



U.S. Gold Corp. CEO Update

CHEYENNE, WY, January 26, 2022 – U.S. Gold Corp. (NASDAQ: USAU) (the “Company”), a gold exploration and development company, is pleased to provide the following CEO Update Letter.

Dear U.S. Gold Corp. Shareholders:

This past year has been a very busy time for U.S. Gold Corp., and I would like to provide an update on the tremendous progress of our company in 2021, as well as outline the exciting plans looking ahead into 2022. Despite the global impact of the COVID-19 pandemic, U.S. Gold Corp. continued to make significant progress over the year and with the health and safety of our employees and contractors being paramount, we were pleased to report that with the proper precautions in place, we were able to report zero cases of COVID-19 or health safety and environmental incidents.

We are confident that U.S. Gold Corp. provides a very compelling opportunity for our shareholders. Nevertheless, we are mindful that there is risk involved, as there is risk for all junior exploration and development companies, and for this reason, we continue to advance with a well-thought-out plan. We believe we are undervalued compared to our peer companies with similarly defined reserves, and that there are many opportunities ahead to unlock significant additional value for our shareholders.

As of the writing of this letter, we believe that we have several high-potential projects underway in three of the best mining-friendly states in the U.S. – Wyoming, Nevada, and Idaho.

Advancement of the CK Gold Project in Wyoming – Release of the PFS SK-1300 Technical Report

Our CK Gold Project, located just outside of Cheyenne, Wyoming, is currently our flagship asset. We have reason to believe that our CK Gold Project alone is potentially worth much more than our current market capitalization. In early December 2021, we published the pre-feasibility study (PFS) SK-1300 technical report, authored by Gustavson Associates, showing a pre-tax **\$323 million** net present value (NPV) at a 5% discount at \$1,625/ounce gold and \$3.25/pound copper prices. The projected internal rate of return (IRR) on the project is a robust annualized **39.4%**. As of the writing of this update, spot metals prices are significantly higher than the PFS input values. Substituting in our PFS economic model, gold at \$1,850 and copper at \$4.50, reflecting prices at the time of writing, the NPV would be estimated at pre-tax of **\$580 million** with an IRR of 60.7%. The full technical report is available on our website and can be accessed [here](#).

A tremendous amount of work went into our PFS. This was not a “PFS light,” or desktop study, document, but a very comprehensive report. U.S. Gold Corp. has every intention of pushing the CK Gold Project forward in 2022 toward permitting and a production decision. Looking toward future production, we performed extensive engineering in the PFS and now have detailed plant designs and flowsheets. The CK Gold Project is a relatively simple project. I have managed much larger, more complicated operations in more difficult jurisdictions in my career and given my experience, I am confident in the ability to push this opportunity into production.

The CK Gold Project will be an open pit mine that will produce a gold copper concentrate by flotation. The plant design will be primary crushing, feeding grinding in semi-autogenous grinding and ball mills, followed by flotation to recover a gold copper concentrate. The high-value concentrate containing 21-26% copper and 2-3 ounces per ton of gold will be shipped off-site for smelting. This is a relatively low-impact project as we expect no furnace or smelter emissions or tailings dam, counting on the plan to conserve and recover water utilizing tailing filtration and dry stacking of the spent material.

The PFS solidifies the solid economic numbers we knew this project would show. Highlights of the PFS include:

- Mineral Resources – **1.58 million gold equivalent (“AuEq”) ounces** of Measured and Indicated (M+I) Resources
 - An additional 0.357 million AuEq ounces of inferred resource
 - M+I includes: Gold (1.110 million ounces) and Copper (280 million lbs)
- Mineral Reserves – **1.44 million AuEq ounces of Proven and Probable (P1 and P2) Reserves**
 - P1 and P2 includes: Gold (1.010 million ounces) and Copper (248 million lbs)
- 10-year Mine Life at 20,000 short tons per day process rate
 - Average AuEq production: 108,500 ounces per year
 - **First 3 years: 135,300 AuEq ounces per year**
- Initial Capital – \$221 million
 - Potential attractive financing terms from equipment suppliers and development capital sources
 - **2-year payback**
- Robust Economics – **39.4% IRR** before tax and 33.7% IRR after tax
 - **NPV (5%): \$323 million** and \$266 million, before and after tax, respectively
 - **All in Sustaining Cost (“AISC”) at \$800 per AuEq ounce**
 - Assumes \$1,625/ounce gold price and \$3.25/lb copper price
 - Highly leveraged to increasing metals prices
- Upside Potential
 - Aggregate sales from mine waste rock, proven to be excellent quality
 - FS level value engineering and plant optimization
 - Ongoing metallurgical testing to enhance recovery of gold and copper
 - Resource expansion potential at depth and to the southeast
- Permitting and Development
 - Project footprint under the jurisdiction of Wyoming agencies
 - **Potential to submit mine permit in 2022 with approval as soon as 2023**

The PFS clearly outlines a very economic project at current metals prices. Our entire team is committed to continuing to advance this opportunity to permitting and into production.

2022 – Permitting the CK Gold Project

We anticipate filing our mine plan permit in mid-2022. One of the very attractive attributes of the CK Gold Project is that it is entirely under the jurisdiction of the State of Wyoming. We believe this can give us a much quicker path to permitting approval and that it will be an approximately 12-month approval process from the state regulators, as there currently is no known U.S. federal government oversight. We expect this to lead to an approved permit by mid-year 2023. This has the potential to be a major value driver for our shareholders since permitted projects have been de-risked and thus, carry higher valuations. Most permitted projects in mining-friendly North American jurisdictions are trading at anywhere from one to one and a half times their net present value. With the PFS showing a \$323 million NPV, you can see the upside from our current levels once we obtain the permits.

Additional Upside on the CK Gold Project

Our CK Gold deposit has blue sky exploration upside. We know the deposit is open at depth and to the southeast. We intentionally wanted to complete our PFS technical report in order to show the value proposition around what reserves we know currently exist. However, the upside is potentially significant. You may access the recent video to understand the magnitude of the potential [here](#). The project itself has leverage to rising metals prices and we are bullish on precious and base metals in 2022 as inflation continues to build.

Another potential large future value driver is our aggregate. The CK Gold deposit is hosted in very high-quality granodiorite. This rock would normally be “waste rock” and would be put into a waste pile in a more remote mining project. CK Gold is not remote, and the fact is there is very high demand for aggregate in the building industries. Just 3 miles south of our CK Gold Project is Martin Marietta Materials’ Granite Canyon Quarry, showing the strong demand for quality aggregate. The rock at CK Gold has been tested for aggregate quality and could be another source to meet the growing local demand. This passage, taken directly from our PFS, highlights this opportunity: *“A unique feature of the CK Gold Project is its proximity to growing population centers and infrastructure, which may further offer opportunities to bolster revenue through the sale of waste rock as aggregate. Investigations have proven the non-mineralized rock to be of very good quality for aggregate products. Only a minor benefit for the aggregate potential has been recognized in this study, and more work is warranted to assess the full potential. To move bulk rock tonnages some additional arrangements would need to be made but there is more than 30 million tons of rock available that could retail, as crushed and clean aggregate, at between \$16 and \$18 per ton and this potential value has not been fully captured in this study.”* More work will be done in 2022 to see how we can maximize value from our aggregate. We have already had interest in a potential venture and will keep everyone updated on our progress.

Moving Toward a Full Feasibility Study

With our 2021 CK field season complete, we are now awaiting all of our assay results and the results of ongoing studies. With the continuing disruptions due to the latest COVID-19 pandemic, we do anticipate delays as the assay labs continue to work through staff shortages. In addition to the assays, we are awaiting conclusions for our geotechnical, hydrology, and metallurgy studies.

U.S. Gold Corp. has started the process to receive request for proposals (RFPs) from engineering firms for our feasibility study. We expect a decision and announcement in early 2022, with a goal of having the full feasibility study done in 2022. With our expected mine permit approval in 2023, we would then look to move into the construction phase. We anticipate it will take approximately 12 months to build out the processing facility which could potentially set us up to move into commercial production at the end of 2024 or early 2025. The PFS shows a 108,500 gold equivalent production profile over a 10-year mine life and an all-in sustaining cost of \$800 per gold equivalent ounce. This attractive production and cost profile would provide U.S. Gold Corp. ample funds for very robust exploration programs on our other three high-potential exploration projects.

High-Potential Exploration Projects Primed for Discovery in 2022

Our Keystone project in Nevada is a large exploration property, and as demonstrated by the discoveries farther to the north on the Cortez Trend, the lower-plate Wenban formations offer the potential of large sulfide targets. With all our historic work at Keystone over the last several years, we believe we are close to a potential important discovery. What makes Keystone compelling is that it has the right address, right host rocks, and right geochemistry. We have been in discussions with a few interested parties to potentially partner with, to move the future 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 demands.

Some other noteworthy mentions are that Maggie Creek is a high-potential gold exploration opportunity and is located on the Carlin Trend, close to Newmont's Gold Quarry Mine and adjacent to Newmont's Rainbow deposit. Preliminary geological interpretations show major structures could extend onto the property. We drilled two core holes in 2021 on our southern claims and observed that the core looked spectacular – exactly what you would want to see: sooty sulfides with globs of visible realgar. We hit the key Popovich formation at 1,740 feet – much shallower than expected that made these very promising holes. Although the assays showed low gold values, gold pathfinder elements were highly anomalous, we believe we are right on the edge of something very significant and look forward to following up on this in 2022. The project looks very prospective, and we view the Maggie Creek area to have a lot of potential for world-class gold discoveries.

Our Challis Gold Project is located in Idaho, about 45 miles southwest of Salmon. Challis has a historic (not current) 43-101 geological report. We believe that the project has a potential low strip ratio and excellent upside potential. This historic resource is located on just a small section of the project claims. Currently, plans are in the works for detailed mapping, and initial soil sampling is already ongoing and additionally, we are starting the permitting process to get a plan of operations in place at the Challis Gold Project. Stay tuned in 2022 for further updates.

Corporate Operating Highlights

There are many attractive aspects of U.S. Gold Corp.. First, we are one of the few exploration and development companies listed on the Nasdaq Capital Market. Second, we have a tight share structure, with just over seven million shares of common stock outstanding. And we are proud to say that as of today, U.S. Gold Corp. currently has no long-term debt with cash in treasury.

As the investment community understands, gold exploration can oftentimes be 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. 2022 is shaping up to be a busy year, with lots of value-creating catalysts for U.S. Gold Corp. On behalf of the entire management team and Board of Directors, we would like to thank you for your support as we continue to advance the company.

Sincerely yours,

U.S. Gold Corp.

George Bee

George Bee

Chairman, President and Chief Executive Officer

For more information, I encourage you to contact the Company at ir@usgoldcorp.gold or visit our 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 PFS technical report, which was completed by Gustavson Associates. 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.



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Safe Harbor

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 “will,” “anticipate,” “believe,” “forecast,” “estimated,” and “intend,” among others. Forward-looking statements include all mineral resource and mineral reserve estimates; projected mine life; economic estimates, including NPV and IRR and the proposed timing for filing and approval of our mine plan permit. These forward-looking statements are based on U.S. Gold Corp.’s current expectations, and actual results could differ materially from such statements. 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: the prevailing market conditions for metal prices and mining industry cost inputs, environmental and regulatory risks, the reasonability of the economic assumptions contained in the PFS, changes in interpretations of geological, geostatistical, metallurgical, mining or processing information, including interpretations of the information resulting from exploration, analysis or mining and processing experience, COVID-19 uncertainties, 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 exploration 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.

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