TONKIN EXPLORATION UPDATE
20 OF 26 HOLES RETURN ENCOURAGING RESULTS
DRILLING INDICATES NEW MINERALIZATION AT DEPTH

Denver, Colorado (December 21, 2006) - **US GOLD CORPORATION (AMEX: UXG - TSX: UXG)** is pleased to announce continuing exploration results at its Tonkin project located in Nevada's Cortez Trend, 10 miles to the south of Barrick's rich Cortez Hills gold deposit. Drilling commenced in June and has been focused in areas near previously defined mineralized material containing 1.4 million ounces of gold. The current $30 million exploration program was launched in June 2006, building on an experienced team of Nevada-based professionals with prior big-company and entrepreneurial experience.

"The team we have assembled has completed property-wide re-evaluations, updating geologic mapping, geochemical sampling, and geophysical data. As well, a unique partnership with NASA has provided US Gold access to state-of-the-art exploration technologies aiding in our efforts. This work has greatly contributed to our overall understanding of the gold-bearing system," said Rob McEwen, Chairman and CEO. "It is still early, but we are encouraged by the fact that 20 of the 26 holes completed to date have encountered gold mineralization."

EXPLORATION RESULTS
The first phase of the exploration program at Tonkin is designed to test for lateral and depth extensions of the previously identified mineralized material as well as to identify favorable gold host rocks and dominant mineralizing structures. Drilling to date has been confined to the region known as the Mine Corridor, which is comprised of three areas: Southern, Middle and Rooster (see Figure 1). Next year we will be drilling outside the Mine Corridor on other targets defined by mapping, geochemistry and remote sensing. Twenty-six holes have been drilled and assayed, and an additional fourteen holes, including three monitoring wells, have assays pending. So far 55,000 feet of drilling has been completed, approximately thirteen percent of the proposed program, with assays received for the first 33,500 feet.

SOUTHERN AREA
New Mineralization Encountered
A cumulative total of eight holes have been drilled in the Southern Area of the Tonkin property. Angle Hole 16 encountered new mineralization in numerous intervals starting at an approximate vertical depth of 490 ft and reaching a depth of 780 feet, the deepest mineralization discovered since the program began. Results (see Table 1) from Hole 16 include:

(opt = ounces per ton gpt = grams per tonne)

Hole 16	***0.069 gold opt over 30 ft.***	***(2.355 gold gpt over 9.15 m)***
including	***0.135 gold opt over 12 ft.***	***(4.617 gold gpt over 3.66 m)***
(2nd interval)	***0.080 gold opt over 31.5 ft.***	***(2.751 gold gpt over 9.60 m)***
including	***0.111 gold opt over 15 ft.***	***(3.790 gold gpt over 4.57 m)***
including	***0.090 gold opt over 6.5 ft.***	***(3.085 gold gpt over 1.98 m)***

Holes 7 and 8 were drilled to the east and west of Hole 16, and encountered lower grade mineralization to vertical depths of approximately 560 feet and 490 feet, respectively.

Hole 22 was drilled to test the southern extension of mineralization encountered in Hole 16 in a relatively untested region of the Southern Area. New gold mineralization was encountered in the shallow portions of the hole (***45 feet at 0.041 gold opt***), and scattered low grade gold intervals were encountered at depth.

Also in the Southern Area, Hole 23 was drilled to confirm gold mineralization identified in historic drilling and to determine its controls and orientation. Highlights include:

Hole 23	***0.072 gold opt over 11 ft.***	***(2.475 gold gpt over 3.35 m)***
including	***0.242 gold opt over 3 ft.***	***(8.300 gold gpt over 0.91 m)***
(2nd interval)	***0.088 gold opt over 43.5 ft.***	***(3.018 gold gpt over 13.26 m)***
including	***0.168 gold opt over 10.5 ft.***	***(5.755 gold gpt over 3.20 m)***
	0.086 gold opt over 7.5 ft.	***(2.940 gold gpt over 2.29 m)***
	0.140 gold opt over 3 ft.	***(4.810 gold gpt over 0.91 m)***

These results confirmed the validity of previous drilling and suggest that mineralization is hosted in relatively flat-lying receptive rock units and is open to the southwest. More drilling is planned in this area to further define orientation, extent and control of the favorable gold grades encountered in Hole 23.

MIDDLE AREA

Newly Initiated Drilling

Drilling in the Middle Area recently started to test for extensions of known near-surface mineralization. Hole 15 was drilled in a newly defined target area approximately 2,000 feet west of previous drilling. It encountered trace gold with thick sections of anomalous arsenic, antimony, and mercury, which are indicators of a Carlin-style gold system. Additional drilling is currently in progress in the Middle Area, focusing on northeast and northwest trending structures and their intersections.

ROOSTER AREA

Pursuit of Feeders and Extensions

The Rooster Area is the strongest expression of Carlin-style mineralization currently identified on the Tonkin project. It is characterized by broad and deep alteration, structurally controlled mineralization, and good gold grades indicating a receptive gold bearing system.

Drilling in the northern Rooster Area has been designed to test for down-dip and lateral extensions of known mineralization along northeast and north-northwest striking controls defined by detailed mapping, geophysics and historical drilling. These structures and their intersections will continue to be the target of exploration at Rooster in 2007.

Hole 4 was completed in the northwestern portion of the Rooster Area. It is 600 feet to the northwest of Hole 1 which returned a ***40-foot intercept of 0.113 gold opt*** as discussed in the September 6 news release. Hole 4 intercepts include:

Hole 4	***0.042 gold opt over 25 ft.***	***(1.453 gold gpt over 7.62 m)***
including	***0.063 gold opt over 15 ft.***	***(2.147 gold gpt over 4.57 m)***

Holes 21 and 26 were drilled to test the northern extension of Rooster mineralization. These holes are situated 560 feet north of previous drilling in untested areas and encountered numerous intervals of gold mineralization, including:

Hole 21	***0.025 gold opt over 20 ft.***	***(0.845 gold gpt over 6.10 m)***
	0.028 gold opt over 38 ft.	***(0.957 gold gpt over 11.52 m)***
	0.053 gold opt over 10 ft.	***(1.818 gold gpt over 3.05 m)***
Hole 26	***0.037 gold opt over 21 ft.***	***(1.270 gold gpt over 6.40 m)***

This area will continue to be explored for gold mineralization in favorable rock horizons and along structures and intersections.

Hole 30 was completed within the envelope of historic drilling at Rooster, to confirm previous vertical drilling that reached approximately 500 feet. This angle hole encountered mineralization to a depth of approximately 510 vertical feet. The best intercepts from Hole 30 begin at the surface and are summarized below:

Hole 30	***0.039 gold opt over 145 ft.***	***(1.319 gold gpt over 44.21 m)***
including	***0.081 gold opt over 50 ft.***	***(2.786 gold gpt over 15.24 m)***
including	***0.180 gold opt over 10 ft.***	***(6.170 gold gpt over 3.05 m)***

All the results to date are summarized in Table 1.

Drilling to date has identified lateral extensions of known mineralized structures as well as some deeper gold intersections that have reinforced management's belief in the potential of US Gold's property. The Company has eight drill rigs on the Tonkin property, with plans to increase the pace of exploration in 2007.

QUALIFIED PERSON

This news release has been prepared under the guidance of Steve Brown, Senior Geologist and Project Manager, who is a Qualified Person as defined by National Instrument 43-101 and is responsible for program design and quality control of exploration undertaken by the Company at its Tonkin Springs property. All samples were analyzed by ALS Chemex of Winnemucca, Nevada.

All assays are uncut, with analysis conducted by ALS Chemex utilizing a 30 gram fire assay change with an AA finish. Sample length is by geologic boundary with a maximum 5 foot length and core recovery averages 95-98%. Quality assurance/quality control is assured by inserting standards and blanks every 40th sample and check assays sent to second lab every 20th sample.

Certain statements contained herein and subsequent oral statements made by and on behalf of the Company may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are identified by words such as "intends," "anticipates," "believes," "expects" and "hopes" and include, without limitation, statements regarding the Company's plan of business operations, potential contractual arrangements, receipt of working capital, anticipated revenues and related expenditures. Factors that could cause actual results to differ materially include, among others, those set forth in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2005 and those set forth in the registration statements referenced above, under the caption "Risk Factors." Most of these factors are outside the control of the Company. Investors are cautioned not to put undue reliance on forward-looking statements. Except as otherwise required by applicable securities statutes or regulations, the Company disclaims any intent or obligation to update publicly these forward looking statements, whether as a result of new information, future events or otherwise.

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Table 1 – Assay Results

Hole No.	Target Area	Hole Length (feet) (∠ Angle)	Assay Interval From (feet)	Assay Interval To (feet)	Gold Assay Length (feet)	Gold Assay Ounces per ton	Gold Assay Length (meters)	Gold Assay Grams per tonne	Purpose & Results
SOUTHERN AREA									
8	Southern Area	2390 (-50°)	15	35	20	0.027	6.10	0.922	Encountered mineralization approximately 200 feet below previous shallow drilling
			160	170	10	0.032	3.05	1.105	
			220	230	10	0.017	3.05	0.589	
			330	340	10	0.021	3.05	0.733	
			490	500	10	0.015	3.05	0.526	
			625	635	10	0.035	3.05	1.184	
9	Southern Area	705 (-55°)							Abandoned due to water
16	Southern Area	1678 (-50°)	359.5	381	21.5	0.017	6.55	0.572	Extended mineralization by approximately 200 feet to depth and 500 feet north and west of previous shallow drilling
			606.5	618.5	12	0.038	3.66	1.288	
			652	667	15	0.015	4.57	0.510	
			732	762	30	0.069	9.15	2.355	
		including	***732***	***744***	***12***	***0.135***	***3.66***	***4.617***	
			787	818.5	31.5	0.080	9.60	2.751	
		including	***792***	***807***	***15***	***0.111***	***4.57***	***3.790***	
		including	***812***	***818.5***	***6.5***	***0.090***	***1.98***	***3.085***	
			887	897	10	0.020	3.05	0.676	
			1001	1019	18	0.035	5.49	1.204	
18	Southern Area	1502 (-55°)							No significant gold
20	Southern Area	1708 (-60°)							No significant gold
22	Southern Area	1000 (-60°)	0	15	15	0.053	4.57	1.817	500 feet southwest of hole 16; encountered similar shallow mineralization; no significant mineralization at depth
			300	345	45	0.041	13.72	1.387	
23	Southern Area	1704 (-60°)	230	241	11	0.072	3.35	2.475	Confirmation of mineralization previously identified in shallow drilling; no significant mineralization at depth
		including	***230***	***233***	***3***	***0.242***	***0.91***	***8.300***	
			266.5	310	43.5	0.088	13.26	3.018	
		including	***266.5***	***277***	***10.5***	***0.168***	***3.20***	***5.755***	
			279.5	287	7.5	0.086	2.29	2.940	
			291	294	3	0.140	0.91	4.810	
			299	310	11	0.091	3.35	3.124	
Previously Annouced on September 6, 2006									
7	Southern Area	1140 (-50°)	210	220	10	0.033	3.05	1.128	New target encountered discontinuous mineralization to a depth of 560 feet
			280	310	30	0.025	9.14	0.867	
			350	365	15	0.052	4.57	1.78	
			495	510	15	0.014	4.57	0.469	
			720	735	15	0.019	4.57	0.653	

Hole No.	Target Area	Hole Length (feet) (∠ Angle)	Assay Interval From (feet)	Assay Interval To (feet)	Gold Assay Length (feet)	Gold Assay Ounces per ton	Gold Assay Length (meters)	Gold Assay Grams per tonne	Purpose & Results
MIDDLE AREA									
10	Middle Area	300 (-55°)							Abandoned due to water
11	Middle Area	440 (-55°)	370	390	20	0.028	6.10	0.960	Deeper core drilling pending
12	Middle Area	680 (-55°)	50	75	25	0.020	7.62	0.695	Deeper core drilling pending
15	Middle Area	2267 (-50°)							No significant gold
19	Middle Area	2034 (-50°)	459.5 470.0	465.0 487.0	5.5 17.0	0.014 0.011	1.68 5.18	0.483 0.378	New target and encountered low grade gold mineralization and extremely anomalous trace elements
24	Middle Area	227 (-70°)	128	143	15	0.013	4.57	0.450	Abandoned due to poor ground conditions
ROOSTER AREA									
3	Rooster	1575 (-55°)							No significant gold
4	Rooster	1945 (-60°)	545 705 740	560 725 765	15 20 25	0.014 0.010 0.042	4.57 6.10 7.62	0.494 0.344 1.453	Extended mineralization 600 feet to the northwest of Rooster area
		including	***740***	***755***	***15***	***0.063***	***4.57***	***2.147***	
13	Rooster	860 (-90°)	130	160	30	0.013	9.15	0.462	Deeper core drilling pending
14	Rooster	960 (-60°)	230 255 295 315 425	245 265 305 325 445	15 10 10 10 20	0.012 0.019 0.013 0.014 0.017	4.57 3.05 3.05 3.05 6.10	0.403 0.660 0.444 0.472 0.579	Extended mineralization 100 feet north of Rooster area
17	Rooster	2485 (-55°)							No significant gold
21	North Rooster	1662 (-70°)	242 347 362 409 467 502	262 357 377 447 477 512	20 10 15 38 10 10	0.025 0.012 0.016 0.028 0.053 0.011	6.10 3.05 4.57 11.52 3.05 3.05	0.845 0.412 0.559 0.957 1.818 0.369	Extended mineralization 560 feet north of Rooster area

Hole No.	Target Area	Hole Length (feet) (∠ Angle)	Assay Interval From (feet)	Assay Interval To (feet)	Gold Assay Length (feet)	Gold Assay Ounces per ton	Gold Assay Length (meters)	Gold Assay Grams per tonne	Purpose & Results
ROOSTER AREA									
26	North Rooster	1340 (-45°)	145	180	35	0.010	10.67	0.351	Extended minerailzation 240 feet to the west of Hole 21
			483	496	13	0.014	3.96	0.476	
			508	529	21	0.037	6.40	1.270	
			698	708	10	0.015	3.05	0.504	
30	North Rooser	865 (-50°)	0	145	145	0.039	44.21	1.319	Confirm Rooster mineralized and test structural controls
		including	***95***	***145***	***50***	***0.081***	***15.24***	***2.786***	
		including	***115***	***125***	***10***	***0.180***	***3.05***	***6.170***	
			160	170	10	0.012	3.05	0.415	
			250	260	10	0.020	3.05	0.681	
			305	380	75	0.037	22.87	1.258	
		including	**310**	**375**	**65**	**0.040**	**19.82**	**1.362**	
			480	495	15	0.056	4.57	1.910	
Previously Annouced on September 6, 2006									
1	North Rooster	644 (-90°)	110	130	20	0.014	6.10	0.485	Confirmed known mineralization and extended 70 feet to depth
			200	230	30	0.057	9.14	1.955	
			240	405	165	0.044	50.29	*1.502*	
		including	***345***	***385***	***40***	***0.113***	***12.19***	***3.853***	
			445	470	25	0.041	7.62	1.403	
1B	North Rooster	640 (-90°)	15	25	10	0.014	3.05	0.476	Extended mineralization 175 feet to depth
			260	320	60	0.019	18.29	0.646	
			340	380	40	0.047	12.19	1.594	
			475	490	15	0.019	4.57	0.624	
			505	520	15	0.016	4.57	0.563	
			560	575	15	0.050	4.57	1.724	
2	North Rooster	1030 (-55°)	135	145	10	0.013	3.05	0.424	Intersected two new mineralized features more than 1000 feet east of Hole 1
5	North Rooster	1295 (-50°)	470	490	20	0.021	6.10	0.721	Northwest of Hole 1 approximately 200 feet
			525	540	15	0.024	4.57	0.823	
			600	720	120	0.028	36.58	0.946	
			775	790	15	0.032	4.57	1.095	
6	North Rooster	500 (-70°)	145	155	10	0.014	3.05	0.459	Southwest of Hole 1 approximately 264 feet
			220	245	25	0.018	7.62	0.617	
			320	330	10	0.015	3.05	0.519	
			400	415	15	0.016	4.57	0.541	

Figure 1 – Drill Hole Locations

