

Dear Shareholders:

It has been a very busy and productive year for USCorp. I would like to briefly recap the many accomplishments that we have achieved during fiscal 2011 and assure you that we continue to work for our goals of success and profitability. Although gold reached historic price levels during this period, the junior gold mining stocks remained in their less than favored state as speculative investors stayed away from the stock market and sought to put their money into the actual metal. Market conditions continue to be volatile, which is turning people away from microcap investments. Although it may not be reflected in our share price, we continue to make very good progress toward bringing about a significant return for you, our shareholders. Many of you have been patient and believe, as we do, that we have world-class deposits both in Arizona and California.

Arizona Gold Corp. ("AGC"), a private company based in Vancouver, BC, whose management includes individuals who have been in the mining industry for decades, also recognizes and believes in the potential of the Twin Peaks Property in particular. The following recap will indicate AGC's wholly owned subsidiary, a new private Arizona corporation, has been formed in order to complete many of the steps bringing us closer to our goal to begin mining. We are very optimistic that the recently announced drilling program will result in confirmation of the world-class nature gold and silver deposits on the Twin Peaks property in Arizona.

Briefly, here are several significant highlights of the past six months:

- Last April we announced that we had renegotiated and reduced corporate debt. Paid down the debenture debt and negotiated a payment schedule through the end of this year and renegotiated the due dates for the remaining amounts on the debentures and our gold bullion loan until March 31, 2012.
- Formed a strategic business relationship with AGC, which is the entity currently overseeing all exploration activity at the Twin Peaks property. The agreement with AGC includes financing of a plan for the completion of the Twin Peaks exploration and the following specifics:
 - Acquisition of the claims by AGC from USMetals Inc. in exchange for 66.82% of the issued and outstanding shares of AGC. USMetals is a wholly-owned subsidiary of USCorp.
 - \$2.1 million Funding of Twin Peaks by Arizona Gold Corp.
 - Robert Dultz named Vice President and director of AGC to represent USMetals' interests and those of USCorp shareholders.
 - USMetals total percentage ownership of AGC will always remain at or above 50.1% of issued and outstanding shares of AGC.
 - Seek to obtain Canadian compliant reports sufficient to allow for eventual listing of AGC stock on either the TSX or TSXV/V Canadian exchanges as soon as appropriate.
 - Further expansion of the Twin Peaks project and/or addition of other properties.
- Announced Board members for AGC: William Hay, Chairman; Denise Dubarry-Hay, Secretary and Treasurer; Mark Peterson, J. Robert Swidler, Dean Belbas and Robert Dultz, VP of AGC.
- Hiring of world-class team to carry out exploration activities. This team consists of Pincock Allen & Holt ("PAH") who performed oversight to the geological evaluation; Boart Longyear Drilling to conduct the drilling program; and Image2Map Services, Inc. to provide image processing and geological interpretations of satellite and aerial imagery.
- Addition of 104 new lode mining claims to the Twin Peaks project to bring the total claims to 276 on 5,520 acres in Yavapai County Arizona.
- Pincock Allen & Holt's report in July confirmed that the Twin Peaks property has definite upside potential, that a potential five million tons, or more of resources reside in three extensive mineralized quartz vein structures, including two discovered during PAH's site visit and confirmation that other gold and silver mineralization also occurs at fault intersections and still exists in known historical workings on the property.
- After PAH's site visit two additional quartz vein structures were discovered. The quartz vein structures all together total almost 8 miles in length, and exposed portions show over 400 feet in depth. November's drilling program should confirm actual depth.
- In August we released a summary of the technical report prepared by Bart Stone, chief geologist for PAH regarding the specific geology and deposit types at the Twin Peaks project that prompted the addition of the 104 claims west of the original claim block to cover new gold and silver vein systems found adjoining the original 172 claims.
- Arizona Bureau of Land Management approved a revised Mining Plan of Operations ("MPO") which will allow us to complete the 3rd phase of the previously approved MPO and conduct drilling on the newly added mining claims.
- Drilling to commence in November 2011 was announced with Boart Longyear being retained to conduct the program.

With the last stages of the Twin Peaks Project exploration program fully underway, we are now turning our attention to the Picacho Salton property. This year we secured the services of Image2Map Services, Inc. to provide image processing and geological interpretations of satellite and aerial imagery of the Picacho Salton Project and our MPO for conducting exploratory drilling has been reviewed by the Bureau of Land Management. We look forward to keeping you apprised of our progress in this promising property going forward.

I believe that we are coming to a milestone on our journey and I want to thank all of you who have been patient believers in us and in the potential of USCorp to realize the potential wealth of the Twin Peaks and Picacho Salton properties. I look forward to reporting to you the results of the Arizona Twin Peaks Project drilling program in the next several months as well as bringing you up to date on activities on our California Picacho Salton Project properties as they are finalized.

Sincerely,



Robert Dultz, USCorp Chairman, President and CEO
November 1, 2011

