
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended **March 31, 2007**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File Number: **001-33190**

US GOLD CORPORATION

(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of
incorporation or organization)

84-0796160
(I.R.S. Employer
Identification No.)

165 South Union Blvd., Suite 565, Lakewood, Colorado 80228
(Address of principal executive offices) (Zip code)

Registrant's telephone number including area code: **(303) 238-1438**
(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.
Larger accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
59,411,319 shares outstanding as of May 11, 2007.

US GOLD CORPORATION

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**US GOLD CORPORATION
CONSOLIDATED BALANCE SHEETS**

	March 31, 2007	December 31, 2006
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,590,717	\$ 50,921,877
Other current assets	932,860	285,103
Total current assets	<u>49,523,577</u>	<u>51,206,980</u>
Property and equipment, net	10,639,031	742,238
Mineral property interests	327,113,212	—
Restrictive time deposits for reclamation bonding	3,458,784	3,102,317
Goodwill	24,112,001	—
Other assets:		
Inactive milling equipment	777,819	777,819
Long-lived asset-asset retirement	3,300,216	3,300,216
Other assets	427,338	269,767
Total other assets	<u>4,505,373</u>	<u>4,347,802</u>
TOTAL ASSETS	<u>\$ 419,351,978</u>	<u>\$ 59,399,337</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,023,861	\$ 3,178,357
Retirement obligation (reclamation activities)	138,801	225,257
Total current liabilities	<u>9,162,662</u>	<u>3,403,614</u>
Retirement obligation	5,409,924	3,380,195
Deferred income tax liability	114,101,166	—
Other liabilities	203,998	130,871
Total liabilities	<u>128,877,750</u>	<u>6,914,680</u>
Minority interest in subsidiaries	1,467,704	—
Shareholders' equity:		
Common stock, no par value, 250,000,000 shares authorized; 50,058,755 shares issued and outstanding as of March 31, 2007 and 50,046,755 issued and outstanding as of December 31, 2006	163,869,055	163,404,798
Canadian Acquisition exchangeable shares, no par value, unlimited shares authorized; 38,027,674 shares issued and outstanding as of March 31, 2007, none issued and outstanding as of December 31, 2006	244,782,045	—
Accumulated (deficit)	(119,644,576)	(110,920,141)
Total shareholders' equity	<u>289,006,524</u>	<u>52,484,657</u>
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	<u>\$ 419,351,978</u>	<u>\$ 59,399,337</u>

The accompanying notes are an integral part of these consolidated financial statements.

US GOLD CORPORATION
CONSOLIDATED UNAUDITED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31,

	<u>2007</u>	<u>2006</u> (Restated)
REVENUE:		
Revenue	\$ —	\$ —
Total revenue	<u>—</u>	<u>—</u>
COSTS AND EXPENSES:		
General and administrative	892,724	543,140
Acquisition costs	451,422	526,382
Property holding costs	569,140	416,942
Exploration costs	6,689,216	74,771
Stock option expense	438,818	268,000
Accretion of asset retirement obligation	194,839	65,927
Change in value of derivatives	—	67,016,259
Depreciation	47,416	5,561
Total costs and expenses	<u>9,283,575</u>	<u>68,916,982</u>
Operating (loss)	<u>(9,283,575)</u>	<u>(68,916,982)</u>
OTHER INCOME (EXPENSES):		
Interest income	559,473	154,819
Interest expense	(256)	(1,803)
Total other income	<u>559,217</u>	<u>153,016</u>
(Loss) before income taxes	<u>(8,724,358)</u>	<u>(68,763,966)</u>
Provision for income taxes	—	—
Net (loss)	<u>\$ (8,724,358)</u>	<u>\$ (68,763,966)</u>
Basic and diluted per share data:		
Net (loss) - basic and diluted	<u>\$ (0.17)</u>	<u>\$ (2.07)</u>

The accompanying notes are an integral part of these consolidated financial statements.

US GOLD CORPORATION
CONSOLIDATED UNAUDITED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31,

	<u>2007</u>	<u>2006</u> (Restated)
Cash flows from operating activities:		
Cash paid to suppliers and employees	\$ (7,652,173)	\$ (705,927)
Interest received	563,929	26,255
Interest paid	(256)	(1,803)
Income taxes paid	—	—
Cash (used in) operating activities	<u>(7,088,500)</u>	<u>(681,475)</u>
Cash flows from investing activities:		
Cash from acquisitions	6,636,343	—
Capital expenditures	(211,928)	(6,389)
Increase to restricted investments securing reclamation	(16,784)	—
Acquisition costs for mineral property interests	(1,846,597)	—
Decrease in other assets	172,782	—
Cash provided by (used in) investing activities	<u>4,733,816</u>	<u>(6,389)</u>
Cash flows from financing activities:		
Sale of subscription receipts for cash, net of issuance costs	—	34,355,250
Exercise of stock options	25,440	—
(Payments on) installment purchase contracts	(1,916)	(1,805)
Cash provided by financing activities	<u>23,524</u>	<u>34,353,445</u>
Increase (decrease) in cash and cash equivalents	<u>(2,331,160)</u>	<u>33,665,581</u>
Cash and cash equivalents, beginning of period	50,921,877	677,518
Cash and cash equivalents, end of period	<u>\$ 48,590,717</u>	<u>\$ 34,343,099</u>
Reconciliation of net (loss) to cash (used in) operating activities:		
Net (loss)	\$ (8,724,358)	\$ (68,763,966)
Items not providing/requiring cash:		
Change in interest receivable	4,456	(145,911)
Stock option expense	438,818	268,000
Accretion of asset retirement obligation	194,839	65,927
Change in value of derivative	—	67,016,259
Depreciation and amortization	47,416	5,561
(Increase) in other assets related to operations	—	(33)
Increase in liabilities related to operations	950,329	872,688
Cash (used in) operating activities	<u>\$ (7,088,500)</u>	<u>\$ (681,475)</u>

The accompanying notes are an integral part of these consolidated financial statements.

US GOLD CORPORATION

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS March 31, 2007

1. Summary of Significant Accounting Policies

Basis of Presentation. US Gold Corporation (the "Company") was organized under the laws of the State of Colorado on July 24, 1979. Since its inception, the Company has been engaged in the exploration for, development of, and production and sale of gold and silver. The interim condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

In management's opinion, the condensed consolidated balance sheets as of March 31, 2007 (unaudited) and December 31, 2006, and the condensed unaudited statements of operations and statements of cash flows for the three month periods ended March 31, 2007 and 2006, contained herein, reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of our financial position, results of operations and cash flows on a basis consistent with that of our prior audited consolidated financial statements. However, the results of operations for the interim period may not be indicative of results to be expected for the full fiscal year. It is suggested that these financial statements be read in conjunction with the audited financial statements and notes thereto included in the Company's Form 10-KSB for the year ended December 31, 2006. Certain reclassifications have been made in the financial statements for the three months ended March 31, 2006 to conform to accounting and financial statement presentations for the period ended March 31, 2007. The changes had no effect on Net (loss) for the three months ended March 31, 2006.

Basis of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as well as the accounts of the majority owned interest of three exploration companies acquired effective March 28, 2007, as more fully disclosed in Note 2. Significant intercompany accounts and transactions have been eliminated.

Estimates. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Per Share Amounts. SFAS 128, "Earnings Per Share," provides for the calculation of "Basic" and "Diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing income available to common shareholders by the weighted-average number of shares outstanding during the period (51,748,474 and 33,296,755 for the three month periods ended March 31, 2007 and 2006). Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of the Company, similar to fully diluted earnings per share. For the three months ended March 31, 2007 and 2006, subscription receipts, brokers options, warrants and stock options are not considered in the computation of diluted earnings per share as their inclusion would be antidilutive.

2. Business Acquisitions

On February 12, 2007, the Company commenced formal offers to acquire, in stock transactions, all of the outstanding common shares of Nevada Pacific Gold Ltd. ("Nevada Pacific"), Tone Resources Limited ("Tone Resources") and White Knight Resources Ltd. ("White Knight"). The offers to purchase the shares were conducted by way of take-over bids pursuant to securities legislation in the United States and Canada.

On March 23, 2007, the Company's wholly-owned subsidiary, US Gold Canadian Acquisition Corporation ("Canadian Exchange Co."), took up and accepted the shares tendered by the shareholders of each of Nevada Pacific, Tone Resources and White Knight (the "Targets" or "Target Companies"). Subsequent to March 23, 2007, the Company completed several key steps necessary to achieve full control over the assets and operations of the acquired companies, including the appointment of its nominees to the respective boards. On March 28, 2007, payment for the common shares tendered to the offers and not withdrawn, was made through issuance of exchangeable shares of Canadian Exchange Co.

The Company plans to acquire any common shares of each of the Target Companies not purchased pursuant to the offers through a statutory plan of arrangement (comparable to a merger in the United States) or similar transaction under Canadian law providing for a mandatory exchange of all remaining outstanding common shares of the Target Companies for additional exchangeable shares of Canadian Exchange Co., which we expect we will structure so that warrants to purchase the Target Company's common shares would be exchanged for warrants to purchase exchangeable shares of Canadian Exchange Co. at the same exchange rate offered in the offers and we or Canadian Exchange Co. would assume or adopt the Target Company stock option plans.

In consideration for the acquisition of Nevada Pacific, Canadian Exchange Co issued 0.23 exchangeable shares of Canadian Exchange Co. for each share of Nevada Pacific tendered and accepted by us, totaling approximately 13,634,004 shares. The shares tendered represented approximately 83.5% of the outstanding shares of Nevada Pacific as of March 23, 2007.

In consideration for the acquisition of Tone Resources, Canadian Exchange Co issued 0.26 exchangeable shares of Canadian Exchange Co. for each share of Tone Resources tendered and accepted by us, totaling approximately 4,886,110 shares. The shares tendered represented approximately 89.4% of the outstanding shares of Tone Resources as of March 23, 2007.

In consideration for the acquisition of White Knight, Canadian Exchange Co issued 0.35 exchangeable shares of Canadian Exchange Co. for each share of White Knight tendered and accepted by us, totaling approximately 19,507,560 shares. The shares tendered represented approximately 93.7% of the outstanding shares of White Knight as of March 23, 2007.

The exchangeable shares, which are traded on the Toronto Stock Exchange under symbol UXE.TO, by virtue of the redemption and exchange rights attaching to them and the provisions of certain voting and support agreements, are intended to provide the holders with the economic and voting rights that are, as nearly as practicable, equivalent to those of a holder of a share of common stock of the Company. Accordingly, the exchangeable shares are included as part of the consolidated share capital of the Company.

Each warrant or stock option of the Target Companies which gives the holder the right to acquire common shares of each of the Targets, when presented for exercise, will be structured to be effectively exchanged for warrants to purchase exchangeable shares of Canadian Exchange Co., at the same exchange rate offered in the offers, and we or Canadian Exchange Co. would assume or adopt the Target Company stock option plans. The options and warrants of the Targets to be exercised in exchange for the Company's shares have been included as part of the purchase price consideration at their fair values based on the Black-Scholes pricing model.

	Warrants	Stock Options
Nevada Pacific	\$ 12,365,070	\$ 2,252,353
Tone Resources	\$ 3,587,662	\$ 1,069,183
White Knight	\$ —	\$ 1,144,500

The principal assumptions used in applying the Black-Scholes option pricing model were as follows:

Risk-free interest rate	5%
Dividend yield	N/A
Volatility factor	102%
Expected life – options	0.25-4 years
Remaining periods to expiration dates – warrants	9-14 months

The business combinations have been accounted for as a purchase transaction, with the Company being identified as the acquirer and each of Nevada Pacific, Tone Resources and White Knight as the acquirees pursuant to SFAS 141 *Business Combinations*.

The measurement of the purchase consideration is based on market prices of the Company's common stock 2 days before and 2 days after the announcement date of March 5, 2006, which was \$5.90 per share.

The preliminary allocation of the purchase price of the shares of Nevada Pacific, Tone Resources and White Knight is summarized in the following table and is subject to further refinement:

	White Knight	Nevada	Tone	Total
Preliminary purchase price:				
Exchangeable shares of US Gold Canadian Acquisition Corporation issued on acquisition	\$ 115,094,604	\$ 80,440,624	\$ 28,828,049	\$ 224,363,277
Stock options to be exchanged for options of US Gold Corporation	1,144,500	2,252,353	1,069,183	4,466,036
Share purchase warrants to be exchanged for warrants of US Gold Corporation	—	12,365,070	3,587,662	15,952,732
Acquisition costs	2,009,186	1,643,073	578,784	4,231,043
	<u>\$ 118,248,290</u>	<u>\$ 96,701,120</u>	<u>\$ 34,063,678</u>	<u>\$ 249,013,088</u>
Net assets acquired:				
Cash and cash equivalents	\$ 5,389,982	\$ 208,390	\$ 1,037,971	\$ 6,636,343
Other current assets	156,535	508,960	16,066	681,561
Other assets (long term)	—	283,976	17,030	301,006
Property, plant and equipment, net	1,220,502	8,511,779	—	9,732,281
Mineral property interests	151,981,584	127,076,604	48,055,025	327,113,213
Reclamation bonds	221,855	87,683	30,145	339,683
Accounts payable and accrued liabilities	(217,540)	(2,068,412)	(138,127)	(2,424,079)
Other liabilities	—	(75,161)	—	(75,161)
Retirement obligation	(143,760)	(1,691,130)	—	(1,834,890)
Future income tax liability	(52,878,383)	(44,423,633)	(16,799,150)	(114,101,166)
Minority interest	(462,874)	(904,548)	(100,282)	(1,467,704)
Net identifiable assets	105,267,901	87,514,508	32,118,678	224,901,087
Residual purchase price allocated to goodwill	12,980,389	9,186,612	1,945,000	24,112,001
	<u>\$ 118,248,290</u>	<u>\$ 96,701,120</u>	<u>\$ 34,063,678</u>	<u>\$ 249,013,088</u>

Minority interests have been assigned to the 16.5%, 10.6% and 6.3% interests in each of Nevada Pacific, Tone Resources and White Knight that the Company did not own as of March 28, 2007 or at March 31, 2007.

The purchase consideration for the mining assets exceeded the carrying value of the underlying assets for tax purposes by approximately \$212,292,415. This amount has been applied to increase the carrying value of the mineral properties for accounting purposes. However, this did not increase the carrying value of the underlying assets for tax purposes and resulted in a temporary difference between accounting and tax value. The resulting estimated future income tax liability associated with this temporary difference of approximately \$114,101,166 was also applied to increase the carrying value of the mineral properties.

For the purposes of these consolidated financial statements, the purchase consideration has been allocated on a preliminary basis to the fair value of assets acquired and liabilities assumed, with goodwill assigned to specific reporting units, based on management's best estimates and taking into account all available information at the time these consolidated financial statements were prepared. The Company will continue to review information relating to each of the Targets' assets and intends to perform further analysis with respect to these assets, including an independent valuation, prior to finalizing the allocation of the purchase price. This process will be performed in accordance with EITF Abstracts, Issue No. 04-3, *Mining Assets: Impairment and Business Combinations*. Although the results of this review are presently unknown, it is anticipated that it will result in a change to the amount assigned to goodwill and a change to the value attributable to tangible assets.

SFAS 141 "Business Combinations" require supplemental information on a pro forma basis to disclose the results of operations for the interim period as though the business combination had been completed as of the beginning of the periods being reported on.

The following table sets forth on a pro forma basis, the results of US Gold, had the acquisition of the Targets been completed on January 1, 2007 and 2006:

<u>Three months ended March 31, 2007</u>	<u>U.S. Gold Corporation</u>	<u>White Knight Resources Ltd.</u>	<u>NevadaPacific Gold Ltd.</u>	<u>Tone Resources Limited (a)</u>	<u>Combined</u>
Revenue	\$ —	\$ —	\$ —	\$ —	\$ —
Net (loss) for the period	(8,724,358)	(4,354,156)	(2,435,298)	(185,120)	(15,698,932)
(Loss) per share					\$ (0.18)

<u>Three months ended March 31, 2006</u>	<u>U.S. Gold Corporation</u>	<u>White Knight Resources Ltd.</u>	<u>NevadaPacific Gold Ltd.</u>	<u>Tone Resources Limited (a)</u>	<u>Combined</u>
Revenue	\$ —	\$ —	\$ 1,389,694	\$ —	\$ 1,389,694
Net (loss) for the period	(68,763,966)	(2,129,745)	(1,222,450)	(307,939)	(72,424,100)
(Loss) per share					\$ (1.02)

(a) Reflects Tone's results for the three months period ended February 28, 2007 and 2006

3. Mineral Properties and Retirement Obligations

The Company owns 100% of Tonkin Springs LLC, a Delaware limited liability company ("TSLLC") which, in turn, owns the Tonkin gold property located in Eureka County, Nevada. During 2006, the Company initiated an extensive multi-year, property-wide, integrated exploration program at Tonkin with drilling expected to continue into 2008. This program contemplates completing approximately 400,000 feet of drilling at a total cost of approximately \$30 million. Of that amount, the Company spent approximately \$9.2 million in 2006 and approximately \$6.7 million during the three month period ended March 31, 2007.

The Company, through TSLLC, controls the approximate 46 square mile Tonkin project, located on the Cortez Trend. In addition to the Tonkin property, effective March 28, 2007, the Company acquired majority interests of the Target Companies. The following is a general description of each of the Target Companies' mineral properties, based on initial property reviews:

Nevada Pacific holds an exploratory property portfolio covering approximately 890 square miles of mineral rights in Mexico, including the Magistral Gold Mine, as well as eleven properties in Nevada and one in Utah. The Nevada property portfolio covers approximately 85 square miles, including land packages in two significant gold producing regions: the Battle Mountain/Eureka Trend/Cortez Trend and the Carlin Trend.

White Knight controls a large land holding in Nevada, with most of the properties located in the Cortez Trend. Its portfolio includes 19 properties totaling over 115 square miles; 15 of the properties are located in the Cortez Trend. Four of these properties are joint ventured to various companies subject to earn-in agreements. Barrick Gold has earned in to 60% controlling interest in the Patty (Indian Ranch) Project, with White Knight retaining approximately 30%, and Chapleau retaining 10%. In the three remaining joint ventures White Knight holds 100% ownership with the joint ventures currently advancing.

Tone Resources controls substantially all mineral interests in seven properties totaling approximately 7 square miles, and located in Elko, Eureka, Lander, and Pershing counties in Nevada. Tone Resources' mineral properties were acquired from KM Exploration Ltd., a private company with a former common director, or were staked by that former Tone director. The properties are subject to a royalty of 1% of net smelter returns, excepting the Red Ridge property, portions of which are subject to a royalty of 4% of net smelter returns.

Based on initial property reviews, the current consolidated Nevada land package for the consolidated group is close to 250 square miles, of which approximately 70%, or 170 square miles, is on the Cortez trend.

The Company is responsible for reclamation of certain past and future disturbances at the Tonkin property. The Company maintains required bonding and at March 31, 2007 has cash bonding in place of \$3,119,101. The Company completed an updated reclamation cost estimate during the first quarter of 2007 which has been submitted to the BLM for review. In connection with the acquisition of majority interest in the Target Companies effective March 28, 2007, the Company assumed and consolidated the respective asset retirement and reclamation obligations of those companies, as reflected in the table below, as well as \$339,683 in restrictive deposits to secure those obligations.

Related to its obligations, the Company follows SFAS 143 "Accounting for Asset Retirement Obligations." The following is a reconciliation of the aggregate of asset retirement obligation projected for books since January 1, 2007:

Asset retirement and reclamation liability-January 1, 2007	\$ 3,605,452
Retirement expenditures during three months ended March 31, 2007	(86,456)
Accretion of liability at 8.72% annual rate	194,839
Retirement and reclamation liability of Target Companies	<u>1,834,890</u>
Asset retirement and reclamation liability-March 31, 2007	<u>\$ 5,548,725</u>

It is anticipated that the capitalized asset retirement costs will be charged to expense based on the units of production method commencing with gold or silver production of the various mineral properties, if any. There was no projected adjustment during 2007 for amortization expense of capitalized asset retirement cost required under SFAS 143 since none of these properties were in operation. Actual asset retirement and reclamation, generally, will be commenced upon the completion of operations at the property.

4. Property and Equipment

At March 31, 2007, property and equipment consisted of the following:

Trucks & trailers	\$ 850,695
Office furniture and equipment	444,619
Drill Rigs	1,114,702
Building	607,913
Deferred mine costs	6,090,187
Mining Equipment	<u>1,686,962</u>
Subtotal	10,795,078
Less: accumulated depreciation	(156,047)
Total	<u>\$ 10,639,031</u>

Depreciation and amortization expense for the three month periods ended March 31, 2007 and 2006 were \$47,416 and \$5,561 respectively.

5. Income Taxes

Beginning January 1, 2007, FIN 48, Accounting for Uncertainty in Income Taxes, became effective and the Company adopted the provisions of FIN 48. FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized. An entity is required to recognize the best estimate of a tax position if that position is more likely than not to be sustained upon examination, based solely on the technical merits of the position. The Company has determined that the adoption of FIN 48 has had no impact on its consolidated financial statements, except as described below.

On March 28, 2007, the Company completed the acquisition of certain businesses, as more fully described in Note 2. The Company is currently in the process of completing its due diligence and independent valuations of the assets and liabilities assumed, including any potential items giving rise to a liability under FIN 48. Upon completion of the due diligence and valuation exercise the Company will record additional liabilities, if any, arising from the adoption of FIN 48 as part of its purchase price allocation.

6. Shareholders' Equity

As explained further in Note 2, effective March 28, 2007, the Company's wholly-owned subsidiary, Canadian Exchange Co., took up and accepted the shares tendered by the shareholders of the Target Companies and issued 38,027,674 exchangeable shares in payment for the tendered shares of the Targets. The exchangeable shares, by virtue of the redemption and exchange rights attaching to them and the provisions of certain voting and support agreements, are intended to provide the holders with the economic and voting rights that are, as nearly as practicable, equivalent to those of a holder of shares of common stock of the Company. Accordingly, the exchangeable shares are included as part of the consolidated share capital of the Company. As of May 11, 2007, 9,352,564 exchangeable shares of Canadian Exchange Co. had been converted into an equivalent number of common shares of the company.

On February 22, 2006, the Company completed a private placement of 16,700,000 subscription receipts ("Subscription Receipts") at \$4.50 per Subscription Receipt, from which the Company received \$75,150,000 in gross proceeds (the "Private Placement"). Of that total, \$34,940,510 (net of issuance costs) were immediately received by the Company with the balance of \$34,355,250 (net of issuance costs) received by the Company August 10, 2006 with release of escrowed funds for a total of \$69,295,760 in net proceeds. Also effective August 10, 2006, each Subscription Receipt was converted, for no additional payment, into one share of the Company's common stock and one-half of one common stock purchase warrant ("Warrant"). Each whole Warrant is exercisable until February 22, 2011 to acquire one additional share of common stock at an exercise price of \$10.00.

Under applicable accounting rules, the Company accounted for the sale of the Subscription Receipts using derivative instrument accounting. When derivative accounting is required, the Company deducts the fair value of the derivative instrument from the proceeds of sales of the equity instrument. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. The Company uses the Cox-Robb-Rubinstein binomial option pricing model to value the Warrants and the embedded conversion right components of any bifurcated embedded derivative instruments that are recorded as derivative liabilities.

On July 24, 2006, the Company entered into agreements that modified the terms of the indentures executed in connection with the Private Placement. The execution of the Supplemental Indentures terminated derivative financial instrument accounting treatment for the Warrants and the Subscription

Receipts effective July 24, 2006, and the derivative liability balance determined at that date was reclassified into common stock within shareholders' equity.

Stock Options. During January 2007, the Company issued 12,000 shares upon exercise of stock option agreements at an exercise price of \$2.12 per share for proceeds of \$25,440.

Effective January 1, 2006, the Company implemented the rules of SFAS 123, "Accounting for Stock-Based Compensation," which requires the Company to expense as compensation the value of grants and options under the Company's stock option plan as determined in accordance with the fair value based method prescribed in SFAS 123.

The Company estimates the fair value of each stock option at the grant date by using the Black-Scholes option-pricing model. Related to this implementation, the Company recorded an increase in Capital Stock of \$337,476 and a corresponding charge to Accumulated (deficit) to reflect the prior year's effect of this implementation, and during the three months ended March 31, 2006 and 2007, expensed \$268,000 and \$438,818 of similar costs related to the service period. Related to the acquisitions of the Target Companies, at March 31, 2007, there remains \$1,470,704 of future expense related to existing stock option grants which will be expensed: \$803,983 during the remainder of 2007, \$483,021 during 2008 and \$183,021 during 2009.

7. Related Party Transactions

Robert R. McEwen. On February 12, 2007, we commenced formal offers to acquire all the outstanding shares of the Target Companies. These offers expired on March 23, 2007 and we took up and paid for all of the common shares of the Target Companies that were validly tendered and not withdrawn shortly thereafter. Prior to the commencement of the tender offers, Robert McEwen, our Chairman, Chief Executive Officer and the owner of more than 10% of our common stock, held securities of each of the three Target Companies. He also served on the boards of directors of Nevada Pacific and Tone Resources prior to resigning in May 2006. Mr. McEwen owned 9,552,427 common shares of White Knight, 12,500,000 common shares of Nevada Pacific and warrants exercisable to acquire 12,500,000 common shares of Nevada Pacific and 2,500,000 common shares of Tone Resources and warrants to acquire 2,500,000 common shares of Tone Resources.

In connection with our offers, Mr. McEwen tendered all of his shares in the Target Companies and received exchangeable shares of Canadian Exchange Co., which are exchangeable on a one-for-one basis with our common stock. Mr. McEwen received exchangeable shares on the same basis as the other shareholders of the Target Companies, for a total of 6,868,350 exchangeable shares.

Effective January 1, 2007, we entered into a management services agreement ("Services Agreement") with 2083089 Ontario Inc. ("208") pursuant to which 208 agreed to provide us with services including public and investor relations, market analysis and research, property evaluation, sales and marketing and other administrative support during the term of the Services Agreement. The Services Agreement extends until December 31, 2007 and provided for total payments of approximately \$366,500. This Service Agreement is substantially similar to the Services Agreement with 208 which terminated December 31, 2006. During the three months ended March 31, 2007, the Company accrued and paid 208 \$83,895 under the 2007 Services Agreement. Since the 2006 agreement was not entered into until June 1, 2006, no similar expense was recorded for the three months ended March 31, 2006. A company owned by Robert McEwen is the owner of 208, and Mr. McEwen is the chief executive officer and sole director of 208.

Ann S. Carpenter. Prior to the commencement of the tender offers, Ms. Carpenter, our President and Chief Operating Officer, held securities of two of the three Target Companies. Ms. Carpenter owned 4,000 common shares of White Knight and 5,000 common shares of Nevada Pacific. Ms. Carpenter tendered all of her shares in the Target Companies and received exchangeable shares of Canadian Exchange Co., which are exchangeable on a one-for-one basis with our common stock. Ms. Carpenter received exchangeable shares on the same terms as the other shareholders of the Target Companies, for a total of 2,550 exchangeable shares.

8. Restatement

The consolidated unaudited statement of operations for the three months ended March 31, 2006 has been restated to reverse the amortization expense related to offering costs related to the financing completed February 22, 2006 (see Note 7). The Company initially amortized the offering costs until the subscription receipts were converted into common stock and warrants, effective August 10, 2006, when the balance of offering costs were charged against the gross proceeds of the offering. As specific costs directly attributable to a proposed or actual offering of securities are to be deferred and charged against the gross proceeds of the offering, the total of offering costs should have been deferred without amortization and charged to capital stock with the conversion of the subscription receipts. These restatements had the impact of decreasing the net loss for the three months ended March 31, 2006 by \$67,078.

The following table of summarized unaudited consolidated statements of operations for the three months ended March 31, 2006, reconciles the reported amounts to the restated amounts:

Summarized Consolidated Statement of Operations-Three months ended March 31, 2006, Unaudited	As Reported	Adjustments	As Restated
Amortization of offering costs	\$ 67,078	\$ (67,078)	\$ —
Total costs and expenses	68,985,863	(67,078)	68,916,982
(Loss) before income taxes	(68,831,044)	67,078	(68,763,966)
Net (loss)	<u>(68,831,044)</u>	<u>67,078</u>	<u>(68,763,966)</u>
Basic and diluted net (loss) per share data:			
Basic and diluted	<u>\$ (2.07)</u>	<u>\$ —</u>	<u>\$ (2.07)</u>

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Overview

The following discussion updates our plan of operation for the foreseeable future. It also analyzes our financial condition at March 31, 2007 and compares it to our financial condition at December 31, 2006. Finally, the discussion summarizes the results of our operations for the three months ended March 31, 2007 and compares those results to the three month period ended March 31, 2006. We suggest that you read this discussion in connection with the MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION contained in our annual report on Form 10-KSB for the year ended December 31, 2006.

On March 5, 2006, the Company announced its intention to acquire, in stock transactions, all of the outstanding common shares of Nevada Pacific Gold Ltd. ("Nevada Pacific"), Tone Resources Limited ("Tone Resources"), White Knight Resources Ltd. ("White Knight") and Coral Gold Resources Ltd. ("Coral Gold"). In December 2006, the Company decided not to pursue the proposal to acquire Coral Gold. The offers to purchase the shares of the other target companies were commenced on February 12,

2007 and were conducted by way of take-over bids pursuant to securities legislation in the United States and Canada.

On March 23, 2007 the Company's wholly-owned subsidiary, US Gold Canadian Acquisition Corporation ("Canadian Exchange Co."), took up and accepted the shares tendered by the shareholders of each of Nevada Pacific, Tone Resources and White Knight (the "Targets" or "Target Companies"). Subsequent to March 23, 2007, the Company completed several key steps necessary to achieve full control over the assets and operations of the acquired companies, including the appointment of its nominees to the respective boards. On March 28, 2007, payment for the common shares of the target companies tendered to the offers and not withdrawn was made and we issued 38,027,674 exchangeable shares of Canadian Exchange Co. Through May 11, 2007, 9,352,564 exchangeable shares of Canadian Exchange Co had been converted into an equivalent number of common shares of the Company.

We plan to acquire any common shares of each of the Target Companies not purchased pursuant to the offers through a statutory plan of arrangement (similar to a merger in the United States) or similar transaction under Canadian law providing for a mandatory exchange of all remaining outstanding common shares of the Target Companies for additional exchangeable shares of Canadian Exchange Co., which we expect we will structure so that warrants to purchase the Target Company's common shares would be exchanged for warrants to purchase exchangeable shares of Canadian Exchange Co. at the same exchange rate offered in the offers and we or Canadian Exchange Co. would assume or adopt the Target Company stock option plans.

The following is a general description of the mineral properties of the Target Companies and US Gold:

Nevada Pacific holds an exploratory property portfolio covering approximately 890 square miles of mineral rights in Mexico, including the Magistral Gold Mine, as well as eleven properties in Nevada and one in Utah. The Nevada property portfolio covers approximately 85 square miles, including land packages in two significant gold producing regions: the Battle Mountain/Eureka Trend/Cortez Trend and the Carlin Trend.

White Knight controls a large land holding in Nevada, with most of the properties located in the Cortez Trend. Its portfolio includes 19 properties totaling over 115 square miles; 15 of the properties are located in the Cortez Trend. Four of these properties are joint ventured to various companies subject to earn-in agreements. Barrick Gold has earned in to 60% controlling interest in the Patty (Indian Ranch) Project, with White Knight retaining approximately 30%, and Chapleau retaining 10%. In the three remaining joint ventures White Knight holds 100% ownership with the joint ventures currently advancing.

Tone Resources controls substantially all mineral interests in seven properties totaling approximately 7 square miles, and located in Elko, Eureka, Lander, and Pershing counties in Nevada. Tone Resources' mineral properties were acquired from KM Exploration Ltd., a private company with a former common director, or were staked by that former Tone director. The properties are subject to a royalty of 1% of net smelter returns, excepting the Red Ridge property, portions of which are subject to a royalty of 4% of net smelter returns.

The Company, through TSLLC, controls the approximately 46 square mile Tonkin project, located on the Cortez Trend. Based on initial property reviews, the current consolidated Nevada land package for the four companies is close to 250 square miles, of which approximately 70%, or 170 square miles, is on the Cortez trend.

Plan of Operation

Our plan of operation for 2007 is to continue an extensive multi-year exploration and evaluation program at the Tonkin property, and to evaluate and integrate, if possible, exploration on the mineral properties acquired with the Target Company acquisitions. The company-wide exploration budget for 2007 is approximately \$20 million, of which approximately \$6.7 million has been spent at the Tonkin project during the three months ended March 31, 2007.

We have incurred significant fees and expenses in connection with the acquisitions of the Target Companies with \$6.8 million expensed during the year ended December 31, 2006, including investment banking, legal and accounting fees, and expect to incur additional fees and expenses in the future. For the 2007 period and through March 31, we have incurred or accrued approximately \$4.6 million of such costs of which \$4 million were expensed prior to the acquisitions being deemed probable, and \$4.2 million capitalized in the costs of the acquisitions. Moreover, we are likely to incur additional expenses in future periods in connection with the integration of the Target Companies' businesses with our business.

We expect to devote substantial efforts during 2007 to the integration of these acquisitions. This process will involve significant executive time, considerable expenditures related to professional fees and other related costs. These efforts are not expected to directly impact our exploration and evaluation of the Tonkin property or the acquired properties of the Target Companies.

Liquidity and Capital Resources

As of March 31, 2007, we had working capital of \$40,360,915 comprised of current assets of \$49,523,577 and current liabilities of \$9,162,662. This represents a decrease of approximately \$7,442,451 from the working capital of \$47,803,366 from fiscal year end December 31, 2006.

Net cash used in operations increased to \$7,088,500 for the three months ended March 31, 2007 from \$681,475 for the corresponding period in 2006. Cash paid to suppliers, consultants and employees increased to \$7,652,173 during the 2007 period from \$705,927 during the 2006 period, primarily reflecting increased payments to consultants in connection with exploration, property holding costs and fees and expenses in connection with the proposed acquisitions.

Our exploration program at Tonkin Springs as discussed above is budgeted for approximately \$20 million for years 2007 and possibly into 2008, for which we believe we have enough cash on hand to fund. In addition, costs and expenses related to integration of the Target Companies are anticipated to involve substantial expenses, currently estimated at approximately \$1 million. Our only source of capital at present is from equity financing since we have no revenue. We anticipate that we will be able to attract additional equity funding as a result of the Target Companies.

Cash provided by investing activities was \$4,733,816 for the first quarter of 2007, primarily reflecting approximately \$6.6 million of cash acquired with the Target acquisitions, compared to cash used of \$(6,389) in the comparable period of 2006. Cash flow provided by financing activities decreased to \$23,524 in the first quarter of 2007 compared to \$34,353,445 in the comparable period of 2006, primarily reflecting the financing completed February 22, 2006 of \$34,355,250 net of issuance cost.

2006 Financing. On February 22, 2006, the Company completed a private placement of 16,700,000 subscription receipts ("Subscription Receipts") at \$4.50 per Subscription Receipt, from which the Company received \$75,150,000 in gross proceeds (the "Private Placement"). Of

that total, \$34,940,510 (net of issuance costs) were immediately received by the Company with the balance of \$34,355,250 (net of issuance costs) received by the Company August 10, 2006 with release of escrowed funds for a total of \$69,295,760 in net proceeds. Also effective August 10, 2006, each Subscription Receipt was converted, for no additional payment, into one share of the Company's common stock and one-half of one common stock purchase warrant ("Warrant"). Each whole Warrant is exercisable until February 22, 2011 to acquire one additional share of common stock at an exercise price of \$10.00. As noted below, the 2006 financing required the Company to employ Derivative Instrument accounting at the issuance date and March 31, 2006, due to certain provisions included in that financing.

Results of Operations

Three month period ended March 31, 2007 compared to 2006

For the three months ended March 31, 2007, we recorded a net loss of \$(8,724,358), or \$(0.17) per share, compared to a loss for the corresponding period of 2006 of \$(68,763,966) or \$(2.07) per share. The substantial decrease in net loss from 2006 was primarily the result of the absence of Derivative Instrument expense of \$67,016,259 in the 2007 period. In July 2006, the Company entered into agreements that modified the terms of the indentures related to the February 2006 financing, and the derivative liability balance determined at that date was reclassified into common stock within shareholders' equity during the third quarter ended September 30, 2006.

General and administrative expense increased \$354,118 in the three months ended March 31, 2007 compared to the same period of 2006, primarily due to increase in shareholder communication costs and salaries. Acquisition costs for the 2007 period until the date the acquisitions were considered probable, which was approximately January 31, 2007, were \$451,422 while during the corresponding period of 2006, \$526,382 was recorded. Property holding costs related to the Tonkin project increased slightly to \$569,140 during the 2007 period compared to \$416,942 in 2006. Exploration costs in 2007 were \$6,689,216, reflecting an active drilling program, while during the same period of 2006, the exploration program was primarily in the planning and evaluation phase with costs of \$74,771. Stock option expense increase to \$438,818 in the 2007 period compared to \$268,000 for the same three months of 2006 reflecting the effect of additional stock options granted during 2006. Accretion of asset retirement obligation at Tonkin increased to \$194,839 for the three months ended March 31, 2007, compared to \$65,927 in the same period of 2006, reflecting the updated reclamation cost estimate developed in late 2006. Interest income increased to \$559,473 in the 2007 period compared to \$154,819 in 2006, reflecting higher average levels of interest bearing deposits during the 2007 period.

Forward-Looking Statements

This Form 10-Q contains or incorporates by reference "forward-looking statements," as that term is used in federal securities laws, about our financial condition, results of operations and business. These statements include, among others:

- statements concerning the benefits that we expect will result from our business activities and certain transactions that we contemplate or have completed, such as increased revenues, decreased expenses and avoided expenses and expenditures; and
- statements of our expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts.

These statements may be made expressly in this document or may be incorporated by reference to other documents that we will file with the SEC. You can find many of these statements by looking for words such as “believes,” “expects,” “anticipates,” “estimates” or similar expressions used in this report or incorporated by reference in this report.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause our actual results to be materially different from any future results expressed or implied in those statements. Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied. We caution you not to put undue reliance on these statements, which speak only as of the date of this report. Further, the information contained in this document or incorporated herein by reference is a statement of our present intention and is based on present facts and assumptions, and may change at any time and without notice, based on changes in such facts or assumptions.

Risk Factors Impacting Forward-Looking Statements

The important factors that could prevent us from achieving our stated goals and objectives include, but are not limited to, those set forth in its other reports filed with the SEC and the following:

- The worldwide economic situation;
- Any change in interest rates or inflation;
- The willingness and ability of third parties to honor their contractual commitments;
- Our ability to raise additional capital, as it may be affected by current conditions in the stock market and competition in the gold mining industry for risk capital;
- Our costs of production;
- Environmental and other regulations, as the same presently exist and may hereafter be amended;
- Our ability to identify, finance and integrate other acquisitions; and
- Volatility of our stock price.

The Company undertakes no responsibility or obligation to update publicly these forward-looking statements, but may do so in the future in written or oral statements. Investors should take note of any future statements made by or on our behalf.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our exposure to market risks includes, but is not limited to, the following risks: changes in foreign currency exchange rates, changes in interest rates, equity price risks, and commodity price fluctuations. We do not use derivative financial instruments as part of an overall strategy to manage market risk.

Foreign Currency Risk

While we transact most of our business in US dollars, some expenses, purchases of labor, operating supplies and capital assets are denominated in Canadian dollars or Mexican pesos. As a result, currency exchange fluctuations may impact the costs incurred at our operations. The appreciation of non-US dollar currencies against the US dollar increases costs and the cost of capital assets in US dollar terms at our properties located outside the US, which can adversely impact our net income and cash flows. Conversely, a depreciation of non-US dollar currencies usually decreases production costs and capital asset purchases in US dollar terms.

The value of cash and cash equivalent investments denominated in foreign currencies also fluctuates with changes in currency exchange rates. Appreciation of non-US dollar currencies results in a foreign currency gain on such investments and a decrease in non-US dollar currencies results in a loss. We have not utilized market risk sensitive instruments to manage our exposure to foreign currency exchange rates but may in the future actively manage our exposure to foreign currency exchange rate risk. We also hold portions of our cash reserves in non-US dollar currencies.

Interest Rate Risk

We have no debt outstanding nor do we have any investment in debt instruments other than highly liquid short-term investments. Accordingly, we consider our interest rate risk exposure to be insignificant at this time.

Equity Price Risk

We have in the past sought and may in the future seek to acquire additional funding by sale of common stock. Movements in the price of our common stock has been volatile in the past and may also be volatile in the future. As a result, there is a risk that we may not be able to sell new common shares at an acceptable price should the need for new equity funding arise.

Commodity Price Risk

We currently do not have any production at any of our units and expect to be engaged in exploration activities for the foreseeable future. However, if we commence production and sales, changes in the price of gold could significantly affect our results of operations and cash flows in the future.

Item 4. CONTROLS AND PROCEDURES

(a) We maintain a system of controls and procedures designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of March 31, 2007, under the supervision and with the participation of our Chief Executive Officer and Principal Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective.

(b) Changes in Internal Controls. There were no changes in our internal control over financial reporting during the quarter ended March 31, 2007, that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held a special meeting of shareholders on March 15, 2007. At the meeting, the shareholders approved amendments to the Articles of Incorporation to i) remove provisions related corporate opportunities to allow the Board of Directors to adopt and maintain an updated corporate opportunity policy, ii) replace vague and outdated references to statutory provisions, and iii) to create a new class of US Gold stock composed of one share of preferred stock, designated as Series A Special Voting Preferred Stock, no par value, to be issued in connection with the proposed acquisitions. The shareholders also approved the issuance of Canadian Exchange Co. exchangeable shares, and an equivalent number of shares of common stock of US Gold upon exchange of such exchangeable shares, related to the proposed acquisitions of all of the outstanding common shares of each of i) Nevada Pacific, ii) Tone Resources, and iii) White Knight. The votes on these resolutions were as follows:

Amendment of Articles of Incorporation updating corporate opportunity policy		
Votes For: 29,491,492	Votes Against: 187,328	Abstain: 50,662
Amendment of Articles of Incorporation to replacing references to statutory provisions		
Votes For: 29,576,739	Votes Against: 121,209	Abstain: 31,534
Amendment of Articles of Incorporation to create a new class of stock		
Votes For: 29,436,857	Votes Against: 248,856	Abstain: 43,769
Approve the issuance of 21,115,593 exchangeable shares and issuance of an equivalent number of US Gold common stock in connection with the Nevada Pacific offer		
Votes For: 29,540,696	Votes Against: 142,518	Abstain: 46,268
Approve the issuance of 6,743,825 exchangeable shares and issuance of an equivalent number of US Gold common stock in connection with the Tone Resources offer		
Votes For: 29,522,844	Votes Against: 144,263	Abstain: 62,375
Approve the issuance of 23,659,640 exchangeable shares and issuance of an equivalent number of US Gold common stock in connection with the White Knight		
Votes For: 23,538,013	Votes Against: 141,943	Abstain: 49,526

Item 6. Exhibits

The following exhibits are filed with this report:

- 3.1 Amended and Restated Articles of Incorporation filed with the Secretary of State of Colorado on March 16, 2007.
- 10.1 Rights, Privileges, Restrictions and Conditions Attaching to the Exchangeable Shares of US Gold Canadian Acquisition Corporation.
- 10.2 Voting and Exchange Trust Agreement among US Gold Corporation, US Gold Alberta ULC, US Gold Canadian Acquisition Corporation and Computershare Trust Company of Canada dated March 22, 2007.
- 10.3 Support Agreement between US Gold Corporation, US Gold Alberta ULC and US Gold Canadian Acquisition Corporation dated March 22, 2007.
- 31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Robert R. McEwen.
- 31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for William F. Pass.
- 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Robert R. McEwen and William F. Pass.

Exhibit Index

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- 32 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Robert R. McEwen and William F. Pass.

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
US GOLD CORPORATION

Pursuant to § 7-110-107 and part 3 of article 90 of title 7, Colorado Revised Statutes, the undersigned corporation hereby adopts the following Amended and Restated Articles of Incorporation and certifies that (1) these Amended and Restated Articles of Incorporation correctly set forth provisions of the Articles of Incorporation, as amended and supersede the original Articles of Incorporation and all amendments heretofore, and (2) the Amended and Restated Articles of Incorporation as set forth herein were duly adopted by the board of directors and the shareholders on March 15, 2007:

ARTICLE I

NAME

The name of the corporation is US GOLD CORPORATION (hereinafter referred to as the "Corporation").

ARTICLE II

PERIOD OF DURATION

This Corporation shall exist in perpetuity, from and after the date of filing these Amended and Restated Articles of Incorporation with the Secretary of State of Colorado unless dissolved according to law.

ARTICLE III

OBJECTS AND PURPOSES

The objects and purposes for which the Corporation is organized and the nature of the business to be carried on by it are any lawful business or activity and to have and exercise all of the powers and rights conferred by the Colorado Business Corporation Act ("Act").

ARTICLE IV

CAPITAL

A. Classes of Stock. The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is 250,000,001 shares, of which (i) 250,000,000 shares, no par value, shall be Common Stock and (ii) one share, no par value, shall be Preferred Stock (which share shall be designated the Special Voting Share (as defined in Part C of this Article)). The consideration for the issuance of the shares shall be paid to or received by the Corporation in full before their issuance.

B. Common Stock.

(1) *Dividends.* Dividends in cash, property, or shares of the Corporation may be paid upon the Common Stock, as and when declared by the board of directors, out of funds of the Corporation to the extent and in the manner permitted by law.

(2) *Distribution in Liquidation.* Upon any liquidation, dissolution or winding up of the Corporation, and after paying or adequately providing for the payment of all its obligations, the remainder of the assets of the Corporation shall be distributed, either in cash or in kind, pro rata to the holders of Common Stock. The board of directors may, from time to time, distribute to the shareholders in partial liquidation, out of stated capital or capital surplus of the Corporation, a portion of its assets, in cash or property, in the manner permitted and upon compliance with limitations imposed by law.

(3) *Voting Rights; Cumulative Voting.* Each outstanding share of Common stock shall be entitled to one vote and each fractional share of Common Stock shall be entitled to a corresponding fractional vote on each matter submitted to a vote of shareholders. Cumulative voting shall not be allowed in the election of directors of the Corporation.

C. Series A Special Voting Preferred Stock.

(1) *Designation and Amount.* One share of Preferred Stock is hereby constituted as a series of Preferred Stock of the Corporation which shall be designated as the "Series A Special Voting Preferred Stock" (the "Special Voting Share"), the preferences and relative, optional and other special rights of which and the qualifications, limitations or restrictions of which shall be as set forth herein.

(2) *Dividends.* The holder of the Special Voting Share shall not be entitled to receive any portion of any dividend or distribution at any time.

(3) *Voting Rights.* The holder of the Special Voting Share shall have the following voting rights:

(i) The Special Voting Share shall entitle the holder thereof to an aggregate number of votes equal to the number of exchangeable shares ("Exchangeable Shares") of US Gold Canadian Acquisition Corporation, a corporation existing under and governed by the Business Corporations Act of Alberta, Canada ("Canadian Exchange Co."), issued and outstanding from time to time

and which are not owned by the Corporation or any company more than 50% of the outstanding stock of which is owned, directly or indirectly, by the Corporation, by one or more other subsidiaries of the Corporation, or by the Corporation and one or more other subsidiaries of the Corporation (such company, a "Subsidiary").

(ii) Except as otherwise provided herein or by law, the holder of the Special Voting Share and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Corporation.

(iii) Except as set forth herein, the holder of the Special Voting Share shall have no special voting rights, and its consent shall not be required (except to the extent it is entitled to vote with the holders of shares of Common Stock as set forth herein) for taking any corporate action.

(4) *Additional Provisions.*

(i) The holder of the Special Voting Share is entitled to exercise the voting rights attendant thereto in such manner as such holder desires.

(ii) At such time as (A) the Special Voting Share entitles its holder to a number of votes equal to zero because there are no Exchangeable Shares of Canadian Exchange Co. issued and outstanding that are not owned by the Corporation or any Subsidiary, and (B) there is no share of stock, debt, option or other agreement, obligation or commitment of Canadian Exchange Co. which could by its terms require Canadian Exchange Co. to issue any Exchangeable Shares to any person other than the Corporation or any of its Subsidiaries, then the Special Voting Share shall thereupon be retired and cancelled promptly thereafter. Such Special Voting Share shall upon its cancellation, and upon the taking of any action required by applicable law, become an authorized but unissued share of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the board of directors, subject to the conditions and restrictions on issuance set forth herein.

(5) *Reacquired share.* If the Special Voting Share should be purchased or otherwise acquired by the Corporation in any manner whatsoever, then the Special Voting Share shall be retired and cancelled promptly after the acquisition thereof. Such share shall upon its cancellation, and upon the taking of any action required by applicable law, become an authorized but unissued share of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the board of directors, subject to the conditions and restrictions on issuance set forth herein.

(6) *Redemption.* The Special Voting Share is not redeemable.

(7) *Dissolution, Liquidation or Winding Up.* Upon any liquidation, dissolution or winding up of the Corporation, the holder of the Special Voting Share shall not be entitled to any portion of any related distribution.

D. Denial of Preemptive Rights. No holder of any shares of the Corporation, whether now or hereafter authorized, shall have any preemptive or preferential right to acquire any shares or securities of the corporation, including shares or securities held in the treasury of the Corporation.

ARTICLE V

RIGHT OF DIRECTORS TO CONTRACT WITH CORPORATION

No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable solely because of such relationship or interest or solely because such directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction or solely because their votes are counted for such purpose if:

(a) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable to the Corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction.

ARTICLE VI

INDEMNIFICATION OF OFFICERS DIRECTORS AND OTHERS

The Corporation may indemnify each director, officer and any employee or agent of the Corporation, his heirs, executors and administrators, against expenses reasonably incurred or any amounts paid by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer,

employee or agent of the Corporation to the full extent permitted by the Act as now existing or as hereafter amended.

ARTICLE VII

SHAREHOLDER VOTING

One-third of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders.

ARTICLE VIII

LIMITATION ON LIABILITY
OF DIRECTORS

To the fullest extent permitted by the Act, as the same exists or may hereafter be amended, a director of this Corporation shall not be liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director.

ARTICLE IX

VOTING REQUIREMENTS

When, with respect to any action to be taken by the shareholders of the Corporation, the Act requires the vote or concurrence of a greater number of shares, or of any class or series entitled to vote thereon for an "existing corporation" (as defined in the Act) than would otherwise be required, any and all such action shall be taken as required by the Act, as the same may be amended from time to time, as if the Corporation were organized on or after July 1, 1994. This provision is intended to eliminate the two-thirds voting requirement imposed by Section 7-117-101 of the Act on corporations organized before June 30, 1994.

**RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO THE
EXCHANGEABLE SHARES OF US GOLD CANADIAN ACQUISITION CORPORATION**

Exchangeable Shares

The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares are as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions

For the purposes of these share provisions, unless something in the subject matter or context is inconsistent therewith:

“*ABCA*” means the *Business Corporations Act* (Alberta), as amended from time to time.

“*AMEX*” means the American Stock Exchange.

“*Alberta ULC*” means US Gold Alberta ULC, an unlimited liability corporation existing and governed by the laws of the Province of Alberta.

“*Board of Directors*” means the board of directors of the Corporation.

“*Business Day*” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Toronto, Ontario or Denver, Colorado under applicable law.

“*Canadian Dollar Equivalent*” means in respect of an amount expressed in a currency other than Canadian dollars (the “**Foreign Currency Amount**”) at any date the product obtained by multiplying:

(a) the Foreign Currency Amount; by

(b) the noon spot exchange rate on such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on such date for such foreign currency expressed in Canadian dollars as may be deemed by the Board of Directors to be appropriate for such purpose.

“*Common Shares*” means the common shares in the capital of the Corporation.

“*Corporation*” means US Gold Canadian Acquisition Corporation a company incorporated under the *Business Corporations Act* (Alberta).

“*Current Market Price*” means, in respect of a share of US Gold Common Stock on any date, the Canadian Dollar Equivalent of the average closing sales price (computed and rounded to the third decimal

point) on the TSX or the AMEX during a period of 20 consecutive trading days ending not more than five trading days prior to such date or, if the shares of US Gold Common Stock are not then listed on the TSX or the AMEX, on such other stock exchange or automated quotation system on which the shares of US Gold Common Stock are listed or quoted, as the case may be, as may be selected by the Board of Directors for such purpose; provided, however, that if in the opinion of the Board of Directors the public distribution or trading activity of shares of US Gold Common stock during such period is inadequate to create a market that reflects the fair market value of a share of US Gold Common Stock, then the Current Market Price of a share of US Gold Common Stock shall be determined by the Board of Directors based upon the advice of such qualified independent financial advisors as the Board of Director may deem to be appropriate, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding.

"Dividend Amount" means an amount equal to the full amount of all dividends and distributions declared and unpaid on each Exchangeable Share and all dividends and distributions declared on a share of US Gold Common Stock that have not been declared on each Exchangeable Share in accordance with Section 3.1, in each case with a record date prior to the effective date of the purchase, redemption or other acquisition of such Exchangeable Share pursuant to ARTICLE 5, ARTICLE 6 or ARTICLE 7.

"Exchangeable Shares" means the exchangeable shares in the capital of the Corporation, having the rights, privileges, restrictions and conditions set forth in these Share Provisions.

"LCR Exercising Party" has the meaning set out in Section 5.2(1).

"Liquidation Amount" has the meaning ascribed thereto Section 5.1(1).

"Liquidation Call Purchase Price" has the meaning set out in Section 5.2(1).

"Liquidation Call Right" has the meaning ascribed thereto in Section 5.2(1).

"Liquidation Date" has the meaning ascribed thereto in Section 5.1(1).

"Person" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status.

"RCR Exercising Party" has the meaning set out in Section 6.2(1).

"Redemption Call Purchase Price" has the meaning set out in Section 7.2(1).

"Redemption Call Right" has the meaning ascribed thereto in Section 7.2(1).

"Redemption CR Exercising Party" has the meaning set out in Section 7.2(1).

"Redemption Date" means the earlier of (i) the seventh anniversary of the date on which Exchangeable Shares are first issued; and (ii) the date established by the Board of Directors for the redemption by the Corporation of all but not less than all of the outstanding Exchangeable Shares on which there are outstanding fewer than that number of Exchangeable Shares equal to 10% of the total number of Exchangeable Shares issued in connection with the offers to purchase all of the outstanding

common shares of Coral Gold Resources Ltd., Nevada Pacific Gold Ltd., Tone Resources Limited and White Knight Resources Ltd. outstanding (other than Exchangeable Shares held by US Gold or its Subsidiaries), and as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision, combination or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares.

"Redemption Price" has the meaning ascribed thereto in Section 7.1(1).

"Retracted Shares" has the meaning ascribed thereto in Section 6.1(1).

"Retraction Call Purchase Price" has the meaning set out in Section 6.2(1).

"Retraction Call Right" has the meaning ascribed thereto in Section 6.2(1).

"Retraction Date" has the meaning ascribed thereto in Section 6.1(1).

"Retraction Price" has the meaning ascribed thereto in Section 6.1(1).

"Retraction Request" has the meaning ascribed thereto in Section 6.1(1).

"Share Provisions" means the rights, privileges, restrictions and conditions set out herein.

"Subsidiary" means, when used with reference to US Gold, any corporation more than 50% of the outstanding stock of which is owned, directly or indirectly, by US Gold, by one or more other Subsidiaries of US Gold, or by US Gold and one or more other Subsidiaries of US Gold.

"Support Agreement" means a support agreement to be entered into prior to the issuance by the Corporation of any Exchangeable Shares among US Gold, Alberta ULC and the Corporation, the purpose of which will be for US Gold (for itself and on behalf of Alberta ULC) and the Corporation to covenant to do all things reasonably necessary and desirable to enable and permit the Corporation or Alberta ULC to perform its obligations hereunder.

"Transfer Agent" means any Person as may from time to time be appointed by the Corporation as the registrar and transfer agent for the Exchangeable Shares.

"Trustee" means the trustee chosen by US Gold to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada or any Province thereof and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement.

"TSX" means the Toronto Stock Exchange.

"US Gold Call Notice" has the meaning ascribed thereto in Section 6.2(2).

"US Gold Common Stock" means the shares of common stock of US Gold, no par value, having voting rights of one vote per share, and any other securities into which such shares may be changed or for which such shares may be exchanged (whether or not US Gold shall be the issuer of such securities) or

any other consideration which may be received by the holders of such shares pursuant to a recapitalization, reconstruction, reorganization or reclassification of, or amalgamation, merger, liquidation or similar transaction affecting, such shares.

"US Gold Dividend Declaration Date" means the date on which the board of directors of US Gold declares any dividend or other distribution on the shares of US Gold Common Stock.

"US Gold" means U.S. Gold Corporation, a corporation existing under the laws of Colorado.

"Voting and Exchange Trust Agreement" means the agreement to be entered into prior to the issuance by the Corporation of any Exchangeable Shares made between US Gold, Alberta ULC, the Corporation and the Trustee, the purpose of which will be to create a trust for the benefit of the registered holders of Exchangeable Shares that will enable the Trustee to exercise voting rights on behalf of the holders of Exchangeable Shares similar to those of holders of US Gold Common Stock.

1.2 Sections and Headings

The division of these Share Provisions into articles and sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of these Share Provisions. Unless otherwise indicated, any reference in these Share Provisions to an article or section refers to the specified article or section of these Share Provisions.

1.3 Number Gender and Persons

In these Share Provisions, unless the context otherwise requires, words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, partnerships, companies, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind.

1.4 Payments

All payments to be made hereunder shall be made without interest and less any tax required by Canadian law to be deducted and withheld.

1.5 Currency

In these Share Provisions, unless stated otherwise, all dollar amounts are in Canadian dollars.

ARTICLE 2

RANKING OF EXCHANGEABLE SHARES

2.1 Ranking

The Exchangeable Shares shall be entitled to a preference over the Common Shares, and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends as and to the extent provided in ARTICLE 3 and with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other

distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs as and to the extent provided in ARTICLE 5.

ARTICLE 3

DIVIDENDS

3.1 Dividends

A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each US Gold Dividend Declaration Date, declare a dividend on each Exchangeable Share:

(a) in the case of a cash dividend or distribution declared on the shares of US Gold Common Stock, in an amount in cash for each Exchangeable Share equal to the Canadian Dollar Equivalent of the cash dividend or distribution declared on each share of US Gold Common Stock on the US Gold Dividend Declaration Date;

(b) in the case of a stock dividend or distribution declared on the shares of US Gold Common Stock to be paid in shares of US Gold Common Stock, by the issue or transfer by the Corporation of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of shares of US Gold Common Stock to be paid on each share of US Gold Common Stock; or

(c) in the case of a dividend or distribution declared on the shares of US Gold Common Stock in property other than cash or shares of US Gold Common Stock, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the Board of Directors as contemplated by Section 3.5 hereof) the type and amount of property declared as a dividend or distribution on each share of US Gold Common Stock.

Such dividends shall be paid out of the assets of the Corporation properly applicable to the payment of dividends, or out of authorized but unissued shares or other securities of the Corporation, as applicable. The holders of Exchangeable Shares shall not be entitled to any dividends other than or in excess of the dividends referred to in this Section 3.1.

3.2 Payment of Dividends

Cheques of the Corporation payable at par at any branch of the bankers of the Corporation shall be issued in respect of any cash dividends or distributions contemplated by Section 3.1(a) hereof and the sending of such cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Certificates registered in the name of the registered holder of Exchangeable Shares shall be issued or transferred in respect of any stock dividends or other distributions contemplated by Section 3.1(b) hereof and the sending of such a certificate to each holder of an Exchangeable Share shall satisfy the stock dividend or other distribution represented thereby. Such other type and amount of property in respect of any dividends or distributions contemplated by Section 3.1(c) hereof shall be issued, distributed or transferred by the Corporation in such manner as it shall determine and the issuance, distribution or transfer thereof by the Corporation to each holder of an Exchangeable Share shall satisfy the dividend or other distribution represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Corporation any dividend that is represented by a cheque that has not been duly presented to the

Corporation's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.

3.3 Record and Payment Dates

The record date for the determination of the holders of Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend or distribution declared on the Exchangeable Shares under Section 3.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend or distribution declared on the shares of US Gold Common Stock.

3.4 Partial Payment

If on any payment date for any dividends or distributions declared on the Exchangeable Shares under Section 3.1 hereof the dividends or distributions are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Corporation shall have sufficient moneys or other assets properly applicable to the payment of such dividends or distributions.

3.5 Economic Equivalence

For the purposes of Section 3.1 hereof, the Board of Directors shall determine, acting in good faith and in its sole discretion (with the assistance of such reputable and qualified independent financial advisors and/or other experts as the board may require), economic equivalence and each such determination shall be conclusive and binding on the Corporation and its shareholders. In making each such determination, the following factors shall, without excluding other factors determined by the Board of Directors to be relevant, be considered by the Board of Directors:

(a) in the case of any stock dividend or other distribution payable in shares of US Gold Common Stock, the number of such shares issued in proportion to the number of shares of US Gold Common Stock previously outstanding;

(b) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock), the relationship between the exercise price of each such right, option or warrant and the Current Market Price of a share of US Gold Common Stock;

(c) in the case of the issuance or distribution of any other form of property (including, without limitation, any shares or securities of US Gold of any class other than US Gold Common Stock, any rights, options or warrants other than those referred to in Section 3.5 (b), any evidences of indebtedness of US Gold or any assets of US Gold), the relationship between the fair market value (as determined by the Board of Directors in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding share of US Gold Common Stock and the Current Market Price of a share of US Gold Common Stock;

(d) in the case of any subdivision, redivision or change of the then outstanding shares of US Gold Common Stock into a greater number of shares of US Gold Common Stock or the reduction, combination, consolidation or change of the then outstanding shares of US Gold Common Stock into a lesser number of shares of US Gold Common Stock or any amalgamation, merger, reorganization or other transaction affecting the US Gold Common Stock, the effect thereof upon the then outstanding shares of US Gold Common Stock; and

(e) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of shares of US Gold Common Stock as a result of differences between taxation laws of Canada and the United States (except for any differing consequences arising as a result of differing marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

ARTICLE 4

CERTAIN RESTRICTIONS

4.1 Certain Restrictions

(1) Except as provided in Section 4.1(2), so long as any of the Exchangeable Shares are outstanding, the Corporation shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in Section 9.2 hereof:

(a) pay any dividends on the Common Shares or any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends, other than stock dividends payable in Common Shares or in any such other shares ranking junior to the Exchangeable Shares, as the case may be;

(b) redeem or purchase or make any capital distribution in respect of Common Shares or any other shares ranking junior to the Exchangeable Shares with respect to the distribution of the assets in the event of the liquidation, dissolution or winding up of the Corporation;

(c) redeem or purchase any other shares of the Corporation ranking equally with the Exchangeable Shares with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; or

(d) issue any shares other than (i) Exchangeable Shares, (ii) Common Shares, and (iii) any other shares not ranking superior to the Exchangeable Shares.

(2) The restrictions in Sections 4.1(1)(a), 4.1(1)(b) and 4.1(1)(c) hereof shall not apply if all dividends and distributions on the outstanding Exchangeable Shares corresponding to dividends and distributions declared and paid to date on the shares of US Gold Common Stock shall have been declared and paid in full on the Exchangeable Shares.

ARTICLE 5

LIQUIDATION

5.1 Participation Upon Liquidation, Dissolution or Winding Up of the Corporation

(1) Subject to applicable law and the due exercise by US Gold or Alberta ULC of a Liquidation Call Right, in the event of the liquidation, dissolution or winding up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, a holder of Exchangeable Shares shall be entitled to receive from the assets of the Corporation in

respect of each Exchangeable Share held by such holder on the effective date of such liquidation, dissolution or winding up or other distribution (the “**Liquidation Date**”), before any distribution of any part of the assets of the Corporation among the holders of the Common Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by the Corporation causing to be delivered to such holder one share of US Gold Common Stock, plus (b) the Dividend Amount, if any (collectively, the “**Liquidation Amount**”).

(2) In the case of a distribution on Exchangeable Shares under this Section 5.1 and provided the Liquidation Call Right has not been exercised, on or promptly after the Liquidation Date, the Corporation shall cause to be delivered to the holders of the Exchangeable Shares the Liquidation Amount for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the ABCA and the Articles of the Corporation and such additional documents and instruments as the Transfer Agent and the Corporation may reasonably require, at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of the Exchangeable Shares. Payment of the aggregate Liquidation Amount for such Exchangeable Shares shall be made by causing to be delivered to each holder, at the address of the holder recorded in the securities register of the Corporation for the Exchangeable Shares or by holding for pick-up by the holder at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares, certificates representing the aggregate number of shares of US Gold Common Stock deliverable by the Corporation to such holder (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in payment of the Dividend Amount, if any, payable to such holder, without interest (less any amounts withheld on account of tax required to be deducted and withheld therefrom). On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof (including any rights under the Voting and Exchange Trust Agreement), other than the right to receive the Liquidation Amount, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the Liquidation Amount has been paid in the manner hereinbefore provided. The Corporation shall have the right at any time after the Liquidation Date to transfer or cause to be issued or transferred, and deposited in a custodial account with any chartered bank or trust company in Canada named in such notice, the Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof, such Liquidation Amount to be held by such bank or trust company as trustee for and on behalf of, and for the use and benefit of, such holders. Upon such deposit being made, the rights of a holder of Exchangeable Shares after such deposit shall be limited to receiving its proportionate part of the Liquidation Amount for such Exchangeable Shares so deposited, without interest, and when received by such bank or trust company, all dividends and other distributions with respect to the shares of US Gold Common Stock to which such holder is entitled with a record date after the date of such deposit and before the date of transfer of such shares of US Gold Common Stock to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom) against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the foregoing provisions. Upon such payment or deposit of the total Liquidation Amount (less any amounts withheld on account of tax required to be deducted and withheld therefrom), the holders of the

Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the US Gold Common Stock delivered to them or the custodian on their behalf.

(3) After the Corporation has satisfied its obligations to pay the holders of the Exchangeable Shares the total Liquidation Amount pursuant to this Section 5.1, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

5.2 Liquidation Call Rights

(1) Subject to the limitations set forth in Section 5.2(2), including that Alberta ULC shall only be entitled to exercise its Liquidation Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Liquidation Call Right, US Gold and Alberta ULC shall each have the overriding right (a **“Liquidation Call Right”**), in the event of and notwithstanding the proposed liquidation, dissolution or winding up of the Corporation pursuant to Section 5.1 hereof, to purchase from all but not less than all of the holders of Exchangeable Shares on the Liquidation Date (other than US Gold and its Subsidiaries) all but not less than all of the Exchangeable Shares held by each such holder on payment by whichever of US Gold or Alberta ULC is exercising such right (the **“LCR Exercising Party”**) of an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by delivery to such holder of one share of US Gold Common Stock, plus (b) the Dividend Amount, if any (collectively, the **“Liquidation Call Purchase Price”**). In the event of the exercise of a Liquidation Call Right, each holder of Exchangeable Shares (other than Alberta ULC and its Subsidiaries) shall be obligated to sell all the Exchangeable Shares held by such holder to the LCR Exercising Party on the Liquidation Date on payment by the LCR Exercising Party to the holder of the Liquidation Call Purchase Price for each such share and the Corporation shall have no obligation to pay any Liquidation Amount to the holders of such shares so purchased by the LCR Exercising Party.

(2) Alberta ULC shall only be entitled to exercise its Liquidation Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Liquidation Call Right. In order to exercise its Liquidation Call Right, an LCR Exercising Party must notify in writing the Transfer Agent, as agent for the holders of Exchangeable Shares, the Trustee and the Corporation of its intention to exercise such right at least 55 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding up of the Corporation and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding up of the Corporation. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not a Liquidation Call Right has been exercised (such notice to specify the LCR Exercising Party) forthwith after the expiry of the date by which the same may be exercised, such form of notice to be provided by US Gold to the Transfer Agent. If an LCR Exercising Party exercises its Liquidation Call Right in accordance with this Section 5.2, all obligations of the Corporation under Section 5.1 shall terminate and on the Liquidation Date such LCR Exercising Party will purchase and the holders of Exchangeable Shares (other than US Gold and its Subsidiaries) will sell all of their Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

(3) For the purposes of completing a purchase of the Exchangeable Shares pursuant to the exercise of a Liquidation Call Right, the LCR Exercising Party shall deposit with the Transfer Agent, on or before the Liquidation Date, certificates representing the total number of shares of US Gold Common Stock deliverable by the LCR Exercising Party (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) in payment of the total Liquidation Call Purchase Price and a cheque in the amount of the remaining portion, if any, of the total Liquidation Call Purchase Price and any interest allowed on such deposit shall

belong to the LCR Exercising Party. Provided that the total Liquidation Call Purchase Price has been so deposited with the Transfer Agent, on and after the Liquidation Date the rights of each holder of Exchangeable Shares (other than US Gold and its Subsidiaries) will be limited to receiving such holder's proportionate part of the total Liquidation Call Purchase Price payable by the LCR Exercising Party, without interest, and when received by the Transfer Agent, all dividends and other distributions with respect to the shares of US Gold Common Stock to which such holder is entitled with a record date after the date of such deposit and before the date of transfer of such shares of US Gold Common Stock to such holder (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom) against presentation and surrender of the certificates for the Exchangeable Shares held by them in accordance with the following provisions. Upon surrender to the Transfer Agent of a certificate representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the ABCA and such additional documents and instruments as the Transfer Agent and the Corporation may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of the LCR Exercising Party shall deliver to such holder, a certificate representing the shares of US Gold Common Stock to which such holder is entitled and a cheque in payment of the Dividend Amount, if any, without interest (less any amounts withheld on account of tax required to be deducted and withheld therefrom). If neither US Gold nor Alberta ULC exercises its Liquidation Call Right in the manner described above, on the Liquidation Date the holders of Exchangeable Shares shall be entitled to receive in exchange therefor the Liquidation Amount otherwise payable by the Corporation in connection with the liquidation, dissolution or winding up of the Corporation pursuant to Section 5.1 hereof.

ARTICLE 6

RETRACTION AT OPTION OF HOLDER

6.1 Retraction at Option of Holder

(1) Subject to applicable law and the due exercise by either US Gold or Alberta ULC of a Retraction Call Right, a holder of Exchangeable Shares shall be entitled at any time to require the Corporation to redeem, on the fifth Business Day after the date on which the Retraction Request is received by the Corporation (the "**Retraction Date**"), any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to the Retraction Date, which shall be satisfied in full by the Corporation causing to be delivered to such holder one share of US Gold Common Stock, plus (b) the Dividend Amount, if any (collectively, the "**Retraction Price**"). The holder must give notice of a requirement to redeem by presenting and surrendering at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares the certificate representing the Exchangeable Shares that the holder desires to have the Corporation redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the ABCA and such additional documents and instruments as the Transfer Agent and the Corporation may reasonably require, together with a duly executed statement (the "**Retraction Request**") in the form of Schedule A hereto or in such other form as may be acceptable to the Corporation specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate (the "**Retracted Shares**") redeemed by the Corporation.

(2) In the case of a redemption of Exchangeable Shares under this Section 6.1, upon receipt by the Corporation or the Transfer Agent in the manner specified in Section 6.1(1) hereof of a certificate representing the number of Exchangeable Shares which the holder desires to have the Corporation

redeem, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.1(5) and that neither US Gold or Alberta ULC has exercised a Retraction Call Right, the Corporation shall redeem the Retracted Shares effective at the close of business on the Retraction Date. On the Retraction Date, the Corporation shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the securities register of the Corporation for the Exchangeable Shares or at the address specified in the holder's Retraction Request or by holding for pick-up by the holder at the registered office of the Corporation or at any office of the Transfer Agent, as may be specified by the Corporation by notice to the holders of Exchangeable Shares, a certificate representing the number of shares of US Gold Common Stock to which such holder is entitled (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) registered in the name of the holder or in such other name as the holder may request in payment of the Retraction Price and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in payment of the remaining portion, if any, of the aggregate Retraction Price to which such holder is entitled (less any amounts withheld on account of tax required to be deducted and withheld therefrom) and such delivery of such certificate and cheque by or on behalf of the Corporation by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the Retraction Price to the extent that the same is represented by such share certificates and cheque, unless such cheque is not paid on due presentation. If only a part of the Exchangeable Shares represented by any certificate is redeemed, a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Corporation.

(3) On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive its proportionate part of the total Retraction Price, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Retraction Price payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Retraction Price has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of such aggregate Retraction Price has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Corporation shall thereafter be considered and deemed for all purposes to be a holder of the shares of US Gold Common Stock delivered to such holder.

(4) Notwithstanding any other provision of this Section 6.1, the Corporation shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Corporation believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and neither US Gold nor Alberta ULC shall have exercised its Retraction Call Right with respect to the Retracted Shares, the Corporation shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Corporation. In any case in which the redemption by the Corporation of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law and more than one holder has delivered a Retraction Request, the Corporation shall redeem Retracted Shares in accordance with Section 6.1(2) on a pro rata basis and shall issue to each such holder of Retracted Shares a new certificate, at the expense of the Corporation, representing the Retracted Shares not redeemed by the Corporation pursuant to Section 6.1(2) hereof. If the Retraction Request is not revoked by the holder in the manner specified in Section 6.1(5) and neither US Gold nor Alberta ULC shall have exercised its Retraction Call Right in

respect of any such Retracted Shares, an Insolvency Event (as defined in the Voting and Exchange Trust Agreement) shall, to the extent it has not theretofore occurred, be deemed thereupon to have occurred and the holder of any such Retracted Shares not redeemed by the Corporation pursuant to Section 6.1(2) as a result of solvency requirements or other provisions of applicable law shall be deemed by giving the Retraction Request to have exercised its Exchange Right (as defined in the Voting and Exchange Trust Agreement) so as to require US Gold or, at the option of US Gold, Alberta ULC to purchase the unredeemed Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by US Gold or, at the option of US Gold, Alberta ULC to such holder of the Retraction Price, all as more specifically provided in the Voting and Exchange Trust Agreement.

(5) A holder of Retracted Shares may, by notice in writing given by the holder to the Corporation before the close of business on the Business Day immediately preceding the Retraction Date, withdraw its Retraction Request in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to US Gold or Alberta ULC shall be deemed to have been revoked.

(6) Notwithstanding any other provision of this ARTICLE 6, if:

(a) exercise of the rights of the holders of the Exchangeable Shares, or any of them, to require the Corporation to redeem any Exchangeable Shares pursuant to this ARTICLE 6 on any Retraction Date would require listing particulars or any similar document to be issued in order to obtain the approval of AMEX or TSX to the listing and trading (subject to official notice of issuance) of, the shares of US Gold Common Stock that would be required to be delivered to such holders of Exchangeable Shares in connection with the exercise of such rights; and

(b) as a result of (a) above, it would not be practicable (notwithstanding the reasonable endeavours of US Gold) to obtain such approvals in time to enable all or any of such shares of US Gold Common Stock to be admitted to listing and trading by AMEX or TSX (subject to official notice of issuance) when so delivered, that Retraction Date shall, notwithstanding any other date specified or otherwise deemed to be specified in any relevant Retraction Request, be deemed for all purposes to be the earlier of (i) the second business day immediately following the date the approvals referred to in Section 6.1(6)(a) are obtained, and (ii) the date which is 30 Business Days after the date on which the relevant Retraction Request is received by the Corporation, and references in these share provisions to such Retraction Date shall be construed accordingly.

6.2 Retraction Call Rights

(1) In the event that a holder of Exchangeable Shares delivers a Retraction Request pursuant to Section 6.1 and subject to the limitations set forth in Section 6.2(2), including that Alberta ULC shall only be entitled to exercise its Retraction Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Retraction Call Right, US Gold and Alberta ULC shall each have the overriding right (a **“Retraction Call Right”**), notwithstanding the proposed redemption of the Exchangeable Shares by the Corporation pursuant to Section 6.1 hereof, to purchase from such holder on the Retraction Date all but not less than all of the Retracted Shares held by such holder on payment by whichever of US Gold or Alberta ULC is exercising such right (the **“RCR Exercising Party”**) of an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to the Retraction Date, which shall be satisfied in full by the RCR Exercising Party causing to be delivered to such holder one share of US Gold Common Stock, plus (b) the Dividend Amount, if any (the **“Retraction Call Purchase Price”**). In the event of the exercise of a Retraction Call Right, a holder of Exchangeable Shares who has delivered a Retraction

Request shall be obligated to sell all the Retracted Shares to the RCR Exercising Party on the Retraction Date on payment by the RCR Exercising Party of an amount per share equal to the Retraction Call Purchase Price for each such share.

(2) Upon receipt by the Corporation of a Retraction Request, the Corporation shall promptly notify US Gold and Alberta ULC thereof. Alberta ULC shall only be entitled to exercise its Retraction Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Retraction Call Right. In order to exercise its Retraction Call Right, the RCR Exercising Party must notify the Corporation in writing of its determination to do so (a “**US Gold Call Notice**”) within five Business Days of notification to such RCR Exercising Party by the Corporation of the receipt by the Corporation of the Retraction Request. If either US Gold or Alberta ULC does not so notify the Corporation within such five Business Day period, the Corporation shall notify the holder as soon as possible thereafter that neither will exercise the Retraction Call Right. If either US Gold or Alberta ULC delivers a US Gold Call Notice within such five Business Day period and duly exercises its Retraction Call Right in accordance with this Section 6.2, the obligation of the Corporation to redeem the Retracted Shares shall terminate and, provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.1(5), the RCR Exercising Party shall purchase from such holder and such holder shall sell to the RCR Exercising Party on the Retraction Date the Retracted Shares for the Retraction Call Purchase Price. Provided that the aggregate Retraction Call Purchase Price has been so deposited with the Transfer Agent as provided in Section 6.2 (3), the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Corporation of such Retracted Shares shall take place on the Retraction Date. In the event that neither US Gold nor Alberta ULC delivers a US Gold Call Notice within such five Business Day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in Section 6.1(5), the Corporation shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in Section 6.1.

(3) For the purpose of completing a purchase of Exchangeable Shares pursuant to the exercise of a Retraction Call Right, the RCR Exercising Party shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the securities register of the Corporation for the Exchangeable Shares or at the address specified in the holder’s Retraction Request or by holding for pick-up by the holder at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation by notice to the holders of Exchangeable Shares, a certificate representing the number of shares of US Gold Common Stock to which such holder is entitled (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) registered in the name of the holder or in such other name as the holder may request in payment of the Retraction Call Purchase Price and a cheque of the RCR Exercising Party payable at par and in Canadian dollars at any branch of the bankers of US Gold, Alberta ULC or of the Corporation in Canada in payment of the remaining portion, if any, of such aggregate Retraction Call Purchase Price (less any amounts withheld on account of tax required to be deducted and withheld therefrom) and such delivery of such certificate and cheque on behalf of the RCR Exercising Party by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the Retraction Call Purchase Price to the extent that the same is represented by such share certificates and cheque, unless such cheque is not paid on due presentation.

(4) On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive its proportionate part of the total Retraction Call Purchase Price unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Retraction Call

Purchase Price payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Retraction Call Purchase Price has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of such aggregate Retraction Call Purchase Price has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so purchased by the RCR Exercising Party shall thereafter be considered and deemed for all purposes to be a holder of the shares of US Gold Common Stock delivered to such holder.

ARTICLE 7

REDEMPTION BY THE CORPORATION

7.1 Redemption by the Corporation

(1) Subject to applicable law and the due exercise by either US Gold or Alberta ULC of a Redemption Call Right, the Corporation shall on the Redemption Date redeem all of the then outstanding Exchangeable Shares for an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to such Redemption Date, which shall be satisfied in full by the Corporation causing to be delivered one share of US Gold Common Stock, plus (b) the Dividend Amount, if any (collectively, the “**Redemption Price**”).

(2) In any case of a redemption of Exchangeable Shares under this Section 7.1, the Corporation shall, at least 60 days before the Redemption Date, send or cause to be sent to each holder of Exchangeable Shares a notice in writing of the redemption by the Corporation or the purchase by US Gold or Alberta ULC under its Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder (other than US Gold and its Subsidiaries in the case of a purchase by US Gold or Alberta ULC). Such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, such Redemption Date and, if applicable, particulars of the Redemption Call Right.

(3) On or after the Redemption Date and subject to the exercise by US Gold or Alberta ULC of a Redemption Call Right, the Corporation shall cause to be delivered to the holders of the Exchangeable Shares to be redeemed the Redemption Price for each such Exchangeable Share upon presentation and surrender at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the ABCA and such additional documents and instruments as the Transfer Agent and the Corporation may reasonably require. Payment of the aggregate Redemption Price for Exchangeable Shares held by a holder shall be made by delivery to such holder, at the address of such holder recorded in the securities register of the Corporation or by holding for pick-up by the holder at the registered office of the Corporation or at any office of the Transfer Agent as may be specified by the Corporation in such notice, of a certificate representing the aggregate number of shares of US Gold Common Stock deliverable by the Corporation to such holder (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) and a cheque of the Corporation payable at par at any branch of the bankers of the Corporation in respect of the remaining portion, if any, of such aggregate Redemption Price (less any amounts withheld on account of tax required to be deducted and withheld therefrom). On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price, unless payment of the aggregate Redemption Price deliverable to a

holder for Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected until the aggregate Redemption Price deliverable to such holder has been paid in the manner hereinbefore provided.

(4) The Corporation shall have the right at any time after the sending of notice of its intention to redeem the Exchangeable Shares as aforesaid to deposit or cause to be deposited the total Redemption Price of the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption, in a custodial account with any chartered bank or trust company in Canada named in such notice and any interest allowed on such deposit shall belong to the Corporation. Provided that such total Redemption Price has been so deposited prior to the Redemption Date, on and after the Redemption Date, the Exchangeable Shares shall be redeemed and the Rights of the holders thereof after the Redemption Date shall be limited to receiving their proportionate part of the total Redemption Price for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Redemption Price, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the shares of US Gold Common Stock delivered to them.

7.2 Redemption Call Rights

(1) Subject to the limitations set forth in Section 7.2(2), including that Alberta ULC shall only be entitled to exercise its Redemption Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Redemption Call Right, US Gold and Alberta ULC shall each have the overriding right (a **“Redemption Call Right”**), notwithstanding the proposed redemption of the Exchangeable Shares by the Corporation pursuant to Section 7.1 hereof, to purchase from all but not less than all of the holders of Exchangeable Shares (other than US Gold and its Subsidiaries) on the last Business Day prior to the Redemption Date in respect of which the Redemption Call Right is exercised all but not less than all of the Exchangeable Shares held by each such holder on payment by whichever of US Gold or Alberta ULC is exercising such right (the **“Redemption CR Exercising Party”**) of an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to such Redemption Date, which shall be satisfied in full by causing to be delivered to such holder one share of US Gold Common Stock plus (b) the Dividend Amount, if any (collectively, the **“Redemption Call Purchase Price”**). In the event of the exercise of a Redemption Call Right, each holder of Exchangeable Shares (other than US Gold and its Subsidiaries) shall be obligated to sell all the Exchangeable Shares held by such holder to the Redemption CR Exercising Party on the last Business Day prior to such Redemption Date on payment by the Redemption CR Exercising Party to such holder of the Redemption Call Purchase Price for each such share.

(2) Alberta ULC shall only be entitled to exercise its Redemption Call Right with respect to those holders of Exchangeable Shares, if any, in respect of which US Gold has not exercised its Redemption Call Right. In order to exercise its Redemption Call Right, a Redemption CR Exercising Party must notify in writing the Transfer Agent, as agent for the holders of Exchangeable Shares and the Corporation of its intention to exercise such right at least 30 days before the Redemption Date. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not a Redemption Call Right has been exercised (such notice to specify the Redemption CR Exercising Party) forthwith after the expiry of the date by which the same may be exercised, such form of notice to be provided by US Gold to the Transfer Agent. If a Redemption CR Exercising Party duly exercises its Redemption Call Right in

accordance with this Section 7.2, the right of the Corporation to redeem any Exchangeable Shares pursuant to Section 7.1 on the Redemption Date shall terminate at such time and on the last Business Day prior to such Redemption Date such Redemption CR Exercising Party will purchase and the holders of Exchangeable Shares (other than US Gold and its Subsidiaries) will sell all of their Exchangeable Shares then outstanding for a price per share equal to the Redemption Call Purchase Price.

(3) For the purposes of completing a purchase of the Exchangeable Shares pursuant to the exercise of a Redemption Call Right, the Redemption CR Exercising Party shall deposit with the Transfer Agent, on or before the last Business Day prior to the Redemption Date, certificates representing the total number of shares of US Gold Common Stock deliverable by the Redemption CR Exercising Party (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim) in payment of the total Redemption Call Purchase Price and a cheque in the amount of the remaining portion, if any, of the total Redemption Call Purchase Price, without interest (less any amounts withheld on account of tax required to be deducted and withheld therefrom) and any interest allowed on such deposit shall belong to the Redemption CR Exercising Party. Provided that the total Redemption Call Purchase Price has been so deposited with the Transfer Agent, on and after the last Business Day prior to the Redemption Date the rights of each holder of Exchangeable Shares (other than US Gold and its Subsidiaries) will be limited to receiving such holder's proportionate part of the total Redemption Call Purchase Price payable by the Redemption CR Exercising Party upon presentation and surrender by such holder of certificates representing the Exchangeable Shares held by such holder in accordance with the following provisions and such holder shall on and after the last Business Day prior to such Redemption Date be considered and deemed for all purposes to be the holder of the shares of US Gold Common Stock delivered to such holder. Upon surrender to the Transfer Agent of a certificate representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the ABCA and such additional documents and instruments as the Transfer Agent and the Corporation may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of the Redemption CR Exercising Party shall deliver to such holder, a certificate representing the shares of US Gold Common Stock to which such holder is entitled and a cheque in payment of the remaining portion, if any, of the holder's proportionate part of the total Redemption Call Purchase Price, without interest (less any amounts withheld on account of tax required to be deducted and withheld therefrom). If neither US Gold nor Alberta ULC exercises the Redemption Call Right in the manner described above, on the Redemption Date a holder of Exchangeable Shares shall be entitled to receive in exchange therefor the Redemption Price otherwise payable by the Corporation in connection with the redemption of the Exchangeable Shares pursuant to Section 7.1 hereof.

ARTICLE 8

VOTING RIGHTS

8.1 Voting Rights

Except as required by applicable law and by the provisions of Sections 8.2, 9.1, 10.1 and 11.2 hereof, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the shareholders of the Corporation or to vote at any such meeting.

8.2 Election or Appointment of Single Director

With respect to the rights of the shareholders to elect or appoint directors as outlined in the ABCA, the rights attaching to the Exchangeable Shares provided by these Share Provisions shall give the holders

of the Exchangeable Shares the limited right to vote (and each holder thereof shall be entitled to one (1) vote per share in person or by proxy) on the election or appointment of one (1) out of the three (3) directors of the Corporation, and, for clarification, the holders of the Exchangeable Shares shall have no right to vote on the election or appointment of the remaining two (2) directors of the Corporation, which is a right attaching to the Class A Shares.

ARTICLE 9

AMENDMENT AND APPROVAL

9.1 Amendment

The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

9.2 Approval

Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law, subject to a minimum requirement that such approval be evidenced by resolution passed by not less than two-thirds of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 10% of the outstanding Exchangeable Shares at that time are present or represented by proxy; provided that such approval must be given also by the affirmative vote of holders of more than two-thirds of the Exchangeable Shares represented in person or by proxy at the meeting excluding Exchangeable Shares beneficially owned by US Gold or any of its Subsidiaries. If at any such meeting the holders of at least 10% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than five days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast on such resolution at such meeting excluding Exchangeable Shares beneficially owned by US Gold or any of its Subsidiaries shall constitute the approval or consent of the holders of the Exchangeable Shares.

ARTICLE 10

RECIPROCAL CHANGES, ETC. IN RESPECT OF US GOLD COMMON STOCK

10.1 Reciprocal Changes

(1) Each holder of an Exchangeable Share acknowledges that the Support Agreement provides, in part, that US Gold will not, except as provided in the Support Agreement, without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 hereof:

(a) issue or distribute shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire US Gold Common Stock) to the holders of all or substantially all of the then outstanding shares of US Gold Common Stock, by way of stock dividend or other distribution, other than an issue of shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire US Gold Common Stock) to holders of shares of US Gold Common Stock who exercise an option to receive dividends in shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire US Gold Common Stock) in lieu of receiving cash dividends;

(b) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding shares of US Gold Common Stock entitling them to subscribe for or to purchase shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock); or

(c) issue or distribute to the holders of all or substantially all of the then outstanding shares of US Gold Common Stock:

(i) shares or securities (including evidence of indebtedness) of US Gold of any class other than US Gold Common Stock (other than shares convertible into or exchangeable for or carrying rights to acquire US Gold Common Stock);

(ii) rights, options or warrants other than those referred to in Section 10.1(1)(b) above; or

(iii) assets of US Gold, unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares.

(2) Each holder of an Exchangeable Share acknowledges that the Support Agreement further provides, in part, that US Gold will not, except as provided in the Support Agreement, without the prior approval of the Corporation and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 hereof:

(a) subdivide, redivide or change the then outstanding US Gold Common Stock into a greater number of shares of US Gold Common Stock;

(b) reduce, combine, consolidate or change the then outstanding shares of US Gold Common Stock into a lesser number of shares of US Gold Common Stock; or

(c) reclassify or otherwise change the shares of US Gold Common Stock or effect an amalgamation, merger, reorganization or other transaction affecting the US Gold Common Stock, unless the same or an economically equivalent change shall simultaneously be made to, or in, the rights of the holders of the Exchangeable Shares.

The Support Agreement further provides, in part, that the aforesaid provisions of the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 hereof.

ARTICLE 11

ACTIONS BY THE CORPORATION UNDER SUPPORT AGREEMENT

11.1 Actions by the Corporation

The Corporation will take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to facilitate performance and compliance by US Gold and Alberta ULC with all provisions of the Support Agreement applicable to US Gold, Alberta ULC and the Corporation, respectively, in accordance with the terms thereof including, without limitation, taking all such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Corporation all rights and benefits in favour of the Corporation under or pursuant to such agreement.

11.2 Changes to Support Agreement

The Corporation shall not agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement without the approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 hereof other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

(a) adding to the covenants of the other parties to such agreement for the protection of the Corporation or the holders of the Exchangeable Shares;

(b) making such provisions or modifications not inconsistent with such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

(c) making such changes in or corrections to such agreement which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares.

ARTICLE 12

LEGEND; CALL RIGHTS; WITHHOLDING RIGHTS

12.1 Legend

The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend in form and on terms approved by the Board of Directors, with respect to the Support Agreement and the Voting and Exchange Trust Agreement (including, but not limited to the provisions with respect to the call rights, voting rights and exchange rights thereunder).

12.2 Call Rights

Each holder of an Exchangeable Share, whether of record or beneficial, by virtue of becoming and being such a holder shall be deemed to acknowledge each of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, in each case, in favour of US Gold and Alberta ULC, and the overriding nature thereof in connection with the liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, or the retraction or redemption of Exchangeable Shares, as the case may be, and to be bound thereby in favour of US Gold or Alberta ULC, as the case may be, as herein provided.

12.3 Withholding Rights

US Gold, Alberta ULC, the Corporation and the Transfer Agent shall be entitled to deduct and withhold from any consideration otherwise payable under to any holder of Exchangeable Shares such amounts as US Gold, Alberta ULC, the Corporation or the Transfer Agent is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or United States tax laws or any provision of provincial, state, federal, local or foreign tax law, in each case as amended or succeeded. The Transfer Agent may act and rely on the advice of counsel with respect to such matters. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the holder of the Exchangeable Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, US Gold, Alberta ULC, the Corporation and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to US Gold, Alberta ULC, the Corporation or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and US Gold, Alberta ULC, the Corporation or the Transfer Agent shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

ARTICLE 13

NOTICES

13.1 Notices

Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by telecopy or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary of the Corporation. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Corporation.

13.2 Certificates

Any presentation and surrender by a holder of Exchangeable Shares to the Corporation or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding-up of the Corporation or the retraction or redemption of Exchangeable Shares shall be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case, addressed to the attention of the Secretary of the Corporation. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail (postage prepaid) shall be at the sole risk of the holder mailing the same.

13.3 Notices to Shareholders

Subject to applicable law, any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Corporation shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address of the holder recorded in the register of shareholders of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares, or any defect in such notice, shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant thereto.

In the event of any interruption of mail service immediately prior to a scheduled mailing or in the period following a mailing during which delivery normally would be expected to occur, the Corporation will make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law, if post offices in Canada or the United States are not open for the deposit of mail, any notice which the Corporation or the Transfer Agent may give or cause to be given will be deemed to have been properly given and to have been received by holders of Exchangeable Shares if (i) it is given to the TSX for dissemination or (ii) it is published once in the National Edition of The Globe and Mail and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the National Edition of The Globe and Mail is not being generally circulated, publication thereof will be made in any other daily newspaper of general circulation published in the City of Toronto.

Notwithstanding any other provisions of these share provisions, notices, other communications and deliveries need not be mailed if the Corporation determines that delivery thereof by mail may be delayed. Persons entitled to any deliveries (including certificates and cheques) which are not mailed for the foregoing reason may take delivery thereof at the office of the Transfer Agent to which the deliveries were made, upon application to the Transfer Agent, until such time as the Corporation has determined that delivery by mail will no longer be delayed. The Corporation will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Section 13.3. Such deliveries in such circumstances will constitute delivery to the persons entitled thereto.

SCHEDULE A

RETRACTION REQUEST

To: U.S. Gold Corporation, US Gold Alberta ULC and US Gold Canadian Acquisition Corporation, c/o the Trustee

This notice is given pursuant to ARTICLE 6 of the provisions (the "Share Provisions") attaching to the share(s) represented by this certificate and all capitalized words and expressions used in this notice that are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies the Corporation that, subject to the Retraction Call Right referred to below, the undersigned desires to have the Corporation redeem in accordance with ARTICLE 6 of the Share Provisions:

- all share(s) represented by this certificate; or
- share(s) only represented by this certificate.

The undersigned acknowledges the Retraction Call Right of US Gold and Alberta ULC to purchase all but not less than all the Retracted Shares from the undersigned and that this notice is and shall be deemed to be a revocable offer by the undersigned to sell the Retracted Shares to US Gold or Alberta ULC in accordance with the Retraction Call Right on the Retraction Date for the Retraction Call Purchase Price and on the other terms and conditions set out in Section 6.2 of the Share Provisions. If neither US Gold or Alberta ULC determines to exercise its Retraction Call Right, the Corporation will notify the undersigned of such fact as soon as possible. This Retraction Request, and this offer to sell the Retracted Shares to US Gold or Alberta ULC, may be revoked and withdrawn by the undersigned only by notice in writing given to the Corporation at any time before the close of business on the Business Day immediately preceding the Retraction Date.

The undersigned acknowledges that if, as a result of solvency provisions of applicable law, the Corporation is unable to redeem all Retracted Shares and provided that neither US Gold nor Alberta ULC has exercised the Retraction Call Right with respect to the Retracted Shares, the undersigned will be deemed to have exercised the Exchange Right (as defined in the Voting and Exchange Trust Agreement) so as to require US Gold or, at the option of US Gold, Alberta ULC to purchase the unredeemed Retracted Shares.

The undersigned hereby represents and warrants to the Corporation, US Gold and Alberta ULC that the undersigned has good title to, and owns, the share(s) represented by this certificate to be acquired by the Corporation, US Gold or Alberta ULC, as the case may be, free and clear of all liens, claims, encumbrances, security interests and adverse claims.

_____ (Date)	_____ (Signature of Shareholder)	_____ (Guarantee of Signature)
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- Please check box if the securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder at the principal transfer office of the Transfer Agent in Toronto, failing which such securities and any cheque will be mailed to the last address of the shareholder as it appears on the register.

NOTE: This panel must be completed and this certificate, together with such additional documents as the Transfer Agent and the Corporation may require, must be deposited with the Transfer Agent at its principal transfer office in Toronto. The securities and any cheque resulting from the retraction or purchase of the Retracted Shares will be issued and registered in, and made payable to respectively, the name of the shareholder as it appears on the register of the Corporation and the securities and cheque resulting from such retraction or purchase will be delivered to such shareholder as indicated above, unless the form appearing immediately below is duly completed, all exigible transfer taxes are paid and the signature of the registered holder is guaranteed by a

Canadian chartered bank or trust company, member of a recognized stock exchange in Canada or a member of the Securities Transfer Association Medallion (STAMP) Program.

Date:

Name of Person in Whose Name Securities or Cheque(s)
Are to be Registered, Issued or Delivered (please print)

_____	_____
Street Address or P.O. Box	Signature of Shareholder
_____	_____
City, Province and Postal Code	Signature Guaranteed by

NOTE: If this Retraction Request is for less than all of the share(s) represented by this certificate, a certificate representing the remaining share of the Corporation will be issued and registered in the name of the shareholder as it appears on the register of the Corporation, unless the Share Transfer Power on the share certificate is duly completed in respect of such share(s).

VOTING AND EXCHANGE TRUST AGREEMENT

AGREEMENT made as of March 22, 2007, among US Gold Corporation (“**US Gold**”), a corporation existing under the laws of Colorado, US Gold Alberta ULC (“**Alberta ULC**”), an unlimited liability corporation existing under the laws of Alberta, US Gold Canadian Acquisition Corporation (“**Canadian Exchange Co.**”), a corporation existing under the laws of Alberta, and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (hereinafter referred to as “**Trustee**”).

RECITALS:

WHEREAS US Gold, together with Canadian Exchange Co., has offered, each by way of a public take-over bid, to acquire all of the outstanding common shares of each of White Knight Resources Ltd., Nevada Pacific Gold Ltd. and Tone Resources Ltd. in consideration for exchangeable shares (“**Exchangeable Shares**”) of Canadian Exchange Co.;

AND WHEREAS holders of Exchangeable Shares will be entitled to require Canadian Exchange Co. to redeem such Exchangeable Shares and upon such redemption each Exchangeable Share shall be exchanged for one share of common stock of US Gold (“**US Gold Common Stock**”);

AND WHEREAS the parties desire to make appropriate provision and to establish a procedure whereby (i) voting rights in US Gold shall be exercisable by Beneficiaries (as hereinafter defined) from time to time by and through the Trustee, which will hold legal title to the Special Voting Share (as hereinafter defined) to which voting rights attach for the benefit of Beneficiaries, and (ii) the rights to require US Gold or, at the option of US Gold, Alberta ULC, to purchase Exchangeable Shares from the Beneficiaries shall be exercisable by Beneficiaries from time to time of Exchangeable Shares by and through the Trustee, which will hold legal title to such rights for the benefit of the Beneficiaries;

AND WHEREAS these recitals and any statements of fact in this agreement are made by US Gold, Alberta ULC and Canadian Exchange Co. and not by the Trustee;

NOW THEREFORE, in consideration of the respective covenants and agreements provided in this agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this agreement, each initially capitalized term and the terms used and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions (collectively, the “**Share Provisions**”) attaching to the Exchangeable Shares as set out in the articles of Canadian Exchange Co. and the following terms shall have the following meanings:

“**Automatic Exchange Right**” has the meaning ascribed thereto in Section 5.11(2).

“**Beneficiaries**” mean the registered holders from time to time of Exchangeable Shares, other than US Gold and its Subsidiaries.

“**Beneficiary Votes**” has the meaning ascribed thereto in Section 4.2.

“**Exchange Right**” has the meaning ascribed thereto in Section 5.1.

“**including**” means “including without limitation” and “**includes**” means “includes without limitation”.

“**Indemnified Parties**” has the meaning ascribed thereto in Section 8.1.

“**Insolvency Event**” means (i) the institution by Canadian Exchange Co. of any proceeding to be adjudicated a bankrupt or insolvent or to be dissolved or wound up, or the consent of Canadian Exchange Co. to the institution of bankruptcy, insolvency, dissolution or winding-up proceedings against it, or (ii) the filing by Canadian Exchange Co. of a petition, answer or consent seeking dissolution or winding-up under any bankruptcy, insolvency or analogous laws, including, without limitation, the *Companies Creditors’ Arrangement Act* (Canada) and the *Bankruptcy and Insolvency Act* (Canada), and the failure by Canadian Exchange Co. within 15 days of becoming aware thereof, or the consent by Canadian Exchange Co. to the filing of any such petition or to the appointment of a receiver, or (iii) the making by Canadian Exchange Co. of a general assignment for the benefit of creditors, or the admission in writing by Canadian Exchange Co. of its inability to pay its debts generally as they become due, or (iv) Canadian Exchange Co. not being permitted, pursuant to solvency requirements of applicable law, to redeem any Retracted Shares pursuant to Section 6.1(4) of the Share Provisions specified in a retraction request delivered to Canadian Exchange Co. in accordance with Article 6 of the Share Provisions.

“**List**” has the meaning ascribed thereto in Section 4.6.

“**Officer’s Certificate**” means, with respect to US Gold, Alberta ULC or Canadian Exchange Co., as the case may be, a certificate signed by any one of the Chairman of the Board, the President, any Vice-President or any other senior officer of US Gold, Alberta ULC or Canadian Exchange Co., as the case may be.

“**Retracted Shares**” has the meaning ascribed thereto in Section 5.7.

“**Special Voting Share**” means the one share of special voting preference stock with no par value, issued by US Gold to and deposited with the Trustee, which entitles the holder of record to a number of votes at meetings of holders of US Gold Common Stock equal to the number of Exchangeable Shares outstanding from time to time that are held by Beneficiaries.

“**Trust**” means the trust created by this agreement.

“**Trust Estate**” means the Special Voting Share, any other securities, the Exchange Right and any money or other rights or assets that may be held by the Trustee from time to time pursuant to this agreement.

“**Trustee**” means Computershare Trust Company of Canada and, subject to the provisions of Article 9, includes any successor trustee.

“**US Gold Consent**” has the meaning ascribed thereto in Section 4.2.

“**US Gold Liquidation Event**” has the meaning ascribed thereto in Section 5.11(1).

“US Gold Liquidation Event Effective Date” has the meaning ascribed thereto in Section 5.11(3).

“US Gold Meeting” has the meaning ascribed thereto in Section 4.2.

“Voting Rights” means the voting rights attached to the Special Voting Share.

1.2 Interpretation Not Affected by Headings, etc.

The division of this agreement into articles and sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this agreement. Unless otherwise indicated, any reference in this agreement to an “Article” or “Section” refers to the specified Article or Section of this agreement.

1.3 Number, Gender, etc.

In this agreement, unless the context otherwise requires words importing the singular number include the plural and vice versa. Words importing any gender shall include all genders and words importing persons include individuals, corporations, partnerships, companies, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind.

1.4 Date for any Action

If any date on which any action is required to be taken under this agreement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

1.5 Payments

All payments to be made hereunder will be made without interest and less any tax required by Canadian law to be deducted and withheld.

**ARTICLE 2
TRUST**

2.1 Establishment of Trust

The purpose of this agreement is to create the Trust for the benefit of the Beneficiaries, as herein provided. The Trustee will hold the Special Voting Share in order to enable the Trustee to exercise the Voting Rights and will hold the Exchange Right in order to enable the Trustee to exercise such right and will hold the other rights granted in or resulting from the Trustee being a party to this agreement in order to enable the Trustee to exercise or enforce such rights, in each case as trustee for and on behalf of the Beneficiaries as provided in this agreement.

**ARTICLE 3
SPECIAL VOTING SHARE**

3.1 Issue and Ownership of the Special Voting Share

Simultaneously with the execution and delivery of this agreement, US Gold will issue to and deposit with the Trustee the Special Voting Share to be hereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries and in accordance with the provisions of this agreement. US Gold hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Beneficiaries of good and valuable consideration (and the adequacy thereof) for the issuance

of the Special Voting Share by US Gold to the Trustee. During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Special Voting Share and shall be entitled to exercise all of the rights and powers of an owner with respect to the Special Voting Share provided that the Trustee shall: (a) hold the Special Voting Share and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and (b) except as specifically authorized by this agreement, have no power or authority to sell, transfer, vote or otherwise deal in or with the Special Voting Share and the Special Voting Share shall not be used or disposed of by the Trustee for any purpose other than the purposes for which this Trust is created pursuant to this agreement.

3.2 Legended Share Certificates

Canadian Exchange Co. will cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of their right to instruct the Trustee with respect to the exercise of the Voting Rights in respect of the Exchangeable Shares of the Beneficiaries.

3.3 Safe Keeping of Certificate

The certificate representing the Special Voting Share shall at all times be held in safe keeping by the Trustee or its agent.

ARTICLE 4 EXERCISE OF VOTING RIGHTS

4.1 Voting Rights

The Trustee, as the holder of record of the Special Voting Share, shall be entitled to all of the Voting Rights, including the right to consent to or vote in person or by proxy the Special Voting Share, on any matter, question, proposal or proposition whatsoever that may properly come before the stockholders of US Gold at a US Gold Meeting or in connection with a US Gold Consent. The Voting Rights shall be and remain vested in and exercised by the Trustee. Subject to Section 6.15 hereof, the Trustee shall exercise the Voting Rights only on the basis of instructions received pursuant to this Article 4 from Beneficiaries entitled to instruct the Trustee as to the voting thereof at the time at which the US Gold Consent is sought or the US Gold Meeting is held. To the extent that no instructions are received from a Beneficiary with respect to the Voting Rights to which such Beneficiary is entitled, the Trustee shall not exercise or permit the exercise of such Voting Rights.

4.2 Number of Votes

With respect to all meetings of stockholders of US Gold at which holders of shares of US Gold Common Stock are entitled to vote (each, a “**US Gold Meeting**”) and with respect to all written consents sought from the holders of shares of US Gold Common Stock (a “**US Gold Consent**”), each Beneficiary shall be entitled to instruct the Trustee to cast and exercise, in the manner instructed, one vote for each Exchangeable Share owned of record by such Beneficiary on the record date established by US Gold or by applicable law for such US Gold Meeting or US Gold Consent, as the case may be (the “**Beneficiary Votes**”), in respect of each matter, question, proposal or proposition to be voted on at such US Gold Meeting or to be consented to in connection with such US Gold Consent.

4.3

Mailings to Shareholders

- (1) With respect to each US Gold Meeting and US Gold Consent, the Trustee will mail or cause to be mailed (or otherwise communicate in the same manner as US Gold utilizes in communications to holders of US Gold Common Stock, subject to the Trustee being advised in writing of such manner and provided that such manner of communications is reasonably available to the Trustee) to each of the Beneficiaries named in the List at the Beneficiaries' respective addresses as set forth in the List, on the same day as the initial mailing or notice (or other communication) with respect thereto is given by US Gold to its stockholders:
 - (a) a copy of such notice, together with any related materials, including any circular or information statement or listing particulars, to be provided to shareholders of US Gold but excluding proxies to vote US Gold Common Stock;
 - (b) a statement that such Beneficiary is entitled to instruct the Trustee as to the exercise of the Beneficiary Votes with respect to such US Gold Meeting or US Gold Consent, as the case may be, or, pursuant and subject to Section 4.7, to attend such US Gold Meeting and to exercise personally the Beneficiary Votes thereat;
 - (c) a statement as to the manner in which such instructions may be given to the Trustee, including an express indication that instructions may be given to the Trustee to give:
 - (i) a proxy to such Beneficiary or his, her or its designee to exercise personally such holder's Beneficiary Votes; or
 - (ii) a proxy to a designated agent or other representative of the management of US Gold to exercise such Beneficiary Votes;
 - (d) a statement that if no such instructions are received from the Beneficiary, the Beneficiary Votes to which such Beneficiary is entitled will not be exercised;
 - (e) a form of direction whereby the Beneficiary may so direct and instruct the Trustee as contemplated herein; and
 - (f) a statement of (i) the time and date by which such instructions must be received by the Trustee in order to be binding upon it, which in the case of a US Gold Meeting shall not be later than the close of business on the second Business Day prior to such meeting, and (ii) the method for revoking or amending such instructions.
- (2) The materials referred to in this Section 4.3 are to be provided to the Trustee by US Gold, and the materials referred to in Sections 4.3(1)(c), 4.3(1)(e) and 4.3(1)(f) shall (if reasonably practicable to do so) be subject to reasonable comment by the Trustee in a timely manner; provided, however, that the Trustee shall have no obligation to review such materials. Subject to the foregoing, US Gold shall ensure that the materials to be provided to the Trustee are provided in sufficient time to permit the Trustee to comment as aforesaid and to send all materials to each Beneficiary at the same time as such materials are first sent to holders of US Gold Common Stock. US Gold agrees not to

communicate with holders of US Gold Common Stock with respect to the materials referred to in this Section 4.3 otherwise than by mail unless such method of communication is also reasonably available to the Trustee for communication with the Beneficiaries.

- (3) For the purpose of determining Beneficiary Votes to which a Beneficiary is entitled in respect of any US Gold Meeting or US Gold Consent, the number of Exchangeable Shares owned of record by the Beneficiary shall be determined at the close of business on the record date established by US Gold or by applicable law for purposes of determining stockholders entitled to vote at such US Gold Meeting or to give written consent in connection with such US Gold Consent. US Gold will notify the Trustee of any decision of the board of directors of US Gold with respect to the calling of any US Gold Meeting or the seeking of any US Gold Consent and shall provide all necessary information and materials to the Trustee in each case promptly and in any event in sufficient time to enable the Trustee to perform its obligations contemplated by this Section 4.3.

4.4 Copies of Shareholder Information

US Gold will deliver to the Trustee copies of all proxy materials (including notices of US Gold Meetings but excluding proxies to vote US Gold Common Stock), information statements, reports (including all interim and annual financial statements) and other written communications that, in each case, are to be distributed by US Gold from time to time to holders of US Gold Common Stock in sufficient quantities and in sufficient time so as to enable the Trustee to send or cause to be sent those materials to each Beneficiary at the same time as such materials are first sent to holders of US Gold Common Stock. The Trustee will mail or otherwise send, or cause to be mailed or otherwise sent, to each Beneficiary, at the expense of US Gold, copies of all such materials (and all materials specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by US Gold) received by the Trustee from US Gold contemporaneously with the sending of such materials to holders of US Gold Common Stock. The Trustee will also make available for inspection by any Beneficiary at the Trustee's principal office(s) in Toronto, Ontario or Calgary, Alberta all proxy materials, information statements, reports and other written communications that are:

- (a) received by the Trustee as the registered holder of the Special Voting Share and made available by US Gold generally to the holders of US Gold Common Stock; or
- (b) specifically directed to the Beneficiaries or to the Trustee for the benefit of the Beneficiaries by US Gold.

4.5 Other Materials

Immediately after receipt by US Gold or stockholders of US Gold of any material sent or given by or on behalf of a third party to holders of US Gold Common Stock generally, including, without limitation, dissident proxy and information circulars (and related information and material) and take-over bid and securities exchange take-over bid circulars (and related information and material), US Gold shall use its reasonable efforts to obtain and deliver to the Trustee copies thereof in sufficient quantities so as to enable the Trustee to forward or cause to be forwarded such material (unless the same has been provided directly to Beneficiaries by such third party) to each Beneficiary as soon as possible thereafter. As soon as reasonably practicable after receipt thereof, the Trustee will mail or otherwise send, or cause to be mailed or otherwise sent, to each Beneficiary, at the expense of US Gold, copies of all such materials received by

the Trustee from US Gold. The Trustee will also make available for inspection by any Beneficiary at the Trustee's principal office(s) in Toronto, Ontario or Calgary, Alberta copies of all such materials.

4.6 List of Persons Entitled To Vote

Canadian Exchange Co. shall, (a) prior to each annual, general and special US Gold Meeting or the seeking of any US Gold Consent and (b) forthwith upon each request made at any time by the Trustee in writing, prepare or cause to be prepared a list (a "List") of the names and addresses of the Beneficiaries arranged in alphabetical order and showing the number of Exchangeable Shares held of record by each such Beneficiary, in each case at the close of business on the date specified by the Trustee in such request or, in the case of a List prepared in connection with a US Gold Meeting or a US Gold Consent, at the close of business on the record date established by US Gold or pursuant to applicable law for determining the holders of US Gold Common Stock entitled to receive notice of and/or to vote at such US Gold Meeting or to give consent in connection with a US Gold Consent. Each such List shall be delivered to the Trustee promptly after receipt by Canadian Exchange Co. of such request or the record date for such meeting or seeking of consent, as the case may be, and, in any event, within sufficient time as to enable the Trustee to perform its obligations under this agreement. US Gold agrees to give Canadian Exchange Co. written notice (with a copy to the Trustee) of the calling of any US Gold Meeting or the seeking of any US Gold Consent, together with the record date therefor, sufficiently prior to the date of the calling of such meeting or seeking such consent so as to enable Canadian Exchange Co. to perform its obligations under this Section 4.6.

4.7 Entitlement To Direct Votes

Any Beneficiary named in a List prepared in connection with any US Gold Meeting or any US Gold Consent will be entitled (a) to instruct the Trustee in the manner described in Section 4.3 hereof with respect to the exercise of the Beneficiary Votes to which such Beneficiary is entitled or (b) to attend such meeting and personally to exercise thereat (or to exercise with respect to any written consent), as the proxy of the Trustee, the Beneficiary Votes to which such Beneficiary is entitled or (c) to appoint a third party as the proxy of the Trustee to attend such meeting and exercise thereat the Beneficiary's voting rights to which such Beneficiary is entitled except, in each case, to the extent that such Beneficiary has transferred the ownership of any Exchangeable Shares in respect of which such Beneficiary is entitled to Beneficiary Votes after the close of business on the record date for such meeting or seeking of consent.

4.8 Voting By Trustee and Attendance of Trustee Representative at Meeting

- (1) In connection with each US Gold Meeting and US Gold Consent, the Trustee shall exercise, either in person or by proxy, in accordance with the instructions received from a Beneficiary pursuant to Section 4.3 hereof, the Beneficiary Votes as to which such Beneficiary is entitled to direct the vote (or any lesser number thereof as may be set forth in the instructions); provided, however, that such written instructions are received by the Trustee from the Beneficiary prior to the time and date fixed by the Trustee for receipt of such instruction in the notice sent or caused to be sent by the Trustee to the Beneficiary pursuant to Section 4.3.
- (2) The Trustee shall cause such representatives who are empowered by it to sign and deliver, on behalf of the Trustee, proxies for Voting Rights enabling a Beneficiary to attend each US Gold Meeting. Upon submission by a Beneficiary (or its designee) named in the List prepared in connection with the relevant meeting of identification satisfactory to the Trustee's representative, and at the Beneficiary's request, such representative shall sign and deliver to such Beneficiary (or its designee) a proxy to exercise personally the

Beneficiary Votes as to which such Beneficiary is otherwise entitled hereunder to direct the vote, if such Beneficiary either (i) has not previously given the Trustee instructions pursuant to Section 4.3 in respect of such meeting or (ii) submits to such representative written revocation of any such previous instructions. At such meeting, the Beneficiary (or its designee) exercising such Beneficiary Votes shall have the same rights in respect of such Beneficiary Votes as the Trustee to speak at the meeting in respect of any matter, question, proposal or proposition, to vote by way of ballot at the meeting in respect of any matter, question, proposal or proposition, and to vote at such meeting by way of a show of hands in respect of any matter, question or proposition.

4.9 Distribution of Written Materials

Any written materials distributed by the Trustee to the Beneficiaries pursuant to this agreement shall be sent by mail (or otherwise communicated in the same manner as US Gold utilizes in communications to holders of US Gold Common Stock subject to the Trustee being advised in writing of such manner and provided such manner of communications is reasonably available to the Trustee) to each Beneficiary at its address as shown on the register of holders of Exchangeable Shares maintained by the registrar of the Exchangeable Shares. Canadian Exchange Co. shall provide or cause to be provided to the Trustee for purposes of communication, on a timely basis and without charge or other expense:

- (a) a current List; and
- (b) upon the request of the Trustee, mailing labels to enable the Trustee to carry out its duties under this agreement.

4.10 Termination of Voting Rights

Except as otherwise provided in the Share Provisions, all of the rights of a Beneficiary with respect to the Beneficiary Votes exercisable in respect of the Exchangeable Shares held by such Beneficiary, including the right to instruct the Trustee as to the voting of or to vote personally such Beneficiary Votes, shall be deemed to be surrendered by the Beneficiary to US Gold or Alberta ULC, as the case may be, and such Beneficiary Votes and the Voting Rights represented thereby shall cease immediately upon the delivery by such holder to the Trustee of the certificates representing such Exchangeable Shares in connection with the exercise by the Beneficiary of the Exchange Right or the occurrence of the automatic exchange of Exchangeable Shares for US Gold Common Stock, as specified in Article 5 hereof, or upon the retraction or redemption of Exchangeable Shares pursuant to Article 6 or Article 7 of the Share Provisions, or upon the effective date of the liquidation, dissolution or winding-up of Canadian Exchange Co. or any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs pursuant to Article 5 of the Share Provisions, or upon the purchase of Exchangeable Shares from the holder thereof by US Gold or Alberta ULC pursuant to the exercise by US Gold or Alberta ULC of the Retraction Call Right, the Redemption Call Right or the Liquidation Call Right (unless US Gold shall not have delivered the requisite US Gold Common Stock and cheque, if any, delivered in exchange therefor to the Trustee pending delivery to the Beneficiaries).

ARTICLE 5
EXCHANGE RIGHT, AUTOMATIC EXCHANGE RIGHT AND US GOLD SUPPORT

5.1 Grant and Ownership of the Automatic Exchange Right and the Exchange Right

US Gold, and Alberta ULC, in the case of the Exchange Right, hereby grant to the Trustee as trustee for and on behalf of, and for the use and benefit of, the Beneficiaries: (i) the Automatic Exchange Right, and (ii) the right (the “**Exchange Right**”), upon the occurrence and during the continuance of an Insolvency Event, to require US Gold or Alberta ULC to purchase from each or any Beneficiary all or any part of the Exchangeable Shares held by the Beneficiary, all in accordance with the provisions of this agreement. US Gold hereby acknowledges receipt from the Trustee, as trustee for and on behalf of the Beneficiaries, of good and valuable consideration (and the adequacy thereof) for the grant of the Automatic Exchange Right and the Exchange Right by US Gold to the Trustee. Alberta ULC hereby acknowledges receipt from the Trustee, as trustee for and on behalf of the Beneficiaries, of good and valuable consideration (and the adequacy thereof) for the grant of the Exchange Right by Alberta ULC to the Trustee. During the term of the Trust and subject to the terms and conditions of this agreement, the Trustee shall possess and be vested with full legal ownership of the Automatic Exchange Right and the Exchange Right and shall be entitled to exercise all of the rights and powers of an owner with respect to the Automatic Exchange Right and the Exchange Right, provided that the Trustee shall:

- (a) hold the Automatic Exchange Right and the Exchange Right and the legal title thereto as trustee solely for the use and benefit of the Beneficiaries in accordance with the provisions of this agreement; and
- (b) except as specifically authorized by this agreement, have no power or authority to exercise or otherwise deal in or with the Automatic Exchange Right and the Exchange Right, and the Trustee shall not exercise such right for any purpose other than the purposes for which this Trust is created pursuant to this agreement.

5.2 Legended Share Certificates

Canadian Exchange Co. will cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Beneficiaries of the Automatic Exchange Right, the Exchange Right and of their right to instruct the Trustee with respect to the exercise of the Exchange Right in respect of the Exchangeable Shares held by a Beneficiary.

5.3 Exercise of Exchange Right

The Exchange Right shall be and remain vested in and exercisable by the Trustee. Subject to Section 6.15 hereof, the Trustee shall exercise the Exchange Right only on the basis of instructions received pursuant to this Article 5 from Beneficiaries entitled to instruct the Trustee as to the exercise thereof. To the extent that no instructions are received from a Beneficiary with respect to the Exchange Right, the Trustee shall not exercise or permit the exercise of the Exchange Right.

5.4 Purchase Price

The purchase price payable by US Gold or Alberta ULC for each Exchangeable Share to be purchased by US Gold or Alberta ULC under the Exchange Right shall be an amount per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the last Business Day prior to the day of closing of the purchase and sale of such Exchangeable Share under the Exchange Right, which shall be satisfied in full by causing to be delivered to such holder one share of US Gold Common Stock,

plus (b) the Dividend Amount, if any. The purchase price for each such Exchangeable Share so purchased may be satisfied only by US Gold or Alberta ULC delivering or causing to be delivered to the Trustee, on behalf of the relevant Beneficiary, one share of US Gold Common Stock and a cheque for the balance, if any, of the purchase price without interest (less any amount required to be withheld under the *Income Tax Act* (Canada) or United States tax laws, or any provision of any federal, provincial, state, local or foreign tax laws).

5.5 Exercise Instructions

Subject to the terms and conditions herein set forth, a Beneficiary shall be entitled, upon the occurrence and during the continuance of an Insolvency Event, to instruct the Trustee to exercise the Exchange Right with respect to all or any part of the Exchangeable Shares registered in the name of such Beneficiary on the books of Canadian Exchange Co. To cause the exercise of the Exchange Right by the Trustee, the Beneficiary shall deliver to the Trustee, in person or by certified or registered mail, at its principal office(s) in Toronto, Ontario or Calgary, Alberta or at such other places in Canada as the Trustee may from time to time designate by written notice to the Beneficiaries, the certificates representing the Exchangeable Shares which such Beneficiary desires US Gold or Alberta ULC to purchase, duly endorsed in blank, and accompanied by such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the *Business Corporations Act* (Alberta), other applicable laws, if any, and the by-laws of Canadian Exchange Co. and such additional documents and instruments as the Trustee or Canadian Exchange Co. may reasonably require together with (a) a duly completed form of notice of exercise of the Exchange Right, contained on the reverse of or attached to the Exchangeable Share certificates, stating (i) that the Beneficiary thereby instructs the Trustee to exercise the Exchange Right so as to require US Gold or Alberta ULC to purchase from the Beneficiary the number of Exchangeable Shares specified therein, (ii) that such Beneficiary has good title to and owns all such Exchangeable Shares to be acquired by US Gold or Alberta ULC free and clear of all liens, claims and encumbrances, (iii) the names in which the certificates representing US Gold Common Stock issuable in connection with the exercise of the Exchange Right are to be issued and (iv) the names and addresses of the persons to whom such new certificates should be delivered and (b) payment (or evidence satisfactory to the Trustee, Canadian Exchange Co. and US Gold of payment) of the taxes (if any) payable as contemplated by Section 5.8 of this agreement. If only a portion of the Exchangeable Shares represented by any certificate delivered to the Trustee are to be purchased by US Gold or Alberta ULC under the Exchange Right, a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of Canadian Exchange Co.

5.6 Delivery of US Gold Common Stock; Effect of Exercise

Promptly after receipt of the certificates representing the Exchangeable Shares that a Beneficiary desires US Gold or Alberta ULC to purchase under the Exchange Right (together with such documents and instruments of transfer and a duly completed form of notice of exercise of the Exchange Right) duly endorsed for transfer to US Gold or Alberta ULC, the Trustee shall notify US Gold, Alberta ULC and Canadian Exchange Co. of its receipt of the same, which notice to US Gold, Alberta ULC and Canadian Exchange Co. shall constitute exercise of the Exchange Right by the Trustee on behalf of the holder of such Exchangeable Shares, and US Gold or Alberta ULC shall immediately thereafter deliver to the Trustee, for delivery to the Beneficiary of such Exchangeable Shares (or to such other persons, if any, properly designated by such Beneficiary), a certificate for the number of shares of US Gold Common Stock deliverable in connection with such exercise of the Exchange Right (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance, security interest or adverse claim) and a cheque for the balance, if any, of the purchase price therefor; provided, however, that no such delivery shall be made unless and until the Beneficiary requesting the same shall have paid (or provided evidence satisfactory to the Trustee, Canadian Exchange Co., Alberta

ULC and US Gold of the payment of) the taxes (if any) payable as contemplated by Section 5.8 of this agreement. Immediately upon the giving of notice by the Trustee to US Gold, Alberta ULC and Canadian Exchange Co. of the exercise of the Exchange Right, as provided in this Section 5.6, the closing of the transaction of purchase and sale contemplated by the Exchange Right shall be deemed to have occurred, and the Beneficiary of such Exchangeable Shares shall be deemed to have transferred to US Gold (or, at US Gold's option, to Alberta ULC) all of its right, title and interest in and to such Exchangeable Shares and the related interest in the Trust Estate and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive its proportionate part of the total purchase price therefor, unless the requisite number of shares of US Gold Common Stock (together with a cheque for the balance, if any, of the total purchase price therefor) is not delivered by US Gold or Alberta ULC to the Trustee, for delivery to such Beneficiary (or to such other persons, if any, properly designated by such Beneficiary), within five Business Days of the date of the giving of such notice by the Trustee, in which case the rights of the Beneficiary shall remain unaffected until such shares of US Gold Common Stock are so delivered and any such cheque is so delivered and paid. Concurrently with the closing of the transaction of purchase and sale contemplated by the Exchange Right, such Beneficiary shall be considered and deemed for all purposes to be the holder of the shares of US Gold Common Stock delivered to it pursuant to the Exchange Right. Notwithstanding the foregoing until the requisite number of shares of Common Stock of US Gold and the cheque for the balance, if any, of the total purchase price therefore, is delivered to a Beneficiary, the Beneficiary shall be deemed to still be a holder of the sold Exchangeable Shares for purposes of voting rights with respect thereto under this agreement.

5.7 Exercise of Exchange Right Subsequent to Retraction

In the event that a Beneficiary has exercised its retraction right under Article 6 of the Share Provisions to require Canadian Exchange Co. to redeem any or all of the Exchangeable Shares held by the Beneficiary (the "**Retracted Shares**") and is notified by Canadian Exchange Co. pursuant to Section 6.1(4) of the Share Provisions that Canadian Exchange Co. will not be permitted as a result of solvency requirements of applicable law to redeem all such Retracted Shares, subject to receipt by the Trustee of written notice to that effect from Canadian Exchange Co. and provided that neither US Gold nor Alberta ULC shall have exercised its Retraction Call Right with respect to the Retracted Shares and that the Beneficiary shall not have revoked the retraction request delivered by the Beneficiary to Canadian Exchange Co. pursuant to Section 6.1(5) of the Share Provisions, the retraction request will constitute and will be deemed to constitute notice from the Beneficiary to the Trustee instructing the Trustee to exercise the Exchange Right with respect to those Retracted Shares that Canadian Exchange Co. is unable to redeem. In any such event, Canadian Exchange Co. hereby agrees with the Trustee and in favour of the Beneficiary immediately to notify the Trustee of such prohibition against Canadian Exchange Co. redeeming all of the Retracted Shares and immediately to forward or cause to be forwarded to the Trustee all relevant materials delivered by the Beneficiary to Canadian Exchange Co. or to the Transfer Agent (including without limitation a copy of the retraction request delivered pursuant to Section 6.1(1) of the Share Provisions) in connection with such proposed redemption of the Retracted Shares and the Trustee will thereupon exercise the Exchange Right with respect to the Retracted Shares that Canadian Exchange Co. is not permitted to redeem and will require US Gold or, at US Gold's option, Alberta ULC, to purchase such shares in accordance with the provisions of this Article 5.

5.8 Stamp or Other Transfer Taxes

Upon any sale of Exchangeable Shares to US Gold or Alberta ULC pursuant to the Exchange Right or the Automatic Exchange Right, the share certificate or certificates representing US Gold Common Stock to be delivered in connection with the payment of the total purchase price therefor shall be issued in the name of the Beneficiary of the Exchangeable Shares so sold or in such names as such Beneficiary may otherwise direct in writing without charge to the holder of the Exchangeable Shares

so sold, provided, however, that such Beneficiary (a) shall pay (and none of US Gold, Alberta ULC, Canadian Exchange Co. or the Trustee shall be required to pay) any documentary, stamp, transfer or other similar taxes that may be payable in respect of any transfer involved in the issuance or delivery of such shares to a person other than such Beneficiary or (b) shall have established to the satisfaction of the Trustee, US Gold, Alberta ULC and Canadian Exchange Co. that such taxes, if any, have been paid.

5.9 Notice of Insolvency Event

Immediately upon the occurrence of an Insolvency Event or any event that with the giving of notice or the passage of time or both would be an Insolvency Event, Canadian Exchange Co. and US Gold shall give written notice thereof to the Trustee. As soon as practicable after receiving notice from Canadian Exchange Co. or US Gold or from any other person of the occurrence of an Insolvency Event, the Trustee will mail to each Beneficiary, at the expense of US Gold, a notice of such Insolvency Event in the form provided by US Gold, which notice shall contain a brief statement of the right of the Beneficiaries with respect to the Exchange Right.

5.10 Call Rights

The Liquidation Call Right, the Redemption Call Right, the Retraction Call Right, the Automatic Exchange Right and the Exchange Right are hereby agreed, acknowledged, consented to and confirmed, and it is agreed and acknowledged that such rights are granted as part of the consideration for the obligations of US Gold under this agreement.

5.11 Automatic Exchange Right

- (1) US Gold shall give the Trustee written notice of each of the following events (each a “**US Gold Liquidation Event**”) at the time set forth below:
 - (a) in the event of any determination by the board of directors of US Gold to institute voluntary liquidation, dissolution or winding up proceedings with respect to US Gold or to effect any other distribution of assets of US Gold among its stockholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding up or other distribution; and
 - (b) immediately, upon the earlier of (i) receipt by US Gold of notice of and (ii) US Gold otherwise becoming aware of any threatened or instituted claim, suit, petition or other proceeding with respect to the involuntary liquidation, dissolution or winding up of US Gold or to effect any other distribution of assets of US Gold among its stockholders for the purpose of winding up its affairs.
- (2) Immediately following receipt by the Trustee from US Gold of notice of any US Gold Liquidation Event contemplated by Section 5.11(1)(a) or 5.11(1)(b), the Trustee will give notice thereof to the Beneficiaries. Such notice shall be provided by US Gold to the Trustee and shall include a brief description of the automatic exchange of Exchangeable Shares for shares of US Gold Common Stock provided for in Section 5.11(4) below (the “**Automatic Exchange Right**”).
- (3) In order that the Beneficiaries will be able to participate on a pro rata basis with the holders of US Gold Common Stock in the distribution of assets of US Gold in connection with a US Gold Liquidation Event, immediately prior to the effective date (the “**US Gold**”

Liquidation Event Effective Date) of a US Gold Liquidation Event all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by US Gold or its Subsidiaries) shall be automatically exchanged for shares of US Gold Common Stock. To effect such automatic exchange, US Gold shall purchase each Exchangeable Share outstanding on the immediately prior to the US Gold Liquidation Event Effective Date and held by a Beneficiary, and each such Beneficiary shall sell the Exchangeable Shares held by it at such time, for a purchase price per share equal to (a) the Current Market Price of a share of US Gold Common Stock on the immediately prior to the US Gold Liquidation Event Effective Date, which shall be satisfied in full by US Gold delivering to such holder one share of US Gold Common Stock, plus (b) the Dividend Amount, if any.

- (4) On the immediately prior to the US Gold Liquidation Event Effective Date, the closing of the transaction of purchase and sale contemplated by the automatic exchange of Exchangeable Shares for US Gold Common Stock shall be deemed to have occurred, and each Beneficiary shall be deemed to have transferred to US Gold all of such Beneficiary's right, title and interest in and to such Exchangeable Shares and shall cease to be a holder of such Exchangeable Shares and US Gold shall deliver or cause to be delivered to the Trustee, for delivery to such holders, the certificates for the number of shares of US Gold Common Stock deliverable upon the automatic exchange of Exchangeable Shares for US Gold Common Stock (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance, security interest or adverse claim) and a cheque for the balance, if any, of the total purchase price for such Exchangeable Shares and any interest on such deposit shall belong to US Gold. Concurrently with each such Beneficiary ceasing to be a holder of Exchangeable Shares, such Beneficiary shall be considered and deemed for all purposes to be the holder of the shares of US Gold Common Stock delivered to it, or to the Trustee on its behalf, pursuant to the automatic exchange of Exchangeable Shares for shares of US Gold Common Stock and the certificates held by such Beneficiary previously representing the Exchangeable Shares exchanged by such Beneficiary with US Gold pursuant to such automatic exchange shall thereafter be deemed to represent the shares of US Gold Common Stock delivered to such Beneficiary by US Gold pursuant to such automatic exchange. Upon the request of any Beneficiary and the surrender by such Beneficiary of Exchangeable Share certificates deemed to represent shares of US Gold Common Stock, duly endorsed in blank and accompanied by such instruments of transfer as US Gold may reasonably require, the Trustee shall deliver or cause to be delivered to such Beneficiary certificates representing the shares of US Gold Common Stock of which such Beneficiary is the holder and a cheque in payment of the remaining portion, if any, of the purchase price (less any amount required to be withheld under the *Income Tax Act* (Canada) or United States tax laws, or any provision of any federal, provincial, state, local or foreign tax laws). Notwithstanding the foregoing until each Beneficiary is actually entered on the register of holders of US Gold Common Stock, such Beneficiary shall be deemed to still be a holder of the transferred Exchangeable Shares for purposes of all voting rights with respect thereto under this agreement.

5.12 US Gold Common Stock

The obligations of US Gold to issue shares of US Gold Common Stock pursuant to the Automatic Exchange Right or the Exchange Right are subject to all applicable laws and regulatory or stock exchange requirements.

5.13 Withholding Rights

US Gold, Alberta ULC, Canadian Exchange Co. and the Trustee shall be entitled to deduct and withhold from any consideration otherwise payable under this agreement to any holder of Exchangeable Shares or US Gold Common Stock such amounts as US Gold, Alberta ULC, Canadian Exchange Co. or the Trustee is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or United States tax laws or any provision of provincial, state, local or foreign tax law, in each case as amended or succeeded. The Trustee may act and rely on the advice of counsel with respect to such matters. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, US Gold, Alberta ULC, Canadian Exchange Co. and the Trustee are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to US Gold, Alberta ULC, Canadian Exchange Co. or the Trustee, as the case may be, to enable it to comply with such deduction or withholding requirement and US Gold, Alberta ULC, Canadian Exchange Co. or the Trustee shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale.

**ARTICLE 6
CONCERNING THE TRUSTEE**

6.1 Powers and Duties of the Trustee

- (1) The rights, powers, duties and authorities of the Trustee under this agreement, in its capacity as trustee of the Trust, shall include:
 - (a) receipt and deposit of the Special Voting Share from US Gold as trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;
 - (a) granting proxies and distributing materials to Beneficiaries as provided in this agreement;
 - (b) voting the Beneficiary Votes in accordance with the provisions of this agreement;
 - (c) receiving the grant of the Exchange Right and the Automatic Exchange Right from US Gold and, in the case of the Exchange Right, Alberta ULC, as trustee for and on behalf of the Beneficiaries in accordance with the provisions of this agreement;
 - (d) exercising the Exchange Right and enforcing the benefit of the Automatic Exchange Right, in each case in accordance with the provisions of this agreement, and in connection therewith receiving from Beneficiaries any requisite documents and distributing to such Beneficiaries shares of US Gold Common Stock and cheques, if any, to which such Beneficiaries are entitled pursuant to the exercise of the Exchange Right or the Automatic Exchange Right, as the case may be;
 - (e) holding title to the Trust Estate;
 - (f) investing any moneys forming, from time to time, a part of the Trust Estate as provided in this agreement;

- (g) taking action at the direction of a Beneficiary or Beneficiaries to enforce the obligations of US Gold, Alberta ULC and Canadian Exchange Co. under this agreement and under the Share Provisions; and
 - (h) taking such other actions and doing such other things as are specifically provided in this agreement.
- (2) In the exercise of such rights, powers, duties and authorities the Trustee shall have (and is granted) such incidental and additional rights, powers and authority not in conflict with any of the provisions of this agreement as the Trustee, acting in good faith and in the reasonable exercise of its discretion, may deem necessary, appropriate or desirable to effect the purpose of the Trust. Any exercise of duties or of discretionary rights, powers and authorities by the Trustee shall be final, conclusive and binding upon all persons. For greater certainty, the Trustee shall have only those duties as set out specifically in this agreement.
- (3) The Trustee in exercising its rights, powers, duties and authorities hereunder shall act honestly and in good faith and with a view to the best interests of the Beneficiaries and shall exercise the care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.
- (4) The Trustee shall not be bound to give notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall be specifically required to do so under the terms hereof; nor shall the Trustee be required to take any notice of, or to do or to take any act, action or proceeding as a result of any default or breach of any provision hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default or breach desired to be brought to the attention of the Trustee, and in the absence of such notice the Trustee may for all purposes of this agreement conclusively assume that no default or breach has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein.

6.2 No Conflict of Interest

The Trustee represents to US Gold, Alberta ULC and Canadian Exchange Co. that at the date of execution and delivery of this agreement there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder and the role of the Trustee in any other capacity. The Trustee shall, within 90 days after it becomes aware that such material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Article 9. If, notwithstanding the foregoing provisions of this Section 6.2, the Trustee has such a material conflict of interest, the validity and enforceability of this agreement shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Trustee contravenes the foregoing provisions of this Section 6.2, any interested party may apply to the Superior Court of Justice (Ontario) for an order that the Trustee be replaced as trustee hereunder.

6.3 Dealings With Transfer Agents, Registrars, Etc.

- (1) Each of US Gold, Alberta ULC and Canadian Exchange Co. irrevocably authorizes the Trustee, from time to time, to:

- (a) consult, communicate and otherwise deal with the respective registrars and transfer agents, and with any such subsequent registrar or transfer agent, of the Exchangeable Shares and US Gold Common Stock; and
 - (b) requisition, from time to time, from any such registrar or transfer agent any information readily available from the records maintained by it, which the Trustee may reasonably require for the discharge of its duties and responsibilities under this agreement.
- (2) Each of US Gold and Alberta ULC covenant that it will supply the Trustee or the Transfer Agent, as the case may be, in a timely manner with duly executed share certificates for the purpose of completing the exercise from time to time of all rights to acquire US Gold Common Stock hereunder, under the Share Provisions and under any other security or commitment given to the Beneficiaries pursuant thereto, in each case pursuant to the provisions hereof or of the Share Provisions or otherwise.

6.4 Books and Records

The Trustee shall keep available for inspection by US Gold, Alberta ULC and Canadian Exchange Co. at the Trustee's principal office(s) in Toronto, Ontario or Calgary, Alberta correct and complete books and records of account relating to the Trustee's actions under this agreement, including, without limitation, all information relating to mailings and instructions to and from Beneficiaries and all transactions pursuant to the Voting Rights and the Exchange Right, for the term of this agreement. On or before February 15, 2008, and on or before February 15 in every year thereafter, so long as the Special Voting Share is registered in the name of the Trustee, the Trustee shall transmit to US Gold, Alberta ULC and Canadian Exchange Co. a brief report, dated as of the preceding December 31st, with respect to:

- (a) the property and funds comprising the Trust Estate as of that date;
- (b) the number of exercises of the Exchange Right, if any, and the aggregate number of Exchangeable Shares received by the Trustee on behalf of Beneficiaries in consideration of the issuance and delivery by US Gold or Alberta ULC of shares of US Gold Common Stock in connection with the Exchange Right, during the calendar year ended on such December 31st; and
- (c) all other actions taken by the Trustee in the performance of its duties under this agreement that it had not previously reported.

6.5 Income Tax Returns and Reports

The Trustee shall, to the extent necessary and as advised by counsel, prepare and file, or cause to be prepared and filed, on behalf of the Trust appropriate United States and Canadian income tax returns and any other returns or reports as may be required by applicable law or pursuant to the rules and regulations of any securities exchange or other trading system through which the Exchangeable Shares are traded. In connection therewith, the Trustee may obtain the advice and assistance of such experts or advisors as the Trustee considers necessary or advisable. US Gold shall retain qualified experts or advisors for the purpose of providing such tax advice or assistance.

6.6 Indemnification Prior To Certain Actions By Trustee

- (1) The Trustee shall exercise any or all of the rights, duties, powers or authorities vested in it by this agreement at the request, order or direction of any Beneficiary upon such Beneficiary furnishing to the Trustee reasonable funding, security and indemnity against the costs, expenses and liabilities which may be incurred by the Trustee therein or thereby, provided that no Beneficiary shall be obligated to furnish to the Trustee any such funding, security or indemnity in connection with the exercise by the Trustee of any of its rights, duties, powers and authorities with respect to the Special Voting Share pursuant to Article 4, subject to Section 6.15 and with respect to the Exchange Right pursuant to Article 5, subject to Section 6.15, and with respect to the Automatic Exchange Right pursuant to Article 5.
- (2) None of the provisions contained in this agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the exercise of any of its rights, powers, duties, or authorities unless funded, given security and indemnified as aforesaid.

6.7 Action of Beneficiaries

No Beneficiary shall have the right to institute any action, suit or proceeding or to exercise any other remedy authorized by this agreement for the purpose of enforcing any of its rights or for the execution of any trust or power hereunder unless the Beneficiary has requested the Trustee to take or institute such action, suit or proceeding and furnished the Trustee with the funding, security and indemnity referred to in Section 6.6 and the Trustee shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, the Beneficiary shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken; it being understood and intended that no one or more Beneficiaries shall have any right in any manner whatsoever to affect, disturb or prejudice the rights hereby created by any such action, or to enforce any right hereunder, including, without limitation, under the Voting Rights, the Exchange Right or the Automatic Exchange Right, except subject to the conditions and in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and in any event for the equal benefit of all Beneficiaries.

6.8 Reliance By Trustee Upon Declarations

The Trustee shall not be considered to be in contravention of any of its rights, powers, duties and authorities hereunder if, when required, it acts and relies in good faith upon lists (including any Lists), notices, statutory declarations, certificates, (including share certificate and officers certificates), opinions or reports or other papers or documents furnished pursuant to the provisions hereof or required by the Trustee to be furnished to it in the exercise of its rights, powers, duties and authorities hereunder if such lists (including any Lists), notices, statutory declarations, certificates, opinions or reports comply with the provisions of Section 6.9, if applicable, and with any other applicable provisions of this agreement.

6.9 Evidence and Authority To Trustee

- (1) US Gold, Alberta ULC and/or Canadian Exchange Co. shall furnish to the Trustee evidence of compliance with the conditions provided for in this agreement relating to any action or step required or permitted to be taken by US Gold, Alberta ULC and/or Canadian Exchange Co. or the Trustee under this agreement or as a result of any obligation imposed under this agreement, including, without limitation, in respect of the

Voting Rights or the Exchange Right and the taking of any other action to be taken by the Trustee at the request of or on the application of US Gold, Alberta ULC and/or Canadian Exchange Co. forthwith if and when:

- (a) such evidence is required by any other section of this agreement to be furnished to the Trustee in accordance with the terms of this Section 6.9; or
 - (b) the Trustee, in the exercise of its rights, powers, duties and authorities under this agreement, gives US Gold, Alberta ULC and/or Canadian Exchange Co. written notice requiring it to furnish such evidence in relation to any particular action or obligation or matter specified in such notice.
- (2) Such evidence shall consist of an Officer's Certificate of US Gold, Alberta ULC and/or Canadian Exchange Co. or a statutory declaration or a certificate made by persons entitled to sign an Officer's Certificate stating that any such condition has been complied with in accordance with the terms of this agreement.
- (3) Whenever such evidence relates to a matter other than the Voting Rights or the Exchange Right or the Automatic Exchange Right and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert or any other person whose qualifications give authority to a statement made by such person, provided that if such report or opinion is furnished by a director, officer or employee of US Gold, Alberta ULC and/or Canadian Exchange Co. it shall be in the form of an Officer's Certificate or a statutory declaration.
- (4) Each statutory declaration, Officer's Certificate, opinion or report furnished to the Trustee as evidence of compliance with a condition provided for in this agreement shall include a statement by the person giving the evidence:
- (a) declaring that such person has read and understands the provisions of this agreement relating to the condition in question;
 - (b) describing the nature and scope of the examination or investigation upon which such person based the statutory declaration, certificate, statement or opinion; and
 - (c) declaring that such person has made such examination or investigation as such person believes is necessary to enable them to make the statements or give the opinions contained or expressed therein.

6.10 Experts, Advisers and Agents

The Trustee may:

- (a) in relation to these presents act and rely on the opinion or advice of or information obtained from any solicitor, attorney, auditor, accountant, appraiser, valuer or other expert, whether retained by the Trustee or by US Gold, Alberta ULC and/or Canadian Exchange Co. or otherwise, and may retain or employ such assistance as may be necessary to the proper determination and discharge of its powers and duties and determination of its rights or duties hereunder and may

pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid;

- (b) employ such agents and other assistance as it may reasonably require for the proper determination and/or discharge of its powers and duties hereunder; and
- (c) pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all reasonable disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the Trust.

6.11 Investment of Moneys Held By Trustee

Unless otherwise provided in this agreement, any moneys held by or on behalf of the Trustee which under the terms of this agreement may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee may be invested or reinvested in the name or under the control of the Trustee in securities in which, under the laws of the Province of Ontario, trustees are authorized to invest trust moneys, provided that such securities are stated to mature within two years after their purchase by the Trustee and the Trustee shall so invest such money on the written direction of Canadian Exchange Co. Pending the investment of any money as herein provided such moneys may be deposited in the name of the Trustee in any chartered bank in Canada or, with the consent of Canadian Exchange Co., in the deposit department of the Trustee or any other loan or trust company authorized to accept deposits under the laws of Canada or any province thereof at the rate of interest then current on similar deposits.

6.12 Trustee Not Required to Give Security

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts, rights, duties, powers and authorities of this agreement or otherwise in respect of the premises.

6.13 Trustee Not Bound to Act on Request

Except as in this agreement otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of US Gold, Alberta ULC and/or Canadian Exchange Co. or of the respective directors thereof until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

6.14 Authority to Carry on Business

The Trustee represents to US Gold, Alberta ULC and Canadian Exchange Co. that at the date of execution and delivery by it of this agreement it is authorized to carry on the business of a trust company in each of the provinces and territories of Canada but if, notwithstanding the provisions of this Section 6.14, it ceases to be so authorized to carry on business, the validity and enforceability of this agreement and the Voting Rights, the Exchange Right, the Automatic Exchange Right and the other rights granted in or resulting from the Trustee being a party to this agreement shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be

authorized to carry on the business of a trust company in any province or territory of Canada, either become so authorized or resign in the manner and with the effect specified in Article 9.

6.15 Conflicting Claims

- (1) If conflicting claims or demands are made or asserted with respect to any interest of any Beneficiary in any Exchangeable Shares, including any disagreement between the heirs, representatives, successors or assigns succeeding to all or any part of the interest of any Beneficiary in any Exchangeable Shares, resulting in conflicting claims or demands being made in connection with such interest, then the Trustee shall be entitled, in its sole discretion, to refuse to recognize or to comply with any such claims or demands. In so refusing, the Trustee may elect not to exercise any Voting Rights, Exchange Right, Automatic Exchange Right or other rights subject to such conflicting claims or demands and, in so doing, the Trustee shall not be or become liable to any person on account of such election or its failure or refusal to comply with any such conflicting claims or demands. The Trustee shall be entitled to continue to refrain from acting and to refuse to act until:
 - (a) the rights of all adverse claimants with respect to the Voting Rights, Exchange Right, Automatic Exchange Right or other rights subject to such conflicting claims or demands have been adjudicated by a final judgement of a court of competent jurisdiction; or
 - (b) all differences with respect to the Voting Rights, Exchange Right or other rights subject to such conflicting claims or demands have been conclusively settled by a valid written agreement binding on all such adverse claimants, and the Trustee shall have been furnished with an executed copy of such agreement.
- (2) If the Trustee elects to recognize any claim or comply with any demand made by any such adverse claimant, it may in its discretion require such claimant to furnish such surety bond or other security satisfactory to the Trustee as it shall deem appropriate to fully indemnify it as between all conflicting claims or demands.

6.16 Acceptance of Trust

The Trustee hereby accepts the Trust created and provided for, by and in this agreement and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Beneficiaries, subject to all the terms and conditions herein set forth.

**ARTICLE 7
COMPENSATION**

7.1 Fees and Expenses of the Trustee

The Trustee will invoice US Gold for its fees and expenses under this agreement. US Gold, Alberta ULC and Canadian Exchange Co. jointly and severally agree to pay the Trustee reasonable compensation for all of the services rendered by it under this agreement and will reimburse the Trustee for all reasonable expenses (including, but not limited to, taxes other than taxes based on the net income or capital of the Trustee, fees paid and disbursements reimbursed to legal counsel and other experts and advisors and agents and assistants, and travel expenses) and disbursements, including the cost and

expense of any suit or litigation of any character and any proceedings before any governmental agency, and including fees and expenses for attendance at any US Gold Meeting, reasonably incurred by the Trustee in connection with its duties under this agreement; provided that US Gold, Alberta ULC and Canadian Exchange Co. shall have no obligation to reimburse the Trustee for any expenses or disbursements paid, incurred or suffered by the Trustee in any suit or litigation or any such proceedings in which the Trustee is determined to have acted in bad faith or with fraud, negligence, recklessness or wilful misconduct.

**ARTICLE 8
INDEMNIFICATION AND LIMITATION OF LIABILITY**

8.1 Indemnification of the Trustee

- (1) US Gold, Alberta ULC and Canadian Exchange Co. jointly and severally agree to indemnify and hold harmless the Trustee and each of its directors, officers, employees and agents appointed and acting in accordance with this agreement (collectively, the **"Indemnified Parties"**) against all claims, losses, damages, reasonable costs, penalties, fines and reasonable expenses (including reasonable expenses of the Trustee's legal counsel) which, without fraud, negligence, recklessness, wilful misconduct or bad faith on the part of such Indemnified Party, may be paid, incurred or suffered by the Indemnified Party by reason or as a result of the Trustee's acceptance or administration of the Trust, its compliance with its duties set forth in this agreement, or any written or oral instruction delivered to the Trustee by US Gold, Alberta ULC or Canadian Exchange Co. pursuant hereto.

- (2) US Gold, Alberta ULC or Canadian Exchange Co. shall be notified by the Trustee of the written assertion of a claim or of any action commenced against the Indemnified Parties, promptly after any of the Indemnified Parties shall have received any such written assertion of a claim or shall have been served with a summons or other first legal process giving information as to the nature and basis of the claim. Provided that the omission to so notify US Gold, Alberta ULC or Canadian Exchange Co. shall not relieve US Gold, Alberta ULC or Canadian Exchange Co. of any liability which any of them may have to any Indemnified Party except to the extent that any such delay prejudices the defence of any such claim or action or results in any increase in the liability which US Gold, Alberta ULC or Canadian Exchange Co. have under this indemnity. Subject to (ii) below, US Gold, Alberta ULC and Canadian Exchange Co. shall be entitled to participate at their own expense in the defence and, if US Gold, Alberta ULC and Canadian Exchange Co. so elect at any time after receipt of such notice, either of them may assume the defence of any suit brought to enforce any such claim. The Trustee shall have the right to employ separate counsel in any such suit and participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Trustee unless: (i) the employment of such counsel has been authorized by US Gold, Alberta ULC or Canadian Exchange Co.; or (ii) the named parties to any such suit include both the Trustee and US Gold, Alberta ULC or Canadian Exchange Co. and the Trustee shall have been advised by counsel acceptable to US Gold, Alberta ULC or Canadian Exchange Co. that there may be one or more legal defences available to the Trustee that are different from or in addition to those available to US Gold, Alberta ULC or Canadian Exchange Co. and that, in the judgement of such counsel, would present a conflict of interest were a joint representation to be undertaken (in which case US Gold, Alberta ULC and Canadian Exchange Co. shall not have the right to assume the defence of such suit on behalf of the Trustee but shall be liable to pay the reasonable fees and expenses of counsel for the

Trustee). The indemnities contained in this Article 8 shall survive the termination of the Trust and the resignation or removal of the Trustee.

8.2 Limitation of Liability

The Trustee shall not be held liable for any loss which may occur by reason of depreciation of the value of any part of the Trust Estate or any loss incurred on any investment of funds pursuant to this agreement, except to the extent that such loss is attributable to the fraud, negligence, recklessness, wilful misconduct or bad faith on the part of the Trustee.

**ARTICLE 9
CHANGE OF TRUSTEE**

9.1 Resignation

The Trustee, or any trustee hereafter appointed, may at any time resign by giving written notice of such resignation to US Gold, Alberta ULC and Canadian Exchange Co. specifying the date on which it desires to resign, provided that such notice shall not be given less than sixty (60) days before such desired resignation date unless US Gold, Alberta ULC and Canadian Exchange Co. otherwise agree and provided further that such resignation shall not take effect until the date of the appointment of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, Canadian Exchange Co. shall promptly appoint a successor trustee, which shall be a corporation organized and existing under the laws of Canada and authorized to carry on the business of a trust company in all provinces and territories of Canada, by written instrument in duplicate, one copy of which shall be delivered to the resigning trustee and one copy to the successor trustee. Failing the appointment and acceptance of a successor trustee, a successor trustee may be appointed by order of a court of competent jurisdiction upon application of one or more of the parties to this agreement. If the retiring trustee is the party initiating an application for the appointment of a successor trustee by order of a court of competent jurisdiction, US Gold, Alberta ULC and Canadian Exchange Co. shall be jointly and severally liable to reimburse the retiring trustee for its legal costs and expenses in connection with same.

9.2 Removal

The Trustee, or any trustee hereafter appointed, may (provided a successor trustee is appointed) be removed at any time on not less than sixty (60) days' prior notice by written instrument executed by US Gold, Alberta ULC and Canadian Exchange Co., in duplicate, one copy of which shall be delivered to the trustee so removed and one copy to the successor trustee, provided that such removal shall not take effect until the date of acceptance of appointment by the successor trustee.

9.3 Successor Trustee

Any successor trustee appointed as provided under this agreement shall execute, acknowledge and deliver to US Gold, Alberta ULC and Canadian Exchange Co. and to its predecessor trustee an instrument accepting such appointment. Thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor under this agreement, with the like effect as if originally named as trustee in this agreement. However, on the written request of US Gold, Alberta ULC and Canadian Exchange Co. or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due to it pursuant to the provisions of this agreement, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the request of any such successor trustee, US Gold, Alberta

ULC, Canadian Exchange Co. and such predecessor trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Notwithstanding the foregoing, any corporation to which all or substantially all of the business of the Trustee is transferred shall automatically become the successor trustee without any further act.

9.4 Notice of Successor Trustee

Upon acceptance of appointment by a successor trustee as provided herein, US Gold, Alberta ULC and Canadian Exchange Co. shall cause to be mailed notice of the succession of such trustee hereunder to each Beneficiary specified in a List. If US Gold, Alberta ULC or Canadian Exchange Co. shall fail to cause such notice to be mailed within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of US Gold, Alberta ULC and Canadian Exchange Co.

**ARTICLE 10
AMENDMENTS AND SUPPLEMENTAL TRUST AGREEMENTS**

10.1 Amendments, Modifications, etc.

Subject to Section 10.2 thereof, this agreement may not be amended or modified except by an agreement in writing executed by US Gold, Alberta ULC, Canadian Exchange Co. and the Trustee and approved by the Beneficiaries in accordance with Section 9.2 of the Share Provisions.

10.2 Ministerial Amendments

Notwithstanding the provisions of Section 10.1, the parties to this agreement may in writing, at any time and from time to time, without the approval of the Beneficiaries, amend or modify this agreement for the purposes of:

- (a) adding to the covenants of any or all parties hereto for the protection of the Beneficiaries hereunder provided that the board of directors of each of Canadian Exchange Co., Alberta ULC and US Gold shall be of the good faith opinion (confirmed in writing by each to the Trustee) that such additions will not be prejudicial to the rights or interests of the Beneficiaries;
- (b) making such amendments or modifications not inconsistent with this agreement (as confirmed in writing by Canadian Exchange Co. which may be relied upon by the Trustee), as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the board of directors of each of US Gold, Alberta ULC and Canadian Exchange Co. (confirmed in writing by each to the Trustee) and in the opinion of the Trustee, in reliance upon a certificate of Canadian Exchange Co., having in mind the best interests of the Beneficiaries, it may be expedient to make, provided that such boards of directors (confirmed in writing by each to the Trustee) and the Trustee, acting in reliance upon a certificate of Canadian Exchange Co., shall be of the opinion that such amendments and modifications will not be prejudicial to the rights or interests of the Beneficiaries as a whole; or
- (c) making such changes or corrections which, on the advice of counsel to US Gold, Alberta ULC, Canadian Exchange Co. and the Trustee, are required for the

purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

10.3 Meeting To Consider Amendments

Canadian Exchange Co., at the request of US Gold, shall call a meeting or meetings of the Beneficiaries for the purpose of considering any proposed amendment or modification requiring approval pursuant hereto. Any such meeting or meetings shall be called and held in accordance with the by-laws of Canadian Exchange Co., the Share Provisions and all applicable laws.

10.4 Changes in Capital of US Gold and Canadian Exchange Co.

At all times after the occurrence of any event contemplated pursuant to Section 2.7 or 2.8 of the Support Agreement or otherwise, as a result of which either US Gold Common Stock or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which US Gold Common Stock or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver a supplemental trust agreement giving effect to and evidencing such necessary amendments and modifications.

10.5 Execution of Supplemental Trust Agreements

Notwithstanding Section 10.1, from time to time Canadian Exchange Co. (when authorized by a resolution of its Board of Directors), US Gold (when authorized by a resolution of its board of directors) and the Trustee may, subject to the provisions of these presents, and they shall, when so directed by these presents, execute and deliver by their proper officers, trust agreements or other instruments supplemental hereto, which thereafter shall form part hereof. In executing or accepting the supplemental trusts created by any supplemental indenture permitted by this Article 10, the Trustee will be entitled to receive and (subject to Article 6) will be fully protected in relying upon an Officer's Certificate and opinions of counsel stating that the execution of such supplemental indenture is authorized or permitted in this agreement.

**ARTICLE 11
TERMINATION**

11.1 Term

The Trust created by this agreement shall continue until the earliest to occur of the following events:

- (a) no outstanding Exchangeable Shares are held by a Beneficiary;
- (b) each of US Gold, Alberta ULC and Canadian Exchange Co. elects in writing to terminate the Trust and such termination is approved by the Beneficiaries in accordance with Section 9.2 of the Share Provisions; and
- (c) 21 years after the death of the last survivor of the descendants of His Majesty King George VI of Canada and the United Kingdom of Great Britain and Northern Ireland living on the date of the creation of the Trust.

11.2 Survival of Agreement

This agreement shall survive any termination of the Trust and shall continue until there are no Exchangeable Shares outstanding held by a Beneficiary; provided, however, that the provisions of Article 7 and Article 8 shall survive any termination of this agreement.

**ARTICLE 12
GENERAL**

12.1 Severability

If any term or other provision of this agreement is invalid, illegal or incapable of being enforced by reason of any rule or law, or public policy, all other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

12.2 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns and, subject to the terms hereof, to the benefit of the Beneficiaries.

12.3 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be in writing and shall be deemed sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) at or to the address or facsimile telephone number set forth beneath the name of such party below:

If to Canadian Exchange Co. or Alberta ULC:

2900 Manulife Place
10180-101 Street
Edmonton, Alberta
T5J 3V5

Facsimile No.: (780) 423-7276
Attention: Corporate Secretary

If to US Gold:

165 South Union
Suite 565
Lakewood, CO 80228

Facsimile No.: (303) 238-1438
Attention: William F. Pass

In the case of Canadian Exchange Co., Alberta ULC and US Gold, with copy to:

Fraser Milner Casgrain LLP
1 First Canadian Place
100 King Street West, Suite 3900
Toronto, Ontario
M5X 1B2

Attention: Michael Melanson
Fax: (416) 863-4592

If to the Trustee:

Computershare Trust Company of Canada
600, 530 8th Avenue S.W.
Calgary, Alberta T2P 3S8

Attention: Manager, Corporate Trust
Fax: (403) 267-6598

or at such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this section. Any notice given shall be deemed to have been received on the date of such delivery or sending. Provided that if any notice or other communication to which this section applies is given or delivered by facsimile transmission and is recorded as having been transmitted successfully after 5:00 pm (local time of recipient) on a business day or at any time on a day that is not a business day, such notice or other communication shall be deemed to have been given or delivered and received on the following business day.

12.4 Notice to Beneficiaries

Any notice, request or other communication to be given to a Beneficiary shall be in writing and shall be valid and effective if given by mail (postage pre-paid or by delivery, to the address of the holder recorded in the securities register of Canadian Exchange Co. or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the fifth day following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares, or any defect in such notice, shall not invalidate or otherwise alter or affect any action or proceeding to be taken pursuant thereto.

12.5 Risk of Payments By Post

Whenever payments are to be made or certificates or documents are to be sent to any Beneficiary by the Trustee or by Canadian Exchange Co., Alberta ULC, US Gold or by such Beneficiary to the Trustee or to US Gold or Alberta ULC or Canadian Exchange Co., the making of such payment or sending of such certificate or document sent through the post shall be at the risk of Canadian Exchange Co., in the case of payments made or documents by the Trustee or Canadian Exchange Co. or Alberta ULC or US Gold and the Beneficiary, in the case of payments made or documents by the Beneficiary.

12.6 Counterparts

This agreement may be executed in counterparts (by facsimile or otherwise), each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

12.7 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

12.8 Attornment

Each of the Trustee, US Gold, Alberta ULC and Canadian Exchange Co. agrees that any action or proceeding arising out of or relating to this agreement or any of the transactions contemplated by this agreement may be instituted in the courts of Ontario, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the non-exclusive jurisdiction of the said courts in any such action or proceeding, agrees to be bound by any judgement of the said courts and not to seek, and hereby waives, any review of the merits of any such judgement by the courts of any other jurisdiction, and each of US Gold and Alberta ULC hereby appoint Canadian Exchange Co. at its registered office in the Province of Alberta as attorney for service of process.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed as of the date first above written.

US GOLD CORPORATION

By: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary

US GOLD ALBERTA ULC

By: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary

US GOLD CANADIAN ACQUISITION CORPORATION

By: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary

COMPUTERSHARE TRUST COMPANY OF CANADA

By: /s/ Dan Sander
Name: Dan Sander
Title: Professional Corporate Trustee

By: /s/ Patricia Selby
Name: Patricia Selby
Title: Professional Corporate Trustee

SUPPORT AGREEMENT

AGREEMENT made as of March 22, 2007, between US Gold Corporation, a corporation existing under the laws of Colorado (“**US Gold**”), US Gold Alberta ULC, a corporation existing under the laws of Alberta (“**Alberta ULC**”) and US Gold Canadian Acquisition Corporation, a corporation existing under the laws of Alberta (“**Canadian Exchange Co.**”).

WHEREAS US Gold, together with Canadian Exchange Co. has offered, by way of a public take-over bid, to acquire all of the outstanding common shares of each of White Knight Resources Ltd., Nevada Pacific Gold Ltd., and Tone Resources Ltd. in consideration for exchangeable shares (“**Exchangeable Shares**”) of Canadian Exchange Co.;

AND WHEREAS holders of Exchangeable Shares will be entitled to require Canadian Exchange Co. to redeem such Exchangeable Shares and upon such redemption each Exchangeable Share shall be exchanged by Canadian Exchange Co. for one share common stock of US Gold (“**US Gold Common Stock**”);

AND WHEREAS US Gold intends to grant to and in favour of Non-Affiliated Holders (as hereinafter defined) from time to time of Exchangeable Shares the right to require US Gold or, at the option of US Gold, Alberta ULC, to purchase from each Non-Affiliated Holder all or any part of the Exchangeable Shares held by the Non-Affiliated Holder;

AND WHEREAS the parties desire to make appropriate provision and to establish a procedure whereby US Gold will take certain actions and make certain payments and deliveries necessary to ensure that Canadian Exchange Co. and Alberta ULC will be able to make certain payments and to deliver or cause to be delivered shares of US Gold Common Stock in satisfaction of the obligations of Canadian Exchange Co. and/or Alberta ULC under the Share Provisions (as hereinafter defined) and this agreement;

NOW THEREFORE, in consideration of the respective covenants and agreements provided in this agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Defined Terms

In this agreement, each initially capitalized term and the terms used and not otherwise defined herein shall have the meaning ascribed thereto in the rights, privileges, restrictions and conditions (collectively, the “**Share Provisions**”) attaching to the Exchangeable Shares as set out in the articles of Canadian Exchange Co. and the following terms shall have the following meanings:

“**Effective Date**” means the earliest date on which Canadian Exchange Co. first takes up shares of White Knight Resources Ltd., Coral Gold Resources Ltd., Nevada Pacific Gold Ltd. or Tone Resources Ltd. under the offers to purchase pursuant to the take-over bids referred to in the Recitals hereto.

“**including**” means “including without limitation” and “**includes**” means “includes without limitation”.

“**Non-Affiliated Holders**” means the registered holders of Exchangeable Shares other than US Gold and its Subsidiaries.

“**Special Voting Share**” means the one share of special voting preference stock par value US\$1.00, issued by US Gold to and deposited with the Trustee, which entitles the holder of record to a number of votes at meetings of holders of US Gold Common Stock equal to the number of Exchangeable Shares outstanding from time to time that are held by Non-Affiliated Holders.

“**Trustee**” means Computershare Trust Company of Canada and, subject to the provisions of the Voting and Exchange Trust Agreement, includes any successor trustee or permitted assigns.

1.2 Interpretation Not Affected By Headings

The division of this agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this agreement. Unless otherwise specified, references to an “**Article**” or “**Section**” refer to the specified Article or Section of this agreement.

1.3 Number, Gender, etc.

In this agreement, unless the context otherwise requires words importing the singular number include the plural and vice versa. Words importing any gender shall include all genders and words importing persons include individuals, corporations, partnerships, companies, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities of any kind.

1.4 Date for any Action

If any date on which any action is required to be taken under this agreement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

1.5 Payments

All payments to be made hereunder will be made without interest and less any tax required by Canadian law to be deducted and withheld.

**ARTICLE 2
COVENANTS OF US GOLD AND CANADIAN EXCHANGE CO.**

2.1 Covenants Regarding Exchangeable Shares

So long as any Exchangeable Shares owned by Non-Affiliated Holders are outstanding, US Gold will:

- (a) not declare or pay any dividend on the US Gold Common Stock unless Canadian Exchange Co. shall (i) simultaneously declare or pay, as the case may be, an equivalent dividend on the Exchangeable Shares (an “**Equivalent Dividend**”), and (ii) have sufficient money or other assets or authorized but unissued securities available to enable the due declaration and the due and punctual payment, in accordance with applicable law, of any such Equivalent Dividend;
- (b) advise Canadian Exchange Co. sufficiently in advance of the declaration by US Gold of any dividend on the US Gold Common Stock and take all such other actions as are reasonably

necessary, in co-operation with Canadian Exchange Co., to ensure that the respective declaration date, record date and payment date for an Equivalent Dividend on the Exchangeable Shares shall be the same as the declaration date, record date and payment date for the corresponding dividend on the US Gold Common Stock and that such dividend on the Exchangeable Shares shall comply with any requirements of the stock exchange on which the Exchangeable Shares are listed;

- (c) ensure that the record date for determining shareholders entitled to receive any dividend declared on the US Gold Common Stock is not less than 10 Business Days after the declaration date for such dividend or such shorter period as may be permitted under applicable law;
- (d) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Canadian Exchange Co., in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, in respect of each issued and outstanding Exchangeable Share upon the liquidation, dissolution or winding-up of Canadian Exchange Co. or any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs including, without limitation, all such actions and all such things as are necessary or desirable to enable and permit Canadian Exchange Co. to cause to be delivered shares of US Gold Common Stock to the holders of Exchangeable Shares in accordance with the provisions of Article 5 of the Share Provisions;
- (e) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Canadian Exchange Co., in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Retraction Price and the Redemption Price, including, without limitation, all such actions and all such things as are necessary or desirable to enable and permit Canadian Exchange Co. to cause to be delivered shares of US Gold Common Stock to the holders of Exchangeable Shares, upon the retraction or redemption of Exchangeable Shares in accordance with the provisions of Article 6 or Article 7 of the Share Provisions, as the case may be;
- (f) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Alberta ULC or US Gold, in accordance with applicable law, to perform its obligations arising upon the exercise by it of the Liquidation Call Right, the Retraction Call Right or the Redemption Call Right, including all such actions and all such things as are necessary or desirable to enable and permit Alberta ULC or US Gold to cause to be delivered shares of US Gold Common Stock to the holders of Exchangeable Shares in accordance with the provisions of the Liquidation Call Right, the Retraction Call Right or the Redemption Call Right, as the case may be; and
- (g) not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Canadian Exchange Co. or any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs, nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Canadian Exchange Co. or any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs.

2.2 Segregation of Funds

US Gold will cause Canadian Exchange Co. to deposit a sufficient amount of funds in a separate account of Canadian Exchange Co. and segregate a sufficient amount of such other assets and

property as is necessary to enable Canadian Exchange Co. to pay or otherwise satisfy the applicable dividends, Liquidation Amount, Retraction Price or Redemption Price, once such amounts become payable under the terms of this agreement or the Share Provisions, in each case for the benefit of Non-Affiliated Holders from time to time of the Exchangeable Shares, and to use such funds and other assets so segregated exclusively for the payment of dividends and the payment or other satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price, as applicable net of any corresponding withholding tax obligations and for the remittance of such withholding tax obligations.

2.3 Reservation of US Gold Common Stock

US Gold hereby represents, warrants and covenants in favour of Canadian Exchange Co. and Alberta ULC that US Gold has reserved for issuance and will, at all times while any Exchangeable Shares are outstanding, keep available, free from pre-emptive and other rights, out of its authorized and unissued capital stock such number of shares of US Gold Common Stock (or other shares or securities into which US Gold Common Stock may be reclassified or changed as contemplated by Section 2.7): (a) as is equal to the sum of (i) the number of Exchangeable Shares issued and outstanding from time to time and (ii) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares outstanding from time to time; and (b) as are now and may hereafter be required to enable and permit each of US Gold, Alberta ULC and Canadian Exchange Co. to meet its obligations under the Voting and Exchange Trust Agreement, under the Share Provisions and under any other security or commitment pursuant to which US Gold, Alberta ULC and Canadian Exchange Co. may now or hereafter be required to issue and/or deliver shares of US Gold Common Stock to the Non-Affiliated Holders.

2.4 Notification of Certain Events

In order to assist US Gold to comply with its obligations hereunder and to permit Alberta ULC to exercise the Liquidation Call Right, Retraction Call Right and Redemption Call Right, Canadian Exchange Co. will notify US Gold of each of the following events at the time set forth below:

- (a) in the event of any determination by the board of directors of Canadian Exchange Co. to institute voluntary liquidation, dissolution or winding-up proceedings with respect to Canadian Exchange Co. or to effect any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs, at least 60 days prior to the proposed effective date of such liquidation, dissolution, winding-up or other distribution;
- (b) immediately, upon the earlier of (i) receipt by Canadian Exchange Co. of notice of, and (ii) Canadian Exchange Co. otherwise becoming aware of, any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of Canadian Exchange Co. or to effect any other distribution of the assets of Canadian Exchange Co. among its shareholders for the purpose of winding up its affairs;
- (c) immediately, upon receipt by Canadian Exchange Co. of a Retraction Request;
- (d) at least 30 days prior to any Redemption Date determined by the board of directors of Canadian Exchange Co. in accordance with the Share Provisions; and
- (e) as soon as practicable upon the issuance by Canadian Exchange Co. of any Exchangeable Shares or rights to acquire Exchangeable Shares.

2.5 Delivery of US Gold Common Stock

Upon notice of any event that requires Canadian Exchange Co. or Alberta ULC to cause to be delivered US Gold Common Stock to any holder of Exchangeable Shares, US Gold shall, in any manner deemed appropriate by it, provide such shares or cause such shares to be provided to Canadian Exchange Co. or Alberta ULC, as appropriate, which shall forthwith deliver or cause to be delivered the requisite number of US Gold Common Stock to or for the benefit of the former holder of the surrendered Exchangeable Shares. All such shares of US Gold Common Stock shall be duly authorized and validly issued as fully paid, non-assessable, free of pre-emptive rights and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim. In consideration for the issuance and delivery of each such share of US Gold Common Stock, Canadian Exchange Co. or Alberta ULC, as the case may be, shall subscribe a cash amount or pay a purchase price equal to the fair market value of the shares of US Gold Common Stock.

2.6 Qualification of US Gold Common Stock

US Gold covenants that it will make such filings and seek such regulatory consents and approvals as are necessary so that the shares of US Gold Common Stock to be issued to holders of Exchangeable Shares pursuant to the terms of the Share Provisions, the Voting and Exchange Trust Agreement and this agreement will be issued in compliance with the applicable securities laws in Canada and the United States and may be freely traded thereafter (other than by reason of a holder being a “control person” of US Gold for purposes of Canadian securities laws or by holders who are Affiliates of US Gold within the meaning of U.S. securities laws). US Gold will in good faith expeditiously take all such actions and do all such things as are reasonably necessary or desirable to cause all shares of US Gold Common Stock to be delivered hereunder to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which outstanding shares of US Gold Common Stock have been listed by US Gold and remain listed and are quoted or posted for trading at such time.

2.7 Economic Equivalence

- (a) US Gold will not without prior approval of Canadian Exchange Co. and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 of the Share Provisions:
 - (i) issue or distribute shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock) to the holders of all or substantially all of the then outstanding US Gold Common Stock by way of stock dividend or other distribution, other than an issue of shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock) to holders of shares of US Gold Common Stock who exercise an option to receive dividends in US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire US Gold Common Stock) in lieu of receiving cash dividends; or
 - (ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding shares of US Gold Common Stock entitling them to subscribe for or to purchase shares of US Gold Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock); or
 - (iii) issue or distribute to the holders of all or substantially all of the then outstanding shares of US Gold Common Stock (A) shares or securities (including evidences of

indebtedness) of US Gold of any class other than US Gold Common Stock (or securities convertible into or exchangeable for or carrying rights to acquire shares of US Gold Common Stock), or (B) rights, options or warrants other than those referred to in Section 2.7(a)(ii) above, or (C) assets of US Gold;

unless (x) Canadian Exchange Co. is permitted under applicable law to issue or distribute the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets to holders of the Exchangeable Shares and (y) Canadian Exchange Co. shall issue or distribute such rights, options, securities, shares, evidences of indebtedness or other assets simultaneously to holders of the Exchangeable Shares.

- (b) US Gold will not without the prior approval of Canadian Exchange Co. and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 9.2 of the Share Provisions:
- (i) subdivide, redivide or change the then outstanding shares of US Gold Common Stock into a greater number of shares of US Gold Common Stock; or
 - (ii) reduce, combine, consolidate or change the then outstanding shares of US Gold Common Stock into a lesser number of shares of US Gold Common Stock; or
 - (iii) reclassify or otherwise change the shares of US Gold Common Stock or effect an amalgamation, merger, reorganization or other transaction affecting the shares of US Gold Common Stock;
- unless (x) Canadian Exchange Co. is permitted under applicable law simultaneously to make the same or an economically equivalent change to, or in the rights of holders of, the Exchangeable Shares, and (y) the same or an economically equivalent change is made to, or in the rights of the holders of, the Exchangeable Shares.
- (c) US Gold will ensure that the record date for any event referred to in Section 2.7(a) or Section 2.7(b), or (if no record date is applicable for such event) the effective date for any such event, is not less than ten Business Days after the date on which such event is declared or announced by US Gold (with simultaneous notification thereof by US Gold to Canadian Exchange Co.).
- (d) The board of directors of Canadian Exchange Co. shall determine, acting in good faith and in its sole discretion (with the assistance of such reputable and qualified independent financial advisors and/or other experts as the board may require), economic equivalence for the purposes of any event referred to in Section 2.7(a) or Section 2.7(b) and each such determination shall be conclusive and binding on US Gold. In making each such determination, the following factors shall, without excluding other factors determined by the board of directors of Canadian Exchange Co. to be relevant, be considered by the board of directors of Canadian Exchange Co.:
- (i) in the case of any stock dividend or other distribution payable in shares of US Gold Common Stock, the number of such shares issued in proportion to the number of shares of US Gold Common Stock previously outstanding;
 - (ii) in the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase shares of US Gold Common Stock (or securities

exchangeable for or convertible into or carrying rights to acquire shares of US Gold Common Stock), the relationship between the exercise price of each such right, option or warrant and the Current Market Price of a share of US Gold Common Stock;

- (iii) in the case of the issuance or distribution of any other form of property (including, without limitation, any shares or securities of US Gold of any class other than US Gold Common Stock, any rights, options or warrants other than those referred to in Section 2.7(d)(ii), any evidences of indebtedness of US Gold or any assets of US Gold), the relationship between the fair market value (as determined by the board of directors of Canadian Exchange Co. in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding share of US Gold Common Stock and the Current Market Price of a share of US Gold Common Stock;
- (iv) in the case of any subdivision, redivision or change of the then outstanding shares of US Gold Common Stock into a greater number of shares of US Gold Common Stock or the reduction, combination, consolidation or change of the then outstanding shares of US Gold Common Stock into a lesser number of shares of US Gold Common Stock or any amalgamation, merger, reorganization or other transaction affecting the US Gold Common Stock, the effect thereof upon the then outstanding shares of US Gold Common Stock; and
- (v) in all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of shares of US Gold Common Stock as a result of differences between taxation laws of Canada and the United States (except for any differing consequences arising as a result of differing marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

2.8 Tender Offers

In the event that a cash offer, share exchange offer, issuer bid, take-over bid or similar transaction with respect to US Gold Common Stock (an “**Offer**”) is proposed by US Gold or is proposed to US Gold or its shareholders and is recommended by the board of directors of US Gold, or is otherwise effected or to be effected with the consent or approval of the board of directors of US Gold, US Gold will use reasonable efforts (to the extent, in the case of an Offer by a third party, within its control) expeditiously and in good faith to take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares to participate in such Offer to the same extent and on an economically equivalent basis as the holders of shares of US Gold Common Stock, without discrimination. Without limiting the generality of the foregoing, US Gold will use reasonable efforts expeditiously and in good faith to ensure that holders of Exchangeable Shares may participate in each such Offer without being required to retract Exchangeable Shares as against Canadian Exchange Co. (or, if so required, to ensure that any such retraction, shall be effective only upon, and shall be conditional upon, the closing of such Offer and only to the extent necessary to tender or deposit to the Offer). Nothing herein shall affect the right of Canadian Exchange Co. to redeem, or US Gold or Alberta ULC to purchase pursuant to the Redemption Call Right, Exchangeable Shares.

2.9 US Gold and Affiliates Not To Vote Exchangeable Shares

US Gold covenants and agrees that it will appoint and cause to be appointed proxyholders with respect to all Exchangeable Shares held by it and its Subsidiaries for the sole purpose of attending each meeting of holders of Exchangeable Shares in order to be counted as part of the quorum for each

such meeting. US Gold further covenants and agrees that it will not, and will cause its Subsidiaries not to, exercise any voting rights that may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Share Provisions or pursuant to the provisions of the (or any successor or other corporate statute by which Canadian Exchange Co. may in the future be governed) with respect to any Exchangeable Shares held by it or by its Subsidiaries in respect of any matter considered at any meeting of holders of Exchangeable Shares.

2.10 Stock Exchange Listing

US Gold covenants and agrees in favour of Canadian Exchange Co. that US Gold will use its best efforts to maintain a listing of the Exchangeable Shares on the Toronto Stock Exchange or another stock exchange in Canada prescribed under the *Income Tax Act* (Canada).

2.11 Due Performance

On and after the Effective Date, US Gold shall, and shall cause Alberta ULC to, duly and timely perform all of its obligations provided for herein and that may arise under the Share Provisions, and US Gold shall be responsible for the due performance of all of such obligations hereunder and under the Share Provisions.

2.12 Issue of Additional Shares

During the term of this agreement, US Gold will not issue any Special Voting Shares other than the one Special Voting Share to be issued to the Trustee.

2.13 Ownership of Outstanding Shares

Without the prior approval of Canadian Exchange Co. and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 11.2 of the Share Provisions, US Gold covenants and agrees in favour of Canadian Exchange Co. that, as long as any outstanding Exchangeable Shares are owned by Non-Affiliated Holders, US Gold will be and remain the direct or indirect beneficial owner of all issued and outstanding voting shares in the capital of Canadian Exchange Co. and Alberta ULC.

**ARTICLE 3
US GOLD SUCCESSORS**

3.1 Certain Requirements in Respect of Combination, etc.

US Gold shall not enter into any transaction (whether by way of reconstruction, reorganization, consolidation, arrangement, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other person or, in the case of a merger, of the continuing corporation resulting therefrom unless, but may do so if:

- (a) such other person or continuing corporation (the “**US Gold Successor**”) by operation of law, becomes, without more, bound by the terms and provisions of this agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction, an agreement supplemental hereto and such other instruments (if any) as are necessary or advisable to evidence the assumption by the US Gold Successor of liability for all moneys payable and property deliverable hereunder and the covenant of such US Gold Successor to

pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of US Gold under this agreement; and

- (b) such transaction shall be upon such terms and conditions as substantially to preserve and not to impair in any material respect any of the rights, duties, powers and authorities of the other parties hereunder or the holders of the Exchangeable Shares.

3.2 Vesting of Powers in Successor

Whenever the conditions of Section 3.1 have been duly observed and performed, the parties, if required by Section 3.1, shall execute and deliver the supplemental agreement provided for in Section 3.1(a) and thereupon the US Gold Successor and such other person that may then be the issuer of the US Gold Common Stock shall possess and from time to time may exercise each and every right and power of US Gold under this agreement in the name of US Gold or otherwise and any act or proceeding by any provision of this agreement required to be done or performed by the board of directors of US Gold or any officers of US Gold may be done and performed with like force and effect by the directors or officers of such US Gold Successor.

3.3 Wholly-Owned Subsidiaries

Nothing herein shall be construed as preventing the amalgamation or merger of any wholly-owned Subsidiary of US Gold with or into US Gold or the winding-up, liquidation or dissolution of any wholly-owned Subsidiary of US Gold, provided that all of the assets of such Subsidiary are transferred to US Gold or another wholly-owned Subsidiary of US Gold, and any such transactions are expressly permitted by this Article 3.

ARTICLE 4 GENERAL

4.1 Term

This agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by Non-Affiliated Holders.

4.2 Changes in Capital of US Gold and Canadian Exchange Co.

Notwithstanding the provisions of Section 4.4 hereof, at all times after the occurrence of any event contemplated pursuant to Section 2.7 and Section 2.8 hereof or otherwise, as a result of which either the US Gold Common Stock or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which the US Gold Common Stock or the Exchangeable Shares or both are so changed and the parties hereto shall execute and deliver a supplemental agreement in writing giving effect to and evidencing such necessary amendments and modifications.

4.3 Severability

Notwithstanding the provisions of Section 4.4 hereof, if any term or other provision of this agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all

other conditions and provisions of this agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.4 Amendments, Modifications

- (a) Subject to Section 4.2, Section 4.3, and Section 4.5 of this agreement may not be amended or modified except by an agreement in writing executed by Canadian Exchange Co., Alberta ULC and US Gold and approved by the holders of the Exchangeable Shares in accordance with Section 9.2 of the Share Provisions.
- (b) No amendment or modification or waiver of any of the provisions of this agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

4.5 Ministerial Amendments

Notwithstanding the provisions of Section 4.4 hereof, the parties to this agreement may in writing at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this agreement for the purposes of:

- (a) adding to the covenants of any or all of the parties hereto for the protection of the Non-Affiliated Holders;
- (b) evidencing the succession of US Gold Successors and the covenants of and obligations assumed by each such US Gold Successor in accordance with the provisions of Article 3;
- (c) making such amendments or modifications not inconsistent with this agreement as may be necessary or desirable with respect to matters or questions which, in the opinion of the board of directors of each of Canadian Exchange Co., Alberta ULC and US Gold, having in mind the best interests of the Non-Affiliated Holders as a whole, it may be expedient to make, provided that each such board of directors shall be of the opinion that such amendments or modifications will not be prejudicial in any material respect to the rights or interests of the Non-Affiliated Holders as a whole of the Exchangeable Shares; or
- (d) making such changes or corrections which, on the advice of counsel to Canadian Exchange Co., Alberta ULC and US Gold, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the boards of directors of each of Canadian Exchange Co., Alberta ULC and US Gold shall be of the opinion that such changes or corrections will not be prejudicial in any material respect to the rights or interests of the Non-Affiliated Holders.

4.6 Meeting to Consider Amendments

Canadian Exchange Co., at the request of US Gold, shall call a meeting or meetings of the holders of Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval pursuant to Section 4.4 hereof. Any such meeting or meetings shall be

called and held in accordance with the bylaws of Canadian Exchange Co., the Share Provisions and all applicable laws.

4.7 Enurement

This agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

4.8 Notices to Parties

Any notice and other communications required or permitted to be given pursuant to this agreement shall be sufficiently given if delivered in person or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully) to the parties at the following addresses:

- (a) in the case of US Gold, to the following address:

165 South Union
Suite 565
Lakewood, Colorado
80228

Facsimile No.: (303) 238-1438
Attention: William F. Pass

with a copy to:

Fraser Milner Casgrain LLP
1 First Canadian Place
100 King Street West, Suite 3900
Toronto, Ontario
M5X 1B2

Attention: Michael Melanson
Fax: (416) 863-4592

- (b) in the case of Alberta ULC, to the following address:

2900 Manulife Place
10180-101 Street
Edmonton, Alberta
T5J 3V5

Facsimile No.: (780) 423-7276
Attention: Corporate Secretary

with a copy to:

Fraser Milner Casgrain LLP
1 First Canadian Place
100 King Street West, Suite 3900

Toronto, Ontario
M5X 1B2

Attention: Michael Melanson
Fax: (416) 863-4592

(c) in the case of Canadian Exchange Co., to the following address:

2900 Manulife Place
10180-101 Street
Edmonton, Alberta
T5J 3V5

Facsimile No.: (780) 423-7276
Attention: Corporate Secretary

with a copy to:

US Gold Corporation
2201 Kipling Street
Suite 100
Lakewood, Colorado
80215

Facsimile No.: (303) 238-1438
Attention: William F. Pass

or at such other address as the party to which such notice or other communication is to be given has last notified the party given the same in the manner provided in this Section, and if not given the same shall be deemed to have been received on the date of such delivery or sending.

4.9 Counterparts

This agreement may be executed in counterparts (by facsimile or otherwise), each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

4.10 Jurisdiction

This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed as of the date first above written.

US GOLD CORPORATION

Per: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary

US GOLD ALBERTA ULC

Per: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary

US GOLD CANADIAN ACQUISITION CORPORATION

Per: /s/ William F. Pass
Name: William F. Pass
Title: VP, C.F.O. and Secretary