

# U.S. Silver Corporation

## Mandate of the Board of Directors

### MANDATE

The board of directors (the "**Board**") of U.S. Silver Corporation (the "**Company**") is responsible for the stewardship of the Company. The Board is elected by the shareholders of the Company to supervise the management of the business and affairs of the Company, with the goal of enhancing long-term shareholder value. Specifically, the Board is charged with the responsibility for:

- (a) the evaluation of the Chief Executive Officer of the Company;
- (b) the evaluation and compensation of the senior management team;
- (c) review of succession planning for the Chief Executive Officer and other senior officers;
- (d) the consideration of long-range strategic issues and risks to the Company;
- (e) the approval of financial statements and business plans;
- (f) the review of the Company's execution of its long-term business plans;
- (g) the review and approval of public disclosure;
- (h) the review of the effectiveness of internal controls and information systems;
- (i) the development of effective corporate governance principles and guidelines;
- (j) the establishment of committees of the Board, as further described herein;
- (k) the evaluation of the performance of the Board, its committees and members; and
- (l) the development of the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

### BOARD COMMITTEES

To assist it in exercising its responsibilities, the Board has established three (3) standing committees of the Board: an audit committee (the "**Audit Committee**"), a compensation committee (the "**Compensation Committee**") and a corporate governance and nominating committee (the "**Corporate Governance and Nominating Committee**"). The Board may establish other standing committees, from time to time.

Each committee shall be governed by a written charter. At a minimum, each charter shall clearly establish the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members and subcommittees), and manner of reporting to the Board. Each charter shall be reviewed by the Board (or the Corporate Governance and Nominating Committee) annually.

The Board is responsible for appointing directors to each of its committees, in accordance with the written charter for each committee.

## **EXPECTATIONS AND RESPONSIBILITIES OF DIRECTORS**

The Board expects that each director will, among other things:

- (a) act honestly, in good faith and with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) commit the time and energy necessary to properly carry out his or her duties;
- (d) attend all Board and committee meetings, as applicable; and
- (e) review in advance all meeting materials and otherwise adequately prepare for all Board and committee meetings, as applicable.

## **THE BOARD'S EXPECTATIONS OF MANAGEMENT**

The Board expects that management will, among other things:

- (a) review continuously the Company's strategies and their implementation in light of evolving conditions;
- (b) present an annual operating plan and budget and regularly report on the Company's performance and results relative to that plan and budget;
- (c) report regularly on the Company's business and affairs, with a focus on matters of material consequence for the Company;
- (d) implement systems to identify and manage the principal risks of the Company's business;
- (e) implement and maintain appropriate systems of internal control;
- (f) implement and maintain appropriate disclosure controls and procedures.

In addition, that the Chief Executive Officer and the other executive officers of the Company will use their best efforts to achieve value for all shareholders and conduct themselves with integrity. In addition, the Board expects that the Chief Executive Officer and other executive officers will create a culture of integrity throughout the Company.

## **BOARD MANDATE REVIEW**

The Board shall review and assess the adequacy of this Mandate on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board, as well as any best practice guidelines recommended by securities regulatory authorities or the TSX Venture Exchange or any stock exchanges on which the Company's shares are listed.

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