

U.S. Silver Corporation

Audit Committee Charter

The Audit Committee (the "**Audit Committee**") assists the Board of Directors (the "**Board**") in overseeing the financial controls and reporting of U.S. Silver Corporation and any and all subsidiary corporations (collectively, the "**Corporation**"). The Audit Committee also monitors whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

COMPOSITION AND QUORUM

The Audit Committee is composed of a minimum of three and a maximum of five members, each of whom are a director of the Corporation. Members of the Audit Committee shall hold office until the next annual meeting of the shareholders of the Corporation. Where a vacancy occurs in the membership of the Audit Committee, it may be filled by the Board on recommendation of the Audit Committee and shall be filled by the Board if membership falls below three directors.

All members of the Audit Committee shall be directors of the Corporation who are "independent" and "financially literate" as such terms are defined in National Instrument 52-110 Audit Committees of the Canadian Securities Administrators. At least one member of the Audit Committee shall have accounting or related financial experience or expertise, being the ability to analyze and interpret a full set of financial statements, including notes thereto, in accordance with generally accepted accounting principles.

The quorum at any meeting of the Audit Committee is a majority of its members. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present in person or by means of a telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

The Board shall review the candidacy of any director being considered for the Audit Committee prior to the invitation being extended to such director to join the Audit Committee and shall periodically review the composition of the Audit Committee. In addition to assessing compliance with the foregoing criteria, the Board shall consider whether any outside directorships or offices impairs the ability of individual directors to serve on the Corporation's Audit Committee.

AUTHORITY

The Audit Committee has the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Audit Committee; and

(c) communicate directly with any auditors performing audit, review of attest services for or on behalf of the Corporation.

RESPONSIBILITIES

The Audit Committee has the following responsibilities:

With Respect to Financial Reporting

(a) Assuming overall responsibility for the disclosure of all financial and related information by the Corporation in accordance with all legal and regulatory requirements, both with respect to content and timing governing the dissemination of such information.

(b) Reviewing the annual financial statements and accompanying notes, the external auditors' report thereon, the annual Management's Discussion and Analysis ("**MD&A**") and the related press release announcing the Corporation's earnings, and obtaining explanations from management on all significant variances with comparative periods, before recommending their approval by the Board and their release.

(c) Reviewing the quarterly financial statements, the interim MD&A and the related press release announcing the Corporation's earnings before recommending their approval by the Board and their release.

(d) Reviewing the financial information contained in any Annual Information Form, Annual Report, Management Proxy Circular, prospectuses or other documents containing similar financial information extracted or derived from the Corporation's financial statements before their public disclosure or filing with regulatory authorities in Canada and periodically assessing the adequacy of the procedures established to review the Corporation's public disclosure of such financial information.

(e) Reviewing with management and the external auditors the quality and not just the acceptability of the Corporation's accounting policies and any changes that are proposed to be made thereto, including (i) all critical accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditors' preferred treatment, and (iii) any other material communications with management with respect thereto, and reviewing the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

(f) Reviewing with the external auditors any audit problems or difficulties and management's response thereto and resolving any disagreement between management and the external auditors regarding financial reporting.

(g) Reviewing periodically any policies of the Corporation with respect to the communication of financial and related information to ensure that they conform to applicable legal and regulatory requirements.

With Respect to Risk Management and Internal Controls

(a) Monitoring the quality and integrity of the Corporation's system of internal controls and management information systems, through discussions with management and the external auditors.

(b) Reviewing all audit plans of external auditors and arranging for any additional independent audit procedures deemed necessary by the Audit Committee to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective.

(c) Overseeing management's reporting on internal control.

(d) At least annually, reviewing a report of the external auditors describing the Corporation's internal quality-control procedures, any material issues raised by the most recent reviews of internal controls and management information systems or by any inquiry or investigation by governmental or professional authorities and any recommendations made and steps taken to deal with any such issues.

(e) Monitoring the execution of all audit plans.

(f) Ensuring that persons auditing internal controls are always ultimately accountable to the Audit Committee and the Board.

(g) Establishing procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

With Respect to the External Auditors

(a) Overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

(b) Reviewing the annual written statement of the external auditors regarding all their relationships with the Corporation and discussing any relationships or services that may impact on their objectivity or independence.

(c) Making recommendations to the Board concerning the appointment and, if appropriate, the termination (both subject to shareholder approval) of the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and monitoring their qualifications, performance and independence.

(d) Approving the performance of all non-audit services to be provided to the Corporation by the Corporation's external auditors.

(e) Approving and overseeing the disclosure of all audit services provided by the external auditors to the Corporation or any of its subsidiaries, determining which non-audit services the external auditors are prohibited from providing and,

exceptionally, approving and overseeing the disclosure of permitted non-audit services to be performed by the external auditors.

(f) Making recommendations to the Board concerning the basis and amount of the external auditors' fees for both audit and authorized non-audit services.

(g) Reviewing the audit plan with the external auditors and management and approving the scope, extent and schedule of such audit plan.

(h) Reviewing and approving the Corporation's hiring policies for partners, employees or former partners or employees of the present and former external auditors.

(i) Ensuring the respect of legal requirements regarding the rotation of applicable partners of the external auditors, on a regular basis, as required.

(j) Ensuring that the external auditors are always accountable to the Audit Committee and the Board.

(k) Making arrangements for sufficient funds to be available to effect payment of the fees of the external auditors and of any advisors or experts retained by the Audit Committee.

With Respect to the Controlling Shareholder and Other Insiders

(a) Liasing with the controlling shareholder and monitoring any and all trades in the securities of Corporation by the controlling shareholder to ensure that the Corporation's minority shareholders are not disadvantaged.

(b) Reviewing and monitoring all material non arm's length transactions between the Corporation and insiders of the Corporation.

With Respect to Financial Advisory Matters

(a) investigating the best possible utilization of all of the Corporation's assets;

(b) recommending to the Board the proposed terms of any financing;

(c) recommending to the Board the proposed terms of any sale, merger or other proposed combination of the Corporation with any other entity;

(d) recommending to the Board the proposed terms of any major investment or divestiture; and

(e) acting upon requests from the Board to evaluate opportunities that may come to the attention of the Corporation's management.

The Committee's recommendations are advisory only and are not binding on the Board or the Corporation.

METHOD OF OPERATION

(a) Meetings of the Audit Committee are held at least quarterly, and as required.

(b) Any member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

(c) The external auditor of the Corporation shall be given notice of every meeting of the Audit Committee and, at the expense of the Corporation, shall be entitled to attend and be heard thereat.

(d) If requested by a member of the Audit Committee, the external auditor shall attend every meeting of the Audit Committee held during the term of office of the external auditor.

(e) The Chair of the Audit Committee develops the agenda for each meeting of the committee in consultation with the Chief Financial Officer of the Corporation. The agenda and the appropriate material are provided to members of the Audit Committee on a timely basis prior to any meeting of the Audit Committee.

(f) The Chair of the Audit Committee reports regularly to the Board on the business of the Committee.

(g) The Audit Committee has at all times a direct line of communication with the Corporation's auditors.

(h) The Audit Committee meets on a regular basis without management or the external auditors, however the Audit Committee may invite such directors, officer and employees of the Corporation and advisors it sees fit from time to time to attend meetings of the Audit Committee and assist thereat in the discussion and consideration of matters relating to the Audit Committee.

(i) The Audit Committee meets separately with management and the auditors at least annually, and more frequently as required.

(j) The Audit Committee may, in appropriate circumstances, engage external advisors, subject to advising the Chairman of the Board thereof.

(k) The Audit Committee annually reviews its mandate and reports to the Board on its adequacy and publication requirements.

(l) The Board annually supervises the performance assessment of the Audit Committee and its members.

Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Corporation or the members of the Audit Committee. Even though the Audit Committee has a specific mandate and its members may have financial experience, they do not have the obligation to act as auditors or to perform auditing, or to determine that the Corporation's financial statements are complete and accurate. Members of the Audit Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to the non-audit services provided to the Corporation by the external auditor. The Audit Committee's oversight responsibilities are not established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles.

***Ratified by the Board of Directors on June 29, 2010
Amended by the Board of Directors on September 26, 2011***