

PGS135: 21.3m Grading 0.82 g/t Au and PGS147: 10.7 m Grading 0.80 g/t Au

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce drill results from the newly tested Peg Leg target at the 100% controlled Goldstrike Project in southwestern Utah. The primary target at Goldstrike is shallow, Carlin-style, oxide gold mineralization within the 14 km² "Historic Mine Trend", between and down-dip of historic open pits. **The Peg Leg target is 1500 metres long and is located southwest of the Main Zone near the historic Covington and Hamburg Pits.**

Highlights from this new target include:

- **0.43 g/t Au over 32.0 m** in PGS130
- **0.82 g/t Au over 21.3 m** in PGS135
- **0.57 g/t Au over 13.7 m and 0.47 g/t Au over 6.1 m and 0.58 g/t over 3.0 m** in PGS145
- **0.80 g/t Au over 10.7 m** in PGS147
- **0.54 g/t Au over 25.9 m and 0.75 g/t Au over 10.7 m** in PGS149
- **0.80 g/t Au over 7.6 m** in PGS151

* Please note that due to having two drills on the property, assay results are not necessarily received in sequence.

There are 3 historical RC drill holes in the Peg Leg target.

- Drill hole 90-035: **0.82 g/t Au over 24.4 m**
- Drill hole 91-078: **0.67 g/t Au over 27.4 m, starting from 82.3 m downhole.**
- Drill hole 91-077: **0.43 g/t Au over 4.6 m and 0.57 g/t Au over 10.7 m, starting from 18.3 m down hole.**

KEY POINTS

- The Peg Leg target covers an area approximately 1.5 km long and up to 250 m wide southwest of the Main Zone where Pilot Gold drilled over 100 drill holes in 2016.
- **Pilot Gold tested a 1 km-long portion of Peg Leg with 15 widely spaced drill holes drilled from 11 drill sites. Of these, 12 contained gold mineralization and only three yielded no significant results.**
- **Hole PGS149 is located along the southern Peg Leg margin, and is believed to lie along the same fault that hosts mineralization in the historic Covington pit, located 650 m to the west, and the historic Moosehead pit, located an additional 1 km further to the west.**
- Follow-up drilling in the Peg Leg target will focus on areas of mineralization identified in the first-pass drilling, particularly the southern, graben-bounding, Covington Fault.

For a complete table of drill results for the current holes, please click here:

http://libertygold.ca/sites/default/files/GS_Intercepts12312016.pdf

For a complete table of results for all drilling by Pilot Gold at Goldstrike in 2015 and to date in 2016, click here: http://libertygold.ca/sites/default/files/GS_Intercepts2015to12312016.pdf

For a map of drill collars and traces for the current release, click here: http://libertygold.ca/sites/default/files/GoldStrike_PR2017-01.jpg

For a map showing the areas of new drilling and the location of historic pits at Goldstrike, click here: <http://libertygold.ca/sites/default/files/GoldstrikeFutureDrilling.jpg>

ABOUT GOLDSTRIKE

Goldstrike is located in the eastern Great Basin, immediately adjacent to the Utah/Nevada border, and is a Carlin-style gold system, similar in many ways to the prolific deposits located along Nevada's Carlin trend. Like Kinsley Mountain and Newmont's Long Canyon deposit, Goldstrike represents part of a growing number of Carlin-type systems located off the main Carlin and Cortez trends in largely underexplored parts of the Great Basin.

Goldstrike is an early-stage exploration projects and does not contain any mineral resource estimates as defined by National Instrument 43-101 Standards of Disclosure of Mineral Projects ("NI 43-101"). The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource.

Further information on Goldstrike is available in the technical report entitled "*Technical Report on the Goldstrike Project, Washington County, Utah, U.S.A.*", effective April 1, 2016 and dated October 7, 2016, prepared by Michael M. Gustin, C.P.G. and Moira Smith, Ph.D., P.Geo., available on the Company's website at www.pilotgold.com or under Pilot Gold's SEDAR profile at www.sedar.com.

KINSLEY PROJECT UPDATE

A helicopter-borne MAG-VTEM survey has been completed over the 10 km² Kinsley Project, in order to better define drill targets on a regional scale. In 2014, Pilot Gold discovered the Western Flank gold deposit in the Secret Canyon Shale and outlined an indicated gold resource of 284,000 ounces grading 6.04 g/t and an additional inferred resource of 39,000 ounces of gold grading 2.41 g/t (using multiple cut-offs¹). In 2016, one drill target southwest of the Kinsley Main historic pit was tested with four holes, with no significant gold intercepts. Twelve new target areas, some of which have been confirmed to be gold bearing based on compilation of historical drill results, have been selected for potential future drill programs. The airborne survey will be used to assist in locating drill holes for these future programs.

(1) Cut-off grades at Kinsley assume an open-pit mining scenario, using a pit floor elevation generated using Whittle software, reasonable assumptions for mining and milling costs, and a US\$1,300/oz gold price.

The Company holds approximately 79.1% of Kinsley. Intor Resources Corporation ("Intor"), a subsidiary of Nevada Sunrise Gold Corp., is the Company's joint venture partner at Kinsley. Further information on Kinsley is available in the technical report entitled "*Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, U.S.A.*", effective October 15, 2015, dated December 16, 2015 and prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo. and Gary Simmons, B.Sc. MMSA, available on the Company's website at www.pilotgold.com or under Pilot Gold's SEDAR profile

at www.sedar.com.

Moira Smith, Ph.D., P.Geo., Vice-President Exploration and Geoscience, Pilot Gold, is the Company's designated Qualified Person for this news release within the meaning of 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 0.20 g/t. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals vary between 30 and 100% of the reported lengths due to varying drill hole orientations, but are typically in the range of 60 to 80% of true width. Drill samples were assayed by ALS Limited 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. For any samples assaying over 0.200 ppm an additional cyanide leach analysis is done where the sample is treated with a 0.25% NaCN solution and rolled for an hour. An aliquot of the final leach solution is then centrifuged and analyzed by AAS. Metallic screen techniques may be employed where the presence of coarse free gold is suspected. Approximately 1000 grams of coarse reject material are pulverized and screened. Two splits of the fine fraction are assayed, as well as all material that does not pass through the screen (the coarse fraction). The final gold assay reported is a weighted average of the coarse and fine fractions. QA/QC for all drill samples consists of 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. ALS Geochemistry-Reno is ISO 17025:2005 Accredited, with the Elko prep lab listed on the scope of accreditation.

ABOUT PILOT GOLD

Pilot Gold is led by a proven technical and capital markets team that continues to discover and define high-quality assets. Our core projects are Goldstrike in Utah, Black Pine in Idaho and Kinsley Mountain in Nevada. The Company also holds important interests in two Turkish assets, Halilaga and TV Tower, and has a pipeline of Western US 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:

Evelyn Cox, Director Corporate Communications

Phone: 604-632-4677 or Toll Free 1-877-632-4677

info@pilotgold.com

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pilot Gold within the meaning of applicable securities laws, including statements that address potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans. 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. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold, and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, timing and likelihood of deployment of additional drill rigs, successful delivery of results of metallurgical testing, the release of an initial resource report, successful resolution of disputes and anticipated costs and expenditures. 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 forward-looking information, involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, risks related to the interpretation of results and/or the reliance on technical information provided by third parties as related to the Company's mineral property interests; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; the costs and timing of the development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; the timing and success of exploration activities generally; delays in permitting; possible claims against the Company; 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 Annual Information Form of the Company dated March 17, 2016 in the section entitled "Risk Factors", 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 unless required by law.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources.

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. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. The mineral resource estimates referenced in this press release use the terms "Indicated Mineral Resources" and "Inferred Mineral Resources". While these terms are defined in and required by Canadian regulations (under NI 43-101), these terms are not recognized by the U.S. Securities and Exchange Commission ("SEC"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Pilot Gold is not an SEC registered company.