

# U.S. Silver Corporation

## Code of Business Conduct and Ethics

### GENERAL

#### *Purpose of the Code*

The board of directors (the “**Board**”) of U.S. Silver Corporation (the “**Company**”) has adopted this Code of Business Conduct and Ethics (the “**Code**”), which is designed to provide guidance on the conduct of the Company’s business in accordance with high ethical standards. As a public company, the Company must not only conduct, but must also be seen to conduct, its business in accordance with such high ethical standards. The Code constitutes written standards that are reasonably designed to promote integrity, to deter wrongdoing and to address at a minimum, the fundamental principles set out below.

#### *Application of the Code*

The Code applies to all directors, officers and employees of the Company and its subsidiaries (who are referred to collectively as “**Company Personnel**”) and operates in all countries in which the Company and its subsidiaries conduct business.

#### *Monitoring Compliance*

The Board is responsible for monitoring compliance with the Code.

#### *Waivers from the Code*

A waiver of the Code will be granted only in exceptional circumstances. Any waivers from the Code that are granted for the benefit of the Company’s directors or executive officers shall be granted by the Corporate Governance and Nominating Committee.

### FUNDAMENTAL PRINCIPLES

#### *Conflicts of Interest*

Company Personnel must avoid situations that could compromise the Company’s relationships or subject its reputation to unwarranted suspicion. When Company Personnel become aware of a conflict, they must notify management immediately, and handle in an ethical manner any direct or indirect conflict of interest. The following are specific conflicts that may arise in the course of carrying out the Company’s business:

(a) Outside Business Interests

Company Personnel are free to take on employment and other activities outside of their work responsibilities with the Company. However, in doing so, Company Personnel must ensure that any “outside” activities do not present a real or perceived conflict with the interests of the Company or with their duties as Company Personnel.

(b) Public Statements

Before publicly expressing views on matters that relate to the Company, Company Personnel should discuss the information with the Chair of the Corporate Governance and Nominating Committee. Company Personnel must not claim to speak on behalf of the Company without prior authorization. Reference should be made to the Company’s Corporate Disclosure Policy.

(c) Outside Directorships

Company Personnel are free to take on directorships; however, Company Personnel must be aware of any potential for conflicts with the interests of the Company.

(d) Financial Interests in Suppliers, Contractors or Competitors

Any proposed affiliation between Company Personnel and any entity that has a relationship with the Company must be reviewed by the Corporate Governance and Nominating Committee.

(e) Giving and Receiving Gifts

Company Personnel are prohibited from soliciting or receiving any gift, loan, reward or benefit from a supplier or customer in exchange for any decision, act or omission by any Company Personnel in the course of carrying out their functions with the exception that directors and executive officers may occasionally give or receive small gifts as tokens of appreciation.

Similarly, Company Personnel should not try to influence the decisions of a supplier or customer by giving gifts.

## **PROTECTION AND PROPER USE OF CORPORATE ASSETS AND OPPORTUNITIES**

(a) Use of Company Assets

All Company Personnel must handle the physical and intellectual assets of the Company with integrity and with due regard to the interests of all of the Company's stakeholders.

(b) Corporate Property and Opportunities

Company Personnel and members of their immediate family are prohibited from taking for themselves business opportunities that have arisen through the use of Company property, information or by virtue of their position in the Company.

(c) Corporate Transactions

Company Personnel must have authorization to enter into business transactions on behalf of the Company.

(d) Accounting

All corporate transactions must be accounted for in the Company's books. Records must not be manipulated or destroyed for the purpose of impeding or obstructing any investigation undertaken by the Company or a governmental body.

(e) Audits

No action shall be taken to fraudulently influence or mislead anyone engaged in the performance of an audit of the Company's financial statements.

(f) Corporate Disclosure Policy

All Company Personnel are required to comply with the Company's Corporate Disclosure Policy.

(g) Use of Email and Internet

Email and Internet systems are provided primarily for business use. Personal use of these resources should be kept to a minimum. As email may not be entirely secure, Company Personnel must exercise caution and etiquette when sending email correspondence.

## **CONFIDENTIALITY OF CORPORATE INFORMATION**

### *Meaning of Confidential Information*

Confidential information is any information relating to the Company that is not known to the general public and includes business research, market plans, strategic objectives, unpublished financial information, customer, supplier and personnel lists and all intellectual property, including trade secrets, software, trademarks, copyrights and patents.

### *Release of Confidential Information*

Confidential information may not be given or released without proper authority and appropriate protection to anyone not employed by the Company or to Company Personnel who have no need for such information. Company Personnel must comply with the Company's Corporate Disclosure Policy.

### *Insider Trading*

Company Personnel are prohibited from trading or encouraging others to trade in the securities of the Company where the person trading is in possession of material non-public information. All Company Personnel must comply with the Company's Corporate Disclosure Policy.

### *Personal Information*

Personal information, as it relates to Company Personnel, including medical and benefits information, is only to be released to non-Company individuals after receiving prior permission from the affected Company Personnel, except where the information will be used to verify employment or to satisfy legitimate legal requirements.

### *Harassment*

The Company undertakes to deal fairly with all Company Personnel. There is a "no tolerance" policy in place for any form of discrimination or harassment against Company Personnel, with respect to race, religion, age, gender, marital and family status, sexual orientation, ethnic or national origin or disability or any other grounds enumerated in applicable human rights legislation.

## **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

### *(a) Company Policies*

All Company Personnel must comply with all Company policies.

### *(b) Compliance with Laws*

All Company Personnel, in discharging their duties, must comply with all the laws and regulations of the countries in which the Company and its subsidiaries carry on business.

### *(c) Knowledge of Laws*

All Company Personnel are charged with the responsibility for acquiring sufficient knowledge of the laws involved in each area relating to their particular duties.

### *(d) Dealings with Public Officials*

Company Personnel are prohibited from making payments or giving gifts to a public official in any country in which the Company and its subsidiaries operate, in order to obtain a business advantage.

## **REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

### *Compliance and Reporting*

Company Personnel are each responsible for being aware of, understanding and complying with this Code when making business decisions. Company Personnel must promptly report any problems or concerns and any actual or potential violation of the Code. To do otherwise will be viewed as condoning a violation of this Code.

### *(a) No Reprisal*

There shall be no reprisal or other action taken against any Company Personnel who, in good faith, bring forward concerns about actual or potential violations of laws or the Code. Anyone engaging in any form of retaliatory conduct will be subject to disciplinary action, which may include termination.

### *(b) Process*

Company Personnel should first raise a complaint or concern with his or her supervisor. If that is not possible for some reason or if this does not resolve the matter, Company Personnel must take the matter up the chain of management within the Company. Ultimately, unresolved complaints and concerns should be referred to the Chair of the Corporate Governance and Nominating Committee (depending on the nature of the matter) who will treat all disclosures in confidence and will involve only those individuals who need to be involved in order to conduct an investigation. If a complaint regarding accounting, internal accounting or auditing matters or a concern regarding questionable accounting or auditing matters is not effectively addressed after being raised internally, then such complaint or concern should be referred to the Chair of the Audit Committee of the Company as per the Company's Whistleblower Policy.

(c) *Public Complaints*

Company Personnel who receive complaints from a member of the public, including complaints regarding accounting, internal accounting or auditing matters, should advise the complainant to raise such complaints with the Chair of the Corporate Governance and Nominating Committee.

(d) *Accounting Complaints*

Company Personnel or members of the public wishing to refer a complaint regarding accounting, internal accounting or auditing matters or a concern regarding questionable accounting or auditing matters to the Chair of the Audit Committee on a confidential and anonymous basis may do so in writing. The complaint or concern should be specified in detail in a letter, which should be delivered to Corporate Governance and Nominating Committee in a sealed envelope marked "Confidential – For the Chair of the Audit Committee". The Chair of the Corporate Governance and Nominating Committee will forward the sealed envelope to the Chair of the Audit Committee.

**CONSEQUENCES OF VIOLATING THE CODE**

Failure to comply with the Code will be considered by this Company to be a very serious matter. Depending on the nature and severity of the violation, disciplinary action may be taken by the Company, up to and including termination. In addition, the Company may make claims for reimbursement of losses or damages and/or the Company may refer the matter to the authorities. Anyone who fails to report a violation upon discovery or otherwise condones the violation of this Code may also be subject to disciplinary action.

**AGREEMENT WITH THE TERMS OF THE CODE**

As the Code applies to all Company Personnel, as outlined in the General Section of this Code on the first page, all Company Personal shall read and agree in writing to adhere to the terms of the Code annually.

***Ratified by the Board of Directors on June 29, 2010***