

U.S. Gold Corp. - Q1 2023 Update, CK Gold Project on Track

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CHEYENNE, April 26, 2023 - As [U.S. Gold Corp.](#) ("U.S. Gold," the "Company," "we," "our" or "us") (NASDAQ: USAU) begins the second quarter of calendar year 2023, we would like to inform our shareholders and investors that we remain on track with our objectives. Despite the uncertainty of the financial markets and our banking system, precious metals continue to be primed for a bright future, with gold, silver and copper leading the charge. Precious metal equities continue to outperform on Wall Street and trend towards historic highs. In fact, a Kitco News' online survey, recently projected that gold's value could top out the year at a record \$2,100 per ounce. This makes us extremely excited about the future of U.S. Gold. Earlier this month we closed a \$5 million registered direct offering, to be used for general working capital which puts us in a solid position fiscally.

Those that have been following us closely are aware that in 2020 we pivoted toward the development of our CK Gold Project in Wyoming, lowering priority, for now, on our outstanding exploration assets in Nevada and Idaho. Let there be no mistake, permitting and developing a new mine are not easy tasks. We appreciate the support of our shareholders as we advance through the rigorous steps that are necessary to take our CK Gold Project from a resource with potential, to a wealth and opportunity-generating mine. We believe we are on track.

Update on activities and major milestones for the CK Gold Project

Following the Prefeasibility Study (PFS) published in December 2021, work continued toward a Feasibility Study (FS) which was largely completed in 2022. The PFS contemplated a gold price of \$1625 per ounce and \$3.25 per pound of copper. While inflation will likely push up some of the costs identified in the PFS, the revenue side of the equation will be positively impacted by, among other things, the projection of higher gold and copper prices. It is anticipated that the CK Gold Project revenues will count on approximately 70% of its revenue from gold, but of increasing importance is the 30% from copper sales in the concentrate that we plan to ship.

As things now stand, the Company plans to have the FS available in Q3 2023. Finalization rests on certain aspects that needed further clarity.

- **Energy Prices.** In the runup to the winter months, oil and fuel prices were surging for a number of reasons, principally, geopolitics and the Ukraine conflict. We now see prices stabilizing and have a better view of energy prices in general, which will affect both capital and operating costs associated with the project.
- **Supply Chain.** Supply chain uncertainty resulted in equipment manufacturers providing quotations and lead times on equipment that were overly conservative. As COVID-19 has been largely dealt with, manufacturing has ramped up and there is once again competitive tension in the market, resulting in more options and better prices for the project.
- **Inflation and Economic uncertainty.** Inflation pressure and higher interest rates still give rise to caution. While interest rates are high, it does appear that inflation is beginning to come under control, allowing more confidence in estimates.
- **Project Royalty Rate.** The project royalty rate is payable to the Office of State Lands and Investment (OSLI), from whom project mineral leases are granted. A recommendation was made by OSOI staff to the OSOI Board of Directors on April 6, 2023 and adopted that same day. The rate, set at 2.1% of the net receipts from the CK Gold Project, gives the Company certainty on this important parameter, which can now be reliably incorporated into our assessment of project economics. This royalty is earmarked for K-12 education in Wyoming, an important benefit supporting project development.

- Water Supply. Water in the western United States is a contentious issue after many years of drought and the paucity of water in the Colorado river system. U.S. Gold has been aware of this from the outset and sought to reduce the water necessary for the project with plans to install filter presses to capture water and reuse it, rather than implement a conventional tailings storage system. Having defined the water needed for the project, options for a water supply were investigated. A win-win scenario was chosen for the supply, wherein the City of Cheyenne through its Board of Public Utilities (BOPU) would supply the water needed. After mining and reclamation, the water that BOPU will sell to the Company will be needed to cater to the growing water use in the city and its surroundings. In the interim and for the life of the mine, there is surplus water, and the sale of that water will provide funding for the development of the BOPU system for future regional water needs. To firm up the water supply the following events/steps have been taken.
 - At a City of Cheyenne council meeting in November 2022, the City Users Agreement" that could be entered into between U.S. Gold and
 - In February, a Water Development and Purchase Agreement was r Gold and BOPU, contemplating the firm supply of up to 600 gallons
- Mine Operating Permit (MOP) and Closure Plan. On September 13, 2022, the permit application was submitted to the Wyoming Department of Environmental Quality's Land Division. The submission was subject to a completeness review, which it passed, and went on to the technical review stage. The first round of comments from the technical review have now

been received. The process is proceeding as anticipated and we do not see any issues in responding to the first round of technical commentary from the authority. As a reminder, the project falls under the jurisdiction of the state since the project lies within state and private ground. The Company anticipates that the permitting will continue through the balance of 2023 and most likely into early 2024.

- Industrial Siting Commission (ISC) Permit. Depending on the magnitude of capital expenditure, the State of Wyoming has a mechanism to cushion the impact of large investment projects on the local community, freeing up state funds for infrastructure and city and county service enhancements. The ISC permit cycle is shorter than the MOP cycle, and the

Company should have concluded the proceedings ahead of U.S. Gold having a determination on the MOP.

The steps on the ISC permit application are as follows:

- November 28, 2022 - mailed project description to 126 agencies for review of potential impacts. Set date for and invited public to project open house.
- December 14 and 15, 2022 - held open houses to discuss project impacts.
- February 21, 2023 - submitted ISC permit application.
- March 2023 - passed ISC completeness review and received a request for additional information.
- May 10, 2023 - scheduled hearing, followed by 90-day review by the ISC.

- Updating the CK Gold Project Resource and Mine Plan. The PFS was based on the 2020 drilling and exploration program. The PFS plan was scheduled at 20,000 short tons per day (stpd) and 20-ft bench height cuts in the mine plan. The following enhancements are anticipated in the FS:

- Resource to incorporate 2021 drilling, capturing some of the additional mineralization we know to extend beyond the PFS-defined open pit.
- Switch to +/-30-ft bench heights to ease mine planning and help productivity and mine costs, maintaining the 20,000 stpd mill feed rate.
- Incorporate an ore stockpile strategy that allows the mine to present higher grade material to the mill sooner, resulting in better economic performance.

- Conclude mining sooner and reclaim stockpiled ore in the latter years of the project, allowing tailings to be deposited into the base of the mined-out pit, thereby reducing the size of the tailings facility and improving project economics in the final years.

- ~~By pricing~~
~~Opportunities.~~
~~Equipment.~~
~~With~~
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the ore containing the copper and gold must be moved but also other rock, normally referred to as waste rock. Some of this rock will be used to stabilize the dry stacked tailings pile and for reclamation; however, there will be over 30 million tons stacked and eventually reclaimed in a separate pile. This material has been tested and constitutes an excellent source of aggregate and ballast. While our plans and permit applications do not contemplate the commercialization of this material, the FS will identify the opportunity for later consideration.

- Other Activities.
While the majority of the Company's resources are aimed at the CK Gold Project, we continue to look for opportunities to advance our exploration assets. Having sold Maggie Creek to Nevada Gold Mines, our attention turns to Keystone, a phenomenal land package on the Eureka/Battle Mountain and Cortez gold trend, and our Challis

property in Idaho.

On behalf of the entire team at U.S. Gold, we thank you for your interest in our Company and look forward to an exciting year ahead. Please do not hesitate to contact us through our website.

George Bee
President and CEO, Director
[U.S. Gold Corp.](#)

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. The Keystone exploration property is on the Cortez Trend in Nevada. The Challis Gold Project is located in Idaho. For more information about U.S. Gold Corp., please <https://www.usgoldcorp.gold/>.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this press release 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 CK Gold Project, which include, development and permitting of a mine on the project; anticipated gold and copper revenues; availability of a Feasibility Study in Q3 2023; and repricing of all major equipment needed for the project. 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

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