



For Immediate Release

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U.S. Silver Reports 1Q 2009 Strongest Quarter Since Inception

May 29, 2009 – Toronto, Ontario – U.S. Silver Corporation (USA:TSX-V) (“US Silver” or “the Company”) is pleased to announce Q1 2009 financial results which demonstrate the effectiveness of the Company’s turnaround strategy which commenced in Q4 2008.

Highlights of the Quarter Ended March 31, 2009

- Silver Production – 634,791 ounces (highest quarter since inception) - 118% higher than Q1 2008 (291,203) and 28% higher than Q4 2008 (496,041)
- Revenues – \$11.1 million (highest quarter since inception) – 51% higher than Q1 2008 (\$7.3 million) and \$9.5 million higher than Q4 2008 (\$1.6 million)
- Net Income - \$1.4 million (highest quarter since inception)
- Cash Cost per Ounce - \$10.59 (lowest quarter since inception) – 29% lower than Q1 2008 (\$14.88) and 35% lower than Q4 2008 (\$16.27)

Analysis of First Quarter, 2009

The Company recorded revenues of \$11.1 million (vs. \$7.3 million for the first quarter of 2008 (Q108)) for the period ended March 31, 2009 (“Q109”). Revenues for Q109 were 51% higher than Q108 because of 118% higher silver production. The increase in production was directly attributable to the success of the operational initiatives which started in the fourth quarter of 2008 as well as 2008 investments in infrastructure, employee training and recruitment success. Net income increased from \$0.7 million in Q108 to \$1.4 million in Q109 due to positive impacts of various cost savings which started in the fourth quarter of 2008 and higher silver production.

Operating expenses for the quarter ended March 31, 2009 were \$10.6 million (vs. \$7.3 million in Q108). Expenses were higher vs. the previous year’s period due to the production of over 115% more ounces of silver than in Q108. The much greater production led to Cost of Mining increases related to higher wages, recruiting and benefits costs and increased consumable materials costs.

Q109 operating expenses consisted of \$9.75 million in mining costs of which approximately \$ 1.1 million is depreciation and depletion, \$0.9 million in general and administrative expenses (only slightly higher than in Q108), continued minimal selling and marketing expenditures (only \$0.005 million) and much lower exploration costs of \$0.02 million vs. \$0.5 million in Q108. Depreciation and Depletion costs rose from \$0.4 million in Q108 to \$1.1 million due to the increased investment in mining related assets over the course of the period as well as the higher rate of production in Q109. The exploration costs cannot be expected to continue to drop to even lower levels, as the Company seeks to maintain its reserves and resources while controlling costs and yet still maintain the currently higher production levels. Depreciation remained minimal, as the majority of depreciation and depletion are included in the Cost of Mining.

Financing expense for the period was minimal, as it was in Q108, since the Company began to utilize its Revolving Advances Facility late in the period for minimal amounts and at relatively low rates of interest. Please see the Company's Press Release dated February 26, 2009 at: www.us-silver.com.

Investment income was \$0.4 million mainly as a result of the sale of share investments as well as realized gains on maturing hedges of planned 2009 lead production. Favourable impacts from foreign exchange movements resulted in \$0.8 million of income. Interest income dropped sharply from \$0.3 million to almost nil as both the level of interest rates and the Company's cash resources were significantly lower in Q109 vs. Q108.

The Net Income, after tax provisions of \$0.3 million in Q109 versus \$ 0.4 tax provisions in Q108, was \$1.4 million versus \$0.7 million in Q108.

Comparing Q109 with Q108 shows that Other Comprehensive Loss related to maturing lead hedges and foreign exchange impacts on the assets and liabilities of the Company showed improvement of \$ 1.7 million and \$0.7 million, respectively. These, combined with lower gains on Available For Sales assets (lower by \$1.2 million), led to a reduction in Other Comprehensive Loss from \$ 1.7 million to \$0.7 million.

Therefore, Comprehensive Income was a much improved \$0.8 million vs. a Comprehensive Loss of \$ 1.0 million in Q108.

Based on the weighted average common shares outstanding of 214,723,827 the Net Income per share was \$0.01 and Comprehensive Income per share was \$0.00 (\$0.00 and \$0.00 in Q108, respectively).

Cash flow provided by operating activities was essentially unchanged from Q108. Depreciation and depletion, which were increased by 2007 and 2008 capital additions and increased production, resulted in \$1.6 million in non-cash expense in Q109.

Cash flow provided by financing activities increased by \$2.2 million to \$1.8 million in Q109 compared to cash flow used by financing activities of \$0.4 million in Q108. This result was primarily due to advances under the Revolving Advances Facility of \$1.4 million.

Cash flows used in investing activities decreased to \$0.8 million in Q109 from \$8.3 million in Q108 due to lower investment in mine development as most mining investments were made in 2008 (\$2.6 million), reduced purchases of marketable securities (\$2.5 million), lower investment in purchases of equipment (\$1.4 million), and the receipt of proceeds from the sale of marketable securities in Q109 (\$1.0 million).

The Company previously invested heavily in capital improvements with purchases of fixed assets and investments in mining assets at the Galena mine. Investment in Q109 was approximately \$ 1.7 million, a significant reduction from \$5.3 million in Q108 because the Company focused on

maximizing production and cash generation in Q109. Those investment reductions were related to the cancellation or deferral of capital projects including the rehabilitation of the Galena Shaft, non-essential exploration activities, and rehabilitation and development activities in multiple underground working areas.

In 2008 an effort to reduce operating costs resulted in returning the Coeur mill to care and maintenance and milling the silver-lead ore at the Galena mill. Increasing ore head grades and a maintenance issue with the smaller of the two ball mills led to operational difficulties in the Galena circuit. Consequently, in early April 2009, the Coeur mill was restarted and once again began milling silver-lead ore at a rate of 200 to 300 tons per day. Management expects lead-silver production to achieve approximately 300 to 400 tons per day consistently throughout 2009.

Development of silver-copper ores continues on many levels, with the primary focus being on the 2400, 3700, 4600, and 4900 levels. Production began in areas of new discovery on the 4600 level during 2008 and has commenced from new discoveries on the 2400, 3700, and 4900 levels during the first quarter of 2009.

Development of silver-lead ores has primarily been on the 2400, 3000 and 5200 levels. Initial production has been started on all three levels. On the 5200 level a strike length exceeding 800 feet of the 174 vein has been developed and drifting continues. Vein widths of 6 to 22 feet have been exposed with average grades of approximately 9 ounces of silver per ton and 9% lead.

The output of ore has been maintained at between 820 and 850 tons per day through the first quarter of 2009. Management is expecting this production level to increase to over 900 tons per day for the remainder of 2009. Average monthly silver production is now approximately 210,000 oz per month vs. 143,000 oz. per month in 2008. Silver production is expected to increase to an average of 240,000 oz per month by the end of 2009.

The Company sold 718,998 ounces of silver in Q109, a 144% increase over Q108 (294,473 ounces). This resulted in an increase in sales of 51% from \$7.4 million in Q108 to \$11.1 million in Q109 despite lower average silver prices.

Thomas Parker, President and Chief Executive Officer of U.S. Silver, stated “We are extremely pleased with our progress to date in 2009. We are greatly encouraged by the results produced by the U.S. Silver team and we hope that recent improvements in silver and lead prices will continue to reward the Company. We expect these positive outcomes to continue for the balance of the year and into 2010. We again thank our employees for their tremendous efforts in our cost and production turnaround.”

ABOUT U.S. SILVER CORPORATION

U.S. Silver, through its wholly-owned subsidiaries, owns and operates the Galena, Coeur, Caladay and Dayrock silver-lead-copper mines in Shoshone County, Idaho, with the Galena mine being the second most prolific silver mine in US 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 the production from existing operations as well as exploring and developing its extensive Silver Valley holdings in the Coeur D'Alene Mining District.

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