27, 2009 for details of the first tranche closing (available on SEDAR at www.sedar.com). The Private Placement was fully subscribed by the two tranches with a total of 8,126,250 Units issued by the Company for aggregate gross proceeds of \$3,250,500. In connection with the Private Placement, the Company paid an aggregate cash commission of \$139,320 and issued a total of 348,300 Broker Warrants.

The Company plans to use the net proceeds from the Private Placement 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.

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 regarding the intended use of proceeds in this press release constitute “forward-looking statements”. Forward-looking statements express, as at the date of this press release, the Company's plans or beliefs as to future events or results. Forward-looking statements are based on certain assumptions involving risks and uncertainties and there can be no assurance that such statements will prove to be accurate. Therefore, future events could differ materially from those anticipated in such statements. 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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