

12-09

Pilot Gold Inc. (PLG - TSX) is pleased to report that it has entered into an agreement to increase its ownership in the TV Tower gold project ("TV Tower") in northwestern Turkey from 40% to 60% (the "Agreement"). Pilot Gold will immediately become project operator and initiate a 16,000 metre core drilling program in the first year of the earn-in period.

"Pilot Gold's team has been working in Turkey since 2004, and has been instrumental in establishing the growing metal endowment of the Biga District. Based on our experience in the district and previous successes at the Agi Dagi and Kirazli projects, we believe TV Tower hosts multiple significant gold systems that have only been partially tested. As operator, we intend to accelerate exploration at TV Tower and advance the project through key near-term milestones," stated Matt Lennox-King, President and CEO of Pilot Gold.

TV Tower is currently a joint venture between Pilot Gold (40%) and Teck Madencilik Sanayi Ticaret A.S. ("TMST")(60%), a Turkish subsidiary of Teck Resources Limited ("Teck"). Upon satisfaction of the earn-in obligations, TMST will transfer shares equal to a 20% interest in the Turkish joint venture company that holds TV Tower to a subsidiary of Pilot Gold, effectively providing Pilot Gold a 60% interest in the property.

Located on the Biga Peninsula of northwest Turkey, TV Tower is host to numerous high-sulphidation epithermal gold-silver prospects. The large 7,109 hectare (71km²) project is road accessible, and is located immediately west of the Kirazli gold project (Alamos Gold) and approximately 10 kilometres northwest of the Halilaga copper-gold project (Teck/Pilot Gold).

Initial drilling at TV Tower in 2010 resulted in new gold discoveries at the high grade gold and silver, breccia-hosted Kucukdag (north target); and Kayali, the oxidized, disseminated southern target. Both targets display encouraging grades over significant widths beginning at surface and remain open in multiple directions.

Highlights from 2011 drilling at the high grade gold-silver Kucukdag target include:

- Hole KCD-02 returned 4.28 g/t gold, 15.82 g/t silver and 0.68% copper over 136.2 metres
- Hole KCD-15 returned 1.87 g/t gold over 48.0 metres from 128.9 metres; including 13.83 g/t gold and 25.29 g/t silver over 5.4 metres
- Hole KCD-18 returned 171.00 g/t silver over 47.5 metres
- Hole KCD-28 returned 50.25 g/t silver over 114.9 metres from 7.5 metres, including 132.60 g/t silver over 7.5 metres from 27.1 metres
- Hole KCD-37 returned 61.61 g/t silver over 39.0 metres including 96.03 g/t silver over 15.3metres

Highlights from 2011 drilling at the Kayali target, 8 kilometres to the south, include:

- Hole KYD-01 returned 0.87 g/t gold over 114.5 metres

- Hole KYD-02 returned 0.78 g/t gold over 88.6 metres
- Hole KYD-15 returned 0.59 g/t gold over 9.7 metres
- Hole KYD-13 returned 0.49 g/t gold over 14.9 metres

(Refer to press releases issued May 10, 2011, August 10, 2011, October 4, 2011 and May 18, 2012)

On the eastern half of TV Tower, six large target areas have been defined by geochemistry and geophysics; of these, four have received initial drill testing, with anomalous gold in all four targets. The western half of the property remains mostly unexplored but has strong indications of epithermal gold-silver and porphyry-style mineralization.

For a PDF of comprehensive drill results to date, including non-reportable intercepts, please click:

<http://www.pilotgold.com/sites/default/files/TVTowerDrillResults1209.pdf>

For a location map of TV Tower, please click:

<http://www.pilotgold.com/sites/default/files/TVTowerLocationMap1209.pdf>

For a map of TV Tower targets, please click:

<http://www.pilotgold.com/sites/default/files/TVTowerTargetMap1209.pdf>

DEAL TERMS:

The following is the consideration for Pilot Gold to earn the additional 20% interest:

Share consideration:

- a) Subject to prior approval of the TSX, Pilot Gold shall, as soon as practicable after signing the Agreement, issue an aggregate of 3,275,000 Pilot Gold common shares and 3,000,000 common share purchase warrants ("Pilot Warrants") to TMST. Each Pilot Warrant is exercisable for a period of three years from the date of issue and shall be exercisable for one common share of Pilot Gold at an exercise price of C\$3.00 per share; and
- b) Subject to approval by the TSX, Pilot Gold shall issue 1,637,500 Pilot Gold common shares to TMST on each of the first and second anniversaries of the date the Agreement was signed, should Pilot Gold elect to continue with the earn-in.

Expenditure commitment:

- c) Incur \$21 million in exploration expenditures ("Expenditures") over three years, as follows:
 - \$5 million in the twelve months from the Effective Date;
 - \$7 million in the second year from the Effective Date; and
 - \$9 million in the third year from the Effective Date.

The aggregate Expenditure in the first year is a committed amount to maintain the Agreement in

good standing. Pilot Gold can accelerate annual expenditures at its sole discretion, and thus has an opportunity to complete the earn-in before the third year. The planned 2012 program has already commenced, with a budget of \$5 million.

Additional consideration:

Following completion of the third year Expenditure, the Company must make a one-time cash payment to TMST of \$20 per ounce of gold for 20% of the gold ounces delineated in excess of 750,000 ounces (Measured, Indicated and Inferred) in a NI 43-101 resource estimate identified at TV Tower.

"This is a transformative agreement for Pilot Gold. To be able to operate and advance two high potential properties, TV Tower and Kinsley Mountain, enables our team to quickly accelerate exploration to meet tangible project milestones in the near-term and beyond," added Matt Lennox-King. "Together with our significant resource at Halilaga and current capital strength, we are well positioned to build on the successes we've had since listing in 2011."

Upon completion of the earn-in, and assuming no further issuances of common shares, Pilot Gold will have 65,735,286 shares outstanding with Teck directly or indirectly through TMST holding a 10.13% pro forma ownership in Pilot Gold (14.05% fully diluted with Teck warrants only). Teck joins Newmont Mining Corporation (currently holding a 17.05% ownership interest) as a strategic shareholder.

All technical information contained in this release has been reviewed and approved by Ian Cunningham-Dunlop, P. Eng., Chief Operating Officer and Vice President Exploration, Pilot Gold, and a "qualified person" within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

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, and the Kinsley Mountain Project in Nevada, each of which alone has the ability to drive the Company forward. For more information, visit www.pilotgold.com or contact:

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For further details on TV Tower, please view the NI 43-101 compliant technical report entitled "NI 43-101 Technical Report on the TV Tower Exploration Property, Canakkale, Western Turkey," dated February 15, 2011, as amended on June 7, 2011, prepared by Ian R. Cunningham-Dunlop, P. Eng. and VP Exploration and Chief Operating Officer, Pilot Gold (formerly VP Exploration, Fronteer Gold Inc.) under Pilot Gold's Issuer Profile on SEDAR (www.sedar.com).

Drill samples and analytical data for TV Tower reported in this release were collected under the supervision of TMST, using industry standard QA-QC protocols. Mr. Cunningham-Dunlop has not verified all of the assay data generated by TMST. However, the grades and widths reported here agree well with the Company's past results on the TV Tower project and TMST has given him no reason to doubt their authenticity.

Except for the statements of historical fact contained herein, certain information presented constitutes "forward-looking information" concerning the business, operations and financial performance and condition of Pilot Gold Inc. ("Pilot Gold") within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "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 statements that address future mineral production, reserve potential, exploration drilling, 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, proposed exploration and development of our exploration properties, potential quantity and/or grade of minerals, potential type(s) of mining operation and the estimation of mineral reserves and resources as well as to Pilot Gold's ability to fund cash-calls made by Teck Madencilik Sanayi Ticaret A.Ş. ("TMST") for ongoing expenditure on the Halilaga property, successful earn-in on the TV Tower project, including the ability to incur the minimum annual Expenditure Requirements, estimated future working capital, 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; achievement of identified tangible project milestones on the Kinsley Mountain, TV Tower or Halilaga properties, the costs and timing of the development of new deposits; the timing and possible outcome of any pending litigation, permitting timelines, the ability to maintain or convert the underlying licenses that comprise TV Tower and Halilaga in accordance with the requirements of the Turkish Mining Law, government regulation of exploration and mining operations, environmental risks, including satisfaction of Turkish requirements relating to the periodic submissions of Environmental Impact Assessments, title disputes or claims, limitations on insurance coverage and the results of any future development programs involve known and unknown risks, uncertainties 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 exploration at the TV Tower property, reliance on technical information provided by TMST at the TV Tower property; changes in project parameters as plans continue to be refined; current economic conditions; the future prices of gold, silver and copper, fluctuations in currency exchange rates; 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 Pilot Gold's Amended Annual

Information Form for the year ended December 31, 2011 dated March 28, 2012, 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.