

August 10, 2016

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce its financial and operating results for the six months ended June 30, 2016. All dollar amounts are presented in United States dollars unless otherwise stated.

Company highlights through and subsequent to June 30, 2016:

- Continued to report results at Goldstrike¹ from the ongoing infill and step-out drill program, focused along the 7 km-long, 2 km-wide "Historic Mine Trend". Drilling from Reverse Circulation ("RC") and diamond core drills continue to intercept primarily oxide gold mineralization over significant widths.

- o Highlights to date include:

- § 1.85 g/t Au over 30.5 m in PGS041C – core hole

- including 2.63 g/t Au over 18.3 m

- § 3.28 g/t Au over 38.1 m in PGS048

- including 4.92 g/t Au over 22.9 m

- including 8.27 g/t Au over 10.7 m

- § 1.06 g/t Au over 47.2 m in PGS044C – core hole

- § 2.64 g/t Au over 41.1 m in PGS051C, including 3.22 g/t Au over 32.0 m – core hole

- § 2.24 g/t Au over 58.8 m in PGS054C, including 2.77 g/t Au over 36.2 m, including 6.04 g/t Au over 3.0 m – core hole

- § 0.96 g/t Au over 76.2 m in PGS058, including 1.98 g/t Au over 19.8 m

- o Drilling confirms gold mineralization with significant width and grade over an east-west distance of 1.4 km by 200 to 400 m north-south

- Commenced core drilling pursuant to conducting initial metallurgical studies, including column testing, comminution test work and bottle roll tests². Cyanide-soluble assaying indicates that most holes contain oxide material with a very high percentage of cyanide soluble gold.

- Acquired Mineral Gulch, the former Black Pine heap leach gold mine in Idaho³.

- Entered into an exploration project option agreement on our portfolio properties with Logan Resources⁴.

Goldstrike – Utah (100% owned)

Results from the drill program for the first half of 2016 continue to show significant oxide intercepts over the eastern portion of the Historic Mine Trend, further confirming that gold is widespread and predictable within a particular stratigraphic interval, the basal Claron Formation. 40 of 45 reported holes have intersected reportable gold intercepts, including 32 holes with greater than 10 gram meters⁵.

The 2016 RC drilling program will continue into the second half of the year, with an average of 5 RC drill holes completed per week. Areas of focus are expected to include other areas along the Historic Mine Trend, including the Peg Leg Graben zone, over an area 1.5 km-long, and up to 250 m wide, and the 2 km² Dip Slope Trend, host to the historical "Padre", "Hassayampa" and "Goldtown" pits. A second RC drill is being added to the project in early September 2016. Additional drills will be added based on results and access to proposed drill sites. With the receipt of all assay data for the ten core holes, composites for metallurgical testing, including column testing, are being prepared. In addition to column testing, metallurgical testing will encompass comminution test work and bottle roll tests, in order to provide sufficient data for modeling and prediction of gold recovery over a wide range of feed sizes. Receipt of the final report is expected by the end of 2016.

For the six months ended June 30, 2016, expenditures capitalized to Goldstrike were \$2.12 million, including: drilling and assaying (\$1.16 million), lease and claims fees (\$0.23 million), salaries (\$0.25 million) and analyses and surveys (\$0.13 million).

SELECTED FINANCIAL DATA

The following selected financial data is derived from the unaudited condensed interim consolidated financial statements and related notes thereto for the six months ended June 30, 2016 (the "Interim Financial Statements"), as prepared in accordance with International Financial Reporting Standards. Details of these results are described in the Interim Financial Statements and related Management's Discussion and Analysis ("MD&A"). These documents can be found on the Company's website (www.pilotgold.com) or on SEDAR at www.sedar.com.

	As at	
	June 30, 2016	December 31, 2015
	(In 000s)	(In 000s)
Cash and short-term investments	\$ 6,253	\$ 7,912
Working capital	\$ 5,955	\$ 8,215
Total assets	\$ 96,742	\$ 93,730
Current liabilities	\$ 1,129	\$ 477
Non-current liabilities	\$ 513	\$ 604
Shareholders' equity	\$ 72,007	\$ 69,609

Three months ended

Six m

	June 30, (In 000s except per share)		
	2016	2015	2015
Attributable to shareholders:			
Loss for the period	\$ 973	\$ 2,152	\$ 2,152
Loss and comprehensive loss for the year	\$ 804	\$ 1,813	\$ 1,813
Basic and diluted loss per share	\$0.01	\$0.02	\$0.02

Total assets comprise primarily exploration properties and deferred exploration expenditures of \$80.67 million and cash, cash equivalents and short term investments of \$6.25 million. Total assets also include \$0.83 million in receivables and prepayments, and \$5.61 million in value recorded for the Company's 40% interest in the Halilaga copper-gold project in Turkey. The 40% share of TV Tower owned by Teck and 20.9% of Kinsley owned by Nevada Sunrise (in aggregate \$23.09 million) included in the total balance of deferred exploration expenditures are accounted for as a non-controlling interest on the Company's statement of financial position.

The decrease in working capital since year end 2015, reflects the costs incurred toward the 2016 exploration programs of \$3.80 million and cash outflows for operating expenditures of \$2.19 million including the acquisition of the Mineral Gulch property, offset by the \$3.30 million net proceeds raised in the private placement completed on March 4, 2016, and a positive impact of foreign exchange rates of \$0.49 million.

Total liabilities at June 30, 2016 and December 31, 2015, primarily reflect accounts payable and accruals recorded at period end arising from ongoing drilling activities, and also includes a deferred tax liability (\$0.43 million as at June 30, 2016) arising from the impact of foreign exchange on the carrying value of TV Tower, which is \$0.05 million lower than as at December 31, 2015.

The most significant contributors to the losses in the three and six months ended June 30, 2016 were the cost of wages and benefits of \$0.45 million and \$0.98 million, respectively; office and general costs of \$0.24 million and \$0.62 million, respectively; as well as non-cash stock based compensation of \$0.05 million and \$0.34 million, respectively. The loss per share halved over the comparative 2015 periods to \$0.01 and \$0.02 for the three and six months ended June 30, 2016 respectively.

The net other comprehensive income attributable to shareholders for the three and six months ended June 30, 2016, was \$0.22 million and \$1.44 million respectively, compared to \$0.41 million and a loss of \$3.99 in the three and six months ended June 30, 2015 respectively. In 2016, this is driven by net fair value gains on our available-for-sale financial assets of \$0.33 million in the six months ended June 30, 2016 compared to losses of \$0.02 million over the same period in 2015. Exchange differences on translation of foreign currency subsidiaries also contribute to the year on year differences. The impact from exchange differences will vary from period to period depending on the rate of exchange; in the period between January 1, 2016 and June 30, 2016, the United States dollar depreciated 6.39% relative to the Canadian dollar (2015: 8.5% appreciation).

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, approved and verified that the scientific and technical information contained in this release is accurate.

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 two core projects are Goldstrike in Utah 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:

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Goldstrike is an early stage exploration project; the potential quantities and grades disclosed herein are conceptual in nature; there has been insufficient exploration to define a mineral resource for other targets disclosed herein. The potential to define a mineral resource at Goldstrike is conceptual in nature and there has been insufficient exploration to define a mineral resource thereat. It is uncertain if further exploration will yield any additional mineral resources at the Company's mineral property interests.

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 with respect to those that address potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans, the timing and likelihood of deployment of additional drill rigs to Goldstrike or the release of an initial resource report at Goldstrike, the successful delivery of results of metallurgical testing and positive results thereof and the timing and certainty of closing the exploration project option with Logan Resources. 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, copper, silver 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 and geo-political conditions, availability of equipment, accuracy of any mineral resources, the amenability of mineralization to produce a grade or quality of concentrate sufficient to be economic (as there can be no assurances as to the results of the metallurgical testing and no inferences should be drawn therefrom), the accuracy of any metallurgical testing completed to date, 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 our joint venture partner or other 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 or its joint venture partners; labour disputes and other risks of the mining industry; the uncertainty of negotiating with foreign governments, expropriation or nationalization of property without fair compensation, adverse determination or rulings by governmental authorities delays in obtaining governmental approvals, government regulation of exploration and mining operations, and the application thereof in accordance with the rule of law, 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.