

U. S. GOLD CORPORATION

NEWS RELEASE

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U.S. GOLD AND BACTECH CLOSE TONKIN SPRINGS TRANSACTION- GOLD PRODUCTION SLATED FOR 2004

Denver, Colo.-August 5, 2003 – **U.S. Gold Corporation** (OTC BB: USGL; Berlin Exchange: US 8) and **BacTech Enviromet Corporation** (TSX Venture: YBA) closed their previously announced joint venture transaction regarding the Tonkin Springs gold mine in Eureka County, Nevada. The joint venture is operated under a limited liability company now owned 55% and managed by a subsidiary of BacTech Enviromet and owned 45% by subsidiaries of U.S. Gold. BacTech purchased its 55% interest for \$1.75 million and the obligation to fund \$12 million of expenditures to produce gold at the Tonkin Springs mine.

BacTech has paid \$400,000 of the purchase price with an additional \$600,000 due in 90 days. The final \$750,000 will be paid upon Commencement of Commercial Production or at the rate of \$62,500/month if production has not commenced by July 31, 2004. BacTech is working on an updated production plan and is moving forward to have an independent engineering firm complete a qualifying property report. Upgrading of the existing operational permits for the project will begin immediately. Gold production is slated for 2004.

Work underway, which is scheduled for completion by the end of the year, will form the basis of a feasibility study to be prepared by an internationally recognized engineering firm.

BacTech has developed and patented bioleach technology for the treatment of refractory ores and concentrates to enhance the recovery of gold, silver and base metals. BacTech has successfully commissioned three commercial bioleach plants worldwide for the recovery of gold. Bioleaching is a commercially accepted and environmentally friendly alternative to conventional smelting operations.

“BacTech is a world leader in the commercial application of bioleaching sulfide gold concentrates and they bring this expertise and experience to Tonkin Springs. We are pleased to have BacTech as our partner,” said William W. Reid, president of U.S. Gold.

Both U.S. Gold and BacTech are motivated to establish gold production at Tonkin Springs at the earliest possible date and then, using cash flow from operations, continue exploration of this well-located property on one of the world’s greatest gold trends.

The United States Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements. Operating, exploration and financial data, and other statements in this press release are based on information that the Company believes reasonable, but involve significant uncertainties as to future gold prices, costs, ore grades, mining and processing conditions, and regulatory and permitting matters. Actual results and timetables could vary significantly.