

U. S. GOLD CORPORATION

NEWS RELEASE

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U.S. Gold, Newmont Sign Technology Option Agreement

Denver, Colo. – January 7, 2002 – U.S. Gold Corporation (OTC BB: USGL) announced today that it has signed a **Technology Option Agreement** with Newmont Technologies Limited, a subsidiary of Newmont Mining Corporation (NYSE: NEM), that will allow U.S. Gold to use Newmont’s proprietary **N₂TEC[®] Flotation Technology** at U.S. Gold’s Tonkin Springs gold mine in Nevada. Testwork using the **N₂TEC[®] Flotation Technology** has proven very successful in concentrating the mine’s sulfide gold ores. U.S. Gold plans to use this technology to make flotation concentrates, which would then be sold.

“We are very pleased to be able to use Newmont’s commercially proven technology to process our sulfide gold ores. This is an important step towards gold production at Tonkin Springs,” said William W. Reid, president of U.S. Gold.

U.S. Gold is developing plans to reestablish gold production at its 100% owned Tonkin Springs gold mine in Eureka County, Nevada. The project holds a gold resource of 1.4 million ounces and has a milling facility and complete infrastructure that facilitate relatively quick start-up and enhance project economics.

U.S. Gold believes the existing oxide gold ore could be put into production first at the rate of approximately 30,000 ounces of gold per year at an estimated production cash cost of \$150 per ounce. Estimated capital cost is under \$2 million. The sulfide gold ore, using the **N₂TEC[®] Flotation Technology**, would then be placed into production adding 50,000 additional ounces annually for an overall targeted production rate of 80,000 ounces of gold per year. An initial 6-year production program is planned but anticipated to increase with additional drilling. U.S. Gold believes it is possible that the first year’s positive cash flow from the oxide gold production could provide the capital required to add the sulfide gold production. U.S. Gold is presently evaluating such a program prior to amending its regulatory permits.

U.S. Gold is also the largest shareholder and manager of its affiliate company, Gold Resource Corporation, which is evaluating a silver-lead-zinc mining opportunity in the Zimapan mining district in the state of Hidalgo, 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.