Pilot Gold Inc.

Annual Information Form
for the fiscal year ended
December 31, 2011

Dated March 28, 2012

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains "forward-looking information" and "forward-looking statements" which include, but are not limited to, statements or information concerning the future financial or operating performance of the Corporation and its business, operations, properties and condition, the future price of copper, gold and other metal prices, the estimation of mineral resources or potential expansion of mineralization, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of Pilot Gold, the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital, government regulation of mining operations, environmental risks and reclamation expenses, title disputes and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage and the timing and possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Pilot Gold to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward- looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information are based upon a number of estimates and assumptions of management at the date the statements are made, and are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Pilot Gold and there is no assurance they will prove to be correct. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of Canadian and United States dollars relative to each other; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of copper, gold and other metal prices; changes in the worldwide price of other commodities such as coal, fuel, electricity and fluctuations in resource prices, currency exchange rates and interest rates; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave- ins, pit-wall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities; changes in government legislation and regulation; changes in ownership interest in any project; increased infrastructure and/or operating costs; Pilot Gold's ability to renew existing licenses and permits or obtain required licenses and permits; the success of Pilot Gold, or its associates in renewing or converting exploration and exploitation licenses; changes or disruptions in market conditions; variations in ore grade or recovery rates; risks relating to international operations and joint ventures; changes in project parameters; disruptions or changes in the credit or securities markets and market fluctuations in prices for Pilot Gold's securities; inflationary or deflationary pressures; the need to obtain and maintain licenses and permits and comply with laws and regulations or other regulatory requirements; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; contests over title to properties; operating or technical difficulties in connection with mining or development activities; employee relations and shortages of skilled personnel and contractors; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "Risk Factors" in this AIF. Although the Corporation has attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking statements or forward- looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this AIF and the Corporation disclaims any obligation to update any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise , except as required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

Information in this AIF, including any information incorporated by reference, and disclosure documents of Pilot Gold that are filed with Canadian securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "measured resources", "indicated resources" and "inferred resources". Shareholders in the United States are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility or other technical reports or studies, except in rare cases. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

PRELIMINARY NOTES

Throughout this Annual Information Form ("AIF"), Pilot Gold Inc. is referred to as "Pilot Gold" or the "Corporation". All information contained in this AIF is given as of December 31, 2011, unless otherwise stated.

Currency

All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars, the same currency that the Corporation uses in its consolidated financial statements. As at December 31, 2011 and March 28, 2012, the value of the Canadian dollar ("C$"), based on the Bank of Canada's noon rates of exchange for the conversion of C$ into United States dollars was US$0.983 and US$1.002 respectively.

Measurements and frequently used abbreviations and acronyms

In this AIF, metric units are used with respect to the Corporation's various mineral properties and operations. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below:

Imperial Measure	Metric Unit	Imperial Measure	Metric Unit
2.471 acres	1 hectare ("ha")	0.4047 hectares	1 acre ("ac")
3.281 feet	1 metre ("m")	0.3048 metres	1 foot ("ft")
0.621 miles	1 kilometres ("km")	1.609 kilometres	1 mile ("mi")
2.20 pounds	1 kilogram ("kg")	0.454 kilograms	1 pound (lb")
0.032 troy ounces	1 gram ("g")	31.1 grams	1 troy ounce ("oz")

Measurements and amounts in this AIF have been rounded to the nearest two decimal places.

Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the Audited Consolidated Financial Statements of Pilot Gold Inc. for the year ended December 31, 2011, and the accompanying management's discussion and analysis for that year. Unless otherwise indicated, financial information contained in this AIF is presented in accordance with International Financial Reporting Standards ("IFRS"). The Audited Consolidated Financial Statements and management's discussion and analysis are available at www.pilotgold.com and on SEDAR at www.sedar.com.

Standard Resource and Reserve Reporting System

National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") is a rule developed by the Canadian Securities Administrators, which has established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all scientific and technical information, including resource estimates of Pilot Gold contained in this AIF, including any information contained in certain documents referenced in this AIF, have been prepared in accordance with NI 43-101, and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

The individuals named throughout this AIF are the qualified persons, as defined under NI 43-101 ("Qualified Persons"), who supervised the preparation of the scientific and technical information contained in the applicable technical reports referenced in this AIF, which form the basis for the scientific and technical information reproduced in this AIF, as applicable.

Technical Disclosure

Unless otherwise indicated, Pilot Gold has prepared the technical information in this AIF ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under Pilot Gold's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Corporation's Disclosure Documents were prepared by or under the supervision of a Qualified Person. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Other than at the Halilağa Project, any inference of potential quantity and grade at Pilot Gold's exploration properties and those in which the Corporation has a joint venture, disclosed in this AIF are conceptual in nature. With the exception of the Halilağa Project, there has been insufficient exploration to date, on any of the Corporation's properties to define a mineral resource, and it is uncertain if further exploration will result in targets at these projects being delineated as a mineral resource.

The mineral resources estimates contained herein relating to the Halilağa Project are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from the one indicated by drilling results and the difference may be material. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

Ian Cunningham-Dunlop, Professional Engineer, Chief Operating Officer and Vice President Exploration of Pilot Gold, and a Qualified Person, is responsible for preparing and supervising the preparation of the scientific or technical information contained in this AIF and has verified the technical data disclosed in this document relating to those projects in which the Corporation holds a 100% interest. Mr. Cunningham-Dunlop has consented to the inclusion of the Technical Information in the form and context in which it appears in this AIF.

CORPORATE STRUCTURE OF THE CORPORATION

Name, Incorporation and Registered Office

Pilot Gold was incorporated as "7703627 Canada Inc." under the Canada Business Corporations Act ("CBCA") on November 18, 2010. Articles of amendment were subsequently filed on November 29, 2010 to change the name of the Corporation to "Pilot Gold Inc."

The registered office and principal place of business of the Corporation is located at Suite 1650, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9. The Corporation also has offices in Elko, Nevada, USA and Ankara, Turkey for its projects located in these respective jurisdictions, and subsidiaries in the Cayman Islands.

Pilot Gold is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The common shares of Pilot Gold (the "Common Shares") are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "PLG".

For further information regarding Pilot Gold, reference is made to Pilot Gold's filings with the Canadian securities regulatory authorities available on SEDAR at www.sedar.com.

Properties

As at March 28, 2012, the Corporation holds an interest in three mineral properties that are considered to be material within the meaning of applicable Canadian securities laws:

Property /	Ownership vehicle	% interest
Halilağa	Truva Bakir Maden İşletmeleri A.Ş. ("Truva Bakir")	40%
TV Tower	Orta Truva Madencilik Şanayi ve Ticaret A.Ş. ("Orta Truva")	40%
Kinsley	Pilot Gold USA Inc. ("Pilot USA")	Earn-in [1]

See also discussion below in this AIF, under heading, "Mineral Properties". As at March 28, 2012, the Corporation also holds an interest in a portfolio of exploration properties in the United States and in Turkey, including the Regent property, which prior to a recent evaluation and prioritization of projects was considered to be material to the Corporation, Brik, Viper, New Boston, Gold Springs, Easter and Yunt Dağ; each of which saw active exploration during 2011. See further discussion in this AIF, under "Mineral Properties – Other Exploration Projects".

[1] As described elsewhere in this AIF, particularly under "Mineral Properties – Kinsley Mountain Project, Nevada, USA", the Corporation purchased a mining option agreement on the Kinsley Mountain property on September 20, 2011, providing the Corporation with the right to earn into an initial 51% interest in the Kinsley Mountain property subject to making certain exploration expenditures on that property before March 30, 2013. As at December 31, 2011, the Corporation had incurred $0.68M in eligible exploration expenditures at the Kinsley Mountain Project. The Corporation has a $2.7M budget for 2012, and plans an active drill program.

Intercorporate Relationships

A significant portion of the Corporation's business is carried on through its various subsidiaries and joint ventures. The following chart illustrates, as at the date of this AIF, the Corporation's significant subsidiaries, affiliates and joint ventures, including their respect of incorporation and the percentage of voting securities in each that are held by the Corporation either directly or indirectly:

(1) Ownership of Agola Madencilik Limited Şirketi ("Agola"), Truva Bakir Maden İşletmeleri Anonim Şirketi ("Truva Bakir"), and Orta Truva Madencilik Şanayi ve Ticaret Anonim Şirketi ("Orta Truva"), respectively, are subject to nominal share- or unit-holding requirements to meet the statutory number of shareholders or unitholders of certain types of corporations under Turkish law. Such nominal shares and units are held by a director of the Corporation in the case of Agola, and employees of the Corporation and Teck Madencilik Şanayi Ticaret A.Ş. ("TMST"), an indirect subsidiary of Teck Resources Limited ("Teck") in the case of Truva Bakir and Orta Truva.

(2) Gold Springs LLC was incorporated June 1, 2011. Gold Springs LLC was established by its 60% shareholder, High Desert Gold Corporation ("High Desert") further to the completion, by that company, of its earn-in obligations on the Gold Springs property. The Corporation and HDG have been operating as joint venture partners on the Gold Springs property since July 5, 2011, the effective date of the earn-in. At the date of this AIF, the formal transfer of the Gold Springs property, and finalization of the related joint venture agreement are in process.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Pilot Gold was incorporated by Fronteer Gold Inc. ("Fronteer") on November 18, 2010. At that time, Fronteer was a publicly-listed entity engaged in the acquisition and exploration of mineral properties or interests predominantly located in Nevada, USA and Turkey.

Pursuant to an agreement dated December 30, 2010 (the "First Nevada Eagle Agreement"), Nevada Eagle Resources LLC ("Nevada Eagle"), an indirect wholly-owned subsidiary of Fronteer, sold to Pilot Gold (USA) Inc. ("Pilot USA"), a wholly-owned subsidiary of Pilot Gold, various unpatented mining claims situated in the Mineral, Douglas, Lincoln and Churchill Counties of Nevada, United States for a purchase price of $1,095,000. These claims are more commonly known as the Regent, North Buckskin, Brik and Cold Springs projects. Pursuant to an agreement dated December 30, 2010 (the "First Fronteer USA Agreement"), Pilot USA purchased from Fronteer Development (USA) Inc. ("Fronteer USA") some additional mining claims located in Nye County, Nevada known as the South Monitor project for a purchase price of $120,000. The purchase price for these mining claims was funded by the issuance by the Corporation of 10,000,000 Common Shares to Fronteer for aggregate proceeds of $1,215,000 and the subsequent issuance by Pilot USA of its common shares to Pilot Gold for the same amount.

On February 3, 2011, Fronteer, the Corporation and Newmont Mining Corporation entered into an arrangement agreement ("Arrangement Agreement") pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement (the "Fronteer Arrangement"), which became effective on April 6, 2011 (the "FA Effective Date"). Pursuant to the Fronteer Arrangement, Fronteer shareholders received C$14.00 in cash and one Common Share, for each common share of Fronteer. The Common Shares were subsequently consolidated on a one-for-four basis, such that each former Fronteer shareholder held one Common Share for every four common shares of Fronteer previously held. On the FA Effective Date, Pilot Gold ceased to be a wholly-owned subsidiary of Fronteer, and Fronteer became an indirect, wholly-owned subsidiary of Newmont.

In connection with the Fronteer Arrangement, the following transfers of properties and assets (the "Fronteer Properties") occurred:

- On April 4, 2011, Nevada Eagle and Pilot USA entered into an agreement (the "Second Nevada Eagle Agreement") pursuant to which, Nevada Eagle sold to Pilot USA several unpatented mining claims known as the Anchor, Baxter Springs, New Boston, Stateline, Easter and Gold Springs 2 properties, located in the Eureka, Nye and Lincoln Counties of Nevada and Iron County, Utah (collectively, the "Additional Nevada Eagle Assets"). The purchase price paid for the Additional Nevada Eagle Assets was Fronteer's cost for such assets (which Fronteer and Pilot Gold agreed to be equal to their fair market value) and consisted of (i) a cash payment by Pilot USA of approximately $1.1 million, and (ii) the transfer by way of assignment to Nevada Eagle of all mining claims held by Pilot USA in respect of the South Monitor project.

  In connection with the sale of the Additional Nevada Eagle Assets to Pilot USA, Nevada Eagle assigned all the relevant contracts related to such assets and Pilot USA assumed the obligations under such contracts. Nevada Eagle also transferred to Pilot USA certain exploration and administrative assets relating to the Additional Nevada Eagle Assets and Pilot USA entered into an assignment and assumption agreement pursuant to which it assigned its interest in the South Monitor Project to Nevada Eagle.

- On April 4, 2011, Fronteer USA, a wholly-owned subsidiary of Fronteer, and Pilot USA entered into an agreement (the "Second Fronteer USA Agreement") pursuant to which Fronteer USA sold to Pilot USA various unpatented mining claims and private mineral rights comprising the Viper property, situated in Elko County, Nevada, together with certain exploration and administrative assets relating to the Viper property (including an office lease in Elko County, Nevada, office equipment and furniture, fixed assets associated with the Viper project and all relevant technical information, reports, data and studies associated with the Viper project) (collectively, the "Viper Assets"). The purchase price paid for the Viper Assets was Fronteer's cost for such assets (which Fronteer and Pilot Gold agreed to be equal to their fair market value) and consisted of a cash payment by Pilot USA to Fronteer USA of $795,633. In connection with the sale of the Viper Assets to Pilot USA, Fronteer USA also assigned to Pilot USA all contracts related to such assets and Pilot USA assumed the obligations thereunder.
- On April 4, 2011, Fronteer Holdings Inc. ("FHI"), a wholly-owned subsidiary of Fronteer, and Pilot Holdings Inc. ("PHI") entered into a share purchase agreement (the "FII Share Purchase Agreement"), pursuant to which FHI sold to PHI, all of the issued and outstanding shares of FII. The purchase price for the FII shares (which Fronteer and Pilot Gold determined was the fair market value such shares) consisted of a cash payment by PHI to FHI of $52,250,000. As a result of such purchase, PHI indirectly acquired all of the issued and outstanding shares of FII, a Cayman Islands company that holds: (a) a 40% participating interest in two Turkish joint venture companies (each respectively 60% owned by TMST) which, in turn, hold the Halilağa copper-gold project (the "Halilağa Property"), the TV Tower gold-silver project (the "TV Tower Property" and, together with the Halilağa Property, the "Turkish Properties"); a 40% beneficial interest in the Dededaği exploration property in Turkey ("Dededaği") and several other early-stage exploration licenses for properties in northwest Turkey; and (b) through Agola, a wholly-owned Turkish subsidiary, three other early-stage exploration properties in Turkey, "Yunt Dağ", "Ispir" and "Aktarma", respectively).
- On April 4, 2011, Fronteer and Pilot Gold entered into an additional agreement pursuant to which Fronteer transferred to Pilot Gold the following: (i) 2,000,000 common shares and 1,000,000 share purchase warrants of Rae Wallace Mining Company ("Rae Wallace") and an option agreement with Rae Wallace pursuant to which Pilot Gold acquired a right to earn a 51% interest in up to two properties that Rae Wallace currently owns or may acquire within a 25,300 km^2 area of interest; (ii) cash in the amount of C$9,584,714, representing, after deducting certain payments made by Fronteer in respect of the Halilağa Property, and the TV Tower Property, the agreed amount to be funded to Pilot Gold under the Arrangement Agreement; (iii) additional cash required by Pilot Gold to fund the purchase of the Additional Nevada Eagle Assets, the Viper Assets and the FII shares as described above; and (iv) additional assets of Fronteer, including an office lease in Vancouver, British Columbia, office equipment and furniture, and the fixed assets and technical information, reports, data and studies related to those exploration properties transferred to Pilot Gold in accordance with the Arrangement Agreement. In addition, Fronteer assigned to Pilot Gold the contracts entered into with respect to those assets acquired from Fronteer. In consideration for the foregoing, Pilot Gold issued Common Shares to Fronteer that resulted in Newmont holding an indirect 19.9% interest in Pilot Gold following the completion of Newmont's acquisition of Fronteer pursuant to the Fronteer Arrangement, and assumed certain liabilities relating to the assets acquired by Pilot Gold.
- On April 11, 2011 the Corporation's Common Shares began trading on the TSX under the symbol, "PLG".

- Pursuant to a purchase agreement the Corporation signed on May 16, 2011, and amended May 26, 2011, with a subsidiary of Global Resources Corporation Ltd ("GRCL"), a company traded publicly on the Australian Securities Exchange, Pilot Gold's Turkish subsidiary substantively disposed of its interests in the Aktarma and Ispir exploration stage properties, in exchange for 4,500,000 common shares in GRCL.
- On June 14, 2011, the Corporation completed a "bought deal" short form prospectus offering (the "Short Form Offering"), pursuant to which the Corporation issued 8,333,334 Common Shares at a price of C$3.00 per share to raise aggregate gross proceeds of C$25,000,002. Following the closing of the Short Form Offering, Newmont's interest in Pilot Gold was reduced to 17.09% of the outstanding Common Shares. For further details, please refer to the material change report of the Corporation dated May 31, 2011, a copy of which is available on SEDAR at www.sedar.com.
- On June 27, 2011 the Corporation executed an earn-in arrangement with GRCL whereby, in exchange for 500,000 common shares of GRCL, the Corporation granted GRCL an option to acquire up to a 60% interest in the Yunt Dağ exploration-stage property in Turkey. Under the related Yunt Dağ earn-in agreement, GRCL is required to meet exploration expenditure obligations over five years, and annually issue common shares to Pilot Gold.
- On July 12, 2011, the Corporation announced that High Desert had completed its earn-in option on the Gold Springs gold project on the Nevada-Utah border (the "Gold Springs Project"), providing High Desert a 60% interest in the Gold Springs Project.
- The Corporation announced on September 21, 2011 the purchase of an option agreement from Animas Resources Ltd. ("Animas"), providing the Corporation the right to earn-into an initial 51% interest in the Kinsley Mountain gold property (the "Kinsley Mountain Project") in exchange for $350,000 cash, the issuance of 50,000 Common Shares, and a commitment to issue an additional 100,000 Common Shares over time.
- On February 8, 2012, the Corporation reported a project-first, independent resource estimate for the Halilağa Property based on results from 30,004 m of drilling in 72 drill holes (69 core; 3 reverse circulation), as follows:

  Sulphide Resource, using a 0.2% copper equivalent ("Cu") cut-off grade:

  - An Indicated Resource of 1.665 million ounces gold, at an average grade of 0.31 grams per tonne ("g/t") gold, and 1.112 billion pounds of copper at an average grade of 0.30% copper (168,167,000 tonnes);
  - An Inferred Resource of 1,661 million ounces gold, at an average grade of 0.26 g/t gold, and 1.007 billion pounds of copper at an average grade of 0.23% copper (198,668,000 tonnes); and

  Oxide Resource, using a 0.2 g/t gold ("Au") cut-off grade:

  - An Inferred Resource of 95,000 ounces gold, at an average grade of 0.60 g/t gold (4,914,000 tonnes).

  For further details, please refer to the material change report of the Corporation dated February 22, 2012, a copy of which is available on SEDAR at www.sedar.com.
- Effective February 9, 2012, the Corporation entered into an earn-in arrangement with Molycor Gold Corp., whereby, in exchange for a cash payment of $119,636, and the issuance, over time of 120,000 Common Shares, the Corporation could earn an initial 60% in the Griffon gold property ("Griffon") in Nevada. No Common Shares have been issued pursuant to this agreement as at the date of this AIF.

- On March 23, 2012, the Corporation purchased, in cash, 6,250,000 units (the "NEV Units") of NSGC at a price of C$0.12 per NEV Unit (the "NEV Private Placement"). Each NEV Unit comprises one common share of NSGC (a "NEV Share") and one half of one common share purchase warrant (a "NEV Warrant"). Each whole NEV Warrant entitles the holder to purchase an additional NEV Share (a "NEV Warrant Share") at an exercise price of C$0.20 per NEV Warrant Share for a period of 24 months from the date of issuance. If the NEV Shares trade at a daily volume weighted average price of greater than C$0.32 per share for a period of 20 consecutive trading days at any time after four months and one day after the closing, NSGC has the right to accelerate the expiry date of the NEV Warrants by giving notice to the holders thereof.

Significant acquisitions

Pilot Gold did not make any significant acquisitions during the financial year ended December 31, 2011 that would require the Corporation to file a Form 51-102F4 *Business Acquisition Report* under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")

DESCRIPTION OF THE BUSINESS

The Corporation is principally engaged in the acquisition, exploration and development of mineral properties or interests in those companies controlling mineral properties of interest to the Corporation. The Corporation's objective is to become the leading gold-focused exploration company by defining high-quality projects featuring strong grades and meaningful size in the best jurisdictions. To achieve this, Pilot Gold is currently focused on discovering and advancing deposits in Turkey and Nevada, USA, with strong exploration and production potential. The Corporation's philosophy is to create shareholder value through the discovery and advancement of a robust pipeline of projects stretching from exploration through to production. Consistent with this philosophy, the Corporation's current focus is on the Halilağa Project, the TV Tower Project and the Kinsley Mountain Project.

Nevada

Pilot Gold also has an interest in several exploration-stage gold projects throughout Nevada and along the Nevada-Utah border in the United States, including the Regent property, which remains a key project in the Corporation's portfolio, but which following a recent evaluation and prioritization of the Corporation's projects will not be a key focus in 2012.

The Corporation's primary interest in Nevada is the Kinsley Mountain Project, a sediment-hosted, past producing gold system with what appears to be similar stratigraphy, structure, and mineralization style as Long Canyon, a significant gold resource previously defined by members of Pilot Gold's geologic team in what is now recognized as an emerging gold district.

The Kinsley Mountain Project is located in southeast Elko County, Nevada, approximately 90 km from Newmont's Long Canyon deposit. In September 2011, Pilot Gold purchased the option to earn a controlling interest in the Kinsley Mountain property.

Under the option to a joint venture agreement with Nevada Sunrise Gold Corporation ("NSGC"), the Corporation must spend $1.18 million by March 2013 to earn 51% and may, if desired, spend an additional $3 million over the subsequent 5 years to earn an additional 14% interest.

Turkey

Among its portfolio of precious metal mineral rights, Pilot Gold's key projects in northwest Turkey's Biğa district include a 40% interest in the Halilağa Property that hosts a copper-gold porphyry deposit on which an initial resource estimate was released in February 2012; and the TV Tower Property, one of the largest gold systems in the Biğa District, at more than 65km^2, on which multiple high-priority targets have been identified to date.

Turkey has a rich mining history and is quickly becoming an emerging gold producer. The Biğa District is a region that boasts excellent infrastructure, including paved roads, power and proximity to a major port. Pilot Gold's technical team has played a key role in establishing the prospectivity and discovering a significant gold endowment in the Biğa District for several years.

As none of Pilot Gold's properties are currently in production, it is not currently distributing any minerals in the market. If one or more of Pilot Gold's properties move into production, it is anticipated that gold and other metals can be readily sold on numerous markets throughout the world and it would not be difficult to ascertain the market price of such metals at any particular time.

The Corporation anticipates that on occasion, it may divest of its interests in certain mineral properties or corporations controlling mineral properties when they no longer fit the Corporation's growth strategy.

Pilot Gold has no debt, and at the date of this AIF, approximately $15.5 million in cash and short term deposits primarily held with large Canadian and US commercial banks and $1.87 million in the approximate fair value of available for sale investments. For further details concerning the Corporation's material mineral properties, please see "*Mineral Properties*" below.

Employees

As at March 28, 2012, the Corporation and its subsidiaries had 29 employees. The majority of the Corporation's management and its geologic team are either former employees or long-time contractors of Fronteer. Pilot Gold believes that its success is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to the precious metals exploration business. Pilot Gold believes it will have adequate personnel with the specialized skills required to successfully carry out its operations. See in this AIF, "*Risk Factors*".

Health, Safety and Environment

The Corporation places great emphasis on providing a safe and secure working environment for all of Pilot Gold's employees, and recognize the importance of operating in a sustainable manner. There were no lost time accidents or significant environmental incidents at any of the Corporation's operations through the twelve-months ended December 31, 2011 (none through the twelve-months ended December 31, 2010). Pilot Gold's Health, Safety and

Sustainability Committee meets at least twice annually to review the Corporation's performance and compliance as related to such matters. Pilot Gold has also adopted a Health, Safety and Sustainability Charter, and has communicated the importance of working in a safe and secure working environment to all employees and significant contractors. Pilot Gold has also adopted a Health, Safety and Sustainability Policy to frame decisions of the Corporation's employees and contractors.

Pilot Gold is subject to federal, provincial, territorial and state, and local environmental laws and regulations. Management have put in place ongoing monitoring programs at the Corporation's properties, and posts surety bonds, as required, in compliance with state and local closure, reclamation and environmental obligations. The estimate for future reclamation and property closure costs for the Corporation's projects at December 31, 2011 was $0.05 million. There had previously been minimal disturbance, and thus no requirement to account for reclamation. The reclamation related to disturbance in 2011 was largely complete as at the date of this AIF.

One of the more significant remaining environmental risks associated with the Corporation's exploration projects relate to handling of fuel and fuel storage systems. These risks are mitigated through the use of various spill protection equipment such as berms and bladders. Management have also developed emergency plans in the event a significant spill does occur. Many of Pilot Gold's projects are subject to periodic monitoring by government agencies with respect to environmental protection plans and practices, which in many circumstances must be detailed when applying for exploration permits.

Corporate Social Responsibility - Turkey

In the Biğa District, Pilot Gold and TMST have worked extensively with community stakeholders in the settlements surrounding the Halilağa Project and the TV Tower Project to build positive relationships based on transparency and trust. Since 2008, more than $0.6 million has been spent by Orta Truva and Truva Bakir on community development and sustainability projects, including construction of a fire fighting reservoir, the drilling of new water sources for the Town of Muratlar near the Halilağa Project and the restructuring of a courtyard in the Town of Muratlar. Historic activity has also included the development of a regional reforestation program in order to reverse deforestation caused by forest fires and agricultural activities. In 2011, community investment activities included providing vocational training, sustainability programs, health services and infrastructure upgrades in local communities.

Alongside project operator, TMST, Pilot Gold is committed to building long-term relationships within surrounding communities. The Corporation and TMST are working to:

- Provide information and regular updates to community groups and the general public regarding all exploration activities in the region.
- Undertake exploration in a safe manner.
- Ensure that all concerns, questions, and feedback from community groups are efficiently and effectively addressed.
- Assess the environmental and social risks associated with each phase of the project.
- Implement mitigation measures when necessary.
- Introduce a Grievance/Complaint Resolution procedure to give all stakeholders an opportunity to present a dispute or concern related to exploration activities.
- Support transparent and fair employment strategies at the local level.
- Allocate resources to study and develop a social, economical, and educational infrastructure within those communities directly affected by the project.

Orta Truva and Truva Bakir are also committed to community investment projects that promote local development, decrease poverty, and enhance the quality of life by investing in education and health initiatives for the local community groups. In addition to the immediately-required infrastructure and educational support, development activities are meant to include long-term, sustainable goals for local communities that generate employment opportunities; and improve long-term health services. The main objectives of these community development projects is to build partnerships with local community groups such as the residents of project-affected settlements, government authorities, Non-Governmental Organizations and university personnel, while ensuring that all parties contribute to the initiatives that can benefit the local communities.

Area of Interest Limitations on the Business

Newmont

Pilot Gold has made certain covenants in the Arrangement Agreement that affect its ability to acquire and explore additional properties. Until the fifth anniversary of the FA Effective Date, none of Pilot Gold or its subsidiaries is permitted to, without Newmont's prior written consent, stake, lease or otherwise purchase or acquire or become entitled to acquire, directly or indirectly, alone or in concert with any other Person, any interest whatsoever in real property, land rights, surface rights, water rights or any mineral concessions, leases, claims or other form of mineral rights whatsoever, any part of which lies within the boundary of, or within five miles of the perimeter of the Long Canyon Property, the Sandman Property and the Northumberland Property (which are properties acquired by Newmont pursuant to the Fronteer Arrangement), and if Pilot Gold or any of its subsidiaries acquires any such interest in contravention of the foregoing, Pilot Gold is required to notify Newmont and to hold such interest in trust for Newmont and promptly convey such interest to Newmont at no cost.

Pilot Gold has also covenanted and agreed that, until the first anniversary of the FA Effective Date, none of Pilot Gold or its subsidiaries will, without Newmont's prior written consent, stake, lease or otherwise purchase or acquire or become entitled to acquire, directly or indirectly, alone or in concert with any other Person, any interest whatsoever in real property, land rights, surface rights, water rights or any mineral concessions, leases, claims or other form of mineral rights whatsoever, any part of which lies within the boundary of, or within two miles of the perimeter of, any of the Fronteer mining properties acquired by Newmont (other than the Long Canyon Property, the Sandman Property or the Northumberland Property which are governed by the more onerous restriction described above), and if Pilot Gold or any of its subsidiaries acquires any such interest in contravention of the foregoing, Pilot Gold will notify Newmont and will hold such interest in trust for Newmont and promptly convey such interest to Newmont at no cost.

Anti-Dilution Participation Rights

As described elsewhere in this AIF, Newmont holds anti-dilutive participation rights and is subject to a stand-still clause to maintain their interest up to the lesser of a 19.9% interest in Common Shares and its then existing pro rata ownership interest in Pilot Gold.

RISK FACTORS

An investment in securities of the Corporation involves a significant degree of risk and should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Pilot Gold and could cause the Corporation's operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Corporation. These include widespread risks associated with any form of business and specific risks associated with Pilot Gold's business and its involvement in the gold exploration and development industry. Shareholders of Pilot Gold may lose their entire investment.

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully reviewed by prospective investors. These risks may not be the only risks faced by Pilot Gold. Risks and uncertainties not presently known by Pilot Gold or which are presently considered immaterial may also adversely affect Pilot Gold's business, properties, results of operations and/or condition (financial or otherwise). If any of the following risks actually occur, Pilot Gold's business, financial condition, operating results and prospects could be adversely affected.

All references to "Pilot Gold" or the "Corporation" in this section entitled "Risk Factors" include Pilot Gold and its subsidiaries and joint ventures, except where the context otherwise requires.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Corporation's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development and mining of any of the Corporation's properties is furthermore subject to a number of macroeconomic, legal and social factors, including the price of gold and copper, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the ability to obtain suitable machinery, equipment or labour and the ability to obtain necessary services in jurisdictions in which the Corporation operates. Unfavourable changes to these and other factors have the potential to negatively affect the Corporation's operations and business.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but could have a material adverse effect upon the Corporation's properties and investments.

There is no certainty that the expenditures made by the Corporation towards the exploration and evaluation of gold, copper or other minerals will result in discoveries or production of commercial quantities of gold or other minerals.

In addition, once in production, mineral reserves are finite and there can be no assurance that the Corporation will be able to locate additional reserves as its existing reserves are depleted.

Risks Associated with the Early Stage Status of the Corporation's Mineral Properties and the Nature of Exploration

With the exception of the Halilağa Property in Turkey on which an initial resource estimate has recently been defined, the terms "Resource(s)" or "Reserve(s)" cannot be used to describe Pilot Gold's mineral property interests due to their early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration on those properties to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Quantities and/or grade described in this AIF should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the profitability of future operations.

As to the Halilağa Property in Turkey, or other properties on which the Corporation releases a resource estimate, the Corporation notes that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The economics of exploring and developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Permitting and License Risks

A number of approvals, licenses and permits are required for various aspects of exploration and mine development. The Corporation is uncertain if all necessary permits will be maintained or obtained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities at either of the Halilağa or TV Tower Projects, or at the exploration properties in which the Corporation has an interest in the United States, or any other projects with which the Corporation becomes involved. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Under the Turkish Mining Law, mining operations have been divided into five groups which are subject to different terms and conditions on licensing principles and procedures. The three types of licenses granted for prospecting and operating mineral exploration activities stated under the laws of the Republic of Turkey are as follows: (i) a prospecting license, enabling its holder to carry out prospecting activities in a specific area; (ii) an operation license, enabling its holder to carry out operational activities within the same area as stated in the prospecting license; and (iii) an operation permit, enabling its holder to operate a specific mine as specified in the operation license. Applications for an operation-type license must be submitted before the end of the term of a prospecting-type license, and must demonstrate the presence of an economic[2] resource on the license. The conversion application includes providing a resource estimate, a conceptual mine plan, a positive conceptual economic analysis and an initial description of likely environmental impacts.

Each license type is valid for a predetermined period of time and must meet a variety of requirements in order to remain in good standing, including a requirement to receive a number of permits from the General Directorate of Mining Affairs. Applications to renew an exploration-type license, as well as applications to receive, or renew an operation-type license, are made to the Government of Turkey's Mining Affairs General Directorate of the Ministry of Energy and Natural Resources, and are subject to an extensive review. Periodically, and particularly when a license is under review for renewal or conversion from one classification to another, a license holder must prepare and submit an Environmental Impact Assessment ("EIA") report to the General Directorate of Mining Affairs. A public consultation process occurs following receipt of approval. There can no assurance that an EIA report will be approved, or that it won't consequently be overturned or that activity on a property won't be arrested as a result of the publicly consultation process. A failure to renew a particular license could have a significant detrimental impact on the price of the Corporation's Common Shares, and on the ability of the Corporation to raise debt or capital.

[2] Readers of this AIF are cautioned that this definition is not equivalent to the term "economic" as it relates to the definition of proven and probable as those terms are used in NI 43-101, and does not infer that mineralization at either the Halilaga Property or the TV Tower Property could be economically and legally produced based on drilling and resource estimate modelling undertaken to date.

As it relates to the Halilağa and TV Tower Projects, TMST, as project operator have been responsible for completing and submitting applications for permits and permit renewals. TMST has also been responsible for the preparation and submission of EIA reports in respect of the Halilağa and TV Tower Projects. At the date of this AIF, an EIA report relating to the principal license of the Halilağa Project, had been prepared and submitted by TMST to the relevant Turkish authorities for review and approval. A process is also underway to concurrently apply for updated requisite Forestry permits and the Unsanitary Enterprise (GSM) permits. The Corporation does not always have an opportunity to review, and is not always consulted by the project operator such applications and reports prior to submission. The process to complete the permitting for this particular license must have been completed and remain uncontested by May 21, 2012, or Truva Bakir risks losing the license.

The Corporation (and as Fronteer, former parent company to Pilot Gold) has experienced permitting delays on the Halilağa Property in Turkey in the past. Mining legislation in Turkey has also been subject to changes in the past couple of years. There is no certainty that further changes to the legislation will not be introduced that may make permitting a project more difficult.

The Corporation cannot be certain that it will receive the necessary permits and licenses at all, or on acceptable terms required to conduct further exploration and to develop its properties and bring them into production. The failure to obtain such permits or licenses, or delays in obtaining such permits or licenses, could increase the Corporation's costs and delay its activities, and could adversely affect the properties, business or operations of the Corporation.

Government approvals, approval of aboriginal people and other members of surrounding communities and permits and licenses are currently and will in the future be required in connection with the operations of the Corporation. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration and development activities.

Commodity Price Risks

The price of the Common Shares, the Corporation's financial results and exploration, and development and mining activities may in the future be significantly and adversely affected by declines in the price of gold or other minerals. The price of gold or other minerals fluctuates widely and is affected by numerous factors beyond the Corporation's control, including but not limited to the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market value of gold or other minerals could cause continued development of and commercial production from the Corporation's properties to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Economic viability of future production from the Corporation's mining properties, if any, is dependent upon the prices of gold and other minerals being adequate to make the properties economic.

In addition to adversely affecting any resource estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Risks Associated with the Corporation's Material Mineral Properties

As at the date of this AIF, the Corporation holds an interest in three mineral properties that are considered to be material within the meaning of applicable Canadian securities laws (the "Material Properties") (see "*Mineral Properties*" in this AIF). The Corporation's Material Properties are of high risk, and are considered to be speculative in nature. There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of gold or other minerals with regard to the Material Properties, or otherwise, will result in discoveries of commercial quantities of gold or other minerals.

In addition, even in the event of the successful completion by the Corporation or its joint venture partners of those programs underway on the individual Material Properties, there is no assurance that the results of such exploration will warrant undertaking, or result in, the completion of further exploration programmes or activities on any particular Material Property. In such circumstances, the Corporation may be required to reallocate its resources and focus its operations on other mineral properties. There can be no assurance that any such additional mineral properties will be available for acquisition by the Corporation or that, if available, the terms of acquisition will be favourable to the Corporation.

Risks Associated with a Lack of Funding to Satisfy Contractual Obligations

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Corporation may have its property interests subject to such agreements reduced as a result or even face termination of such agreements. The Corporation has joint venture agreements in Turkey with respect to the Turkish Properties. The joint venture agreements with Teck call for adjustments to the interests of the parties in the Halilağa and TV Tower properties where either party fails to fund cash calls within certain specified periods. If the Corporation fails to fund cash calls, it risks having its interest reduced, may lose its effective veto power over certain decisions and ultimately could have its interest in the Turkish Properties diluted or terminated. Teck is a much larger entity with far greater access to financial resources than the Corporation.

Additional Capital

The exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest. In particular, if the Corporation completes earn-in on the Kinsley Mountain Project, or if capital calls are made by Teck in respect of the Turkish Properties or the Corporation acquires additional mineral properties which necessitate exploration expenditures, the Corporation may not have sufficient funds to finance such operations. The primary source of funding available to the Corporation consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be on terms that are favourable to the Corporation. In addition, any future financing may be dilutive to existing shareholders of the Corporation.

Potential Dilution to Common Shares

Pilot Gold's articles of incorporation allow the Corporation to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by our Board, in many cases, without the approval of the shareholders.

There are currently 59,085,286 Common Shares issued and outstanding. The increase in the number of Common Shares issued and outstanding through further issuances may have a depressive effect on the price of the Common Shares and will dilute the voting power of the Corporation's existing shareholders.

In addition, as at March 28, 2011, there were 4,027,500 Common Shares issuable upon the exercise of outstanding stock options of Pilot Gold at a weighted average exercise price of C$3.35 per Common Share. As at December 31, 2011, there were 1,750,000 stock options exercisable; and 1,750,000 stock option exercisable at the date of this AIF. The Corporation may issue additional Common Shares in future offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options. We may also issue Common Shares to finance future acquisitions and other projects. Pilot Gold cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares.

Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and Pilot Gold may experience dilution in the Corporation's earnings per share.

Current Economic Conditions

There are significant uncertainties regarding the price of gold, copper, other precious and base metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. Currently, prices of certain commodities such as gold and copper have shown steady, though not necessarily linear, price increases which has had a positive impact on the Corporation and the mining industry in general as capital has been attracted to the industry making it somewhat easier for corporations exploring for commodities to raise financing. The Corporation's future performance is largely tied to the development of its current mineral properties and the commodity and financial markets. There can be no certainty that commodity prices will continue to show the same level of strength. Current financial markets are likely to continue to be volatile in Canada potentially through 2012 and beyond, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. Unprecedented uncertainty in the credit markets has also led to increased difficulties in financing activities. As a result, the Corporation may have difficulty raising debt or equity financing for the purposes of mineral exploration and development, and, if obtained, on terms favourable to the Corporation and/or without excessively diluting present shareholders of the Corporation. These economic trends may limit the Corporation's ability to develop and/or further explore its mineral property interests and may limit the ability of the Corporation to meet capital calls with respect to the Turkish Properties.

Price and Volatility of Public Stock

The market price of securities of Pilot Gold has experienced wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of Pilot Gold. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold, copper or other mineral prices. Other factors unrelated to the Corporation's performance that may have an effect on the price of the Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Corporation's business may be limited if investment banks with research capabilities do not follow the Corporation's Common Shares; (ii) lessening in trading volume and general market interest in the Corporation's Common Shares may affect an investor's ability to trade significant numbers of Common Shares; (iii) the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's Common Shares; and (iv) a substantial decline in the price the Common Shares that persists for a significant period of time could cause the Corporation's Common Shares to be delisted from the TSX or from any other exchange upon which the Corporation's Common Shares may trade from time to time, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Major Shareholders with greater than 10% Holding

Newmont indirectly holds approximately 17.09% of the Corporation's issued and outstanding Common Shares and is Pilot Gold's single largest shareholder. As a result, Newmont may have the ability to influence the outcome of matters submitted to the Pilot Gold shareholders for approval, which could include the election and removal of directors, amendments to Pilot Gold's corporate governance documents and business combinations. Pilot Gold's interests and those of Newmont may at times conflict, and this conflict might be resolved against Pilot Gold's interests. The concentration of approximately 17.09% of Pilot Gold's issued and outstanding shares in the hands of a single shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. Furthermore, if at any time prior to the second anniversary of the FA Effective Date of the Fronteer Arrangement, should the Corporation propose to issue or sell Common Shares or securities convertible into or exchangeable for Common Shares (collectively, "Additional Pilot Gold Securities"), other than (i) under any stock option plan of Pilot Gold, (ii) on the exercise or conversion of convertible securities, or (iii) for property other than money, Newmont has the right to subscribe for and purchase (directly or through an affiliate) Additional Pilot Gold Securities at the price at which such Additional Pilot Gold Securities are offered for sale to other purchasers, up to the lesser of 19.9% of the Additional Pilot Gold Securities and its pro rata interest in the Corporation, in each case, prior to giving effect to the issuance or sale of such Additional Pilot Gold Securities. Newmont's participation in, or failure to participate in any issuance of Additional Pilot Gold Securities may have a material impact on the value and trading price of the Common Shares.

Minority Interests in the Turkish Properties

The terms of the joint venture agreement governing the exploration of the Turkish Properties provides effective control to Teck over many of the activities conducted on those properties since it holds a majority (60%) of the shares of the joint venture companies that hold the mining rights in respect of the Turkish Properties. While a limited number of decisions regarding these properties require unanimous approval, giving the Corporation a veto over any such decisions, the Corporation has only a minority interest in these properties and is dependent upon Teck to manage and oversee the operations on these properties.

Subsidiaries and Joint Ventures

The Corporation owns its 40% interest in the Halilağa Property and TV Tower Property through a joint venture with Teck, its 40% interest in the Gold Springs Project through a joint venture with High Desert, and it operates some of its properties through subsidiaries. The Corporation is therefore subject to the typical risks associated with joint ventures, including disagreement on how to develop, operate or finance the project and contractual and legal remedies of the Corporation's partners in the event of such disagreements. In addition, any limitation on the transfer of cash or other assets between the Corporation and such entities, or among such entities, could restrict the Corporation's ability to fund its operations efficiently. Any such limitations or the perception that such limitations may exist now or in the future, could have an adverse impact on the Corporation's value and stock price.

Foreign Operations Risk

Some of Pilot Gold's operations are conducted in Turkey and Pilot Gold may acquire or invest in additional properties located in less stable jurisdictions in the future and, as such, its operations are and may increasingly be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; and changing political conditions and governmental regulations, including changing environmental legislation.

Turkey is seeking membership to the European Union ("EU") and is progressing to conform to EU standards and develop greater political and economic stability. However, Turkey has historically, and to some degree continues to experience heightened levels of political and economic instability due to regional geopolitical instability. These conditions may be exacerbated by current global economic conditions. This instability may cause changes to existing governmental regulations affecting mineral exploration and mining activities and/or may have a material adverse effect on the Corporation's properties, business and results of operations.

Changes, if any, in mining or investment policies or shifts in political attitudes in Turkey or other jurisdictions in which Pilot Gold holds properties or assets may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on operations, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the properties, business, operations or financial condition of the Corporation.

In addition, in the event of a dispute arising from foreign operations, Pilot Gold may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Pilot Gold also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Pilot Gold to accurately predict such developments or changes in laws or policy or to the extent to which any such developments or changes may have a material adverse effect on Pilot Gold's operations.

Indemnified Liability Risk

Pursuant to the Arrangement Agreement, Pilot Gold has covenanted and agreed that, following the FA Effective Date, it will indemnify Newmont, Fronteer and its subsidiaries from all losses suffered or incurred by them as a result of or arising directly or indirectly out of or in connection with an Indemnified Liability (as such term is defined in the Arrangement Agreement), which includes (i) a liability or obligation that, following the FA Effective Date, Fronteer or any of its subsidiaries is legally obliged to pay but which was incurred or accrued prior to the FA Effective Date in respect of the Fronteer Exploration Properties (including the operations or activities in connection therewith and any liabilities or obligations for taxes in connection with the transfer of the Fronteer Exploration Properties to Pilot Gold), and (ii) the amount of any tax payable by Fronteer in respect of the disposition of Common Shares to the former Fronteer securityholders. Pilot Gold will remain liable under this indemnity for six years following the FA Effective Date, or until 60 days after the end of the relevant statutory limitation period in respect of claims for taxes. Because of Pilot Gold's limited financial resources, any requirement to indemnify under these provisions could have a material adverse effect on the ability of Pilot Gold to carry out its business plan.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the Corporation's properties. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities.

Such costs may have a material adverse impact upon the business, financial condition and results of operations of the Corporation.

Limited Operating History

The completion of the Fronteer Arrangement on April 6, 2011 and subsequent listing on the TSX of the Common Shares marked the start of independent operations for Pilot Gold. As the Corporation is in its first year of operation, it has little history of operations and no earnings. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Reliance on a Limited Number of Properties

The only material property interest of the Corporation are its 40% minority interests in the Turkish Properties in Turkey. At the Kinsley Mountain Project in Nevada, the Corporation has not yet earned its initial interest in the property. As a result, unless the Corporation acquires additional property interests, any adverse developments affecting any one of these properties could have a material adverse effect upon the Corporation and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation. While the Corporation may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Corporation will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Corporation or at all. See "*Mineral Properties*" in this AIF.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons.

Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Land Title

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Corporation is satisfied it has taken reasonable measures to acquire unencumbered rights to explore its mineral properties in the United States, no assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material or adverse to the Corporation. The Corporation's mineral properties in the United are primarily unpatented mining claims to which the Corporation has only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively the ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper posting and marking of boundaries and possible conflicts with other claims not determinable from descriptions of record. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry.

The present status of the Corporation's unpatented mining claims located on public lands provides the Corporation with the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Corporation is also allowed to use the surface of the land solely for purposes related to exploration, mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States government. The Corporation remains at risk that the mining claims may be forfeited either to the United States government or to rival private claimants due to failure to comply with statutory requirements.

In Turkey, mining rights and minerals are exclusively owned by the State. The ownership of the minerals in Turkey is not subject to the ownership of the relevant land. The State, under the mining legislation, delegates its rights to explore and operate to individuals or legal entities by issuing licences for a determined period of time in return for a royalty payment. Mining rights, with respect to certain types of mines, belong to State or State enterprises.

The Corporation may need to enter into negotiations with landowners and other groups in the local community in Turkey in order to conduct future exploration and development work on the Turkish Properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Turkey or if such agreements will be on terms acceptable to the Corporation so that the Corporation can continue to conduct exploration and development work on these properties.

Environmental Risks and Hazards

The Corporation currently has no known financial obligations relating to environmental protection. However, all phases of the Corporation's operations are subject to environmental regulation including environmental impact assessments and permitting) in the jurisdictions in which it operates. Several of the properties in Nevada to which the Corporation has an interest, including the Kinsley Mountain Property at which the Corporation is, at the date of this AIF, earning into an interest, has undergone significant surface disturbance for over 100 years (see "*Mineral Properties*" in this AIF). These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation and international standards are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation and standards, if any, will not adversely affect the Corporation's business, condition or operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Pilot Gold cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect Pilot Gold.

State Forest Land in Turkey

In order to conduct drilling or other potentially disruptive exploration activities on concessions within State Forest land in Turkey, valid permits are required from the Turkish General Directorate of Forestry of the Ministry of Environment and Forestry. There have recently been several changes in regulation governing the use of forestry lands for mining activities in Turkey. The potential for continuing change in Turkey as it relates to undertaking exploration activities on concessions within State Forest land, or as it relates to other areas determined to be protected or otherwise deemed to be of national interest is elevated. It is thus uncertain if the Corporation's existing permits may be affected in the future or if the Corporation will have difficulties in obtaining all necessary forest permitting it requires for its mining and exploration activities to continue if any new regulations are adopted.

Water Sources

Community water sources occur in the region of the Corporation's interest in its properties in Turkey, and in the United States. The Corporation will have to ensure that exploration activities do not impact community water sources. Future operations may require that alternate water sources be provided to potentially affected communities.

Government Regulation

The mineral exploration activities (as well as the potential for eventual mining, processing and development activities) of the Corporation are subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Government approvals, approval of aboriginal peoples and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulators in the United States and Turkey have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

The Corporation's mineral exploration and mining activities in the countries in which it operates, including the United States and Turkey, may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Corporation's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Corporation's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Corporation and could have a substantial adverse impact on the Corporation.

Most recently, in the State of Nevada, where the Corporation has its United States properties, section 47 of Assembly Bill 6 enacted by the Special Session of the Nevada Legislature increased the fee payable by the owner of an unpatented mining claim on the recording of a notice of intent to hold the mining claim. At the federal level, the most recent United States Federal budget proposes to levy a 5% royalty on the gross proceeds of hardrock minerals mined on public lands including silver, gold and copper extracted from all new projects on public lands like those managed by the United States Interior Department's Bureau of Land Management or the United States Forest Service. These and other changes to legislation and regulation in the United States, as well as similar changes in other jurisdictions may indicate an increasing risk for companies operating in the exploration and production stage of the mining industry to be subject to increasing taxes on operations. The Corporation's activities and financial results may be adversely impacted by these and other changes.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of potentially productive mineral properties. In particular, there is a high degree of competition faced by the Corporation in Canada and elsewhere for desirable mining property interests, suitable prospects for drilling operations and necessary mining equipment, and many of these companies have greater financial resources, operational experience and/or more advanced properties than the Corporation. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes with other resource companies, many of whom have greater financial resources and/or more advanced properties, in attracting equity and other capital necessary for the Corporation to advance the exploration and development of its mineral properties.

The ability of the Corporation to acquire additional properties depends on, among other things, its available working capital, its ability to explore and develop its existing properties, its ability to attract and retain highly-skilled employees, and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. Mineral prices have historically been subject to fluctuations and are affected by numerous factors beyond the control of the Corporation.

In addition, the Corporation is subject to certain covenants in the Arrangement Agreement that affect its ability to acquire and explore additional properties in a prescribed area of interest in Nevada. The management, employees and directors of Pilot Gold have significant expertise, experience and history working in the State of Nevada. These covenants and restrictions will prevent Pilot Gold from entering into, or undertaking activities in this area of interest for a specified period of time which may reduce the Corporation's potential and ability to benefit from and maximize the collective experience of its management, employees and directors.

Specialized Skill and Knowledge

Various aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. The Corporation has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so; however, no assurances can be made in that regard.

Acquisitions and Integration

From time to time, it can be expected that the Corporation will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. If the Corporation chooses to raise debt capital to finance any such acquisitions, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Influence of Third Party Stakeholders

Some of the lands in which Pilot Gold holds an interest, or the exploration equipment and roads or other means of access which Pilot Gold intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. If such third parties assert any claims, Pilot Gold's work programs may be delayed even if such claims are without merit. Such delays may result in significant financial loss and loss of opportunity for Pilot Gold.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Corporation's ability to raise capital through future sales of Common Shares. In particular, Newmont indirectly owns approximately 17.09% of the issued and outstanding Common Shares. If Newmont decides to liquidate all or a significant portion of its position, it could adversely affect the price of the Common Shares.

Risk of Litigation

Pilot Gold may become involved in disputes with third parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If Pilot Gold is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of Pilot Gold to carry out its business plan.

Passive Foreign Investment Corporation ("PFIC")

It is likely that Pilot Gold will be classified as a PFIC within the meaning of Section 1291 through 1298 of the US Internal Revenue Code of 1986, as amended, for the 2011 tax year. A US shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to special US federal income taxation rules, which may have adverse tax consequences to such shareholder. Additionally, a United States shareholder may be eligible to make certain elections under two alternative tax regimes. A US shareholder should consult its own US tax advisor with respect to an investment in the Common Shares and to ascertain which elections, if any, might be beneficial to the United States shareholder's own facts and circumstances.

Key Executives

The Corporation is dependent on the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. The Corporation strongly depends on the business and technical expertise of its board, its management and key personnel. Due to the relatively small size of the Corporation, the loss of any of these individuals or the Corporation's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Although Pilot Gold has a very limited history of operations, the Corporation has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its level of operations. The Corporation's certifying officers have assessed internal control over financial reporting to be effective as at December 31, 2012.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Corporation's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Corporation will require external financing in future periods.

Currency Rate Risk

The Corporation's reporting currency is the United States dollar, which is exposed to fluctuations against other currencies. The Company's most recent equity financing was undertaken, and funds were received in Canadian dollars. The Corporation's primary operations are located in the United States and Turkey and many of its expenditures and obligations are denominated in United States dollars, and Turkish lira. It can be anticipated that obligations will also arise in Euros and other currencies should the Corporation expand its operations into additional countries. The Corporation maintains its principal office in Canada, maintains cash accounts in United States dollars, Turkish lira, and Canadian dollars and has monetary assets and liabilities in United States and Canadian dollars, and Turkish lira. As such, the Corporation's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Corporation. The Corporation has not undertaken to mitigate transactional volatility in the United States dollar, Turkish lira, or the Canadian dollar at this time. The Corporation may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Dividend Policy

No dividends on the Common Shares have been paid by the Corporation to date. Payment of any future dividends will be at the discretion of the Corporation's board of directors (the "Board") after taking into account many factors, including the Corporation's operating results, financial condition and current and anticipated cash needs. At this time, the Corporation has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations.

MINERAL PROPERTIES

As at March 28, 2012, the Corporation holds an interest in three mineral properties that are considered to be material within the meaning of applicable Canadian securities laws: (i) the TV Tower Property, (ii) the Halilağa Property, and (iii) the Kinsley Mountain Project; to be material for the purposes of NI 43-101. These properties are discussed in more detail below. The remaining properties are in a relatively early stage.

Although it remains a key project in the Corporation's portfolio, given the new importance of the Kinsley Mountain Project, and particularly the initial results therefrom; the opportunity to advance the TV Tower Project; and the recent release of an initial resource estimate on the Halilağa Project, the Regent property is not considered to amongst the Corporation's material projects for 2012.

The TV Tower Project, Turkey

Except as otherwise stated herein, the following disclosure relating to the TV Tower Property ("TV Tower") is based on information derived from the updated technical report entitled "*Technical Report on the TV Tower Exploration Property, Çanakkale, Western Turkey*", dated February 15, 2011, as amended on June 7, 2011, prepared by Ian Cunningham-Dunlop (the "TV Tower Technical Report"). Ian Cunningham-Dunlop, P. Eng., Vice-President Exploration and Chief Operating Officer, Pilot Gold (formerly Vice-President, Exploration of Fronteer), is the designated Qualified Person for the TV Tower Technical Report upon which the scientific and technical information reproduced in this AIF is based. See in this AIF, "*Interests of Experts*".

Readers are directed to and encouraged to review the TV Tower Technical Report, which can be reviewed in its entirety under the Corporation's profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The TV Tower Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The TV Tower Technical Report contains the expression of the professional opinion of the Qualified Person based upon information available at the time of preparation of the TV Tower Technical Report. The following disclosure, which is derived from the TV Tower Technical Report, is subject to the assumptions and qualifications contained in such report.

TV Tower is located in Çanakkale Province on the Biğa Peninsula of North-western Turkey. It is situated 27 km southeast of the city of Çanakkale and 2.6 km north of the village of Kuscayir at 465,870E 4,423,580N UTM Central meridian 27 (ED50 datum).

The TV Tower Property consists of 7,109 ha of mineral tenures in eight contiguous licenses. Four of the licenses are valid until November 7, 2013. Two licenses are pending conversion to operations licenses and have no current expiration time. The remaining two licenses were recently acquired at auction on February 21, 2012.

TV Tower is a 60%-40% joint venture between TMST and Pilot Gold with TMST as the operator. The licenses relating to TV Tower are held by Orta Truva, which is the legal joint venture entity. Pursuant to the Fronteer Arrangement, Fronteer's 40% interest in Orta Truva was transferred to Pilot Gold, giving Pilot Gold a 40% ownership in TV Tower, as well as a 40% interest in other individual licenses and groups of licenses within the surrounding area. TMST owns 60% with the option to elect to earn an additional 10% (which it has waived).

Fronteer's interest in TV Tower was initiated in 2004 when Fronteer signed a letter of intent with TMST, to acquire a 100% interest in all TMST's properties in the Biğa region (excluding the Aği Daği and Kirazlı properties which were covered by separate agreements). Fronteer completed its technical due diligence and October 19, 2004 and signed Letters of Agreement on the Biğa Properties.

To earn a 100% interest, Fronteer was required to spend $2 million from the date of the agreement to November 1, 2008 as follows:

- A total of $0.20 million before November 1, 2005
- A further $0.3 million before November 1, 2006
- A further $0.5 million before November 1, 2007
- And, a further $1.0 million before November 1, 2008 for a cumulative total of $2 million.

Fronteer also issued $0.1 million worth of Fronteer shares which equated to 111,930 Fronteer shares at that time.

TMST retained the right to earn-back a 60% interest in any project that the two parties designated as a "Designated Property" by spending 3.5 times Fronteer's expenditures on the Designated Property. Halilağa, TV Tower, Degedaği and Pirentepe were all projects that became Designated Properties under this agreement. Fronteer began spending its funds on the broad property package, eventually discovering copper-gold porphyry mineralization at Halilağa, where the bulk of its expenditures were made, followed second by Pirentepe. There was very little expenditure at TV Tower or Degedaği.

Based on the positive news from Halilağa, TMST exercised its back-in right on all four of the Designated Properties (including TV Tower) on November 30, 2006, prior to Fronteer completing its $2,000,000 earn-in. This deemed Fronteer to own the Designated Properties 100% and TMST had to now spend 3.5 times Fronteer's expenditures. TMST accomplished this in 2007 and the property became a 60%-40% joint venture between TMST and Fronteer. TMST also waived its rights to increase its interest to 70%.

As background, Pilot Gold (and previously, Fronteer) has provided the following information on the requirements to provide an EIA. An EIA must be filed for mining operations at Operation Stage Licenses within the following classes of land: forestry areas, hunting areas, special protection areas, national parks, agricultural areas, cultural protection areas, coastal areas, and tourism areas. The TV Tower property does not lay within any of these special permit areas, therefore an EIA is not required to be lodged until after the drilling stage. Drilling, as defined by the relevant environmental regulations, does not require EIA reporting.

Other than the standard drilling permits, the author is not aware of other any other permits that must be acquired to conduct work proposed on the property.

According to the General Directorate of Mining Affairs, the State will receive 4% of Net Smelter Royalty (known as the *State's rights*) for precious metals in the 4th Group minerals (in other words, non-ferrous minerals, excluding gems). The State's rights, paid by the license holder, will be distributed as follows: 50% to the local administration (the city where the license is located); 30% to the account of the Treasury; and 20% towards special revenue in the government budget and special appropriation to the Ministry budget. The Council of Ministers can apply a maximum 25% discount in the State's rights rates depending on the type of mineral, the region of production, and other criteria. Each year the license holder pays the royalty on the last day of June.

The TV Tower Property can be accessed by a series of well-maintained local and forestry roads. The property is situated on a topographic high trending in an E-W direction for a distance of 4.5 km. The highest elevations on the property are approximately 700 m.

The Biğa Peninsula has fertile soils and a Mediterranean climate with mild, wet winters and hot, dry summers. Temperatures range from 15 to 35 degrees Celsius in the summer season and -10 to 10 degrees Celsius in the winter months. The annual rainfall is approximately 30 centims, generally falling as mixed rain and snow in late fall and winter. Year-round access to the properties for field exploration is unrestricted due to weather; however, snow fall during winter may restrict vehicle movement.

The region is well serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the Town of Çan. Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested.

Local labour is employed from nearby villages. There is no exploration infrastructure located within the properties, with the exception of dirt drill roads.

No assessment of the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and potential processing plant sites has been undertaken as part of the TV Tower Technical Report.

Other international mining companies have worked on the TV Tower ground previously. Several holes were drilled on Sarp Dağ/Columbaz Tepe in the north-eastern part of the property. Further details regarding this exploration or results from the drilling are not known.

The government General Directorate of Mineral Research and Exploration of Turkey ("MTA") conducted a regional scale exploration programme over the Biğa Peninsula between 1988 — 1991.

In 1996 and 1997, TMST collected 36 rock samples from silicified and argillicly altered outcrops. Six silt samples were also taken from the TV Tower claims. The highest grade rock samples returned 1900 ppb and 510 ppb Gold at Sarp and the highest silt sample returned 241ppb Au from the south eastern portion of the property. These anomalous results highlighted the potential of the area.

The TV Tower property is located in the central part of the Biğa Peninsula in Western Turkey. The geology of the peninsula is complex and characterized by various lithological associations made up of (i) basement metamorphic rocks, (ii) Permian and Mesozoic rock units, (iii) ophiolitic rocks, (iv) Tertiary (Eocene) units, (v) Neogene sediments, and (vi) collisional to extensional Tertiary granitoids and associated volcanic rocks. These rocks are, in turn, uncomfortably overlain by weakly deformed Jurassic-Lower Cretaceous sandstones and limestones. The sequence includes: (i) Triassic terrigeneous to shallow marine clastic sedimentary rocks; (ii) Middle to Upper Jurassic platform-type neritic limestones; (iii) Lower Cretaceous pelagic limestones; and (iv) Upper Cretaceous-Palaeocene volcanic and sedimentary rocks.

TV Tower comprises Cretaceous-aged metamorphic basement rocks on the western and eastern edges and Eocene-sediments, which are intruded by Tertiary-aged intrusives at the southern parts, and overlain by dominantly Neogene-aged calc-alkaline volcanic rocks. These volcanic rocks are typically volcaniclastics (ash-lapilli tuff) which are enveloped by more coherent feldspar porphyritic units. They are variably altered, brecciated and mineralized and display a range of intensities of brittle deformation.

The TV Tower exploration property is interpreted to contain multiple zones of gold mineralization nested within what appears to be a large, highly altered volcanic centre. Many of these target areas have wide-spread epithermal alteration with supporting geophysical and geochemical signatures typical of those seen at other high-sulphidation gold (Kirazlı, Aği Daği) and porphyry copper-gold deposits (Halilağa) within the Biğa Peninsula.

To date, seven targets have been defined by a combination of geophysical, geochemical and geological methods. Of the seven targets, four targets are epithermal: Kücükdağ, Kayali, Sarp and Kestancilik; and three are porphyry: Naçak, Tesbihcukuru and Kiraz. At present, the focus of activity for TMST is the Kücükdağ and Kayali/Naçak targets as described below.

The Kücükdağ target is located in the northern part of TV Tower property. The area is underlain by a sequence of gently north-dipping agglomerate to fine volcaniclastics that are overlain by intensely silicified felsic ash tuff and ash-lapilli tuff, with ignimbritic volcanics at higher elevations and more coherent feldspar porphyry at lower elevations. Rare laminated tuffaceous volcanic rocks are intercalated with coherent feldspar porphyries, particularly on the upper part of the Kücükdağ, A broad 750 m x 100 m zone of strong silcification is present at the Kücükdağ target. The geochemical sampling suggests that the gold mineralization is related to multi-phase breccias which cut through the volcaniclastic sequence. The extent and dimensions of this breccia development is unknown at this time. Surface rock sampling has returned a high of ~50 g/t Au and also up to 100 ppm Ag. The pathfinder elements are indicative of an epithermal gold system and are anomalous in Ba, Sb, As and Ga.

The Kayali/Naçak target is situated in the southern portion of the TV Tower property. Two different sequences of lapilli tuffaceous units were defined during the geology-alteration mapping: a coherent feldpsar porphyritic unit intercalated with the lapilli tuff; and a highly silicified lapilli tuff unit which is well-exposed at Kayali hill. The Kayali target includes extensive outcropping high-sulphidation-type silicification and a strong advance argillic-argillic alteration pattern over a 2 km x 1.5 km area. Gold mineralization is hosted mainly by an E-W trending structure zone within the highly silicified lapilli tuff unit and rock sample results have returned highly encouraging values in the range of 1 to ~10 g/t Au with rock channel samples. The Naçak target is located 2 km to the north-east of Kayali with a similar lithology-alteration and mineralization pattern and anomalous surface rock sampling to 2.3 g/t Au over 3.8 m.

The 2008-2010 exploration work was conducted by TMST and the author has relied on data and information relating to exploration work and results conducted during 2009 and 2010 supplied by TMST, and is satisfied that the data and information was collected in a proper manner and collated into appropriate databases. This work included geological mapping and:

Geochemistry

A total of 1,543 soil samples were collected on 250 m spaced lines and 50 m spaced stations. The soil and rock sampling on the TV Tower Property serves to highlight a number of zones of anomalism which were corroborated by follow-up mapping. The detailed soil grids also highlight the relative impermeable nature of the silica cap at Kayali with stronger gold anomalies around the edges of the cap.

Geophysical Surveys

14.6 line km of IP Chargeability/Resistivity and 157 line km of ground magnetic surveying were conducted at TV Tower from 2009 to 2010. The IP survey highlights a number of pre-existing showings. Currently the most significant targets are Kücükdağ and Kayali; both have strong chargeability highs with adjacent resistivity highs. Kücükdağ contains a higher percentage of sulphides and has been less weathered (oxidized) than Kayali and has a strong ~300m wide chargeability and an adjacent — but offset, resistivity high which correlates to the silica alteration.

The Phase 1 drill programme commenced at the TV Tower property on August 23, 2010, and was completed on January 5, 2011. 19 holes (including 2 abandoned holes) totalling 4,183.60 m were completed during the 2010 season (of which 183.3 m pertain to the two abandoned holes). The main objective of the 2010 drilling program was to test the coincident geophysical anomalies and anomalous gold values in both the rock and soil samples at the Kayali, Naçak and Kücükdağ targets.

A total of 11 diamond drill holes totalling 2,352.60 m were drilled at Kücükdağ. Six holes were southerly-directed into the shallow north-dipping volcaniclastic sequence and were designed to follow-up on strong anomalous surface rock sample results (up to 50 g/t Au). The mineralization is hosted within ash and lithic tuff and is characterized by intense silicification (massive and vuggy) with local dickite/alunite/barite cut by sulphidized fractures, faults, and heterolithic breccia zones and/or diatremes. Sulphides occur within 10-20 m of surface and consist of locally up to 10% pyrite with 5-10% chalcocite and possible enargite.

A total of four diamond drill holes totalling 977.90 m were drilled at Kayali. The holes were designed to strong outcropping silicfication with anomalous rock sampling to 10 g/t Au. Mineralization is hosted within intensely silicified (massive and vuggy) ash and lithic tuff cut by narrow iron-stained fractures and faults. Oxidation depth is deep and averages 100-200 m.

The results from holes KYD-01 and KYD-02 at the Kayali target demonstrate long widths of epithermal gold mineralization starting from surface (0.87 g/t Au over 114.5 m in hole KYD-01 and 0.78 g/t Au over 88.6 m in hole KYD-02), which are consistent with the gold values returned from the preliminary rock saw channel sampling in the same vicinity (1.3 g/t Au over 74.00 m in channels). The association of this mineralization with an extensive massive to vuggy silicification lithocap suggests a high-sulphidation style of mineralization. Of particular note, is the deep level of oxidation at Kayali averaging 100-200 m in thickness.

More importantly, the results from KCD-0 and KCD-/03 at Kücükdağ demonstrate the potential for high-grade mineralization at TV Tower. Hole KCD-02 returned 4.28 g/t Au over 136.20 m, including 30.59 g/t Au over 4.70 m, while KCD-03 returned 16.62 g/t Au over 24.20 m. This mineralization is hosted within a shallow dipping sequence of highly silicified ash and lithic tuffs similar to the Kayali target but the presence of possible diatreme-related sulphidized heterolithic breccias with associated dickite/alunite/barite alteration is particularly significant. Additional field work will have to be carried out in order gain a structural framework for the Kücükdağ target and an understanding of the possible orientation and extent of the breccias.

Other targets on the TV Tower exploration property are equally as compelling for both high-sulphidation gold epithermal mineralization and possible copper-gold porphyry systems; consequently, an aggressive campaign is recommended to fully investigate the property.

The Phase 2 drill programme began in March 2011 and was completed in early December 2011. 72 core holes (14,876 m) were drilled and continued to demonstrate the exploration potential of the property. All of the assay results for Phase 2 program have been received. Highlights include: hole KCD-19 at the Küçükdağ target, a PQ-core twin of the KCD-02 discovery hole (drilled to improve recovereies and supply material for future metallurgical work) which returned 3.80 g/t gold, 0.82% copper, and 20.06 g/t silver over 131.80 m, including: 9.54 g/t gold, 2.16% copper, and 43.51 g/t silver over 45 m; and the Kayali drill hole KYD-02 which returned 0.78 g/t gold over 88.6 m. Drilling at Küçükdağ also intersected new silver-rich zones, with highlights of 1.87 g/t gold, 0.19% copper, and 7.26 g/t silver over 48 m in KCD-15 and 171 g/t silver over 47.5 m in KCD-18. The mineralized breccia at Küçükdağ target currently remains open to the north, east, and west with a current drilled footprint of 300 x 400 m.

In addition to drilling, Orta Truva has also completed additional rock/soil sampling, infill IP surveying over the identifed high priority targets, initiated detailed geological mapping of the Küçükdağ, Kayali and Sarp targets, and had received forestry permits for further drill sites.

In 2011, a $3.5 million budget was proposed by TMST; Pilot Gold's 40% share of expenditures incurred through the twelve-months ended December 31, 2011 was $1.9 million (twelve-months ended December 31, 2010: $0.63 million).

All drill samples collected were subjected to quality control procedures that ensured best practice in the handling, sampling, analysis and storage of the drill core. All drill holes were sampled and assayed continuously. Sample intervals were selected on a geological basis. Core was cut length-wise with half the core being submitted for assaying.

No factors related to drilling, sampling or recoveries are known that would materially impact the accuracy and reliability of the results.

Spektra Jeoteck Şanayi Ve Ticaret Anonim Şirketi of Turkey was contracted for the drilling. All proposed drill collars were surveyed using a theodolite total station. Control was relative to established survey points across the property. Drills were set up under the direct supervision of TMST staff. Drill holes were collared in HQ diameter core (63.5 mm). The holes were reduced to NQ (47.6 mm) when problems were encountered due to bad ground conditions/thick fault zones. Core was placed in plastic boxes with depth markers every drill run (up to 3 m). Boxes were securely sealed and brought to the core facility at the Etili camp once a day by the drilling company. Reflex survey tests were taken generally at 50 m intervals down-hole to provide control.

All samples collected were subjected to a quality control procedure that ensured a best practice in the handling, sampling, analysis and storage of the drill core. All drill holes were sampled and assayed continuously. Sample intervals were selected on a geological basis. Core was cut length-wise with half the core being submitted for assaying.

Samples of drill core were cut by a diamond blade rock saw, with half of the sawn core placed in individual sealed cloth bags and half placed back in the original core box. The retained core is stored in the same facility in the town of Etili.

Samples were sent to the Acme Analytical Laboratories Ltd. prep lab in Izmir, Turkey for sample preparation. The coarse reject material was bagged and stored. After these samples were processed, the pulps were sent by an independent transport to Acme Analytical Laboratories Ltd., Canada. Rejects and pulps are stored at on site at the Etili camp core shack. Notification of receipt of sample shipments by the laboratory is confirmed by electronic mail. No problems were encountered in transport during the program.

The author has relied on data and information relating to quality assurance and control that has been prepared by a person who is a Qualified Person as defined in NI 43-101. This data was prepared by in-house technical personnel for Teck in Vancouver, B.C., Canada.

Most of the diamond drill holes were completed using HQ size core and recovery was not an issue except in fault zones. Standards and blanks were checked upon receipt of each job and included in an AcQuire database from which QA/QC plots were generated to ensure they were with-in limits. Any failures were recorded and the lab requested to re-run the batch. The author considers the adequacy of sampling, security and analytical procedures carried out by TMST as satisfactory with the exception of a lack of check assays being conducted as per the sampling protocol.

Based on the successful results of the 2011 program, a 10,000 m core drilling program is proposed utilizing two to four core rigs, dedicated to infilling the Küçükdağ target in close-spaced centres to bring it to resource stage and the remainder testing Kayali, Sarp, and other high priority targets on the property. Additional field work will include: infill soil geochemistry, detailed rock sampling and channel sampling over selected targets, infill IP surveying on 125 m spaced lines (total of 30 line-km), initiation of the EIA on the operation and pending operation stage licenses and the commencement of the environmental baseline work for the Exploration and pending Exploration licences.

A proposed budget for the 2012 period is $3.0 million. Pilot Gold's share of which is $1.2 million.

The Halilağa Project, Turkey

Except as otherwise stated herein, the following disclosure relating to the Halilağa Property is based on information derived from the updated technical report entitled *"Resource Estimate for the Halilağa Copper-Gold Property NI 43-101 Technical Report"* , dated March 23, 2012, co-authored by Garth Kirkham, P.Geo., and James Gray, P.Geo. (the "Halilağa Technical Report"). Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd. and James N. Gray, P.Geo of Advantage Geoservices Limited are each a designated Qualified Person for the Halilağa Technical Report upon which the scientific and technical information reproduced in this AIF is based. See in this AIF, "*Interests of Experts*". The Halilağa Technical Report was commissioned by Truva Bakir Maden İşletmeleri A.Ş. ("Truva Bakir"), the Joint Venture holding company that holds the Halilağa Property for the respective 60% and 40% interests of Teck Madencilik Şanayi Ticaret A.Ş.("TMST") and Pilot Gold in the Halilağa Project.

Readers are directed to and encouraged to review the Halilağa Technical Report, which can be reviewed in its entirety under the Corporation's profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The Halilağa Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Halilağa Technical Report contains the expression of the professional opinion of the Qualified Person based upon information available at the time of preparation of the Halilağa Technical Report. The following disclosure, which is derived from the Halilağa Technical Report, is subject to the assumptions and qualifications contained in such report.

In 2002, the Halilağa Project was acquired at auction by Teck Madencilik Şanayi Ticaret A.Ş. (formerly named Teck Cominco Arama ve Madencilik Şanayi Ticaret A. Ş.) ("Teck Madencilik"). In 2004, Teck Madencilik and Fronteer Development Group ("Fronteer") entered into an option agreement that covered several properties in the Biğa area (including the Halilağa Project) that enabled Fronteer to acquire 100% interest in the properties subject to certain earn-back rights by Teck Madencilik. Fronteer was required to spend $2.0 million on exploration over four years, with a first-year firm commitment of $200,000. After the initial program by Fronteer, Teck Madencilik elected to earn-back into the Halilağa Project on November 30, 2006. Teck Madencilik earned a 60% interest in the property by investing $2.5 million during 2007. On December 31, 2009, Teck Madencilik declined to earn an additional 10% interest. Fronteer's interest in the Halilağa Project was subsequently transferred to Pilot Gold Inc. ("Pilot Gold") in early 2011.

The Halilağa Project consists of 21 licenses covering 9,639.33 ha. 20 licenses are directly held by Truva Bakir, and 1 license is held by Teck Madencilik for the benefit of Truva Bakir. 11 of the licenses are "Exploration-Type", five are 'Operation-Type", and a further five licenses have pending Operation Licenses (IR-Pending). The main license hosting the Central Zone at the Kestane porphyry has been converted to an operation license.

According to Turkish mining law, the property boundaries are defined by the coordinate descriptions on the original license application and awarded to the applicant by the government. The licenses that define the Halilağa Project are expressed according to the UTM northern Zone 35 coordinate system and European Datum 1950.

The authors of the Halilağa Technical Report are not aware that the properties are subject to any environmental liabilities other than those attached to drill site permits that have been, or may be, issued in the future.

According to the General Directorate of Mining Affairs, the State will receive 4% of Net Smelter Royalty (known as the *State's rights*) for precious metals in the 4th Group minerals (in other words, non-ferrous minerals, excluding gems). The State's rights, paid by the license holder, will be distributed as follows: 50% to the local administration (the city where the license is located); 30% to the account of the Treasury; and 20% towards special revenue in the government budget and special appropriation to the Ministry budget. The Council of Ministers can apply a maximum 25% discount in the State's rights rates depending on the type of mineral, the region of production, and other criteria. Each year the license holder pays the royalty on the last day of June.

The Halilağa Project is located 40 km southeast of the city of Çanakkale between the villages of Halilağa and Muratlar on the Biğa Peninsula, Northwestern Turkey. Well maintained, paved roads provide excellent access from these main highways to the facilities and property. The deposit area is accessed by a series of good forestry roads.

The Biğa Peninsula has fertile soil and a Mediterranean climate with mild, wet winters and hot, dry summers. Temperatures range from 15° to 35° Celsius in the summer season and -20° to -10° Celsius in the winter months. The annual rainfall is approximately 30 cm, generally falling as mixed rain and snow in late fall and winter. Year-round access to the properties for field exploration is possible, although snow during winter may restrict vehicle movement. The region is well-serviced with electricity transmission lines and generating facilities with the most significant being a large coal-fired power plant outside the town of Çan.

The central Halilağa Project contains a 4-km-long, E-W-trending topographic high, with the Kestane porphyry located on the northern flank of the hill. The highest elevations on the property are approximately 600 m with the Kestane Zone occurring at an elevation of approximately 350 m.

Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested and owned by the Turkish government. The labour force is comprised of local employees from nearby villages.

There is no exploration infrastructure (for example, buildings, core storage, core logging facilities, and camp accommodations) located within the property limits.

The Halilağa Project is located in the south-central part of the Biğa Peninsula in Western Turkey. The geology of the peninsula is complex and characterized by various lithological associations made up of: (i) basement metamorphic rocks, (ii) Permian and Mesozoic rock units, (iii) ophiolitic rocks, (iv) tertiary (Eocene) volcanogenic units, (v) Neogene sediments, and (vi) collisional to extensional Tertiary granitoids.

The property is located within a district with major potential for both porphyry copper-gold and high-sulphidation style gold deposits. Investigation of geological relationships in the field along with geochemical and geochronological data suggest that magmatic activity began with the intrusion of granitoids, coeval with an early phase of volcanic activity, and was superseded by a second phase of volcanism. The mineralized intrusives are thought to be part of a suite of 26 Ma granites and granodiorites.

The Halilağa district is mainly underlain by volcano-sedimentary basement cover sequences of Oligo-Miocene age. The basement consists of schists and carbonates, which outcrop to the southeast of the Bakirlik area. The granodioritic batholith intrudes the basement rocks, including carbonates, and generates metasomatism and skarnification. The Kestane porphyry was emplaced into the volcano-sedimentary cover sequence and produced hornfelsed halos adjacent to the stock.

The Halilağa Project is interpreted to host a single widespread mineralized system containing porphyry copper-gold mineralization, skarn, and related high-sulphidation gold mineralization. The Halilağa alteration system covers an area of more than 4 x 2 km and displays all porphyry-related alteration assemblages including epithermal and skarn systems. The Kestane porphyry outcrops show potassic alteration overprinted by phyllic alteration. The highest gold and copper grades in drill core are associated with early biotite + magnetite + chalcopyrite associated with A- and B-quartz veins. At the Kestane porphyry, most quartz veins are B-type that average 5% of the rock by volume, but locally up to 20% are A-type veinlets that are rare or difficult to recognize in outcrop. Chalcopyrite, in some cases accompanied by trace amounts of pyrite, is the dominant sulfide in potassic-altered rocks. Magnetite is abundant (5-8%) in zones of high copper and gold grades. At higher elevations to the south of Kestane, the Kunk-Kumlugedik hilltops are characterized by silicification surrounded by argillic and further propylitic alteration. Skarn-related alteration is located around the Bakirlik and Bostanlikbasi areas.

The geology of the Halilağa area is highly influenced by structures which relate to, or which are part of, the North Anatolian Fault System. The general architecture of the faults appears highly controlled by major ENE-WSW transtensional structures. Local transpression has been interpreted in the Kestane area producing the exhumation of the porphyry and older stratigraphy.

The following details outline the exploration activities on the Halilağa Project that occurred prior to involvement of Truva Bakir or related parties. Historic exploration activities were focused primarily on the Halilağa and Pirentepe properties. Pirentepe and Halilağa North are now within the Halilağa Project and are owned by Truva Bakir.

The government's General Directorate of Mineral Research and Exploration of Turkey (MTA) conducted a regional scale exploration program over the Biğa Peninsula between 1988 and 1991. In the vicinity of the Halilağa village, MTA located zones of silicification and argillic alteration at Halilağa North covering approximately 700 m by 150 m and trending NE-SW at Sağluk Tepe. Samples with significant gold values (> 0.5 g/t Au in rock) originated from the western part of Sağluk Tepe in silica-argillic altered zones. Southeast of Halilağa at Taskesilen-Kocatas Tepe, a NE-trending silicification zone, measuring 1,000 m long and 300 m wide, was also mapped.

MTA drilled two diamond drill holes totalling 302 m to test a geochemical anomaly identified by rock chip sampling at Halilağa North. MJTC-16 intersected narrow intervals of gold mineralization and returned 0.58 g/t Au over 13.85 m. MJTC-17 did not intersect any significant mineralization. Core samples were selectively analyzed for gold, silver, copper, lead, zinc, antimony, mercury, and molybdenum.

In 1997, Cominco collected several rock chip samples from silicified outcrops at Halilağa North and at Kumlugedik Hill area where numerous gold anomalies have been detected. The highest- grade sample from Halilağa North contained 1.17 g/t Au and the highest grade sample from Kumlugedik contained 2.2 g/t Au.

In 1998, a total of 293 soil samples were collected from the Kunk-Kumlugedik lithocap by Cominco. The most anomalous gold in these soil samples highlights the area east of Kumlugedik and Guvemtasi Hills.

In 2000, prior to ownership, Cominco conducted reconnaissance soil sampling and rock chip sampling. A total of 107 samples were collected over five N-S soil lines. The assay results returned anomalous gold (> 10 ppb) from the East and Southwest Limbs of Celdiren Hill.

There are historical adits and a small pit on the property however the background and production history on these workings are undocumented and unknown, and would not significantly affect future development.

The authors of the Halilağa Technical Report are not aware of any previous mineral resource estimates, reserve estimates, or mineral production from the property.

In 2006-2007, a total of 23 holes (including five abandoned holes) totalling 6,346 m were completed. Most of the holes targeted the Kestane porphyry and intersected porphyry-style copper-gold mineralization with economic grades, as shown by discovery drill hole HD-01, which intersected 1.03 g/t gold and 1.03% copper over 105.4 m. A 25 m-thick chalcocite blanket averaging approximately 2% copper was also intersected close to the surface in holes HD-01, HD-02, HD-04, and HD-14.

In 2008, the Bakirlik skarn zone (4 km ESE of Kestane) was the major focus of the drilling program. A total of 20 diamond holes totalling 4,051 m were completed during that period. Holes HD-21 and HD-25 intersected narrow zones of skarn mineralization with high grade copper + gold ± silver values. Detailed prospecting and systematic rock chip sampling of altered volcanic rocks at Kumlugedik Hill, the northern limb of Kunk Hill, and Madenderesi targets returned with anomalous gold values that ranged from 0.2 g/t to 2.0 g/t.

In 2009, a total of 18 holes (including four abandoned holes), totalling 5,670 m (excluding the 247 m of hole HD-42D, a deviated hole) were completed at Kestane.

In 2010, the program was designed to continue grid-drilling the Central Zone (the main area of porphyry Cu-Au mineralization). A total of 25 holes (20 diamond and five RC) totalling 9,076.6 m (including 14 abandoned holes) were completed.

In addition to drilling, IP geophysical surveys were carried out in 2009 and 2010 that highlighted deep chargeability targets 1 km west of Kestane, and also chargeability target at Madeneresi.

The 2011 program focused on extending the mineralization and to acquire data sufficient for producing an NI 43-101 resource estimate. Significant intersections were encountered, including a zone of significant grade corresponding to the near-surface chalcocite blanket encountered in 2007 drilling. A total of 44 holes (including four abandoned holes) totalling 19,599 m were completed. A series of north-south geological sections were constructed every 100 m through the deposit. Sectional interpretations now show two E-W-trending normal faults bounding the porphyry mineralization to the north and south, creating a mineralized horst at the centre; another NW-SE-trending, east-dipping normal fault bounds the top of the horst.

A total of 82 holes totalling 35,141 m have been drilled at Kestane with an additional 27 abandoned holes totalling 5,083 m between 2006 and 2011.

Collars were set up under the direct supervision of Truva Bakir staff and were drilled with HQ and PQ diameter core. The holes were reduced to NQ when problems were encountered due to difficult ground conditions and/or thick fault zones. Core was placed in plastic boxes with depth markers for every drill run of up to 3 m.

At the Halilağa Project, core recoveries are considered by the authors of the Halilağa Technical Report to be good and within tolerance to include in a resource estimate. There does not appear to be any bias toward high grade versus low grade recoveries.

Most of the diamond drill holes were completed using HQ size core and recovery was not an issue, except for fault zones. Boxes were securely sealed and brought by truck to the core facility at the Etili camp once a day by the drilling company or Truva Bakir staff. Reflex survey tests were taken at 50 m intervals down-hole to provide control on drill hole orientation. At the core handling facility, drill holes were logged by Truva Bakir geologists recording observations using the Anaconda method and then entered into the database using Acquire® software.

All drilling samples were subjected to quality control procedures that ensured best practice in the handling, sampling, analysis, and storage of the drill core. All drill holes (except abandoned holes in cover rock) were sampled and assayed continuously. Sample intervals were selected on a geological basis and were typically 2.0 m in length. Core was cut length-wise with half the core placed in individually sealed cloth bags and submitted for assaying, and the other half was kept in the core box.

Reverse circulation (RC) samples were collected and split using a 24-slot rotary splitter at the drill site and then sealed in plastic bags. Samples were collected continuously at 1.0-1.5 m intervals. The splitter was cleaned between each sample with a compressed air hose. The RC drill samples were taken and kept under constant supervision by Truva Bakir personnel.

There are no known factors related to drilling and sampling that would materially impact the accuracy and reliability of the results. Recoveries are generally high although issues in some holes have been identified and the authors of the Halilağa Technical Report are satisfied that the holes with low recoveries have satisfactory results and can be included in the database.

Sample preparation and analysis of core from the first 35 drill holes at Halilağa was conducted by ALS Minerals. In addition, samples from three early reverse circulation holes were similarly prepared and analyzed by ALS. Since October 18, 2009, or from drill hole HD-36 onward, the drill core samples were prepared and analyzed by Acme Analytical Laboratories. In mid-2011, Acme Labs opened a new laboratory in Ankara, and since April 18, 2011 all sample preparation and subsequently gold fire assay work, has been carried out at this location.

Core boxes were securely sealed and brought, by truck, to the core facility at the Etili camps once a day by the drilling company or Truva Bakir. Here they were logged, cut, bagged, tagged and stored prior to being shipped to the analytical laboratory. Prior to 2009, all core samples were prepared at the ALS Minerals sample preparation laboratory located at Etili camp and processed within the secure confines of the camp prior to the pulp packets being transported by commercial air carrier to the ALS laboratory in North Vancouver, Canada. Following the switch to Acme Labs in late 2009, all Halilağa core samples were first trucked from Etili to the Acme preparation facility in Ankara by independent transport. Pulp packets were subsequently transported by commercial air carrier to Acme Labs in Vancouver, Canada, for assay and analysis.

Quality assurance and quality control measures used on the Halilağa projects were employed at all stages of work in the core shed, the sample preparation facility, and in the analytical laboratory. Evaluation of QA/QC results was done systematically and promptly to ensure that only the best quality data was entered into the project database. Umpire, or external check, assays have been carried out as a further means of data verification. At all times this work, whether in the field, the lab, or the exploration office, was consistent with best practices currently in use in the mineral exploration industry.

Results for standards, field blanks, pulp blanks, and various types of duplicate samples are reviewed and evaluated quickly after the batch results are received. Several types of control charts are used to plot and monitor the data. Decisions are made immediately, based on simple criteria, as to whether or not the quality control results are acceptable. Any anomalous results generated in respect to these standards, blanks and duplicates have been investigated to the satisfaction of Pilot Gold.

The author of the Halilağa Technical Report is confident that the data and results are valid based on the site visit and inspection of all aspects of the project, including methods and procedures used. It is the opinion of the independent author that all work, procedures, and results have adhered to best practices and industry standards required by NI 43-101.

Preliminary metallurgical test work was conducted in 2007 and 2011, focused on developing a preliminary assessment of ore hardness and flotation response. The results show that the Halilağa ores can be classified as being relatively soft. In addition, locked-cycle flotation tests showed that 85% of the feed copper reported to the final concentrate, grading 30% copper. Approximately, 61% of the feed gold reported to the final concentrate with a gold grade of 21 g/t.

The Halilağa Mineral Resource is presented below in Table 1. For the main sulphide resource, a cut-off of 0.2 percent copper equivalent (% CuEq) is felt to be reasonable based on a production rate of 50,000 to 70,000 tonne/day from a pit feeding a mill and flotation plant where total operating costs would be in the range of $10-12 per tonne. Due to the differing metallurgical characteristics and anticipated metal extraction methods, the oxide resource is tabled separately. Although the gold resource is extractable, it is not expected that the base metals within the oxide zone will be recoverable. The cut-off of 0.2 g/t gold is judged as reasonable based on other heap leach gold projects including Alamos Gold's nearby Aği Daği project.

TABLE 1: HALILAĞA ESTIMATED MINERAL RESOURCE

	Tonnes (1,000s)	Grade			
		Cu (%)	**Au (g/t)**	**Mo (%)**	**CuEq (%)**
Sulphide Resource[1]					
Indicated	168,167	0.30	0.31	0.006	0.45
Inferred	198,668	0.23	0.26	0.007	0.36
Oxide Resource[2]					
Inferred	4,914		0.60		

Strip Ratio: 2.5 : 1

[1] at a 0.2% copper equivalent cut-off grade.

[2] at a 0.2g/t gold cut-off grade.

Truva Bakir's project activities are required to follow the mining codes as set out within Turkey's state and local environmental regulations. All of the necessary forest and environmental permits were obtained for 2011, including permission for timbering, road construction, drill site construction, and drilling.

Truva Bakir submitted an Environmental Impact Assessment (EIA) report to the Ministry of Forest and Environment in Turkey in connection with an application to renew the principal licenses that comprise the Halilağa Project.

Truva Bakir is trying to identify and facilitate the development of an additional and alternate water supply for the Muratlar village located several km west of the Kestane Zone. Golder and Associates has been contracted by Truva Bakir to assist.

In order to further evaluate the resource potential of the Halilağa Project, the following recommendations from the authors of the Halilağa Technical Report should be considered in 2012:

- To increase confidence and upgrade resource classifications, increase the present drilling density to approximately 50 m spacing with 12,000 m of diamond drilling in 30 holes.
- Conduct additional drilling oriented on an azimuth of 000 (due north) to extend the south-dipping mineralization (approximately 20 drill holes).
- Perform geostatistical evaluation in support of future resource estimates.
- Initiate a geotechnical study to determine potential pit slope parametres which includes five PQ drill holes to a depth of 400 m for a total of 2,000 m.
- Initiate an advanced metallurgical test study which would include four PQ drill holes to a depth of 300 m for a total of 1,200 m.
- Continue environmental baseline studies.
- Conduct additional metallurgical testing.
- Carry out a Preliminary Economic Assessment.
- Perform initial condemnation drilling at potential plant site, waste storage, and tailings impoundment areas (900 m in three drill holes).

A proposed budget for the 2012 period is $4.57 million.

In order to further evaluate the resource potential of additional targets in the area, the following recommendations should also be considered in 2012:

- Complete detailed geological mapping of the entire Halilağa Licence area.
- Conduct drill testing of skarn mineralization potential between HD-03 and HD-64.
- Conduct drill testing of the Kunk Hill lithocap to test both shallow high sulphidation gold and deeper porphyry copper-gold potential (southern extension of Kestane).
- Assess and understand the Madenderesi target through detailed mapping and drilling.
- Assess all auction properties which are located adjacent to the Halilağa licences.

The Kinsley Mountain Project, Nevada

Except as otherwise stated herein, the following disclosure relating to the Kinsley Mountain Project is based on information derived from the technical report entitled *"Technical Report on the Kinsley Project, Elko County, Nevada, USA"*, effective February 15, 2012, dated March 26, 2012, co-authored by Michael M. Gustin, C.P.G., Moira Smith, Ph.D, P.Geo, and Kent Samuelson (the "Kinsley Technical Report"). Michael M. Gustin, of Mine Development Associates ("MDA") and Moira Smith, Chief Geologist for Pilot USA, are each a designated Qualified Person for the Kinsley Technical Report upon which the scientific and technical information reproduced in this AIF is based. See in this AIF, "*Interests of Experts*". The Kinsley Technical Report was commissioned by Pilot USA, a wholly owned subsidiary of Pilot Gold, as a "first time" report on the property.

Readers are directed to and encouraged to review the Kinsley Technical Report, which can be reviewed in its entirety under the Corporation's profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The Kinsley Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Kinsley Technical Report contains the expression of the professional opinion of the Qualified Person based upon information available at the time of preparation of the Kinsley Technical Report. The following disclosure, which is derived from the Kinsley Technical Report, is subject to the assumptions and qualifications contained in such report.

Pilot Gold holds its interest in Kinsley through its wholly owned subsidiary Pilot USA. Pilot USA's interest in the Kinsley Mountain Project is derived from the purchase of a Mining Option Agreement from Animas in September 2011. Pilot Gold and Pilot USA are collectively referred to in this section of the AIF, as "Pilot Gold."

The Kinsley Mountain Project is comprised of two non-contiguous blocks totaling 272 unpatented federal lode mining claims that cover an approximate area of 2,196 hectares. Nevada Sunrise LLC ("Nevada Sunrise") is the owner of record of the southern claim block; the northern block includes 128 claims owned by Pilot Gold. The project database uses UTM Zone 11 coordinates with NAD 83 datum expressed in metres.

On September 20, 2011, Pilot Gold purchased a Mining Option Agreement ("Option Agreement") for the Kinsley Mountain property from Animas. The Option Agreement was formerly between Animas and Nevada Sunrise, a private Nevada-based company. The agreement covered the SOZA and Trust claims, as well as the original 134 ACE claims staked between 2000 and 2004, which together comprise the southern claim block. All claims staked subsequent to signing of the agreement and falling within a five km Area of Interest around the southern claim block become subject to the terms of the Option Agreement. All but 13 of the 128 KN claims in the northern claim block are within the Area of Interest; the 13 that lie outside the Area of Interest are located at the far northern end of the northern claim block.

In consideration for the purchase of the Option Agreement by Pilot Gold, Animas shall receive the following:

(i) $0.35 million cash and 50,000 Common Shares on the date of signing or Effective Date (September 20, 2011; completed);

(ii) 25,000 Common Shares on the first anniversary of the Effective Date;

(iii) 25,000 Common Shares on the second anniversary of the Effective Date; and

(iv) 50,000 Common Shares upon Pilot Gold earning and vesting a 51% interest in the property.

If Pilot Gold terminates the Option Agreement prior to the due date for the issuance of any of the Common Shares, then Pilot Gold shall have no further obligation to make any subsequent issuances or deliveries of Common Shares to Animas.

Pursuant to the terms of the Option Agreement, Pilot Gold has the exclusive right to earn from Nevada Sunrise:

(i) a 51% undivided interest in the Kinsley Mountain Project by incurring $1.18 million in exploration expenditures by March 30, 2013 (of which $0.18 million must be spent by May 31, 2012); and

(ii) an additional undivided 14% interest in the Kinsley Mountain Project by electing to incur a further $3.0 million in exploration expenditures within five years of meeting the initial earn-in.

Pilot Gold is also required to make advance royalty payments to Nevada Sunrise in accordance with an underlying lease agreement, beginning with a payment of $0.05 million per year through 2016 and increasing incrementally thereafter up to a maximum of $0.2 million per year in 2020 and beyond. A contract initiation payment of $0.05 million was paid to Nevada Sunrise in 2011. A maximum 4% net smelter return royalty is payable through the lease to Nevada Sunrise and may be reduced to 2% through a series of payments at Pilot Gold's election.

Production from the Kinsley Mountain Project would be subject to the State of Nevada Net Proceeds of Mine Tax, which is limited to 5% of the production net proceeds (similar to a 5% net profits tax). This tax is levied by the State of Nevada on all mine production in the state.

Pilot Gold is currently operating under BLM Notice of Intent # NVN-090386. The Notice of Intent authorizes disturbance of up to 1.02 acres (0.41 ha) and can be amended to permit up to a total of 5.00 acres (2.00 ha). Pilot Gold has provided the BLM with a $0.25 million statewide bond to satisfy the $7,241 reclamation bond requirement. As of the effective date of this report, a total of 0.80 acre (0.32 ha) was disturbed by drilling activities in late 2011. The remaining acreage will be sufficient to cover drilling activities currently planned for 2012. In order to carry out anticipated drilling activities in 2013, Pilot Gold will submit a Plan of Operations to the BLM in early 2012.

Environmental liabilities at the Kinsley Mountain Project are limited to the reclamation of disturbed areas resulting from exploration work conducted by Pilot Gold since acquisition of the property in 2011.

Evidence of extensive previous mineral exploration and mining activities persists. Alta Gold Company ("Alta") developed and operated the Kinsley Mountain mine from 1994 to 1999. The mine produced oxidized disseminated gold ore for heap-leach recovery from seven pits. From topographically lowest to highest, and from east to west, these pits include the Access, Lower Main, Emancipation, Main, Upper Main, Ridge, and Upper pits. A crushing plant, heap-leach pad, and recovery facility were located at the base of the eastern slope of the Kinsley Mountains below the mining facilities immediately east of the project claims. A haul road connected the operations.

The BLM reclaimed the site using the Alta reclamation bond as well as federal monies. Reclamation included partial backfilling of a number of the open pits, re-contouring of other mining and exploration disturbances such as exploration drill roads, haul roads, and waste dumps, and re-vegetation of these reclaimed areas. The large heap-leach pad at the base of the range on the eastern slope was also decommissioned, re-contoured, and re-vegetated.

Initial meetings with Pilot Gold and the Elko office of the BLM have indicated no immediate concerns regarding historic or prehistoric cultural sites. No wildlife concerns have been identified, possibly due to a general lack of surface water in the immediate area. Wild horses are commonly seen in the Antelope Valley area east of the Kinsley Mountains.

Several stipulations have been recommended by the BLM and attached to the Decision Record regarding Pilot Gold's Notice of Intent. Most notably is a request that Pilot Gold avoid activities that would lead to noxious weed infestations. Pilot Gold must also conduct nesting surveys prior to commencing exploration activities, as well as on a periodic basis during the nesting season (April 1 to July 31). Pilot Gold is to report any observation of an active nest by a sensitive raptor and/or migratory bird of concern to the BLM Wells Field Office so that BLM can advise Pilot Gold of measures to mitigate potential adverse effects.

The Kinsley Mountain Project is located in the Kinsley Mountains in Elko County, northeastern Nevada, approximately 150 km north-northeast of Ely, Nevada and 83 km south-southwest of West Wendover, Nevada. The approximate geographic center of the Kinsley Mountain Project is 40° 09′ N latitude and 114° 20′ W longitude.

Access to the Kinsley Mountain Project is via paved U.S. Highway Alternate 93 approximately 65 km southwest of the town of West Wendover, Nevada, or approximately 135 km on the same highway north-northeast of the town of Ely, Nevada, then proceeding on the Kinsley Mountain mine road 18 km south through Antelope Valley on the east side of the Kinsley Mountains on an unmaintained improved gravel road to the project site. Vehicle access to the west side of the range from the north is more difficult, along rutted two-track dirt roads. There is another two-track dirt road to the southwestern area of the claim block accessible from the southern end of the Kinsley Mountains.

Climate is typical for the high-desert regions of northeastern Nevada with hot, dry summers and cold, snowy winters. Summer high temperatures range from 30˚ to 38˚C, with winter low temperatures typically -20˚ to -10˚C and winter high temperatures of 0˚ to 5˚C. Most of the precipitation in the region falls as snow in the winter months, with lesser precipitation as rain in the spring and thunderstorms during the late summer. Winter storms can deposit up to a meter of snow at higher elevations at Kinsley Mountain, with higher elevations of the property typically snow-covered from late November through March.

In the absence of all-weather road access to drill sites, a typical exploration operating season for the Kinsley Mountain Project is from mid-April through mid-November. Improved road access and road maintenance/snow removal equipment could extend the exploration operating season through the winter months, subject to recommended winter operating procedures in the Elko District of the BLM.

The Kinsley Mountain Project lies in the Basin and Range physiographic province of Nevada and western Utah. The project site is located in moderate to steep terrain of the central and northern portions of the Kinsley Mountains. The Kinsley Mountains are a 12-km-long, north-northeast-trending ridge that extends north from the Antelope Range. Elevations range from 1,750 m in valley bottoms to 2,400 m at Antelope Mountain south of the project.

The lower slopes of the project are covered by grasses and sagebrush that progress up-slope to piñon and juniper woodlands typical of high-desert mountain vegetation in northeast Nevada. The majority of the Kinsley Mountain exploration activities to date have been conducted in disturbed areas at the former mine site along the eastern slope of the central part of the range. The previously explored and mined areas lie on moderate to steep slopes that require road construction to develop drill sites and access.

Drilling contractors, heavy-equipment contractors, and field technical personnel to support continued exploration activities are all available from service companies and contractors in Elko, Ely, and West Wendover, Nevada. Should an economic gold deposit be delineated on the Kinsley project, experienced mining personnel and equipment suppliers are available in Salt Lake City and Elko, as well as elsewhere in Nevada.

The nearest major power grid is a 25 Kilovolt distribution line located approximately 8.5 km west-northwest of the Kinsley Mountain Project near Boone Spring on Highway Alternate 93, which ultimately delivers electric power to the Victoria mine in the Dolly Varden Mountains approximately 27 km northwest of the Kinsley Mountain Project. The Griggs substation, a higher-voltage 69 Kilovolt substation and line, is located near Lages Station, approximately 26 km southwest of Kinsley Mountain. Power to the area is provided by Mt. Wheeler Power, a local electric power co-op headquartered in Ely, Nevada.

Water for drilling at Kinsley Mountain is a rare commodity. An existing well, currently not operational and with ownership issues that currently preclude its use, is located just off the existing mine access road in Antelope Valley east of the reclaimed heap-leach pad. Otherwise, surface water is available through a local rancher from a reservoir located approximately 18 km south of the project.

The south end of the Kinsley Mountains was the site of sporadic base and precious metal exploration and production that began as early as 1862 and continued into the 1960s. U.S. Minerals Exploration Co. discovered sediment-hosted gold mineralization at the Kinsley property in 1984 through rock-chip sampling of jasperoid in Cambrian strata in an area with no historic workings.

Following the initial gold discovery, Cominco American Resources, Inc. ("Cominco") and Hecla Mining Company completed a number of drilling programs on the property. Alta purchased the property in 1994 and started open-pit mining in 1995, producing about 135,000 to 138,000 ounces of gold through 1999 (totals depend on the source). The mine exploited oxidized disseminated mineralization from eight shallow pits and processed the ore on a heap-leach pad. The pits are aligned northwesterly, apparently along a northwest-trending fault zone. The mine closed when Alta declared bankruptcy during a period of very low gold prices.

Since the mine's closure, relatively little exploration activity has transpired on the property. Nevada Sunrise staked the property in 2000 and, over the next decade, undertook rock-chip sampling and review of the existing drill-hole database. Lateegra Resources Corp. optioned the property in 2002, carried out geophysical studies, produced a technical report, and dropped the project in 2003. In 2004, Pan American Gold Corp. drilled three relatively deep holes around the margins of the deposit and completed several geophysical surveys. Animas optioned the property in 2010 and carried out geologic mapping, geochemical sampling, and a gravity survey.

The Kinsley Mountains are underlain primarily by shelf and platform limestone, dolostone, and shale ranging from Middle Cambrian to Late Ordovician in age. Geological formations exposed on the claims include an unnamed Middle Cambrian limestone; the Middle Cambrian Lamb Dolomite, Big Horse Limestone, and Candland Shale; the Upper Cambrian Notch Peak Limestone and Notch Peak Dolomite; and the Ordovician Pogonip Group limestone, shale, and dolomite. On a regional scale, strata become younger to the north. A low-angle fault locally juxtaposes this sequence with overlying quartzite and dolostone suspected to be Late Ordovician to Silurian in age. The south end of the range is intruded by a small Tertiary stock with a hornfelsic aureole. Tertiary volcanic rocks are exposed in pediment areas on either side of the range. Strata were subjected to ductile contractional deformation in mid-Mesozoic time and Tertiary low- and high-angle extensional faulting. Low-angle faults bound most major lithologic breaks, and in some cases cut out entire formations. North- to northeast-striking faults are cut by northwest-trending structures.

Gold mineralization drilled and exploited to date is hosted primarily in the Big Horse Limestone, Candland Shale, and Notch Peak Limestone. The gold is accompanied by very fine-grained disseminations of arsenical pyrite (or oxidized equivalents) in variably silicified or jasperoidal shale, limestone, and dissolution-cavity fill. Mineralization appears to have both stratigraphic and structural controls. Gold correlates with arsenic, antimony, and thallium.

Near-surface mineralization is strongly oxidized, and higher-grade unoxidized mineralization has been intersected in drilling below and adjacent to the mined pits.

The styles of alteration, mineralization, and geochemistry at Kinsley are similar to those of sediment-hosted gold deposits located in the Carlin and Cortez trends of Nevada that lie approximately 150 to 200 km to the west of the project. The geological setting of mineralization at Kinsley is similar to the Long Canyon deposit, located 90 km to the north of Kinsley.

Pilot Gold acquired the option agreement from Animas in September 2011 and immediately initiated an exploration program that included:

- detailed geologic pit mapping;
- compilation of geological and drilling data for the entire Kinsley property;
- claim staking on the north end of the range;
- reconnaissance sampling of the new claims;
- creation of a three-dimensional model that incorporates the historic drill data and surface geology (an ongoing process); and
- drilling of six core holes near two of Alta's open pits.

Available records indicate that an estimated 1,164 holes totaling 78,364 m have been drilled by five operators, including Pilot Gold, within the Kinsley Mountains since 1984. The vast majority of these are reverse circulation ("RC") holes drilled within and along the northwest-trending mine trend. Pilot Gold's project database includes 1,143 holes that appear to have reasonable location information and data, of which 1,059 are within the current property boundary. Of these, most appear to have accurate collar locations based on comparisons with reasonably accurate topographic maps that include historic drill roads. Since much of the drilling targeted shallow oxidized zones, the average depth of the drill holes is less than 67 m. 30 historic holes from the current project database were drilled to depths below 150 m, only two of which penetrated to depths greater than 300 m. Including Pilot Gold's six-hole core drilling program in 2011, approximately 250 of the holes drilled at Kinsley have potentially significant, unmined gold intercepts. These holes include both oxidized and unoxidized intervals.

The Pilot Gold 2011 core-drilling program was designed to begin the process of verifying historic RC drill data near the margins of the open pits, as well as to obtain subsurface geologic information. Results of this drilling are summarized in Table 2. In combination with the historic data, this drilling indicates that significant oxidized and unoxidized gold mineralization remains at the Kinsley Mountain Project.

Table 2: Significant Results from Pilot Gold's 2011 Drilling Program

Hole ID		From (m)	To (m)	Length (m)	g Au/t	g Ag/t
PK001C		88.5	105.3	16.8	1.64	3.3
PK002C		111.7	120.4	8.7	6.23	2.1
	incl	*117.3*	*120.4*	*3*	*12.05*	*3.5*
	and	131.7	135.0	3.4	0.33	1.9
PK003C		102.7	110.2	7.5	6.75	1.4
	incl	*107.0*	*110.2*	*3.2*	*13.52*	*2.3*
PK004C		42.7	61.1	18.4	5.91	2.5
	incl	*45.7*	*53.5*	*7.8*	*11.93*	*4.2*
	and	148.0	152.1	4.1	0.54	2.1
PK005C		36.9	39.6	2.7	0.65	0.2
	and	159.6	165.0	5.5	0.58	1.6
	and	166.7	167.6	0.9	0.06	2790.0
PK006C		53.0	63.4	10.4	0.95	2.8

Pilot Gold drilled six core holes at the Kinsley Mountain Project in late 2011 for a total of 1,267 m. The drilling contractor was Major Drilling America, Inc. ("Major Drilling") of Salt Lake City, Utah and Elko, Nevada. All holes were drilled with HQ-size core (6.4-centimeter diameter). One drill hole, PK003C, required completion of the drill hole with smaller NQ core (4.8-centimeter diameter) from 261 m to total depth at 283 m due to stuck HQ rods in broken ground. Subsequent to drilling, drill holes were abandoned according to Nevada state regulations. Drill collars were marked in the field after completion with a cement plug, wire, and metal tag. The core was initially quick-logged on site at Kinsley Mountain and, after delivery to Pilot Gold's Elko warehouse, it was logged directly into digital files by a Pilot Gold geologist. The digital logs included fields for rock type, color, alteration, mineralization, and structural data, with a separate log for breccia descriptions. Rock Quality Designation ("RQD") was also captured in the logs. The core was photographed both wet and dry for archival and geotechnical purposes. The logs captured data largely in numerical or letter code format. Completed logs were imported into an Access database. The core was then cut in Pilot Gold's Elko warehouse, sampled, and delivered to ALS for sample preparation in Elko.

The following section summarizes the extent of MDA's knowledge regarding the sample preparation, analysis, security, and quality control/quality assurance protocols used in the various drilling and surface-sampling programs at Kinsley Mountain. The commercial analytical laboratories known to have been used by the exploration and mining companies that operated at Kinsley Mountain, as well as the sample preparation and analytical procedures known to have been used by these laboratories to obtain the gold assays, are, or were at the time, well recognized and widely used in the minerals industry. It is important to note, however, that the Alta drill samples, which comprise approximately half of the Kinsley Mountain Project database, were analyzed at their own laboratory, and it is possible that some of Cominco's drill samples were analyzed at Cominco's in-house laboratory. Of further note is the fact that it is possible that some of the Alta analytical results in the project database may have been derived from cyanide-leach analyses, which often yield partial gold determinations, as opposed to fire-assaying methods, which are assumed to be total-gold analyses.

Little is known of the sample security and chain-of-custody of the drill samples from the historic exploration programs. While important information regarding Cominco's quality control/quality assurance programs has been found, more data compilation is possible, and efforts to locate such data from the other historic operators should continue. The predominant sample length for the drill intervals is five feet (1.524 m) or less, which is significantly less than the thickness of the bulk-tonnage style of mineralization at Kinsley Mountain.

In 2011, drill core was collected at the drill site by Pilot Gold personnel. After quick logging of the drill core at the Kinsley Mountain Project, the core was transported by Pilot Gold geologists to a secure logging and core cutting facility attached to Pilot Gold's Elko office. Core was cut and sampled by a contractor from Rangefront Geological Consulting of Elko, Nevada. Samples were picked up from the core-cutting facility by ALS and transported to their Elko preparation facility. Pulps were sent directly from the Elko laboratory to Reno and Vancouver for assaying and geochemical analysis, respectively.

All drill core was sampled except for backfill and pad-fill material. Sampled intervals were identified based on geological considerations and varied from approximately 1 to 2 m, averaging 1.4 m. All core was photographed wet and dry. Rangefront Geological Consulting personnel then cut the core into halves using diamond saws and sampled the core at the core-cutting facility at the Pilot Gold office. Half-core samples were sent for assaying, with the remaining half stored in the Pilot Gold Elko office. For samples where field duplicates were taken, both the originals and the field duplicates were ¼-core samples. Pilot Gold employs a blind numbering system for both core and RC sampling, such that the hole number and down-hole footage are not known to the laboratory. After cutting, samples were retrieved from the cutting facility by ALS personnel and transported to their Elko, Nevada preparation facility.

The primary assay laboratory for Pilot Gold is ALS. The ALS Vancouver analytical facility is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation from the Standards Council of Canada (SCC) for all methods used to analyze samples from the Kinsley project, including ICP-MS. The ALS Reno lab, which was responsible for fire assaying of all samples from the Kinsley project, is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation from the Standards Council of Canada (SCC) for this method. ALS was chosen as Pilot Gold's primary laboratory based on a rigorous audit of all Nevada assay laboratory facilities by consultant Barry Smee in 2008 for Fronteer Gold (Pilot Gold is a product of the 2011 acquisition of Fronteer Gold by Newmont Mining).

All data from logging and assaying are verified on site and uploaded to a database maintained at the Pilot Gold Elko server.

The QA/QC program instituted by Pilot Gold for the Kinsley Mountain Project 2011 drilling program included analyses of standards, blanks, field duplicates, and duplicate pulps. Future programs will employ check assaying by Inspectorate America Corp. ("Inspectorate") of Sparks, Nevada. Inspectorate was selected as Pilot Gold's secondary laboratory under advisement from consultant Barry Smee. The QA/QC program was designed to ensure that at least one standard, blank, or field duplicate was inserted into the drill-sample stream for every 30 drill samples, which is the number of samples in each ALS analytical batch. All holes drilled by Pilot Gold at Kinsley were subject to this QA/QC program.

Although the quantity of QA/QC data compiled to date is small, due to the limited amount of drilling completed, Pilot Gold has implemented a rigorous QA/QC program at Kinsley Mountain that will continue to be employed in future drilling programs, although MDA recommends that preparation duplicates are added to the QA/QC protocols

There are no current NI 43-101-compliant resources or reserves at the Kinsley Mountain Project. The historic estimates summarized below were prepared prior to the adoption of NI 43-101 reporting standards. Work sufficient to categorize the historical estimates as current mineral resources has not been completed, and Pilot Gold is not treating these historical estimates as current mineral resources[3].

In June 1994, Alta reported estimated "mineable reserves" in the Upper, Main, Ridge, and West Ridge deposits of approximately 3.5 million tons averaging 0.045 oz Au/ton, with a stripping ratio of 2.75:1 and an estimated gold recovery of 74%. Also prior to the initiation of

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[3] Historical Mineral Resource: Kinsley Mountain - The reader is cautioned that the discussion relating to the Kinsley Mountain Project contains information regarding historical mineral resources and reserves derived from historical information (and described herein as a "historic reserve", a "geologic reserve", "mineable reserves" and as "drill indicated resources") prepared before the development of NI 43-101 guidelines and, accordingly, such information should not be relied upon. A Qualified Person has not done sufficient work to classify the information or historical resource as comprising current mineral resources or mineral reserves at the Kinsley Mountain Project. The Corporation has not audited any of the data underlying the historic resources and historic reserves, nor attempted to classify the historic results according to NI 43-101 standards or those of the Canadian Institute of Mining, Metallurgy and Petroleum Standing Committee on Reserve Definitions ("CIM Standards"). The reader should not rely on such historic information.

The information regarding the historical mineral resources and reserves are contained in this AIF because the information and historical resources and reserves are considered relevant and of historical significance. Details relating to the estimates that comprise the historic resources and historic reserves to the extent available, including discussion as to the sources and dates of the underlying estimates, and the extent of any known key assumptions, parameters and methods used to prepare the estimates, are included in the NI 43-101 technical report entitled "*Technical Report on the Kinsley Project, Elko County, Nevada, U.S.A.*", effective February 15, 2012, dated March 26, 2012.

Neither Michael M. Gustin, C.P.G., Ph.D., P. Geo., of Mine Development Associates, Reno, Nevada, Moira Smith, Ph.D., P.Geo., of Pilot Gold, nor Kent Samuelson, of Pilot Gold, co-authors of the Kinsley Technical Report, nor the Corporation, have treated the historical resources or historic reserves as either current mineral resources or mineral reserves.

production, Alta estimated "geologic reserves" in July 1994 of approximately 5.6 million tons averaging 0.039 oz Au/ton at a cut-off of 0.015 oz Au/ton for the Kinsley deposits.

Actual production from the property appears to have been about 4.7 million tons averaging 0.039 oz Au/ton (4.26 million tonnes averaging 1.34 g Au/t), with 134,777 ounces of gold reportedly produced (total production of 138,151 ounces has also been reported). The Kinsley mine produced more tons and ounces than had been originally planned, but at a lower grade, with realized gold recoveries being close to what was estimated.

At the end of production, an Alta mine geologist at Kinsley Mountain, who now works on the project with Pilot Gold, carried out a hand-calculated estimate of approximate "drill indicated resources" at Kinsley Mountain, including exploration targets. The estimate included 785,808 tons averaging 0.037 oz Au/ton, for a total of 28,799 ounces, from oxidized mineralization within the main northwesterly trending mine area, and 590,022 tons averaging 0.024 oz Au/ton, for a total of 14,227 ounces, from oxidized mineralization in "off-trend" targets, mostly to the southwest. Unoxidized/refractory mineralization on the main trend was estimated at 994,162 tons averaging 0.072 oz Au/ton, for a total of 71,904 ounces (*the reader of this AIF is directed to footnote 3 on page 53 related to historic resources*).

Cominco and Alta completed metallurgical work in the 1980s and 1990s, including bottle roll, column leach, and "preg-robbing" testing on samples from the Main, Upper, Ridge, Access, and Emancipation zones. Of 52 tests conducted by McClelland Laboratories, Inc. ("McClelland") for both operators, the average extraction of all tests from within the "reserve" outlined by Cominco and Alta was 80%. Extractions from the Main deposit were somewhat higher than those from the Ridge and Upper deposits. Alta concluded that the Kinsley mineralization was generally readily amenable to recovery by cyanidation, with rapid recovery rates. Extractions did not appear to be significantly influenced by crush size or the duration of tests but did appear to be somewhat grade dependent.

McClelland also conducted bottle-roll tests on both mixed oxide and carbonaceous drill cuttings from the Emancipation pit area. Extracted gold from thiosulfate bottle-roll tests on the two composites were 0.6% and 1.2% of the head-grade values, respectively. McClelland concluded that the precious metals are locked within either sulfide minerals or silicate matrix and are not available for direct leaching.

Kappes, Cassiday & Associates conducted bottle-roll tests on two composites from the same holes at the Emancipation area, including mixed oxide and unoxidized intervals. The apparent mixed oxide interval yielded 40% extraction for the direct-leach test and 45% for the CIL/cyanide-leach test. The second composite with unoxidized material from the two drill holes reported 0% extraction.

Actual gold recovery at the Kinsley Mountain mine from 1995 through 1997 has been estimated to be 73%.

Pilot Gold has identified a number of exploration targets at the Kinsley Mountain Project, the most obvious of which includes relatively shallow, unmined oxidized, unoxidized, and mixed mineralization within the northwest-trending Kinsley Mountain mine area. These targets are based on a significant number of historic drill intercepts, some of which are supported by the results of Pilot Gold's 2011 core-drilling program. Additional exploration targets have also been developed, most of which have not been drill tested, including:

(1) Limestone units below the Lamb Dolomite, which lies immediately below the host rocks of the presently defined mineralization, in a setting analogous to the geologic setting at the Long Canyon gold deposit;

(2) North-and northeast-trending high-angle structures that extend north of the mine area and host geochemically anomalous jasperoids, especially where they cut favorable stratigraphy;

(3) Northwest-trending structures that are parallel to, and north of, the Kinsley mine trend, particularly where these structures cut the north- and northeast-trending structures; and

(4) The base of the Pogonip Group, which outcrops immediately north of the mine area and hosts mineralization at Long Canyon.

The Kinsley Mountain Project clearly warrants additional exploration expenditures for a program that is recommended to include further reconnaissance-scale prospecting, geological mapping, geochemical sampling, drill-testing of existing and newly defined targets, and metallurgical testing that emphasizes unoxidized mineralization. The program should culminate with the estimation of project mineral-resources.

Upcoming 2012 exploration at Kinsley Mountain is recommended to include the following:

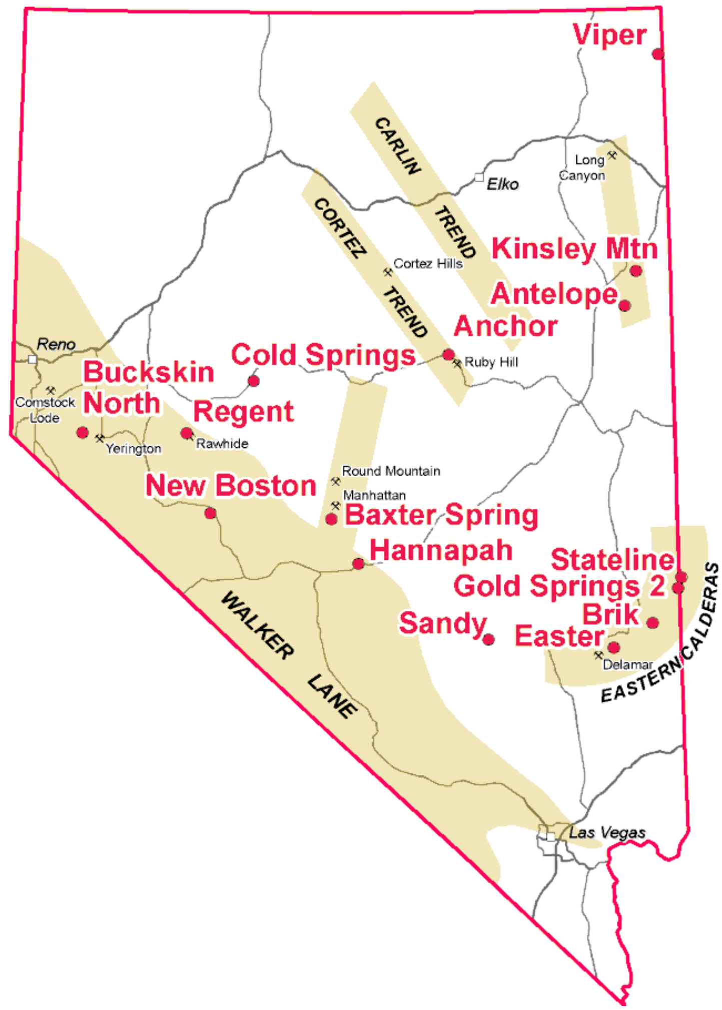
- 2,000 m of Core and 10,000 m of RC drilling in the southeast portion of the mine area, with the goal of validating historic drill data, infill drilling the area north of the Main pit, and step-out drilling of known zones of mineralization;
- Reconnaissance work within the northern claim block, including geologic mapping and geochemical sampling, and drill testing of defined targets;
- Construction of three-dimensional geological and mineralization models;
- Metallurgical testing of unoxidized and mixed oxidized/unoxidized mineralization;
- Mineral Resource estimation; and
- Biological and cultural studies pursuant to the submission of a Plan of Operations, which will allow for more comprehensive drilling on the property in subsequent exploration programs.

The technical portions of this recommended 2012 program are estimated to cost $2.3 million.

Other Exploration Properties

Pilot Gold's portfolio of properties in the United States and Turkey includes an interest in several exploration properties. Although the majority of these were acquired either shortly before, or pursuant to the Fronteer Arrangement, the Corporation staked new claims and acquired new property rights in 2011 as part of an effort to prioritize and align our portfolio.

As at the date of this AIF, the Corporation has an interest in the following additional exploration properties:



<u>Sediment-hosted exploration properties</u>

Griffon
Antelope
Sandy
Anchor
Hannapah

<u>Volcanic-hosted exploration properties</u>

Regent
Gold Springs
Brik
Cold Springs
New Boston
Buckskin North
Viper
Easter
Baxter Spring
Stateline

The Regent property, Nevada

Although it remains a key project in the Corporation's portfolio, following the Corporation's assessment of drilling conducted on the Regent property to date, and its prioritization of its portfolio of properties, the Corporation has determined to focus its resources and attention on the Halilağa Project, the TV Tower Project, and the Kinsley Mountain Project.

During 2011, the Corporation completed significant work on the Regent property, including completing Phase One, and commencing Phase Two of the exploration program recommended in the NI 43-101 technical report entitled, "Summary Technical Report Regent Gold Project Mineral County, Nevada" dated, January 4, 2011, with an initial 5,380 m of RC and 1,317 m of diamond core drilling in 20 holes for Phases One and Two. The two phase program had recommended 2,000 m of RC and 3,000 m of core drilling in Phase One, and 6,000 m of RC and 6,000 m of core drilling in Phase Two. In 2011, Pilot Gold also completed geologic and alteration maping, and ground geophysics, and in the fourth quarter, staked an additional 20 claims contiguous to the property.

The Corporation's dual focus exploration program was designed to explore for both near surface disseminated targets proximal to areas with historic exploration, and to test priority exploration targets elsewhere on the property. Through the twelve-months ended December 31, 2011, total expenditures at the Regent property were $3.0 million. Pilot Gold completed no work on Regent in 2010, although $0.14 million was attributed to the carrying value of the property based on activity incurred by Fronteer prior to the close of the Fronteer Arrangement.

The 2011 work program successfully interstected gold mineralization in drilling at the North East, Regent Hill and West Vein targets, and in surface work defined extensive new exploration targets in the southern portion of the property. Geological mapping, modelling and internal studies have significantly advanced the understanding of the controls on gold minerazliation, and in conjunction with the geophysical surveys provide a framework for future exploration success on the project. While results from the Corporation's initial program at Regent met Pilot Gold's expectations, and management are encouraged by the prospectivity and exploration potential of the property, given the resources available to the Corporation at this time and the encouraging results received to date on the three material properties, the Corporation has determined to focus on the Kinsely Mountain Project, the TV Tower Project and the Halilağa Project.

Management is currently undertaking a detailed analysis and assessment of "next steps" for the property, and have initiated permitting for a Plan of Operations with the BLM. The preliminary budget for Regent for 2012 is $0.1 million, pending the completion of additional analysis.

SHAREHOLDER INFORMATION

Dividends

There are no restrictions that prevent the Corporation from paying dividends. However, the Corporation has not paid any dividends on its Common Shares since incorporation. At present, all available funds are invested to finance the growth of the Corporation and the exploration and development of its mineral properties. Any decision to pay dividends on its Common Shares in the future will be made by the Board from time to time, in its discretion, on the basis of many factors, including Pilot Gold's earnings, operating results, financial condition and anticipated cash needs and other conditions existing at such time.

Description of Capital Structure

The Corporation is authorized to issue an unlimited number of Common Shares. There are 59,085,286 Common Shares issued and outstanding as of March 28, 2012. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on such Common Shares, if any, as and when declared by the Board at its discretion from funds legally available therefor, and, upon the liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, surrender or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

Newmont also retains a right to maintain its relative interest in the Corporation, through the subscription for and purchase (directly or through an affiliate) of additional Common Shares issued in connection with a prospectus or financing at the same price and on the same terms at which those additional Common Shares are offered for sale to other purchasers. Newmont has also covenanted in favour of Pilot Gold that, prior to the second anniversary of the FA Effective Date, it and its affiliates will not, without the express advance written approval of the Board, acquire or propose to acquire or otherwise obtain or propose to obtain a right to acquire or to control any securities of Pilot Gold in excess of a 19.9% interest in the then outstanding Common Shares, which covenant survives the termination of the Fronteer Arrangement. However, this covenant will cease to apply if Pilot Gold publicly announces its intention to agree to certain merger, amalgamation, arrangement, or sale of assets or enters into an agreement to support or recommend certain take-over bid transactions.

See further in this AIF under heading, “Rights and Obligations of Newmont Regarding Common Shares.”

Market for Securities

As of the date of this AIF, the Common Shares are listed for trading on the TSX under the symbol “PLG”.

Trading Activity in 2011

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the TSX during the year ended December 31, 2011. As the Common Shares began trading on the TSX on April 11, 2011, there is no reported high or low daily trading during the period between January 1, 2011 and April 10, 2011 and there was similarly no volume traded on the TSX during that period[4].

Period	Volume	High (C$)	Low (C$)
April 2011	2,041,913	$ 3.30	$ 3.21
May 2011	90,524	$ 3.14	$ 3.02
June 2011	146,940	$ 2.23	$ 2.15
July 2011	182,259	$ 2.44	$ 2.19
August 2011	26,179	$ 2.21	$ 2.10
September 2011	300,697	$ 1.24	$ 1.18
October 2011	45,430	$ 1.52	$ 1.40
November 2011	103,195	$ 1.33	$ 1.18
December 2011	139,222	$ 1.29	$ 1.14

Source: TMX Datalinx

Registrar and Transfer Agent

The Corporation's transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia.

Prior Sales

Common Shares

Between the date of its incorporation, through to April 11, 2011, Pilot Gold issued 202,807,808 common shares of Pilot Gold ("pre-consolidation common shares"). In connection with the closing of the Fronteer Arrangement, the pre-consolidation common shares were immediately consolidated on a one-for-four basis, yielding 50,701,952 Common Shares which were not listed or traded on any exchange or market until April 11, 2011.

On June 14, 2011, the Corporation completed a Short Form Offering, pursuant to which the Corporation issued 8,333,334 Common Shares at a price of C$3.00 per share to raise aggregate gross proceeds of C$25,000,002.

In connection with the purchase of an option agreement from Animas, the Corporation issued 50,000 Common Shares on September 20, 2011 to Animas at a price of C$2.00 per share.

[4] Through until April 6, 2011 at the close of the Fronteer Arrangement, the issued and outstanding Common Shares were wholly-owned by Fronteer.

Non-trading securities

The Corporation issued the following stock options to acquire Common Shares during the financial year ended December 31, 2011:

Date of Grant	Number of Stock Options Issued	Exercise Price (C$)	Expiry Date
13-Apr-11	3,787,500	$3.45	12-Apr-21
15-Jun-11	30,000	$2.93	14-Jun-21
2-Aug-11	60,000	$2.35	1-Aug-21
17-Nov-11	150,000	$1.20	16-Nov-21

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

There are no securities of the Corporation currently held in escrow or subject to a pooling agreement or subject to any other contractual restriction on transfer.

Principal Shareholders of Pilot Gold

As at the date of this AIF, there are 59,085,286 Common Shares issued and outstanding and to the knowledge of Pilot Gold's directors and officers, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares other than[5]:

Name	Type of Ownership	Number of Common Shares	Percentage of Common Shares
Newmont Holdings ULC[6]	Direct	10,089,688	17.09%

[5] Information as to holdings of Common Shares has been taken from insider reports or other disclosure documents electronically filed with regulators and publicly available through the Internet at the website for the Canadian System for Electronic Disclosure by Insiders ("SEDI") at www.sedi.ca or SEDAR at www.sedar.com.

[6] Newmont Holdings ULC is a subsidiary of Newmont; shares held by Newmont were acquired pursuant to the Fronteer Arrangement. Pursuant to the Arrangement Agreement, if at any time prior to April 6, 2013 the Corporation proposes to issue or sell Common Shares ("Additional Shares"), Newmont has the right (the "Newmont Participation Right") to subscribe for and purchase (directly or through an affiliate) Additional Shares at the same price and on the same terms at which such Additional Shares are offered for sale to other purchasers, up to the lesser of 19.9% of the Additional Shares and its pro rata interest in Pilot Gold. Under the Fronteer Arrangement, Newmont is required to advise Pilot Gold within five business days after receiving notice of a Newmont Participation Right of the number of Additional Shares, if any, that it intends to subscribe for and purchase pursuant to a Participation Right.

Rights and Obligations of Newmont Regarding Common Shares

Pursuant to the Fronteer Arrangement, Newmont has covenanted in favour of Pilot Gold that, prior to the second anniversary of the FA Effective Date, it and its affiliates will not, without the express advance written approval of the Board, acquire or propose to acquire or otherwise obtain or propose to obtain a right to acquire or to control any securities of Pilot Gold in excess of a 19.9% interest in the then outstanding Common Shares, which covenant survives the termination of the Fronteer Arrangement. However, this covenant will cease to apply if Pilot Gold publicly announces its intention to agree to certain merger, amalgamation, arrangement, or sale of assets or enters into an agreement to support or recommend certain take-over bid transactions.

If at any time during the first two years following the FA Effective Date, Pilot Gold proposes to issue any Additional Pilot Gold Securities other than (i) under any stock option plan of Pilot Gold, (ii) on the exercise, exchange or conversion of securities exchangeable or convertible into Common Shares, or (iii) for property other than money, Newmont shall have the right to subscribe for and purchase (directly or through an affiliate) Additional Pilot Gold Securities, at the price at which such Additional Pilot Gold Securities are offered for sale to other purchasers, up to the lesser of 19.9% of the Additional Pilot Gold Securities and its then existing pro rata ownership interest in Pilot Gold, in each case, prior to giving effect to the issuance or sale of such Additional Pilot Gold Securities.

GOVERNANCE

Directors and Officers of the Corporation

Directors

As of March 28, 2012, the name, province or state and country of residence, position or office held with the Corporation and principal occupation for the immediately preceding five years of each of the directors and executive officers of the Corporation are as follows:

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Mark O'Dea[(2)(3)] British Columbia, Canada	*Chairman and Director* Chairman and CEO of Blue Gold Mining Inc. ("Blue Gold")[(7)] (September 2011 to present) President and Chief Executive Officer of Fronteer[(7)(8)] (2001 to April 2011) President and Chief Executive Officer of Aurora Energy Resources Inc. ("Aurora")[(9)] (June 2005 to April 2009)	April 2011
Matthew Lennox-King[(3)(6)] British Columbia, Canada	*President, Chief Executive Officer and Director* Senior Geologist of Fronteer[(7)(8)] (May 2008 to April 2011) Manager-CMB Project, Aurora[(9)] (April 2006 to April 2008) Project Geologist, Fronteer[(7)(8)] (January 2004 to March 2006)	November 2010
John Dorward[(4)] New South Wales, Australia	*Director* Vice-President, Business Development of Fronteer[(7)(8)] (November 2009 to April 2011) Non-Executive Director, Navarre Minerals Limited[(7)] (November 2008 to present) Chief Financial Officer of Mineral Deposits Limited[(10)] (November 2006 to June 2009)	April 2011

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Donald McInnes[2][4][5] British Columbia, Canada	*Director* Executive Vice Chairman of Alterra Power Corp.[11] (March 2011 to Present) Vice Chairman of Blue Gold[7] (September 2011 to Present) Director, Fronteer[7][8] (2001 to April 2011) Vice Chairman and Chief Executive Officer, and former President of Plutonic Power Corporation[12] (June 1999 to March 2011)	April 2011
Robert Pease[3][5] British Columbia, Canada	*Director* President and CEO of Sabina Gold & Silver Corp.[7] (October to present) Chairman of Crazy Horse Resources Incorporated[7] (July 2011 to November 2011) Director and Advisor of Richfield Ventures Corp. [7][13] (September 2010 to June 2011) Director, President and Chief Executive officer of Terrane Metals Corp.[7][14] (April 2006 to October 2010)	April 2011
Sean Tetzlaff[2][4][5] British Columbia, Canada	*Director* Chief Financial Officer and Corporate Secretary of Blue Gold[7] (December 2011 to present) Chief Financial Officer, Vice-President, Finance and Corporate Secretary of Fronteer[7][8] (January 2005 to April 2011) Chief Financial Officer, Vice-President, Finance, and Corporate Secretary, Aurora[9] (March 2006 to February 2008)	February 2011
Ian Cunningham-Dunlop British Columbia, Canada	*Vice-President, Exploration and Chief Operating Officer (April 2011 to present)* Vice President, Exploration of Fronteer[7][8] (2004 to April 2011). Vice-President, Exploration of Aurora[9] (2006 to 2008).	N/A
Alexander Holmes British Columbia, Canada	*Vice-President, Business Development (December 2011 to present)* Vice President, Investment Banking for NCP Northland Capital Partners Inc.[15] (2010 to 2011) Vice President of PI Financial Corp.[15] (2003-2010)	N/A

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Jim Lincoln Utah, United States	*Vice-President, Operations* *(March 2012 to present)* Vice President, Operations of Fronteer(7)(8) (2006 to April 2011) Chief Operating Office of Aurora(9) (2006 to 2008)	N/A
Patrick Reid British Columbia, Canada	*Vice-President, Corporate Affairs* *(April 2011 to present)* Senior Director, Institutional Marketing of Fronteer(7)(8) (2010 to 2011) Senior Vice President and Partner of AGF Investments Inc.(16) (2004 to 2010)	N/A
John Wenger British Columbia, Canada	*Chief Financial, Officer and Corporate Secretary* *(April 2011 to present)* Audit and Assurance staff/manager, Ernst & Young LLP(17) (2003 to February 2011)	N/A

Notes:

(1) All companies noted are still carrying on business as of the date of hereof unless otherwise noted.
(2) Member of the Compensation Committee.
(3) Member of the Health, Safety and Environment Committee.
(4) Member of the Audit Committee.
(5) Member of the Corporate Governance and Nominating Committee.
(6) Mr. Lennox-King is also a director of Pilot Holdings Inc., and Pilot Investments Inc., each a wholly owned subsidiary of the Corporation, and of Truva Bakir and Orta Truva, each indirectly owned 40% by the Corporation.
(7) A mineral property exploration and development company.
(8) Acquired by Newmont; subsequently dissolved on May 3, 2011.
(9) A uranium exploration and development company; acquired by Newmont in April 2011 and subsequently renamed.
(10) An Australian heavy mineral sands mining and exporting company.
(11) A global renewable energy company.
(12) Acquired by Alterra Power Corp. (see note 11).
(13) Acquired by New Gold Inc.
(14) Acquired by Thompson Creek Metals Company.
(15) A securities and investment company.
(16) A global investment management services firm.
(17) A global accounting, assurance and advisory firm.

The term of office of each of the Corporation's directors expires at the Corporation's next annual general meeting at which directors are elected for the upcoming year or until his successor is duly elected or earlier in accordance with the by-laws of the Corporation. The next annual meeting of the Corporation is scheduled to be held on May 10, 2012.

Aggregate Ownership of Securities

As at December 31, 2011, the directors and executive officers of the Corporation, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 2,143,548 Common Shares representing approximately 3.63% of the issued and outstanding Common Shares as of such date. On a fully-diluted basis, assuming the exercise of all stock-options, the directors and executive officers of the Corporation, as a group. beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 5,043,548 Common Shares representing approximately 8.00% of the issued and outstanding Common Shares as of such date.

Promoters

Each of Mark O'Dea, Chairman of the Board, Sean Tetzlaff, Chairman of the audit committee of the Board, John Dorward, director, and Matthew Lennox-King, director, President and Chief Executive Officer were involved in the founding and organizing of Pilot Gold, and, accordingly, are considered "promoters" pursuant to applicable Canadian securities laws.

Mr. O'Dea beneficially owns, or controls and directs, 1,011,039 Common Shares representing approximately 1.71% of the issued and outstanding Common Shares. Mr. Tetzlaff beneficially owns, or controls and directs, 303,765 Common Shares representing approximately 0.51% of the issued and outstanding Common Shares. Mr. Dorward beneficially owns, or controls and directs, 86,450 Common Shares representing approximately 0.15% of the issued and outstanding Common Shares. Mr. Lennox-King beneficially owns, or controls and directs, 138,134 Common Shares representing approximately 0.23% of the issued and outstanding Common Shares.

During the current fiscal year, Dr. O'Dea, Messrs. Tetzlaff and Dorward will receive fees in the amount of $100,000, $30,000 and $25,000, respectively, from the Corporation as compensation for their service on the Board. In 2012, Mr. Lennox-King will receive a base salary of $190,000 and may receive additional bonus compensation, as determined by the Board, for his service as President and Chief Executive Officer of Pilot Gold. Mr. Lennox-King does not receive any additional compensation for his service as a director of the Corporation. Mr. Lennox-King is also a member of the Corporation's extended benefits plan for executives of the Corporation. For a portion of 2011, each of Dr. O'Dea and Mr. Tetzlaff were members of the same extended benefits plan for executives of the Corporation. The extended benefits plan for executives includes premiums paid by the Corporation related to extended medical and dental coverage, premiums paid for participation in the provincial medical services plan of British Columbia, and premiums providing each with $500,000 in life insurance coverage. For a portion of 2011, the Corporation paid premiums associated with certain levels of directors' and officers' insurance for each of Dr. O'Dea, and Messrs. Tetzlaff, Dorward and Lennox-King on the same basis as is provided for those other directors and officers of the Corporation. Only Mr. Lennox-King continues to have these premiums paid for by the Corporation in 2012. Each of Dr. O'Dea, and Messrs. Tetzlaff, Dorward and Lennox-King are also eligible participants under the Corporation's stock option plan and may receive grants of stock options from time to time, as determined by the Board. As at the date of this AIF, Dr. O'Dea, and Messrs. Tetzlaff, Dorward and Lennox-King hold 550,000, 400,000, 400,000 and 550,000 options, respectively, to purchase Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Pilot Gold is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief financial officer or chief executive officer of any company that:

(a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (any such order, an "Order") that was issued while that person was acting in that capacity; or

(b) was subject to an Order that was issued after that person ceased to act in such capacity and which Order resulted from an event that occurred while that person was acting in that capacity; and

No director, or executive officer of the Corporation:

(a) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; and

No director or executive officer of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

The information contained in this AIF as to ownership of securities of the Corporation, corporate cease trade orders, bankruptcies, penalties or sanctions, and existing or potential conflicts of interest, not being within the knowledge of the Corporation, has been provided by each director and executive officer of the Corporation individually. No shareholder of the Corporation holds a sufficient number of securities of the Corporation to materially affect its control.

Conflicts of Interest

Except as disclosed herein, to the knowledge of management of the Corporation, there are no existing or potential material conflicts of interest between the Corporation or any of its subsidiaries and any director or officer of the Corporation. Directors and officers of the

Corporation may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation or any of its subsidiaries may participate, the directors of the Corporation may have a conflict of interest in negotiating and conducting terms in respect of such participation. If such conflict of interest arises at a meeting of the Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such participation or such terms.

Legal Proceedings and Regulatory Actions

The Corporation is not currently, and has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. The Corporation is not aware of any such proceedings or actions threatened or known to be contemplated.

Interests of Management and Others in Material Transactions

Other than as disclosed elsewhere in this AIF, no director, executive officer, or shareholder beneficially owning or exercising control or direction over, directly or indirectly, more than 10% of the Common Shares, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Corporation's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Corporation.

Material Contracts

The only material contracts entered into by the Corporation, other than in the ordinary course of business, since the date of incorporation until the date hereof or before the most recently completed financial year of the Corporation but which are still in effect, are as follows:

1. Arrangement Agreement dated February 3, 2011, pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement. Pursuant to the Fronteer Arrangement, Fronteer shareholders received C$14.00 in cash and 0.25 of a Common Share for each common share of Fronteer previously held.

2. An agreement dated October 19, 2004 between Fronteer and TMST pursuant to which Fronteer, was granted an option to acquire a 100% interest in a group of properties known as the Biğa Properties (which includes the Halilağa Property) and TMST was granted certain back-in rights. Under the terms of the Option Agreement, TMST and Fronteer earned a 60% and 40% interest, respectively, in the Halilağa Property and four other designated properties. Fronteer's rights in the agreement were acquired by the Corporation in connection with the acquisition of the shares of Pilot Investments Inc. (formerly, "Fronteer Investment Inc."), as described in this AIF.

3. The First Nevada Eagle Agreement, dated December 30, 2011, pursuant to which Nevada Eagle, an indirect wholly-owned subsidiary of Fronteer, sold to Pilot USA, a wholly-owned subsidiary of Pilot Gold, various unpatented mining claims situated in the Mineral, Douglas, Lincoln and Churchill Counties of Nevada for a purchase price of $1,095,000.

4. The First Fronteer USA Agreement, dated December 30, 2011, pursuant to which Pilot USA purchased from Fronteer USA some additional mining claims located in Nye County, Nevada known as the South Monitor project for a purchase price of $120,000.

5. The Second Nevada Eagle Agreement, dated April 4, 2011, pursuant to which Nevada Eagle sold to Pilot USA the Additional Nevada Eagle Assets. The purchase price paid for the Additional Nevada Eagle Assets was Fronteer's cost for such assets (which Fronteer and Pilot Gold agreed to be equal to their fair market value) and consisted of (i) a cash payment of approximately $1.1 million, and (ii) the transfer by way of assignment to Nevada Eagle of all mining claims held by Pilot USA in respect of the South Monitor project.

6. The Second Fronteer USA Agreement, dated April 4, 2011, pursuant to which Fronteer USA sold to Pilot USA the Viper Assets. The purchase price paid for the Viper Assets was Fronteer's cost for such assets (which Fronteer and Pilot Gold agreed to be equal to their fair market value) and consisted of a cash payment by Pilot USA to Fronteer USA of $318,150. In connection with the sale of the Viper Assets to Pilot USA, Fronteer USA assigned to Pilot USA all contracts related to such assets and Pilot USA assumed the obligations thereunder.

7. The FII Share Purchase Agreement, dated April 4, 2011, pursuant to which FHI sold to PHI, a wholly-owned subsidiary of Pilot Gold, all of the issued and outstanding shares of Fronteer Investment Inc. ("FII") for a purchase price of C$52,250,000 (which the parties determined to be equal to the fair market value of the FII shares). As a result of such purchase, PHI indirectly acquired all of FII's 40% interest in the Turkish Properties and a 100% interest in three other prospective properties in Turkey.

8. An agreement dated April 4, 2011 between Fronteer and Pilot Gold pursuant to which Fronteer transferred to Pilot the following: (i) 2,000,000 common shares and 1,000,000 share purchase warrants of Rae Wallace and an option agreement with Rae Wallace pursuant to which Pilot Gold acquired a right to earn a 51% interest in up to two properties that Rae Wallace currently owns or may acquire within a 25,300 km^2 area of interest; (ii) C$9,584,714, representing the agreed amount to be funded to Pilot Gold under the Arrangement Agreement (after deducting certain payments made by Fronteer in respect of the Turkish Properties); (iii) additional cash required by Pilot Gold to fund the purchase of the Additional Nevada Eagle Assets, the Viper Assets and the FII shares described above; and (iv) additional assets of Fronteer, including an office lease in Vancouver, British Columbia, office equipment and furniture, and the fixed assets and technical information, reports, data and studies related to those exploration properties transferred to Pilot Gold in accordance with the Arrangement Agreement. In addition, Fronteer assigned to Pilot Gold the contracts entered into with respect to those assets acquired from Fronteer. In consideration for the foregoing, Pilot Gold issued Common Shares to Fronteer that resulted in Newmont holding an indirect 19.9% interest in Pilot Gold following the completion of the Fronteer Arrangement, and assumed certain liabilities relating to the assets acquired by Pilot Gold.

Copies of each of the material contracts described above have been filed with the applicable Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com.

Interests of Experts

The Corporation relies on experts to audit the annual consolidated financial statements, prepare mineral resource estimates on certain of the Corporation's mineral properties, and to prepare the related technical reports.

PricewaterhouseCoopers LLP, Chartered Accountants ("PwC"), are the Corporation's auditors and have prepared an opinion with respect to the Company's consolidated financial statements as at and for the year ended December 31, 2011. PwC report that they are independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The following individuals are the qualified persons responsible for the preparation of the technical reports with respect to the Corporation's mineral properties referenced in this AIF, and in the case of Ian Cunningham-Dunlop for the news releases issued by the Corporation on May 10, 2011, August 10, 2011, September 16, 2011 and October 4, 2011 (available under the Corporation's profile on SEDAR at www.sedar.com), from which certain scientific and technical information contained in this AIF has been derived:

(a) Dr. Michael M. Gustin, C.P.G., P. Geo., and Dr. Moira Smith, P. Geo., co-authored a report in accordance with NI 43-101 technical report entitled "*Technical Report on the Kinsley Project, Elko* County, Nevada, U.S.A.", dated March 26, 2012[7].

(b) Garth Kirkham, P.Geo. and James N. Gray, P.Geo, co-authored a report in accordance with NI 43-101 for Pilot Gold and Truva Bakir, entitled "*Resource Estimate for the Halilağa Copper-Gold Property NI 43-101 Technical Report*" dated March 23, 2012;

(c) Dr. Paul Klipfel prepared a report in accordance with NI 43-101 for Pilot Gold entitled "*Summary Technical Report – Regent Gold Project, Mineral County, Nevada",* dated January 4, 2011; and

(d) Ian Cunningham-Dunlop prepared a report in accordance with NI 43-101 for Pilot Gold entitled "Technical Report on the TV Tower Exploration Property, Çanakkale, Western Turkey" dated February 15, 2011, as amended June 7, 2011.

Other than as described below, based on information provided by the experts as at March 28, 2012, the experts named above did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or one of its associates or affiliates, when the experts prepared their respective reports, and no securities or other property of the Corporation or one of its associates or affiliates were subsequently received or are to be received by such experts.

Mr. Cunningham-Dunlop is an officer of Pilot Gold and holds Common Shares and stock options to purchase Common Shares. As of the date hereof, the Common Shares and options held by Mr. Cunningham-Dunlop represent less than 1% of the issued and outstanding Common Shares.

Dr. Smith is Chief Geologist of Pilot Gold and holds Common Shares and stock options to purchase Common Shares. As of the date hereof, the Common Shares and options held by Dr. Smith represent less than 1% of the issued and outstanding Common Shares.

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[7] Mr. Kent Samuelson is also a co-author of the technical report entitled "*Technical Report on the Kinsley Project, Elko* County, Nevada, U.S.A.", dated March 26, 2012. Mr. Samuelson is not a Qualified Person

Board Committees

The Board has four standing committees: (i) Audit; (ii) Compensation; (iii) Corporate Governance and Nominating; and (iv) Health, Safety and Sustainability. A Disclosure Committee has also been formed as a sub-committee of the Corporate Governance and Nominating Committee. Details as to composition and mandate of the Audit Committee are described in this AIF under heading "Audit Committee Information"; detail related to the mandates and composition of the Compensation Committee, Corporate Governance and Nominating Committee, and the Health, Safety and Sustainability Committee are described in the Corporation's Management Information Circular prepared in respect of the Annual General Meeting of the Shareholders of the Company to be held on May 10, 2012, and which will be filed on SEDAR at www.sedar.com.

Audit Committee Information

Audit Committee Charter

The Corporation's Audit Committee has a written charter (the "Audit Committee Charter"), a copy of which is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The Audit Committee was constituted on April 3, 2011 by resolution of the Board. The members of the Audit Committee are Sean Tetzlaff (Chairman), Donald McInnes and John Dorward, each of whom is "independent" and "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Relevant Education And Experience

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Sean Tetzlaff

Mr. Tetzlaff is the Chief Financial Officer and Corporate Secretary of Blue Gold. From 2005 to April 2011 he served as Chief Financial Officer, Vice-President Finance and Corporate Secretary of Fronteer. During this time, he had oversight of financial, legal and contractual matters for all of Fronteer's operations and its international subsidiaries, and was responsible for the successful execution of numerous equity investments, asset divestitures and M&A transactions. Mr. Tetzlaff also served as Chief Financial Officer of Aurora Energy Resources Inc. from 2006 to 2008, helping that company grow from initial public offering through to the advancement of one of the world's largest undeveloped uranium deposits. Mr. Tetzlaff previously served as Senior Manager (2002 to 2004) and Manager (1999-2001) with the Tax group at KPMG LLP, and was Chief Financial Officer of Valerie Gold Resources Ltd. and Emgold Mining Corporation from 1996 to 1999. Mr. Tetzlaff earned a Bachelor of Commerce Degree from the University of British Columbia in 1991 and earned his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1994.

Donald McInnes

Mr. McInnes has over 20 years' experience in the mineral exploration industry. Since 1993, Mr. McInnes has been a founder, President and director of a number of publicly-traded mineral exploration companies. He is currently Executive Vice Chairman of Alterra Power Corp. (March 2011 to Present), Vice Chairman of Blue Gold (September 2011 to Present), and Chairman of Blackstone Ventures Inc., an exploration and development-stage company focused on Scandinavian exploration (1993 to Present). Mr. McInnes is also a director of the Clean Energy Association of British Columbia, and a Governor of the Business Council of British Columbia, He is a past-President and director of the Association for Mineral Exploration British Columbia and a past director of the Prospectors and Developers Association of Canada. Mr. McInnes was previously a director of Fronteer (2001 to April 2011) and was the founder of Kutcho Copper Corp. (formerly Western Keltic Mines Inc.), holding the position of President from 1993 to 2006, and Vice Chair and CEO of Plutonic Power Corporation from June 1999 to March 2011, a renewable power development company he founded with a broad portfolio of clean-energy projects, which merged with Alterra Power Corp. Mr. McInnes was also a director of Atikwa Resources Inc. (July 2003 to March 2008).

John Dorward

Mr. Dorward has a considerable background in finance, corporate transactions and investment banking. Mr. Dorward has been both Chief Financial Officer and bank lender to several mining companies. He is currently a non-executive director with Navarre Minerals Limited (November 2008 to present), an exploration company listed on the Australian Securities Exchange. Mr. Dorward was previously employed by Fronteer as Vice President, Business Development (2009 to April 2011) and was instrumental in the acquisition of AuEx Ventures Inc. by Fronteer, the sale of Fronteer's uranium assets to Paladin Energy Ltd., and ultimately the negotiation of Fronteer's acquisition by Newmont. Prior to his employment with Fronteer, Mr. Dorward was Chief Financial Officer of Mineral Deposits Limited (November 2006 to June 2009), and Chief Financial Officer and Company Secretary of Leviathan Resources Limited, a gold mining company listed on the Australian Securities Exchange (October 2004 to November 2006). Mr. Dorward holds a B.Comm (Hons) from Melbourne University, and a Graduate Diploma in Applied Finance and Investment.

Audit Committee Oversight

At no time during the fiscal year ended December 31, 2011 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedure

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter attached as Schedule "A" hereto.

Auditor

PwC has been our external auditor since February 25, 2011. PwC conducts the annual audit of our consolidated financial statements and on occasion, provides audit-related, tax and other services. PwC reports to the audit committee of the board

External Auditor Service Fees

The following table shows the fees paid by the Corporation to PwC for services in the year ended December 31, 2011 and 2010:

	Years ended December 31		
	2011	**2010**	
Audit fees	C$25,000	-$nil	Total fees for audit services
Audit related fees	C$115,000	-$nil	Fees for consulting on accounting matters, due diligence and technical guidance, among other services, including review procedures on the Corporation's interim financial statements; the audit of IFRS opening balance sheet; and services in connection with the Short Form Offering
Tax fees	C$1,800	-$nil	Total fees for tax advice, tax planning and tax compliance.
All other fees	C$20,000	-$nil	Fees for French translation
Total	**C$161,800**	**-$nil**	

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR under the Corporation's profile at www.sedar.com.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's Information Circular dated March 28, 2012 prepared in respect of the Annual General Meeting of the Shareholders of the Company to be held on May 10, 2012.

Additional financial information is provided in Audited Consolidated Financial Statements of Pilot Gold Inc. for the year ended December 31, 2011 and the related Management's Discussion and Analysis.

A copy of such documents and of this AIF may be obtained upon request from the Corporate Secretary of the Corporation. The Corporation may require payment of a reasonable charge if the request is made by a person who is not a holder of securities of the Corporation.

Information on our website is not part of this AIF, or incorporated by reference.

SCHEDULE A – AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors of Pilot Gold Inc.

The Corporation's audit committee will be governed by an audit committee charter, the text of which is set forth below.

I. PURPOSE

The Audit Committee (the "Committee") is appointed by and reports to the board of directors (the "Board") of Pilot Gold Inc. (the "Corporation"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- (i) review the annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same and (ii) review and approve the interim financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board;
- recommend to the Board for approval by shareholders, the Corporation's external auditors (the "Independent Auditors");
- select and monitor the independence and performance of the Corporation's Independent Auditors, including attending private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight of related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

1. The Committee shall have the authority to:

   (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

   (b) set and pay the compensation for advisors employed by the Committee; and

   (c) communicate directly with the internal and external auditors.

III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the *Canada Business Corporations Act,* the Ontario Securities Commission (the "OSC") and all applicable securities regulatory authorities.

2. The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

3. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.

4. Each member of the Committee shall be "independent" and financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes). Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

5. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two of the members of the Committee present either in person or by telephone shall constitute a quorum.

6. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting,

such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

7. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

8. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

9. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

10. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

11. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries, and other persons, as it may see fit, from time to time, to attend at meetings of the Committee.

12. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

13. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose.

IV. CHAIR

1. The Chair of the Committee:

(a) provides leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;

(b) chairs meetings of the Committee, unless not present (including in camera sessions), and reports to the Board of Directors following each meeting of the Committee on the findings, activities and any recommendations of the Committee;

(c) ensures that the Committee meets on a regular basis and at least four times per year;

(d) in consultation with the Lead Director (if an individual other than the Chair) and the Committee members, establishes a calendar for holding meetings of the Committee;

(e) establishes the agenda for each meeting of the Committee, with input from other Committee members, the Lead Director (if an individual other than the Chair) and any other parties, as applicable;

(f) ensures that Committee materials are available to any Director on request;

(g) acts as liaison and maintains communication with the Lead Director (if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the full Board on all proceedings and deliberations of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;

(h) reports annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole;

(i) ensures that the members of the Committee understand and discharge their duties and obligations;

(j) fosters ethical and responsible decision making by the Committee and its individual members;

(k) ensures that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approves work to be done for the Committee by consultants;

(l) facilitates effective communication between members of the Committee and management;

(m) attends each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and

(n) performs such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

V. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response. The Committee shall assess the integrity of internal controls and financial reporting procedures and ensure implementation of such controls and procedures.

3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.

5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such

other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.

6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.

8. The Committee shall oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.

9. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.

10. The Committee shall establish procedures for:

    (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

    (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

11. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

1. The Committee shall be directly responsible for the selection, appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.

2. The Committee shall ensure that in compliance with applicable law, the lead audit partner at the Independent Auditor is replaced every five years.

3. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

4. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.

5. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.

6. The Committee shall review the Independent Auditor's audit plan, including scope, procedures, timing and staffing of the audit.

7. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.

8. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

9. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.

10. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

C. Other Responsibilities

1. The Committee shall:

   (a) perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate; and

   (b) review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board of Directors for approval.

Enacted April 4, 2011 (amended October 2011)