

U*S* GOLD

NEWS RELEASE

U.S. Gold Corporation 2201 Kipling Street, Suite 100, Lakewood, Colorado 80215-1545 (303) 238-1438 FAX: (303) 238-1724

FOR IMMEDIATE RELEASE:

October 9, 2000

CONTACT: William W. Reid, President
U. S. Gold Corporation
303-238-1438

U.S. Gold Announces Discovery of New Mineralized Area and Successful In-fill and Step-out Drilling Program at Tonkin Springs

U.S. Gold Corporation (OTC BB: USGL) is pleased to report on the initial 25-holes in this year's exploration program at its Tonkin Springs project in Nevada the results of which both strengthen the gold resource within the established mine corridor and have discovered a new mineralized area some nine miles to the north of any previous drilling on the property. The current drill program is continuing subject to permitting.

U.S. Gold's partner, Sudbury Contact Mines (TSE: SUD), a subsidiary of Agnico-Eagle Mines (NYSE: AEM), is earning a 60% interest in the property, is project operator, and is progressing with an extensive drilling program designed to:

- * expand the known gold resource within the mine corridor, and
- * test new targets outside the mine corridor identified through an extensive program of advanced geological mapping, geochemical sampling and geophysical surveys.

Ten of the thirteen holes drilled so far in the mine corridor encountered gold mineralization which data have not yet been factored into the resource estimate. The previously stated gold resource is 1.4 million ounces. Most notable results of this round of drilling include:

Hole Number	Interval	Thickness	Grade
100004	70'-105'	35'	0.092 opt Au
	300'-350'	50'	0.119 opt Au (including 10' of 0.440 opt Au)
100006	35'- 100'	65'	0.068 opt Au (including 10' of 0.128 opt Au)
	110'- 125'	15'	0.081 opt Au (including 5' of 0.190 opt Au)
	285'- 305'	20'	0.095 opt Au (including 5' of 0.214 opt Au)
100010	25' - 70'	45'	0.117 opt Au
	80' - 85'	5'	0.092 opt Au
	255' - 280'	25'	0.118 opt Au

Until recently, work at Tonkin Springs has been focused on the area around the previous mine development by U.S. Gold and the established gold resource. Sudbury's extensive surface work program during the eighteen months since it became U.S. Gold's partner has identified several new target areas.

Initial drilling at Twin Peaks, the first target area outside the mine corridor to be drilled this summer, indicates a new area of gold mineralization. The area is located in the northern portion of the property and lies on-trend between the established resource and previous mining operations at Tonkin Springs to the south, and the Pipeline project to the north where Placer Dome Inc. is operator of the 10 million ounce gold mine. Placer Dome is U.S. Gold's third largest shareholder.

The new area is covered by barren volcanic rocks yet between 100' and 400' the four drill holes passed through the volcanics and encountered gold mineralization within the same package of rocks associated with deposits in the mine corridor. Holes drilled in this area encountered several long intervals of significant, although low-grade, gold mineralization. Specifically, in drill hole TP00003 low ore-grade zones occur in a 245' interval from 420' to 665', reporting consistently elevated values up to .037 opt gold. Anomalous gold values continued to the bottom of the hole at 1,000'. Hole TP00004 encountered a 130' interval of low-grade gold from 435' to 565' with several values up to 0.029 opt. Additional drilling in this area is given high priority.

The discovery of thick, highly anomalous gold zones in the same host rock as other gold resources on the property, in a totally unexposed and previously unexplored area some nine miles away from previous drilling is very significant. As a result, the project has leased an additional 1,820 acres bringing the total property position to approximately 39 square miles.

Elsewhere on the property, drilling at the Indian Springs target area on the eastern portion of the property and 2 miles north of the mine corridor, continues to show a favorable geologic setting with anomalous gold values which support continued drilling. The only disappointment has been at Black Springs, located in the southwestern portion of the property, where initial drilling did not show encouraging gold mineralization. Several other new target areas are yet to be drilled.

"The focus of exploration at Tonkin Springs has always been within the established mine corridor in the southern part of the property. We are pleased with Sudbury's plans to explore the rest of the property more thoroughly in the belief that new gold deposits should be discovered on this large property located on Nevada's second most prolific gold trend and south of Placer's large Pipeline deposit," stated William W. Reid, President of U.S. Gold.

"By using the latest exploration techniques, our partners have identified several targets on the property. The fact that one of these targets, some 9 miles north of the mine corridor, is now proven to be mineralized is truly exciting and underscores the potential of our under-explored and large property position." Mr. Reid added that "continued in-fill and step-out drilling within the mine corridor is expected to increase the established resource thereby enhancing the project economics at Tonkin Springs."

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.