

# ***U. S. GOLD CORPORATION***

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## **NEWS RELEASE**

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2201 Kipling Street, Suite 100, Lakewood, Colorado 80215-1545 (303) 238-1438 FAX: (303) 238-1724

### **U.S. Gold Engages Engineering Firms For Tonkin Springs Gold Production**

**Denver, Colo.-** July 30, 2002 - U.S. Gold Corporation (OTC BB: USGL) announced today that following its initial funding earlier this month it has contracted with HW Process Technologies Inc., Denver, to carryout the Tonkin Springs gold project mill refurbishment and start-up. Knight Piesold and Co., Denver, will assist with the environmental permit amendments.

“HW Process Technologies is headed by Mr. Ken Brunk who has extensive experience in the mining business including 15 years with Newmont Mining Corporation. He held several vice president positions which included Newmont’s gold operations in Nevada where he was instrumental in the building and operating of several Carlin trend gold mines,” said William W. Reid, president of U.S. Gold. “Ken Brunk and his team bring the experience and abilities that will help assure Tonkin Springs’ success,” said Mr. Reid.

“Knight Piesold has many years of working successfully with various governmental permitting agencies in Nevada and we expect their expertise to likewise help move the project forward in a timely fashion,” said Mr. Reid.

U.S. Gold is targeting approximately 50,000 ounces of gold production in the first year of operation from milling oxide gold ore at an estimated cash cost of \$180/oz and 90,000 ounces per year in the second year and beyond from milling sulfide gold ore. Cash costs for the sulfide gold ore are estimated at \$ 183/oz. using Newmont’s N2TEC proprietary flotation technology that U.S. Gold has licensed. U.S. Gold’s initial production plan is a five-year program using only approximately 400,000 ounces of gold from the 1.4 million ounce gold resource at the mine. With an existing 3,000 ton per day mill and complete infrastructure the capital costs and time frame required are minimal for the mining industry.

U.S. Gold is also 30% owner and manager of its affiliate company, Gold Resource Corporation, which recently commenced initial underground exploration drilling at its Zimapan Property in the Zimapan Mining District in the Hidalgo state, Mexico.

*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.*