

U. S. GOLD CORPORATION

NEWS RELEASE

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U.S. Gold Affiliate Acquires Gold Property in Mexico

Denver, Colo. – November 1, 2002 – U.S. Gold Corporation (OTC BB: USGL) announced today its 30% owned affiliate, Gold Resource Corporation (GRC), has leased a gold-silver exploration property located approximately 100 Km southeast of the city of Oaxaca in the state of Oaxaca, Mexico. This project, called the El Aguila Project, is GRC's second mineral property in Mexico. GRC is a private Colorado corporation. USGL is managing, under an annual contract, all activities of GRC and GRC is responsible for its funding.

The El Aguila Project encompasses approximately 1,900 hectares and is leased by GRC 100% subject to a 4% to 5% net smelter returns royalty. Access to the property is readily available from the nearby Pan-American highway. The El Aguila property is part of the larger Octolan mining district that in 1905 had 64 small mines working high-grade veins. According to historical reports, all the mines in the district were shut down by the Mexican revolution of 1910 with most of the area residing in the Mexican National Reserve until about 1999.

Geologically at the El Aguila property, numerous Tertiary rhyolitic domes and flows have been emplaced into a series of gently dipping Jurassic sedimentary rocks and younger Tertiary volcanic rocks. Hydrothermal alteration and silicification are centered around the domes. Areas of strong silicification produce resistant quartz zones in outcrop. Sampling by GRC of certain quartz zones at the El Aguila Project, both on the surface and underground have yielded high-grade gold and silver values.

"We were impressed that of the five samples taken at various locations from shallow, underground workings on a quartz zone, four samples assayed an average of 1.08 ounces of gold per tonne and 2.5 ounces silver per ton. It appears this quartz zone could be 10 meters thick and several hundred meters long," said William W. Reid president of both GRC and USGL. "GRC will begin an exploration program soon with a view toward establishing an open-pit gold/silver resource," said Reid. Bottle roll metallurgical tests on the samples taken by GRC achieved 99% recovery of the gold and 90% recovery of the silver.

GRC is also exploring its silver-lead-zinc property in the Zimapan mining district located in the state of Hidalgo, Mexico. The first five core holes have been completed from an underground drill station approximately 400 meters below the surface. This drilling established the presence of important rock formations that act as hosts for many of the deposits in the district, enhancing the geologic model of the property, and increasing the number of potential targets for future drilling. Several narrow, sub-ore grade intersections of mineralization were encountered. Drilling has commenced on the surface where a mineralized gossan (weathered mineralized zone) is exposed which may be the surface expression of a "chimney" similar to what has been mined by others nearby. The Zimapan mining district is famous for its relatively large, massively replaced ore-bodies occurring in "chimneys" or "mantos", some with vertical or horizontal extent of over 500 meters.

Certain statements made in this press release that are not based on current or historical fact are forward-looking in nature. In particular, the words "may," "could," "should," "anticipate," "believe," "estimate," "intend," "plan," "predict" and similar expressions may identify forward-looking statements. These statements are based on the current beliefs and judgment of our management with respect to future events, the outcome of which is subject to various risks. Certain of these risks are discussed in the registration statements and other reports filed by the Company with the Securities and Exchange Commission, copies of which are available from the Company or the Securities and Exchange Commission.