

12-02

Pilot Gold Inc. (PLG – TSX) reports that our initial drilling has returned impressive intervals of gold mineralization at Kinsley Mountain, a system we believe is strongly analogous to the nearby Long Canyon gold deposit in northeastern Nevada.

Kinsley Mountain shares the same unique combination of stratigraphy, structure and mineralization as Long Canyon, a deposit our technical team defined and advanced to a multi-million-ounce resource prior to its acquisition by Newmont Mining Corp. in April last year. Kinsley Mountain is located approximately 90 kilometres to the southeast of Long Canyon. Pilot Gold has an option to earn up to a 65% interest on the Kinsley Mountain project (See Sept. 21, 2011 press release).

Our first work-program included 1,250 metres (six holes) of diamond-core drilling designed to confirm mineralization in historic reverse circulation holes near the margins of open pits at the past-producing Kinsley Mountain Mine. Many of the historic drill holes, averaging 65 metres in depth, stopped short of potentially mineralized zones. Approximately 138,000 oxide ounces were mined from seven pits by Alta Gold, which ceased operations in the late 1990s due to financial difficulties and low gold prices.

Our first six holes are near-twins of existing holes in two locations, one to the north of the main pit and one located between two satellite pits to the southeast. These drill results highlight the exceptional, untapped potential of this system.

Drill highlights from the 2011 program include (full table at bottom of release):

- 5.91 g/t gold over 18.4 metres, including 11.93 g/t gold over 7.8 metres in hole PK-04;
- 6.75 g/t gold over 7.5 metres, including 13.52 g/t gold over 3.2 metres in PK-03;
- 6.23 g/t gold over 8.7 metres, including 12.05 g/t gold over 3.0 metres in hole PK-02.

Primary drill composites were calculated using a cut-off of 0.30 g/t, with variably higher cut-offs for the sub-intervals. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals are interpreted to be between 60-100% of the reported lengths.

“Our technical team carries forward Frontier Gold’s in-depth, working knowledge of Long Canyon and our strategy in Nevada was to identify a project with the same attributes and exploration potential as Long Canyon,” says Dr. Moira Smith, Pilot Gold’s Chief Geologist and previously Frontier Gold’s Chief Geologist for Nevada. “I believe Kinsley Mountain has the framework for discovery and a clear path to building a significant, high-quality deposit in the near-term.”

2012 WORK PROGRAM

Kinsley Mountain is one of Pilot Gold's three priority assets to be advanced in 2012. We plan on advancing Kinsley Mountain through detailed geological analysis, aggressive drilling and deposit modeling. The Kinsley Mountain project is under a joint venture option agreement with Nevada Sunrise Gold Corp. We anticipate earning an initial 51% interest in the project by Q2 2012. Our planned 2012 work-program includes:

- Deposit modelling: Extensive historic databases were compiled and merged with new surface mapping and sampling. These data are being used to create a three-dimensional model of geology and mineralization to aid in selection of new drill targets.
- Drilling: 12,000 metres of infill and step-out drilling on mineralized zones identified in historic drill programs. In addition to near-mine and resource definition drilling, a comprehensive effort to identify new targets will be undertaken, encompassing both the original 141 claims as well as 128 claims staked by Pilot Gold to the north, a largely unexplored area.
- Resource estimation: Anticipated completion of a project-first resource by year-end.
- Development activities: Preliminary metallurgical work, hydrological, environmental and baseline studies; and, submission of a Plan of Operation to the U.S. federal government to allow for property-wide drilling.

FOR DOWNLOAD

- Drill results
map: http://www.pilotgold.com/sites/default/files/KinsleyMountain_DrillMap_1202.pdf
- Long Canyon comparison / Mineralization:
http://www.pilotgold.com/sites/default/files/KinsleyMountain_MineralizationComparison_1202.pdf
- Project overview: <http://pilotgold.com/our-projects/kinsley>

2011 DRILL RESULTS

Hole ID	From (metres)	To (metres)	Interval (metres)	Gold g/t	Silver g/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	3.0	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
	166.7	167.6	0.9	0.06	2790.0
PK006C	53.0	63.4	10.4	0.95	2.8

Moira Smith, P. Geo., Pilot Gold Chief Geologist, is the Company's designated Qualified Person for this news release within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained in the release is accurate. Drill composites were calculated using a cut-off of 0.30 g/t. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals are interpreted to be between 60-100% of the reported lengths. Drill samples were assayed by ALS Chemex (ISO9001:2000) in Reno, Nevada for gold by Fire Assay of a 30 gram (1 assay ton) charge with an AA finish, or if over 5.0 g/t were re-assayed and completed with a gravimetric finish. For these samples, the gravimetric data were utilized in calculating gold intersections. QA/QC included the insertion and continual monitoring of numerous standards and blanks into the sample stream, and the collection of duplicate samples at random intervals within each batch. Selected holes are also analyzed for a 72-element geochemical suite by ICP-MS. Data citing ounces mined from historical production is attributed to www.metalseconomics.com

ABOUT PILOT GOLD

Pilot Gold is a gold exploration company led by a proven technical team that continues to discover and define high-quality projects featuring strong grades, meaningful size and mining-friendly addresses. Our three key assets include interests in the Halilaga and TV Tower projects in Turkey, each of which alone has the ability to drive the company forward, and the Kinsley Mountain project in Nevada, a gold system analogous to Long Canyon. We also have a pipeline of projects, characterized by large land positions and district-wide potential, that can meet our growth needs for years to come. For more information, visit www.pilotgold.com or contact:

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All statements in this release, other than statements of historical fact, are “forward-looking information” with respect to Pilot Gold Inc. (“Pilot Gold”) within the meaning of applicable Canadian securities laws, including statements that address future mineral production, reserve potential, exploration drilling, the future price of gold, potential quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, or other study, proposed exploration and development of our exploration properties and the estimation of mineral resources. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “project”, “predict”, “potential”, “targeting”, “intends”, “believe”, “potential”, and similar expressions, or describes a “goal”, or variation of such words and phrases or state that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to differ materially from those anticipated in such forward-looking information. Such forward-looking information, including, but not limited to, completion of expenditure obligations under the Kinsley Mountain Option Agreement, proposed exploration and development of the Kinsley Mountain property, future issuances of Common Shares to acquire the Kinsley Mountain Option Agreement from Animas Resources Ltd.; estimated future working capital, funds available, uses of funds, future capital expenditures, exploration expenditures and other expenses for specific operations; information with respect to exploration results, the timing and success of exploration activities generally, and other factors which may cause the actual results, performance or achievement of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward looking information.

Such factors include, among others, risks related to the interpretation and actual results of historical production at Kinsley Mountain, reliance on technical information provided by third parties on any of our exploration properties, including access to historical information on the Kinsley Mountain property as well as specific historic data associated with and drill results from the property, information from Nevada Sunrise LLC and Nevada Sunrise Gold Corporation, the license and lease owners respectively on the Kinsley Mountain property, current exploration and development activities; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration, as well as those factors discussed in the section entitled “Risk Factors” in the Company’s Amended Annual Information Form for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), which is available under Pilot Gold’s SEDAR profile at www.sedar.com.

Although Pilot Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Pilot Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. Accordingly, readers should

not place undue reliance on forward-looking information.

Forward-looking statements are made as of the date hereof and accordingly are subject to change after such date. Except as otherwise indicated by Pilot Gold, these statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Pilot Gold does not undertake to update any forward-looking statements that are included in this document, except in accordance with applicable securities laws.