



## United Silver Corp. and Hale Capital Partners, LP Complete Financing

VANCOUVER, BRITISH COLUMBIA -- (Marketwire -02/01/12) - United Silver Corp. ("USC" or the "Company") (TSX: [USC.TO](#) - [News](#))(OTCQX: [USCZF.PK](#) - [News](#)) and Hale Capital Partners ("Hale" or the "Lender") are pleased to announce that, subject to final approval from the Toronto Stock Exchange (the "TSX"), they have successfully closed their previously announced financing transaction. USC is now in a position to begin its four-year exploration and development plan to test the mineralization of the South Vein and Alhambra Vein at depth and along the east/west strike extensions of the veins.

In the financing transaction, USC issued to Hale a convertible note (the "Convertible Note") in the principal amount of USD \$6,300,000 (being the Canadian equivalent of \$6,332,760.00, based on the Bank of Canada noon rate on January 31, 2012) evidencing a loan the proceeds of which were advanced by Hale pursuant to the Convertible Note and a securities purchase agreement (the "Securities Purchase Agreement") entered into among a wholly owned subsidiary of Hale, as agent and initial purchaser, and USC. USC also issued to Hale 5,040,000 common share purchase warrants (the "Warrants"). Hale will have the right at any time to convert any or all of the principal owing under the Convertible Note into common shares ("USC Common Shares") of USC at a conversion price of USD \$0.50 (being the Canadian equivalent of \$0.50, based on the Bank of Canada noon rate on January 31, 2012) per USC Common Share. In addition, Hale will have the right at any time to convert any or all of the accrued and unpaid interest that USC has elected (provided that USC has satisfied certain conditions set out in the Convertible Note) to add to the principal amount of the Convertible Note ("PIK Interest"). The conversion price with respect to PIK Interest will be an amount equal to the "market price" (as defined in the Toronto Stock Exchange Manual) on the applicable interest payment date, subject to the approval of the TSX in each instance. Each whole Warrant will entitle the holder to acquire one USC Common Share at an exercise price of US\$0.42 (being the Canadian equivalent of \$0.42, based on the Bank of Canada noon rate on January 31, 2012) per USC Common Share for a period of four years from the date of issuance.

If the principal amount of the Convertible Note is fully converted, Hale would hold 12,600,000 or 14.4% of the total number of issued and outstanding USC Common Shares. In the event that all of the Warrants are also exercised, Hale's holdings would increase to 17,640,000 or 19% of the total number of issued and outstanding USC Common Shares. As the number of USC

Common Shares issuable to Hale in respect of PIK Interest, if any, is contingent, in part, upon future values and share prices, the number of USC Common Shares which Hale may acquire should it exercise its conversion rights in respect thereof cannot be determined at this time.

None of the Convertible Note, the Warrants or the USC Common Shares that may be issued upon conversion or exercise, respectively, of these securities, have been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States, and may not be offered or sold in the United States absent registration or an applicable exemption there from under the 1933 Act and the securities laws of all applicable states.

Under the terms of the Securities Purchase Agreement, USC is required to appoint to its board a person mutually agreed upon with Hale and to permit an observer from Hale to attend its Board meetings, subject to conditions.

Hale has filed an early warning acquisition report on SEDAR. A copy of the report may be obtained by contacting Martin Hale at (212) 751-8228.

USC intends to use the net proceeds from the financing for exploration and development and working capital purposes. The loan proceeds will allow USC to continue its exploration and development drifting, bulk sampling and test mining on the South Vein. USC proposes to mill ore from the bulk sampling and test mining under a milling JV agreement with New Jersey Mining Company and to refine it under a contract with Formation Metals at its refinery located less than three miles from the mill. USC intends to use cash generated from operations, including the bulk sampling and test mining activities, to fund an extensive surface and underground drilling program to test the mineralization of the entire Crescent property and develop a property-wide mine plan without further equity raises and dilution.

Hale may or may not purchase or sell securities of the Company in the future on the open market or in private transactions, depending on market conditions and other factors material to Hale's investment decisions and reserves the right to dispose of any or all of its securities in the open market or otherwise, at any time and from time to time and to engage in hedging or similar transactions with respect to the securities.

#### 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).

## ABOUT HALE CAPITAL PARTNERS

Based in New York City, Hale Capital Partners has established itself as a leading private equity firm focused on strategic investments in public companies and their subsidiaries. Hale Capital Partners' team is comprised of seasoned private equity veterans and entrepreneurs, who bring not only deep domain expertise but also hands-on operating experience to help build highly successful companies. Hale Capital Partners' mining portfolio spans all stages of mine development from exploration to commercial production.

Hale's contact information is as follows:

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New York, NY 10022  
Attn: Martin Hale, CEO and Portfolio Manager

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 statements about USC's intended use of the net proceeds and that they will enable USC to continue its exploration and development activities, its proposal to mill ore under a milling agreement with New Jersey Mining Company and refine it under a contract with Formation Metals, its intent to use cash from operations to fund an extensive surface and underground drilling program and that it can develop a property-wide mine plan without further equity raises and dilution. These 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. These assumptions include management's assumption that the net proceeds of the financing, together with revenue from operations, will generate sufficient cash flow to fund the budget and that the price for metals will continue to make the Company's activities economically feasible. Actual results may differ materially from those currently anticipated due to a number of factors beyond the Company's control. These risks and uncertainties include the risks inherent in the Company's activities and the risks identified in the Company's periodic disclosure filings on the SEDAR website maintained by the Canadian Securities Administrators. 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.