November 2, 2011

NEWS RELEASE

EL GALLO COMPLEX DRILLING CONTINUES TO INTERSECT EXCITING NEAR SURFACE SILVER MINERALIZATION AT PALMARITO PLUS CORE TWINNING DELIVERS +49% INCREASE IN SILVER GRADE

TORONTO, ONTARIO (November 2, 2011) **US GOLD CORPORATION (NYSE-TSX: UXG)** is pleased to announce results from *1)* exploration drilling and *2)* core twinning at Palmarito, part of the El Gallo Complex in Sinaloa, Mexico. Exploration drilling continues to intersect exciting mineralization, designed to expand the open pit resource. Highlights include: ***140.0 grams per tonne (gpt) silver over 14.0 meters (m)***, ***180.7 gpt silver over 8.7 m*** and ***384.2 gpt silver over 4.7 m***. Results start from surface. In addition, 39 of 61 historical reverse circulation holes have been twinned with core. Results to date show that the ***grade-weighted average has been increased to 157 gpt silver from 106 gpt silver (+49%) (Table 2)***.

"Our team has done a fantastic job at Palmarito. Drilling this year has transformed the deposit from a minor source of future production into an increasingly important asset for US Gold in Mexico. The silver grades we are encountering are well above the current resource average," stated Rob McEwen, Chairman and CEO.

PALMARITO: GOOD GRADES, NEAR SURFACE, EXPANDING POTENTIAL

On September 8th, US Gold announced that a core drill was modified in order to access a high priority, but difficult to access exploration target. The initial hole from the area was encouraging: *263.2 gpt silver, 0.3 gpt gold over 6.5 m*, with the mineralization starting at surface. Holes PMX-198, 195 and 191 were recently completed to further test the area's potential. PMX-198 was located 55 m southeast of the initial result and PMX-195/191 were located approximately 20 m to the southwest ***(Fig 2-5)***. Each hole continued to intersect exciting near surface silver mineralization, highlighting the areas potential. Drilling to further extend the mineralization is underway.

Hole #	***Silver*** *(gpt)*	***Length*** *(meters)*	***From*** *(meters)*		***Silver*** *(opt)*	***Length*** *(feet)*	***From*** *(feet)*
PMX-198	***140.0***	***14.0***	***0.0***		***4.1***	***45.9***	***0.0***
Including	***495.0***	***1.3***	***0.0***		***14.4***	***4.3***	***0.0***
PMX-195	***180.7***	***8.7***	***0.0***		***5.3***	***28.5***	***0.0***
Including	***346.2***	***1.8***	***0.0***		***10.1***	***5.9***	***0.0***
PMX-191	***384.2***	***4.7***	***0.0***		***11.2***	***15.4***	***0.0***
Including	***595.3***	***2.1***	***0.0***		***17.4***	***6.9***	***0.0***

One additional hole, PMX-156 ***(Fig. 2)***, was recently completed at Palmarito. This hole was drilled through inferred mineralization in order to convert the mineralization to the indicated category and to further extend the inferred resource. This hole encountered lower than expected silver grade, but over a much thicker interval.

Hole #	***Silver*** *(gpt)*	***Length*** *(meters)*	***From*** *(meters)*		***Silver*** *(opt)*	***Length*** *(feet)*	***From*** *(feet)*
PMX-156	***63.8***	***26.0***	***0.0***		***1.9***	***85.3***	***0.0***

PALMARITO: CORE TWINNING SHOWS 49% GRADE INCREASE

Palmarito was originally drilled in the mid-1990's. Based on the drilling method (reverse circulation), US Gold believed there was a possibility that the silver grades were understated. Earlier this year, drilling to infill and offset these earlier holes consistently returned better grades, helping to confirm this belief. US Gold has now twinned 39 historic reverse circulation holes with core. As compared to reverse circulation, core results are believed to give a more accurate representation of a deposits grade and tonnes. ***Results show that the grade-weighted average for silver has been increased to 157 gpt silver from 106 gpt silver (+49%)*** for the first 39 holes***.***

US Gold will evaluate the impact of the twinning once the remaining 22 holes have been finalized and compared. An updated resource estimate for Palmarito will be completed during first quarter 2012. A summary of the 2010 Palmarito silver and gold resource is shown below. Please see Table 2 for core twinning results.

	Tonnes (million)	***Silver Grade*** (gpt)	***Gold Grade*** (gpt)	***Total Silver*** (million oz.)	***Total Gold*** (oz.)
Measured + Indicated	***3.7***	***71.0***	***0.14***	***8.5***	***16,381***
Inferred	***1.6***	***58.0***	***0.10***	***3.0***	***5,299***

PHASE 1 MINING SCHEDULED FOR MID-2012

Phase 1 mining at the El Gallo Complex is expected to commence during the second quarter 2012. The El Gallo Complex includes the El Gallo and Palmarito silver deposits and the Magistral gold deposits, which are all located within a 13 km (8 mile) radius. Phase 1 will focus on the permitted gold deposits and is expected to produce 30,000 ounces of gold per year after initial ramp up. Capital costs have been estimated at $15 million and the projected cash flow will help fund Phase 2, which is forecast to produce an additional 5 million ounces of silver per year, beginning in 2014. Readers should note that mineral resources that are not classified as mineral reserves do not have demonstrated economic viability.

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 2.5 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 operating in the Americas. Each Minera Andes shareholder would receive 0.45 of a US Gold share for every Minera Andes share held. US Gold has submitted its preliminary proxy statement for review by the SEC and is awaiting comments and approval, following which the company will set a record and meeting date.

Technical Information

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 El Gallo Complex. 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.

For additional information about the El Gallo Complex see the "Preliminary Economic Assessment for the El Gallo District, Sinaloa State Mexico" dated February 11, 2011 and prepared by Paul Gates, PE, Richard Addison, PE, Aaron McMahon, PG of Pincock Allen & Holt of Denver, Colorado ("El Gallo PEA"). All three individuals are Qualified Persons as defined by NI 43-101 and are independent of US Gold Corporation as defined in Section 1.4 of NI 43-101 and Section 3.5 of Companion Policy 43-101CP. Mr. McMahon verified the mineral resource data contained in the El Gallo PEA by conducting a site visit, which included verifying drill hole locations and survey data, reviewing sampling handling, data collection procedures, partial audit of the assay database, review of the QA/QC data and analysis of core recovery and drill logs and their relations to assay values. The El Gallo PEA is available on SEDAR (www.sedar.com).

Cautionary Note to US Investors

US Gold (including in its preparation of the El Gallo PEA) prepares its resource estimates in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian National Instrument 43-101 (NI 43-101). These standards are different from the standards generally permitted in reports filed with the SEC. Under NI 43-101, US Gold reports measured, indicated and inferred resources, measurements which are generally not permitted in filings made with the SEC. The estimation of measured resources and indicated resources involve greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that any part of measured or indicated resources will ever be converted into economically mineable reserves. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources.

Canadian regulations permit the disclosure of resources in terms of "contained ounces"; however, the SEC only permits issuers to report "mineralized material" in tonnage and grade without reference to contained ounces. Under U.S. regulations the tonnage and grade described herein under the "measured" and "indicated" categories would be characterized as mineralized material. The disclosure herein is being made by US Gold to provide a means of comparing its project to those of other companies in the mining industry, many of which are Canadian and report pursuant to NI 43-101, and to comply with applicable disclosure requirements. U.S. investors should be aware that the issuer has no "reserves" as defined by Guide 7 and are cautioned not to assume that any part or all of the potential target mineral resources will ever be confirmed or converted into Guide 7 compliant "reserves".

Forward Looking Statement

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. Palmarito Exploration Drill Results: Core Holes Assay November 2011

Metric Units Table

Hole #		Silver (gpt)	Length (meters)	From* (meters)	Azimuth	Dip	Easting	Northing
Palmarito								
PMX-156		63.8	26.0	0.0	230°	-10°	2830556	201243
PMX-191		384.2	4.7	0.0	110°	-50°	2830542	201083
Including		595.3	2.1	0.0				
PMX-195		180.7	8.7	0.0	120°	-50°	2830537	201115
Including		346.2	1.8	0.0				
PMX-198		140.0	14.0	0.0	180°	-50°	2830536	201150
Including		495.0	1.3	0.0				

*Mineralization from each hole starts at surface

Imperial Units Table

Hole #		Silver (opt)	Length (feet)	From* (feet)	Azimuth	Dip	Easting	Northing
Palmarito								
PMX-156		1.9	85.3	0.0	230°	-10°	2830556	201243
PMX-191		11.2	15.4	0.0	110°	-50°	2830542	201083
Including		17.4	6.9	0.0				
PMX-195		5.3	28.5	0.0	120°	-50°	2830537	201115
Including		10.1	5.9	0.0				
PMX-198		4.1	45.9	0.0	180°	-50°	2830536	201150
Including		14.4	4.3	0.0				

*Mineralization from each hole starts at surface

Table 2. Palmarito Core Twinning vs. Historic RC Drilling November 2011

Hole #		Silver (gpt)	Length (m)	From (m)	Grade Difference (%)	Length Difference (%)
Core: PMX-109		94.0	0.6	34.6	+203%	-60%
RC: P15		31.0	1.5	31.2		
Core: PMX-113		89.2	11.5	43.5	+49%	+26%
RC: P14		60.0	9.1	42.4		
Core: PMX-123		87.4	17.0	33.0	+77%	+1%
RC: P13		49.3	16.8	29.6		
Core: PMX-152		-	-	-	-100%	-100%
RC: P56		137	1.5	30.2		
Core: PMX154		110.6	7.0	51.0	+55%	+15%
RC: P44		71.3	6.1	54.3		
Core: PMX157		62.7	6.4	69.7	-22%	+113%
RC: P17		80.5	3.0	63.1		
Core: PMX159		146.8	5.1	39.8	+107%	-33%
RC: P43		70.8	7.6	36.9		
Core: PMX164		82.9	6.0	4.0	+32%	+23%
RC: P66		62.7	4.6	4.0		
Core: PMX169		126.3	5.7	60.7	+130%	+280%
RC: P73		55.0	1.5	53.0		
Core: PMX170		74.9	5.7	25.6	+28%	+84%
RC: P58		58.5	3.1	24.5		
Core: PMX171		51.7	1.2	54.8	+26%	-20%
RC: P37		41.0	1.5	56.1		
Core: PMX172		286.8	15.9	0.0	+68%	+5%
RC: P51		171.0	15.2	0.0		

Table 2. Cont. **November 2011**

Hole #		Silver (gpt)	Length (m)	From (m)	Grade Difference (%)	Length Difference (%)
Core: PMX173		99.1	9.0	54.8		
RC: P57		49.8	6.1	56.1	+99%	+48
Core: PMX174		103.2	3.2	34.3		
RC: P72		-	-	-	+100%	+100%
Core: PMX179		484.4	6.7	57.6		
RC: P40		106.2	7.6	49.7	+356%	-12%
Core: PMX181		125.5	17.8	39.8		
RC: P2		131.7	15.2	41.8	-5%	+17%
Core: PMX182		136.9	3.0	39.0		
RC: P3		63.0	3.1	38.4	+117%	-3%
Core: PMX182		199.3	6.1	50.0		
RC: P3		159.8	13.7	50.6	+25%	-55%
Core: PMX182		282.0	7.7	57.9		
RC: P3		69.0	1.5	62.8	+309%	+413%
Core: PMX184		92.5	9.2	58.0		
RC: P20		60.8	6.1	64.6	+52%	+51%
Core: PMX185		73.8	2.0	25.0		
RC: P63		-	-	-	+100%	+100%
Core: PMX186		88.7	12.8	59.9		
RC: P21		183.5	6.1	72.2	-52%	+110%
Core: PMX187		48.5	1.0	59.0		
RC: P64		111.4	3.1	77.4	-56%	-68%
Core: PMX188		79.2	5.0	65.6		
RC: P4		81.0	7.6	58.5	-2%	-34%

Table 2. Cont. **November 2011**

Hole #		Silver (gpt)	Length (m)	From (m)	Grade Difference (%)	Length Difference (%)
Core: PMX-192		116.0	11.0	0.0		
RC: P53		82.1	16.8	0.0	+41%	-35%
Core: PMX-193		91.7	5.0	40.0		
RC: P16		84.0	3.0	31.7	+9%	+67%
Core: PMX-194		157.4	10.5	0.0		
RC: P52		87.6	7.6	0.0	+80%	+38%
Core: PMX-196		81.2	6.2	28.0		
RC: P25		65.3	4.6	22.0	+24%	+35%
Core: PMX-196		260.4	5.1	38.1		
RC: P25		289.7	3.1	40.2	-10%	+65%
Core: PMX-197		70.9	7.0	15.5		
RC: P49		95.1	12.2	14.3	-25%	-43%
Core: PMX-199		136.8	7.0	14.0		
RC: P24		114.7	16.8	0.6	+19%	-58%
Core: PMX-199		170.9	3.4	29.4		
RC: P24		86.4	7.6	29.6	+98%	-55%
Core: PMX-200		373.1	11.2	0.0		
RC: P50		147.3	10.7	0.3	+154%	+5%
Core: PMX-201		68.4	21.7	31.2		
RC: P26		98.1	16.8	37.2	-30%	+29%
Core: PMX-202		72.3	7.6	3.6		
RC: P29		145.2	13.7	0.0	-50%	-45%
Core: PMX203		148.3	17.8	24.5		
RC: P60		95.8	16.8	21.0	+55%	+6%
Core: PMX-204		123.5	11.8	4.3		
RC: P30		84.2	13.7	0.0	+47%	-14%

Table 2. Cont. **November 2011**

Hole #		Silver (gpt)	Length (m)	From (m)	Grade Difference (%)	Length Difference (%)
Core: PMX-205		100.0	15.3	13.9	-28%	-41%
RC: P65		138.9	25.9	0.0		
Core: PMX-206		546.0	13.1	21.4	+420%	-4%
RC: P62		105.1	13.7	19.2		
Core: PMX-207		196.9	7.1	1.5	+87%	-24%
RC: P32		105.1	9.2	1.5		
Core: PMX-208		132.8	4.8	88.0	-1%	-21%
RC: P23		134.5	6.1	90.8		
Core: PMX-209		181.4	4.7	69.9	+130	-48%
RC: P18		79.0	9.1	61.6		
Core: PMX-210		113.3	3.0	34.9	+29%	-35%
RC: P48		87.9	4.6	37.2		

Figure 1
El Gallo Complex: Location of Deposits and Mineralized Veins

Nov 2011

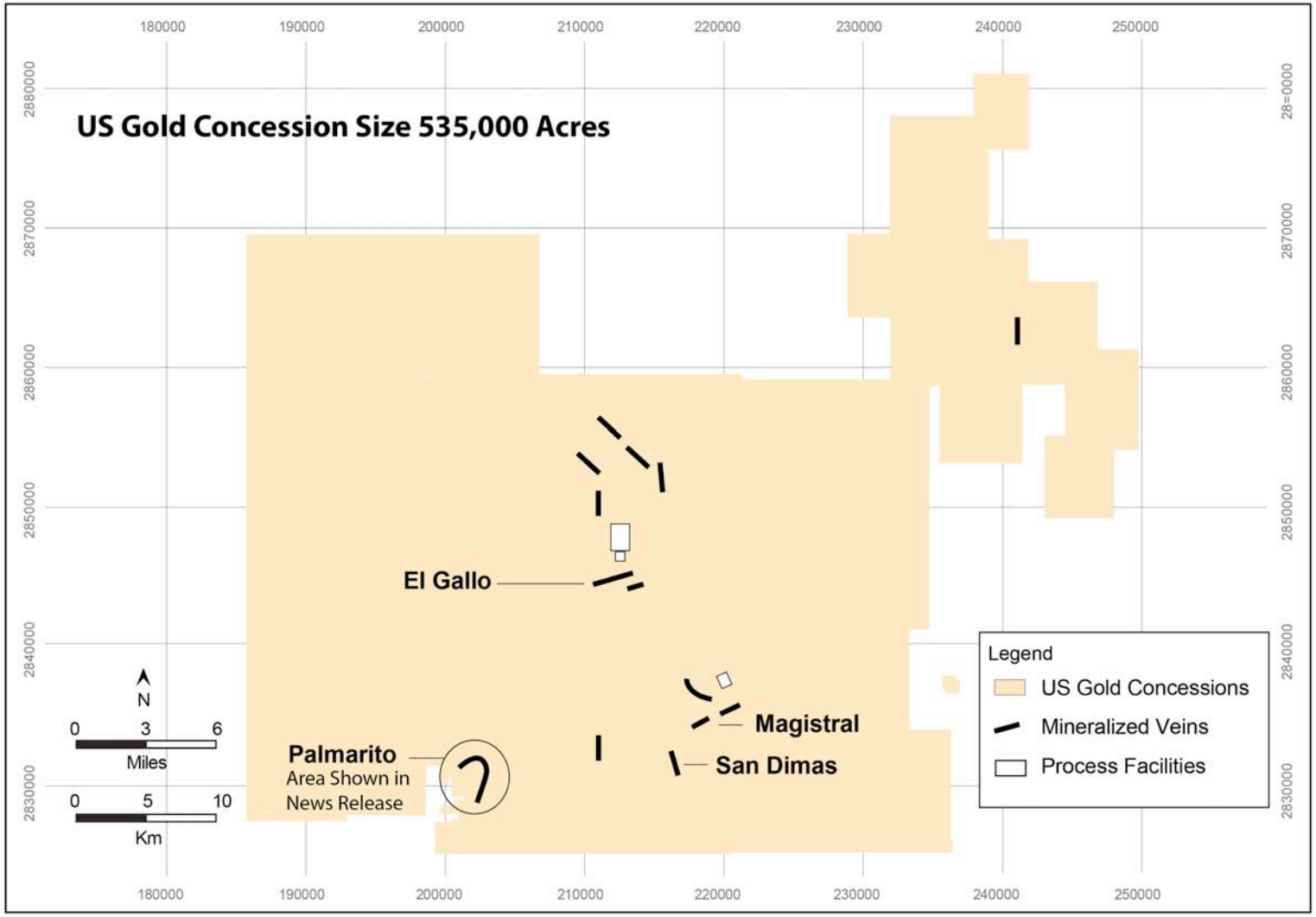


Figure 2
El Gallo Complex, Sinaloa, Mexico
Palmarito Exploration Hole Locations - Plan (Aerial) View

Nov 2011

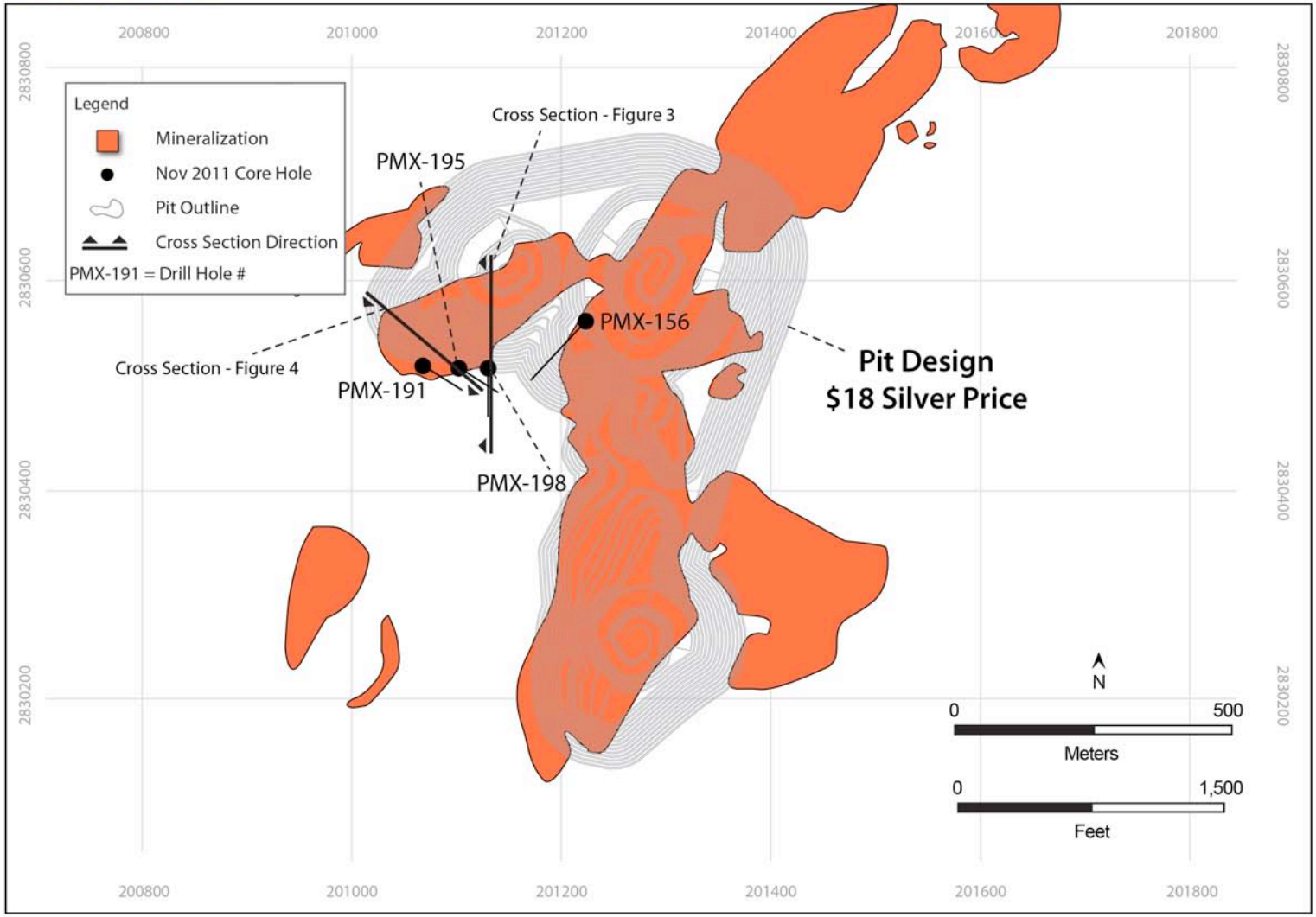


Figure 3
El Gallo Complex, Sinaloa, Mexico
Cross Sectional View - Palmarito Deposit (Section PAL North11)

Nov 2011

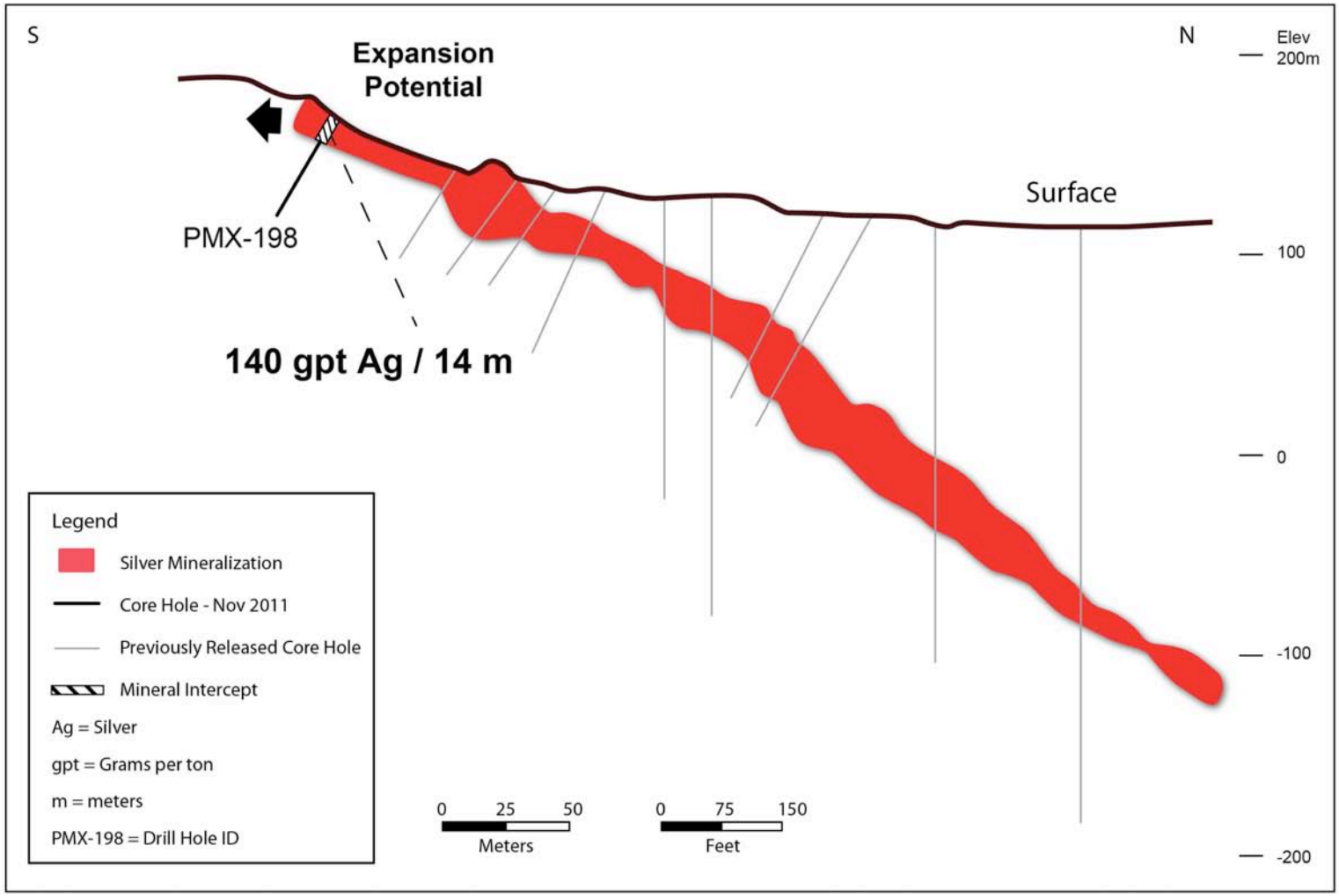


Figure 4
El Gallo Complex, Sinaloa, Mexico
Cross Sectional View - Palmarito Deposit (Section PAL NW07)

Nov 2011

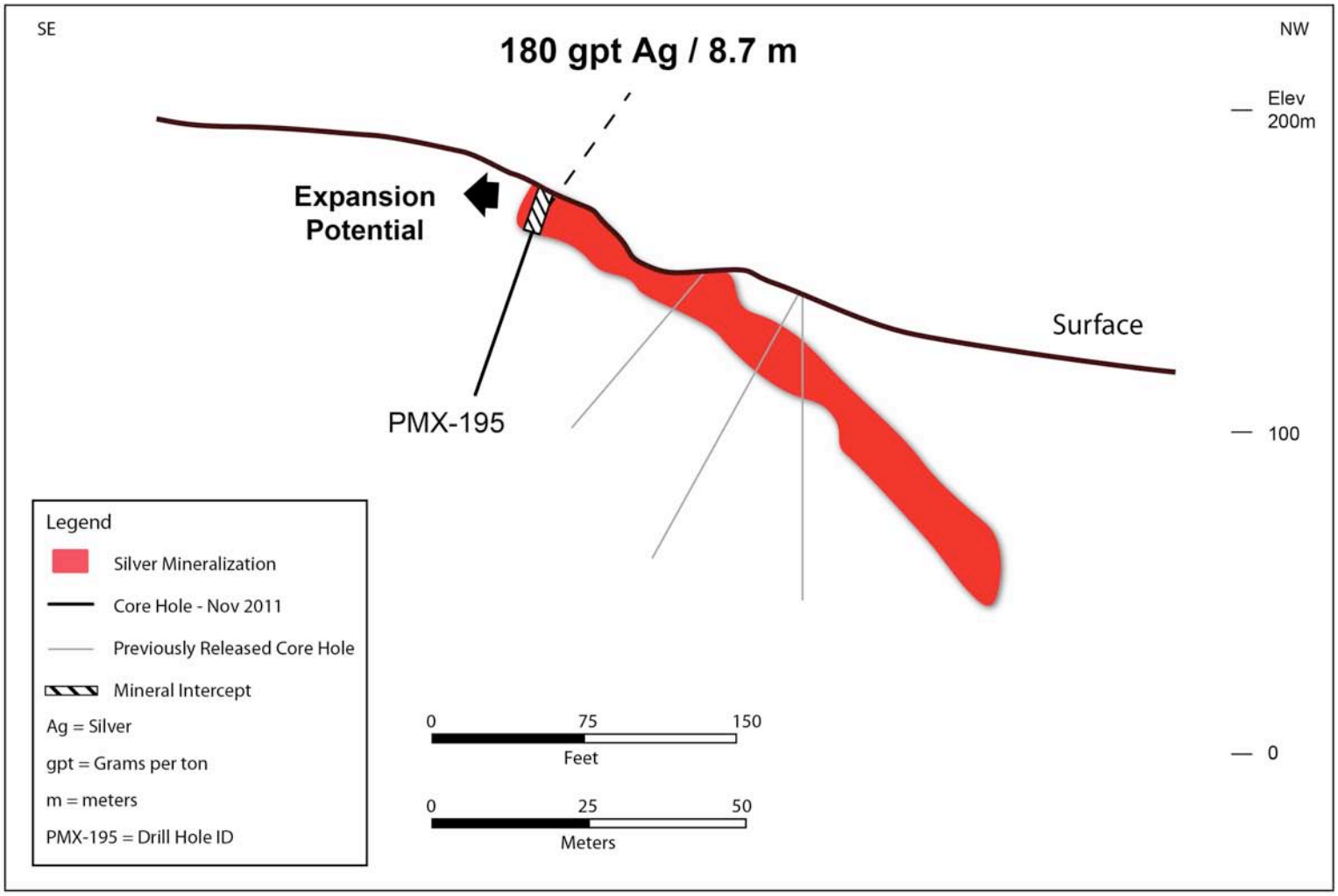


Figure 5
El Gallo Complex, Sinaloa, Mexico
Palmarito Recent Drilling - Looking Southwest

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