

SOUTH AMERICAN SILVER CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

South American Silver Corp.
650 W. Georgia Street, Suite 2100
Vancouver, BC V6B 4N9

Item 2. Date of Material Change

December 19, 2011

Item 3. News Release

A press release was issued on December 19, 2011 through the facilities of Marketwire, a copy of which has been filed on SEDAR.

Item 4. Summary of Material Change

South American Silver Corp. (the "Company") announced the first independent NI 43-101-qualified resource estimate for the Company's 100%-controlled Escalones copper-gold-silver project in central Chile.

Highlights

- Newly defined Inferred Resource of 420 million tonnes of mineralized material containing 3.8 billion lbs of copper, 56.9 million lbs of molybdenum, 610,000 ozs of gold and 16.8 million ozs of silver using a 0.2% Cu Equivalent¹ cut-off grade which represents approximately a \$2.50/lb copper price (see table 1 below).
- This is a copper-equivalent¹ content of 4.5 billion lbs of copper grading 0.49% based on approximate 3-year average metal prices of \$3.00/lb copper, \$1,200/oz gold, \$22/oz silver and \$16/lb molybdenum.
- The 70 square kilometer Escalones project is located in the world-class central Chilean mining district which includes the nearby El Teniente deposit, which is the world's largest underground copper mine.

Item 5. 5.1 – Full Description of Material Change

Table 1. Escalones Inferred Resource Tonnes and Grade

Cu_Eq (%)	Tonnes	Copper	Molybdenum	Gold	Silver	Copper Eq
Cut-off	Millions	%	ppm	g/t	g/t	%
0.1 %	636.2	0.33	57.40	0.04	1.06	0.39
0.2 %	420.6	0.41	61.39	0.05	1.24	0.49
0.3 %	232.7	0.55	68.25	0.06	1.66	0.64

Inferred Resource Total Contained Metal

Cu_Eq (%)		Copper	Molybdenum	Gold	Silver	Copper Eq
Cut-off		M lbs	M lbs	Ozs	M ozs	M lbs
0.1 %		4,567	80.4	754,000	21.7	5,453
0.2 %		3,835	56.9	610,000	16.8	4,503
0.3 %		2,842	35.0	435,000	12.4	3,292

1) Copper Equivalent (Cu Eq %) calculations reflect gross metal content using approximate 3 year average metals prices as of December 2011 of \$3.00/lb copper (cu), \$1200/oz gold (Au), \$22/oz silver (Ag), and \$16/lb molybdenum (Mo) and have not been adjusted for metallurgical recoveries. An economic cut-off grade of 0.2% copper equivalent represents a metal price of approximately \$2.50/lb copper. Contained metal values may vary from calculated values due to rounding.

The Escalones mineral resource estimate is based on 30 diamond drill holes (12,666 meters) and 43 channel and road cuts (>2,100 meters) with >10,934 assay values collected through 2011. The resource estimate is categorized as inferred as defined by the Canadian Institute of Mining guidelines for resource reporting. Mineral resources do not demonstrate economic viability, and there is no certainty that these mineral resources will be converted into minable reserves once economic considerations are applied.

Assay values were verified against drill logs and assay certificates. Drill hole collar locations and downhole surveys were checked and verified. The mineral resource was estimated using 1.0-meter composites of the assay values, with zero grade inserted into intervals that were not sampled.

A geological model was constructed of the Cu-Au-Ag-Mo mineralized zone. This model was used to constrain the composite values chosen for interpolation and the ore blocks reported in the mineral resource. A block model was constructed using 10-meter by 20-meter by 5-meter blocks in the x, y and z directions respectively. Grades for copper, gold, silver and molybdenum were interpolated into the blocks by the inverse distance squared method using a minimum of two and maximum of 12 composites to generate block grades.

The inferred mineral resource estimate has been prepared in compliance with the standards of NI 43-101 by Dr. A. Armitage, PGeol, and J. Campbell, BSc, PGeo, of GeoVector Management Inc. GeoVector is an Ottawa, Ontario based consulting firm specializing in resource estimation, project assessment and project management. Dr. Armitage acted as the qualified person, as defined in NI 43-101, and is independent of the Company and has reviewed the technical information in the December 19, 2011 news release.

The Escalones property lies within the well-known central Chilean porphyry copper belt that runs north-south through Chile in the central Andes Mountains. The property is located approximately 100 kilometers southeast of Santiago and 35 kilometers due east of El Teniente, the world's largest underground copper mine. The project has excellent infrastructure including road access and a gas pipeline that crosses the 70 square kilometer property.

Item 5. 5.2 – Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Greg Johnson
President and CEO
(604) 681-6926

Item 9. Date of Report

December 19, 2011