

# U.S. GOLD CORPORATION

## Corporate Opportunity Policy

The Board of Directors of U.S. Gold Corporation (the "Board"), a Colorado corporation (the "Company"), has adopted this policy (this "Policy") in order to regulate and define the conduct of the directors and officers (the "Executives") of the Company in their individual capacities and their Affiliates in relation to issues of corporate opportunity. Nothing in this Policy shall regulate or define the conduct of the Executives and their Affiliates with respect to affairs not involving a corporate opportunity.

### **Section 1. Definitions**

As used in this Policy, the following terms shall have the following meanings:

- (a) "Affiliate" of a person means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such person.
- (b) "Committee" shall mean a committee of the Board established on a standing or *ad hoc* basis to consider the application of this Policy to specific transactions which might be presented from time to time. Any Committee shall comprised of not less than two directors who are not interested in the transaction(s) that will be the subject of consideration.
- (c) "Core Business" means, directly or indirectly:
  - (i) the exploration for, or ownership, development or extraction of, precious minerals, including, without limitation:
    - A. the ownership of an interest in an enterprise, corporation or other entity, undertaking such exploration, ownership, development or extraction; or
    - B. any affiliation, partnership or joint venture with any party to undertake such ownership, exploration, development or extraction; or
    - C. the ownership of, licence to, contract right or government grant in, any mineral claims or property on which such exploration, development or extraction occurs, whether such activities involve current or expectant interests.
  - (ii) Notwithstanding paragraph (b)(i) of this Section 1, the term Core Business does not include property where gold is a by-product.

- (iii) The restrictions on Core Business set forth in this Policy shall apply only to Core Business which occurs in Nevada.
- (d) "Corporate Opportunity" means any Possible Corporate Opportunity that has been designated as a "Corporate Opportunity" pursuant to Section 2(b)(i).
- (e) "Possible Corporate Opportunity" means any specific business opportunity:
  - (i) in which the company has a legal interest or a legitimate expectancy interest; or
  - (ii) previously identified as such pursuant to a resolution of the Board; or
  - (iii) involving the acquisition of, or participation in, 10% or more in a Core Business.
- (f) "Unrestricted Opportunity" means any corporate or business opportunity that is neither a Possible Corporate Opportunity nor a Corporate Opportunity.

## **Section 2. Procedures**

- (a) If a Possible Corporate Opportunity becomes available to an Executive or an Affiliate thereof (collectively the "Interested Party"), the Interested Party shall not directly or indirectly take any measures to consummate the Possible Corporate Opportunity, or to use his or her influence or direction to cause an Affiliate of the Executive to consummate a Possible Corporate Opportunity, unless and until full disclosure of all material facts related to the Interested Party's interest in the transaction is made to the Board or the Committee and the Board or the Committee in good faith authorizes, approves or ratifies the transaction. Any decision by the Board shall be made by the affirmative vote of a majority of the disinterested directors.
- (b) Upon presentation of full disclosure as specified in Section 2(a), the Board or Committee shall, within not more than five business days, make a recommendation to all disinterested members of the Board that it adopt a resolution that:
  - (i) the Company is ready, able and desires to pursue, the Possible Corporate Opportunity (in which event the opportunity will be deemed to be a "Corporate Opportunity" and not available to the Interested Party); or
  - (ii) the Company is not ready, able or desirous of pursuing the Possible Corporate Opportunity; or
  - (iii) the disinterested directors require more time (with a reasonable period to be specified in the resolution) to continue to review the Possible Corporate Opportunity.

- (c) The Board shall promptly inform the Interested Party in writing of its decision.
- (d) If the disinterested directors make a determination described in Section 2(b)(i) that the Company is ready and able to pursue, and desires to pursue, a Corporate Opportunity, but an Interested Party believes the Company is not using reasonable steps to diligently pursue the opportunity, the Interested Party may at any time make a demand upon the Company that a recommendation be made under this Section 2.
- (e) If the disinterested directors make a determination described in Section 2(b)(ii), or in the event that the disinterested directors fail to adopt a resolution as required by Section 2(b), or if the Company fails to pursue the Corporate Opportunity within five business days and the Interested Party has made a second request for review under Section 2(d), such Possible Corporate Opportunity shall thereafter be deemed to be an Unrestricted Opportunity.

### **Section 3. Right of First Offer**

- (a) Notwithstanding a determination under this Policy that the Interested Party may proceed to participate in a Core Business which is an Unrestricted Opportunity, the Interested Party will grant to the Company a right of first offer, on terms set forth in Section 3(b), in respect of any proposed subsequent sale, transfer or disposition by the Interested Party of all or part of the interest in such Unrestricted Opportunity.
- (b) Upon a determination by an Interested Party of a decision to sell, transfer or otherwise dispose of an interest in a Core Business which was previously defined as being an Unrestricted Opportunity, the Interested Party shall first offer such interest to the Company on the same prices and terms (or terms as similar as reasonably possible) upon which the Interested Party proposes to sell, transfer or otherwise dispose of that interest. The Company shall have ten (10) business days to accept or decline such offer and, if the Company accepts, the transaction shall be completed at the price and on the terms offered within a thirty (30) day period following expiration of the ten business days. If the Company declines the offer or accepts the offer but fails to complete the acquisition within the additional thirty (30) day time period, the Interested Party may complete the sale, transfer or disposition to a third party at a price and on terms not less favourable than those offered to the Company. If the Interested Party is unable or unwilling to complete the sale to a third party on terms at least as favourable as those offered to the Company, the Interested Party shall again notify the Company and the Company shall have the nonexclusive right to acquire the interest on such terms as may be determined between the Company and the Interested Party.
- (c) Notwithstanding anything to the contrary in this Policy, the Right of First Offer shall be limited only to Unrestricted Opportunities described in the map attached to this Policy as Appendix "A".

**Section 4. Review of Policy; Amendment; Expiration**

- (a) The Board or Committee shall review this Policy annually (or more frequently, as may be necessary or appropriate) and the Policy may be altered, amended or repealed at any time by action of the Board.
- (b) Neither the alteration, amendment or repeal of this Policy nor the adoption of any provision of the Company's By-laws or Certificate of Incorporation inconsistent with this Policy shall eliminate or reduce the effect of this Policy in respect of any matter occurring, or any cause of action, suit or claim that, but for this Policy, would accrue or arise, prior to such alteration, amendment, repeal or adoption.
- (c) With regard to any Possible Corporate Opportunity that an Executive first became aware of through his position with the Company, the provisions of Section 2 and 3 of this Policy, to the extent otherwise applicable, shall remain in effect with regard to any Interested Party for a period of six months from the time an Executive leaves the Company for any reason. With regard to any investment in a Core Business which was made by an Interested Party while he was an Executive of the Company, the provisions of Section 3 of this Policy shall remain in effect for a period of six months from the time an Executive leaves the Company for any reason.

**Section 5. No Prohibition on Lawful Action**

Notwithstanding anything to the contrary herein, a violation of the terms of this Policy shall not be presumed a violation of law.