June 29, 2011

NEWS RELEASE

DRILLING AROUND EL GALLO CONTINUES TO BUILD ON THE OPEN PIT POTENTIAL

TORONTO, ONTARIO (June 29, 2011) **US GOLD CORPORATION (NYSE: UXG) (TSX: UXG)** is pleased to announce new drill results from Palmarito and Haciendita, located within hauling distance of the company's El Gallo discovery and planned process facilities, in Sinaloa State, Mexico ***(Fig. 1)***. The results highlight the potential to grow the project as it moves through the feasibility stage. Currently 15 drills are operating at and around El Gallo.

Exploration Highlights

Palmarito

- Mineralization has been extended approximately 300 meters (985 feet) south, 100 meters (325 feet) west and 45 meters (150 feet) vertically, with intersections of ***124.4 gpt silver over 9.2 meters, 638.0 gpt silver over 2.9 meters*** and ***93.5 gpt silver over 12.5 meters.*** All results start at or near surface.

- Delineation drilling, designed to upgrade inferred mineralization to the measured and indicated categories, continues to confirm wide, near surface intersections of good grade: ***106.5 gpt silver, 0.7 gpt gold over 18.8 meters***.

- Testing a historic hole returns better grades and thickness, indicating an opportunity to potentially add ounces in previously defined areas.

Haciendita

- Results from this recent discovery have returned additional encouragement, with gold values being intersected over good thicknesses***: 2.1 gpt gold over 28.9 meters*** and ***1.2 gpt gold over 19.7 meters.***

Palmarito Expanded in Multiple Directions
(Fig 1, 2 and 3)

The primary objective of US Gold's exploration at Palmarito is to continue expanding the near surface resource by drilling beyond and below the proposed open pit design. The latest results demonstrate the deposit has been extended in multiple directions, including a significant 300 meter (985 feet) step-out to the south (PMX-108), a 100 meter (325 feet) step-out to the west (PMX-095) and an additional 45 meters (150 feet) vertically (PMX-089 and PMX-106). Although infill drilling will be required, the silver mineralization intersected in these holes appears to be the continuation of the known zones and could

have important implications for growing the resource. Highlights from the expansion holes are shown below.

Hole #	Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Silver (opt)	Gold (opt)	Length (feet)	From (feet)
PMX-087	82.1	0.4	5.8	6.3	2.4	0.01	19.0	20.7
PMX-089	638.0	0.3	2.9	46.1	18.6	0.01	9.5	151.5
Including	1,745.0	0.4	0.4	47.6	50.9	0.01	1.3	156.2
PMX-091	72.3	-	18.0	140.0	2.1	-	59.1	459.3
PMX-093	124.4	0.1	9.2	0.0	3.6	-	30.2	0.0
PMX-095	82.2	-	7.4	140.6	2.4	-	24.3	461.3
PMX-096	119.4	-	5.1	0.0	3.5	-	16.7	0.0
PMX-106	133.1	0.2	9.4	103.5	3.9	0.01	30.9	339.6
Including	287.8	0.3	1.8	106.8	8.4	0.01	5.9	350.4
PMX-108	93.5	-	12.4	0.6	2.7	-	40.7	2.0
PMX-111	74.3	0.1	10.6	47.0	2.2	-	34.8	154.2

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Palmarito - Converting Inferred Mineralization

Three new holes were drilled with the objective of upgrading inferred mineralization to the measured and indicated categories. The results continue to successfully confirm the grade and thickness of this mineralization.

Hole #	Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Silver (opt)	Gold (opt)	Length (feet)	From (feet)
PMX-082	106.5	0.7	18.8	9.2	3.1	0.02	61.7	30.2
Including	800.0	0.5	0.4	15.6	23.2	0.01	1.3	51.2
PMX-114	71.3	1.4	11.4	16.6	2.1	0.04	37.4	54.5
PMX-116	135.3	0.1	2.6	58.9	3.9	-	8.5	193.4

Rethinking Historical Drilling

Palmarito was originally drilled in the mid-1990's. Based on the drilling method (reverse circulation), US Gold believes there is a possibility the silver grades were understated. Earlier this year, drilling to infill and offset these earlier holes consistently returned better grades, helping to confirm this theory. US Gold has now twinned several historic reverse circulation holes, with the results from the first hole having been received. The holes were selected for twinning because they generally fell just outside of the planned pit and upgrading the silver values could help make this mineralization economic. The first hole encountered silver grades approximately 50% higher than the original. In addition, the zone was wider than anticipated. Once results from the remaining holes have been received, US Gold will determine if more twinning is warranted. Results comparing the two holes are shown below.

Hole #	***Silver*** *(gpt)*	***Gold*** *(gpt)*	***Length*** *(meters)*	***From*** *(meters)*		***Silver*** *(opt)*	***Gold*** *(opt)*	***Length*** *(feet)*	***From*** *(feet)*
PMX-113 (New)	***89.2***	***0.2***	***11.5***	***43.5***		***2.6***	***0.01***	***37.7***	***142.7***
P14 (Historic)	***60.0***	***0.2***	***7.3***	***42.4***		***1.8***	***0.01***	***24.0***	***139.1***
Grade Increase	*+49%*								
Width Increase	*+58%*								

Currently, three of the fifteen drills located throughout the El Gallo district are working at Palmarito. Drilling to follow up on these results is underway.

Haciendita Exploration Drill Results (Fig. 1)

New drilling has extended the Haciendita discovery to the northeast. In addition, two new zones have been discovered northwest and northeast of the initial drilling. The new results continue to return near surface, gold and silver mineralization over good widths and build upon results released earlier this year. The Haciendita area is comprised of near surface zones that are shallow dipping. It is located 10 km (6 miles) north of El Gallo. Highlights from the recent drilling are shown below.

Hole #	Gold (gpt)	Silver (gpt)	Length (meters)	From (meters)		Gold (opt)	Silver (opt)	Length (feet)	From (feet)
HCX-017	1.0	21.3	12.6	7.4		0.03	0.6	41.3	24.3
Including	3.5	65.0	2.4	17.6		0.10	1.9	7.9	57.7
HCX-019	1.1	20.9	15.3	21.4		0.03	0.6	50.2	70.2
Including	6.2	29.9	1.2	27.2		0.18	0.9	3.9	89.2
HCX-027	1.0	34.0	8.0	0.0		0.03	1.0	26.2	0.0
HCX-030	1.0	11.6	5.2	83.6		0.03	0.33	17.1	274.3
HCX-033	0.8	65.9	12.5	8.9		0.02	1.9	41.0	29.2
MGX-019	2.1	9.5	28.9	7.7		0.06	0.3	94.8	25.3
Including	28.6	29.4	1.1	31.3		0.83	0.9	3.6	102.7
MGX-020	1.2	6.2	19.7	7.8		0.04	0.2	64.6	25.6
Including	8.9	14.3	1.0	23.2		0.26	0.4	3.3	76.1

ABOUT US GOLD (www.usgold.com)

US Gold's objective is to qualify for inclusion in the S&P 500 by 2015. US Gold explores for gold and silver in the Americas and is advancing its El Gallo Project in Mexico and its Gold Bar Project in Nevada towards production. US Gold's shares are listed on the NYSE and the TSX under the symbol UXG, trading 1.9 million shares daily during the past twelve months. US Gold's shares are included in S&P/TSX and Russell indices and Van Eck's Junior Gold Miners ETF. Rob McEwen, Chairman and CEO, owns 20% of the shares of US Gold. On June 14, 2011 the Company announced that Mr. McEwen proposed to combine the Company with Minera Andes to create a high growth, low-cost, mid-tier silver producer focused on the Americas.

This news release has been viewed and approved by John Read, CPG, US Gold's consulting geologist, 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 Mexican exploration properties.

Samples from the core drilling were split on-site at the Company's Magistral Mine property. One quarter to one half of the split drill core is shipped to ALS Chemex for sample preparation and analysis by 4-acid digestion with ICP determination for silver and fire assay for gold. Samples returning greater than 1500 ppm silver or 10 ppm gold were re-analyzed using gravimetric fire assay. Standards and blanks were inserted every 20 samples.

All holes were drilled with HQ bits and reduced to NTW where required. Samples were taken based on lithologic and/or mineralized intervals and vary in length. The true width of the mineral zone has not been determined.

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 may be identified by words such as "intends," "anticipates," "believes," "expects" and "hopes" and include, without limitation, statements regarding the Company's results of exploration, 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-K for the fiscal year ended December 31, 2010 and other filings with the Securities and Exchange Commission, 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. Drill Results: Core Holes Assays June 2011

Hole #		Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Azimuth	Dip	Easting	Northing
Palmarito									
PMX-082		106.5	0.7	18.8	9.2	230°	-50°	201283	2830555
Including		800	0.5	0.4	15.6				
PMX-085		64	0.1	7.2	97.8	0°	-90°	201325	2830741
PMX-086		-	-	-	-	180°	-70°	201027	2830643
PMX-087		82.1	0.4	5.8	6.3	280°	-50°	201302	2830384
PMX-088		70.6	0.1	3.1	150	0°	-90°	201405	2830623
PMX-089		34.6	0.7	12.3	17.3	0°	-90°	201069	2830597
And		638	0.3	2.9	46.1				
Including		1745	0.4	0.4	47.6				
PMX-090		35	-	31.9	149.5	0°	-90°	201430	2830392
Including		50.8	-	6.1	149.5				
PMX-091		72.3	-	18	140	0°	-90°	201407	2830778
Including		114	-	4	151				
PMX-092		86.8	0.1	5.3	86.1	180°	-50°	200941	2830584
Including		277	0.2	1.2	86.1				
PMX-093		124.4	0.1	9.2	0	280°	-50°	201226	2830720
Including		369.6	0.5	1.5	5.6				
PMX-094		120.3	-	3.6	229.6	0°	-90°	201507	2830720
PMX-095		128.2	-	2.5	43	180°	-50°	200889	2830575
And		82.2	-	7.4	140.6				
PMX-096		119.4	-	5.1	0	280°	-50°	201208	2830146
PMX-097		48.9	0.1	14.6	244.8	0°	-90°	201524	2830688
Including		82.6	-	2.2	252.9				
PMX-098		-	-	-	-	0°	-90°	201499	2830660
PMX-099		83.4	0.1	6.1	181.9	0°	-90°	201445	2830667
Including		111.4	0.1	3.5	182.5				
PMX-100		90.6	-	1.7	76.1	100°	-50°	201029	2835611
PMX-101		64.8	0.2	1.2	199.8	0°	-90°	201466	2830638
PMX-102		88.8	-	2	24.4	290°	-70°	200977	2830224
And		67.6	-	3	95.3				
And		86.4	-	4.1	129.5				
Including		196	0.1	1.4	130.2				
PMX-103		56.8	-	5	4.9	250°	-50°	201056	2829866

Hole #		Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Azimuth	Dip	Easting	Northing
PMX-104		57.7	0.1	11.5	143.6	230°	-70°	201437	2830624
Including		90.9	0.3	4.8	150.3				
PMX-105		-	-	-	-	250°	-50°	201038	2829845
PMX-106		76.3	-	1.4	42.7	290°	-70°	201007	2830229
And		133.1	0.2	9.4	103.5				
Including		287.8	0.3	1.8	106.8				
PMX-107		44	-	1.6	176	110°	-80°	200966	2830582
PMX-108		93.5	-	12.4	0.6	250°	-50°	201657	2829901
PMX-109		59.3	0.1	1.6	33.6	180°	-60°	201244	2830642
PMX-110		41.8	-	13.9	18.4	280°	-60°	201256	2830668
PMX-111		74.3	0.1	10.6	47.0	180°	-75°	201233	2830668
Including		149	0.6	0.8	47.0				
Including		200	-	0.7	54.9				
PMX-112		314.0	0.3	0.5	119.0	290°	-50°	200963	2830191
PMX-113		89.2	0.2	11.5	43.5	0°	-90°	201281	2830647
PMX-114		71.3	1.4	11.4	16.6	280°	-80°	201312	2830389
PMX-115		41.4	0.3	5.1	94.6	0°	-90°	201368	2830473
PMX-116		135.3	0.1	2.6	58.9	280°	-60°	201350	2830338
Haciendita									
HCX-017		21.3	1	12.6	7.4	250°	-45°	217381	2852086
Including		65	3.5	2.4	17.6				
HCX-018		-	-	-	-	250°	-60°	217347	2852152
HCX-019		20.9	1.1	15.3	21.4	250°	-50°	217423	2852168
Including		29.9	6.2	1.2	27.2				
Including		43.5	1.4	3.4	31.8				
HCX-020		18.9	0.7	2.8	15.4	250°	-50°	217458	2852202
HCX-021		-	-	-	-	250°	-50°	217490	2852237
HCX-022		48.2	1.1	4.8	37.3	250°	-50°	217510	2852200
Including		216	4.9	0.8	37.1				
HCX-023		19.9	1.2	1	38.1	250°	-50°	217557	2852141
HCX-024		-	-	-	-	250°	-50°	217504	2852073
HCX-025		4.6	1	1.1	103.7	250°	-50°	217558	2852095
HCX-026		-	-	-	-	250°	-50°	217558	282028

Hole #		Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Azimuth	Dip	Easting	Northing
HCX-027		34	1	8	0	230°	-50°	217541	2852276
Including		52.1	2.1	3.1	0				
HCX-028		8.8	1.3	1.7	24.4	250°	-50°	217587	2852279
HCX-029		-	-	-	-	250°	-50°	217530	2852225
HCX-030		11.6	1	5.2	83.6	250°	-50°	217530	2852187
HCX-031		14	0.6	3.4	75.1	250°	-50°	217533	2852187
HCX-032		31.9	1.3	2.5	34.6	250°	-50°	217582	2852159
HCX-033		65.9	0.8	12.5	8.9	250°	-50°	217582	2852170
Including		141.4	2	3	15.3				
MGX-018		10.8	0.7	2.9	13.6	225°	-60°	216337	2852429
MGX-019		9.5	2.1	28.9	7.7	225°	-45°	216357	2852497
Including		29.4	28.6	1.1	31.3				
MGX-020		6.2	1.2	19.7	7.8	225°	-45°	216439	2852498
Including		14.3	8.9	1	23.3				

Figure 1
El Gallo District - Location of Veins

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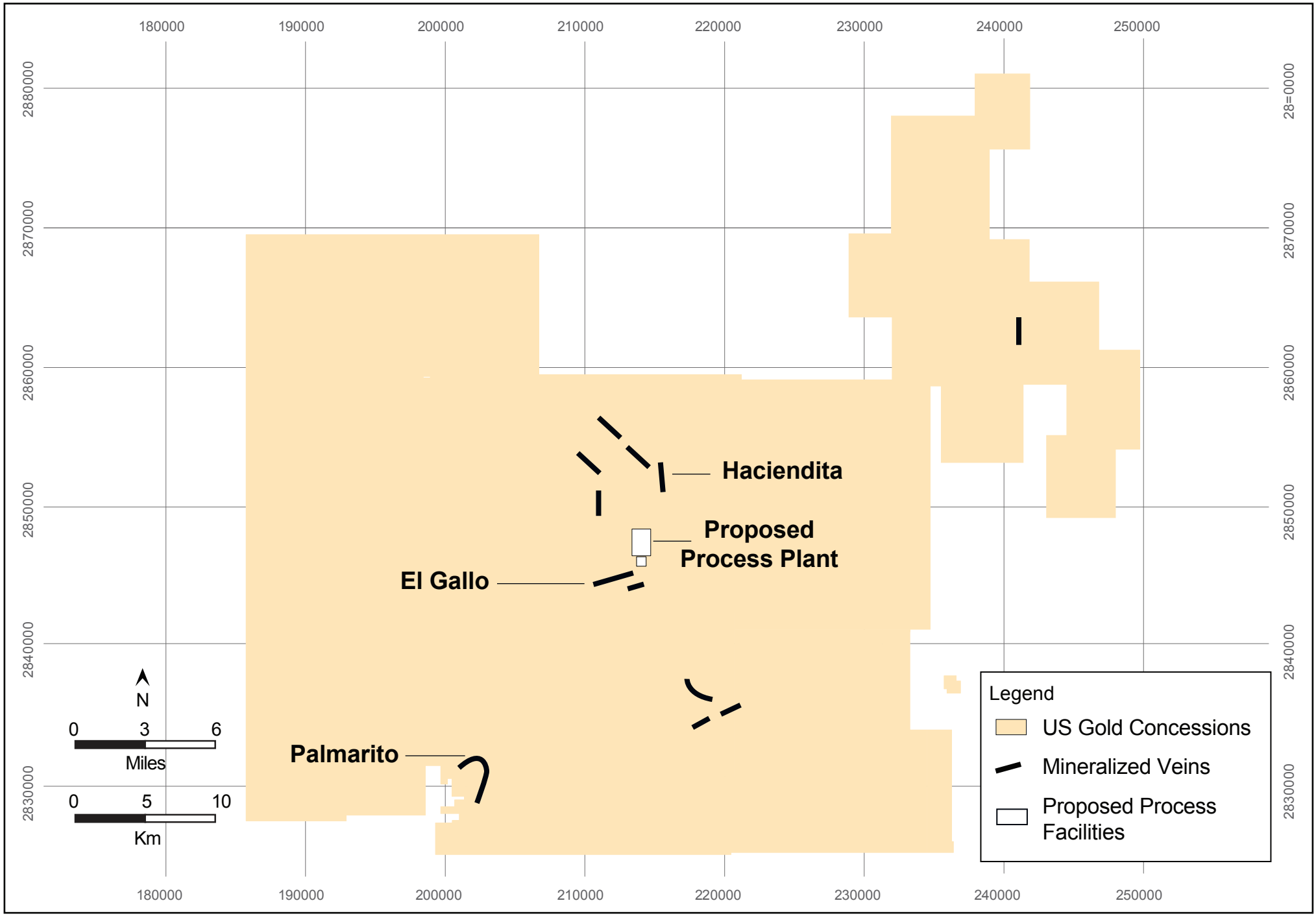


Figure 2
Palmarito Mineralization: Plan (Aerial View)

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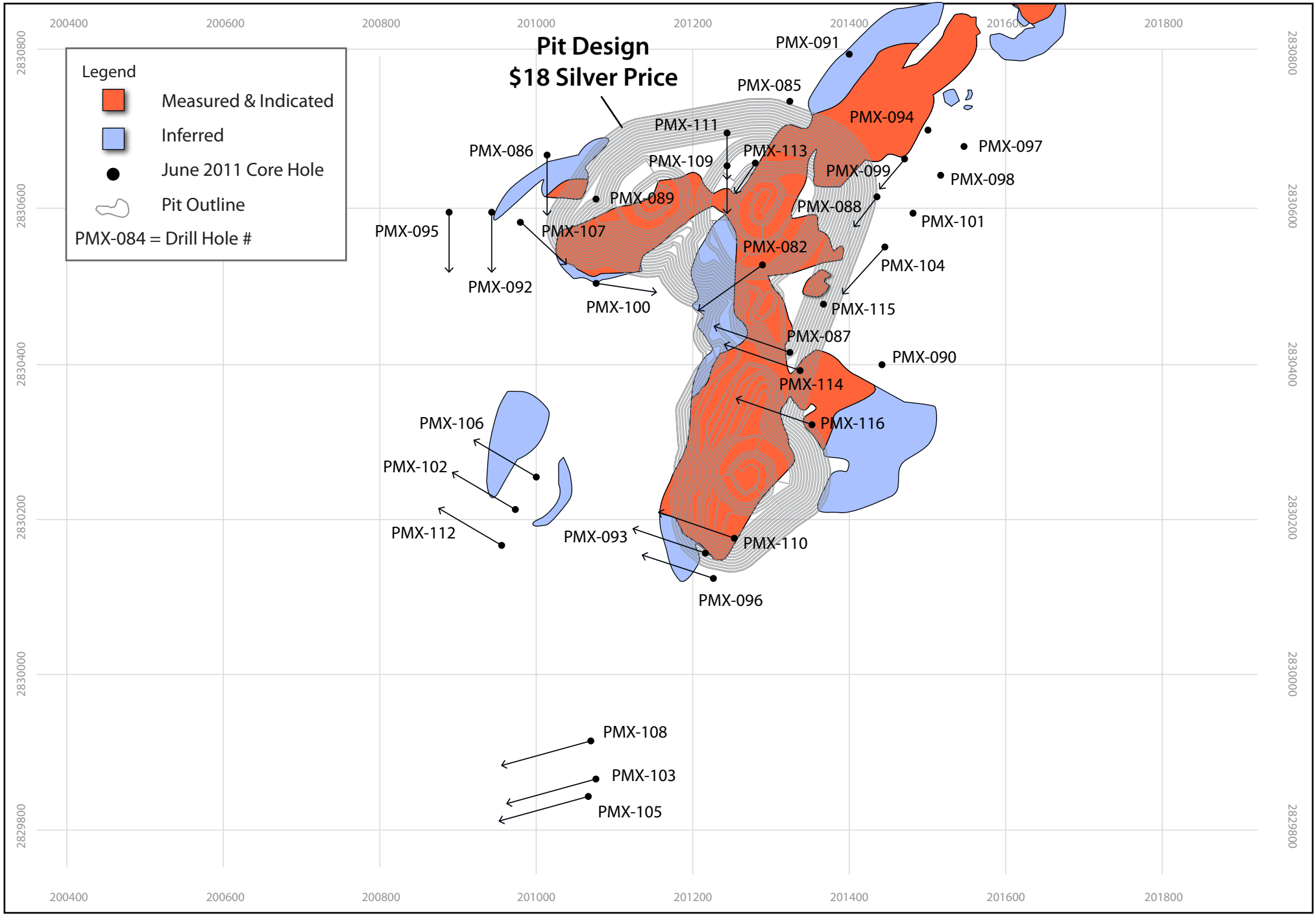


Figure 3
Palmarito Cross Sectional View (Section Number: PAL Northwest 09)

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