

# US Silver Corporation

## Securities Trading Policy

### ***Purpose of the Policy***

Canadian and United States securities laws prohibit “insider trading” and impose restrictions on the trading of shares or other securities issued by the Company while in possession of material undisclosed facts or changes relating to the Company. The purpose of this Policy is to raise the general level of awareness of the trading and confidentiality obligations of directors, officers and employees of the Company and others who may be in possession of, or may have access to, confidential, material information regarding the Company. The rules set out in this Policy are intended to ensure that persons having knowledge of material information not generally disclosed to the public do not take advantage of such information through trading in securities issued by the Company or in securities of other corporations whose price would be affected by such undisclosed material information. This Policy is also intended to ensure that the Company’s directors, officers and employees act, and are perceived to act, in accordance with applicable laws and the highest standards of ethical and professional behavior.

This Policy is not intended to provide an in-depth legal analysis of insider trading rules but rather to serve as a guideline for the purpose of limiting the possibility of illegal or inappropriate use of undisclosed confidential material information, facts or changes regarding the Company. The onus of complying with this Policy and the relevant insider trading and other securities legislation lies with each individual director, officer and employee of the Company and its subsidiaries, each of whom is expected to be familiar with this Policy and such legislation and to comply fully with them. Breaches of confidentiality and violations of insider trading and tipping laws carry severe consequences both for the Company and the individuals involved. Therefore, all employees, officers and directors of the Company must comply with the provisions and procedures of this Policy. An employee who violates this Policy may face disciplinary action up to and including termination of his or her employment. A breach of this Policy may also violate certain securities laws. This Policy also reinforces the Company’s commitment to guard its confidential information. The ethical and business principles underlying this Policy may extend beyond even the stringent requirements of applicable securities laws.

### ***Application of the Policy***

This Policy applies to the directors, officers and employees of the Company or any of its insiders, affiliates (including subsidiaries) or associates, and to any other person who may be in possession of, or have access to, confidential, material information regarding the Company. For the purposes of this Policy, the term “employees” includes all permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Company or any of its subsidiaries, as well as to consultants to the Company or any of its subsidiaries.

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For purposes of this Policy and until the designation is changed by the Board of Directors of the Company, the CEO has been designated as the individual designated by the Board of Directors of the Company whom directors, officer, employees or insiders may contact to determine whether or not they may execute trades in the market.

### ***Trading Procedures for Directors, Officers and Employees***

In order to prevent insider trading and tipping violations, the following procedures must be followed by all directors, officers and employees of the Company or any of its insiders, affiliates (including subsidiaries) or associates:

- (a) *General Prohibition Against Using Material Information and Tipping:* All directors, officers and employees of the Company who have knowledge of undisclosed material information relating to the Company or its business (sometimes referred to herein as “you” or “your”) are expressly prohibited from buying or selling, exercising options to buy or sell or tipping someone else to buy or sell, or not to buy or sell, securities of the Company unless and until such information has been publicly disclosed and disseminated. If this undisclosed material information relates to any other company with which the Company is negotiating or doing business, you may not trade in the securities of such other company on the basis of such information, nor may you communicate such information to others.
- (b) *Family Members:* This prohibition applies to family members and others living in your household who gain access to or become aware of undisclosed material information relating to the Company. You are also responsible for their compliance with this Policy.
- (c) *Timing of Transactions:* As a general rule, if you know of material information relating to the Company or its business, you should not engage in any transactions relating to securities of the Company until at least the commencement of the second trading day after the material information is publicly disclosed by news release.
- (d) *Blackout Periods (“Blackout Periods”):* Directors, officers, employees, and affiliates of the Company who have access to undisclosed material information relating to the Company or its business in the normal performance of their duties are subject to Blackout Periods during which they will be prohibited from trading in securities of the Company. All directors, officers and employees who are made aware of a Blackout Period are prohibited from communicating (tipping) internally or externally to anyone else that the Company is subject to a Blackout Period. Exceptions to the prohibition against trading during Blackout Periods may only be made with the prior approval of the CEO of the Company or his designate after consultation with legal counsel.

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Where appropriate and feasible, the CEO shall institute a Blackout Period in advance of the disclosure of a Material Change. The duration of any particular blackout period shall be determined by the CEO given the particular circumstances of the Material Change.

A Material Change means the definition prescribed by applicable Securities Laws and Stock Exchange policy. A Material Change is also an event that could lead to expectation of positive or negative adjustment to the trading prices of the company's listed shares.

**Where reasonable in the circumstances, a Blackout Period in respect of a Material Change shall commence two trading (business) days prior to the disclosure of a Material Change by press (news) release and shall continue until the commencement of the second trading (business) day following the dissemination of such press release.**

Material Changes would include:

*Mine Operations:* Reports of mine operations including; production statistics, exploration results, cessation of operations, force majeure or other related material changes.

*Corporate Restructuring:* Announcement of merger or amalgamation, changes to share capital structure or other related material changes.

*Financial Results:* The release of quarterly and annual financial results, including Management's Discussion and Analysis ("Financial Statements") is considered to constitute material information. The CEO will impose a Blackout Period at the time the first draft of such Financial Statements have been prepared by management and submitted to the Audit Committee and continue until the commencement of the second trading (business) day following the public disclosure of such Financial Statements.

Stock Options will not be granted during a Blackout Period. Stock Options may be exercised during a Blackout Period, however the shares purchased by way of such exercise may not be sold during a Blackout Period.

Notice of the initiation of a Blackout Period shall be provided by way of an e-mailed directive from the CEO to all Directors, Officers and Senior Employees (Management) of the Company. Notice of the cessation of a Blackout Period shall be provided by way of an e-mailed directive from the CEO to all Directors, Officers and Senior Employees (Management) of the Company.

### **Questions**

Any questions regarding this Policy should be directed to the Company's CEO or his designate.

Ratified by the Board of Directors on June 29, 2010