

# United Silver Corp. Announces Four-Year Exploration and Development Plan for the Crescent Mine, Coeur d'Alene Silver Belt, Idaho.

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VANCOUVER, BRITISH COLUMBIA -- ([Marketwire](#) - Feb. 28, 2012) - [United Silver Corp.](#) ("United Silver Corp.", the "Company", or "USC") (TSX VENTURE: USC) (OTCQX: USCZF) (FRANKFURT: UM8) is pleased to announce that the Board of Directors has approved a phased, property-wide, USD\$23 million, four-year plan (the "Plan") to further explore and develop the Crescent Silver Mine resource. The objectives of the Plan are to further explore the existing silver resource, develop the existing resource, and explore for additional resources at the Company's 80 percent-owned Crescent Silver Mine. The Crescent Mine is located on a large, 365 hectare (902 acre) property in the heart of northern Idaho's Silver Belt, in the Coeur d'Alene silver-lead-zinc mining district. The Crescent Mine is situated between the world-class, previously-mined Sunshine silver mine and the Bunker Hill silver-lead-zinc mine, with previous district-wide production estimated to be over 1 billion ounces of silver, making it the second largest silver district in the world (for details of the Crescent property, the Idaho silver belt, and figures which assist in visualizing the details of this press release please refer to our website at [www.unitedsilvercorp.com](http://www.unitedsilvercorp.com)).

Approximately 25 million ounces of silver at an average grade of 27.3 opt (SRK Consulting 43-101, March 1, 2010) were historically mined from the Crescent Mine, and known mineralization has been identified from near surface to approximately 5,000 feet depth below surface by the Bunker Hill Mining Company, prior owners of the Crescent Mine. We consider this historical information to be reliable.

Silver and base-metals-bearing vein deposits at Sunshine and Bunker Hill, located immediately to the east and west of, and adjoining, the past-producing Crescent Mine, were world-class deposits of silver. The Crescent Mine, which was a much smaller producer than the other two deposits, has never undergone a detailed and aggressive exploration program, despite the fact that the ore-bearing vein systems strike across the large, 365 hectare property, and are known to host high-grade silver-bearing vein deposits. The planned program at the Crescent is designed to aggressively follow up on known mineralization, and to produce silver-bearing concentrates from known mineralized bodies to fund the exploration of the depth and lateral extensions of the known mineralization.

Very significant surface drilling and underground exploration in the form of a spiral ramp and drifting within the known mineralization closest to surface has already been completed. The objective of the current Plan is to restart, aggressively, this partially-completed exploration/development work which began in 2007. Highly-encouraging results from this earlier work form the basis for this aggressive exploration/development plan, which has the goal of unlocking what management believes is a very high potential for the delineation of a significant silver resource.

The initial phase of the Plan will be funded by a recently-announced USD\$6.3 million convertible debenture from Hale Capital Partners (see press release dated February 1, 2012) and by a contribution from 20% joint venture partner Gold Finder Explorations Ltd. ("Gold Finder") (TSX-V: GFN) as its share of the program. Ongoing costs of the Company and Gold Finder for the exploration/development plan are projected to be funded by cash flow generated from the milling and refining of silver mineralization mined from known mineralized bodies defined by previous, detailed surface drilling and underground exploration programs.

## Previous Work

Subsequent to mining in the early part of the last Century, exploration began again at the Crescent mine in 2007 with drilling carried out by Gold Finder. A total of 31,460 meters were completed, primarily from surface, on the South Vein, resulting in a 43-101 compliant resource estimate of 324,000 tons grading 18.7 ounces per ton (opt) of Indicated and 211,000 tons of Inferred mineralization grading 19.5 opt. This drilling was carried out over an area which accounts for less than 5 percent of the prospective areas of the property. Highlights of the Gold Finder drilling include:

South Vein Intercepts		Silver grade
SNS403	10.0 feet	@ 56.0 opt
SNS305a	6.8 feet	@ 42.1 opt
SNS310	5.6 feet	@ 25.3 opt
SNS1006	6.3 feet	@ 21.1 opt
SNS307	5.1 feet	@ 21.6 opt
SNS1002	7.0 feet	@ 17.6 opt
H304	7.8 feet	@ 11.0 opt
Alhambra Vein Intercepts		
SNS502	6.2 feet	@ 41.2 opt
SNS604	6.2 feet	@ 16.4 opt
SNS1107	4.9 feet	@ 20.6 opt

While the above drilling forms the basis of the current resource calculation (SRK 43-101, March 1, 2010), it was recognized that the silver-hosting veins had a strike continuity across the entire property towards the west and into the adjoining Bunker Hill mine property. In 2011, 11,275 feet of surface drilling in nine holes was completed up to 1500 feet west of the existing resource. The results of the first four Alhambra-targeted holes (see press release dated May 16, 2011) intersected 2.2 feet grading 4.8 opt silver, proving westward continuity of the mineralized system. All five holes drilled into the South Vein structure (, up to 1500 feet west of the known resource) encountered siderite-quartz-pyrite veins, demonstrating continuity of this structure as well as opening a large area for exploration. The highest grade intercept of these five holes returned 2.9 feet grading 4.58 opt silver.

### Underground Exploration

The existing Hooper Level tunnel (2725 feet elevation, see website for 3-dimensional view of underground workings) provides an excellent platform to test the down-rake extension of the South Vein resource. The South Vein resource, meanwhile, has been estimated to an elevation of 2940 feet. Therefore, in 2011, a program of 12,000 feet of drilling to test the down-rake extension of the South Vein was proposed, of which only two holes totaling 1,449 feet of drilling were completed due to funding limitations.

These two holes gave highly-encouraging results, indicating that the South Vein resource is open to depth and that further drilling is definitely warranted. The two holes intersected silver mineralization as follows:

DDH	From (feet)	To (feet)	Feet Recovered	Width (Feet)	True Silver (opt)
H-6	720.20	724.0	3.40	3.11	25.6
Includes	721.40	722.40	0.90	0.82	96.40
H-7	727.00	729.70	2.70	2.21	3.60
Includes	727.00	727.65	0.65	0.50	8.80

A core loss of 6.5 feet between 718 and 728 feet in H-7 may have been from a mineralized, faulted zone

within the South Vein. The H-6 intersection is at an elevation of 130 feet below and is 300 feet west of the lowest point of the limit of the calculated South Vein resource, and remains open to depth and along strike, indicating good potential for quickly expanding the known resource by further drilling.

### Underground Test Drifting

A decline to facilitate lateral drifting for underground exploration and eventual production activities, called the Countess decline, was collared by the Company in August, 2010 from a surface portal at 4300 foot elevation and progressed for 2400 feet to a point where it intersected the South Vein resource (as defined by SRK in their 43-101) at the 3945 foot elevation.

Test drifting along the South Vein structure at the 3945 foot elevation began in March 2011 and, as of January 2012, a continuous 755 feet of strike length along the drift within the South Vein body yielded 10.4 opt silver over an average width of 9.2 feet. The most significant intervals intercepted by this drift sampling include:

Strike Length (feet)	Average Silver Grade (opt)	Average Width (feet)
246	14.0	7.3
210	15.6	8.3
88	15.6	9.0

The average grades above were calculated from channel samples collected across the test drift faces and weight-averaged by representative volume and specific gravity. Widths and lengths were measured in the horizontal plane perpendicular to each other. This test drift has yet to cross the entire mineralized body as identified in SRK's 43-101 model of the zone.

### The Exploration Plan

Management considers the Crescent to be a property with the potential for the delineation of a world-class silver-mineralized system. Factors on which this opinion is based include:

- The property sits between two world-class silver deposits and adjoins them both;
- Silver-bearing veins strike from the Sunshine mine, across the large Crescent land package, to the past-producing Bunker Hill mine;
- The Crescent deposit is a past-producing silver deposit where only limited exploration has been carried out;
- Drilling at Crescent has identified a near-surface resource while past mining at much greater depths indicates the potential for depth continuity;
- A small program of wide step-out, surface drilling has shown that silver mineralization continues well away from the known resource;
- Underground drilling has shown that known mineralization continues to depth and along strike and is open in both dimensions;
- Underground drifting has provided a platform for a much more extensive underground exploration program which has the possibility of identifying additional resources to depth and along strike.

In order to accomplish the goal of aggressively exploring the Crescent prospect and building a much larger silver resource, while minimizing the impact on diluting the Company's share structure, Management has agreed on an exploration plan using cash flow generated from test-mining production of South Vein-hosted, identified silver mineralization. Thus, exploration and development activities will be carried out in parallel.

### Exploration activities will include:

- continuing the drifting from various underground levels accessed by the Countess decline, concurrent with the establishment of a secondary escapeway and sub-level development
- underground drilling to potentially augment the existing resource to greater depths and along strike, with priority given to continuing to drill, from underground, the down-rake continuation of the known, South Vein resource
- drilling the Alhambra structure from underground west of the historic Crescent workings, as well as within a 1200 foot 'gap' between upper and lower historic workings where good potential exists for continuation of the mineralization, continuing the surface drilling program to identify additional mineralization along the westward projection of the South Vein. An additional 2000 feet of South Vein strike potential exists on the Company's property in addition to the initial 1500 foot step-out drilling program already carried out.

The plan anticipates the completion of approximately 200,000 feet of diamond drilling, consisting of 80,000 feet from the surface and 134,000 feet from underground drill stations.

### **Development Activities**

A spiral ramp system will be developed in the footwall of the South Vein resource area. Ramping down in spirals from the existing Countess decline will proceed, while concurrently a 10 foot by 13 foot incline ramp will be driven from the surface to connect with the Countess spiral. When complete, the second opening to the surface will allow ventilation and serve as a secondary escapeway. The ramp spirals will provide access for test drifting for grade and morphology of mineralization at multiple elevations within the South Vein resource area to determine the continuity, potential for enhancement, and parameters of the mineralization to guide further drilling and drifting.

A paste backfill plant will be constructed near the incline portal.

### **Test Mining Metal Production to Offset the Cost of Exploration**

The Company has a joint venture with the New Jersey Mining Company ('New Jersey'; the 'New Jersey Agreement') to secure near-term milling capacity for the Crescent (see press releases dated October 7, 2010 and June 9, 2011). Mill expansion, including equipment installation and fabrication of structures and conveyors is nearing completion. Mine Fabrication and Machine, a business unit of the company's wholly owned subsidiary, United Mine Services, Inc., is performing much of the mill construction. Commissioning is expected to start at the end of March 2011. The joint venture agreement gives the Company an exclusive right to 7,000 tonnes per month of milling capacity, with first rights on additional unused capacity.

The mill is located less than four miles from the Crescent Mine.

The mill will initially process ore from test drifting on the South Vein currently stockpiled at the New Jersey mill. Concentrates produced by the milling of the underground drifting-produced mineralization will be sold to Formation Metals U.S. under an agreement signed in December 2011 (refer to news release dated December 13, 2011). Formation's refinery is less than three miles from the mill, virtually eliminating hauling costs.

The Company expects that the ore from underground test drifting and stoping will provide cash flow to the Company which will offset the cost of exploration development. Projected cash flow will cover the cost of expanding the Crescent deposit and avoid the need for further equity offerings during the period of the Plan.

### **An Integrated Company**

USC CEO Graham Clark states: 'The Board of Directors of the Company is excited and extremely optimistic about our plans going forward to explore, and test mine on a modest scale, the materials generated from drifts and stopes within the South Vein area of the Crescent Mine, while at the same time exploring farther afield for the on-strike and down-dip extensions to this potentially extensive silver-bearing system. We are grateful to have secured initial funding from Hale to establish our Plan which, for the next four years, will see

aggressive exploration combined with cash flow from mining to finance the exploration and broader understanding of the system. We believe that the cash flow generated from mining will offset the need to go to the financial markets and undertake a public offering during this time, preserving and enhancing value for the shareholders and providing us with first-hand experience mining the deposit.

'USC management is looking forward to our Plan of combined exploration and silver production to be the beginning of the next, and most important period to date, in the evolution of the Crescent deposit'.

Lawrence Dick, Ph.D., P. Geo., has approved and is responsible for technical information provided in this news release.

## **ABOUT UNITED SILVER CORP.**

USC is a vertically integrated mining company with operations in Idaho, USA. It has earned, 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. USC also offers a full suite of mining services including contract mining and mine machine repair and fabrication services to silver miners in the district. USC's common shares trade on the Toronto Stock Exchange under the symbol 'USC'. For more information about USC, please visit: [www.unitedsilvercorp.com](http://www.unitedsilvercorp.com)

## **ON BEHALF OF UNITED SILVER CORP.**

Graham Clark  
Chairman and Interim CEO

## **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 plan to conduct a USD\$23 million, four-year plan to further explore and develop the Crescent Silver Mine; that the planned program at the Crescent is designed to aggressively follow up on known mineralization and to produce silver-bearing concentrates from known mineralized bodies to fund the exploration of the depth and lateral extensions of the known mineralization; that there is a very high potential for the delineation of a significant world class silver resource; that ongoing costs of the Company and Gold Finder for the exploration/development plan are projected to be funded by cash flow generated from the milling and refining of silver mined from known mineralized bodies; that exploration and development activities will be carried out in parallel; that the specific type of exploration and development activities listed will be carried out; that mill commission is expected to start at the end of March, 2012; that ore from underground test drifting and stoping will provide cash flow to the Company which will offset the cost of exploration development; that projected cash flow and its joint venture partner will cover the cost of expanding the Crescent deposit and avoid the need for further equity offerings for four years;. 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 and development activities, mis-estimation of mineral reserves and resources, that the joint venture partner is unable to fund its share, fluctuations in the marketplace for the sale of minerals, the inability to implement corporate strategies, the inability to obtain sufficient financing, labor shortages, possible delays in completing the mil, 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 Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.*

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