



U.S. Gold Corp. Letter to Shareholders

ELKO, NV, May 2019 – U.S. Gold Corp. (NASDAQ: USAU) is pleased to provide the following Letter to Shareholders.

Dear U.S. Gold Corp. Shareholder:

We are excited by the prospects for the company and our future both at Keystone and Copper King, keeping in mind the challenges for the junior gold exploration sector in the last years. With this in mind, I thought it timely that I send you a review of the progress the company has made and some of the meaningful developments that have occurred or are in process. Global uncertainty is on the rise, and in the industry, many feel a **new gold bull market cycle could be just around the corner**.

U.S. Gold Corp. has been steadily advancing our assets since the founding of the company. At Keystone, we strongly believe that we are in a standalone, multi-gold deposit district with potential for Cortez Hills type discoveries. We are also convinced that we have now established multiple key target areas that could each hold multiple gold discoveries.

Our Copper King project, located just outside of Cheyenne, Wyoming, has a Preliminary Economic Assessment (PEA) report, authored by Mine Development Associates (MDA), dated December 5, 2017, showing a **\$178.5 million** net present value (NPV) at a 5 percent discount at \$1,270 gold and \$2.80 copper prices. (Note that the projected net present value of Copper King project is approximately ten times greater than USAU's entire market cap – a strong tell that our shares are undervalued.) The projected internal rate of return (IRR) on the project is a robust **33.1%**. With the results from our summer 2018 exploration efforts, we believe we have significantly increased the value of this property over the stated PEA. Datamine has produced a new Copper King exploration model showing isoshells for gold, copper, silver and zinc. Datamine's work clearly shows us there is additional exploration upside and the deposit remains open to the southeast. As you know, stocks can remain undervalued for surprisingly long periods. However, we believe there is substantial value in this project, and that the company as a whole is undervalued – especially in consideration of the potentially fortune-making upside of our Keystone district.

Keystone is our district-scale multi-intrusive domal exploration property, approximately 10 miles south of Barrick Gold's Cortez Hills mine complex, located on the Battle-Mountain/Eureka gold trend. U.S. Gold Corp. has been steadily advancing the Keystone exploration process over the past three years. We have continued with our commitment to methodically building our data in our 20-square-mile, multi-target property. A tremendous amount of meticulous, systematic exploration work has gone into advancing the project. To minimize risk, we employ a track-record proven, Carlin-based **system** for our exploration at Keystone.

That *system* being:

- Geophysics to help locate faults/structures that acted as portals for the gold-bearing fluids to travel, and junctures within those portals where fluid traps might occur – ultimately, gold deposits
- Geochemistry (rock and soil samples in the thousands are taken away and assayed) to locate enriched areas of pathfinder minerals, which are associated with gold-rich environments
- Extensive mapping to recognize which rock packages are being exposed at surface and to understand how the geophysical data and the geochemical data combine to ultimately lead to high-probability drilling targets. This mapping is being run by a member of Barrick's ex-Cortez Hills mapping team - Tom Chapin has taken literally thousands of hours to compile
- Scout drilling to test the underlying rock packages and ensure they are heavily altered by hydrothermal activity, which is a prerequisite for Carlin-type gold deposits

The result of this work, and the resulting interpretation by our world-leading Carlin-gold exploration team, has us more excited now than ever. Scout drilling uncovered thousands of feet of stratigraphy almost identical to that of Cortez Hills rock package, extremely altered (cooked by fluids) by multiple intrusive pulses and enriched in pathfinder metals and minerals. Mapping has exposed swaths of lower-plate and upper-plate host rock environments throughout numerous target areas. Geophysics shows an abundance of structures, which are all potential hosts for gold deposits. And our geochemistry points to a robust multi-metal district within our land package, with enriched zones collaborating with major structural corridors within all the right rock packages.

Success Is Ahead

We are convinced that we are in a standalone, multi-gold deposit district with potential for Cortez Hills type discoveries, and that we have now established multiple key target areas that could each hold multiple gold discoveries. We feel we are now at the juncture of turning this information into success.

To this point, we have been extremely judicious with our process of utilizing the *system* in our ongoing exploration program at the project, to ensure our capital is getting us closer to a significant gold discovery.

Our recent exploration results from our Fall 2018 program have provided considerable additional data, and the indications have further strengthened our understanding that a major gold system is present on the Keystone property. We believe we are destined for discovery success and that you and other patient investors who understand the exploration process will be handsomely rewarded.

We are convinced that ours is a unique opportunity. We are, nevertheless, mindful that there is a risk involved, as there is for all junior exploration companies. We believe we are highly undervalued compared to our peer group with similarly defined resources. We are as excited as ever to see what our drilling programs will bring us in 2019, but we are also cognizant of the volatility our shareholders are currently experiencing. We appreciate you being a U.S. Gold Corp. shareholder, and we look forward to an exciting and profitable 2019. Below, please find a detailed update on our progress since our last shareholder letter.

Detailed Progress Update Since Last Shareholder Letter

U.S. Gold Corp. is a junior gold exploration company. We are proud to be one of the few junior gold exploration companies listed on the NASDAQ stock market. Our symbol is USAU, which reflects our focus of gold exploration in the safe, stable and mining-friendly jurisdictions of in the United States.

Experienced Management with a Strong Track Record

Our management team has experienced, proven ore finders who have an impressive historical discovery track record. Specifically, Dave Mathewson, has led teams credited with exploration discoveries, including; the Tess, Northwest Rain, Saddle, South Emigrant properties in the Rain District, and North Mike, Deep Gold Quarry while with Newmont, as well as the Railroad District discoveries on the Carlin Trend.

Dave has had his eyes on the Keystone district for the past 30 years. He believes that Keystone holds tremendous exploration potential. Dave has brought a team of exploration industry veterans to U.S. Gold Corp. and is using the same exploration methodology on Keystone that he has developed and utilized for the last 40 years in Nevada, with particular success on the Carlin Trend. Ken Coleman is our lead geologist on Keystone. Ken has significant Nevada exploration experience, working for Barrick Gold, Comstock Mining and Victoria Gold.

We are pleased to have recently announced a new addition to our Board. The Honorable Ryan Zinke is our newest Director. We are excited to have Commander Zinke join USAU. In addition to being a former SEAL and member of Congress, Commander Zinke was the 52nd Secretary of the Interior under the Trump Administration. Commander Zinke is a geologist and from Montana. We look forward to his active involvement in U.S. Gold Corp. His valuable industry knowledge will tremendously assist us in moving Copper King in Wyoming towards a production permitting decision. We are committed to making mining great again in America. Commander Zinke's proven leadership skills are a welcome addition to the team.

Keystone Holds Significant Opportunity

Nevada has produced more than 245 million ounces of gold, which makes it the world's highest gold producer per unit area. Continued exploration using effective modern-day exploration methods in already over-explored or overlooked locations keeps delivering discoveries. The major gold trends of North Central Nevada are "Nevada Elephant Country." Keystone lies 10 miles southeast of Barrick Gold's Cortez Hills mine on the Cortez Gold Trend. Just to the northwest of Cortez Hills is the Pipeline mine. The Cortez Gold Mine district is home to several additional discoveries. Horse Canyon, Red Hill, Gold Rush and ET Blue all add exploration ounces to the area. In November 2018, Barrick announced a new discovery called Fourmile. Fourmile is located just to the south of Cortez Hills and north of Keystone.

There has never been any modern, district-scale exploration work done in the history of Keystone. Keystone is a multi-intrusive domal district located on the Cortez Trend. Several shallow historical drill holes have been sporadically drilled, but there had never been a systematic, model-driven exploration approach to the whole district before U.S. Gold Corp. consolidated the claims. The host rocks at Keystone include Devonian Horse Canyon, Wenban, Comus and Silurian Roberts Mountains Formations – the same hosts to the Pipeline, Cortez, Cortez Hills, Red Hill and Goldrush deposits to the north. These permissive host rocks exist all over the district at shallow to moderate depths.

Over the last decades, the relatively easily found global gold deposits have been found. Now, exploration geologists need to either go deeper, or look harder and more effectively in new places for potential deposits. Mother Earth does not easily give up her secrets, but methodical exploration geologists are

patient treasure seekers. Gold is expensive for a reason, and that is because it is increasingly difficult to find. Gold exploration is a process and can take a substantial amount of time, often many years, from project generation to ultimate discovery success.

Keystone is situated in an excellent location (see figure below of the Cortez Gold Trend). The property is a potential “perfect storm” of geological positivity. It is located on one of the major Nevada gold trends and shares very similar characteristics with the major deposits known just to the north. We have done a tremendous amount of work at Keystone over the last three years. The gold exploration process takes time, capital and patience. Every day our team learns more about the Keystone system and gets us closer to an eventual discovery.



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Highlights of the work USAU has done in the last years in the Keystone discovery process include:

Mapping / Geology:

U.S. Gold Corp. hired Tom Chapin as an outside consultant. Tom is a Senior Geologist and previously worked for Barrick Gold and was responsible for mapping the Cortez Hills district, including the areas to the south of Goldrush and ET Blue. Tom knows these rocks and geology as well as anyone. Over the last two years, Tom has been methodically mapping the entire Keystone district. The geology at Keystone is complex, consisting of multiple intrusives, multiple formations and multiple host units. Through Tom's detailed analysis, an understanding of the geology of the Keystone district is now finally emerging. Tom has produced detailed maps and cross-sections, which aid in the gold exploration and discovery process. Keystone is over 20 square miles, and this mapping has taken more than two years to complete and interpret. This is the first time the entire Keystone district has had this level of geological mapping done.

Geophysics:

Detailed geophysical gravity and ground magnetic surveys have been done throughout the Keystone district. U.S. Gold Corp. did the first gravity survey in 2016 and followed up with additional surveys in 2017 and 2018. Each survey produced more data and details of the district. The gravity surveys clearly show a major North-Northwest trending structure going right through the Keystone property. This is very positive for potential gold discoveries as the exploration model calls for high-grade feeder zones to form on the footwalls of structural breaks.

Geochemistry:

U.S. Gold Corp. has conducted district-wide soil sampling. Brion Theriault has been working as a contract geologist for us for the last two years. Brion has systematically walked the entire property, collecting and categorizing soil and rock samples. To date, the U.S. Gold Corp. Keystone sample database comprises 7,372 soil samples, 3,414 rock samples, 666 fine-sediment stream samples and 661 altered stream cobble samples. The samples were acquired using 400-foot spacing over the entire property. Fifty-foot spacings have been used in areas of particular interest. All of this data has now gone into state-of-the-art digital maps. Our geological team can see specific areas where gold concentrations in soils and rocks "light up." In addition, pathfinders such as arsenic, mercury and other metals provide additional clues as to where major gold deposits might be hidden. Clear target areas are emerging in the district from all this work.

Master Thesis:

For the last two years, we have been sponsoring a master's thesis student from the University of Nevada Reno (UNR). Gabriel Aliagra completed his thesis in December 2018 and his report is available on our website. The focus of Gabriel's work over the last two years has been on analyzing and dating the geology and multiple intrusives at Keystone. The intrusives are the heat engines that drive the gold system. These intrusives super-heat the chemically infused ground waters in the area, and that fluid is pumped along faults until they are trapped by non-permissive conglomerate rocks. As such, the fluids eat away at the limestone units, leaving enriched areas of gold and other metals. The deposits are hard to find but have incredible size potential to them. At Keystone, we have discovered five unique intrusives thus far, and through lithology work (rock aging), we now know that there were three unique pulses of fluid infusion during the most important time for gold formations in the area. What that means is, multiple sources of gold deposition into multiple hosts of gold-friendly rock = higher probability for gold

discoveries. The conclusion of Gabriel's thesis is that the intrusives at Keystone are the exact same age and from the same geological system as the intrusives at Cortez Hills. This academic confirmation is further evidence of the major gold system present at Keystone and the potential for multiple world-class deposits.

Permitting:

Throughout 2017 and most of 2018, U.S. Gold Corp. had been working off five notices of intent (NOIs) at Keystone. Each NOI allows up to five acres of disturbance. This includes all the roads needed to access drilling locations and the drill pads. This small amount of permitted disturbance (25 acres on a 12,500-acre land position) was extremely limiting for us. Even so, we were very pleased with the amount of work we could do. Our geological team did their best to maximize the space available and spread scout-drilling holes throughout the property to properly understand the potential.

We experienced significant unexpected delays to expand our exploration activities. Our 2018 Fall exploration program was delayed several months from our planned start date leaving us short of our planned exploration activities in 2018. U.S. Gold Corp. filed an extensive Environmental Assessment (EA) in 2017 and our Keystone Plan of Operations (POO) was finally approved by the Bureau of Land Management (BLM) a year and a half later in October 2018. This was and is, a major value creation event for our shareholders. Our POO now gives us access to the entire property. We can go where we believe the best target potentials are. With the POO finally approved and signed off in October 2018, we did not have a long drill season. We advanced the required bond and had to get additional archeological approvals for the multiple targets identified. Only six holes were drilled in November and December 2018. The snows came to the high Nevada desert in December and put a stop to our 2018 exploration efforts.

Drilling:

As discussed above, USAU was granted its Keystone POO in October 2018. Our geological team designed and permitted a multi-target Fall 2018 drill program. To date, USAU has drilled 34 holes on the Keystone property. Our methodical approach to exploration follows a very specific process. Initially, scout holes were drilled in several promising areas of the property to test geological models and concepts. Our geologists were extremely pleased with all our scout drilling to date. It has provided important information and data – never known before in the district. All our holes have been between 1500 and 2000 feet. We have encountered incredibly thick, permissive stacked limestone host rocks. We have seen outstanding intercepts of permissive upper plate and lower plate host rocks. All signs of a major gold system are present including: incredible alteration, brecciation, abundant pathfinders – off-the-chart orpiment and realgar, amazing geology and anomalous gold in all the holes drilled. Of course, the object in gold exploration is to drill into an economic high-grade feeder zone. The geology at Keystone is some of the most complex our team has seen anywhere in Nevada. This is positive as complex systems can hold massive deposits, but it can also be challenging as the more complex the system, the more difficult it can be to make the initial discovery. However, our entire team is absolutely convinced the system exists at Keystone and it is one of the biggest they have seen in Nevada.

Optimistic About 2019

2019 will be an exciting year for our USAU shareholders at Keystone. Key target areas are starting to emerge in the district. Both the Sophia zone and the Green Glutch zone look to be very promising for future discoveries. One of our 2018 drill holes in Sophia was lost in what Ken Coleman, our Keystone project manager believes to be a cave. This is very encouraging as many Carlin Type Deposits (CTDs) have caverns due to historic brecciation and collapse. The collapsed breccia model is the Keystone exploration model, and this is an exciting development. We believe we might be in the halo of something very

significant. Before we lost that hole, we encountered some of the highest-level pathfinder metals ever recorded in Nevada. This shows us the strength of the system and that we are “in the ballpark.” If we can manage to drill into home plate in 2019, it will be an exciting ballgame at Keystone. We believe that all the work done over the last several years is bringing us closer and closer to vectoring into the eventual discovery hole. Stay tuned.

Copper King: An Existing Significant Resource with Additional Upside Expansion Potential

While we focus on moving our Keystone and Gold Bar North exploration programs forward, we are continuing to advance our flagship Copper King project in Wyoming. Copper King contains a robust historical gold / copper mineral resource. Since acquiring the property, we have been improving the project through numerous studies and drilling campaigns.

After completing two district-wide geophysical studies at Copper King in 2017, U.S. Gold Corp. designed an exploration drill program. A December 2017 western step-out hole hit mineralization. This hole was 200 meters from the previously known mineralization. This was a very exciting development for the entire USAU team as it showed us that the Copper King deposit could expand. The mineralization encountered was lower grade, but the consistency of the grades told us it was potentially economic ore.

In 2018, we followed up on our 2017 discovery success with an additional eight-hole exploration program. All of these holes were drilled to the West of the existing known deposit. Five of the eight holes encountered additional mineralization, and our team knew that the Copper King deposit had significant expansion potential. Copper King has had a long exploration history, and the general feeling from prior owners and operators was that the deposit had been all drilled out and there was no additional exploration upside. Our 2017 and 2018 drill programs proved this wrong. Another major development for us was the presence of silver and zinc in the drill holes. Combined with the gold and copper, this made the ore even more potentially valuable.

In order to better understand the overall geology and future exploration potential of the Copper King deposit, U.S. Gold Corp. hired Datamine of Denver Colorado in 2018 to produce an updated exploration model. Datamine imported the entire Copper King historic drilling database and added in our 2017 and 2018 drilling results. Using their state-of-the-art sophisticated technology incorporating big data and artificial intelligence, Datamine produced a new exploration model.

We met with Datamine in Denver at the end of January 2019 and reviewed their work. All of us were very impressed with the results. It is clear to our entire team that the Copper King deposit is open to the South East. This will be a major focus of our 2019 exploration programs. In addition, Datamine produced individual isoshells showing the deposit for gold, copper, silver and zinc. Attractive grades for all the metals exist. This is another extremely exciting development for us. The historic \$178.5mm NPV out of the PEA done by MDA only calculated gold and copper. Datamine’s work clearly shows there is valuable silver and zinc also included in the main deposit.

Our shareholders should be very excited with these results. In conclusion on Copper King:

1. We know that the historic gold / copper deposit has a current NPV of \$178.5mm.
2. This historic MDA model does not include silver or zinc credits.
3. Our 2017 and 2018 drilling increased the overall metal endowment. This has not yet been included in any updated resource reports.
4. The silver and zinc in the main deposit will add to the overall NPV.

5. Datamine's new exploration model clearly shows the deposit is potentially open to the South East and South West.

2019 will also be an exciting one at Copper King. We will continue to do our best to expand the resource, update the economics and advance the project towards a potential production decision. Additional metallurgy, permitting and environmental studies are also planned. In 2018, U.S. Gold Corp hired an experienced land consultant. An exhaustive study has been conducted on all our claims and abutting property positions.

We believe the best way to add shareholder value in the short term at Copper King is to continue to expand the overall resource and grow the deposit. Once we have determined how large the deposit can grow, we will then be in a position to start thinking about mine plans and potential production permitting decisions. Copper King is located on State of Wyoming claims. The State of Wyoming has a 5% net smelter royalty (NSR) on the project. This is an attractive economic incentive for the State and we believe this will help us as we move closer to a production decision. CAPEX for the historic resource is estimated to be \$113 million to build out the production facility. This number might increase as the overall size of the deposit grows and potential production profiles increase. We have had numerous discussions with several potential funders, and I am delighted to report there is substantial interest in the project.

Corporate Operating Highlights

Since we became a NASDAQ publicly traded company, U.S. Gold Corp. has tried to maintain a tight capital structure. This is always a challenge for investors in junior exploration companies with no revenues. In order to maintain our continued NASDAQ listing, our share price needs to stay above the \$1.00 mark. On April 3, 2019, we received a letter from NASDAQ, notifying us that we had failed to comply due to our share price trading below \$1.00 for over 30 days. We are pleased to report that our share price has traded back above the \$1.00 mark for the required time period and USAU is back in full compliance with its NASDAQ listing requirements. Our management and Board highly value our NASDAQ listing and will continue to do everything we can to stay in future compliance.

It can be a difficult balance in challenging markets to try to raise the necessary capital needed to advance our exploration projects on favorable terms. As of this letter, we have 19.8 million common shares outstanding. There is no preferred stock outstanding, no ratchets or resets. We do have a few options and warrants outstanding that all have substantially higher strike prices than the current market price. U.S. Gold Corp. currently has no debt. We believe that debt can be the kiss of death for junior exploration companies. We have been able to successfully fund the company through equity raises, even in these challenging market conditions. All of us believe we are attractively positioned to provide real shareholder value as the junior exploration markets builds and we deliver additional exploration results.

Gold: A Safe Asset in Geopolitical and Economic Uncertainty

All of us at U.S. Gold Corp. believe that it is **an excellent time to be a shareholder of a gold exploration company**. Geopolitical risks abound around the world – from North Korea to the Middle East, European politics and the ongoing American political gridlock. The only thing that is certain in this world is that there are more and more uncertainties. The sad fact is that many of the Western world's governments are effectively bankrupt. Central Banks around the globe have printed massive amounts of paper money through quantitative easing programs to try to stimulate economic growth and buy their way out of the last financial crisis. Many new challenges are just over the horizon, potentially including the eventual unwinding of Central Bank QE, liquidity tightening in the high yield bond market, rising interest rates, declining auto sub-prime loans and a looming future student loan crisis. When you combine this with the

aging demographics of many Western nations, it is clear that entitlement benefits have spiraled out of control and budgets are in need of serious reform. We are more bullish on gold, than on the resolve of our political leaders to effectively tackle any of these challenging issues.

U.S. Gold Corp. believes in gold. Fiat currencies have never maintained purchasing power over longer historical time frames. We believe we might be on the verge of a new bull market in exploration companies, and U.S. Gold Corp. is well-positioned to potentially deliver shareholder value to all our loyal investors. We welcome you as shareholders to participate in the potentially significant rewards of building a successful gold exploration company. Watch our news releases closely in the future, and feel free to reach out to us personally anytime.

We know it has been a challenging time for many investors in the junior exploration sector and U.S. Gold Corp specifically. Gold exploration is a high-risk business, but the potential rewards can be substantial when discoveries are found. Our entire team is working daily as hard as we can, with a sole focus of moving toward exploration success. On behalf of the entire management team and Board of Directors, we would like to thank you for your support and patience as we continue to advance the company.

Sincerely yours,

U.S. Gold Corp.

Edward Karr

Edward Karr

President & CEO

For more information, I encourage you to contact the Company, at ir@usgoldcorp.gold or visit the web site at www.usgoldcorp.gold

U.S. Gold Corp. periodically sends news via email to its shareholders and interested investors. If you would like to receive these communications, please sign up to receive U.S. Gold Corp. news releases at: <http://ir.usgoldcorp.gold/>

About U.S. Gold Corp.

U.S. Gold Corp. is a publicly traded U.S.-focused gold exploration company. U.S. Gold Corp. has a portfolio of exploration properties. Copper King is located in Southeast Wyoming and has a Preliminary Economic Assessment (PEA) technical report, which was completed by Mine Development Associates. Keystone is an exploration property on the Cortez Trend in Nevada. For more information about U.S. Gold Corp., please visit <http://www.usgoldcorp.gold/>.

Safe Harbor

Certain statements in this shareholder letter are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as “anticipate,” “believe,” “forecast,” “estimated,” and “intend,” among others. These forward-looking statements are based on U.S. Gold Corp.’s current expectations, and actual results could differ materially from such statements, including statements related to the results of and resulting interpretations of Keystone exploration data and indication, Keystone being positioned in a “perfect storm” of geological positivity, the possibility and positive outlook for additional mineralization deposits at Keystone, the Datamine comprehensive drill hole analysis at Copper King, the possibility and positive outlook for additional mineralization at Copper King, the expansion of Copper King to the west and southwest, and whether strategic interpretation at Keystone and Copper King will provide accurate indications for mineral discovery. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, risks arising from: the prevailing market conditions for metal prices and mining industry cost inputs, environmental and regulatory risks, risks faced by junior companies generally engaged in exploration activities, whether U.S. Gold Corp. will be able to raise sufficient capital to implement future drilling programs, changes to assumptions contained in the PEA, and other factors described in the Company’s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the Securities and Exchange Commission, which can be reviewed at www.sec.gov. The Company has based these forward-looking statements on its current expectations and assumptions about future events. While management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks, contingencies, and uncertainties, most of which are difficult to predict and many of which are beyond the Company’s control. The Company makes no representation or warranty that the information contained herein is complete and accurate and we have no duty to correct or update any information contained herein.

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