PGS104: 67.1 m grading 0.86 g/t Au, including 15.2 m grading 2.35 g/t Au

October 6, 2016

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce drill results from an additional 7 Reverse Circulation (RC) drill holes in the Main Zone of the 100% controlled Goldstrike Gold Project in southwestern Utah. The primary target is shallow Carlin-style, oxide gold mineralization within the 14 km2 “Historic Mine Trend”, between and down-dip of historic open pits.

Current drill highlights include:

- **0.90 grams per tonne gold (g/t Au) over 12.2 metres (m)** in PGS099
- **1.06 g/t Au over 10.7 m** and **0.60 g/t over 6.1 m** in PGS100
- **0.51 g/t Au over 27.4 m** in PGS101
- **0.44 g/t Au over 6.1 m** and **0.49 g/t Au over 18.3 m** in PGS102
- **0.60 g/t Au over 13.7 m** in PGS103
- **0.86 g/t Au over 67.1** m including **2.35 g/t Au over 15.2 m** and **0.74 g/t over 10.7 m** in PGS104
- **0.44 g/t Au over 32.0 m** and **0.43 g/t Au over 21.3 m** in PGS105

All 7 holes intersected notable widths grading between 0.44 and 2.35 g/t Au.

KEY POINTS

- RC drilling has concluded in the Main Zone (located on the eastern end of the Historic Mine Trend) to prepare it for inclusion in a resource estimate, projected for completion in Q1 2017.
- 22 Main Zone drill holes are currently pending assay results.
- A second drill rig was mobilized to the property on September 15.
- One rig has begun drilling on the Peg Leg graben target, a sub-parallel structure to the Goldstrike Graben located southwest of the main zone. Fourteen drill sites are permitted in this area, which extends over a distance of 1.5 km x 250 m.
- The second drill rig is being mobilized to the “Dip Slope” zone, located to the north of the main zone in the footwall of the Hassayampa fault. This area hosts the historic Hassayampa, Goldtown and Padre pits, with unmined gold intercepts in historic holes throughout the area.

For a complete table of drill results for the current 7 holes, please click here:
http://pilotgold.com/sites/default/files/GS_Intercepts09292016.pdf

For a complete table of results for all drilling by Pilot Gold at Goldstrike in 2015 and to date in 2016, please click here:
http://pilotgold.com/sites/default/files/GS_Intercepts2015to09292016.pdf

For a map of drill collars and traces for the current release, please click here:
http://pilotgold.com/sites/default/files/GoldStrike_PR2016-20.jpg

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For a map showing the areas of new drilling and the location of historic hits at Goldstrike, please click here:
http://pilotgold.com/sites/default/files/GoldstrikeFutureDrilling.jpg

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. Previous mining at Goldstrike(1) occurred from 1988 to 1994, with 209,000 ounces of gold produced from 12 shallow pits, at an average grade of 1.2 g/t Au.

(1) Previous mining data sourced from: Willden, R., 2006, Goldstrike Mining District, Washington County, Utah: in Bon, R.L., Gloyn, R.W., and Park, G.M., eds., Mining Districts of Utah: Utah Geological Association Publication 32, p. 458-476.

GOLDSTRIKE PROJECT, UTAH – METALLURGICAL UPDATE

Cyanide soluble test results from the metallurgical core holes were released on August 4, 2016 and most holes contain oxide gold with a very high percentage of cyanide soluble gold. Eight out of the ten core holes returned an average of 88.4% cyanide solubility.

Bottle rolls results, which will provide information necessary to design and cost a potential gold processing circuit, are anticipated to be received and released to the market by the end of October 2016.

BLACK PINE PROJECT (MINERAL GULCH), IDAHO – COMPILATION UPDATE

Pilot Gold has recently recovered a large historical digital database from the recently acquired (see news release dated June 16, 2016), past-producing Black Pine heap leach gold mine located in southeastern Idaho. The database includes drill data for 1,866 holes (191,481m), as mined topography CAD files and 4,950 rock samples. The drill hole data includes collar and survey data, fire assay gold, acid soluble gold and silver, lithology and alteration.

The data is currently being compiled and verified pursuant to generating a 3D model to direct drill targeting. Compilation work will be released in a timely basis and targets will be generated in advance of in-fill and step-out drilling planned for the summer of 2017. The recovery of over 1,300 additional drill holes is expected to save millions of dollars and several years of permitting and drilling.

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 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 0.20 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

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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.

Goldstrike and Black Pine are early-stage exploration projects and do not contain any mineral resource estimates as defined by 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.

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, Mineral Gulch 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.

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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

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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.

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