

U. S. GOLD CORPORATION

NEWS RELEASE

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U.S. GOLD – BACTECH JOIN FORCES TO PRODUCE GOLD AT TONKIN SPRINGS

Denver, Colo.-May 5, 2003 - U.S. Gold Corporation (OTC BB: USGL) and BacTech Enviromet Corporation (TSX Venture: YBA) announced today they have entered into a Letter Agreement giving BacTech the right to acquire a 55% interest in the Tonkin Springs gold mine in Eureka County, Nevada. BacTech can purchase the 55% interest for US\$1.75 million in cash payments and the obligation to fund \$12 million of expenditures to produce gold at the Tonkin Springs mine. The transaction must close on or before July 31, 2003 and is contingent upon satisfactory due diligence by both parties, definitive agreements, regulatory approvals related to BacTech and approval of the respective board of directors.

BacTech is a world leader in the bioleaching of sulphide gold ores with their commercially proven bacterial oxidation technology. BacTech has successfully commissioned 3 bioleaching gold plants and has a strategic alliance with Mintek of South Africa (South Africa's national metallurgical research organization).

U.S. Gold's Tonkin Springs gold mine encompasses 36 square miles strategically located on the prolific Cortez Gold Trend in Nevada. A gold resource of 1,400,000 ounces exists at the mine in addition to facilities that include a 3,000 ton per day mill with a bio-oxidation circuit and complete infrastructure. In 2002, U.S. Gold licensed from Newmont Mining Corporation their commercially proven N2TEC flotation technology that allows gold sulphide mineralization at Tonkin Springs to be efficiently concentrated. BacTech anticipates very little retrofitting of the existing bio-oxidation circuit in order to apply their commercially proven and proprietary bioleaching technology to process the sulphide gold concentrates at Tonkin Springs.

“Having explored numerous potential arrangements with several companies over the last 6 months, we believe the synergy of this transaction with a world leader in the commercial application of bioleaching at Tonkin Springs is by far the best opportunity for our shareholders. Bioleaching of the sulphide gold concentrates on site will result in the lowest operating cost compared to other processing alternatives which in turn will significantly enhance project economics,” 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 point and then to continue exploration of the well-located property using cash flow from operations.

BacTech is to pay U.S. Gold a \$250,000 non-refundable payment against the purchase price with the signing of the Letter Agreement and BacTech is obligated to pay all costs at

the Tonkin Springs mine until closing. Of the \$1,500,000 balance of the Purchase Price, \$750,000 is to be paid at Closing and \$750,000 is to be paid upon commencement of gold production or if production has not begun within one year of Closing, in 12 consecutive monthly payments of \$62,500. BacTech shall also pay 100% of all funding required by the project up to \$12 million, and if additional funding is required to advance U.S. Gold's share of any cash calls if requested with repayment from 50% of cash distributions otherwise due U.S. Gold.

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.