

SOUTH AMERICAN SILVER CORP.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1. Name and Address of Company

South American Silver Corp.
580 Hornby Street
Suite 880
Vancouver, British Columbia
V6C 3B6

Item 2. Date of Material Change

February 28, 2007

Item 3. News Release

A press release was issued on February 28, 2007 through the facilities of CCNMatthews, a copy of which has been filed on SEDAR.

Item 4. Summary of Material Change

South American Silver Corp. ("SASC") announced that it has completed the sale of 5,100,000 common shares at a price of \$0.50 per common share pursuant to the exercise in full of an over-allotment option (the "Over-Allotment Option") by MGI Securities Inc., as lead agent with Dundee Securities Corporation (collectively, the "Agents"). The Over-Allotment Option was granted by SASC to the Agents in connection with SASC's initial public offering which was completed on February 19, 2007 (the "Offering"). The aggregate gross proceeds to SASC from the Offering and the exercise of the Over-Allotment Option are \$19,550,000.

Item 5. Full Description of Material Change

See press release attached as Schedule "A".

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Ralph G. Fitch
President and Chief Executive Officer
(303) 584-9656

Item 8. Date of Report

February 28, 2007

SOUTH AMERICAN SILVER CORP.

(signed) "Ralph G. Fitch"

Per: _____
Ralph G. Fitch
President and Chief Executive Officer

Schedule "A"

See attached.

**South American Silver Corp.**

TSX: SAC

FEBRUARY 28, 2007 - 08:40 ET**South American Silver Corp. Announces Closing of Over-Allotment Option**

VANCOUVER, BRITISH COLUMBIA--(CCNMatthews - Feb. 28, 2007) - South American Silver Corp. ("SASC") (TSX:SAC) is pleased to announce that it has completed the sale today of 5,100,000 common shares at a price of \$0.50 per common share pursuant to the exercise in full of an over-allotment option (the "Over-Allotment Option") by MGI Securities Inc., as lead agent with Dundee Securities Corporation (collectively, the "Agents"). The Over-Allotment Option was granted by SASC to the Agents in connection with SASC's initial public offering which was completed on February 19, 2007 (the "Offering"). The aggregate gross proceeds to SASC from the Offering and the exercise of the Over-Allotment Option are \$19,550,000.

The funds raised through the Offering and the exercise of the Over-Allotment Option will be used to aggressively explore and advance the 100% controlled Malku Khota flagship silver property and to continue the exploration at the Laurani property. At Malku Khota, the planned exploration includes a substantial program of drilling, tunneling and detailed metallurgical testing.

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. Forward-looking statements may include words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," and similar expressions. 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 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, being the flagship Malku Khota silver-gold and the Laurani gold-silver properties in Bolivia and the Escalones copper-gold-molybdenum property in Chile which is under option to Minera Aurex (Chile) Limitada, the Chilean subsidiary of Phelps Dodge Corporation.

CONTACT INFORMATION

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