August 11, 2011

NEWS RELEASE

EL GALLO INFILL DRILL RESULTS & HIGH GRADE MINERALIZATION DISCOVERED SOUTH OF RESOURCE

TORONTO, ONTARIO (August 11, 2011) **US GOLD CORPORATION (NYSE: UXG) (TSX: UXG)** is pleased to announce assay results from several different areas at the El Gallo Project, located in Sinaloa State, Mexico, including: ***1)*** infill drilling to the east, ***2)*** an emerging high-grade zone to the southwest and ***3)*** the Gold Zone.

1) El Gallo Infill Drill Results

Recent drilling at El Gallo has been focused on the eastern limits of the deposit ***(Fig. 2)***. The objective was to increase the confidence associated with the inferred mineralization, which is expected to upgrade this portion of the resource to the measured and indicated categories and help establish a reserve for preparation of the ongoing feasibility study.

Four holes, shown in the table below, were drilled inside the proposed pit design. Holes GAX-349 and GAX-351 successfully confirmed the presence of the inferred mineralization and help demonstrate the impressive grades and thicknesses associated with the *Main Zone*.

Holes GAX-318 and GAX-333 were drilled with the objective of converting lower grade inferred mineralization. These holes encountered higher grades than anticipated. The original production study contemplated sending this mineralization to the heap leach pad, but with the increased grade, the mineralization would likely be processed at the mill, where higher silver recoveries and enhanced margins are expected.

Hole #	***Silver*** *(gpt)*	***Length*** *(meters)*	***From*** *(meters)*		***Silver*** *(opt)*	***Length*** *(feet)*	***From*** *(feet)*
GAX-349	***180.4***	***72.4***	***0.0***		***5.3***	***237.5***	***0.0***
Including	***955.2***	***10.1***	***17.5***		***27.9***	***33.1***	***57.4***
Including	***2,382.1***	***2.6***	***23.4***		***69.5***	***8.5***	***76.8***
GAX-351	***168.1***	***36.6***	***0.0***		***4.9***	***120.1***	***0.0***
Including	***289.3***	***11.7***	***20.4***		***8.4***	***38.4***	***66.9***
Including	***735.0***	***0.8***	***24.4***		***21.4***	***2.6***	***80.1***
And	***88.7***	***27.4***	***44.5***		***2.6***	***89.9***	***146.0***
Including	***205.8***	***9.9***	***57.3***		***6.0***	***32.5***	***188.0***
GAX-318	***165.0***	***11.6***	***24.7***		***4.8***	***38.1***	***81.0***
Including	***443.0***	***2.0***	***32.4***		***12.9***	***6.6***	***106.3***
And	***79.2***	***7.4***	***85.5***		***2.3***	***24.3***	***280.5***

Hole #	Silver (gpt)	Length (meters)	From (meters)		Silver (opt)	Length (feet)	From (feet)
GAX-333	***89.8***	***26.7***	***4.6***		***2.6***	***87.6***	***15.1***
Including	***382.5***	***4.0***	***27.2***		***11.2***	***13.1***	***89.2***
And	***616.0***	***0.5***	***65.1***		***18.0***	***1.6***	***213.6***
And	***71.8***	***4.0***	***88.9***		***2.1***	***13.1***	***291.7***

The six holes listed in the table below were drilled to intersect inferred mineralization either adjacent to or below the proposed pit. Although this inferred mineralization was deemed to be uneconomic in the Preliminary Economic Assessment (PEA), the area was tested because ***1)*** US Gold's geologists believed there was an opportunity to increase the grade and ***2)*** higher silver prices since the release of the PEA could make this mineralization profitable to mine. Overall the holes achieved their objectives.

Hole #	Silver (gpt)	Length (meters)	From (meters)		Silver (opt)	Length (feet)	From (feet)
GAX-317	***210.4***	***3.4***	***57.2***		***6.1***	***11.2***	***187.7***
Including	***435.0***	***1.0***	***59.6***		***12.7***	***3.3***	***195.5***
GAX-321	***72.4***	***16.7***	***6.8***		***2.1***	***54.9***	***22.3***
Including	***351.0***	***1.0***	***8.2***		***10.2***	***3.3***	***26.9***
Including	***497.0***	***0.9***	***22.6***		***14.5***	***3.0***	***74.1***
GAX-322	***71.0***	***22.0***	***87.6***		***2.1***	***72.2***	***287.4***
GAX-328	***60.8***	***18.6***	***31.2***		***1.8***	***61.0***	***102.4***
Including	***656.0***	***0.5***	***49.3***		***19.1***	***1.6***	***161.7***
GAX-338	***65.3***	***20.8***	***86.8***		***1.9***	***68.2***	***284.8***
Including	***126.7***	***1.7***	***86.8***		***3.7***	***5.6***	***284.8***
Including	***122.5***	***3.0***	***98.5***		***3.6***	***9.8***	***323.2***
GAX-335	***162.7***	***5.2***	***47.4***		***4.7***	***17.1***	***155.5***
Including	***489.0***	***1.0***	***51.6***		***14.3***	***3.3***	***169.3***

As drilling continues along the eastern limits of the deposit, a lower zone continues to be defined. This zone, which was initially discovered in 2010, is flat-lying and occurs 100 m (325 ft) below surface. Two recent holes have intersected this zone, helping to grow its size to the east and north. With limited drilling prior to the PEA, the eastern portion of this zone was excluded from the production study. Further drilling will help determine its ultimate size and economics.

Hole #	Silver (gpt)	Length (meters)	From (meters)		Silver (opt)	Length (feet)	From (feet)
GAX-329	***93.3***	***12.2***	***110.6***		***2.7***	***40.0***	***362.9***
Including	***564.0***	***0.7***	***121.0***		***16.4***	***2.3***	***397.0***
GAX-332	***93.6***	***11.2***	***110.8***		***2.7***	***36.7***	***363.5***
Including	***421.0***	***1.2***	***115.3***		***12.3***	***3.9***	***378.3***

2) Emerging High-Grade Zone

On March 30th, US Gold announced that high-grade silver and gold mineralization had been intersected 400 m (1,300 ft) southwest of the resource. The initial hole retuned ***2,400 gpt silver, 39.3 gpt gold over 0.6 m***. Three additional holes have since been drilled. The first two holes, drilled to establish the orientation of the vein, intersected the zone but returned lower grades. The third hole, drilled to extend the mineralization to the east, returned additional high-grade as shown below ***(Fig. 2)***. Although more drilling is required, the results demonstrate the potential to develop a new high-grade zone at El Gallo.

Hole #	Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)		Silver (opt)	Gold (opt)	Length (feet)	From (feet)
GAXSW004	***325.4***	***6.8***	***4.5***	***62.6***		***9.5***	***0.20***	***14.8***	***205.4***
Including	***675.0***	***13.9***	***1.5***	***62.6***		***19.7***	***0.41***	***4.9***	***205.4***
Including	***320.0***	***7.0***	***1.5***	***65.6***		***9.3***	***0.20***	***4.9***	***215.2***

3) Gold Zone Returns Deep Intercept

The El Gallo Gold Zone is situated 200 m (655 ft) southeast of the resource ***(Fig. 2)***. The original interpretation was that the area was comprised of two mineral structures, with a near-surface gold-rich zone and a silver zone at depth. New drilling has intersected another gold occurrence below both of the previously known zones. The result is encouraging as it suggests there is potential for mineralization at depth, which has seen limited exploration. To date, ten holes have been completed in this area.

Hole #	Gold (gpt)	Length (meters)	From (meters)		Gold (opt)	Length (feet)	From (feet)
GZX010	***9.3***	***3.1***	***324.0***		***0.27***	***10.2***	***1,063.0***
Including	***22.5***	***1.1***	***326.0***		***0.66***	***3.6***	***1,069.6***

Exploration around El Gallo since the feasibility study was initiated has returned promising results, including areas that are currently proposed for future mine site facilities. Many of these areas have not been thoroughly tested due to the on-going infill drilling program. US Gold has decided to shift half of its drilling to pursue these targets with the goal of further enhancing the project.

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 August 2011

Hole #		Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Azimuth	Dip	Easting	Northing
El Gallo									
GAX-299		48.3	-	2.2	54.4	350°	-75°	212437	2843088
And		45.4	-	1.9	91.1				
GAX-302		-	-	-	-	350°	-80°	212462	2842988
GAX-303		-	-	-	-	0°	-90°	212462	2842988
GAX-304		100.4	-	5.6	181.5	350°	-80°	212500	2842989
Including		300.0	-	1.0	185.0				
GAX-305		69.9	-	1.1	174.3	350°	-80°	212512	2842961
GAX-306		-	-	-	-	0°	-90°	211419	2842836
GAX-311		-	-	-	-	0°	-90°	211466	2822860
GAX-314		-	-	-	-	170°	-80°	212507	2843090
GAX-315		-	-	-	-	350°	-55°	212207	2843422
GAX-316		147.5	-	2.2	39.1	350°	-60°	212129	2843042
And		61.3	-	1.6	77.9				
And		122.7	-	2.2	143.3				
GAX-317		210.4	0.2	3.4	57.2	350°	-60°	212423	28443207
Including		435.0	0.6	1.0	59.6				
GAX-318		165.0	-	11.6	24.7	350°	-75°	212415	2843251
Including		443.0	-	2.0	32.4				
And		79.2	-	7.4	85.5				
GAX-321		72.4	0.4	16.7	6.8	350°	-65°	212534	2843263
Including		351.0	4.9	1.0	8.2				
Including		497.0	-	0.9	22.6				
GAX-322		71.0	-	22.0	87.6	7°	-60°	212558	2843145
GAX-323		-	-	-	-	350°	-45°	212557	2843296
GAX-324		87.6	-	1.7	91.7	350°	-65°	212583	2843155
And		73.9	-	4.5	103.0				
GAX-326		55.5	-	2.2	198.0	350°	-60°	212595	2843233
GAX-327		49.4	-	2.1	48.3	0°	-90°	212570	2843228
GAX-328		60.8	-	18.6	31.2	350°	-80°	212478	2843248
Including		656.0	-	0.5	49.3				

Hole #		Silver (gpt)	Gold (gpt)	Length (meters)	From (meters)	Azimuth	Dip	Easting	Northing
GAX-329		93.3	-	12.2	110.6	350°	-55°	212492	2843307
Including		564.0	-	0.7	121.0				
GAX-330		41.3	0.2	4.0	9.2	350°	-65°	212531	2843306
And		140.0	-	1.3	138.3				
GAX-331		-	-	-	-	350°	-65°	212445	2843368
GAX-332		93.6	-	11.2	110.8	350°	-55°	212413	2843276
Including		421.0	-	1.2	115.3				
GAX-333		89.8	-	26.7	4.6	350°	-50°	212012	2843397
Including		382.5	-	4.0	27.2				
And		616.0	0.2	0.5	65.1				
And		71.8	-	4.0	88.9				
And		48.5	-	5.1	114.6				
GAX-334		-	-	-	-	130°	-60°	212108	2842881
GAX-335		162.7	0.1	5.2	47.4	350°	-65°	212543	2843222
Including		489.0	0.2	1.0	51.6				
GAX-336		161.2	-	4.0	127.5	350°	-70°	212564	2843123
Including		317.0	-	1.3	127.5				
GAX-337		63.6	-	4.5	128.5	350°	-70°	212591	2843119
GAX-338		65.3	-	20.8	86.8	350°	-57°	212436	2843109
Including		126.7	-	1.7	86.8				
Including		122.5	-	3.0	98.5				
GAX-349		180.4	-	72.4	0.0	350°	-55°	212212	2843267
Including		955.2	-	10.1	17.5				
Including		2,382.1	-	2.6	23.4				
GAX-351		168.1		36.6	0.0	350°	-50°	212213	2843232
Including		289.3		11.7	20.4				
Including		735.0		0.8	24.4				
And		88.7		27.4	44.5				
Including		205.8		9.9	57.3				
GZX008A		74.5	-	2.0	214.4	160°	-80°	212667	2842970
And		91.5	0.3	8.0	242.0				
GZX009		-	-	-	-	160°	-50°	212646	2842951
GZX010		7.0	9.3	3.1	324.0	160°	-50°	212752	2842995
Including		10.0	22.5	1.1	326.0				
GAXSW002		61.6	0.9	0.9	39.3	5°	-45°	211286	2842582
GAXSW003		83.9	1.2	0.9	25.9	185°	-45°	211286	2842577
GAXSW004		325.4	6.8	4.5	62.6	5°	-55°	211299	2842522
Including		675.0	13.9	1.5	62.6				
Including		320.0	7.0	1.5	65.6				

Figure 1
El Gallo District - Location of Veins

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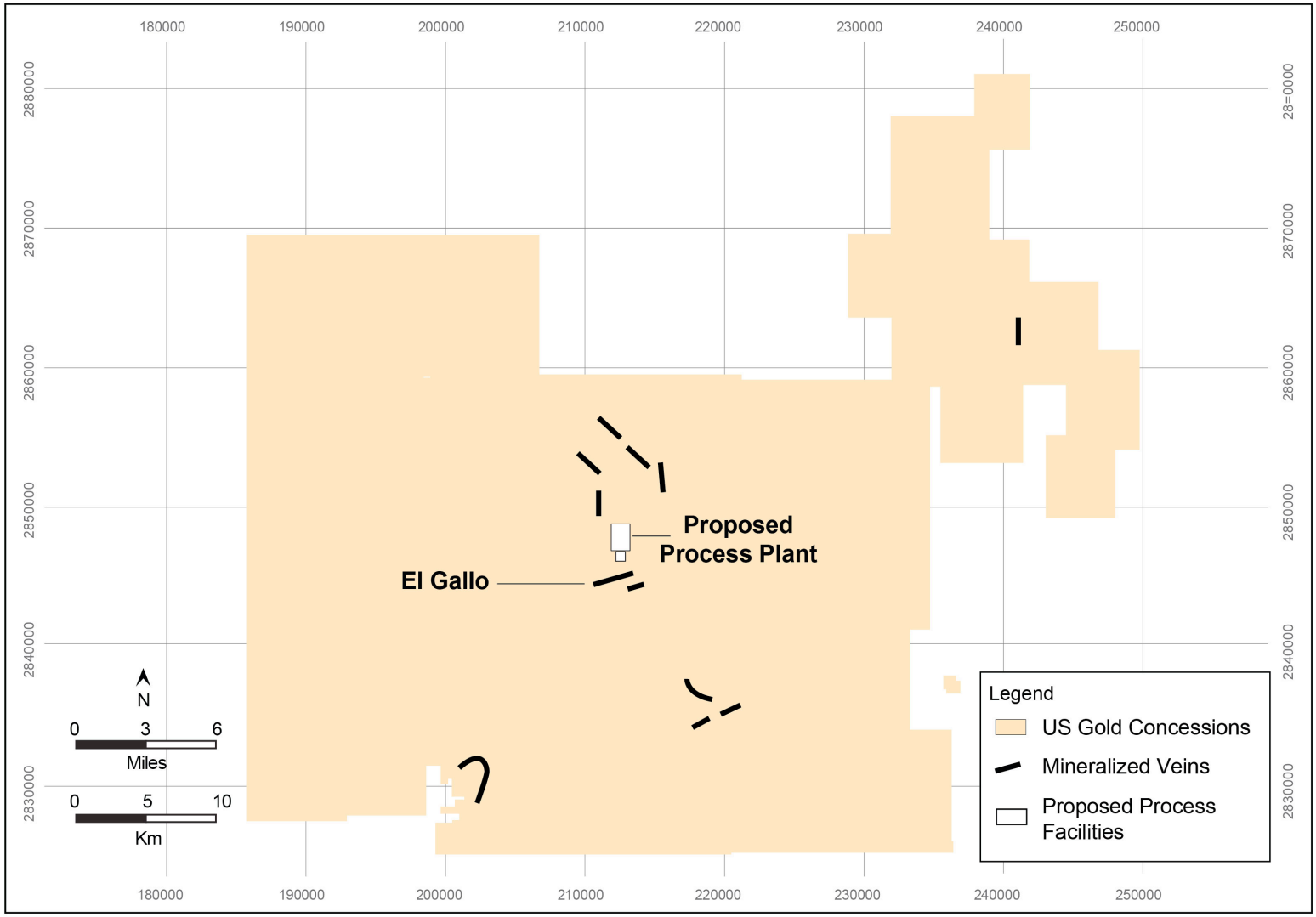
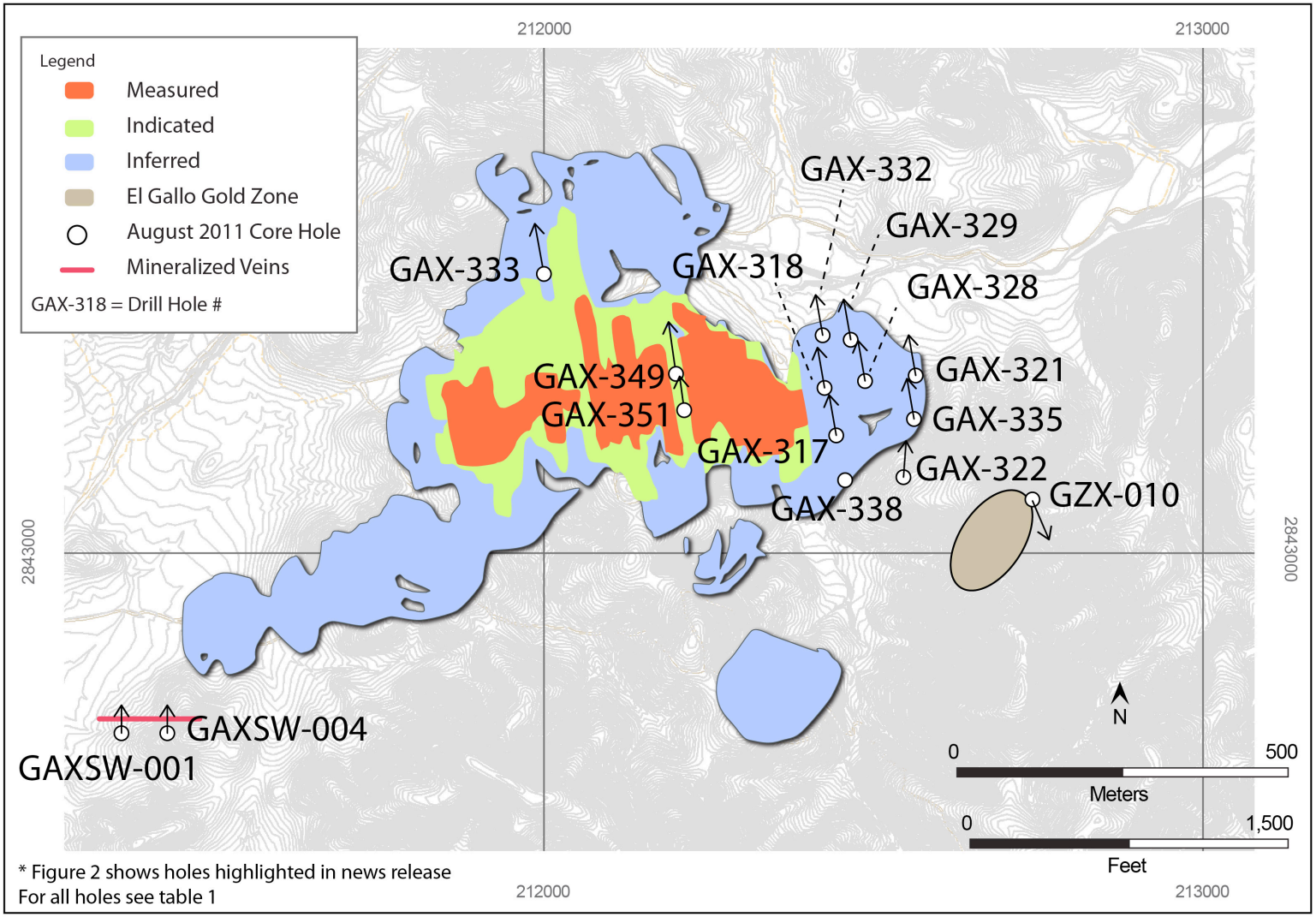


Figure 2
El Gallo Mineralization: Plan (Aerial View)

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* Figure 2 shows holes highlighted in news release
For all holes see table 1