

U. S. GOLD CORPORATION

NEWS RELEASE

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FOR IMMEDIATE RELEASE: September 18, 2001

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U.S. GOLD TO EVALUATE GOLD PRODUCTION AT TONKIN SPRINGS; SUDBURY CONTACT MINES TO DEPART

Denver, Colo. – September 18, 2001 - U.S. Gold Corporation (OTC BB: USGL) announced today it is free to look at placing its Tonkin Springs gold mine in Eureka County, Nevada into production now that Sudbury Contact Mines Limited (TSE-SUD) has announced it will withdraw effective October 18th, 2001, before earning any interest in the property. USGL will thereafter own the Tonkin Springs project 100% through full ownership of Tonkin Springs LLC. As provided in the agreement, SUD is required to fund the remaining project budget for 2001.

William W. Reid, president of USGL, stated, “We are sorry to see Sudbury Contact withdraw as their efforts have increased the value of the project but we can understand that it does not meet their corporate objectives at recent gold prices. On the other hand, we can now evaluate the advantages of establishing gold production ourselves, first from the existing oxide gold resource and later from the larger sulfide gold resource. It is possible that we could begin an approximate 30,000 ounce per year oxide heap leach operation for relatively minimal capital since operating infrastructure exists at Tonkin Springs including a new pad which could easily be modified for heap leach operations.”

Reid said that USGL would also evaluate the advantages of seeking a partner to assist in any planned production but that any production would be subject to receiving the appropriate operating permits as well as obtaining necessary funding.

Forward-Looking Statements

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 metal prices, costs, ore grades and tonnages, mining and processing conditions, and regulatory and permitting matters. Actual results and timetables could vary significantly.