

U.S. Gold Corp. Continues to Advance Copper King to a Pre-Feasibility Study

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Proposal Received for a Pre-Feasibility Study

Based on internal updated resource prices, Copper King's Preliminary Economic Assessment (PEA) has a projection of pre-tax cash flow of \$510.54 million, NPV of \$321.6 million, and 52% pre-tax annual IRR at \$1600/oz. gold

ELKO, May 26, 2020 - [U.S. Gold Corp.](#) (Nasdaq: USAU) (the "Company") a gold exploration and development company, is pleased to announce that it has received a proposal to upgrade the Copper King Preliminary Economic Assessment (PEA) to a Pre-Feasibility Study (PFS) with the objective of completing the PFS by the end of 2020.

Copper King, located in the Silver Crown mining district of southeast Wyoming and approximately 20 miles west of Cheyenne, is a project of merit based on the December 2017 PEA that, in a preliminary analysis, shows a robust resource, including:

Highlights of PEA Projections

- PEA economic resource based on \$1250/oz. gold and \$2.25/lb copper
- PEA economics done at \$1275/oz. gold and \$2.80/lb copper
- A base case summary of the PEA indicates that Copper King could generate Pre-Tax Cash Flow of \$296.8 million
- The Net Present Value (NPV) is \$178.5 million at a 5% discount rate
- The Annual Internal Rate of Return (IRR) is 33.1%
- CAPEX estimated at \$113.66 million
- Payback in just under 2.5 years

2020 Internal Update to Projections

- At \$1600/oz. gold and \$2.80/lb copper, Copper King could generate Pre-Tax Cash Flow of \$510.54 million
- NPV at a 5% discount rate is \$321.60 million
- The Pre-Tax Annual IRR is 52%
- At \$1600/oz. gold:
 - The economic resource increases from 1.3 million to 1.5 million gold-equivalent ounce
 - The economic resource ore tonnage increases from 133 million tons to 170 million ton
 - Economics are 80% gold and 20% copper
- This economic resource growth is not included in this valuation update

The updated internal analysis can be viewed at:

<https://www.usgoldcorp.gold/properties/copper-king/pea-highlights/1600-update>

[U.S. Gold Corp.](#)'s President and CEO Mr. Edward Karr stated, "We are pleased with the progress of the Copper King project in 2020 and have made several trips to the property last year to advance the project from a permitting, development, and community outreach standpoint. We are looking forward to working with Marc Levier and Mark Jorgensen to advance the Copper King deposit to the PFS level. Gold prices have risen substantially since our PEA and our updated internal analysis at \$1600/oz. gold shows Copper King could be a very attractive project. This PFS is expected to be a major milestone in moving Copper King towards production. We have some of the leading consultants working with us for resource modeling and metallurgical testing. The existence of silver in the Copper King deposit could give further upside to the overall economics and will be analyzed thoroughly in the PFS. We have a very experienced Board assisting

in moving the project forward, including Mr. Tim Janke on mine engineering and development, Mr. Douglas Newby on permitting and The Honorable Ryan Zinke on State of Wyoming relations, permitting, strategy and community outreach."

The Honorable Ryan Zinke, [U.S. Gold Corp.](#) Director, stated, "Copper King is an excellent project in the Western mining-friendly State of Wyoming. In 2019, I was pleased to make several trips to the property with our team to work with the local ranching community to help advance the environmentally responsible project. We met with Governor Mark Gordon and his staff as well as state and local officials to update them on our developments. Copper King has solid economics and has the potential to create hundreds of well-paying jobs, critical to the local Cheyenne community, as it moves forward into production."

Copper King Highlights

The pre-tax economic analysis of the project, including the 5% Wyoming state royalty, projects a 52% IRR and an NPV of \$321.60 million at a 5% discount rate and using \$1600/oz. gold and \$2.80/lb copper. The revenue at \$1600/oz. gold is approximately 80% from gold and 20% from copper. The Copper King project is a project of merit with high-grade mineralization exposed at the surface surrounded by a large, low-grade zone with potential for expansion. The results indicate a potentially economic project, and the project should proceed to the prefeasibility or feasibility stage.

Additional Exploration Advancement

In 2017 and 2018, [U.S. Gold Corp.](#) conducted geophysical studies at Copper King and drilled additional exploration holes. Several of these holes hit additional mineralization, and it has been shown the deposit has increased to the west. In addition, the Datamine analysis conducted in early 2019 shows the presence of economic grade silver not previously accounted for in the PEA economics. The Datamine model shows the deposit is open at depth, appears to be open laterally to the southeast, and has poorly defined margins. Extending the deposit along strike to the southeast will be the focus of future exploration efforts.

Pre-Feasibility Study (PFS)

[U.S. Gold Corp.](#) has received a proposal to take the Copper King deposit to a PFS level. This proposal has been authored, and the study will be led, by well-respected mining industry consultants, including Dr. Marc LeVier (former Global Director of Metallurgical R&D at Newmont) and Mr. Mark Jorgensen (metallurgical engineer). In 2019, Dr. LeVier completed a thorough metallurgical review of the Copper King project and concluded that preliminary metallurgical test results are encouraging in terms of a salable gold / copper concentrate with good grade and reasonable recoveries.

[U.S. Gold Corp.](#) has received a formal proposal to advance Copper King to the Pre-Feasibility Study. It is proposed the Company will work with:

- AK Drilling Inc. – Core drilling
- Gustavson Associates, LLC – Geology, Core Logging, Mining, Geotechnical,
- Environmental, Hydrology
- Jorgensen Engineering and Technical Services, LLC – Process
- Engineering / Client Representative
- Research Development Incorporated – Metallurgy
- Dahlgren Consulting – Water source, water costs and effect on community
- Newfields – Dry Stack Tailings Storage conceptual location and design
- Turner and Townsend – Capital Cost Estimate

Highlights of the Pre-Feasibility Study are expected to include:

- Additional core drilling for detailed metallurgical testing and process optimization
- Remodeling of resources to incorporate new drilling and silver
- Analysis of silver on overall economics
- Analysis of processing rate
- Commencement of baseline studies
- Hydrology studies

- Mine plan engineering and permitting advancement

About U.S. Gold Corp.

[U.S. Gold Corp.](#) is a publicly traded, U.S. focused gold exploration company with a portfolio of exploration properties. Copper King is located in Southeast Wyoming and has a Preliminary Economic Assessment (PEA) technical report, which was completed by Mine Development Associates. Keystone and Maggie Creek are exploration properties on the Cortez and Carlin Trends in Nevada. For more information about U.S. Gold Corp., please visit www.usgoldcorp.gold

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 "anticipate," "projection," "believe," "forecast," "estimated," and "intend," among others. 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, the results from drilling and exploration efforts being unsuccessful, environmental and regulatory risks, risks faced by junior companies generally engaged in exploration activities, whether [U.S. Gold Corp.](#) will be able to raise sufficient capital to implement future exploration programs, COVID-19 uncertainties that may impact the ability to raise capital and conduct exploratory operations, 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 makes no representation or warranty that the information contained herein is complete and accurate and we have no duty to correct or update any information contained herein.

Cautionary Note to U.S. Investors Concerning Mineral Resources

We may use certain terms on this website, such as "measured," "indicated," or "inferred" mineral resources, which are defined in Canadian Institute of Metallurgy guidelines, the guidelines widely followed to comply with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). We advise U.S. investors that these terms are not recognized by the United States Securities and Exchange Commission (the "SEC"). The estimation of measured and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves under the SEC's disclosure rules. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Mineral resources that are not mineral reserves do not have demonstrated economic viability. U.S. investors are cautioned not to assume that measured or indicated mineral resources will be converted into reserves. Inferred mineral resources have a high degree of uncertainty as to their existence and their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource exists, or is economically or legally viable. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. Note that a preliminary economic assessment is preliminary in nature, and it includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied that would enable them to be classified as mineral reserves, and there is no certainty that the preliminary assessment will be realized.

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