

October 5, 2022



U.S. Gold Corp. Issues CEO Update on its Mining Assets and Operations

CHEYENNE, Wyo., Oct. 5, 2022 /PRNewswire/ -- U.S. Gold Corp. (NASDAQ: USAU) ("U.S. Gold," the "Company," "we," "our" or "us"), a gold exploration and development company, is pleased to provide the following update to its shareholders from its President and Chief Executive Officer, George Bee:

Dear U.S. Gold Corp. Shareholders:

There are many reasons why I'm excited to be sharing our updates with you. Today, we are one of the few exploration and development companies listed on the Nasdaq. We have a tight share structure, with just under 8.34 million shares of common stock outstanding. U.S. Gold Corp. currently has no long-term debt and a cash balance of \$6.3M as of July 31, 2022.

Having just completed two years with the Company, I would like to provide an update on the progress of our Company since I joined in August 2020.

CK Gold Project Highlights:

- Completed 2020/2021 and 2021/2022 CK Gold Project Field Seasons **without accidents or environmental incidents**
- Secured Option **Agreement for Land and Access** necessary to advance the CK Gold Project from local rancher
- Published a Prefeasibility Study on December 2021 in accordance with the guidance under Subpart 1300 of Regulation S-K promulgated by the Securities and Exchange Commission (the "SEC")
- **P1 and P2 Reserves: 1.44 Million AuEq ozs (1.01 million ounces of Gold and 248 million pounds of copper)**
- **2-year Payback – 39.4% IRR** before tax and 33.7% IRR after tax
- Gathered all relevant data for a Feasibility Study, pending finalization and publication
- Completed and submitted **CK Gold Mine Operating Permit Application** on September 13, 2022

Exploration Highlights:

- Advanced Maggie Creek Exploration Asset – Key gold host-rock horizon discovery
- Identified targets for Keystone, Nevada, and Challis, Idaho, future exploration

Corporate

- Completed initial environmental, social and governance ("ESG") audit
- Secured a total of \$17.1 million in equity financing over the past two years, holding **\$6.3M in treasury**, as of the quarter ended July 31, 2022, sufficient through 2023

Market Backdrop and Prospects for the Future

I believe everyone can agree that the equity markets in general, and the resource sector in particular, have been hit really hard due to the global pandemic, inflated markets, inflation, supply chain issues, fuel price escalation, the conflict in Ukraine, and a variety of associated issues. Over the past year, the GDXJ (VanEck Junior Gold Miners ETF) has dropped 29.37%, while the DJIA (Global X Dow 30 Covered Call ETF) has dropped 13.54%. Bitcoin and Cannabis ETFs, competitors for risk capital, have halved in value. The net effect has been a strengthening of the U.S. dollar and a flight to safety.

At the same time, there are concerns about climate change and aging infrastructure. Gold, after reaching a high of over \$2,070 per ounce, is typically a hedge against inflation and a refuge for preserving value at times of uncertainty. Alas, gold has not performed as one might have been anticipated, hovering around \$1,700 per ounce at the time of writing. Copper rose to over \$4.92 per pound and has dropped back to around \$3.45 per pound. By way of reference, the CK Gold Project Prefeasibility Study used \$1,625 per ounce and \$3.25 per pound copper, and the project shows resilience at much lower prices and is highly leveraged to increased metal prices.

With inflation eroding the value of the U.S. dollar and mining companies depleting existing reserves, it is hard not to see increases in the future price of gold. As for copper, with the greening of our electrical infrastructure, vehicle electrification, infrastructure rebuilding, and an economic recovery, one would expect that the demand for copper will increase, resulting in higher prices. The CK Gold Project offers the opportunity to produce both copper and gold in the United States at a time when major producers are facing difficulties internationally. We are optimistic that prices will increase, benefiting shareholders and the State of Wyoming, to whom we will pay a royalty on production, and staving off the effects of inflation that are being felt across the economy.

Health, Safety and the Environment

Despite the global COVID-19 pandemic, this past year passed without much interruption for U.S. Gold Corp., and we are pleased with the progress the Company has made in the past several months. Most important are the health and safety of our employees and contractors, and, while we have had some reported cases of COVID-19, the cases were mild as we encouraged vaccination, observed protocols, and gave all those involved with the CK Gold Project accommodations if they needed them. Personnel safety and protection of property and equipment were monitored, and the past year went by without incident.

At the CK Gold Project, we have concluded all the environmental baseline information capture that we planned to do, leaving only completed monitoring wells, which are capped and secured. Over two seasons, we have drilled thousands of feet from over 60 exploration drill pads and have had no environmental incidents or noted any animal kills or lasting impact on wildlife. Additionally, to test the sub-surface soils and sub-strata ready for detailed construction design, we excavated and logged 128 holes with a backhoe to around 30 feet in depth. Nearly all of the drill holes, pads and test holes have been reclaimed, backfilled and reseeded, leaving sediment controls where necessary. The disturbances were planned, identified, surveyed and bonded, and a recent inspection by the Wyoming Department of Environmental Quality ("WDEQ") raised no concerns. We continue to monitor the progress of revegetation, which is slow due to the dry conditions at site, exacerbated by the current

drought.

With respect to the exploration properties in Nevada and Idaho, management has visited the sites, and while there are currently no exploration activities at Maggie Creek, Keystone or Challis, we continue to monitor the status of cleanup, closure and reclamation activities. In Nevada, control of invasive species and maintenance of the Company's plan of operation for exploration, including the bonds for disturbances, are all up to date, awaiting the next exploration campaign.

Advances with the CK Gold Project in Wyoming

Our CK Gold Project, located just outside of Cheyenne, Wyoming, is currently our flagship asset and the focus of most of our attention. We have a prefeasibility study that estimates a net present value (5%) of \$323 million and \$266 million, before and after tax, respectively, both of which is far higher than our current market capitalization. The prefeasibility study issued on December 1, 2021, provided insight into some of the value that we see in the project, and initially, our market capitalization exceeded \$75 million. Since that time, as mentioned above, we seem to have been caught in the downdraft of the declining resource market.

The prefeasibility study demonstrates that, not only is the project economic, but it is also robust to the downside of metal prices and highly leveraged to increases in price. The reason is that the strip ratio is projected to be less than 1:1, meaning that, for every ore ton mined, less than one ton of non-gold and copper-bearing material needs to be mined and set aside. The site is very compact with easy terrain, short haul distances, and good rock conditions, which result in a favorable mining cost. Metallurgical test work has demonstrated that the copper and gold values float very well, using minimal levels of reagents into a clean and very desirable concentrate with over 20% copper and 2 to 3 ounces of gold per ton.

To produce a concentrate, the ore must be crushed, ground, and subjected to froth flotation. To conserve water, we look to dry-stack tailings and plan to filter-press the water from the spent material before stacking the tailings on a pile. The concentrator is costly, but the PFS estimates that the initial investment pays back in about 2 years. While investors might fear equity dilution to meet the initial capital requirements for the project, initial conversations with the equipment manufacturers of the process equipment suggest possible financing at very favorable terms for up to 50% of the installed value of the concentrator. We are also looking to approach the State of Wyoming for sources of capital as part of programs to encourage economic development, training and job creation. Eventual financing will likely be a package of financial instruments, but not all financial instruments will be equity reliant.

We submitted our Mine Operating Permit Application to the WDEQ on September 13th. Additionally, we plan to file an application with the Industrial Siting Commission in February 2023, which will also be administered by the WDEQ. The project sits on state land, and the Company holds the mineral rights under a lease agreement. Additional private land is required to accommodate the rest of the project footprint owned by a fifth-generation ranching family. We have secured an option on this private land for the duration of the project. After completing a wetlands survey in and around the proposed project site, in February 2021, we received notification that the project footprint falls outside what the U.S. Army Corp of Engineers considers jurisdictional wetlands and waters of the U.S. Consequently, the permitting is entirely under the jurisdiction of the State of Wyoming.

The permit application before the WDEQ is a well-defined process which, in theory, could result in a rapid approval within 12 months. The WDEQ has explained that the process depends largely on the completeness and technical soundness of the application, and the level of interest of third parties who may need responses. Using local consulting firms and other top-notch consultants for the information required for the preparation of the submission, we believe that we have a very comprehensive application for what is a fairly simple, safe and clean operation. We do not propose the use of highly toxic chemicals that many gold mines employ. The final stages of metal recovery will take place off-site at a smelter/refinery, so there are no stack emissions on-site associated with metal recovery and there will be no conventional depositions of tailings or large impoundments of slurry.

We were advised that we must have identified a supply of water for the project and arranged a power supply, without impacting the local community. We have been working with the local power provider, Black Hills Energy, and our current plans are to bring in and place a new 115kV powerline a short distance from an existing sub-station proximal to the project. We are in the final stages of negotiations with the Cheyenne Board of Public Utilities ("BOPU") for water supply, wherein we can purchase raw water from BOPU without affecting the supply to Cheyenne. This will bring an important source of revenue to the utility, along with a one-time system impact fee. The income supports programs and operating costs that would otherwise be raised from water rates or taxes. Although our initial permit application will contemplate backfilling the open pit, we will try to find out if, under a permit amendment, we could leave a water storage impoundment to augment the existing impoundments in the Curt Gowdy State Park. In the long-term, it is envisioned that additional storage capacity will be needed to support the growth of Cheyenne. Leaving a reservoir in a partially backfilled pit could meet the need for additional water storage, save the immense cost of increasing the existing impoundments, and avoid flooding the existing recreational areas around the existing impoundments. Rather than being a detractor from Curt Gowdy State Park, the project could, after its relatively short lifespan, leave a lasting, positive legacy, and we have done extensive hydrological and geochemical work to support future investigations to make this prospect a reality.

Project Upside

Beyond the initial project, subject to our permit application, the CK Gold Project may have additional benefits. These include:

- Potential to increase the overall reserve through the conversion of known resources and yet-to-be-drilled extensions to the resource at depth and to the south that we know exist.
- Potential to capitalize on the fact that the non-gold and copper rock shows excellent physical and chemical properties that could make it an aggregate resource, close to two expanding cities, natural resource development projects, and infrastructure, both for transportation and providing material for maintenance and renewal. Current plans, focused on gold and copper extraction, result in setting aside non-gold and copper rock that could be commercialized. After segregation of material needed on the site, there will be in excess of 30 million tons of rock in an accessible pile for beneficial use as aggregate. The mining cost having been absorbed, additional crushing and screening to create a marketable product represents a small fraction of the cost of aggregate locally, which retails in the \$18/ton range. Such beneficial use of the rock will reduce

the cost of reclamation from a smaller project footprint and may even be considered as a net carbon credit, considering the benefit of using the energy used to remove the rock from the earth, otherwise quarried elsewhere.

Feasibility Study

We have concluded all the field work necessary to complete a feasibility study for the CK Gold Project. Processing plant designs have been completed on updated metallurgical testing. Sample concentrate values have been established to inform anticipated revenues for the sale of concentrate, focusing on the pricing that we can expect, considering the absence of elements that smelters avoid or impose penalties upon. To establish construction costs and tighten estimates for earthworks, a common source of error in project capital estimates, we have conducted an extensive test pit, geophysical, and geotechnical program in the mine site to take the guesswork out of construction estimates and identify local sources of construction materials. On the mine planning side, we have a detailed geotechnical study based on extensive data capture, which allows pit slopes to be designed and optimized. We believe we have a very good understanding of the hydrological conditions and geochemical characteristics of the tailings, excavated rock and the rock exposed on the pit wall surfaces.

Presently, we are working with the Wyoming Office of State Lands and Investments ("OSLI") to renew the lease for the mineral rights, due in February 2023. OSLI, the custodian of the state's portfolio of land and natural resources, has a mandate to find the highest and best use of their holdings. Currently, the state receives \$1,300/year as grazing fees for the surface on Section 36, the state section where the CK Gold Project is situated. We anticipate that, through royalty payments and taxes from the project, the state would receive tens of millions of dollars through the development of the project. We have found OSLI positive in reviewing the terms of the lease to accommodate a reasonable interpretation of the royalty provision, framed originally around bulk commodities and not hard rock mineral exploitation, and in accommodating the type of around-the-clock, full-year operation that we proposed.

We anticipate a positive feasibility study building on the results published in our prefeasibility study, and plan to finalize the study as final information is available concerning the updated lease conditions. In the interim, we can advance the permit application, which doesn't need to be accompanied by a full feasibility study. An additional advantage of a delay in the publication of the feasibility study, beyond finalizing the terms of the lease and any permit provisions, will be the ability to take a fresh look at the market for elements that will make up the capital and operating cost estimates for the project. It is not lost on anyone that the prices of fuel and energy have been very volatile, supply chains disrupted and basic materials in uncertain supply. We believe that the prefeasibility study represents a good snapshot of the economic performance of the CK Gold Project, and we will update the project economics when we are nearer to receiving a permit, closer to financing the project, and, hopefully, in a more stable market both for the factors that affect our costs and our revenues.

In light of our progress with the CK Gold Project, the Company has opened an office in Cheyenne, Wyoming, to be closer to governmental agencies and our Wyoming-based consultants.

High-Potential Exploration Projects Primed for Discovery in 2023

We continue to believe that our Keystone project in Nevada is an outstanding exploration opportunity, as demonstrated by the discoveries and operating properties further to the north of the Cortez Trend. The lower plate Wenban formation offers the potential of large sulfide targets, while near-surface upper plate formations offer large, lower-grade oxide prospects. With all our historic work at Keystone over the past several years, we believe we are close to a potential world-class discovery. Keystone has the right address, host rocks and geochemistry. We continue discussions with interested parties to potentially partner with, to move the Keystone exploration program forward. In due course, we intend to pursue our very promising deeper targets, but we recognize that Keystone could benefit from a partner who understands the geological potential of the project and is willing to fund the exploration budget this project requires.

Kevin Francis, our VP Exploration and Technical Services, has been looking at remote sensing to confirm and refine proposed exploration plans. As Keystone is on U.S. Bureau of Land Management ("BLM") ground, we maintain our overall permitted disturbance allowed under our effective Plan of Operations ("PoO"). Cultural and environmental surveys have been conducted, so we can accomplish the work needed for roads and drill pads for exploration drilling once we are ready to reinitiate exploration. We will continue to update our shareholders on this high-potential project.

Maggie Creek is located on the Carlin Trend, close to Newmont's Gold Quarry mine and adjacent to the Newmont's Rainbow deposit. In 2021, we drilled two holes, leaving the second hole yet to be completed. While we understood the near-surface potential and have targets mapped along the trend, we followed up on a hunch that there was a misinterpretation of the structural geology on the Carlin Trend in this location. Our chief geologist at the time, Ken Coleman, was right, and we intersected the Popovich Formation at relatively shallow depth. There was great excitement based on the visual inspection of the core. While we found extremely compelling anomalies of pathfinder elements, principally arsenic, we found only modest values of gold in a presumed hanging-wall structure above the Popovich. It remains to vector into the gold with additional drilling.

Barrick Gold geologists, part of the Nevada Gold Mines group, have inspected the core and admitted that their view of the potential of the area and previous geologic models needed to be reinterpreted. We continue to look for a partnership to advance the Maggie Creek prospect.

The Challis Gold Project, located in Idaho, about 75 kilometers southwest of Salmon, remains an exciting prospect. We believe that the project has an excellent upside potential, and we have been watching with interest the activities of our neighbor, Ophir Gold, on the adjacent property. The property has a historic (not current) NI 43-101 resource estimate, which is located on just a small section of the project claims and we believe that there is a larger endowment to pursue. Mapping and initial soil sampling have been completed, and we have conducted some remote hyperspectral surveys to build on our plans for eventual exploration. We are reviewing the claims and are looking to complete the permitting process to reactivate a prior Plan of Operations in place at the Challis Gold Project.

Corporate Operating Highlights

With all this in mind, we feel this is a particularly opportune time for U.S. Gold. We have noticed more institutional awareness in our Company overall during the past year, as we

continue to advance the CK Gold Project.

We have a sound financial position, which can carry us through the end of 2023. We maintain a lean approach with only three full-time executives on the payroll, leveraging some of the best consulting help in the business to see us through to our next major milestone, the permitting of the CK Gold Project.

Gold exploration is a high-risk business, but the potential rewards can be substantial when discoveries are found and promising projects are moved toward production. Our entire team is working daily as hard as we can, with a sole focus on moving all of our projects forward to enhance shareholder value. On behalf of the entire management team and Board of Directors, we thank you for your support as we continue to advance the Company.

Sincerely yours,

U.S. Gold Corp.

George Bee

President and Chief Executive Officer

For more information, I encourage you to contact the Company, at ir@usgoldcorp.gold, or visit the website at www.usgoldcorp.gold.

U.S. Gold Corp. periodically sends news via email to its shareholders and interested investors. If you would like to receive these communications, please sign up to receive U.S. Gold Corp. news releases at: <http://ir.usgoldcorp.gold/>

About U.S. Gold Corp.

U.S. Gold Corp. is a publicly traded, U.S.-focused gold exploration and development company. U.S. Gold Corp. has a portfolio of exploration properties. The CK Gold Project is located in Southeast Wyoming and has a Preliminary Feasibility Study technical report, which was completed by Gustavson Associates, LLC. Keystone and Maggie Creek are exploration properties on the Cortez and Carlin Trends in Nevada. The Challis Gold Project is located in Idaho. For more information about U.S. Gold Corp., please visit www.usgoldcorp.gold.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this shareholder letter are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as "anticipate," "believe," "forecast," "estimated," and "intend," among others. These forward-looking statements include statements related to the process for review by WDEQ of the Mine Operating Permit Application at the CK Gold Project; the timing of our application with the Industrial Siting Commission; economic estimates included in the CK Gold PFS, including IRR, NPV and capital costs; expectations regarding processing of ore that may be produced at the CK Gold Project; potential financing terms from equipment suppliers for any future development of the CK Gold Project; the possibility of completing a feasibility study for the CK Gold Project; expectations regarding power and water supply to the CK Gold Project; results of and resulting interpretations of Keystone exploration data and indication, the possibility and positive outlook for additional mineralization deposits at Keystone, , the possibility and positive

outlook for additional mineralization at the CK Gold Project, the expansion of the CK Gold Project and whether strategic interpretation at Keystone and the CK Gold Project will provide accurate indications for mineral discovery. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, risks arising from: market and other conditions, the prevailing market conditions for metal prices and mining industry cost inputs, environmental and regulatory risks, COVID-19 risks, changes in interpretations of geological, geostatistical, metallurgical, mining or processing information, risks faced by junior companies generally engaged in exploration activities, whether U.S. Gold Corp. will be able to raise sufficient capital to develop the CK Gold Project and implement future drilling programs, the success or failure of future drilling programs, and other factors described in the Company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the Securities and Exchange Commission, which can be reviewed at www.sec.gov. The Company has based these forward-looking statements on its current expectations and assumptions about future events. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks, contingencies, and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control. The Company undertakes no duty to correct or update any information contained herein.

For additional information, please contact:

U.S. Gold Corp. Investor Relations:
+1 800 557 4550

ir@usgoldcorp.gold

www.usgoldcorp.gold

 View original content: <https://www.prnewswire.com/news-releases/us-gold-corp-issues-ceo-update-on-its-mining-assets-and-operations-301641174.html>

SOURCE U.S. Gold Corp.