

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

United Silver Corp.
1220 Big Creek Road
Kellogg, ID 83837

Item 2 Date of Material Change

February 1, 2012

Item 3 News Release

The news release was issued on February 1, 2012 by Marketwire

Item 4 Summary of Material Change

The Company announced the closing of its previously announced financing transaction with Hale Capital Partners LLC, subject to final approval from the Toronto Stock Exchange.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On February 1, 2012, the Company closed a financing transaction in which it sold to a wholly-owned subsidiary of Hale Capital Partners ("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 Hale, as agent and initial purchaser, and the Company. This transaction was conditionally approved by the Toronto Stock Exchange (the "TSX") but remains subject to final TSX approval. Pursuant to the Securities Purchase Agreement, the Company 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 ("Common Shares") of the Company 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 Common Share. In addition, Hale will have the right at any time to convert any or all of the accrued and unpaid interest that the Company has elected (provided that the Company 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 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 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 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 Common Shares. As the number of 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 Common Shares which Hale may acquire should it exercise its conversion rights in respect thereof cannot be determined at this time.

Under the terms of the Securities Purchase Agreement, the Company has granted to Hale security over all of its assets and it has agreed to comply with certain post-closing covenants during the life of the loan. It has also agreed 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.

A copy of the Company's press release announcing the completion of this financing transaction is attached.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This Report is not being filed on a confidential basis.

Item 7 Omitted Information

None

Item 8 Executive Officer

Donna M. Moroney, Corporate Secretary, 604-696-4236

Item 9 Date of Report

February 1, 2012

United Silver Corp. And Hale Capital Partners Complete Financing

Vancouver, British Columbia – February 1, 2012 United Silver Corp. ("**The Company**" or the "**Company**") (TSX: The Company)(OTCQX: The CompanyZF) 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. The Company 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, The Company 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 The Company. The Company 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 ("**The Company Common Shares**") of The Company 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 The Company Common Share. In addition, Hale will have the right at any time to convert any or all of the accrued and unpaid interest that The Company has elected (provided that The Company 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 The Company 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 The Company 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 The Company 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 The Company Common Shares. As the number of The Company 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 The Company 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 The Company 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 therefrom under the 1933 Act and the securities laws of all applicable states.

Under the terms of the Securities Purchase Agreement, The Company 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.

The Company intends to use the net proceeds from the financing for exploration and development and working capital purposes. The loan proceeds will allow The Company to continue its exploration and development drifting, bulk sampling and test mining on the South Vein. The Company 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. The Company 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.

The Company 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. 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. The Company's common shares trade on the Toronto Stock Exchange under the symbol "The Company". For more information about The Company, please visit: 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:

Hale Capital Partners, L.P.
570 Lexington Avenue, 49th Floor
New York, NY 10022
Attn: Martin Hale, CEO and Portfolio Manager

ON BEHALF OF UNITED SILVER CORP.

"Graham Clark"

Chairman and Interim CEO

Cathy Hume

CHF Investor Relations

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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 statements about The Company's intended use of the net proceeds and that they will enable The Company 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.