



For Immediate Release

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U.S. Silver Begins Repair Activity in the Caladay Mine

July 24, 2008 – Toronto, Ontario – U.S. Silver Corporation (USA-TSXV) (“**U.S. Silver**” or the “**Company**”) is pleased to announce the beginning of repair activities associated with bringing the Caladay mine into production. The Caladay Shaft lies approximately 1.3 miles southeast of the Galena Mine No.3 Shaft in Wallace, Idaho. The two mines are already interconnected on the 4900 foot level of the Galena Mine.

The four-phase program includes:

- The repair of the Placer Creek and Caladay portals and the installation of new hoist ropes on the Caladay hoist. This includes upgrades to the timbered sections in the tunnels, repair of the rail access to the hoist room where necessary, and replacing the hoist rope that has been in service for more than 30 years. The repair should be completed by early 4th quarter, 2008.
- Concurrent with the portal repair, additional exploration drilling in the Caladay mineralized zone between the 4900 and 5200 levels of the Galena Mine will begin. This drill program is designed to explore the western zone of the Caladay mineralized area and will provide information for the test mining program. Once drilling is completed, a new resource model will be constructed to aid in the economic evaluation of the Caladay mineralization.
- After the additional exploration drilling is completed, test mining will explore the continuity of the mineralization, ore grades, mining widths, ground conditions, and the applicability of large scale mining techniques. The test mining is expected to start early in 2009.
- Following test mining, a decision will be made regarding large scale mining. Full scale mining activity would utilize the Caladay shaft with either ramps connecting the Caladay 4900 level to the ore zone, or by deepening the Caladay shaft to provide access to the ore.

In the early 1980’s, a joint venture of Day Mines, Callahan Mining, and ASARCO spent approximately \$32.5 million (about \$80.0 million in 2008 dollars) on the Caladay property to construct surface facilities and to sink a 5,100 foot deep shaft, and associated underground workings to explore the property. The existing hoist is currently operational.

The historical underground exploration program conducted in the late 1980’s included 94 drill holes. This program was designed to extend the “Silver Belt” of the Coeur d’Alene District further east by delineating the down plunge extensions from the Galena Mine. Exploration was curtailed in 1989 due to the softening of the silver market. As a result, exploration on the property remains incomplete.

About 40 of the diamond drill holes delineated an interesting zone of silver-lead mineralization. Diamond drill holes containing mineralization are on 50 to 150 foot centers and intercepts occur over a vertical distance of 400 to 500 feet. The mineralized zone is open at depth and to the east and west with favorable rock types projected in both directions. Two types of mineralization are seen in Caladay drill holes - disseminated silver-lead, and high-grade tetrahedrite (silver-copper) veins. Selected intercepts are listed in Table 1. Drill hole data listed in Table 1 includes down hole lengths. The true thickness of the mineralized zone cannot be estimated until further geologic interpretation is completed. Callahan Mining Company, the operator of the project in the 1980's, calculated a polygonal resource estimate based on the exploration drill holes as summarized in Table 2.

Table 1. Selected diamond drill hole intercepts at the Caladay project

| <u>Drill Hole</u> | <u>From (feet)</u> | <u>To (feet)</u> | <u>Length (feet)</u> | <u>opt Ag</u> | <u>Pb %</u> |
|-------------------|--------------------|------------------|----------------------|---------------|-------------|
| 49-50 | 452.0 | 520.0 | 68.0 | 8.30 | 13.47 |
| 49-53 | 368.5 | 394.0 | 25.5 | 5.02 | 5.67 |
| 49-26 | 807.3 | 837.0 | 29.7 | 5.75 | 8.13 |
| 49-59 | 392.0 | 491.4 | 99.4 | 4.28 | 5.11 |

Table 2. Historical Caladay resource estimate

| <u>Ore Type</u> | <u>Ore Tons</u> | <u>opt Ag</u> | <u>Cu %</u> | <u>Pb%</u> | <u>Ag Ounces</u> | <u>Cu or Pb Tons</u> |
|-----------------|-----------------|---------------|-------------|------------|------------------|----------------------|
| Silver-Lead | 833,000 | 5.96 | | 5.76 | 4,965,000 | 48,000 (Pb) |
| Silver-Copper | 185,700 | 13.12 | 0.16 | | 2,436,000 | 297 (Cu) |

U.S. Silver has not included the Caladay resource in its current ore reserves and resources because additional study is needed to verify the historic data, conduct additional geologic evaluation and interpretation, and to determine the feasibility of mining. However, due to the widths and grades of the ore zones reported in the historic data, the Company believes that the project may be amenable to highly mechanized, low cost, bulk mining techniques.

In addition to the zone of mineralization above, the Company also believes the Caladay Mine may host other vein systems similar to those historically mined at the Galena Mine. This interpretation is based on an analysis of existing Galena Mine underground workings and drilling results at both the Galena and Caladay properties. Further, the Company believes that similar geologic structures which exist at the Galena Mine extend into the Caladay Mine below the level of the current Caladay workings. The Company intends to follow up on these concepts with further intense geologic study of the existing data, followed by a diamond drilling program.

QUALIFIED PERSON

Information of a technical nature in this press release respecting the properties has been prepared and reviewed by Mr. Daniel H. Hussey, Manager of Exploration for U.S. Silver. Mr. Hussey is a "qualified person" within the meaning of National Instrument 43-101 of the Canadian Securities Administrators.

ABOUT U.S. SILVER CORPORATION

U.S. Silver, through its wholly-owned subsidiaries, owns and operates the Galena, Coeur, and Caladay silver-lead-copper mines in Shoshone County, Idaho, with the Galena mine being the second most prolific silver producer in U.S. history. Total silver production from U.S. Silver's mining complex has exceeded 210 million ounces of silver production since 1953. U.S. Silver controls a land package now totaling approximately 18,000 acres in the heart of the Coeur d'Alene Mining District. U.S. Silver is focused on expanding its production from existing operations as well as exploring and developing its extensive Silver Valley holdings.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available at www.sedar.com.

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