



## United Silver Corp. Announces Mill Construction Status and Corporate Reorganization

**VANCOUVER, BRITISH COLUMBIA**, June 9, 2011 - **United Silver Corp.** (*formerly United Mining Group, Inc.*) ("USC" or the "Company") (TSX:USC)(OTCQX:USCZF)(FRANKFURT:UM8) is pleased to update progress on the New Jersey Mill Joint Venture Agreement ("NJMC Agreement") with New Jersey Mining Company ("NJMC"). The NJMC Agreement was established to secure near-term milling capacity for the Crescent Silver Mine project, through funding a \$2.5 million expansion program at NJMC's fully permitted flotation mill and tailings facility. The expansion program remains on budget and on schedule for completion in the fourth quarter of 2011.

NJMC has informed the Company that detailed engineering is 60% complete and final process design is close to completion. All long lead time equipment has been ordered including ball mill, cone crusher, flotation cells and pumps, with most equipment scheduled for delivery by August or already on site. Fabrication of mineral processing tanks is about 60% complete at Mine Fabrication & Machine, a business unit of the Company's wholly owned subsidiary United Mine Services, Inc. All concrete footings for buildings, as well as concrete pads for fine ore bin and cone crusher, have been completed. Steel building plans have been finalized, all materials have arrived on site and erection of the building is approximately 70% complete. Under the NJMC Agreement, the Company will earn one-third equity ownership in the mill upon completion of the expansion, with the operator, NJMC, maintaining two-thirds ownership. To date, the Company has committed approximately \$1,650,000, and is expected to incur the balance through December 2011. In addition to its one third ownership interest, USC will earn an exclusive right to 7,000 tonnes per month of milling capacity.

W. C. Rust, Consulting Metallurgist, of Mine Systems Design, Inc., has reviewed the process parameters and written reports describing the performance of the New Jersey Mill for processing approximately 100 tonne samples of the Alhambra and South veins. Samples from the South Vein test have been sent to G & T Metallurgical Services Ltd. for confirmatory testing, to be used in support of the ongoing NI 43-101 compliant Preliminary Economic Assessment of the Crescent Silver Mine project currently being undertaken by SRK Consulting (U.S.), Inc. In addition, bulk samples of concentrate have been sent to a regional refinery who has expressed an interest in testing the material to determine suitability for further processing at their facility.

The Company plans to stockpile underground mineralised vein material ahead of the mill start-up period to ensure a steady source of mill feed. Located in the Coeur d'Alene Mining District of northern Idaho, less than 4 miles from the Crescent Silver Mine project, the NJMC mineral processing plant is in a convenient location relative to the Crescent Silver Mine project. The Company anticipates that the joint venture will allow it to achieve significant Capex savings while maintaining its accelerated timeline to bring the Crescent Silver Mine project back into production in Q1, 2012.

### **Corporate Reorganization**

The Company also announces the internal reorganization of United Silver Corp. with the formation of a wholly owned subsidiary United Silver (USA) Corp., an Idaho corporation focussing on the exploration and development of the Crescent Silver Mine project. Mr. Greg Stewart, founder of United Silver Corp. and United Mine Services, Inc., has been appointed Chief Executive Officer of United Mine Services, Inc., and will step down as President and Chief Operating Officer of United Silver Corp. Mr. Stewart will focus his professional efforts on growing the profitable and strategic United Mine Services, Inc., a wholly owned subsidiary of United Silver Corp., which will continue to operate three contract mine services divisions in northern Idaho. Mr. Stewart also continues as a director of United Silver Corp. The Company thanks Mr. Stewart for his considerable effort and time over the past year, overseeing the acquisition and development of the Crescent Silver Mine project, outstanding achievements during this period of rapid growth.

### **ABOUT UNITED SILVER CORP.**

United Silver Corp. is a vertically integrated mining company with operations in Idaho, USA. The Company is currently earning, through development and operations, an 80% interest in the Crescent Silver Mine project in Idaho's prolific Silver Belt - directly between two of the world's historically largest silver producing properties, the Sunshine and Bunker Hill mines. The Crescent Mine has historically produced 25 million ounces of silver at an average grade of 27.0 opt (Crescent Mine Updated NI 43-101 Technical Report on Resources, March 1, 2010). The Company believes this historical data to be reliable and relevant). The Company also offers a full suite of mining services including contract mining and mine machine repair and fabrication services to silver miners in the district. UMG is committed to building a senior silver-producing mining company based on aggressive exploration and development of the highly-prospective current land position at the Crescent Silver Mine project and through the acquisition of additional precious metals interests. The Company trades on the Toronto Stock Exchange under the symbol "USC". For more information about the Company, please visit: [www.unitedsilvercorp.com](http://www.unitedsilvercorp.com).

ON BEHALF OF UNITED MINING GROUP, INC.

**"Charles Pitcher"**

Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:

**Cathy Hume**

**CHF Investor Relations**

Tel. (416) 868-1079 x231

Email: [cathy@chfir.com](mailto:cathy@chfir.com)

FORWARD LOOKING STATEMENTS: This press release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. Forward looking statements in this press release include that the New Jersey mill will open on budget and on schedule; that we can achieve significant Capex savings while maintaining accelerated timeline to bring the Crescent Silver Mine project back into production; that

production will commence in Q1, 2012; that we can grow United Mine Services, Inc. and that UMS will remain profitable; that we can build a senior silver-producing mining company based on aggressive exploration and development of the Crescent Silver Mine project and through the acquisition of additional precious metals interests; The Company's actual results and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: results of exploration activities and development of mineral properties, fluctuations in the marketplace for the sale of minerals, the inability to implement corporate strategies, the inability to obtain financing, currency fluctuations, ability to attract and retain key employees, general market and industry conditions and other risks disclosed in the Company's filings with Canadian Securities Regulators.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.