

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **October 31, 2019**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **1-08266**

**U.S. GOLD CORP.**

(Exact Name of Registrant as Specified in its Charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**22-1831409**

(I.R.S. Employer Identification No.)

**1910 E. Idaho Street, Suite 102-Box 604, Elko, NV**

(Address of Principal Executive Offices)

**89801**

(Zip Code)

**(800) 557-4550**

(Registrant's Telephone Number, including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

**Common Stock**

Trading Symbol(s)

**USAU**

Name of each exchange on which registered

**Nasdaq Capital Market**

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. Common Stock (\$0.001 par value): As of December 13, 2019 there were 23,862,146 shares outstanding.

**U.S. GOLD CORP.**  
**FORM 10-Q**  
**TABLE OF CONTENTS**

	<b>Page</b>
<b>PART I – FINANCIAL INFORMATION</b>	
Item 1. <a href="#">Financial Statements</a>	4
<a href="#">Condensed Consolidated Balance Sheets as of October 31, 2019 (Unaudited) and April 30, 2019</a>	4
<a href="#">Condensed Consolidated Statements of Operations for the Three and Six months ended October 31, 2019 and 2018 (Unaudited)</a>	4
<a href="#">Condensed Consolidated Statement of Changes in Stockholders' Equity for the Three and Six months ended October 31, 2019 and 2018 (Unaudited)</a>	6
<a href="#">Condensed Consolidated Statements of Cash Flows for the Six months ended October 31, 2019 and 2018 (Unaudited)</a>	7
<a href="#">Notes to Condensed Consolidated Financial Statements (Unaudited)</a>	8
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	21
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	25
Item 4. <a href="#">Controls and Procedures</a>	25
<b>PART II – OTHER INFORMATION</b>	
Item 1. <a href="#">Legal Proceedings</a>	25
Item 1A. <a href="#">Risk Factors</a>	25
Item 2. <a href="#">Unregistered Sales of Equity Securities and use of Proceeds</a>	26
Item 3. <a href="#">Defaults Upon Senior Securities</a>	26
Item 4. <a href="#">Mine Safety Disclosures</a>	26
Item 5. <a href="#">Other Information</a>	26
Item 6. <a href="#">Exhibits</a>	26
<a href="#">Signature Page</a>	28

## FORWARD-LOOKING STATEMENTS

Some information contained in or incorporated by reference into this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. These statements include, but are not limited to, comments regarding:

- our plans to conduct geographic surveys and determine the scope of our drilling program during our fiscal year ended April 30, 2020,
- our ability to regain and maintain compliance with the Nasdaq Capital Market's listing standards,
- the conclusions of additional exploration programs and related studies,
- expectations and the timing and budget for exploration and future exploration of our properties,
- our planned expenditures during our fiscal year ended April 30, 2020 and future periods,
- our estimates of the cost of future permitting changes and additional bonding requirements,
- future exploration plans and expectations related to our properties,
- our ability to fund our business with our current cash reserves based on our currently planned activities,
- our expected cash needs and the availability and plans with respect to future financing,
- statements concerning our financial condition,
- our anticipation of future environmental and regulatory impacts,
- our business and operating strategies, and
- statements related to operating and legal risks.

We use the words "anticipate," "continue," "likely," "estimate," "expect," "may," "could," "will," "project," "should," "believe" and variations of such words and similar expressions to identify forward-looking statements. Statements that contain these words discuss our future expectations and plans, or state other forward-looking information. Although we believe the expectations and assumptions reflected in those forward-looking statements are reasonable, we cannot assure you that these expectations and assumptions will prove to be correct. Our actual results could differ materially from those expressed or implied in these forward-looking statements as a result of various factors, including the risk factors described in this report and in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended April 30, 2019.

Many of these factors are beyond our ability to control or predict. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations may prove to be materially incorrect due to known and unknown risk and uncertainties. You should not unduly rely on any of our forward-looking statements. These statements speak only as of the date of this report. Except as required by law, we are not obligated to publicly release any revisions to these forward-looking statements to reflect future events or developments. All subsequent written and oral forward-looking statements attributable to us and persons acting on our behalf are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this report.

**PART I: FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS.**

U.S. GOLD CORP. AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>October 31, 2019</u>	<u>April 30, 2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 1,919,181	\$ 2,197,181
Prepaid expenses and other current assets	469,116	613,261
<b>Total Current Assets</b>	<b>2,388,297</b>	<b>2,810,442</b>
<b>NON - CURRENT ASSETS:</b>		
Property, net	70,406	74,929
Reclamation bond deposit	355,556	339,447
Mineral rights	6,163,559	4,176,952
<b>Total Non - Current Assets</b>	<b>6,589,521</b>	<b>4,591,328</b>
<b>Total Assets</b>	<b>\$ 8,977,818</b>	<b>\$ 7,401,770</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 220,597	\$ 112,303
Accounts payable- related parties	25,433	42,539
Accrued liabilities	12,672	5,367
<b>Total Current Liabilities</b>	<b>258,702</b>	<b>160,209</b>
<b>LONG- TERM LIABILITIES</b>		
Asset retirement obligation	93,077	88,746
<b>Total Liabilities</b>	<b>351,779</b>	<b>248,955</b>
<b>Commitments and Contingencies</b>		
<b>STOCKHOLDERS' EQUITY :</b>		
Preferred stock, \$0.001 par value; 50,000,000 authorized		
Convertible Series F Preferred stock (\$0.001 Par Value; 1,250 Shares Authorized; 270 and none issued and outstanding as of October 31, 2019 and April 30, 2019; liquidation preference of \$540,000)	-	-
Common stock (\$0.001 Par Value; 200,000,000 Shares Authorized; 23,862,146 and 19,860,625 shares issued and outstanding as of October 31, 2019 and April 30, 2019)	23,862	19,861
Additional paid-in capital	38,412,964	33,408,056
Accumulated deficit	(29,810,787)	(26,275,102)
<b>Total Stockholders' Equity</b>	<b>8,626,039</b>	<b>7,152,815</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 8,977,818</b>	<b>\$ 7,401,770</b>

See accompanying notes to unaudited condensed consolidated financial statements.

U.S. GOLD CORP. AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended October 31, 2019	For the Three Months Ended October 31, 2018	For the Six Months Ended October 31, 2019	For the Six Months Ended October 31, 2018
Net revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Compensation and related taxes - general and administrative	290,364	925,436	577,446	1,227,196
Exploration costs	943,356	1,261,288	1,138,749	1,766,113
Professional and consulting fees	822,313	626,659	1,466,386	1,168,003
General and administrative expenses	172,587	186,925	354,638	320,500
Gain from foreign currency transactions	<u>(1,534)</u>	<u>-</u>	<u>(1,534)</u>	<u>-</u>
Total operating expenses	2,227,086	3,000,308	3,535,685	4,481,812
Loss before provision for income taxes	<u>(2,227,086)</u>	<u>(3,000,308)</u>	<u>(3,535,685)</u>	<u>(4,481,812)</u>
Provision for income taxes	-	-	-	-
Net loss	(2,227,086)	(3,000,308)	(3,535,685)	(4,481,812)
Deemed dividend related to beneficial conversion feature of series F preferred stock	<u>-</u>	<u>-</u>	<u>(2,022,712)</u>	<u>-</u>
Net loss applicable to U.S. Gold Corp. common shareholders	<u>\$ (2,227,086)</u>	<u>\$ (3,000,308)</u>	<u>\$ (5,558,397)</u>	<u>\$ (4,481,812)</u>
Net Loss per common share, basic and diluted	<u>\$ (0.10)</u>	<u>\$ (0.17)</u>	<u>\$ (0.26)</u>	<u>\$ (0.25)</u>
Weighted average common shares outstanding - basic and diluted	<u>22,574,313</u>	<u>17,895,751</u>	<u>21,363,981</u>	<u>17,750,515</u>

See accompanying notes to unaudited condensed consolidated financial statements.

U.S. GOLD CORP. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
 FOR THE SIX MONTHS ENDED OCTOBER 31, 2019 AND 2018

	Preferred Stock - Series F		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	\$0.001 Par Value		\$0.001 Par Value				
	Shares	Amount	Shares	Amount			
Balance, May 1, 2019	-	\$ -	19,860,625	\$ 19,861	\$ 33,408,056	\$ (26,275,102)	\$ 7,152,815
Issuance of preferred stock and warrants for cash, net of offering cost	1,250	1	-	-	2,401,201	-	2,401,202
Conversion of preferred stock into common stock	(616)	-	1,080,707	1,080	(1,080)	-	-
Issuance of common stock for services	-	-	21,534	21	24,979	-	25,000
Issuance of common stock for accrued services	-	-	10,684	11	12,489	-	12,500
Stock options granted for services	-	-	-	-	52,214	-	52,214
Stock-based compensation in connection with restricted common stock unit grants	-	-	-	-	52,682	-	52,682
Cancellation of common stock	-	-	(85,000)	(85)	85	-	-
Deemed dividends - series F preferred stock	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(1,308,599)	(1,308,599)
Balance, July 31, 2019	634	1	20,888,550	20,888	35,950,626	(27,583,701)	8,387,814
Conversion of preferred stock into common stock	(364)	(1)	638,596	639	(638)	-	-
Issuance of common stock in connection with the share exchange agreement	-	-	2,000,000	2,000	2,018,000	-	2,020,000
Stock options granted for services	-	-	-	-	52,213	-	52,213
Stock-based compensation in connection with restricted common stock award grants and restricted common stock unit grants	-	-	335,000	335	392,763	-	393,098
Net loss	-	-	-	-	-	(2,227,086)	(2,227,086)
Balance, October 31, 2019	270	\$ -	23,862,146	\$ 23,862	\$ 38,412,964	\$ (29,810,787)	\$ 8,626,039
	Preferred Stock - Series F		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	\$0.001 Par Value		\$0.001 Par Value				
	Shares	Amount	Shares	Amount			
Balance, May 1, 2018	-	\$ -	17,590,574	\$ 17,591	\$ 30,911,222	\$ (18,228,552)	\$ 12,700,261
Issuance of common stock for services	-	-	19,319	19	76,489	-	76,508
Issuance of common stock for accrued services	-	-	9,191	9	12,491	-	12,500
Stock options granted for services	-	-	-	-	33,636	-	33,636
Net loss	-	-	-	-	-	(1,481,504)	(1,481,504)
Balance, July 31, 2018	-	-	17,619,084	17,619	31,033,838	(19,710,056)	11,341,401
Issuance of common stock for services	-	-	532,600	533	697,623	-	698,156
Stock options granted for services	-	-	-	-	57,874	-	57,874
Net loss	-	-	-	-	-	(3,000,308)	(3,000,308)
Balance, October 31, 2018	-	\$ -	18,151,684	\$ 18,152	\$ 31,789,335	\$ (22,710,364)	\$ 9,097,123

See accompanying notes to unaudited condensed consolidated financial statements.

U.S. GOLD CORP. AND SUBSIDIARIES  
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended October 31, 2019	For the Six Months Ended October 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (3,535,685)	\$ (4,481,812)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,523	2,826
Accretion	4,331	2,721
Stock based compensation	575,207	1,041,603
Amortization of prepaid stock based expenses	99,210	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	44,935	194,303
Reclamation bond deposit	(16,109)	(319,553)
Accounts payable	(17,376)	(31,743)
Accounts payable - related parties	(4,606)	-
Accrued liabilities	7,305	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(2,838,265)</b>	<b>(3,591,655)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net proceeds received in connection with the share exchange agreement	159,063	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>159,063</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issuance of preferred stock and warrants, net of issuance cost	2,401,202	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>2,401,202</b>	<b>-</b>
<b>NET DECREASE IN CASH</b>	<b>(278,000)</b>	<b>(3,591,655)</b>
CASH - beginning of period	2,197,181	7,646,279
CASH - end of period	<u>\$ 1,919,181</u>	<u>\$ 4,054,624</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Increase in asset retirement obligation	\$ -	\$ 81,885
Issuance of common stock for accrued services	\$ 12,500	\$ 12,500
Deemed Dividends - series F preferred stock	\$ 2,022,712	\$ -
Issuance of common stock in connection with the share exchange agreement	\$ 2,020,000	\$ -
Assumption of liabilities in connection with the share exchange agreement	\$ 125,670	\$ -
Increase in mineral properties in connection with the share exchange agreement	\$ 1,986,607	\$ -

See accompanying notes to unaudited condensed consolidated financial statements.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

U.S. Gold Corp., formerly known as Dataram Corporation (the “Company”), was originally incorporated in the State of New Jersey in 1967 and was subsequently re-incorporated under the laws of the State of Nevada in 2016. Effective June 26, 2017, the Company changed its name to U.S. Gold Corp. from Dataram Corporation. None of the Company’s properties contain proven and probable reserves and all of the Company’s activities are exploratory in nature.

On June 13, 2016, Gold King Corp. (“Gold King”), a private Nevada corporation, entered into an Agreement and Plan of Merger (the “Merger Agreement”) with the Company, the Company’s wholly-owned subsidiary Dataram Acquisition Sub, Inc., a Nevada corporation (“Acquisition Sub”), and all of the principal shareholders of Gold King (the “Gold King Shareholders”). Upon closing of the transactions contemplated under the Merger Agreement (the “Merger”), Gold King merged with and into Acquisition Sub with Gold King as the surviving corporation and became a wholly-owned subsidiary of the Company. The Merger was treated as a reverse acquisition and recapitalization, and the business of Gold King became the business of the Company. The financial statements are those of Gold King (the accounting acquirer) prior to the merger and include the activity of the Company (the legal acquirer) from the date of the Merger. Gold King is a gold and precious metals exploration company pursuing exploration and development opportunities primarily in Nevada and Wyoming. The Company has a wholly owned subsidiary, U.S. Gold Acquisition Corporation, formerly Dataram Acquisition Sub, Inc. (“U.S. Gold Acquisition”), a Nevada corporation which was formed in April 2016.

On May 23, 2017, the Company closed the Merger with Gold King. The Merger constituted a change of control and the majority of the Board of Directors changed with the consummation of the Merger. The Company issued shares of common stock to Gold King which represented approximately 90% of the combined company.

On September 10, 2019, the Company, 2637262 Ontario Inc., a corporation incorporated under the laws of the Province of Ontario (“NumberCo”), and all of the shareholders of NumberCo (the “NumberCo Shareholders”), entered into a Share Exchange Agreement (the “Share Exchange Agreement”), pursuant to which, among other things, the Company agreed to issue to the NumberCo Shareholders 2,000,000 shares of the Company’s common stock in exchange for all of the issued and outstanding shares of NumberCo, with NumberCo becoming a wholly owned subsidiary of the Company (see Note 4).

Unless the context otherwise requires, all references herein to the “Company” refer to U.S. Gold Corp. and its consolidated subsidiaries.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying interim unaudited condensed consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), the instructions to Form 10-Q, and the rules and regulations of the United States Securities and Exchange Commission for interim financial information, which includes the unaudited condensed consolidated financial statements and presents the unaudited condensed consolidated financial statements of the Company and its wholly-owned subsidiaries as of October 31, 2019. All intercompany transactions and balances have been eliminated. The accounting policies and procedures used in the preparation of these unaudited condensed consolidated financial statements have been derived from the audited financial statements of the Company for the year ended April 30, 2019, which are contained in the Form 10-K filed on July 26, 2019. The unaudited condensed consolidated balance sheet as of April 30, 2019 was derived from those financial statements. It is management’s opinion that all material adjustments (consisting of normal recurring adjustments) have been made, which are necessary for a fair financial statement presentation. Operating results for the three and six months ended October 31, 2019 are not necessarily indicative of the results to be expected for the year ending April 30, 2020.

Use of Estimates and Assumptions

In preparing the unaudited condensed consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the condensed consolidated balance sheet, and revenues and expenses for the period then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to, valuation of mineral rights, stock-based compensation, the fair value of common and preferred stock, valuation of warrants, asset retirement obligations and the valuation of deferred tax assets and liabilities.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Revision of Financial Statements

During the three months ended October 31, 2019, the Company determined that it had improperly classified a deemed dividend related to the Company's preferred stock within its stockholders' equity section of its balance sheet during the three months ended July 31, 2019. This resulted in an overstatement of additional paid-in capital by the amount of the deemed dividend, and a corresponding understatement of accumulated deficit. The Company reclassified the deemed dividend for the six-month period ended October 31, 2019. The Company assessed the materiality of the misstatements in accordance with Staff Accounting Bulletin No.99, "Materiality" and No. 108, "Quantifying Misstatements", and concluded that this error was not qualitatively material on the Company's consolidated balance sheets, and statement of stockholders' deficit. There was no effect on the statements of cash flows, statements of operations, and net loss for the periods then ended.

The effect of this reclassification on the line items within the Company's consolidated financial statements as of July 31, 2019, was as follows:

	July 31, 2019		
	As Previously Reported	Reclassification	As Reclassified
Additional Paid-in Capital	\$ 37,973,338	\$ (2,022,712)	\$ 35,950,626
Accumulated Deficit	(29,606,413)	2,022,712	(27,583,701)
Total Equity	\$ 8,387,814	\$ 0	\$ 8,387,814

Reclassifications

Certain prior period amounts may be reclassified to conform to the current period presentation. Any reclassified amounts have no impact on the Company's previously reported financial position or results of operations.

Fair Value Measurements

The Company has adopted Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied in accordance with U.S. GAAP, which requires the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

These inputs are prioritized below:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The Company analyzes all financial instruments with features of both liabilities and equity under the Financial Accounting Standard Board's ("FASB") accounting standard for such instruments. Under this standard, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

At October 31, 2019 and April 30, 2019, the Company had no assets or liabilities accounted for at fair value on a recurring basis or nonrecurring basis.

Impairment of Long-lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable, or at least annually. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. No impairment of long-lived assets was recorded during the six months ended October 31, 2019.

Mineral Rights

Costs of leasing, exploring, carrying and retaining unproven mineral lease properties are expensed as incurred. The Company expenses all mineral exploration costs as incurred as it is still in the exploration stage. If the Company identifies proven and probable reserves in its investigation of its properties and upon development of a plan for operating a mine, it would enter the development stage and capitalize future costs until production is established.

When a property reaches the production stage, the related capitalized costs will be amortized on a units-of-production basis over the proven and probable reserves following the commencement of production. The Company assesses the carrying costs of the capitalized mineral properties for impairment under ASC 360-10, "Impairment of Long-Lived Assets", and evaluates its carrying value under ASC 930-360, "Extractive Activities—Mining", annually. An impairment is recognized when the sum of the expected undiscounted future cash flows is less than the carrying amount of the mineral properties. Impairment losses, if any, are measured as the excess of the carrying amount of the mineral properties over its estimated fair value.

To date, the Company has not established the commercial feasibility of any exploration prospects; therefore, all exploration costs are being expensed.

ASC 930-805, "Extractive Activities—Mining: Business Combinations" ("ASC 930-805"), states that mineral rights consist of the legal right to explore, extract, and retain at least a portion of the benefits from mineral deposits. Mining assets include mineral rights.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Acquired mineral rights are considered tangible assets under ASC 930-805. ASC 930-805 requires that mineral rights be recognized at fair value as of the acquisition date. As a result, the direct costs to acquire mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with acquiring patented and unpatented mining claims.

ASC 930-805 provides that in measuring the fair value of mineral assets, an acquirer should take into account both:

- The value beyond proven and probable reserves (“VBPP”) to the extent that a market participant would include VBPP in determining the fair value of the assets.
- The effects of anticipated fluctuations in the future market price of minerals in a manner that is consistent with the expectations of market participants.

Leases to explore for or use of natural resources are outside the scope of ASU 2016-02, “Leases”.

#### Share-Based Compensation

Share-based compensation is accounted for based on the requirements of ASC 718, “Compensation—Stock Compensation” (“ASC 718”), which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). ASC 718 also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. Pursuant to ASC 505, “Equity—Equity Based Payments to Non-Employees” (“ASC 505-50”), for share-based payments to consultants and other third parties, compensation expense is determined at the measurement date, which is the grant date. Until the measurement date is reached, the total amount of compensation expense remains uncertain.

In June 2018, the FASB issued Accounting Standards Update (“ASU”) 2018-07, “Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting” (“ASU 2018-07”), which expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from non-employees. ASU 2018-07 specifies that Topic 718 applies to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC 606. ASU 2018-07 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted, but no earlier than adoption of ASC 606. The Company chose to early adopt ASU 2018-07 in July 2018. The adoption of this standard did not have a material effect on the Company’s consolidated financial statements and related disclosures.

#### Accounting for Warrants

Warrants are accounted for in accordance with the applicable accounting guidance provided in ASC 815, “Derivatives and Hedging” (“ASC 815”) as either derivative liabilities or as equity instruments, depending on the specific terms of the agreements. The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) give the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net-cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). Instruments that are classified as liabilities are recorded at fair value at each reporting period, with any change in fair value recognized as a component of change in fair value of derivative liabilities in the consolidated statements of operations.

The Company assessed the classification of its outstanding common stock purchase warrants as of the date of issuance and determined that such instruments met the criteria for equity classification under the guidance in ASU 2017-11 “Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815); (Part I) Accounting for Certain Financial Instruments with Down Round Feature”. The Company has no outstanding warrants that contain a “down round” feature under Topic 815 of ASU 2017-11.

#### Convertible Preferred Stock

The Company accounts for its convertible preferred stock under the provisions of ASC 480, “Distinguishing Liabilities from Equity” (“ASC 480”), which sets forth the standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. ASC 480 requires an issuer to classify a financial instrument that is within the scope of ASC 480 as a liability if such financial instrument embodies an unconditional obligation to redeem the instrument at a specified date and/or upon an event certain to occur. During the three and six months ended October 31, 2019 and April 30, 2019, the Company’s outstanding convertible preferred shares were accounted for as equity, with no liability recorded.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Convertible Instruments

The Company bifurcates conversion options from their host instruments and accounts for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule when the host instrument is deemed to be conventional as that term is described under applicable U.S. GAAP.

When the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, a beneficial conversion feature (“BCF”) related to the issuance of convertible debt and equity instruments that have conversion features at fixed rates that are in-the-money when issued, and the fair value of warrants issued in connection with those instruments. The BCF for the convertible instruments is recognized and measured by allocating a portion of the proceeds to warrants, based on their relative fair value, and as a reduction to the carrying amount of the convertible instrument equal to the intrinsic value of the conversion feature. The discounts recorded in connection with the BCF and warrant valuation are recognized (a) for convertible debt as interest expense over the term of the debt, using the effective interest method or (b) for convertible preferred stock as dividends at the time the stock first becomes convertible.

The bifurcation of the Company’s outstanding Series F Convertible Preferred shares during the three and six months ended October 31, 2019 was \$0 and \$2,022,712, respectively, was accounted for as a deemed dividend to holders of the Series F Convertible Preferred shares for the respective quarterly periods and increased the net loss applicable to common shareholders.

Remediation and Asset Retirement Obligation

Asset retirement obligations (“ARO”), consisting primarily of estimated reclamation costs at the Company’s Copper King and Keystone properties, are recognized in the period incurred and when a reasonable estimate can be made, and recorded as liabilities at fair value. Such obligations, which are initially estimated based on discounted cash flow estimates, are accreted to full value over time through charges to accretion expense. Corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the asset’s remaining useful life. AROs are periodically adjusted to reflect changes in the estimated present value resulting from revisions to the estimated timing or amount of reclamation and closure costs. The Company reviews and evaluates its AROs annually or more frequently at interim periods if deemed necessary.

Foreign Currency Transactions

The reporting and functional currency of the Company is the U.S. dollar. Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency included in the results of operations as incurred. Transaction gains or losses have not had, and are not expected to have, a material effect on the results of operations of the Company.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, “Accounting for Income Taxes” (“ASC 740-10”), which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provision of ASC 740-10, “Accounting for Uncertain Income Tax Positions” (“ASC 740-10”). When tax returns are filed, there may be uncertainty about the merits of positions taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more likely than not recognition threshold are measured at the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefit associated with tax positions taken that exceed the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all more likely than not to be upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

The Company has adopted ASC 740-10-25, "Definition of Settlement", which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they are filed.

Recent Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, "Changes to Disclosure Requirements for Fair Value Measurements", which will improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements. The standard removes, modifies, and adds certain disclosure requirements and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company will evaluate the impact this standard on the Company's financial statements prior to May 1, 2020, the beginning of the Company's first fiscal year for which the standard will be in effect.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material effect on the financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an effect on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

**NOTE 3 — GOING CONCERN**

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of October 31, 2019, the Company had cash of approximately \$1.9 million, working capital of approximately \$2.1 million, and an accumulated deficit of approximately \$29.8 million. The Company had net loss and cash used in operating activities of approximately \$3.5 million and \$2.8 million, respectively, during the six months ended October 31, 2019. As a result of the utilization of cash in its operating activities, and the development of its assets, the Company has incurred losses since it commenced operations. The Company's primary source of operating funds since inception has been equity financings. The Company has sufficient cash to fund its operations for approximately 10 months, and expects that it will be required to raise additional funds to fund its operations thereafter. These matters raise substantial doubt about the Company's ability to continue as a going concern for the twelve months following the issuance of these financial statements.

On June 19, 2019, the Company sold 1,250 Series F Preferred units for an aggregate purchase price of \$2,500,000 (see Note 8), which the Company believes is indicative of the Company's ability to raise additional funds for operations. There can be no assurance that the Company will be able to raise additional capital or if the terms will be favorable.

The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**NOTE 4 — MINERAL RIGHTS**

Copper King Project

The Company owns the Copper King gold and copper development project (the "Copper King Project"), which comprises two State of Wyoming Metallic and Non-metallic Rocks and Minerals Mining Leases covering an area of approximately 1.8 square miles located in the Silver Crown Mining District of southeast Wyoming. On July 2, 2014, the Company entered into an Asset Purchase Agreement whereby the Company acquired certain mining leases and other mineral rights comprising the Copper King Project. The purchase price consisted of (a) cash payment in the amount of \$1.5 million and (b) closing shares calculated at 50% of the issued and outstanding shares of the Company's common stock and valued at \$1.5 million.

In accordance with ASC 360-10, "Property, Plant, and Equipment", assets are recognized based on their cost to the acquiring entity, which generally includes the transaction costs of the asset acquisition. Accordingly, the Company recorded a total cost of the acquired mineral properties of \$3,091,738, which includes the purchase price (\$3,000,000) and related transaction costs.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Keystone Project

The Company, through its wholly-owned subsidiary, U.S. Gold Acquisition, acquired the mining claims comprising the Keystone Project on May 27, 2016 from Nevada Gold Ventures, LLC ("Nevada Gold") and Americas Gold Exploration, Inc. under the terms of a Purchase and Sale Agreement. At the time of purchase, the Keystone Project consisted of 284 unpatented lode mining claims situated in Eureka County, Nevada. The purchase price for the Keystone Project consisted of the following: (a) cash payment in the amount of \$250,000, (b) 462,500 shares of the Company's common stock and (c) an aggregate of 231,458 five-year options to purchase shares of the Company's common stock at an exercise price of \$3.60 per share.

The Company valued the shares of common stock at the fair value of \$555,000 or \$1.20 per share of common stock based on the contemporaneous sale of its preferred stock in a private placement at \$0.10 per common share. The options were valued at \$184,968. The options vested over a period of two years whereby 1/24 of the options vested and become exercisable each month for the 24 months following the closing of the acquisition. The options are non-forfeitable and are not subject to obligations or service requirements.

Accordingly, the Company recorded a total cost of the acquired mineral properties of \$1,028,885 which includes the purchase price (\$989,968) and related transaction cost (\$38,917). Some of the Keystone Project claims are subject to pre-existing net smelter royalty ("NSR") obligations. In addition, under the terms of the Purchase and Sale Agreement, Nevada Gold retained additional NSR rights of 0.5% with regard to certain claims and 3.5% with regard to certain other claims. Under the terms of the Purchase and Sale Agreement, the Company may buy down one percent (1%) of the royalty from Nevada Gold at any time through the fifth anniversary of the closing date for \$2,000,000. In addition, the Company may buy down an additional one percent (1%) of the royalty anytime through the eighth anniversary of the closing date for \$5,000,000.

Gold Bar North Project

In August 2017, the Company closed on a transaction under a purchase and sale agreement executed in June 2017 with Nevada Gold and the Company's wholly-owned subsidiary, U.S. Gold Acquisition Corporation, a Nevada corporation, pursuant to which Nevada Gold sold and U.S. Gold Acquisition Corporation purchased all rights, title and interest in the Gold Bar North Property, a gold development project located in Eureka County, Nevada. The purchase price for the Gold Bar North Property was: (a) cash payment in the amount of \$20,479, which was paid in August 2017 and (b) 15,000 shares of common stock of the Company, which were issued in August 2017, valued at \$35,850.

Maggie Creek Project

On September 10, 2019, the Company, NumberCo and the NumberCo Shareholders, entered into the Share Exchange Agreement, pursuant to which, among other things, the Company agreed to issue to the NumberCo Shareholders 2,000,000 shares of the Company's common stock in exchange for all of the issued and outstanding shares of NumberCo, with NumberCo becoming a wholly owned subsidiary of the Company (see Note 1).

NumberCo owns all of the issued and outstanding shares of Orevada Metals Inc. ("Orevada"), a corporation under the laws of the state of Nevada. At the time of acquisition, the Company acquired from NumberCo cash of \$159,063, and assumed liabilities - accounts payable of \$125,670. As a result, the Company acquired Orevada's right to an option agreement dated in February 2019 (the "Option Agreement"). The Option Agreement grants Orevada the exclusive right and option to earn-in and acquire up to 50% undivided interest in a property called Maggie Creek, located in Eureka County, Nevada by completing a \$4.5 million in exploration and development expenditures ("Initial Earn-in") and payment to Renaissance Exploration, Inc. ("Renaissance"), the grantor, of \$250,000. Orevada may elect within 60 days after making the \$250,000 payment, to increase its interest by an additional 20% (total interest of 70%) by producing a feasibility study by the end of the ninth year of the Option Agreement. One of the directors of the Company, Mr. Tim Janke, is also a director of Renaissance, a company which is not under common control.

Pursuant to ASU 2017-01 and ASC 805, each titled "Business Combinations", the Company analyzed the Share Exchange Agreement to determine if the Company acquired a business or assets. Based on this analysis, it was determined that the Company acquired assets, primarily consisting of cash and the right to an Option Agreement. The Company excluded the cash received in the determination of the gross assets and concluded that the right to the Option Agreement represents substantially all of the fair value of the gross assets acquired. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the asset is not considered a business.

The monetary value of the 2,000,000 shares issued to the NumberCo Shareholders is deemed by the Company to be \$2,020,000. In accordance with ASC 805-50-30 "Business Combinations", the Company determined that if the consideration paid is not in the form of cash, the measurement may be based on either (i) the cost which is measured based on the fair value of the consideration given or (ii) the fair value of the assets (or net assets) acquired, whichever is more clearly evident and thus more reliably measurable.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

The 2,000,000 shares issued to the NumberCo Shareholders were valued at \$2,020,000, or \$1.01 per share, the fair value of the Company's common stock based on the quoted trading price on the date of the Share Exchange Agreement (see Note 8). No goodwill was recorded as the Share Exchange Agreement was accounted for as an asset purchase.

The relative fair value of the assets acquired and liabilities assumed were based on management's estimates of the fair values on September 10, 2019, the date of the Share Exchange Agreement. Based upon the purchase price allocation, the following table summarizes the estimated relative fair value of the assets acquired and liabilities assumed at the date of acquisition:

Cash	\$	159,063
Mineral property – Maggie Creek		1,986,607
Total assets acquired at fair value		<u>2,145,670</u>
Total Liabilities assumed at fair value		<u>(125,670)</u>
Total purchase consideration	\$	<u><u>2,020,000</u></u>

As of the date of these unaudited condensed consolidated financial statements, the Company has not established any proven or probable reserves on its mineral properties and has incurred only acquisition costs and exploration costs.

As of the dates presented, mineral properties consisted of the following:

	October 31, 2019	April 30, 2019
	(unaudited)	
Copper King Project	\$ 3,091,738	\$ 3,091,738
Keystone Project	1,028,885	1,028,885
Gold Bar North Project	56,329	56,329
Maggie Creek Project	1,986,607	-
Total	<u>\$ 6,163,559</u>	<u>\$ 4,176,952</u>

**NOTE 5 — PROPERTY**

As of the dates presented, property consisted of the following:

	October 31, 2019	April 30, 2019
	(unaudited)	
Site costs	\$ 81,885	\$ 81,885
Less: accumulated depreciation	(11,479)	(6,956)
Total	<u>\$ 70,406</u>	<u>\$ 74,929</u>

For the three months ended October 31, 2019 and 2018, depreciation expense amounted to \$2,100 and \$1,507, respectively. For the six months ended October 31, 2019 and 2018, depreciation expense amounted to \$4,523 and \$2,826, respectively.

**NOTE 6 — ASSET RETIREMENT OBLIGATION**

In conjunction with various permit approvals permitting the Company to undergo exploration activities at the Copper King Project and Keystone Project, the Company has recorded an ARO based upon the reclamation plans submitted in connection with the various permits. The following table summarizes activity in the Company's ARO for the periods presented:

	October 31, 2019	October 31, 2018
	(unaudited)	(unaudited)
Balance, beginning of six-month period	\$ 88,746	\$ 81,885
Addition and changes in estimates	-	-
Accretion expense	4,331	2,826
Balance, end of period	<u>\$ 93,077</u>	<u>\$ 79,059</u>

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

For the three months ended October 31, 2019 and 2018, accretion expense amounted to \$2,191 and \$1,467, respectively. For the six months ended October 31, 2019 and 2018, accretion expense amounted to \$4,331 and \$2,721, respectively.

**NOTE 7 — RELATED PARTY TRANSACTIONS**

Accounts payable to related parties as of October 31, 2019 and April 30, 2019 was \$25,433 and \$42,539, respectively, and was reflected as accounts payable – related party in the accompanying unaudited condensed consolidated balance sheets. The related party to which accounts were payable as of October 31, 2019 was the Chief Financial Officer, who was owed a total of \$25,433 (includes \$18,284 payable in shares of common stock). The related parties to which accounts were payable as of April 30, 2019 were the former Vice President-Head of Exploration, who was owed \$12,500 payable in shares of common stock and the Chief Financial Officer, who was owed a total of \$30,039 (includes \$14,403 payable in shares of common stock).

On September 10, 2019, the Company acquired from Orevada its right to an option agreement dated in February 2019 (see Note 4). One of the board of directors of the Company, Mr. Tim Janke, is also a director of Renaissance.

**NOTE 8 — STOCKHOLDERS' EQUITY**

Equity Incentive Plan

In August 2017, the Company's Board of Directors approved the Company's 2017 Equity Incentive Plan (the "2017 Plan") including the reservation of 1,650,000 shares of common stock thereunder.

On August 6, 2019, the Board of Directors of the Company approved and adopted, subject to stockholder approval, the U.S. Gold Corp. 2020 Stock Incentive Plan (the "2020 Plan"). The 2020 Plan reserves 3,307,104 shares for future issuance to officers, directors, employees and contractors as directed from time to time by the Compensation Committee of the Board of Directors. The Board directed that the 2020 Plan be submitted to the Company's stockholders for their approval at the 2019 Annual Meeting of Stockholders of the Company (the "Annual Meeting"), which was held on September 18, 2019. The 2020 Plan was approved by a vote of stockholders at the Annual Meeting. With the approval and effectivity of the 2020 Plan, no further grants will be made under the 2017 Plan.

Series F Convertible Preferred Stock

On June 19, 2019, the Company filed a Certificate of Designations, Preferences and Rights of the Series F Preferred (the "Certificate of Designations") with the Secretary of State of the State of Nevada amending its articles of incorporation to establish a class of Series F Preferred Stock and the number, relative rights, preferences and limitations thereof. Pursuant to the Certificate of Designations, 1,250 shares of preferred stock have been designated as Series F Preferred Stock, and each of the shares of Series F Preferred Stock initially is convertible, at the election of the holder, into a number of shares of the Company's common stock equal to the stated value of the Series F Preferred Stock, which is \$2,000, subject to specified adjustments, divided by the conversion price, which is \$1.14 per share, subject to specified adjustments as further adjusted in the event of stock split, stock dividends, and recapitalization or otherwise (the "Conversion Price"). Based on the initial Conversion Price, approximately 2,193,750 shares of common stock would be issuable upon conversion of all of the Series F Preferred Stock to be sold pursuant to the Purchase Agreement (as defined herein). A holder of Series F Preferred Stock shall have no right to convert any portion of the Preferred Stock to the extent that, after giving effect to such conversion, the holder would beneficially own in excess of 4.99% (or, at the election of a holder after providing 61 days' prior written notice to the Company, 9.99%) of the number of shares of common stock outstanding immediately after giving effect to the issuance of shares of common stock upon such conversion. Holders of the Series F Preferred Stock shall be entitled to receive dividends when and as declared by the Board of Directors, from time to time, and shall participate on an "as converted" basis with all dividends declared on the Company's common stock.

The Series F Preferred Stock has no redemption provisions. In the event of the Company's liquidation, the holders of the Series F Preferred Stock would be entitled to receive in cash out of the assets of the Company, after payment of the liquidation preference for any outstanding shares of senior preferred stock, but before any amount is paid to the holders of any of shares of junior stock and pari passu with any parity stock then outstanding, an amount per share equal the greater of (A) the stated value thereof on the date of such payment and (B) the amount per share such holder would receive if such holder converted such Series F Preferred Stock into common stock immediately prior to the date of such payment.

Except as required by law or the Company's Articles of Incorporation, including certain protective provisions in the Certificate of Designations, holders of the Series F Preferred Stock have the same voting rights as holders of common stock, voting together as one class on an as-converted basis based on a conversion price equal to \$1.14, subject to beneficial ownership limitations.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

On June 19, 2019, the Company sold, under the terms of a securities purchase agreement (the "Purchase Agreement"), 1,250 Series F Preferred units for an aggregate purchase price of \$2,500,000, or \$2,000 per unit. Each unit consisted of one (1) share of 0% Series F Preferred Stock and 878 Class X Warrants on a registered basis and 1,755 Class A Warrants on an unregistered basis. The Company sold a total of 1,250 shares of Series F Preferred Stock, 2,193,750 Class A Warrants and 1,097,500 Class X Warrants under the Purchase Agreement. Each share of Series F Preferred Stock, at the option of the holder at any time, may be converted into the number of shares of common stock of the Company determined by dividing the \$2,000 (the stated value per share of the Series F Preferred Stock) by a conversion price of \$1.14 per share (approximately 2,193,750 shares of common stock), subject to adjustment. Each Class X Warrant is exercisable to acquire one share of the Company's common stock and one Class Y Warrant at an exercise price of \$1.14, for a period of six (6) months from the date of issuance. Each Class Y Warrant is exercisable to acquire one share of the Company's common stock at an exercise price of \$1.14 per share, commencing six (6) months from the date of issuance (the "Initial Exercise Date") and will expire on a date that is the five (5) year anniversary of the Initial Exercise Date. Each Class A Warrant is exercisable to acquire one share of the Company's common stock at an exercise price of \$1.14 per share, commencing six (6) months from the date of issuance and will expire on a date that is the five (5) year anniversary of the date of issuance. In aggregate, if all of the shares of common stock are issued on conversion of the Series F Preferred Stock and exercise of the Class A, Class X and Class Y warrants, the Company would issue a total of 6,582,500 shares of common stock. The warrant holders may elect to exercise the warrants via cashless exercise if there is no effective registration statement registering the warrants pursuant to the terms of each respective warrant certificate. The offering pursuant to which the Series F Preferred units were sold closed on June 20, 2019, subject to the satisfaction of customary closing conditions.

The fair value of the Series F Preferred Stock and warrants if converted on the date of issuance was greater than the value allocated to the Series F Preferred Stock and warrants. As a result, the Company recorded a BCF of approximately \$2.0 million that the Company recognized as deemed dividend to the preferred stockholders and accordingly, an adjustment to net loss to arrive at net loss available to common stockholders and a corresponding increase in additional paid in capital upon issuance of the Series F Preferred Stock and warrants. The Company accounted for the deemed dividend resulting from the issuance of Series F Preferred Stock and warrants using the relative fair value method (see Note 2).

The Purchase Agreement includes customary representations, warranties and covenants by the Company and provides for indemnification of the purchasers against certain liabilities, including liabilities incurred as a result of or relating to any breach of the representations, warranties, covenants or agreements made by the Company in the Purchase Agreement. The Company assessed the classification of these common stock purchase warrants and determined that such instruments met the criteria for equity classification under the guidance in ASC 815.

During the three months ended July 31, 2019, the Company issued an aggregate of 1,080,707 shares of the Company's common stock in exchange for the conversion of 616 shares of the Company's Series F Preferred Stock.

During the three months ended October 31, 2019, the Company issued an aggregate of 638,596 shares of the Company's common stock in exchange for the conversion of 364 shares of the Company's Series F Preferred Stock.

Common Stock Issued for Accrued Services

On May 6, 2019, the Company paid an accrued service liability to its former Chief Geologist in the amount of \$12,500 by issuing 10,684 shares of common stock at a price of \$1.17 per share of common stock based on the quoted trading price on the date of grant. In connection with this issuance, the Company reduced accrued salaries by \$12,500 during the six months ended October 31, 2019.

Common Stock Issued for Salaries

Between May 2019 and June 2019, the Company issued an aggregate of 21,534 shares of common stock to satisfy a stock payable to its former Chief Geologist for services rendered between May 2019 and June 2019. The shares were valued at \$25,000 using a share price ranging from \$1.03 to \$1.33 on the dates of grant.

Common Stock Issued, Restricted Stock Awards, and RSUs Granted for Services

On September 30, 2018, the Company issued an aggregate of 1,000,000 shares of restricted stock to officers, directors, employees and consultants for services rendered. The shares vest 50% on the date of issuance and 50% on the one-year anniversary of the date of issuance. The 1,000,000 shares of restricted stock had a fair value of \$990,000 and will be expensed over the vesting period. Additionally, on November 10, 2017, 12,000 shares of restricted stock were issued to a director that vest two years from issue date, and on February 20, 2018, 150,000 shares of restricted stock were issued to a consultant that vest ratably over 12 months, bringing the total of restricted shares issued to 1,162,000. During the three months ended July 31, 2019, the Company intended to cancel an aggregate of 85,000 unvested shares of the Company's common stock due to termination of employee relationships; however, during the quarter ended October 31, 2019, prior to cancellation of the shares, and after consultations with these former employees and Company counsel, the Company changed its position relative to the 85,000 shares and declared them vested. As a result of the vesting, the Company recognized operating expenses of \$84,150.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

On September 18, 2019, the Compensation Committee of the Board of Directors awarded Edward Karr, the Company's Chief Executive Officer, President and Director, 200,000 performance-based restricted stock units ("RSUs"), David Rector, the Company's Chief Operating Officer, 75,000 performance-based RSUs and an employee of the Company 50,000 performance-based RSUs pursuant to respective restricted stock unit award agreements. The RSUs will vest upon the earlier to occur of (i) a Change in Control (as defined in the 2020 Plan) and (ii) a material discovery of a mineral deposit, as determined by the Compensation Committee of the Board of Directors in its sole discretion. The total 325,000 RSUs had a fair value of \$334,750 or \$1.03 per share based on the quoted trading price on the date of grant and will be expensed upon the occurrence of the vesting term.

Additionally, on September 18, 2019, the Compensation Committee of the Board of Directors awarded five directors of the Company an aggregate of 250,000 shares of restricted stock pursuant to respective restricted stock award agreements. The shares of restricted stock vested immediately on the date of grant. The total 250,000 shares of restricted stock had a fair value of \$257,500 or \$1.03 per share based on the quoted trading price on the date of grant, which was expensed immediately.

A total of \$393,098 and \$563,917, and \$445,780 and \$563,917, was expensed for the three and six months ended October 31, 2019 and 2018, respectively. A balance of \$334,959 remains to be expensed over future vesting periods.

Common Stock Issued Pursuant to Share Exchange Agreement

On September 10, 2019, the Company, NumberCo and the NumberCo Shareholders, entered into the Share Exchange Agreement, pursuant to which, among other things, the Company agreed to issue to the NumberCo Shareholders 2,000,000 shares of the Company's common stock in exchange for all of the issued and outstanding shares of NumberCo, with NumberCo becoming a wholly owned subsidiary of the Company. The 2,000,000 shares issued to the NumberCo Shareholders were valued at \$2,020,000, or \$1.01 per share, the fair value of the Company's common stock based on the quoted trading price on the date of the Share Exchange Agreement (see Note 4).

Stock Options

A summary of the Company's outstanding stock options as of October 31, 2019 and changes during the six-month period then ended are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at April 30, 2019	1,456,458	\$ 1.80	3.29
Granted	—	—	—
Exercised	—	—	—
Forfeited	(87,500)	1.48	—
Canceled	—	—	—
Balance at October 31, 2019	<u>1,368,958</u>	<u>\$ 1.83</u>	<u>2.77</u>
Options exercisable at end of period	<u>931,458</u>	<u>\$ 2.00</u>	
Options expected to vest	<u>437,500</u>	<u>\$ 1.46</u>	
Weighted average fair value of options granted during the period		<u>\$ —</u>	

At October 31, 2019, the aggregate intrinsic value of options outstanding and exercisable was \$0.

Stock-based compensation for stock options has been recorded in the unaudited condensed consolidated statements of operations and totaled \$104,428 and \$91,510 for the six months ended October 31, 2019 and 2018, respectively. A balance of \$313,280 remains to be expensed over future vesting periods.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Warrants

In relation to the issuance of the Series F Convertible Preferred Shares, the Company issued 2,193,750 Class A Warrants and 1,097,500 Class X Warrants. The fair value of the warrants was \$2,022,712, as measured on the date of the issuance with a Black-Scholes pricing model using the assumptions noted in the following table:

	Warrants Issued During the Six Months Ended October 31, 2019	
Expected volatility		46% - 74%
Stock price on date of grant	\$	1.14
Exercise price	\$	1.14
Expected dividends		-
Expected term (in years)		5
Risk-free rate		1.77% - 2.11%
Expected forfeiture rate		0%

Each Class A Warrant is exercisable to acquire one share of the Company's common stock at an exercise price of \$1.14 per share, commencing six (6) months from the date of issuance and will expire on a date that is the five (5) year anniversary of the date of issuance. Each Class X Warrant is exercisable to acquire one share of the Company's common stock and one Class Y Warrant at an exercise price of \$1.14, for a period of six (6) months from the date of issuance. Each Class Y Warrant is exercisable to acquire one share of the Company's common stock at an exercise price of \$1.14 per share, commencing on the Initial Exercise Date and will expire on a date that is the five (5) year anniversary of the Initial Exercise Date.

A summary of the Company's outstanding warrants to purchase shares of common stock as of October 31, 2019 and changes during the six-month period then ended are presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
<b>Warrants with no Class designation:</b>			
Balance at April 30, 2019	1,702,359	\$ 3.12	2.25
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Canceled	—	—	—
<b>Balance at October 31, 2019</b>	<b>1,702,359</b>	<b>3.12</b>	<b>2.25</b>
<b>Class A Warrants:</b>			
Balance at April 30, 2019	—	—	—
Granted	2,193,750	1.14	5.00
Exercised	—	—	—
Forfeited	—	—	—
Canceled	—	—	—
<b>Balance at October 31, 2019</b>	<b>2,193,750</b>	<b>1.14</b>	<b>5.00</b>
<b>Class X Warrants:</b>			
Balance at April 30, 2019	—	—	—
Granted	1,097,500	1.14	5.00
Exercised	—	—	—
Forfeited	—	—	—
Canceled	—	—	—
<b>Balance at October 31, 2019</b>	<b>1,097,500</b>	<b>1.14</b>	<b>5.00</b>
<b>Class Y Warrants:</b>			
Balance at April 30, 2019	—	—	—
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Canceled	—	—	—
<b>Balance at October 31, 2019</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Warrant Outstanding at October 31, 2019</b>	<b>4,993,609</b>	<b>\$ 1.82</b>	<b>3.71</b>
Warrants exercisable at end of period	2,799,859	\$ 2.35	
Weighted average fair value of warrants granted during the period		\$ 0.52	

At October 31, 2019, the aggregate intrinsic value of warrants outstanding and exercisable was \$0.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

NOTE 9 — NET LOSS PER COMMON SHARE

Net loss per common share is calculated in accordance with ASC 260, "Earnings Per Share". Basic loss per share is computed by dividing net loss available to common stockholders by the weighted average number of shares of common stock outstanding during the period. The following were excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive effect on the Company's net loss. In periods where the Company has a net loss, all dilutive securities are excluded.

	<b>Three and Six Months Ended October 31, 2019</b>	<b>Three and Six Months Ended October 31, 2018</b>
Common stock equivalents:		
Preferred stock	473,684	-
Restricted stock units	325,000	500,000
Stock options	1,368,958	1,481,458
Stock warrants	4,993,609	1,702,359
Total	<u>7,161,251</u>	<u>3,683,817</u>

NOTE 10 — COMMITMENTS AND CONTINGENCIES

Mining Leases

The Copper King property position consists of two State of Wyoming Metallic and Non-metallic Rocks and Minerals Mining Leases. These leases were assigned to the Company in July 2014 through the acquisition of the Copper King Project. Leases to explore for or use of natural resources are outside the scope of ASU 2016-02 "Leases". There are no lease contracts for office space or other Company expenses which qualify for treatment as capital assets under ASU 2016-02.

The Company's rights to the Copper King Project arise under two State of Wyoming mineral leases:

- 1) State of Wyoming Mining Lease No. 0-40828 consisting of 640 acres.
- 2) State of Wyoming Mining Lease No. 0-40858 consisting of 480 acres.

Lease 0-40828 was renewed in February 2013 for a second ten-year term and Lease 0-40858 was renewed for its second ten-year term in February 2014. Each lease requires an annual payment of \$2.00 per acre. In connection with the Wyoming Mining Leases, the following production royalties must be paid to the State of Wyoming, although once the project is in operation, the Board of Land Commissioners has the authority to reduce the royalty payable to the State:

<u>FOB Mine Value per Ton</u>	<u>Percentage Royalty</u>
\$00.00 to \$50.00	5%
\$50.01 to \$100.00	7%
\$100.01 to \$150.00	9%
\$150.01 and up	10%

The future minimum lease payments under these mining leases are as follows:

2020	\$	2,240
2021		2,240
2022		2,240
2023		2,240
2024		960
	<u>\$</u>	<u>9,920</u>

The Company may renew each lease for a third ten-year term, which will require one annual payment of \$3.00 per acre for the first year and \$4.00 per acre for each year thereafter.

**U.S. GOLD CORP. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**OCTOBER 31, 2019**

Orevada option:

Pursuant to the acquisition of NumberCo on September 10, 2019, the Company acquired from Orevada its right to the Option Agreement. The option agreement grants Orevada the exclusive right and option to earn-in and acquire up to 50% undivided interest in a property called Maggie Creek, located in Eureka County, Nevada by completing the Initial Earn-in over a seven-year period:

First agreement year	\$	100,000
Second agreement year		200,000
Third agreement year		500,000
Fourth agreement year		700,000
Fifth agreement year		1,000,000
Sixth agreement year		1,000,000
Seventh agreement year		1,000,000
	\$	<u>4,500,000</u>

The Initial Earn-in is vested by paying \$250,000 to Renaissance Exploration, Inc. at the end of the Initial Earn-in period.

**NOTE 11 — SUBSEQUENT EVENTS**

On November 7, 2019, the Company received a letter from the Listing Qualifications Department of the Nasdaq Stock Market (“Nasdaq”) indicating that, based upon the closing bid price of the Company’s common stock for the 30 consecutive business day period between September 26, 2019, through November 6, 2019, the Company did not meet the minimum bid price of \$1.00 per share required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2). The letter also indicated that the Company will be provided with a compliance period of 180 calendar days, or until May 5, 2020 (the “Compliance Period”), in which to regain compliance pursuant to Nasdaq Listing Rule 5810(c)(3)(A).

In order to regain compliance with Nasdaq’s minimum bid price requirement, the Company’s common stock must maintain a minimum closing bid price of \$1.00 for at least ten consecutive business days during the Compliance Period. In the event the Company does not regain compliance by the end of the Compliance Period, the Company may be eligible for additional time to regain compliance. To qualify, the Company will be required to meet the continued listing requirement for the market value of its publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of the Company intention to cure the deficiency during the second compliance period, by effecting a reverse stock split if necessary. If the Company meets these requirements, it may be granted an additional 180 calendar days to regain compliance. However, if it appears to Nasdaq that the Company will be unable to cure the deficiency, or if the Company is not otherwise eligible for the additional cure period, Nasdaq will provide notice that the Company’s common stock will be subject to delisting.

The letter has no immediate impact on the listing of the Company’s common stock, which will continue to be listed and traded on The Nasdaq Capital Market, subject to the Company’s compliance with the other listing requirements of The Nasdaq Capital Market. Additionally, a vote of stockholders at the Annual Meeting authorized management to enact a reverse split of the Company’s common stock of not less than 1-to-2 and not greater than 1-to-10 before September 18, 2020, in an effort to increase the trading price of the Company’s shares.

On November 27, 2019, the Company issued the following shares:

- 21,000 shares of restricted stock to Swiss Resource Capital AG for services from July to December 2019, which consisted of 3,500 shares per month;
- 22,767 shares of restricted stock to the Company’s Chief Financial Officer for services from January 2019 through September 2019;
- a stock option representing the right to purchase 50,000 shares of common stock to the Company’s Chief Financial Officer as an equity incentive grant; and
- 37,037 shares of restricted stock with a fair market value of \$30,000 to a consultant for services rendered under a six-month consulting agreement.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The interim unaudited condensed consolidated financial statements included herein have been prepared by U.S. Gold Corp. (the "Company", "we", "us", or "our") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). Certain information and footnote disclosure normally included in interim unaudited consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") which are duplicate to the disclosures in the audited consolidated financial statement have been omitted pursuant to such rules and regulations, although we believe that the disclosures are adequate to make the information presented not misleading. These interim unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto in the Form 10-K filed with the Commission on July 26, 2019.

In the opinion of management, all adjustments have been made consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the unaudited interim condensed consolidated financial position of us and our subsidiaries as of October 31, 2019, the results of our unaudited interim condensed consolidated statements of operations for the three- and six-month periods ended October 31, 2019 and 2018, and our unaudited interim condensed consolidated cash flows for the three-month periods ended October 31, 2019 and 2018. The results of unaudited interim condensed consolidated operations for the interim periods are not necessarily indicative of the results for the full year.

The preparation of interim unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Forward-Looking Statements*

In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. See "Forward-Looking Statements." Our results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risk factors described in this report and in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended April 30, 2019.

### *Overview*

We are an exploration company that owns certain mining leases and other mineral rights comprising the Copper King Project in Wyoming and the Keystone, Gold Bar North and Maggie Creek Projects in Nevada.

During the three-months ended October 31, 2019, we focused primarily on performing a drilling program at our Keystone Project deposit and enhancing our understanding of that property through continuing analytics. We also completed the acquisition of a significant mineral property in Nevada. An overview of certain significant events follows:

- On July 30, 2019, we commenced our 2019 exploration drilling program on our Keystone Project on the Cortez Gold Trend in Nevada. During the quarter ended October 31, 2019, we drilled six reverse circulation holes and one core hole for a total of 13,177 feet (4,016 meters). Hole KEY19-05rc was drilled in a previously undrilled target area called Nina Skam. The hole intersected thick, continuous gold mineralization and will be the focus of future Keystone follow-up exploration efforts.
- On September 11, 2019, we announced the acquisition of Orevada Metals, Inc. ("Orevada"). Orevada is a wholly owned subsidiary of a Canadian corporation. Orevada has an option to earn up to a 70% interest in the Maggie Creek exploration project, located on the Carlin Trend, Nevada, close to Newmont's Gold Quarry mine. A total of 241 historic drill holes have been drilled on the Maggie Creek property. Recent discoveries on the Carlin Trend have shown higher grade mineralization at greater depths and this will be the focus of our future Maggie Creek exploration efforts. Details of the Maggie Creek exploration project are included on our corporate website.
- On September 18, 2019, we held our annual meeting of stockholders.
- On September 18, 2019, Mr. Douglas Newby was elected to serve on the Board of Directors. Mr. Newby also serves as Chair of the Audit Committee.
- On November 12, 2019, we announced the results of our 2019 Keystone exploration program, including the results of assays on hole KEY 19-05rc described above.

## Recent Developments

On November 7, 2019, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market (“Nasdaq”) indicating that, based upon the closing bid price of our common stock for the 30 consecutive business day period between September 26, 2019, through November 6, 2019, we did not meet the minimum bid price of \$1.00 per share required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2). The letter also indicated that we will be provided with a compliance period of 180 calendar days, or until May 5, 2020 (the “Compliance Period”), in which to regain compliance pursuant to Nasdaq Listing Rule 5810(c)(3)(A).

In order to regain compliance with Nasdaq’s minimum bid price requirement, our common stock must maintain a minimum closing bid price of \$1.00 for at least ten consecutive business days during the Compliance Period. In the event we do not regain compliance by the end of the Compliance Period, we may be eligible for additional time to regain compliance. To qualify, we will be required to meet the continued listing requirement for the market value of our publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split if necessary. If we meet these requirements, we may be granted an additional 180 calendar days to regain compliance. However, if it appears to Nasdaq that we will be unable to cure the deficiency, or if we are not otherwise eligible for the additional cure period, Nasdaq will provide notice that our common stock will be subject to delisting.

The letter has no immediate impact on the listing of the Company’s common stock, which will continue to be listed and traded on The Nasdaq Capital Market, subject to the Company’s compliance with the other listing requirements of The Nasdaq Capital Market. Additionally, a vote of stockholders at our September 18, 2019 Annual Meeting of Stockholders authorizes management to enact a reverse split of our common shares of not less than 1-to-2 and not greater than 1-to-10 before September 18, 2020, in an effort to increase the trading price of our common stock.

## Results of Operations

### Three and six months ended October 31, 2019 compared to the three and six months ended October 31, 2018

#### *Net Revenues*

We are an exploration stage company with no operations, and we generated no revenues for the three- and six-month periods ended October 31, 2019 and 2018.

#### *Operating Expenses*

Total operating expenses for the six months ended October 31, 2019 as compared to the six months ended October 31, 2018, were approximately \$3.5 million and \$4.5 million, respectively. The approximate \$945,000 decrease in operating expenses for the six months ended October 31, 2019 as compared to six months ended October 31, 2018 is comprised of a decrease of approximately \$650,000 in compensation as a result of a decrease in stock-based compensation due to decrease in issuance of stock options and common stock issued to our officers and employees as compared to prior period, a \$627,000 decrease in exploration expenses on our mineral properties due to an decrease in exploration activities and an increase in professional fees of approximately \$298,000 due primarily to an increase in investor relations, legal fees and stock-based compensation to our board of directors and an overall increase in general and administrative expenses of approximately \$34,000 due primarily to increases in insurance expense and travel and related expenses.

Total operating expenses for the three months ended October 31, 2019 as compared to the three months ended October 31, 2018, were approximately \$2.2 million and \$3.0 million, respectively. The approximate \$772,000 decrease in operating expenses for the three months ended October 31, 2019 as compared to three months ended October 31, 2018 is comprised of a decrease of approximately \$635,000 in compensation as a result of a decrease in stock-based compensation due to decrease in issuance of stock options and common stock issued to our officers and employees as compared to the prior comparable period, a decrease of approximately \$318,000 in exploration expenses on our mineral properties due to a decrease in exploration activities, an increase of approximately \$196,000 in professional fees due primarily to an increase in investor relations expenses and stock-based compensation to our board of directors, and a decrease of approximately \$14,000 in general and administrative expenses.

#### *Loss from Operations*

We reported loss from operations of approximately \$3.5 million and \$4.5 million for the six months ended October 31, 2019 and 2018, respectively. We reported loss from operations of approximately \$2.2 million and \$3.0 million for the three months ended October 31, 2019 and 2018, respectively.

#### *Net Loss*

As a result of the operating expense with no revenues discussed above, we reported a net loss of approximately \$3.5 million for the six months ended October 31, 2019 as compared to a net loss of \$4.5 million for the six months ended October 31, 2018. We reported a net loss of approximately \$2.2 million for the three months ended October 31, 2019 as compared to a net loss of \$3.0 million for the three months ended October 31, 2018.

## Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at October 31, 2019 compared to April 30, 2019, and the increase between those periods:

	October 31, 2019	April 30, 2019	Increase (Decrease)
Current Assets	\$ 2,388,297	\$ 2,810,442	\$ (422,145)
Current Liabilities	\$ 258,702	\$ 160,209	\$ 98,493
Working Capital	\$ 2,129,595	\$ 2,650,233	\$ (520,638)

As of October 31, 2019, we had working capital of \$2,129,595 as compared to working capital of \$2,650,233 as of April 30, 2019, a decrease of \$520,638. During the six months ended October 31, 2019, we received net proceeds of approximately \$2.4 million from the issuance of preferred stock and warrants. We used the proceeds primarily to fund operations during the six months ended October 31, 2019.

We are obligated to file annual, quarterly and current reports with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") and the rules subsequently implemented by the Commission and the Public Company Accounting Oversight Board have imposed various requirements on public companies, including requiring changes in corporate governance practices. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities of ours more time-consuming and costlier. We expect to spend between \$200,000 and \$250,000 in legal and accounting expenses annually to comply with our reporting obligations and Sarbanes-Oxley. These costs could affect profitability and our results of operations.

Our unaudited condensed consolidated financial statements are prepared using the accrual method of accounting in accordance with U.S. GAAP and have been prepared assuming that we will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. For the six months ended October 31, 2019 and 2018, we incurred losses in the amounts of approximately \$3.5 million and \$4.5 million, respectively. As of October 31, 2019, we had cash of approximately \$1.9 million. The Company has sufficient cash to fund its operations for approximately 10 months and will be required to raise additional funds. There can be no assurance that the Company will be able to raise additional capital or if the terms will be favorable.

Management has determined that additional capital will be required to continue its operations. There are no assurances that management will be able to raise capital on terms acceptable to us. If we are unable to obtain sufficient amounts of additional capital, we may be required to reduce the scope of our planned exploration activities, which could harm our business, financial condition and operating results. If we obtain additional funds by selling any of our equity securities or by issuing common stock to pay current or future obligations, the percentage ownership of our stockholders will be reduced, stockholders may experience additional dilution, or the equity securities may have rights preferences or privileges senior to the common stock. If adequate funds are not available to us when needed on satisfactory terms, or at all, we may be required to cease operating or otherwise modify our business strategy.

### Cash Used in Operating Activities

Net cash used in operating activities totaled \$2.8 million and \$3.6 million for the six months ended October 31, 2019 and 2018, respectively. Net loss for the six months ended October 31, 2019 and 2018 totaled approximately \$3.5 million and \$4.5 million, respectively. Additionally, we expensed approximately \$575,000 in stock-based compensation for options and shares issued to employees and consultants during the six months ended October 31, 2019. Net changes in operating assets and liabilities are primarily due to net increases in reclamation of bond deposits of approximately \$16,000 and \$5,000 in accrued liabilities, offset by a net decrease in prepaid expenses and other current assets of approximately \$45,000, \$17,000 in trade accounts payable, and \$5,000 in accounts payable to related-parties in the six months ended October 31, 2019.

### Cash Provided by Investing Activities

Net cash provided by investing activities totaled approximately \$159,000 for the six months ended October 31, 2019 due to cash received in connection with a share exchange agreement, as compared to no such investing activities during the six months ended October 31, 2018.

### Cash Provided by Financing Activities

Net cash provided by financing activities totaled approximately \$2.4 million, net of issuance costs, for the six months ended October 31, 2019 due to the issuance of Series F Preferred Stock and warrants as compared to no issuances of preferred stock or warrants during the six months ended October 31, 2018.

## **Off-Balance Sheet Arrangements**

As of October 31, 2019, we did not have, and do not have any present plans to implement, any off-balance sheet arrangements.

## **Recently Issued Accounting Pronouncements**

See Note 2, Summary of Significant Accounting Policies, to the unaudited condensed consolidated financial statements for a summary of recently issued accounting pronouncements.

## **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

### Use of Estimates and Assumptions

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet, and revenues and expenses for the period then ended. Actual results may differ significantly from those estimates. Significant estimates made by management include, but are not limited to valuation of mineral rights, stock-based compensation, the assumptions used to fair value of common and preferred stock, valuation of warrants, asset retirement obligations, and the valuation of deferred tax assets and liabilities.

### Stock-Based Compensation

Stock-based compensation is accounted for based on the requirements of Accounting Standards Codification (“ASC”) 718, “Compensation—Stock Compensation” (“ASC 718”), which requires recognition in the financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). ASC 718 also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award. Pursuant to ASC 505, “Equity—Equity Based Payments to Non-Employees” (“ASC 505-50”), for share-based payments to consultants and other third parties, compensation expense is determined at the measurement date, which is the grant date. Until the measurement date is reached, the total amount of compensation expense remains uncertain.

In June 2018, the FASB issued Accounting Standards Update 2018-07, “Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting” (“ASU 2018-07”), which expands the scope of Topic 718 to include all share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 specifies that Topic 718 applies to all share-based payment transactions in which the grantor acquires goods and services to be used or consumed in its own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC 606. ASU 2018-07 is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, with early adoption permitted, but no earlier than adoption of ASC 606. We chose to early adopt ASU 2018-07 in July 2018. The adoption of this standard did not have a material effect on our consolidated financial statements and related disclosures.

### Mineral Rights

Costs of leasing, exploring, carrying and retaining unproven mineral lease properties are expensed as incurred. We expense all mineral exploration costs as incurred as we are still in the exploration stage. If we identify proven and probable reserves in our investigation of our properties and upon development of a plan for operating a mine, we would enter the development stage and capitalize future costs until production is established.

When a property reaches the production stage, the related capitalized costs are amortized on a units-of-production basis over the proven and probable reserves following the commencement of production. We assess the carrying costs of the capitalized mineral properties for impairment under ASC 360-10, “Impairment of Long-Lived Assets”, and evaluate its carrying value under ASC 930-360, “Extractive Activities—Mining”, annually. An impairment is recognized when the sum of the expected undiscounted future cash flows is less than the carrying amount of the mineral properties. Impairment losses, if any, are measured as the excess of the carrying amount of the mineral properties over its estimated fair value.

ASC 930-805, “Extractive Activities-Mining: Business Combinations” (“ASC 930-805”), states that mineral rights consist of the legal right to explore, extract, and retain at least a portion of the benefits from mineral deposits. Mining assets include mineral rights. Acquired mineral rights are considered tangible assets under ASC 930-805. ASC 930-805 requires that mineral rights be recognized at fair value as of the acquisition date. As a result, the direct costs to acquire mineral rights are initially capitalized as tangible assets. Mineral rights include costs associated with acquiring patented and unpatented mining claims.

Leases to explore for or use of natural resources are outside the scope of ASU 2016-02 “Leases”.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, we are not required to include disclosure under this item.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### ***Disclosure Controls and Procedures***

We maintain “disclosure controls and procedures,” as that term is defined in Rule 13a-15(e), promulgated by the Commission pursuant to the Exchange Act. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures. Our management, with the participation of our principal executive officer and principal financial officer, evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that as of October 31, 2019, our disclosure controls and procedures were effective.

#### ***Changes in Internal Control Over Financial Reporting***

During the three months ended October 31, 2019, the Company made certain changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting:

As identified in our Annual Report on Form 10-K for the year ended April 30, 2019, we made commitments for compliance with the Sarbanes-Oxley Act of 2002, and further, made enhancements to our financial statement review and approval processes to more fully incorporate the full management team and Chief Financial Officer in reviewing the results of the reported period to remedy a material weakness that had been previously identified and continue to exist for the quarter ended July 31, 2019. The material weakness was fully remediated with the quarter ending October 31, 2019 quarter.

## **PART II: OTHER INFORMATION**

### **Item 1. LEGAL PROCEEDINGS**

From time to time we may be involved in claims and legal actions that arise in the ordinary course of business. To our knowledge, there are no material pending legal proceedings to which we are a party or of which any of our property is the subject.

### **Item 1A. RISK FACTORS.**

Except as follows and as supplemented by the Risk Factors disclosed in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2019, which was filed with the Commission on September 16, 2019, there were no material changes to the Risk Factors disclosed in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended April 30, 2019. For more information concerning our risk factors, please see “Item 1A. Risk Factors” in our Form 10-K.

#### ***Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in a delisting of our common stock.***

As previously reported, on November 7, 2019, we received a letter from the Listing Qualifications Department of the Nasdaq Stock Market (“Nasdaq”) indicating that, based upon the closing bid price of our common stock for the 30 consecutive business day period between September 26, 2019, through November 6, 2019, we did not meet the minimum bid price of \$1.00 per share required for continued listing on The Nasdaq Capital Market pursuant to NASDAQ Listing Rule 5550(a)(2). The letter also indicated that we will be provided with a compliance period of 180 calendar days, or until May 5, 2020 (the “Compliance Period”), in which to regain compliance pursuant to Nasdaq Listing Rule 5810(c)(3)(A).

In order to regain compliance with Nasdaq’s minimum bid price requirement, our common stock must maintain a minimum closing bid price of \$1.00 for at least ten consecutive business days during the Compliance Period. In the event that we do not regain compliance by the end of the Compliance Period, we may be eligible for additional time to regain compliance. To qualify, we will be required to meet the continued listing requirement for the market value of our publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split if necessary. If we meet these requirements, we may be granted an additional 180 calendar days to regain compliance. However, if it appears to Nasdaq that we will be unable to cure the deficiency, or if we are not otherwise eligible for the additional cure period, Nasdaq will provide notice that our common stock will be subject to delisting.

To resolve the noncompliance, we may consider available options including a reverse stock split, which may not result in a permanent increase in the market price of our common stock, which is dependent on many factors, including general economic, market and industry conditions and other factors detailed from time to time in the reports we file with the Commission. It is not uncommon for the market price of a company's shares to decline in the period following a reverse stock split.

Although we expect to take actions intended to restore our compliance with the listing requirements, we can provide no assurance that any action taken by us would be successful, or that any such action would stabilize the market price or improve the liquidity of our common stock. Should a delisting occur, a stockholder would likely find it significantly more difficult to dispose of, or to obtain accurate quotations as to the value of our common stock, and our ability to raise future capital through the sale of our common stock could be severely limited.

## **Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Other than as set forth below, there were no sales of unregistered securities during the quarter ended October 31, 2019 that were not previously reported on a Current Report on Form 8-K. None of the following transactions involved any underwriters, underwriting discounts or commissions. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access sufficient information about us to make an informed investment decision. The sales of these securities were made without any general solicitation or advertising. Each of the issuances set forth below was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereof and Rule 506 of Regulation D promulgated thereunder as a transaction not involving a public offering.

On September 18, 2019, the Compensation Committee of the Board of Directors awarded five directors of the Company an aggregate of 250,000 shares of restricted stock pursuant to respective restricted stock award agreements. The shares of restricted stock vested immediately on the date of grant. The Company recognized stock-based compensation of \$257,500 or \$1.03 per share based on the quoted trading price on the date of grant.

## **Item 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

## **Item 4. MINE SAFETY DISCLOSURES**

Pursuant to Section 1503(a) of the Dodd-Frank Act, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose specified information about mine health and safety in their periodic reports. These reporting requirements are based on the safety and health requirements applicable to mines under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") which is administered by the U.S. Department of Labor's Mine Safety and Health Administration ("MSHA"). During the three-month period ended October 31, 2019, we and our properties or operations were not subject to regulation by MSHA under the Mine Act and thus no disclosure is required under Section 1503(a) of the Dodd-Frank Act.

## **Item 5. OTHER INFORMATION.**

None.

## **Item 6. EXHIBITS.**

<b>Exhibit No</b>	<b>Description</b>
2.1#	<a href="#"><u>Agreement and Plan of Merger dated June 13, 2016 by and between Dataram Corporation, Dataram Acquisition Sub, Inc., U.S. Gold Corp. and Copper King LLC.* Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on June 13, 2016.</u></a>
2.2#	<a href="#"><u>Amended and Restated Agreement and Plan of Merger dated July 29, 2016 by and between Dataram Corporation, Dataram Acquisition Sub, Inc., U.S. Gold Corp. and Copper King LLC.* Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on August 2, 2016.</u></a>
2.3#	<a href="#"><u>Second Amended and Restated Agreement and Plan of Merger dated September 14, 2016 by and between Dataram Corporation, Dataram Acquisition Sub, Inc., U.S. Gold Corp. and Copper King LLC.* Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on September 15, 2016.</u></a>

2.4#	<a href="#"><u>Third Amended and Restated Agreement and Plan of Merger dated November 28, 2016 by and between Dataram Corporation, Dataram Acquisition Sub, Inc., U.S. Gold Corp. and Copper King LLC.* Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on November 29, 2016.</u></a>
2.5#	<a href="#"><u>Articles of Merger as filed with the Nevada Secretary of State on May 23, 2017.* Incorporated by reference from Exhibit 3.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on May 26, 2017.</u></a>
3.1	<a href="#"><u>Certificate of Designations of 0% Series F Convertible Preferred Stock. Incorporated by reference from Exhibit 3.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2019.</u></a>
4.1	<a href="#"><u>Form of Class X Warrant Certificate. Incorporated by reference from Exhibit 4.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2019.</u></a>
4.2	<a href="#"><u>Form of Class Y Warrant Certificate. Incorporated by reference from Exhibit 4.2 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2019.</u></a>
4.3	<a href="#"><u>Form of Class A Warrant Certificate. Incorporated by reference from Exhibit 4.3 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on June 20, 2019.</u></a>
10.1	<a href="#"><u>Share Exchange Agreement, dated September 10, 2019, by and among the Company, 2637262 Ontario Inc. and all of the shareholders of 2637262 Ontario Inc. Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on September 11, 2019.</u></a>
10.2	<a href="#"><u>U.S. Gold Corp 2020 Stock Incentive Plan. Incorporated by reference from Exhibit 10.1 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2019.</u></a>
10.3	<a href="#"><u>Restricted Stock Unit Award Agreement, dated as of September 18, 2019, by and between Edward Karr and U.S. Gold Corp. Incorporated by reference from Exhibit 10.2 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2019.</u></a>
10.4	<a href="#"><u>Restricted Stock Unit Award Agreement, dated as of September 18, 2019, by and between David Rector and U.S. Gold Corp. Incorporated by reference from Exhibit 10.3 to a Current Report on Form 8-K filed with the Securities and Exchange Commission on September 24, 2019.</u></a>
10.5	<a href="#"><u>Form of Restricted Stock Unit Award Agreement under the U.S. Gold Corp. 2020 Stock Incentive Plan.</u></a>
10.6	<a href="#"><u>Form of Restricted Stock Award Agreement under the U.S. Gold Corp. 2020 Stock Incentive Plan.</u></a>
10.7	<a href="#"><u>Form of Nonqualified Stock Option Award Agreement under the U.S. Gold Corp. 2020 Stock Incentive Plan.</u></a>
31(a)	<a href="#"><u>Rule 13a-14(a) Certification of Edward M. Karr.</u></a>
31(b)	<a href="#"><u>Rule 13a-14(a) Certification of Ted R. Sharp.</u></a>
32(a)	<a href="#"><u>Section 1350 Certification of Edward M. Karr (furnished not filed).</u></a>
32(b)	<a href="#"><u>Section 1350 Certification of Ted R. Sharp (furnished not filed).</u></a>
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

# Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. U.S. Gold Corp. hereby undertakes to furnish supplemental copies of any of the omitted schedules and exhibits upon request by the Securities and Exchange Commission.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

U.S. GOLD CORP.

Date: December 16, 2019

By: /s/ Edward M. Karr  
Edward M. Karr  
President and Chief Executive Officer  
(Principal Executive Officer)

Date: December 16, 2019

By: /s/ Ted R. Sharp  
Ted R. Sharp  
Principal Financial and Accounting Officer



## RESTRICTED STOCK UNIT AWARD AGREEMENT

U.S. GOLD CORP.  
2020 STOCK INCENTIVE PLAN

1. Award of Restricted Stock Units. Pursuant to the U.S. Gold Corp. 2020 Stock Incentive Plan (the "**Plan**") for employees, officers, consultants, independent contractors, and non-employee Directors of U.S. Gold Corp., a Nevada corporation (the "**Company**"), the Company grants to

---

(the "**Participant**")

an Award under the Plan for \_\_\_\_\_ (\_\_\_\_\_) Restricted Stock Units (the "**Awarded Units**") which may be converted into the number of Shares of the Company equal to the number of Restricted Stock Units, subject to the terms and conditions of the Plan and this Restricted Stock Unit Award Agreement (this "**Agreement**"). The "**Date of Grant**" of this Restricted Stock Unit Award is \_\_\_\_\_, 20\_\_\_\_. Each Awarded Unit shall be a notional Share, with the value of each Awarded Unit being equal to the Fair Market Value of a Share at any time.

2. Subject to Plan. This Agreement is subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. This Agreement is subject to any rules promulgated pursuant to the Plan by the Board or the Committee and communicated to the Participant in writing.

3. Vesting; Time of Delivery of Shares. Awarded Units which have become vested pursuant to the terms of this Section 3 are collectively referred to herein as "**Vested RSUs**." All other Awarded Units are collectively referred to herein as "**Unvested RSUs**."

a. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Awarded Units shall be vested on the first to occur of the following: (i) a Change in Control or (ii) a material discovery of a mineral deposit by the Company, as determined by the Committee in its sole discretion.

b. Subject to the provisions of the Plan and this Agreement, upon the vesting of Awarded Units, or as soon as practicable following vesting, and in no event, later than sixty (60) days after vesting of the Awarded Units, the Company shall convert the Vested RSUs into the number of whole Shares equal to the number of Vested RSUs and shall deliver to the Participant or the Participant's personal representative a number of Shares equal to the number of Vested RSUs credited to the Participant.

4. Forfeiture of Awarded Units. Except as otherwise provided in Section 3.a. above, upon the Participant's termination of employment with or services to the Company of, if applicable, an Affiliate ("**Termination of Service**"), for any reason, the Participant shall be deemed to have forfeited all of the Participant's Unvested RSUs. Upon forfeiture, all of the Participant's rights with respect to the forfeited Unvested RSUs shall cease and terminate, without any further obligations on the part of the Company.

---

5. Who May Receive Converted Awarded Units. During the lifetime of the Participant, the Shares received upon conversion of Awarded Units may only be received by the Participant or his legal representative. If the Participant dies prior to the date his Awarded Units are converted into Shares as described in Section 3 above, the Shares relating to such converted Awarded Units may be received by any individual who is entitled to receive the property of the Participant pursuant to the applicable laws of descent and distribution.

6. No Fractional Shares. Awarded Units may be converted only with respect to full shares, and no fractional Shares shall be issued.

7. Nonassignability. The Awarded Units are not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

8. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any Shares covered by this Agreement until the issuance of a certificate or certificates to the Participant or the registration of such Shares in the Participant's name. The Awarded Units shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 9 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates or the registration of such Shares in the Participant's name. The Participant, by his execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the Shares.

9. Adjustment of Number of Awarded Units and Related Matters. The number of Shares covered by the Awarded Units shall be subject to adjustment in accordance with Section 4(c) of the Plan.

10. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

11. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that the Company will not be obligated to issue any Shares to the Participant hereunder, if the issuance of such Shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all applicable laws.

12. Investment Representation. Unless the Shares are issued to the Participant in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Shares which may be acquired hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Shares are issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Shares shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

13. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Award subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

14. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada (excluding any conflict of laws rule or principle of Nevada law that might refer the governance, construction, or interpretation of this agreement to the laws of another state).

15. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Affiliate, whether as an employee, officer, consultant, independent contractor, or Director, or to interfere with or restrict in any way the right of the Company or any Affiliate to discharge the Participant as an Eligible Person at any time.

16. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

17. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

18. Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

19. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

20. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

21. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

22. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

23. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

U.S. Gold Corp.  
1910 E. Idaho Street, Suite 102-Box 604  
Elko, Nevada 89801  
Attn: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

24. Section 409A; Six Month Delay. Notwithstanding anything herein to the contrary, in the case of a conversion of Awarded Units and distribution of Shares on account of any Termination of Service (other than death), if the Participant is a "specified employee" as defined in § 1.409A-1(i) of the final regulations under Section 409A of the Code, then solely to the extent required under Section 409A of the Code, a distribution of the number of such Shares to the Participant (determined after application of the withholding requirements set forth in Section 25 below), shall not occur until the date which is six (6) months following the date of the Participant's Termination of Service (or, if earlier, the date of death of the Participant).

25. Tax Requirements. The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement. Unless the Company otherwise consents in writing to an alternative withholding method, the Company, or if applicable, any Affiliate (for purposes of this Section 25, the term "*Company*" shall be deemed to include any applicable Affiliate) shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with this Award. The Company may, in its sole discretion and prior to the date of conversion, require the Participant receiving Shares upon conversion of Awarded Units to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to this Award. Such payments shall be required to be made prior to the delivery of any certificate or the registration of such Shares in the Participant's name for such Shares. Such payment may be made by the Participant: (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon receipt of (or the lapse of restrictions relating to) such Awarded Units with a Fair Market Value equal to the amount of such taxes required to be withheld (subject to any limitations required by the Financial Accounting Standards Board's ASC Topic 718 to avoid adverse accounting treatment); (b) delivering to the Company, Shares other than Shares issuable upon receipt of (or the lapse of restrictions relating to) such Awarded Units with a Fair Market Value equal to the amount of such required tax withholdings; or (c) delivering cash to the Company in an amount that equals or exceeds the required tax withholding obligations of the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant or withhold the number of Shares to be delivered upon the conversion of the Awarded Units with an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional Shares) the required tax withholding obligations of the Company; provided, however, if the Participant is a "specified employee" as defined in § 1.409A-1(i) of the final regulations under Section 409A of the Code who is subject to the six (6) months delay provided for in Section 24 above, the Company shall withhold the number of Shares attributable to the employment taxes on the date of the Participant's Termination of Service and withhold the number of Shares attributable to the income taxes on the date which occurs six (6) months following the date of the Participant's Termination of Service (or, if earlier, the date of death of the Participant).

*[Remainder of Page Intentionally Left Blank;  
Signature Page Follows.]*

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

**COMPANY:**

U.S. Gold Corp.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTICIPANT:**

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_



## RESTRICTED STOCK AWARD AGREEMENT

U.S. GOLD CORP.  
2020 STOCK INCENTIVE PLAN

1. Grant of Award. Pursuant to the U.S. Gold Corp. 2020 Stock Incentive Plan (the "**Plan**") for employees, officers, consultants, independent contractors, and non-employee Directors of U.S. Gold Corp., a Nevada corporation (the "**Company**"), the Company grants to

\_\_\_\_\_  
(the "**Participant**")

an Award of Restricted Stock in accordance with Section 6(c) of the Plan. The number of Shares awarded under this Restricted Stock Award Agreement (the "**Agreement**") is \_\_\_\_\_ (\_\_\_\_\_) Shares (the "**Awarded Shares**"). The "**Date of Grant**" of this Award is \_\_\_\_\_, 20\_\_.

2. Subject to Plan. This Agreement is subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. This Agreement is subject to any rules promulgated pursuant to the Plan by the Board or the Committee and communicated to the Participant in writing.

3. Vesting. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Awarded Shares shall be fully vested on the Date of Grant.

4. Forfeiture of Awarded Shares. Awarded Shares that are not vested in accordance with Section 3 shall be forfeited on the date of the Participant's termination of employment with or services to the Company or, if applicable, an Affiliate ("**Termination of Service**"). Upon forfeiture, all of the Participant's rights with respect to the forfeited Awarded Shares shall cease and terminate, without any further obligations on the part of the Company.

5. Restrictions on Awarded Shares. Subject to the provisions of the Plan and the terms of this Agreement, from the Date of Grant until the date the Awarded Shares are vested in accordance with Section 3 and are no longer subject to forfeiture in accordance with Section 4 (the "**Restriction Period**"), the Participant shall not be permitted to sell, transfer, pledge, hypothecate, margin, assign, or otherwise encumber any of the Awarded Shares that have not vested. Except for these limitations, the Committee may, in its sole discretion, remove any or all of the restrictions on such Awarded Shares whenever it may determine that, by reason of changes in applicable laws or changes in circumstances after the date of this Agreement, such action is appropriate.

6. Legend. The following legend shall be placed on all certificates issued representing Awarded Shares:

On the face of the certificate:

"Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate."

---

On the reverse:

“The shares of stock evidenced by this certificate are subject to and transferable only in accordance with that certain U.S. Gold Corp. 2020 Stock Incentive Plan, a copy of which is on file at the principal office of the Company in Elko, NV. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan. By acceptance of this certificate, any holder, transferee or pledgee hereof agrees to be bound by all of the provisions of said Plan.”

The following legend shall be inserted on a certificate evidencing Shares issued under the Plan if the Shares were not issued in a transaction registered under the applicable federal and state securities laws:

“Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company.”

All Awarded Shares owned by the Participant shall be subject to the terms of this Agreement and shall be represented by a certificate or certificates bearing the foregoing legend.

7. Delivery of Certificates: Registration of Shares. The Company shall deliver certificates for the Awarded Shares to the Participant or shall register the Awarded Shares in the Participant’s name, free of restriction under this Agreement, promptly after, and only after, the Restriction Period has expired without forfeiture pursuant to Section 4.

8. Rights of a Stockholder. Except as provided in Section 4 and Section 5 above, the Participant shall have, with respect to his Awarded Shares, all of the rights of a stockholder of the Company, including the right to vote the Shares and the right to receive any dividends thereon.

9. Voting. The Participant, as record holder of the Awarded Shares, has the exclusive right to vote, or consent with respect to, such Awarded Shares until such time as the Awarded Shares are transferred in accordance with this Agreement; provided, however, that this Section 9 shall not create any voting right where the holders of such Awarded Shares otherwise have no such right.

10. Adjustment to Number of Awarded Shares. The number of Awarded Shares shall be subject to adjustment in accordance with Section 4(c) of the Plan.

11. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for a breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

12. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not acquire any Awarded Shares, and that the Company will not be obligated to issue any Awarded Shares to the Participant hereunder, if the issuance of such Shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The rights and obligations of the Company and the rights and obligations of the Participant are subject to all applicable laws, rules, and regulations.

13. Investment Representation. Unless the Awarded Shares are issued in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Shares which may be purchased and/or received hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Shares are issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Shares shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

14. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Award subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

15. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada (excluding any conflict of laws rule or principle of Nevada law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

16. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Affiliate, whether as an employee, officer, consultant, independent contractor, or Director, or to interfere with or restrict in any way the right of the Company or any Affiliate to discharge the Participant as an Eligible Person at any time.

17. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

18. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

19. Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

20. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein. No person shall be permitted to acquire any Awarded Shares without first executing and delivering an agreement in the form satisfactory to the Company making such person or entity subject to the restrictions on transfer contained herein.

21. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties hereto. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

22. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

23. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

24. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

U.S. Gold Corp.  
1910 E. Idaho Street, Suite 102-Box 604  
Elko, Nevada 89801  
Attn: \_\_\_\_\_  
Fax: \_\_\_\_\_

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

25. Tax Requirements. **The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement, the method and timing for filing an election to include this Agreement in income under Section 83(b) of the Code, and the tax consequences of such election. By execution of this Agreement, the Participant agrees that if the Participant makes such an election, the Participant shall provide the Company with written notice of such election in accordance with the regulations promulgated under Section 83(b) of the Code.** The Company or, if applicable, any Affiliate (for purposes of this Section 25, the term “*Company*” shall be deemed to include any applicable Affiliate), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with this Award. The Company may, in its sole discretion, also require the Participant receiving Shares issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant’s income arising with respect to this Award. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing Shares. Such payment may be made by the Participant: (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon receipt of (or the lapse of restrictions relating to) such Awarded Shares with a Fair Market Value equal to the amount of such taxes required to be withheld (subject to any limitations required by the Financial Accounting Standards Board’s ASC Topic 718 to avoid adverse accounting treatment); (b) delivering to the Company, Shares other than Shares issuable upon receipt of (or the lapse of restrictions relating to) such Awarded Shares with a Fair Market Value equal to the amount of such required tax withholdings; or (c) delivering cash to the Company in an amount that equals the required tax withholding obligations of the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

*[Remainder of Page Intentionally Left Blank;  
Signature Page Follows.]*

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

**COMPANY:**

U.S. Gold Corp.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTICIPANT:**

\_\_\_\_\_  
Signature  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_



## NONQUALIFIED STOCK OPTION AGREEMENT

U.S. GOLD CORP.  
2020 STOCK INCENTIVE PLAN

1. Grant of Option. Pursuant the U.S. Gold Corp. 2020 Stock Incentive Plan (the "**Plan**") for employees, officers, consultants, independent contractors, and non-employee Directors of U.S. Gold Corp., a Nevada corporation (the "**Company**"), the Company grants to

---

(the "**Participant**")

an option (the "**Stock Option**") to purchase a total of \_\_\_\_\_ full Shares of the Company (the "**Optioned Shares**") at an "**Option Price**" equal to \$\_\_\_\_ per share (being the Fair Market Value of a Share on the Date of Grant).

The "**Date of Grant**" of this Stock Option is \_\_\_\_\_. The "**Option Period**" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10<sup>th</sup>) anniversary of the Date of Grant, unless terminated earlier in accordance with Section 4 below. The Stock Option is a Nonqualified Stock Option that is intended to comply with the provisions governing nonqualified stock options under the final Treasury Regulations issued on April 17, 2007, in order to exempt this Stock Option from application of Section 409A of the Code.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Nonqualified Stock Option Agreement (this "**Agreement**"). The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Committee, as applicable, and communicated to the Participant in writing.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement, the Optioned Shares shall be vested, and the Stock Option shall be exercisable as follows:

a. \_\_\_\_\_ of the total Optioned Shares (rounded down for any fractional Shares) shall vest on \_\_\_\_\_, provided the Participant is providing services to the Company or an Affiliate on the applicable vesting date.

b. The remaining unvested Optioned Shares shall vest on \_\_\_\_\_, provided the Participant is providing services to the Company or an Affiliate on that date.

4. Term; Forfeiture. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares that are not vested on the date the Participant ceases to be a Service Provider, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested on such date will terminate at the first of the following to occur:

a. 5 p.m. on the date the Option Period terminates;

b. 5 p.m. on the date that is 90 days following the date on which the Participant ceases to be a Service Provider; or

---

c. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

5. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant ceases to be a Service Provider due to his death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of his estate or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant, provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and all applicable laws, rules, and regulations.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full Shares, and no fractional Shares shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of Shares with respect to which the Stock Option is to be exercised and the date of exercise thereof (the "**Exercise Date**"), which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant (or his legal representative) shall deliver to the Company consideration with a value equal to the total Option Price of the Shares to be purchased, payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company; (b) if the Company, in its sole discretion, so consents in writing, Shares owned by the Participant on the Exercise Date, valued at their Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date; (c) by requesting the Company to withhold the number of Shares otherwise deliverable upon exercise of the Stock Option by the number of Shares having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (*i.e.*, a cashless net exercise), and/or (d) in any other form of valid consideration that is acceptable to the Committee in its sole discretion.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Shares then being purchased to be delivered to the Participant or registered in his name promptly after the Exercise Date. The obligation of the Company to deliver or register the Shares shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Shares upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of Shares thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and the right to purchase such Optioned Shares may be forfeited by the Participant.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any of the Optioned Shares until the issuance of a certificate or certificates to the Participant or the registration of such Shares in the Participant's name. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates. The Participant, by his execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the Shares.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of Shares covered by the Stock Option and the Option Prices thereof shall be subject to adjustment in accordance with Section 4(c) of the Plan.

11. Nonqualified Stock Option. The Stock Option shall not be treated as an Incentive Stock Option.

12. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

13. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

14. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any Shares to the Participant hereunder, if the exercise thereof or the issuance of such Shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all applicable laws, rules, and regulations.

15. Investment Representation. Unless the Shares are issued to the Participant in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Shares which may be purchased hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Shares are issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Shares shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

16. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

17. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Nevada (excluding any conflict of laws rule or principle of Nevada law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

18. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, or Outside Director, or to interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, or Outside Director at any time.

19. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

20. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that is set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

21. Entire Agreement. This Agreement, together with the Plan, supersedes any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

22. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

23. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

24. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

25. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

26. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

- a. Notice to the Company shall be addressed and delivered as follows:

U.S. Gold Corp.  
1910 E. Idaho Street, Suite 102-Box 604  
Elko, Nevada 89801

Attn: \_\_\_\_\_  
Fax: \_\_\_\_\_

- b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

27. Tax Requirements. **The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement.** The Company or, if applicable, any Affiliate (for purposes of this Section 27, the term "**Company**" shall be deemed to include any applicable Affiliate), shall have the right to deduct from all amounts paid in cash or other form in connection with this Agreement, any federal, state, local, or other taxes required by law to be withheld in connection with the Plan and this Agreement. The Company may, in its sole discretion, also require the Participant receiving Shares issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to the Optioned Shares. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing Shares. Such payment may be made by the Participant: (a) electing to have the Company withhold a portion of the Shares otherwise to be delivered upon exercise of such Optioned Shares with a Fair Market Value equal to the amount of such taxes required to be withheld (subject to any limitations required by the Financial Accounting Standards Board's ASC Topic 718 to avoid adverse accounting treatment); (b) delivering to the Company, Shares other than Shares issuable upon exercise of such Optioned Shares with a Fair Market Value equal to the amount of such required tax withholdings; or (c) delivering cash to the Company in an amount that equals the required tax withholding obligations of the Company. Notwithstanding the foregoing, the Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

*[Remainder of Page Intentionally Left Blank;  
Signature Page Follows.]*

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

**COMPANY:**

U.S. Gold Corp.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PARTICIPANT:**

\_\_\_\_\_  
Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## Rule 13a-14(a) Certification

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edward M. Karr, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 16, 2019

/s/ Edward M. Karr

Edward M. Karr, President and  
Chief Executive Officer  
(Principal Executive Officer)

---



## Rule 13a-14(a) Certification

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ted R. Sharp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U.S. Gold Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 16, 2019

/s/ Ted R. Sharp

Ted R. Sharp  
Principal Financial and Accounting Officer

---



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of U.S. Gold Corp., a Nevada corporation (the "Company"), on Form 10-Q for the quarter ended October 31, 2019, as filed with the Securities and Exchange Commission (the "Report"), Edward M. Karr, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 16, 2019

*/s/ Edward M. Karr*

\_\_\_\_\_  
Edward M. Karr  
President and Chief Executive Officer  
(Principal Executive Officer)

[A signed original of this written statement required by Section 906 has been provided to U.S. Gold Corp. and will be retained by U.S. Gold Corp. and furnished to the Securities and Exchange Commission or its staff upon request.]

---



**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of U.S. Gold Corp., a Nevada corporation (the "Company"), on Form 10-Q for the quarter ended October 31, 2019, as filed with the Securities and Exchange Commission (the "Report"), Ted R. Sharp, Principal Financial and Accounting Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 16, 2019

/s/ Ted R. Sharp

Ted R. Sharp  
Principal Financial and Accounting Officer

[A signed original of this written statement required by Section 906 has been provided to U.S. Gold Corp. and will be retained by U.S. Gold Corp. and furnished to the Securities and Exchange Commission or its staff upon request.]

---

