

U. S. GOLD CORPORATION

NEWS RELEASE

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U.S. Gold Affiliate Acquires Silver-Lead-Zinc Property in Mexico

Denver, Colo. – August 24, 2001 - U.S. Gold Corporation (OTC BB: USGL) announced today its affiliate, Gold Resource Corporation, has leased a strategically located mining property in the Zimapán Mining District in Mexico. Gold Resource Corporation (GRC), a private company whose largest shareholder is USGL (currently 36%), made the acquisition and has designated it GRC's Zimapán Project. USGL is managing all activities and GRC is responsible for funding the project located in the state of Hidalgo, Mexico.

First discovered in the early 17th Century, the Zimapán Mining District was mined by the Spanish for its high-grade silver veins. Over the last 50 years, Industrias Peñoles, Mexico's leading natural resource company and the world's largest silver producer have been mining the areas surrounding the Zimapán Project property and the area has become well-known for its large underground silver-lead-zinc orebodies. These massive sulfide replacement deposits, in the form of skarns, mantos and chimneys, can be quite large. Chimneys are found over a vertical extent greater than 800 meters. The neighboring Peñoles deposits are expected to be mined for many additional years.

“In addition to the large size of these deposits, the high value of the combined metal content of the ores make these deposits very profitable - even with today’s low individual metal prices,” said William W. Reid, president of USGL and GRC.

For land ownership reasons, the Zimapán Project has never been mined or explored. However, geologic indications suggest the potential for similar deposits as those being mined nearby. Mining at various times by others in the District has proceeded up to the boundary of the Zimapán Project property.

“Our focus is on achieving production and cash flow from the Zimapán Project at the earliest practical date. The strategic location of this property in an active mining district, its favorable geologic setting and its unique circumstances could result in sizable near-term cash flow that may bring significant value to USGL and GRC shareholders and provide financing for long-term mine development.”

The Zimapán Mining District is an active district with all infrastructure in place including the availability of contract mining and milling services. According to Reid, “USGL sees the potential to proceed to production quickly and with minimal required capital once a reserve is established.”

GRC has 100 percent interest in the Zimapán Project encompassing approximately 47 hectares subject to a five percent net smelter return royalty with certain advance royalty payments to the mineral concession owner. GRC plans to commence an underground core-drilling program shortly to establish a minimum reserve.

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.