

South American Silver Corp.

(An Exploration Stage Company)

**Condensed Consolidated Financial Statements
First Quarter Ended March 31, 2011**

(Unaudited – expressed in U.S. dollars)

South American Silver Corp.

(An Exploration Stage Company)

Condensed Consolidated Statements of Financial Position

(Unaudited - expressed in U.S. dollars)

	Note	March 31, 2011 \$	December 31, 2010 \$	January 1, 2010 \$
Assets				
Current assets				
Cash and cash equivalents		34,626,735	35,687,151	7,013,973
Receivables and prepaids		385,837	221,155	75,138
		<u>35,012,572</u>	<u>35,908,306</u>	<u>7,089,111</u>
Non-current assets				
Equipment	6	74,828	78,080	94,305
Mining claims and deferred exploration costs	7	13,550,171	12,524,955	8,675,051
		<u>13,624,999</u>	<u>12,603,035</u>	<u>8,769,356</u>
Total assets		<u>48,637,571</u>	<u>48,511,341</u>	<u>15,858,467</u>
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		809,954	838,525	462,017
Total liabilities		<u>809,954</u>	<u>838,525</u>	<u>462,017</u>
Equity attributable to shareholders				
Share capital	8	79,867,786	79,482,130	47,251,095
Contributed surplus		5,781,972	5,668,895	2,801,685
Accumulated other comprehensive income		2,146,844	1,265,442	-
Deficit		(39,968,985)	(38,743,651)	(34,656,330)
Total equity		<u>47,827,617</u>	<u>47,672,816</u>	<u>15,396,450</u>
Total liabilities and equity		<u>48,637,571</u>	<u>48,511,341</u>	<u>15,858,467</u>

Commitments (notes 8 and 11)

Contingencies (note 10)

Subsequent events (note 15)

Approved by the Board of Directors:

(signed) "Paul Haber"

(signed) "John Watson"

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31

(Unaudited - expressed in U.S. dollars)

	Note	2011 \$	2010 \$
General and administrative expenses			
Consulting	9	78,762	39,792
Depreciation and amortization		6,633	9,737
Directors' fees		34,000	29,250
Filing and transfer agent fees		56,589	33,946
Office and administration		108,730	58,218
Professional fees	9	173,350	103,463
Reconnaissance and sundry exploration		14,126	11,829
Shareholder information		463,145	132,736
Share-based payments	8c	146,196	95,289
Wages and benefits		139,154	78,946
		<u>(1,220,685)</u>	<u>(593,206)</u>
Other income (expenses)			
Interest and other income		87,552	1,133
Foreign currency loss		<u>(92,201)</u>	<u>(196,068)</u>
		<u>(4,649)</u>	<u>(194,935)</u>
Net loss for the period		<u>(1,225,334)</u>	<u>(788,141)</u>
Other comprehensive income			
Currency translation differences		<u>881,402</u>	<u>210,404</u>
Total comprehensive loss		<u>(343,932)</u>	<u>(577,737)</u>
Basic and diluted loss per share		<u>(0.01)</u>	<u>(0.01)</u>
Weighted average number of shares outstanding		<u>98,445,446</u>	<u>60,235,879</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Condensed Consolidated Statements of Changes in Equity

(Unaudited - expressed in U.S. dollars)

	Share Capital		Contributed Surplus	Deficit	AOCI	Total
	Number	Amount \$				
Balance, January 1, 2011	98,205,720	79,482,130	5,668,895	(38,743,651)	1,265,442	47,672,816
Shares issued on exercise of warrants	489,475	338,274	-	-	-	338,274
Share-based payments			160,459	-	-	160,459
Transfer to share capital on exercise of warrants	-	47,382	(47,382)	-	-	-
Net loss for the period	-	-	-	(1,225,334)	-	(1,225,334)
Other comprehensive income (net of tax): Currency translation differences	-	-	-	-	881,402	881,402
Balance, March 31, 2011	98,695,195	79,867,786	5,781,972	(39,968,985)	2,146,844	47,827,617
Balance, January 1, 2010	59,582,915	47,251,095	2,801,685	(34,656,330)	-	15,396,450
Shares issued on vesting of restricted share awards	1,433,335	615,473	(615,473)	-	-	-
Share-based payments	-	-	106,081	-	-	106,081
Warrants issued for investor relations fees	-	-	36,282	-	-	36,282
Net loss for the period	-	-	-	(788,141)	-	(788,141)
Other comprehensive income (net of tax): Currency translation differences	-	-	-	-	210,404	210,404
Balance, March 31, 2010	61,016,250	47,866,568	2,328,575	(35,444,471)	210,404	14,961,076

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Condensed Consolidated Statements of Cash Flows

For the three months ended March 31

(Unaudited - expressed in U.S. dollars)

	2011 \$	2010 \$
Cash flows (used in) from operating activities		
Net loss for the period	(1,225,334)	(788,141)
Items not affecting cash		
Investor relation fees settled by warrants	-	36,282
Depreciation and amortization	6,633	9,737
Share-based payments	146,196	95,289
	<u>(1,072,505)</u>	<u>(646,833)</u>
Changes in non-cash operating working capital		
Change in receivables and prepaids	(180,597)	(65,702)
Change in accounts payable and accrued liabilities	(45,206)	(89,222)
	<u>(1,298,308)</u>	<u>(801,757)</u>
Cash flows (used in) from investing activities		
Mining claims and deferred exploration costs	(978,403)	(604,815)
Purchase of equipment	(3,381)	(3,309)
	<u>(981,784)</u>	<u>(608,124)</u>
Cash flows from financing activities		
Exercise of warrants	338,274	-
Decrease in cash and cash equivalents	(1,941,818)	(1,409,881)
Foreign exchange effect on cash and cash equivalents	881,402	210,404
Cash and cash equivalents - Beginning of period	35,687,151	7,013,973
Cash and cash equivalents - End of period	<u>34,626,735</u>	<u>5,814,496</u>
Cash and cash equivalents are comprised of:		
Cash	986,706	819,648
Cash equivalents	33,640,029	4,994,848
	<u>34,626,735</u>	<u>5,814,496</u>

Supplemental cash flow information (note 13)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Notes to Condensed Consolidated Financial Statements

For the three months ended March 31, 2011 and 2010

(Unaudited - expressed in U.S. dollars)

1 Organization and nature of operations

South American Silver Corp. (“SASC” or the “Company”) was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006. The Company’s corporate head office is located at Suite 904 – 475 Howe Street, Vancouver, British Columbia, Canada. The Company’s shares are listed on the Toronto Stock Exchange and the OTCQX.

The Company’s principal activities include the acquisition, exploration and development of mineral properties. The principal countries where the Company is undertaking exploration activities are Bolivia and Chile. Property interests in these countries are held through various wholly owned subsidiaries.

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

2 Basis of presentation and adoption of International Financial Reporting Standards

Statement of compliance and conversion to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the three months ended March 31, 2011 and 2010.

Previously, the Company prepared its consolidated interim financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 and IFRS 1. Subject to certain transition elections disclosed in note 5, the Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 5 discloses the impact of the transition to IFRS on the company’s reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the company’s consolidated financial statements for the year ended December 31, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of June 13, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS, that are given effect in the company’s annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The condensed interim consolidated financial statements should be read in conjunction with the Company’s Canadian GAAP annual financial statements for the year ended December 31, 2010. Throughout these

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condensed interim consolidated financial statements additional disclosures relating to the year ended December 31, 2010 are provided in accordance with IFRS where material to an understanding of these condensed interim consolidated financial statements.

Basis of presentation

The Company's condensed consolidated financial statements have been prepared on the historical cost basis except for certain non-current assets which are measured at fair value, as explained in the accounting policies set out in note 3. The comparative figures presented in these condensed consolidated financial statements are in accordance with IFRS and any changes from figures previously reported under Canadian GAAP have been disclosed in note 5.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3 Significant accounting policies

Basis of consolidation

The condensed consolidated interim financial statements include the results or financial information of South American Silver Corp. and its significant subsidiaries listed in the following table:

Name	Country of incorporation	% Equity Interest As at	
		March 31, 2011	December 31, 2010
South American Silver (U.S.) Ltd.	U.S.A.	100%	100%
South American Silver Chile SCM	Chile	100%	100%
Compania Minera Malku Khota S.A.	Bolivia	100%	100%

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

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Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments held in the form of bankers' acceptances, money market investments and certificates of deposit with investment terms of less than three months at acquisition.

Equipment

Equipment is carried at cost less accumulated depreciation and any recognized impairment loss. Depreciation is computed using the straight-line method over estimated useful lives as follows:

Furniture and equipment	5 years
Computer hardware	3 years
Computer software	1 year
Vehicle	5 years

Mining claims and deferred exploration costs

The Company is in the exploration stage and defers all expenditures related to its mineral properties until such time as the properties are put into commercial production, impaired, sold or abandoned. Mineral property option proceeds, if received, are credited against the deferred costs incurred by the Company on the property or properties being optioned. Under this method, the amounts shown as mining claims and deferred exploration represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

If the properties are put into commercial production, the expenditures will be depleted using the unit of production basis. If the properties are impaired, sold or abandoned, the expenditures will be charged to operations in the related period.

The Company reviews the capitalized costs on its properties each reporting period and will recognize impairment in value based upon the stage of exploration and/or development, work programs proposed, current exploration results and upon management's assessment of the future probability of profitable revenues from each property, or from the sale of the relevant property. Management's assessment of a property's estimated current fair market value may also be based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review. The recovery of costs of mining claims and deferred exploration is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and future profitable production or proceeds from disposition of such properties.

Exploration costs that are not attributable to a specific property are charged to operations as reconnaissance expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as reconnaissance expense.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

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Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through earnings or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings and loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered a significant or prolonged decline in the fair value of that investment below its cost.

Transaction costs associated with FVTPL financial assets are expensed as incurred while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

The Company has designated its cash and cash equivalents and its trade receivables as loans and receivables, which are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. At March 31, 2011, the Company had neither available-for-sale nor held-to maturity financial assets.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of comprehensive income (loss).

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in earnings or loss in the period in which they arise. The net gain or loss recognized in income or loss excludes any interest paid on the financial liabilities.

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Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in earnings or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in earnings or loss.

Impairment

At the end of each reporting period the carrying amounts of the Company's non-current assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the earnings or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in earnings or loss.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using the unit-of production method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

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Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligation as the disturbance to date is minimal.

Earnings per share

Basic earnings or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares in issue during the period. Diluted earnings or loss per share represents the profit or loss for the period, divided by the weighted average number of common shares in issue during the period plus the weighted average number of dilutive shares resulting from the exercise of stock options, warrants and other similar instruments where the inclusion of these would not be anti-dilutive. During the three months ended March 31, 2011 and 2010, the calculation of basic and diluted loss per share is the same.

Use of estimates, assumptions and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Critical estimates and assumptions are made in particular with regard to assessment of impairment to the carrying value of mineral properties, the determination of the likelihood that future income tax benefits can be realized, and the assumptions used in calculating the fair value of warrants and share-based payments.

Foreign currencies

The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the parent company, SASC, is the Canadian dollar; and the functional currency of each of the Company's subsidiaries is the U.S. dollar. The presentation currency of the Company is the U.S. dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and

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liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of loss.

The statement of financial position of the parent company is translated into U.S. dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into U.S. dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income

Income tax

Income tax on the earnings or loss for the periods presented comprises current and deferred tax. Income tax is recognized in earnings or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Share-based payments

The Company has established a share incentive plan (the "Plan") for the benefit of full-time and part-time employees, officers, directors and consultants of the Company and its affiliates. The Plan includes a stock award plan comprised of stock options and share appreciation rights and a performance share unit ("PSU") plan. The maximum number of shares available under the Plan is limited to 15% of the issued common shares.

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The fair value of all stock options granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options and of stock options which vest immediately, is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options and of options which vest in the future, is recognized over the vesting period. Stock options granted to consultants are measured at their fair value on the grant date. The Company's stock options are subject to graded vesting and thus each tranche in the award is considered a separate grant, with a different vesting date and fair value for purposes of recognizing share-based payment expense. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to contributed surplus. Any consideration received on the exercise of stock options together with the related portion of contributed surplus is credited to share capital. The fair value of stock options is estimated using the Black-Scholes option pricing model.

The fair value of PSU's granted is recorded as a charge to operations or deferred exploration costs and a credit to contributed surplus. The fair value of PSU's which vest immediately is recorded at the date of grant; the fair value of PSU's which vest in the future is recognized over the vesting period.

4 Accounting standards issued but not yet applied

Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011.

New standard IFRS 9 "Financial Instruments"

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39, "Financial Instruments: Recognition and Measurement", and applies to the classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after January 1, 2013. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The completion of the project is expected in 2011.

New standard IFRS 10 "Consolidated Financial Statements"

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates in its subsidiaries. The standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

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New standard IFRS 11 “Joint Arrangements”

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers. The standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

New standard IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

The Company has not early adopted any of these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

5 First-time adoption of IFRS

First-time adoption exemptions applied

The Company adopted IFRS on January 1, 2011 with transition date of January 1, 2010 (the “Transition Date”). Under IFRS 1 ‘*First-time Adoption of International Financial Reporting Standards*’, the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied. The Company has chosen to apply the following elections to:

- Not restate previous business combinations and the accounting thereof;
- Not apply IFRS 2 ‘*Share-based Payments*’, to liabilities arising from share-based payment transactions that were settled before the Transition Date; and,
- Reset the cumulative translation difference reserve for all foreign operations to zero at the Transition Date.

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Below are reconciliations of assets, liabilities and shareholders' equity as previously reported under Canadian GAAP to IFRS.

Note	December 31, 2010			March 31, 2010			January 1, 2010		
	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS
Assets									
Current assets									
Cash and cash equivalents	35,687,151	-	35,687,151	5,814,496	-	5,814,496	7,013,973	-	7,013,973
Receivables and prepaids	221,155	-	221,155	140,840	-	140,840	75,138	-	75,138
	<u>35,908,306</u>	<u>-</u>	<u>35,908,306</u>	<u>5,955,336</u>	<u>-</u>	<u>5,955,336</u>	<u>7,089,111</u>	<u>-</u>	<u>7,089,111</u>
Non-current assets									
Equipment	78,080	-	78,080	87,877	-	87,877	94,305	-	94,305
Mining claims and deferred exploration costs	12,524,955	-	12,524,955	9,425,714	-	9,425,714	8,675,051	-	8,675,051
	<u>12,603,035</u>	<u>-</u>	<u>12,603,035</u>	<u>9,513,591</u>	<u>-</u>	<u>9,513,591</u>	<u>8,769,356</u>	<u>-</u>	<u>8,769,356</u>
Total assets	<u>48,511,341</u>	<u>-</u>	<u>48,511,341</u>	<u>15,468,927</u>	<u>-</u>	<u>15,468,927</u>	<u>15,858,467</u>	<u>-</u>	<u>15,858,467</u>
Liabilities									
Current liabilities									
Accounts payable and accrued liabilities	838,525	-	838,525	507,851	-	507,851	462,017	-	462,017
Total liabilities	<u>838,525</u>	<u>-</u>	<u>838,525</u>	<u>507,851</u>	<u>-</u>	<u>507,851</u>	<u>462,017</u>	<u>-</u>	<u>462,017</u>
Shareholders' equity									
Share capital	79,482,130	-	79,482,130	47,866,568	-	47,866,568	47,251,095	-	47,251,095
Contributed surplus	(i) 5,742,677	(73,782)	5,668,895	2,340,198	(11,623)	2,328,575	2,818,115	(16,430)	2,801,685
Accumulated other comprehensive income	(ii) -	1,265,442	1,265,442	-	210,404	210,404	-	-	-
Deficit	(i) (37,551,991)	73,782	(38,743,651)	(35,245,690)	11,623	(35,444,471)	(34,672,760)	16,430	(34,656,330)
	(ii) -	(1,265,442)	-	-	(210,404)	-	-	-	-
	<u>47,672,816</u>	<u>-</u>	<u>47,672,816</u>	<u>14,961,076</u>	<u>-</u>	<u>14,961,076</u>	<u>15,396,450</u>	<u>-</u>	<u>15,396,450</u>
Total liabilities and shareholders' equity	<u>48,511,341</u>	<u>-</u>	<u>48,511,341</u>	<u>15,468,927</u>	<u>-</u>	<u>15,468,927</u>	<u>15,858,467</u>	<u>-</u>	<u>15,858,467</u>

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Below is a reconciliation of net loss and comprehensive loss as previously reported under Canadian GAAP to IFRS.

Note	Year ended December 31, 2010			Three months ended March 31, 2010		
	Cdn GAAP	Adj	IFRS	Cdn GAAP	Adj	IFRS
General and administrative expenses						
Consulting	225,026	-	225,026	39,792	-	39,792
Depreciation and amortization	33,588	-	33,588	9,737	-	9,737
Directors' fees	99,250	-	99,250	29,250	-	29,250
Filing and transfer agent fees	99,366	-	99,366	33,946	-	33,946
Office and administration	437,176	-	437,176	58,218	-	58,218
Professional fees	474,700	-	474,700	103,463	-	103,463
Reconnaissance and sundry exploration	16,905	-	16,905	11,829	-	11,829
Shareholder information	1,089,706	-	1,089,706	132,736	-	132,736
Share-based payments	(i) 841,956	(57,352)	784,604	90,482	4,807	95,289
Wages and benefits	514,675	-	514,675	78,946	-	78,946
	(3,832,348)	57,352	(3,774,996)	(588,399)	(4,807)	(593,206)
Other income (expenses)						
Interest and other income	26,983	-	26,983	1,133	-	1,133
Foreign currency gain (loss)	(ii) 926,134	(1,265,442)	(339,308)	14,336	(210,404)	(196,068)
	953,117	(1,265,442)	(312,325)	15,469	(210,404)	(194,935)
Net loss for the period	(2,879,231)	(1,208,090)	(4,087,321)	(572,930)	(215,211)	(788,141)
Other comprehensive income						
Currency translation differences	(ii) -	1,265,442	1,265,442	-	210,404	210,404
Total comprehensive loss for the period	(2,879,231)	57,352	(2,821,879)	(572,930)	(4,807)	(577,737)

(i) **Adjustment on share-based payments**

Under IFRS, in the determination of share-based payments expense, the Company estimates forfeitures of awards on the grant date and revises these estimates for actual experiences in subsequent periods. Under Canadian GAAP, the Company had recognized forfeitures of awards as they occurred.

(ii) **Adjustment on translation of foreign currency entity**

The Company, as a result of its interpretation of IFRS, has determined that the parent company, SASC, has a functional currency of Canadian dollars. On translation to the presentation currency, U.S. dollars, the exchange gains/losses under IFRS are charged to other comprehensive income/loss. This treatment has resulted in a currency translation difference on conversion from Canadian GAAP to IFRS.

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6 Equipment

Three months ended March 31, 2011	Furniture and equipment \$	Computer hardware \$	Computer software \$	Vehicle \$	Total \$
Cost					
Balance, beginning of the period	102,720	35,238	66,074	27,500	231,532
Additions	1,172	2,209	-	-	3,381
Balance, end of the period	103,892	37,447	66,074	27,500	234,913
Accumulated amortization					
Balance, beginning of the period	36,431	24,612	64,909	27,500	153,452
Amortization for the period	3,914	1,554	1,165	-	6,633
Balance, end of the period	40,345	26,166	66,074	27,500	160,085
Net book value at March 31, 2011	63,547	11,281	-	-	74,828
Year ended December 31, 2010	Furniture and equipment \$	Computer hardware \$	Computer software \$	Vehicle \$	Total \$
Cost					
Balance, beginning of the period	94,503	26,092	66,074	27,500	214,169
Additions	8,217	9,146	-	-	17,363
Balance, end of the period	102,720	35,238	66,074	27,500	231,532
Accumulated amortization					
Balance, beginning of the period	16,896	15,939	61,362	25,667	119,864
Amortization for the period	19,535	8,673	3,547	1,833	33,588
Balance, end of the period	36,431	24,612	64,909	27,500	153,452
Net book value at December 31, 2010	66,289	10,626	1,165	-	78,080

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7 Mining claims and deferred exploration costs – Schedule 1

Mining claims and deferred exploration costs are associated with the following projects.

	March 31, 2011 \$	December 31, 2010 \$	January 1, 2010 \$
a) Escalones, Chile	1,143,690	1,067,321	829,527
b) Malku Khota, Bolivia	12,406,481	11,457,634	7,845,524
	<u>13,550,171</u>	<u>12,524,955</u>	<u>8,675,051</u>

- a) In 2004, the Company entered into an option agreement (the “Boezio Option”) to acquire the Escalones property located in Chile. In each of 2005, 2007 and 2009, the terms were renegotiated. Pursuant to the Boezio Option, as revised, the Company has the right until June 30, 2013 to purchase the claims upon payment to the owner of \$5,000,000. As at March 31, 2011, \$850,000 has been paid, including \$150,000 paid by a former partner. Additional payments pursuant to the Boezio Option are due as follows: \$450,000 on June 30, 2011; \$700,000 on June 30, 2012; and \$3,000,000 on June 30, 2013.

The Company is required to pay all amounts required to protect and maintain the property during the option period. There is a 2% net smelter royalty (“NSR”) payable on production if the price of copper is greater than \$0.75 per pound and a 1% NSR if the copper price is equal to or less than \$0.75 per pound. The NSR may be purchased for \$3,000,000 within the five years following the first sale of minerals produced and \$5,000,000 after five years of the date of the first sale of minerals produced.

If the Company purchases the concessions, the Boezio Option requires the Company to commence exploitation of the concessions within two years thereafter. Until exploitation begins, the Company is required to pay annual advance royalty payments of \$200,000 which are credited against future royalty payments. Failure to commence exploitation within the two year period triggers an obligation to make annual indemnity payments of \$300,000 until exploitation begins. In this event, the \$200,000 annual payments made from the date of exercise of the option are deemed to be indemnity payments, not advance royalty payments. Royalty payments are suspended if exploitation of the mining concessions is suspended for reasons beyond the Company’s control

- b) In 2003, the Company entered into an option agreement (the “Kempff Option”) to acquire the Malku Khota property located in west central Bolivia. During 2007, the Company completed the purchase of the central portion of the Malku Khota property. A 1% NSR is payable on all production from the property included in the Kempff Option. This NSR can be purchased at any time for \$500,000.

8 Share capital

a) Authorized

An unlimited number of common shares and an unlimited number of preferred shares issuable in series.

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The holders of the common shares are entitled to one vote per share. The holders of the common shares are entitled to dividends, when and if declared by the directors of the Company, and to the distribution of the residual assets of the Company in the event of the liquidation, dissolution or winding-up of the Company. No dividends have ever been declared or paid as at March 31, 2011.

b) Issued and outstanding

	Number of common shares	Amount \$
Balance – December 31, 2010	98,205,720	79,482,130
Shares issued on exercise of warrants	489,475	385,656
	<hr/>	<hr/>
Balance – March 31, 2011	98,695,195	79,867,786
	<hr/>	<hr/>

c) Stock options

(i) Changes in stock options

The Company's stock options outstanding as at March 31, 2011 and the changes for the three months then ended are as follows:

	Number of options	Weighted average price Cdn.\$
Balance outstanding – December 31, 2010 and March 31, 2011	8,066,800	0.51
	<hr/>	<hr/>

(ii) Share-based payments

During the three months ended March 31, 2011, the Company recorded share-based payments of \$160,459 (March 31, 2010 - \$101,274) in respect of stock options and restricted share awards previously granted. Of this amount, \$146,196 (March 31, 2010 - \$95,289) was recorded as a charge to operations and \$14,263 (March 31, 2010 - \$10,792) was included in deferred exploration costs and credited to contributed surplus.

There were no options granted during the quarter ended March 31, 2011.

During the comparative quarter ended March 31, 2010, the Company granted stock options to officers and directors of the Company for the purchase of 1,450,000 common shares at a price of Cdn.\$0.37 per share. These options are exercisable for a period of five years, and vest as to 33 1/3% on a cumulative basis on the date which is 12, 24 and 36 months following the date of the grant. The fair value of each option grant was estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

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	March 31, 2010
Exercise price	Cdn.\$0.37
Grant date share price	Cdn.\$0.37
Risk-free interest rate	2.1%
Expected life	5.0 years
Expected volatility	88%
Dividend rate	0%
Expected forfeiture rate	3.3%

Grant date share price is the closing market price on the date before the options were granted. Expected volatility was determined by measuring the historical volatility of the Company's share price. The historical period used to measure historical volatility was the same as the expected life of the options granted. The weighted average grant date fair value of options granted during the comparative quarter ended March 31, 2010 was \$0.26.

(iii) Options outstanding at the end of the period

Options to acquire common shares are outstanding at March 31, 2011 as follows:

Number of options outstanding	Number of options exercisable	Exercise price Cdn. \$	Expiry date
2,425,000	2,425,000	0.50	February 15, 2012
590,000	590,000	0.68	May 16, 2012
520,000	346,667	0.53	May 30, 2013
973,400	313,400	0.35	May 25, 2014
650,000	216,667	0.37	March 26, 2015
800,000	266,667	0.37	March 29, 2015
400,000	Nil	0.69	June 8, 2015
1,708,400	975,067	0.63	September 16, 2015
<u>8,066,800</u>	<u>5,133,468</u>		

At March 31, 2011, the outstanding options have a weighted average remaining contractual life of 2.48 years.

d) Warrants

(i) Changes in warrants

The Company's warrants outstanding as at March 31, 2011 and the changes for the three months then ended are as follows:

	Number of warrants	Weighted average price Cdn.\$
Balance – December 31, 2010	8,488,133	0.93
Warrants exercised	(489,475)	0.68
Balance – March 31, 2011	<u>7,998,658</u>	<u>0.93</u>

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(ii) Warrants exercised

During the three months ended March 31, 2011, the weighted average share price at the date of exercise for warrants exercised was Cdn. \$0.68. During the three months ended March 31, 2010, no warrants were exercised.

(iii) Warrants outstanding at the end of the period

Warrants to acquire common shares are outstanding at March 31, 2011 as follows:

Number Outstanding	Exercise Price Cdn. \$	Expiry Date
47,790	\$0.63	July 15, 2011
9,360	\$0.63	July 19, 2011
1,702,500	\$0.60	November 27, 2011
320,500	\$0.60	December 7, 2011
200,000	\$0.50	February 15, 2012
2,323,508	\$1.16	May 30, 2012
2,995,000 ⁽¹⁾	\$0.95	July 15, 2012
400,000	\$1.47	November 5, 2012
<u>7,998,658</u>		

(1) In the event that the Company's common shares trade on the Toronto Stock Exchange (the "TSX") at a price of not less than Cdn. \$1.25 for a period of 10 consecutive trading days, the Company shall be entitled to accelerate the exercise period of these warrants to a period ending at least 30 days from the date notice of such acceleration is provided to the holders of the warrants.

9 Related party transactions

The Company's related parties consist of the Company's officers or companies associated with them, and a legal firm in which a director is a partner. The Company incurred the following expenditures during the three months ended March 31, 2011 and 2010 that were charged by related parties:

	March 31, 2011 \$	March 31, 2010 \$
Consulting fees	20,650	22,030
Legal fees	109,896	79,695
Mineral property costs – consulting fees	75,275	21,970
	<u>205,821</u>	<u>123,695</u>

Included in receivables and prepaids at March 31, 2011 is an amount of \$51,395 (December 31, 2010 - \$nil) which was advanced to or recoverable from related parties. These amounts are non-interest bearing and have no specific terms of repayment.

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Included in accounts payable at March 31, 2011 is an amount of \$341,416 (December 31, 2010 - \$409,095) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

Transactions with related parties are recorded at the exchange amount, being the price agreed between the parties.

Key management includes the Chief Executive Officer and the Executive Chairman. The compensation paid or payable to key management for services is as follows:

	March 31, 2011	March 31, 2010
	\$	\$
Wages and benefits	100,953	25,000
Share-based payments expense	69,624	16,715
	<u>170,577</u>	<u>41,715</u>

10 Contingencies

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

11 Commitments

The Company and a company with common directors are jointly committed under the terms of an office lease agreement that expires on April 30, 2012 for the following annual rent and estimated operating costs.

	Amount
	\$
Year ending December 31	
2011	30,319
2012	13,525
	<u>43,844</u>

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12 Segment information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets and liabilities is as follows:

Identifiable assets	March 31, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Bolivia	12,836,648	11,632,412	8,187,006
Canada	34,426,380	35,669,356	6,747,089
Chile	1,275,222	1,094,740	884,831
United States and other	99,321	114,833	39,541
Total assets	<u>48,637,571</u>	<u>48,511,341</u>	<u>15,858,467</u>
Identifiable liabilities			
Bolivia	81,627	73,120	84,768
Canada	552,040	661,770	288,734
Chile	11,218	11,543	19,527
United States and other	165,069	92,092	68,988
Total liabilities	<u>809,954</u>	<u>838,525</u>	<u>462,017</u>

Additions to segmented non-current assets during the three months ended March 31, 2011	Bolivia	Canada	Chile	United States and other	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2010	11,525,232	4,402	1,068,597	4,804	12,603,035
Additions	943,320	1,783	77,411	(550)	1,021,964
Balance, March 31, 2011	<u>12,468,552</u>	<u>6,185</u>	<u>1,146,008</u>	<u>4,254</u>	<u>13,624,999</u>

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Geographic segmentation of the Company's loss is as follows:

	Three months ended March 31, 2011 \$	Three months ended March 31, 2010 \$
Bolivia	26,546	26,724
Canada	309,976	368,765
Chile	32,611	27,299
United States and other	168,229	150,142
Total loss	<u>537,362</u>	<u>572,930</u>

13 Supplemental cash flow information

The Company conducted non-cash investing and financing activities as follows:

	Three months ended March 31, 2011 \$	Three months ended March 31, 2010 \$
Interest received	87,552	1,133
Investing activities		
Deferred exploration costs included in prepaids	27,140	-
Deferred exploration costs included in accounts payable	(251,142)	(222,969)
Financing activities		
Share-based payments included in deferred exploration costs	<u>(14,263)</u>	<u>(10,792)</u>

14 Financial instruments

a) Fair value of financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables and accounts payable and accrued liabilities. Cash equivalents consist of bankers' acceptances and term deposits, the investment terms of which are less than three months at the time of acquisition. The Company has no asset backed commercial paper. Cash and cash equivalents are measured at fair value. Receivables and accounts payable and accrued liabilities are measured at their amortized cost which approximates their fair value due to their short-term nature.

The Company classifies fair values of financial instruments within a three-level hierarchy that prioritizes the inputs to fair value measurement and reflects the significance of the inputs used in making the fair value measurements. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations

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using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Company's cash and cash equivalents have been classified as "Level 2" financial instruments.

b) Currency risk

A portion of the Company's financial assets and liabilities is denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company is exposed to currency exchange rate risks to the extent of its activities in Canada, Bolivia, and Chile. The Company's currency risk is presently limited to approximately \$31,310,000 of financial assets and liabilities denominated in Canadian dollars, in Bolivian Bolivianos or in Chilean pesos. Based on this exposure as at March 31, 2011, a 5% change in exchange rates would give rise to a change in net loss and comprehensive loss of approximately \$1,565,000. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

The currencies of the Company's financial instruments, based on notional amounts, were as follows:

	March 31, 2011		
	Canadian dollar	Bolivian Boliviano	Chilean Peso
Cash and cash equivalents	32,459,836	260,299	28,530,941
Receivables	162,370	129,066	1,087,572
Accounts payable and accrued liabilities	(342,446)	(637,856)	(5,407,973)
Net balance sheet exposure	<u>32,279,760</u>	<u>(248,491)</u>	<u>24,210,540</u>

	December 31, 2010		
	Canadian dollar	Bolivian Boliviano	Chilean Peso
Cash and cash equivalents	31,035,110	334,922	4,266,851
Receivables	144,127	67,604	(404,203)
Accounts payable and accrued liabilities	(479,392)	(552,237)	(5,406,395)
Net balance sheet exposure	<u>30,699,845</u>	<u>(149,711)</u>	<u>(1,543,747)</u>

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

c) Credit risk

Credit risk is the risk of loss if a customer or third party to a financial instrument fails to meet its commercial obligations.

The majority of the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. Cash equivalents consist of bankers'

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acceptances which have an original maturity of three months or less from the date of purchase and which are readily convertible into a known amount of cash. The Company also maintains deposits for ongoing working capital at major banks in the jurisdictions in which its foreign subsidiaries operate.

d) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short term investments included in cash and cash equivalents is limited because these instruments, although available for sale, are generally held to maturity and the interest rate is fixed. The Company manages its cash according to its operational needs.

e) **Liquidity risk**

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are all current.

15 **Subsequent events**

Subsequent to March 31, 2011:

- a) The Company received proceeds of Cdn. \$686,653 from the exercise of 837,468 warrants.
- b) The Company received proceeds of Cdn. \$32,666 from the exercise of 66,666 stock options; and issued 130,215 common shares on the exercise of 161,333 share appreciation rights.
- c) The Company granted stock options to officers, directors and consultants of the Company for the purchase of 1,800,000 common shares at a price of Cdn. \$2.09 per share. These options are exercisable for a period of five years, and of these options, 650,000 granted to directors vested immediately; and the balance granted to officers vest in three equal tranches; on the date of grant; and on the first and second anniversaries of the grant. The Company also granted stock options to consultants for the purchase of 400,000 common shares at a price of Cdn. \$2.09 per share, with such options being exercisable for a period of two years and vesting in full on the first anniversary of the grant date.

The Company granted stock options to directors of the Company for the purchase of 600,000 common shares at a price of Cdn. \$2.32 per share. These options vest in three equal tranches; on the date of grant; and on the first and second anniversaries of the grant.

- d) The Company granted 371,500 PSU's to employees, officers and consultants of the Company. Each PSU will be converted into one common share in accordance with the vesting provisions. Of these PSU's, 185,750 vested immediately, and the balance of 185,750 will vest on October 15, 2011.

South American Silver Corp.*(An Exploration Stage Company)***Condensed Consolidated Schedule of Deferred Exploration Costs***(Unaudited - expressed in U.S. dollars)*

	Bolivia properties	Chile properties	Total
	\$	\$	\$
Balance at December 31, 2009	<u>7,845,524</u>	<u>829,527</u>	<u>8,675,051</u>
Land and option payments	24,104	157,105	181,209
Laboratory	659,971	-	659,971
Field supplies	79,873	366	80,239
Consulting and supervision	567,925	63,893	631,818
Maps and reproduction	2,645	38	2,683
Community relations	57,485	-	57,485
Environmental	29,108	-	29,108
Hydrology	22,847	-	22,847
Petrology	9,820	-	9,820
Engineering	195,353	-	195,353
Geological consulting	516,512	14,789	531,301
Drilling	751,041	-	751,041
Trenching	162,915	-	162,915
Travel and accommodation	166,486	1,418	167,904
Share-based payments	151,150	-	151,150
Value added tax credits	214,875	185	215,060
	<u>3,612,110</u>	<u>237,794</u>	<u>3,849,904</u>
Balance at December 31, 2010	<u>11,457,634</u>	<u>1,067,321</u>	<u>12,524,955</u>
Land and option payments	17,222	40,270	57,492
Laboratory	241,804	-	241,804
Field supplies	30,778	1,721	32,499
Consulting and supervision	184,375	16,520	200,895
Maps and reproduction	1,213	-	1,213
Community relations	22,458	-	22,458
Environmental	19,414	-	19,414
Petrology	10,798	-	10,798
Engineering	148,460	-	148,460
Geological consulting	135,813	8,908	144,721
Drilling	75,353	-	75,353
Trenching	3,682	6,465	10,147
Travel and accommodation	21,011	876	21,887
Share-based payments	14,263	-	14,263
Value added tax credits	22,203	1,609	23,812
	<u>948,847</u>	<u>76,369</u>	<u>1,025,216</u>
Balance at March 31, 2011	<u>12,406,481</u>	<u>1,143,690</u>	<u>13,550,171</u>

