

**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, 2021**

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: **001-08266**

U.S. GOLD CORP.

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State or other jurisdiction
of incorporation or organization)

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

(Address of Principal Executive Offices)

22-1831409

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

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 preceding 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 14, 2021, there were 7,096,723 shares outstanding.

U.S. GOLD CORP.
FORM 10-Q
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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 geologic surveys and determine the scope of our drilling program during our fiscal year ended April 30, 2022,
- the timing, duration and overall impact of the COVID-19 pandemic on our business and exploration activities,
- the impact of public health threats and outbreaks of other highly communicable diseases,
- the strength of the world economies,
- fluctuations in interest rates and foreign exchange rates,
- changes in governmental rules and regulations or actions taken by regulatory authorities,
- our ability to maintain compliance with the NASDAQ Capital Market's (the "NASDAQ") 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, 2022 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,
- volatility in the market price of our common stock,
- our ability to fund our business with our current cash reserves based on our currently planned activities,
- our ability to raise the necessary capital required to continue our business on terms acceptable to us or at all,
- 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 ability to retain key management and mining personnel necessary to successfully operate and grow our business,
- potential conflicts of interest involving members of our Board of Directors (the "Board") and senior management,
- our business and operating strategies,
- statements related to operating and legal risks, including potential liability from pending or future litigation, and
- other factors detailed in this Quarterly Report on Form 10-Q and from time to time in our annual report, other quarterly reports and periodic reports.

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, 2021.

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 statements can only be based on facts and factors currently known to us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Risk Factors" below, as well as those discussed elsewhere in this Quarterly Report on Form 10-Q. You should not unduly rely on any of our forward-looking statements. These statements speak only as of the date of this Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

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

	October 31, 2021	April 30, 2021
ASSETS		
CURRENT ASSETS:		
Cash	\$ 7,138,361	\$ 13,645,405
Prepaid expenses and other current assets	743,258	430,360
Total current assets	7,881,619	14,075,765
NON - CURRENT ASSETS:		
Property, net	193,399	172,222
Reclamation bond deposit	832,509	718,509
Operating lease right-of-use asset, net	91,823	-
Mineral rights	16,356,862	16,356,862
Total non - current assets	17,474,593	17,247,593
Total assets	\$ 25,356,212	\$ 31,323,358
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,631,267	\$ 619,038
Operating lease liabilities, current portion	52,016	-
Total current liabilities	1,683,283	619,038
LONG- TERM LIABILITIES		
Asset retirement obligation	248,318	204,615
Operating lease liabilities, less current portion	39,957	-
Total long-term liabilities:	288,275	204,615
Total liabilities	1,971,558	823,653
Commitments and Contingencies		
STOCKHOLDERS' EQUITY :		
Preferred stock, \$0.001 par value; 50,000,000 authorized		
Convertible Series F Preferred stock (\$0.001 Par Value; 1,250 Shares Authorized; none issued and outstanding as of October 31, 2021 and April 30, 2021)	-	-
Convertible Series G Preferred stock (\$0.001 Par Value; 127 Shares Authorized; none issued and outstanding as of October 31, 2021 and April 30, 2021)	-	-
Convertible Series H Preferred stock (\$0.001 Par Value; 106,894 Shares Authorized; none issued and outstanding as of October 31, 2021 and April 30, 2021)	-	-
Convertible Series I Preferred stock (\$0.001 Par Value; 921,666 Shares Authorized; none issued and outstanding as of October 31, 2021 and April 30, 2021)	-	-
Common stock (\$0.001 Par Value; 200,000,000 Shares Authorized; 7,096,723 and 7,065,621 shares issued and outstanding as of October 31, 2021 and April 30, 2021)	7,097	7,065
Additional paid-in capital	75,195,628	74,467,686
Accumulated deficit	(51,818,071)	(43,975,046)
Total stockholders' equity	23,384,654	30,499,705
Total liabilities and stockholders' equity	\$ 25,356,212	\$ 31,323,358

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, 2021	For the Three Months Ended October 31, 2020	For the Six Months Ended October 31, 2021	For the Six Months Ended October 31, 2020
Net revenues	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
Compensation and related taxes - general and administrative	377,833	1,087,752	768,482	1,282,025
Exploration costs	2,941,071	1,724,211	4,772,431	1,798,559
Professional and consulting fees	643,511	1,754,200	1,719,486	2,305,000
General and administrative expenses	330,895	278,503	582,626	416,202
Total operating expenses	4,293,310	4,844,666	7,843,025	5,801,786
Loss from operations	(4,293,310)	(4,844,666)	(7,843,025)	(5,801,786)
Loss before provision for income taxes	(4,293,310)	(4,844,666)	(7,843,025)	(5,801,786)
Provision for income taxes	-	-	-	-
Net loss	\$ (4,293,310)	\$ (4,844,666)	\$ (7,843,025)	\$ (5,801,786)
Deemed dividend related to beneficial conversion feature of preferred stock	-	(5,530,004)	-	(5,530,004)
Net loss applicable to U.S. Gold Corp. common shareholders	\$ (4,293,310)	\$ (10,374,670)	\$ (7,843,025)	\$ (11,331,790)
Net loss per common share, basic and diluted	\$ (0.61)	\$ (2.93)	\$ (1.10)	\$ (3.51)
Weighted average common shares outstanding - basic and diluted	7,091,249	3,539,582	7,124,215	3,224,791

See accompanying notes to unaudited condensed consolidated financial statements.

U.S. GOLD CORP. AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
 FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2021 AND 2020

	Preferred Stock - Series F \$0.001 Par Value		Preferred Stock - Series G \$0.001 Par Value		Preferred Stock - Series H \$0.001 Par Value		Preferred Stock - Series I \$0.001 Par Value		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, April 30, 2021	-	\$ -	-	\$ -	-	\$ -	-	\$ -	7,065,621	\$ 7,065	\$ 74,467,686	\$ (43,975,046)	\$ 30,499,705
Issuance of common stock for prepaid services	-	-	-	-	-	-	-	-	25,000	25	258,475	-	258,500
Stock-based compensation in connection with restricted common stock award grants and restricted common stock unit grants	-	-	-	-	-	-	-	-	-	-	232,443	-	232,443
Net loss	-	-	-	-	-	-	-	-	-	-	-	(3,549,715)	(3,549,715)
Balance, July 31, 2021	-	-	-	-	-	-	-	-	7,090,621	7,090	74,958,604	(47,524,761)	27,440,933
Issuance of common stock for services	-	-	-	-	-	-	-	-	5,647	6	47,494	-	47,500
Issuance of common stock for accrued services	-	-	-	-	-	-	-	-	455	1	4,999	-	5,000
Stock-based compensation in connection with restricted common stock award grants and restricted common stock unit grants	-	-	-	-	-	-	-	-	-	-	184,531	-	184,531
Net loss	-	-	-	-	-	-	-	-	-	-	-	(4,293,310)	(4,293,310)
Balance, October 31, 2021	-	\$ -	-	\$ -	-	\$ -	-	\$ -	7,096,723	\$ 7,097	\$ 75,195,628	\$ (51,818,071)	\$ 23,384,654
	Preferred Stock - Series F \$0.001 Par Value		Preferred Stock - Series G \$0.001 Par Value		Preferred Stock - Series H \$0.001 Par Value		Preferred Stock - Series I \$0.001 Par Value		Common Stock \$0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, April 30, 2020	-	\$ -	57	\$ -	-	\$ -	-	\$ -	2,903,393	\$ 2,903	\$ 41,093,050	\$ (31,587,952)	\$ 9,508,001
Conversion of preferred stock into common stock	-	-	(57)	-	-	-	-	-	20,357	21	(21)	-	-
Stock options granted for services	-	-	-	-	-	-	-	-	-	-	51,262	-	51,262
Stock-based compensation in connection with restricted common stock award grants and restricted common stock unit grants	-	-	-	-	-	-	-	-	1,875	2	20,216	-	20,218
Net loss	-	-	-	-	-	-	-	-	-	-	-	(957,120)	(957,120)
Balance, July 31, 2020	-	-	-	-	-	-	-	-	2,925,625	2,926	41,164,507	(32,545,072)	8,622,361
Issuance of preferred stock for cash	-	-	-	-	-	-	921,666	922	-	-	5,529,082	-	5,530,004
Issuance of common stock for services	-	-	-	-	-	-	-	-	147,341	147	1,442,055	-	1,442,202
Issuance of preferred stock and common stock in connection with the Share Exchange Agreement	-	-	-	-	106,894	107	-	-	581,053	581	12,640,292	-	12,640,980
Issuance of common stock for exercise of warrants	-	-	-	-	-	-	-	-	10,000	10	69,990	-	70,000
Stock options granted for services	-	-	-	-	-	-	-	-	-	-	137,650	-	137,650
Stock-based compensation in connection with restricted common stock award grants and restricted common stock unit grants	-	-	-	-	-	-	-	-	-	-	77,250	-	77,250

Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(4,844,666)	(4,844,666)
Balance, October 31, 2020	-	\$ -	-	\$ -	106,894	\$ 107	921,666	\$ 922	3,664,019	\$ 3,664	\$61,060,826	\$(37,389,738)	\$ 23,675,781	

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, 2021	For the Six Months Ended October 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (7,843,025)	\$ (5,801,786)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16,107	9,716
Accretion	10,186	8,388
Amortization of right-of-use asset	14,808	-
Stock based compensation	464,474	1,728,582
Amortization of prepaid stock based expenses	182,376	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(236,774)	(297,805)
Reclamation bond deposit	(114,000)	(34,000)
Accounts payable and accrued liabilities	1,017,229	887,149
Accounts payable - related parties	-	(3,459)
Operating lease liability	(14,658)	-
NET CASH USED IN OPERATING ACTIVITIES	(6,503,277)	(3,503,215)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(3,767)	(39,493)
Proceeds received in connection with the share exchange agreement	-	2,500,000
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(3,767)	2,460,507
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of preferred stock, net of issuance cost	-	5,530,004
Issuance of common stock for exercise of warrants	-	70,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	5,600,004
NET (DECREASE) INCREASE IN CASH	(6,507,044)	4,557,296
CASH - beginning of period	13,645,405	2,749,957
CASH - end of period	<u>\$ 7,138,361</u>	<u>\$ 7,307,253</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
Issuance of common stock for accrued services	\$ 5,000	\$ 5,000
Issuance of common stock for prepaid services	\$ 258,500	\$ -
Deemed dividends - Series I preferred stock	\$ -	\$ 5,530,004
Issuance of common stock in connection with conversion of preferred stock	\$ -	\$ 21
Operating lease right-of-use asset and operating lease liability recorded upon adoption of ASC 842	106,631	-
Assumption of liabilities in connection with the share exchange agreement	\$ -	\$ 108,652
Increase in acquisition of mineral properties in connection with the share exchange agreement	\$ -	\$ 10,249,632
Increase in asset retirement cost and obligation	\$ 33,517	\$ 13,352

See accompanying notes to unaudited condensed consolidated financial statements.

U.S. GOLD CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2021

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.

On June 13, 2016, Gold King Corp. (“Gold King”), a private Nevada corporation, entered into an Agreement and Plan of Merger (the “Gold King 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. Upon closing of the transactions contemplated under the Gold King Merger Agreement (the “Gold King 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 Gold King 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 Gold King 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 Gold King Merger with Gold King. The Gold King Merger constituted a change of control and the majority of the board of directors changed with the consummation of the Gold King 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 200,000 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.

On March 17, 2020, the board of directors (the “Board”) of the Company approved a 1-for-10 reverse stock split of the Company’s issued and outstanding shares of common stock (the “Reverse Stock Split”), and on March 18, 2020, the Company filed with the Secretary of State of the State of Nevada a Certificate of Amendment to its Articles of Incorporation to effect the Reverse Stock Split. The Reverse Stock Split became effective as of 5:00 p.m. Eastern Time on March 19, 2020, and the Company’s common stock began trading on a split-adjusted basis when the market opened on March 20, 2020. Accordingly, all common stock and per share data are retrospectively restated to give effect of the split for all periods presented herein.

On August 10, 2020, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Gold King Acquisition Corp. (“Acquisition Corp.”), a wholly owned subsidiary of the Company, Northern Panther Resources Corporation (“Northern Panther” or “NPRC”) and the Stockholder Representative named therein, pursuant to which Acquisition Corp. merged with and into NPRC, with NPRC surviving as a wholly-owned subsidiary of the Company.

None of the Company’s properties contain proven and probable reserves and all of the Company’s activities are exploratory in nature.

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 (the “SEC”) 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, 2021. 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, 2021, which are contained in the Form 10-K filed on July 29, 2021. The unaudited condensed consolidated balance sheet as of October 31, 2021 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 during the six months ended October 31, 2021 are not necessarily indicative of the results to be expected for the year ending April 30, 2022.

U.S. GOLD CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2021

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 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.

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, 2021 and April 30, 2021, the Company had no financial instruments or liabilities accounted for at fair value on a recurring basis or nonrecurring basis.

Prepaid expenses and other current assets

Prepaid expenses and other current assets of \$743,258 and \$430,360 at October 31, 2021 and April 30, 2021, respectively, consist primarily of costs paid for future services which will occur within a year. Prepaid expenses principally include prepayments in cash and equity instruments for consulting, public relations, business advisory services, insurance premiums, mining claim fees, drilling fees, easement fees, options fees, and mineral lease fees which are being amortized over the terms of their respective agreements.

Property

Property is carried at cost. The cost of repairs and maintenance is expensed as incurred; major replacements and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income in the year of disposition. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets, generally ten years.

U.S. GOLD CORP. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
OCTOBER 31, 2021

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. The Company did not recognize any impairment during the period ended October 31, 2021 and April 30, 2021.

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.

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"), 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.

ASU 2018-07 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.

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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 periods ended October 31, 2021 and April 30, 2021, the Company’s convertible preferred shares were accounted for as equity, with no liability recorded. There was no outstanding preferred stock as of October 31, 2021.

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.

Remediation and Asset Retirement Obligation

Asset retirement obligations (“ARO”), consisting primarily of estimated reclamation costs at the Company’s CK Gold, Keystone and Maggie Creek 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.

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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. Translation adjustments, and transaction gains or losses, have not had, and are not expected to have, a material effect on the results of operations of the Company and are included in general and administrative expenses.

Leases

On January 1, 2019, the Company adopted ASC Topic 842, Leases (Topic 842), the Company has elected the ‘package of practical expedients’, which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 month or less. Operating lease right of use assets (“ROU”) assets represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company use an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in general and administrative expenses in the statements of operations.

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 or for any related interest and penalties.

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.

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Recent Accounting Pronouncements

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.

In August 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging Contracts in Entity’s Own Equity (Subtopic 815-40), which eliminates the beneficial conversion and cash conversion accounting models for convertible instruments, amends the accounting for certain contracts in an entity’s own equity that are currently accounted for as derivatives because of specific settlement provisions, and modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS calculation. The standard is effective for annual periods beginning after December 15, 2021, and interim periods within those reporting periods. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those reporting periods. The standard can be adopted under the modified retrospective method or the full retrospective method. The Company expects that this guidance will not have a material impact on the Company’s condensed consolidated financial statements.

In October 2020, the FASB issued ASU 2020-09, Debt (Topic 470) - Amendments to SEC Paragraphs Pursuant to SEC Release No. 33-10762, or ASU 2020-09, to reflect the SEC’s amended disclosure rules for guaranteed debt securities offerings. The final rule amends the disclosure requirements in SEC Regulation S-X, Rule 3-10, which require entities to separately present financial statements for subsidiary issuers and guarantors of registered debt securities unless certain exceptions are met. The amended rule allows entities to provide summarized financial information of the parent company and its issuers and guarantors on a combined basis either in a note to the financial statements or as part of management’s discussion and analysis. ASU 2020-09 is effective for filings on or after January 4, 2021, with early adoption permitted. The adoption of this guidance did not have a material impact on the Company’s condensed consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40). This ASU reduces diversity in an issuer’s accounting for modifications or exchanges of freestanding equity-classified written call options (for example, warrants) that remain equity classified after modification or exchange. This ASU provides guidance for a modification or an exchange of a freestanding equity-classified written call option that is not within the scope of another Topic. It specifically addresses: (1) how an entity should treat a modification of the terms or conditions or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange; (2) how an entity should measure the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange; and (3) how an entity should recognize the effect of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange. This ASU will be effective for all entities for fiscal years beginning after December 15, 2021. An entity should apply the amendments prospectively to modifications or exchanges occurring on or after the effective date of the amendments. Early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the effect the adoption of this ASU will have on the condensed consolidated financial statements.

NOTE 3 — GOING CONCERN

The accompanying unaudited 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, 2021, the Company had cash of approximately \$7.1 million, working capital of approximately \$6.2 million and an accumulated deficit of approximately \$51.8 million. The Company had a net loss and cash used in operating activities of approximately \$7.8 million and \$6.5 million, respectively, for the six months ended October 31, 2021. 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. As of the date of filing the Form 10-Q for the period ended October 31, 2021, the Company had sufficient cash to fund its operations for approximately 6 to 8 months and expects that it would be required to raise additional funds to fund its operations thereafter. The ongoing COVID-19 pandemic has and may continue to adversely impact the Company’s business, as the Company’s operations are based in and rely on third parties located in areas affected by the pandemic. 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.

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The unaudited 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

As of the date of these 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, 2021	April 30, 2021
CK Gold Project	\$ 3,091,738	\$ 3,091,738
Keystone Project	1,028,885	1,028,885
Maggie Creek Project	1,986,607	1,986,607
Challis Gold Project	10,249,632	10,249,632
Total	\$ 16,356,862	\$ 16,356,862

NOTE 5 — PROPERTY AND EQUIPMENT

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

	October 31, 2021	April 30, 2021
Site costs	\$ 203,320	\$ 169,803
Computer equipment	7,265	3,498
Vehicle	39,493	39,493
Total	250,078	212,794
Less: accumulated depreciation	(56,679)	(40,572)
Total	\$ 193,399	\$ 172,222

For the three months ended October 31, 2021 and 2020, depreciation expense amounted to \$8,158 and \$5,516, respectively. For the six months ended October 31, 2021 and 2020, depreciation expense amounted to \$16,107 and \$9,716, respectively.

NOTE 6 — ASSET RETIREMENT OBLIGATION

In conjunction with various permit approvals permitting the Company to undergo exploration activities at the CK Gold, Keystone and Maggie Creek projects, 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, 2021	April 30, 2021
Balance, beginning of period	\$ 204,615	\$ 168,392
Addition and changes in estimates	33,517	18,746
Accretion expense	10,186	17,477
Balance, end of period	\$ 248,318	\$ 204,615

For the three months ended October 31, 2021 and 2020, accretion expense amounted to \$5,252 and \$4,328, respectively. For the six months ended October 31, 2021 and 2020, accretion expense amounted to \$10,186 and \$8,388, respectively.

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NOTE 7 – OPERATING LEASE RIGHT-OF-USE ASSETS AND OPERATING LEASE LIABILITIES

On May 1, 2021, the Company entered into a lease agreement for its lease facility in Cheyenne, Wyoming. The term of the lease is for a two-year period from May 2021 to May 2023 starting with a monthly base rent of \$1,667. The Company has an option to renew the lease for an additional three years beyond the primary term. The Company typically excludes options to extend the lease in a lease term unless it is reasonably certain that the Company will exercise the option and when doing so is in the Company's sole discretion. The base rent is subject to an annual increase as defined in the lease agreement. In addition to the monthly base rent, the Company is charged separately for common area maintenance which is considered a non-lease component. These non-lease component payments are expensed as incurred and are not included in operating lease assets or liabilities.

On September 1, 2021, the Company entered into another lease agreement for its lease facility in Cheyenne, Wyoming. The term of the lease is for a two-year period from September 2021 to August 2023 with a monthly base rent of \$3,100. The Company has an option to renew the lease for an additional two years upon giving a written notice from 60 to 120 days prior to the expiration of the initial term of this lease. The Company typically excludes options to extend the lease in a lease term unless it is reasonably certain that the Company will exercise the option and when doing so is in the Company's sole discretion.

During the three and six months ended October 31, 2021, lease expenses of \$11,350 and \$16,350 was included in general and administrative expenses as reflected in the accompanying unaudited condensed consolidated statements of operations.

Right-of- use assets are summarized below:

	<u>October 31, 2021</u>	<u>April 30, 2021</u>
Operating leases	\$ 91,823	\$ -

Operating Lease liabilities are summarized below:

	<u>October 31, 2021</u>	<u>April 30, 2021</u>
Operating lease, current portion	\$ 52,016	\$ -
Operating lease, long term portion	39,957	-
Total lease liability	\$ 91,973	\$ -

The weighted average remaining lease term for the operating leases is 1.67 years and the weighted average incremental borrowing rate is 8.0% at October 31, 2021.

The following table includes supplemental cash and non-cash information related to the Company's lease:

	<u>Six months ended October 31,</u>	
	<u>2021</u>	<u>2020</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating lease	\$ 16,200	\$ -
Lease assets obtained in exchange for new operating lease liabilities	\$ 106,631	\$ -

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Minimum lease payments under non-cancelable operating leases at October 31, 2021 are as follows:

Year ended April 30, 2022	28,600
Year ended April 30, 2023	57,800
Year ended April 30, 2024	12,400
Total	\$ 98,800
Less: imputed interest	(6,827)
Total present value of lease liability	\$ 91,973

NOTE 8 — RELATED PARTY TRANSACTIONS

On April 16, 2019, the Company entered into a one-year consulting agreement with a director of the Company for providing services related to investor and strategic introduction to potential industry partners. In consideration for these services, the consultant was paid \$3,750 per month in cash, and total shares of the Company's common stock with a value of \$45,000. In April 2019, the Company issued 4,592 shares of the Company's common stock, valued at \$45,000 at the market price on the dates of grant, in connection with this consulting agreement. On January 7, 2021, the Company entered into another one-year agreement ("January 2021 Agreement") with the director providing for an annual fee of \$86,000 consisting of shares of the Company's common stock with a value of \$50,000 and cash payments of \$36,000, which is paid \$3,000 per month. In January 2021, the Company issued 3,222 shares of common stock pursuant to the January 2021 Agreement. The Company paid consulting fees to such director of \$9,000 and \$0 in cash during the three months ended October 31, 2021 and 2020, respectively. The Company paid consulting fees to such director of \$18,000 and \$3,750 in cash during the six months ended October 31, 2021 and 2020, respectively.

On March 19, 2021, the Company and Edward Karr, the Company's former Executive Chairman, agreed by mutual understanding, that Mr. Karr's employment as an officer and employee, and his service as a member of the board of directors, of the Company was terminated, effective March 19, 2021. In connection with Mr. Karr's departure, the Company entered into a General Release and Severance Agreement with Mr. Karr, as amended, pursuant to which Mr. Karr provided certain transition services to the Company through the Separation Date. Pursuant to the Separation Agreement, Mr. Karr is entitled to receive any equity awards granted to Mr. Karr by the Company. Additionally, on March 19, 2021, the Company entered into a one-year agreement ("March 2021 Agreement") for general corporate advisory services to be provided by Mr. Karr for an annual fee of \$180,000 consisting of shares of the Company's common stock with a value of \$60,000 and cash payments of \$120,000, which is paid \$10,000 per month. The Company paid consulting fees to Mr. Karr of \$30,000 in cash during the three months ended October 31, 2021. The Company paid consulting fees to Mr. Karr of \$60,000 in cash during the six months ended October 31, 2021 and recorded accrued expenses of \$37,500 in connection with the March 2021 consulting agreement and reflected in accounts payable and accrued liabilities in the accompanying unaudited consolidated balance sheets.

NOTE 9 — STOCKHOLDERS' EQUITY

As of October 31, 2021, authorized capital stock consisted of 200,000,000 shares of common stock, par value \$0.001 per share, and 50,000,000 shares of "blank check" preferred stock, par value \$0.001 per share, of which 1,300,000 shares are designated as Series A Convertible Preferred Stock, 400,000 shares are designated as Series B Convertible Preferred Stock, 45,002 shares are designated as Series C Convertible Preferred Stock, 7,402 shares are designated as Series D Convertible Preferred Stock, 2,500 shares are designated as Series E Convertible Preferred Stock, 1,250 shares are designated as Series F Preferred Stock, 127 shares are designated as Series G Preferred Stock, 106,894 shares are designated as Series H Preferred Stock, and 921,666 shares are designated as Series I Preferred Stock. The Company's Board has the authority, without further action by the stockholders, to issue shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions granted to or imposed upon the preferred stock.

Common Stock Issued, Restricted Stock Awards, and RSU's Granted for Services

On June 1, 2021, the Company granted 2,097 RSU's to a consultant for consulting services rendered. The 2,097 RSU's had a fair value of \$25,000 or \$11.92 per share of common stock based on the quoted trading price on the date of grant. The RSU's fully vested and expensed immediately.

On June 9, 2021, the Company issued 25,000 shares of common stock to a consultant in connection with an investor relations agreement for services to be rendered from April 2021 to April 2022. The 25,000 shares of common stock had a fair value of \$258,500, or \$10.34 per share, based on the quoted trading price on the date of grant, to be amortized over the term of the consulting agreement.

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On July 19, 2021, the Company granted 15,322 RSU's to an employee pursuant to his employment agreement. The 15,322 RSU's had a fair value of \$150,000 or \$9.79 per share of common stock based on the quoted trading price on the date of grant. The RSU's vested 25% on the date of issuance, and the remaining shall vest one-third over a three-year period from the date of issuance.

On October 20, 2021, the Company issued 1,116 shares of common stock to a former employee in connection with vested RSU's on the date of termination of service.

On October 22, 2021, the Company issued an aggregate of 2,162 shares of common stock to a consultant in connection with a consulting agreement for services rendered from May 2021 to October 2021. The 2,162 shares of common stock had a fair value of \$22,500, or \$10.41 per share, based on the quoted trading price on the date of grants, which was fully vested and expensed immediately.

On October 22, 2021, the Company issued an aggregate of 2,824 shares of common stock to a consultant in connection with an advisory consulting agreement for services rendered from April 2021 to September 2021. The 2,824 shares of common stock had a fair value of \$30,000, or \$10.62 per share, based on the quoted trading price on the date of grants, which was fully vested. In connection with this issuance, the Company reduced accrued liabilities by \$5,000 and recognized stock-based consulting of \$25,000 during the six months ended October 31, 2021.

Total stock compensation expense for awards issued for services of \$184,531 and \$77,250 was expensed for the three months ended October 31, 2021 and 2020, respectively. Total stock compensation expense for awards issued for services of \$416,974 and \$97,468 was expensed for the six months ended October 31, 2021 and 2020, respectively. A balance of \$1,768,760 remains to be expensed over future vesting periods related to unvested restricted stock units issued for services to be expensed over a weighted average period of 2.14 years.

Equity Incentive Plan

In August 2017, the Board approved the Company's 2017 Plan including the reservation of 165,000 shares of common stock thereunder.

On August 6, 2019, the Board approved and adopted, subject to stockholder approval, the 2020 Plan. The 2020 Plan reserves 330,710 shares for future issuance to officers, directors, employees and contractors as directed from time to time by the Compensation Committee of the Board. The 2020 Plan was approved by a vote of stockholders at the 2019 annual meeting. With the approval and effectivity of the 2020 Plan, no further grants will be made under the 2017 Plan. On August 31, 2020, the Board approved and adopted, subject to stockholder approval, an amendment (the "2020 Plan Amendment") to the 2020 Plan. The 2020 Plan Amendment increased the number of shares of common stock available for issuance pursuant to awards under the 2020 Plan by an additional 836,385, to a total of 1,167,095 shares of the Company's common stock. The 2020 Plan Amendment was approved by the Company's stockholders on November 9, 2020.

Stock options

The following is a summary of the Company's stock option activity during the six months ended October 31, 2021:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at April 30, 2021	95,000	\$ 14.63	1.57
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Cancelled	(5,000)	13.40	—
Balance at October 31, 2021	90,000	14.70	1.08
Options exercisable at end of period	90,000	\$ 14.70	
Options expected to vest	—	\$ —	
Weighted average fair value of options granted during the period		\$ —	

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At October 31, 2021 and April 30, 2021, the aggregate intrinsic value of options outstanding and exercisable were *de minimis* for each period.

Stock-based compensation for stock options recorded in the unaudited consolidated statements of operations totaled \$0 and \$137,650 for the three months ended October 31, 2021 and 2020, respectively. Stock-based compensation for stock options recorded in the unaudited consolidated statements of operations totaled \$0 and \$188,912 for the six months ended October 31, 2021 and 2020, respectively. There were no unvested options remaining.

Stock Warrants

A summary of the Company's outstanding warrants to purchase shares of common stock as of October 31, 2021 and changes during the period ended as presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Warrants with no Class designation:			
Balance at April 30, 2021	1,428,794	\$ 12.00	4.08
Granted	—	—	—
Exercised	—	—	—
Forfeited	(170,235)	31.25	—
Canceled	—	—	—
Balance at October 31, 2021	<u>1,258,559</u>	<u>9.40</u>	<u>4.17</u>
Class A Warrants:			
Balance at April 30, 2021	109,687	11.40	3.22
Granted	—	—	—
Exercised	—	—	—
Forfeited	—	—	—
Canceled	—	—	—
Balance at October 31, 2021	<u>109,687</u>	<u>11.40</u>	<u>2.72</u>
Total Warrants Outstanding at October 31, 2021	<u>1,368,246</u>	<u>\$ 9.56</u>	<u>4.05</u>
Warrants exercisable at end of period	<u>1,368,246</u>	<u>\$ 9.56</u>	
Weighted average fair value of warrants granted during the period		<u>\$ —</u>	

As of October 31, 2021, the aggregate intrinsic value of warrants outstanding and exercisable was \$2,959,600.

NOTE 10 — NET LOSS PER COMMON SHARE

Net loss per share of common stock is calculated in accordance with ASC 260, "Earnings Per Share". Basic loss per share is computed by dividing net loss available to common stockholder, 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 impact on the Company's net loss. In periods where the Company has a net loss, all dilutive securities are excluded.

	October 31, 2021	October 31, 2020
Common stock equivalents:		
Preferred stock	—	1,990,606
Restricted stock units	354,757	32,500
Stock options	90,000	96,875
Stock warrants	1,368,246	1,658,419
Total	<u>1,813,003</u>	<u>3,778,400</u>

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NOTE 11 — COMMITMENTS AND CONTINGENCIES

Mining Leases

The CK Gold 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 CK Gold 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 CK Gold Project arise under two State of Wyoming mineral leases; 1) State of Wyoming Mining Lease No. 0-40828, consisting of 640 acres, and 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 of Wyoming:

FOB Mine Value per Ton	Percentage Royalty
\$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 at October 31, 2021 under these mining leases are as follows, each payment to be made in the fourth quarter of the respective fiscal years:

Fiscal 2022	\$	2,240
Fiscal 2023		2,240
Fiscal 2024		960
	\$	<u>5,440</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.

Maggie Creek option:

The Maggie Creek option agreement grants the Company 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 for a total payment of \$4,500,000. Exploration and development expenses incurred by the Company on the Maggie Creek property satisfy the annual required earn-in payments. To the extent exploration and development expenses do not satisfy the full annual amounts, a cash payment for the difference is required. Additionally, costs incurred over a year’s minimum, may be carried forward to satisfy future years obligations. The Company satisfied the minimum payment required for fiscal 2021 by incurring exploration expenses in excess of \$300,000.

U.S. GOLD CORP. AND SUBSIDIARIES
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The remaining required Initial Earn-in payments at October 31, 2021, as amended:

Fiscal 2022	\$	500,000
Fiscal 2023		700,000
Fiscal 2024		1,000,000
Fiscal 2025		1,000,000
Fiscal 2026		1,000,000
	<u>\$</u>	<u>4,200,000</u>

Once the Initial Earn-in has been met, the Company is required to pay an additional \$250,000 to the counterparty to vest the Company's 50% interest in the Maggie Creek property.

NPRC option:

Pursuant to the Merger, the Company acquired from NPRC a mineral property called Challis Gold located in Idaho pursuant to an option agreement dated in February 2020 which was later amended in June 2020.

The annual advance minimum royalty payments at October 31, 2021 under the option agreement are as follows, each payment to be made in the beginning on the first anniversary of the effective date of this option agreement and continuing until the tenth anniversary:

Fiscal 2022	\$	25,000
Fiscal 2023		25,000
Fiscal 2024		25,000
Fiscal 2025		25,000
Fiscal 2026		25,000
Fiscal 2027 and thereafter		125,000
	<u>\$</u>	<u>250,000</u>

100% of the advance minimum royalty payments will be applied to the royalty credits.

Exploration Access and Option to Lease Agreement

On August 25, 2021 ("Effective Date"), the Company entered into an Exploration Access and Option to Lease Agreement (the "Agreement") with a private-party landowner (the "Landowner") whereby the Landowner granted the Company an option (the "Option") to lease and right of way on a property located in Laramie County, Wyoming. The Company may exercise the Option for five years ("Option Term") from the Effective Date. During the Option, the Landowner granted non-exclusive rights (the "Exploration Access Rights") to the Company to use the surface of the property for an annual exploration and access right payment of \$10,000, thirty days after the effective date and each year on the anniversary of the Effective Date during the Option Term until such time the Option is exercised or expires. The Company is also required to pay an annual Option payment of \$35,780 for the lease and \$6,560 for the right of way within thirty days after the Effective Date and each year on the anniversary of the Effective Date during the Option Term until such time the Option is exercised by the Company or expires. The Company paid a total of \$42,340 on September 1, 2021 pursuant to this Agreement.

At any time during the Option Term, the Company may exercise the Option by providing a written notice to the Landowner and the Company shall pay a one-time right of way payment of \$26,240 at closing and shall execute a lease agreement. The exclusive option to lease (the "Lease") and right of way (the "Right of Way") is for a term of ten years with the right to extend for an additional ten years and requires an annual lease payment of \$50,000, compensation for loss of grazing of \$40.00 per acre impacted land and annual Right of Way payments of \$13,120.

In consideration for the option rights, lease rights and right of way rights under this Agreement, the Company agreed to grant the Landowner shares of the Company's common stock worth \$50,000, which shares will not vest, or be issued, until the Company executes the Lease.

At any time during the Option Term, the Company may terminate this Agreement by providing a written notice to the Landowner. Upon termination, the Landowner is entitled to retain any payments already made and the Company shall have no further obligation after the date of termination. The Agreement, including the Option and the Exploration Access Rights, may be extended for a period of five years upon written notice from the Company. In the absence of such notice, the Agreement shall automatically terminate at the end of the Option Term.

Legal Matters

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

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 for the year ended April 30, 2021 filed with the Commission.

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, 2021, the results of our unaudited interim condensed consolidated statements of operations and changes in stockholders' equity for the three and six months ended October 31, 2021 and 2020, and our unaudited interim condensed consolidated cash flows for the six months ended October 31, 2021 and 2020. 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, 2021.

Overview

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 legal name to U.S. Gold Corp. from Dataram Corporation. On May 23, 2017, the Company merged with Gold King Corp. ("Gold King"), in a transaction treated as a reverse acquisition and recapitalization, and the business of Gold King became the business of the Company. We are a gold and precious metals exploration company pursuing exploration and development properties. We own certain mining leases and other mineral rights comprising the CK Gold Project in Wyoming, the Keystone and Maggie Creek Projects in Nevada and the Challis Gold project in Idaho. None of our properties contain proven and probable reserves under SEC Industry Guide 7, and all of our activities on all of our properties are exploratory in nature.

On March 17, 2020, we filed a certificate of amendment to our Articles of Incorporation with the Secretary of State of Nevada in order to effectuate a reverse stock split of our issued and outstanding common stock per share on a one-for-ten basis, effective as of 5:00 p.m. (Eastern Time) on March 19, 2020. All share and per share values of our common stock for all periods presented in the accompanying consolidated financial statements are retroactively restated for the effect of the reverse stock splits.

Summary of Activities for the Six months ended October 31, 2021

During the three-months ended October 31, 2021, we focused primarily on moving our CK Gold Project in Wyoming towards a Pre-Feasibility study (PFS), executing the 2021 field season on our CK Gold Project and securing necessary land and access rights around our CK Gold Project.

An overview of certain significant events follows:

- On September 14, 2021, we announced that we have entered into a land agreement with the surrounding land-owner that provides an option to lease additional land and grant access necessary to develop the CK Gold Project.

- On September 21, 2021, we announced the re-election of our current five directors (George Bee, Ryan Zinke, Robert Schafer, Tara Gilfillan and Michael Waldkirch), to hold office until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified.
- On September 29, 2021, we announced that we anticipate the completion of our PFS by the end of 2021 and provided updates on a potential FS and mine permit application submittal for our CK Gold Project for 2022.
- On December 1, 2021, we announced the completion of our prefeasibility study (“PFS”) on our CK Gold Project. We reported a pre-tax Net Present Value (NPV) of \$323 million and a pre-tax Internal Rate of Return (IRR) of 39.4%. Additionally, the PFS reported a mineral resource of 1.58 million gold equivalent ounces (“AuEq”) and mineral reserves of 1.44 million AuEq ounces.

Recent Developments

Election of Directors

At the Annual Meeting, George Bee, Ryan Zinke, Robert Schafer, Tara Gilfillan and Michael Waldkirch were elected as directors of our board of directors to serve for a term expiring at the Company’s 2022 annual meeting of stockholders.

Prefeasibility Study

On December 1, 2021, we released the results of our PFS and published our Technical Summary Report in accordance with the guidance under Regulation S-Ksubpart1300 (S-K 1300) of the Securities and Exchange Commission. The PFS was prepared by Gustavson Associates, LLC with an effective date of November 15, 2021.

The following are highlights from the PFS:

- Mineral Resources – 1.58 million gold equivalent (“AuEq”) ounces of Measured and Indicated (M+I) Resources
 - An additional 0.357 million AuEq ounces of inferred resource
 - M+I includes: Gold - 1.110 million ounces and Copper - 280 million lbs
- Mineral Reserves – 1.44 million AuEq ounces of Proven and Probable (P1 and P2) Reserves
 - P1 and P2 includes: Gold - 1.010 million ounces and Copper - 248 million lbs
- 10-year Mine Life at 20,000 short tons per day process rate
 - Average AuEq production: 108,500 ounces per year
 - First 3-years: 135,300 AuEq ounces per year
- Initial Capital: \$221 million
 - Potential attractive financing terms from equipment suppliers and development capital sources
 - 2-year Payback
- Robust Economics – 39.4% IRR before tax and 33.7% IRR after tax
 - NPV (5%): \$323 million and \$266 million, before and after tax, respectively
 - All in Sustaining Cost (“AISC”) at \$800 per AuEq ounce
 - Assumes \$1,625/ounce gold price and \$3.25/lb copper price
 - Highly leveraged to increasing metals prices
- Upside Potential
 - Aggregate sales from mine waste rock, proven to be excellent quality
 - FS level value engineering and plant optimization
 - Ongoing metallurgical testing to enhance recovery of gold and copper
 - Resource expansion potential at depth and to the south-east
- Permitting and Development
 - Project footprint under the jurisdiction of Wyoming agencies
- Potential to submit mine permit in 2022 and receive approval in 2023

COVID-19 Developments

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China and has reached multiple other countries, resulting in government-imposed quarantines, travel restrictions and other public health safety measures in China and other countries. On March 12, 2020, the WHO declared COVID-19 to be a global pandemic, and the COVID-19 pandemic has resulted in significant financial market volatility and uncertainty. The ongoing COVID-19 pandemic has and may continue to adversely impact our business, as our operations are based in and rely on third parties located in areas affected by the pandemic.

We, or our people, investors, contractors or stakeholders, have been prevented from free cross-border travel or normal attendance to activities in conducting our business at trade shows, presentations, meetings or other activities meant to promote or execute our business strategy and transactions. We have been prevented from receiving goods or services from contractors. Decisions beyond our control, such as canceled events, restricted travel, barriers to entry or other factors have affected or may affect our ability to accomplish drilling programs, technical analysis of completed exploration actions, equity raising activities, and other needs that would normally be accomplished without such limitations. Furthermore, our exploration activities rely heavily on outside contracts and importation of specialized equipment. The COVID-19 pandemic has caused disruptions in travel and accessing our exploration properties with contractors. Although travel restrictions have been lifted at certain locations, there can be no assurance that travel and property access will resume fully in the near future.

Moreover, the COVID-19 pandemic has made and continues to make indeterminable adverse effects on general commercial activity and the world economy, and our business and results of operations could be adversely affected to the extent that COVID-19 or any other epidemic harms the global economy generally.

We do not yet know the full extent of potential delays or impact on our business, our relationship with our business partners, or the global economy as a whole. However, any one or a combination of these events could have an adverse effect on our other business operations. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition, and on the market price of our common stock. Future effects on our business remain highly dependent on the duration and continuing impact of the COVID-19 pandemic, as evidenced by the recent resurgence of cases in parts of the world and the uncertainty surrounding the spread of the recent Omicron variant of COVID-19.

Results of Operations

Three and Six months ended October 31, 2021 compared to the three and six months ended October 31, 2020:

Net Revenues

We are an exploration stage company with no operations, and we generated no revenues for the three and six months ended October 31, 2021 and 2020.

Operating Expenses

Total operating expenses for the three months ended October 31, 2021 as compared to the three months ended October 31, 2020, were approximately \$4,293,000 and \$4,845,000, respectively. The approximate \$551,000 decrease in operating expenses for the three months ended October 31, 2021 as compared to the three months ended October 31, 2020, is comprised of (i) a decrease in compensation of approximately \$710,000 primarily due to decrease in compensation related to stock-based compensation to our two former officers who received total bonuses of \$600,000 paid in common stock and cash, stock-based compensation from the accelerated vesting of certain stock options and restricted stock units during the prior period (ii) an increase of approximately \$1,217,000 increase in exploration expenses on our mineral properties due to an increase in exploration activities in our CK Gold property and also at our Maggie Creek property, (iii) a decrease in professional and consulting fees of approximately \$1,111,000 primarily due to decreases in stock-based consulting fees of approximately \$825,000 and general strategic, investor relations and permitting consulting services of \$101,000, decrease in legal fees of \$148,000 and accounting fees of \$39,000 offset by increase in director fees of \$2,000 (iv) an increase in general and administrative expenses of approximately \$53,000 due primarily to increases related to travel, lease expense, and office expenses.

Total operating expenses for the six months ended October 31, 2021 as compared to the six months ended October 31, 2020, were approximately \$7,843,000 and \$5,802,000, respectively. The approximate \$2,041,000 increase in operating expenses for the six months ended October 31, 2021 as compared to the six months ended October 31, 2020, is comprised of (i) a decrease in compensation of approximately \$514,000 primarily due to decrease in compensation related to stock-based compensation to our two former officers who received total bonuses of \$600,000 paid in common stock and cash, stock-based compensation from the accelerated vesting of certain stock options and restricted stock units during the prior period offset by the hiring of additional executive management in August and September 2020 (ii) an increase of approximately \$2,974,000 increase in exploration expenses on our mineral properties due to an increase in exploration activities in our CK Gold property and also at our Maggie Creek property, (iii) a decrease in professional and consulting fees of approximately \$585,000 primarily due to decreases in stock-based consulting fees of approximately \$707,000, decrease in legal fees of \$234,000 and accounting fees of \$37,000 offset by increase in general strategic, investor relations and permitting consulting services of \$388,000 and increase in director fees of \$5,000 (iv) an increase in general and administrative expenses of approximately \$166,000 due primarily to increases related to insurance, travel, lease expense, advertising expenses and office expenses.

Loss from Operations

We reported loss from operations of approximately \$4,293,000 and \$4,845,000 for the three months ended October 31, 2021 and 2020, respectively. We reported loss from operations of approximately \$7,843,000 and \$5,802,000 for the six months ended October 31, 2021 and 2020, respectively.

Net Loss

We reported a net loss of approximately \$4,293,000 and \$4,845,000 for the three months ended October 31, 2021 and 2020, respectively. We reported a net loss of approximately \$7,843,000 and \$5,802,000 for the six months ended October 31, 2021 and 2020, respectively.

Liquidity and Capital Resources

The following table summarizes total current assets, liabilities and working capital at October 31, 2021 compared to April 30, 2021, and the increase between those periods:

	October 31, 2021	April 30, 2021	Increase (decrease)
Current Assets	\$ 7,881,619	\$ 14,075,765	\$ (6,194,146)
Current Liabilities	\$ 1,683,283	\$ 619,038	\$ 1,064,245
Working Capital	\$ 6,198,336	\$ 13,456,727	\$ (7,258,391)

As of October 31, 2021, we had working capital of \$6,198,336, as compared to working capital of \$13,456,727 as of April 30, 2021, a decrease of \$7,258,391.

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 \$175,000 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, 2021 and 2020, we incurred losses in the amounts of approximately \$7.8 million and \$5.8 million, respectively. As of October 31, 2021, we had cash of approximately \$7.1 million, working capital of approximately \$6.2 million, and an accumulated deficit of approximately \$51.8 million. As a result of the utilization of cash in its operating activities, and the development of its assets, we have incurred losses since we commenced operations. Our primary source of operating funds since inception has been equity financings. As of October 31, 2021, we had sufficient cash to fund its operations for approximately 6 to 8 months and expected that we will be required to raise additional funds to fund our operations thereafter. These matters raise substantial doubt about our ability to continue as a going concern for the twelve months following the issuance of these financial statements.

We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including potential acquisitions, changes in exploration programs and related studies and other operating strategies. In addition, we continue to assess the impact of the COVID-19 pandemic, which may adversely affect our ability to obtain additional future capital. To the extent we require additional funding, we cannot be certain that additional funding will be available on acceptable terms, or at all. To the extent we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that impact our ability to conduct business. If unable to raise additional capital when required or on acceptable terms, we may have to delay, scale back or discontinue the exploration activities or programs.

Cash Used in Operating Activities

Net cash used in operating activities totaled \$6.5 million and \$3.5 million for the six months ended October 31, 2021 and 2020, respectively. Net cash used in operating activities during the six months ended October 31, 2021 primarily increase due to increase in net loss and increase in net changes in accounts payable and accrued liabilities as compared to the six months ended October 31, 2020. Additionally, we expensed approximately \$647,000 in stock-based compensation for shares and restricted common stock units issued to employees and consultants during the six months ended October 31, 2021. Net changes of approximately \$652,000 in operating assets and liabilities are primarily due to net increases in prepaid expenses and other assets of approximately \$237,000, reclamation of bond deposits of approximately \$114,000, and increase of approximately \$1,017,000 in accounts payable to trade vendors.

Cash Provided by Investing Activities

Net cash used in investing activities totaled approximately \$3,800 for the six months ended October 31, 2021 primarily due to purchase of property and equipment as compared to \$2,461,000 primarily consisted of proceeds received in connection with share exchange agreement of \$2,500,000 offset by approximately \$39,000 from purchase of property and equipment.

Cash Provided by Financing Activities

Net cash provided by financing activities the six months ended October 31, 2020 of approximately \$5.6 million primarily due to the issuance of Series I Preferred Stock and warrants in August 2020 as compared to \$0 during the six months ended October 31, 2021.

Off-Balance Sheet Arrangements

As of October 31, 2021, 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

There have been no changes to our critical accounting policies during the six months ended October 31, 2021. Critical accounting policies and the significant accounting estimates made in according with such policies are regularly discussed with the Audit Committee of the Company's board of directors. Those policies are discussed under "Critical Accounting Policies" in our "Management's Discussion and Analysis of the Financial Condition and Results of Operations" included in Item 7, as well as Note 2 to our consolidated financial statements thereto, included in our Annual Report on Form 10-K, filed with the Commission on July 29, 2021.

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

At the end of the period covered by this Quarterly Report, an evaluation was carried out under the supervision of, and with the participation of, the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered by this Quarterly Report, the Company's disclosure controls and procedures were not effective in ensuring that information required to be disclosed by the Company in its reports that it files or submits to the SEC under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in applicable rules and forms.

While present in the Company's design of internal controls, the Company's internal controls over financial reporting and disclosure are not written; however, the operation of many controls are in place and are applied on a consistent basis. Company personnel perform controls standard to: 1) approve all Company expenditures, 2) approve and sign contractual obligations, 3) reconcile bank accounts and other general ledger accounts, and 4) many other similar rudimentary controls applied as best practice. However, management has concluded that due to the Company's small size and limited personnel available to perform control functions, the Company is precluded from applying adequate segregation of duties in financial transactions. These are material weaknesses common to companies of similar size and staffing in the Company's industry. The Company expects these material weakness conditions to continue for the foreseeable future, or until significant Company growth results in additional personnel to perform financial functions.

Changes in Internal Control Over Financial Reporting

During the six months ended October 31, 2021, management determined that the delay of its program for compliance with the Sarbanes-Oxley Act of 2002 and the 2013 COSO Framework continued to be necessary to conserve cash in the Company's current financial condition. There have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting; however, management has determined that for the sake of transparency and conservancy, it cannot state that internal controls over financial reporting are effective at this time.

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.

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

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

Other than set forth below, there were no sales of unregistered securities during the quarter ended October 31, 2021 that were not previously reported on a Current Report on Form 8-K.

On October 20, 2021, the Company issued 1,116 shares of common stock to a former employee in connection with vested RSU's on the date of termination of service.

On October 22, 2021, the Company issued an aggregate of 2,162 shares of common stock to a consultant in connection with a consulting agreement for services rendered from May 2021 to October 2021. The 2,162 shares of common stock had a fair value of \$22,500, or \$10.41 per share, based on the quoted trading price on the date of grants, which was fully vested and expensed immediately.

On October 22, 2021, the Company issued an aggregate of 2,824 shares of common stock to a consultant in connection with an advisory consulting agreement for services rendered from April 2021 to September 2021. The 2,824 shares of common stock had a fair value of \$30,000, or \$10.62 per share, based on the quoted trading price on the date of grants, which was fully vested and expensed immediately.

The issuance of these shares of common stock were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and the shares of the common stock were issued in reliance on the exemption from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act.

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 six months ended October 31, 2021, the Company and its 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.

EXHIBIT INDEX

- 31.1 [Rule 13a-14\(a\) Certification of George Bee](#)
- 31.2 [Rule 13a-14\(a\) Certification of Eric Alexander](#)
- 32.1* [Section 1350 Certification of George Bee \(Furnished not Filed\)](#)
- 32.2* [Section 1350 Certification of Eric Alexander \(Furnished not Filed\)](#)
- 96.1 [Technical Report Summary, Incorporated by reference from the Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on December 3, 2021.](#)

- 101.INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

* Furnished herewith

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 14, 2021

By: /s/ George M. Bee
George M. Bee
Chief Executive Officer
(Principal Executive Officer)

Date: December 14, 2021

By: /s/ Eric Alexander
Eric Alexander
Chief Financial Officer
(Principal Financial and Accounting Officer)

Rule 13a-14(a) Certification

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

I, George M. Bee, 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 14, 2021

/s/ George M. Bee
George M. Bee,
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, Eric Alexander, 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 14, 2021

/s/ Eric Alexander

Eric Alexander
Chief Financial Officer
(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, 2021, as filed with the Securities and Exchange Commission (the "Report"), George M. Bee, 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 14, 2021

/s/ George M. Bee

George M. Bee
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, 2021, as filed with the Securities and Exchange Commission (the "Report"), Eric Alexander, 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 14, 2021

/s/ Eric Alexander
Eric Alexander
Chief Financial Officer
(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.]
