

# U.S. Silver Corporation

## Whistleblower Policy

### PURPOSE

The board of directors (the "**Board**") of U.S. Silver Corporation (the "**Company**") has adopted this Whistleblower Policy (the "**Policy**"), which is to be read in conjunction with the Code of Business Conduct and Ethics (the "**Code**"). It is the policy of the Company to comply with and require its directors, officers, and employees to comply with all applicable legal and regulatory requirements relating to the Company's business, including its corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders. Please refer to the Company's Corporate Disclosure Policy for further guidance.

### SCOPE

Please refer to the section of the Code entitled "Compliance with Laws, Rules and Regulations" if you have any knowledge that constitutes a reportable activity, which includes, but is not limited to:

- fraud or misrepresentation with respect to the Company's accounting, auditing or other financial reporting systems or records;
- an actual or potential violation of federal, provincial or state law that could result in fines or civil damages payable by the Company, or that could otherwise significantly harm the Company's reputation or public image;
- unethical business conduct in violation of the Code; or
- danger to the health, safety or well being of employees and/or the general public.

The Company's internal controls and corporate reporting and disclosure procedures are intended to prevent, deter and remedy any violation of the applicable laws and regulations that relate to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against the shareholders. Even the best systems of control and procedures, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and, if required, report to appropriate governmental authorities, any violations relating to corporate reporting and disclosure, accounting and auditing controls and procedures, securities compliance and other matters pertaining to fraud against shareholders, and the actions taken by the Company to remedy such violations.

This Policy and the Code establish a mechanism for responding to, and keeping records of, complaints from employees and others regarding such actual or potential reportable activities. The Corporate Governance and Nominating Committee is responsible for establishing procedures for the confidential, anonymous submissions by Directors, officers, employees or others of concerns regarding Reportable Activities and the investigation of such complaints.

## **REPORTING ALLEGED REPORTABLE ACTIVITIES**

If a person reasonably believes that any director, officer, employee or other person acting on behalf of the Company has committed a reportable activity the person should immediately refer to the process outlined in paragraph (b) of the section of the Code entitled "Reporting Of Any Illegal Or Unethical Behaviour". If a person is not comfortable reporting a complaint or concern to his or her direct supervisor then that person should report to the Company's Chair of the Audit Committee, as follows:

In writing:                    James Macintosh  
                                     126 Old Orchard Grove  
                                     Toronto, Ontario  
                                     M5M 2E2

By e-mail:                    jmacintosh@rogers.com

By Telephone:                +1 (416) 862-7003

Anyone who receives a report of a reportable activity must immediately forward the report to the Chair of the Corporate Governance and Nominating Committee, maintaining anonymity of the reporting person if that person desires (see below). The Chair will communicate all reports of alleged Reportable Activities to the Company's Audit Committee, and if necessary, to the Board.

Reports of alleged reportable activities may be submitted to the Chair of the Corporate Governance and Nominating Committee *anonymously*. Although anonymous reports may be submitted via any of the above methods, reports submitted by e-mail or telephone tend to be less likely to remain anonymous and confidential than those submitted in writing. All reports of alleged reportable activities, whether or not they were submitted anonymously, will be kept in strict confidence to the extent possible, consistent with the Company's need to conduct an adequate investigation.

Reports of alleged reportable activities should be factual, rather than speculative, and should contain as much specific detail as possible to allow for proper assessment. The complaint describing an alleged reportable activity should be candid and should clearly set forth all of the information that the employee knows regarding the reportable activity. In addition, the complaint should contain sufficient corroborating information to support the commencement of an investigation. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate factual support.

## **INVESTIGATION OF COMPLAINTS**

Upon receipt of a complaint alleging a reportable activity the Corporate Governance and Nominating Committee, or a designated member of such committee, will make a determination as to whether a reasonable basis exists for commencing an investigation into the reportable activity alleged in the complaint. If the Chair of the Corporate Governance and Nominating Committee concludes that an investigation is warranted, the Chair shall take appropriate measures to implement a thorough investigation of the allegations. The Corporate Governance and

Nominating Committee shall have the authority to obtain assistance from management, the Company's counsel or auditors, or to retain separate outside legal or accounting expertise as it deems necessary or desirable in order to conduct the investigation.

Quarterly, the Corporate Governance and Nominating Committee will discuss the status of any ongoing investigation and review the resolution of each complaint submitted during the previous quarter, whether or not the complaint resulted in the commencement of a formal investigation.

### **CORRECTIVE ACTION**

The Corporate Governance and Nominating Committee is ultimately responsible for determining the validity of each complaint and fashioning, with the input of its advisors and management, if requested, the appropriate corrective action. The Corporate Governance and Nominating Committee shall report any legal or regulatory non-compliance to the Board and ensure that the Board takes corrective action including, where appropriate, reporting any violation to relevant governmental authorities. Any director, officer, or employee deemed to have committed a reportable activity may be subject to disciplinary action, up to and including termination.

### **NO RETALIATION OR REPRISALS**

Anyone should feel confident to report violations as described above or to assist in investigations of such alleged violations. The Company will not tolerate retaliation or discrimination of any kind. Please refer to paragraph (a) of the section of the Code entitled "Reporting Of Any Illegal Or Unethical Behaviour".

### **RETENTION OF COMPLAINTS AND DOCUMENTS**

The Corporate Governance and Nominating Committee shall retain all documents and records regarding any complaint for a period of five (5) years. It is illegal and against the Company's policy to destroy any corporate audit or other records that may be subject to or related to an investigation by the Company or any federal, provincial, state or regulatory body.

### **COMPLIANCE WITH THIS POLICY**

All officers and employees must follow the procedures outlined in this policy and cooperate with any investigation initiated pursuant to this policy. Adherence to this policy is a condition of employment. The Company must have the opportunity to investigate and remedy any alleged reportable activity, and each officer and/or employee must ensure that the Company has an opportunity to undertake such an investigation.

This policy does not constitute a contractual commitment of the Company. This policy should not be construed as preventing, limiting, or delaying the Company from taking disciplinary action against any individual, up to and including termination, in circumstances (such as, but not limited to, those involving problems of performance, conduct, attitude, or demeanor) where the Company deems disciplinary action appropriate.

This policy in no way alters an officer's or employee's at-will employment status with the Company or its subsidiaries. Either the Company or its subsidiaries, an officer or an employee can terminate such employment relationship at the Company or its subsidiaries at any time, for any reason or no reason, with or without cause, warning, or notice.

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