

SOUTH AMERICAN SILVER CORP.

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

South American Silver Corp. (the "Company")
650 W. Georgia Street, Suite 2100
Vancouver, BC V6B 4N9

Item 2. Date of Material Change

August 2, 2012

Item 3. News Release

A press release was issued on August 2, 2012 through the facilities of Marketwire, a copy of which has been filed on SEDAR.

Item 4. Summary of Material Change

The Company reported that on August 2, 2012, it received from the Bolivian government official notice of a Nationalization Decree of its Malku Khota silver-indium project in Bolivia.

Item 5. 5.1 – Full Description of Material Change

On August 2, 2012 the Company received from the Bolivian government official notice of a Nationalization Decree of its Malku Khota silver-indium project in Bolivia.

The Company had previously reported, on July 10, 2012, that the Bolivian government made public statements that it intended to nationalize the Malku Khota project. On July 20, 2012, the Company filed on SEDAR a Material Change Report regarding such public statements.

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

Phillip Brodie-Hall
Chief Operating Officer
(604) 681-6926

Item 9. **Date of Report**

August 9, 2012