

PGS097: 45.7 m grading 1.08 g/t Au; PGS096: 18.3 m grading 0.90 g/t Au

August 31, 2016

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce additional drill results from 7 Reverse Circulation (RC) drill holes in the Main Zone of the 100% controlled Goldstrike Oxide Gold Project in southwestern Utah. The primary target is Carlin-style shallow, oxide gold mineralization on the 7 km-long, 2 km-wide "Historic Mine Trend", between and down-dip to the north of historic open pits.

GOLDSTRIKE MAIN ZONE

Current drill highlights include:

- **0.43 grams per tonne gold (g/t Au) over 10.7 metres (m) and 1.10 g/t Au over 3.0 m** in PGS092
- **0.67 g/t Au over 9.1 m** in PGS095
- **0.90 g/t Au over 18.3 m** including **1.32 g/t Au over 7.6 m** in PGS096
- **1.08 g/t Au over 45.7 m** including **3.06 g/t Au over 6.1 m** in PGS097
- **0.68 g/t Au over 29.0 m** including **1.61 g/t Au over 4.6 m** in PGS098

Of the 7 holes reported, 5 holes intersected notable widths grading between 0.67 and 1.08 g/t Au.

RC drilling continues to be focussed on defining the edges of the Main Zone, on the east end of the Historic Mine Trend, to prepare it for inclusion in a resource estimate, projected for completion in Q1 2017.

- **An additional 15 RC drill holes are projected to fill in this area, covering approximately 1400 m by 300 m of strike of the Historic Mine Trend. This area represents less than 10% of the Priority 1 target area** as defined by 1242 historical drill holes and by Pilot Gold's 2015 / 2016 drilling to date.
- The Main Zone is currently defined by over 700 historical RC holes, 10 historical core holes and 80 RC and 10 core holes completed by Pilot Gold since late 2015.
- On completion of these 15 holes, the drill will be moved southwest to the Peg Leg Graben.
- **A second RC drill is being mobilized to site on September 8th.** The second drill will be focused on drilling north of the Main Zone in the Dip Slope area.
- Drill hole intercept density is on the order of 25 to 50 m.

For a complete table of drill results for the current 7 holes, please click here:

http://pilotgold.com/sites/default/files/GS_Intercepts08302016.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_Intercepts2015to08302016.pdf

For a map of drill collars and traces for the current release, please click here: http://pilotgold.com/sites/default/files/GoldStrikeMap_PR2016_19.jpg

PEG LEG GRABEN

The Peg Leg Graben is located sub-parallel and southwest of the Main Zone. It is 1.5 km long, up to 250 m wide and has only been drill tested by 3 historic holes, all of which returned significant oxide gold intercepts, including(1):

- Drill hole 90-035: **0.76 g/t Au over 6.1 m and 0.66 g/t Au over 9.1 m and 1.10 g/t Au over 12.2 m, starting from 61 m downhole.**
- 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.**

Pilot Gold plans to construct 14 drill sites spaced approximately 80 m apart along the graben, with up to 4 holes projected to be drilled per site.

For a map showing the areas of future drill at Goldstrike, please click here: <http://pilotgold.com/sites/default/files/GoldstrikeFutureDrilling.jpg>

GOLDSTRIKE PROJECT – LAND ACQUISITION

Pilot Gold has staked additional claims surrounding the Goldstrike Project to cover projected extensions of the mineralized system. The 3 new targets aggregate approximately 8 km² and are located to the west, north and east of the Historic Mine Trend:

1. ATF Block – adjoins the western property boundary to cover 1.2 km of linear jasperoid exposures in Paleozoic carbonate rocks along strike of the Historical Mine Trend.
2. Live Oak – located north of the project area to cover a 1.8 km² historical gold-in-soil geochemical anomaly. The exploration target includes skarn associated with a faulted margin of an intrusive body.
3. Big Mac – a Goldstrike look-alike target located approximately 2 km southeast of the main project area, with gold in surface samples in the favoured basal Claron Formation.

For a map showing the Goldstrike claims, please click here: http://pilotgold.com/sites/default/files/Goldstrike_Expansion.jpg

Goldstrike Project

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(2) 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) Historic drill intercepts from the Peg Leg Graben area were sourced from historic Tenneco Mining Co files and assay certificates.

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

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 are interpreted to be between 30-90% of the reported lengths. 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.

Goldstrike is an early-stage exploration project and does not contain any mineral resource estimates as defined by NI 43-101, except for that which is noted in a NI 43-101 technical report prepared for a previous operator entitled, "Technical Report on the Mineral Mountain Property, Washington County, Utah, USA", dated February 16, 2010, prepared by Kenneth P. Puchlik, of Puchski GeoConsultants, a "Qualified Person" 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 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.