

press release



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FOR IMMEDIATE RELEASE

TSX Venture Exchange Symbol: **CYX.P**

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CHRYSALIS CAPITAL III CORPORATION ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION WITH U.S. SILVER CORPORATION

December 28, 2006 – Toronto, Ontario - Chrysalis Capital III Corporation (TSXV:CYX.P) (“Chrysalis”) is pleased to announce that it has completed its previously announced arm’s length merger (the “Merger”) with U.S. Silver Corporation (“U.S. Silver”) on December 28, 2006. The Merger constitutes Chrysalis’ qualifying transaction (the “Qualifying Transaction”) pursuant to the policies of the TSX Venture Exchange (the “Exchange”).

Pursuant to the Merger, Chrysalis issued three and one-tenth (3.1) common shares for each one (1) share of U.S. Silver common stock issued and outstanding immediately prior to the Merger. The outstanding options, warrants and other convertible securities of U.S. Silver are exercisable for common shares of Chrysalis based on the same exchange ratios. Upon completion of the Qualifying Transaction, Chrysalis had 141,895,145 common shares outstanding, 53,686,410 common shares warrants outstanding, and 12,251,500 common shares stock options reserved for issuance.

The Chrysalis board of directors now consists of John Ryan, Bruce Reid, Mark Hartmann, Robert Munro and Geoff Rotstein. John Ryan is the Chairman, Chief Financial Officer and member of the Audit Committee, Bruce Reid is Chief Executive Officer, Mark Hartmann is President, Robert Munro is a Director and member of the Audit Committee and Geoff Rotstein is a Director and member of the Audit Committee.

A Filing Statement dated December 18, 2006 prepared in accordance with the requirements of the Exchange in connection with the Qualifying Transaction has been filed with the Exchange and applicable Canadian securities regulators on SEDAR, and is available to be publicly accessed at www.sedar.com.

Chrysalis anticipates that its common shares will commence trading shortly on the Exchange as a Tier I issuer under its new trading symbol “USA”. Subject to approval of Chrysalis’ shareholders at its next shareholders’ meeting, it is anticipated that Chrysalis will file articles of amendment to change its name to U.S. Silver Corporation, or such other names as may be determined in the sole discretion of the Chrysalis’ board of directors.

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About Chrysalis Capital III Corporation

Chrysalis Capital III Corporation is the third capital pool company (“CPC”) formed by The Chrysalis Capital Group (“The Chrysalis Group”). The Chrysalis Group is engaged in the creation of CPCs and completion of their qualifying transactions. To date, The Chrysalis Group has established three CPCs – Chrysalis Capital I: now PharmEng International Inc. (TSXV: PII), Chrysalis Capital II: now Tangarine Payment Solutions Corp. (TSXV: TAN), and Chrysalis Capital III: completed its qualifying transaction with U.S. Silver Corporation on December 28, 2006. For more information about The Chrysalis Group, please visit www.tccg.ca.

About U.S. Silver Corporation

U.S. Silver, through its wholly-owned subsidiary U.S. Silver-Idaho, Inc., owns and operates the Galena underground silver mine. U.S. Silver-Idaho, Inc. also owns the Coeur Mine and Caladay Property, which are located near the Galena mine, as well as certain other mining properties in the Coeur d’Alene Mining district, a region known for silver, lead and zinc production, near the base of the panhandle of northern Idaho. U.S. Silver acquired U.S. Silver-Idaho, Inc. in June 2006 from Coeur d’Alene Mines Corporation. U.S. Silver is a wholly-owned subsidiary of Chrysalis Capital III Corporation.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Chrysalis assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to Chrysalis. Additional information identifying risks and uncertainties is contained in filings by Chrysalis with the Canadian securities regulators, which filings are available at www.sedar.com.

This is not an offer for sale, or a solicitation of an offer to buy, in the United States or to any “U.S. Person,” as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. 1933 Act”) of any equity shares or any other securities of Chrysalis or U.S. Silver.

The common shares of Chrysalis to be issued in the Qualifying Transaction to the stockholders of U.S. Silver have not been registered under the U.S. 1933 Act and may not be offered or sold in the United States (or to a U.S. person) absent registration under the U.S. 1933 Act or an applicable exemption from the registration requirements of the U.S. 1933 Act.

For more information, please contact:

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