

12-16

Pilot Gold (PLG – TSX) (the “Company”) is pleased to report that step-out drilling on the western flank of the Company’s Kinsley Mountain Project in Nevada has returned up to 6.03 g/t gold over 13.7 metres, 600 metres northwest of the nearest historic pit. Recent drilling in the Western Flank area has identified a north-trending zone of higher-grade mineralization that is at least 400 metres by 100 metres and remains open in all directions.

Pilot Gold is nearing the end of the 2012 drill program at Kinsley; however, drilling on the Western Flank area on the west side of the range has been expanded with additional holes targeting higher-grade intercepts. Assays are pending from the final 6 holes of the 12,000 metre program.

“These exciting results validate the ‘Long Canyon’ model developed by our technical team that predicted the presence of north to northeast trending mineralized zones extending from the historic, northwest-trending pits,” stated Matt Lennox-King, President and CEO. “In addition, high grades are being intercepted at deeper stratigraphic levels than previously encountered, and as a result the potential for the presence of a large, untapped system continues to grow.”

### NEW DRILL RESULTS

Western Flank of Kinsley Range: Reverse Circulation drilling in an area approximately 600 metres northwest of the nearest historic pit and 120 metres north of PK057 (2.30 g/t gold over 19.8 metres; see news release dated August 27th, 2012) returned:

- 6.03 g/t gold over 13.7 metres in PK061;
  - o including 15.18 g/t gold over 4.6 metres;
  - o and 6.25 g/t gold over 1.5 metres.
- 3.91 g/t gold over 3.0 metres in PK063.
- 1.52 g/t gold over 6.1 metres in PK058.

All true widths are 30-100% of reported widths unless otherwise stated. All intervals of no sampling have been assigned zero grade for the purposes of compositing. For a comprehensive table of drill results to date, including new and non-reportable intercepts, please click:

<http://www.pilotgold.com/sites/default/files/KinsleyDrillResults1216.pdf>

For a map highlighting recent drilling, please click:

<http://www.pilotgold.com/sites/default/files/KinsleyDrillMap1216.pdf>

A subsidiary of Nevada Sunrise Gold Corporation (“NEV”) is Pilot Gold’s 49% joint venture partner on Kinsley Mountain. To earn a further 14% interest in the project Pilot Gold must spend \$3 million in exploration. To date, the Company has incurred approximately \$2.4 million

toward the second earn-in, and anticipates earning a 65% interest at Kinsley in 2013. NEV will be responsible to fund its share of expenditures from that point forward.

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 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 30-100% 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 51 multi-element geochemical suite by ICP-MS. Data citing ounces mined from historical production is attributed to [www.metalseconomics.com](http://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 and meaningful size in 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 has the ability to become a foundational asset. 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](http://www.pilotgold.com) or contact:

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For more detailed information on the Kinsley Mountain project, please refer to the recently published NI 43-101 technical report dated March 26, 2012, entitled Technical Report on the Kinsley Project, Elko County, Nevada, U.S.A. available on SEDAR at [www.sedar.com](http://www.sedar.com).

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 as consideration to complete the acquisition of 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 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](http://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.