



## United Silver Corp. (TSX: USC) Announces Operational Changes and Private Placement

**VANCOUVER, BRITISH COLUMBIA, July 4, 2011 - United Silver Corp.** ("United Silver Corp.", the "Company" or "USC")(TSX: **USC**)(OTCQX: **USCZF**)(FRANKFURT: **UM8**) announces that after a strategic review of its current share price, resources, exploration and pre-production mine development programs, its Board of Directors has decided to initiate a comprehensive evaluation of potential financial alternatives available to the Company.

The Company also announces that in managing the immediate and near-term capital requirements of the Crescent Silver Mine project, the Board has elected to temporarily halt pre-production mine operations and exploration while it conducts its review of financial proposals, including bridge equity and non-equity financing options, from a select group of interested parties. Based on market analysis and independent reports, the Board and Management of United Silver Corp. believe the fundamentals of the silver market remain supportive for near-term development opportunities such as the Crescent Silver Mine.

United Silver Corp. does not intend to disclose developments with respect to any negotiations or the strategic review process unless and until its Board of Directors has approved a specific course of action. The Company will continue open discussions with qualified parties which may or may not result in the announcement or completion of any specific transaction. The Company's wholly owned subsidiary United Mine Services, Inc. which provides contract mining services in Northern Idaho, will continue to operate as business as usual.

### **Private Placement**

As part of its strategic review, the Company announces a Private Placement of up to USD \$1,000,000 (the "Private Placement") in Unsecured Convertible Notes (the "Notes"). The terms of the Notes are as follows:

- Six months maturity;
- Convertible at the option of the holder into common shares of the Company at a rate of USD 0.625 per share (the "Conversion Rate");
- Five per cent annualized interest payable at maturity in cash, or, if converted, in common shares of the Company at the Conversion Rate;

- For each \$1000 principal amount of the notes, the Company will issue 1,600 warrants to purchase common shares at USD 0.75 per share for a period of five years; and
- Pre-emptive rights to participate *pro rata* in future corporate financings while the Notes are outstanding.

Participants in the Private Placement include Management and members of the Board of Directors of the Company, as well as unrelated parties. The completion of the private placement is subject to the approval of the Toronto Stock Exchange and all other necessary regulatory approvals.

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

United Silver Corp. 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 Silver Mine project 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). USC also owns United Mine Services, Inc. a successful mining service contractor. 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 SILVER CORP.**

**"Graham M. Clark Jr."**

Chief Executive Officer

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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: we can complete a private placement of up to \$1,000,000 and that we can restart mine and exploration operations when we have completed our assessment. 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, estimation of mineral reserves and resources, fluctuations in the marketplace for the sale of minerals, the inability to implement corporate strategies, the inability to obtain financing, the inability to obtain any necessary permits or other required regulatory approvals for the company's financings or mineral projects as and when needed; the inability to agree with joint venture or other key partners on important items, labour shortages, the inability to keep key employees, currency fluctuations, 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.

**The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.**