

Hole PGS076: 6.1 m grading 29.1 g/t Au; PGS048: 7.9 m grading 1.97 g/t Au

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VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce additional drill results from 26 Reverse Circulation (RC) and 2 diamond core holes at 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. Pilot Gold is also pleased to provide an update on the metallurgical program at Goldstrike.

GOLDSTRIKE MAIN TREND

Current RC drilling is focussed on defining the edges of the Main Zone, to prepare it for inclusion in a resource estimate, projected for completion in Q1 2017.

- An additional 15 to 20 RC drill holes are projected to fill in this area, covering approximately 1400 metres (m) by 300 m of strike of the Historical Mine Trend.
- **On completion, approximately 5 to 10% of the High Priority area within the Historic Mine Trend will be drill defined.**
- **A second drill is being added to the project in early September 2016, to begin testing other areas along the Historic Mine Trend. Additional drills will be added based on results and access to proposed drill sites.**

For a map of future drill targets, please click here:

http://pilotgold.com/sites/default/files/GoldstrikeFutureDrillingPR2016_17.png

HIGHLIGHTS OF DRILL HOLE RESULTS

- **0.91 grams per tonne gold (g/t Au) over 12.2 m** in PGS065
- **0.49 g/t Au over 21.3 m** and **0.52 g/t Au over 28.0 m** in PGS067C (core hole)
- **1.97 g/t Au over 7.6 m** in PGS068
- **0.50 g/t Au over 42.7 m** in PGS073C (core hole)
- **29.1 g/t Au over 6.1 m**, including **102 g/t Au over 1.5 m** in PGS076
- **0.42 g/t Au over 33.5 m** and **0.80 g/t Au over 9.1 m** in PGS080
- **0.69 g/t Au over 19.8 m** in PGS089

Drilling is focussed on drilling off the edges of the Main Zone around the historical Main, Hassayampa, Hamburg and Goldtown Pits. Of note is an intercept grading 29.1 g/t Au over 6.1 m in PGS076. This intercept is hosted in jasperoid in the Chainman Shale, a Paleozoic unit lying below the Claron Formation unconformity. Drill hole PGS076 is located 135 metres south of a similar intercept grading 175 g/t Au over 4.6 m in historical hole 88-011(1) mined in the Hassayampa Pit. The Chainman Shale is a new target for Pilot Gold and has also been historically mined 3.5 km to the west in the Covington Pit. The results represent assaying of four sample intervals using metallic screen methods, which confirmed the presence of coarse free gold. Coarse gold was also confirmed in PGS090 through visual analysis of panned concentrates of drill chip material and metallic screen assay.

Of 28 holes reported, 12 holes intersected notable widths of at least 0.32 to 0.45 g/t oxide gold mineralization and 5 holes had no significant results.

For photographs of representative core samples and corresponding assays for the full mineralized intercepts in core holes PGS067C and PGS073C, please click here:

http://pilotgold.com/sites/default/files/GoldstrikeCorePhotosPR2016_17.pdf

For a complete table of drill results for the current 10 holes, please click here:

http://pilotgold.com/sites/default/files/GS_Intercepts08032016.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_Intercepts2015to08032016.pdf

For a map of drill collars and traces for the current release, please click here:

http://pilotgold.com/sites/default/files/GoldStrikeMap_PR2016_17.jpg

After completing drilling at the Main Zone in late August, drilling will target other areas along the Historic Mine Trend, starting with the Peg Leg Graben, parallel to and south of the Goldstrike Graben. The Peg Leg Graben is 1.5 km-long, up to 250 m wide and has been tested in historic drilling by only 3 holes, all returning significant intercepts⁽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.**

The next target that will be tested is the 2 km² Dip Slope Trend, host to the historical Padre, Hassayampa and Goldtown pits. Several significant unmined intercepts are present in this area, including 1.99 g/t Au over 13.7 m in historic drill hole 81-009⁽²⁾.

Ongoing drilling efforts will continue to test priority targets over the entire 7 km-long and 2 km-wide Historic Mine Trend, which is confirmed to be gold bearing based on 1,242 historical drill holes. Pilot Gold is currently drilling hole PGS099.

GOLDSTRIKE METALLURGY UPDATE

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 in Q4 2016.** Cyanide soluble test results from the metallurgical core holes are shown in the table below. While portions of some holes contain transitional or sulphide material, most holes contain oxide with a very high percentage of cyanide soluble gold. In particular, the hole with the highest overall grade, PGS051C, returned an average 97.1% cyanide solubility.

Hole ID (Az, Dip) (degrees)	From (m)	To (m)	Intercept (m)	Au (g/t) FA	AuCN	AuCN%	Comments
PGS041 C (52, -60)	71.0	101.5	30.5	1.85	1.08	58.4%	transitional
PGS044 C (275, -63)	66.4	113.7	47.2	1.06	0.96	90.5%	oxide
and	119.3	135.0	15.7	0.47	0.40	85.4%	
PGS046 C (180, -55)	103.3	124.4	19.8	0.87	0.06	6.5%	sulphide
and	124.4	148.7	25.9	0.85	0.82	96.1%	oxide
and	173.1	177.7	4.6	0.25	0.25	100.0%	oxide
PGS051 C (275, -82)	110.3	151.5	41.1	2.64	2.57	97.1%	oxide
PGS054 C (60, -68)	81.7	140.5	58.8	2.24	2.11	94.4%	oxide
PGS056 C (245, -58)	114.1	145.7	31.5	0.36	0.29	80.2%	oxide
PGS059 CA (0, -90)	51.1	80.6	29.5	0.46	0.38	82.5%	oxide
PGS063 C (220, -60)	104.2	115.8	11.6	0.36	0.27	75.7%	oxide/transitional
PGS067 C (140, -60)	112.3	133.7	21.3	0.49	0.40	81.6%	oxide
and	159.7	187.8	28.0	0.52	0.46	88.4%	
PGS073 C	95.8	138.5	42.7	0.50	0.15	30.0%	transitional

Goldstrike Property

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(3) 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. QA/QC procedures and processes have not been audited by Pilot Gold. Historical results are not necessarily indicative of future results.

(2) Historic drill intercepts from the Dip Slope area were sourced from historic Houston International Minerals files and assay certificates. QA/QC procedures and processes have not been audited by Pilot Gold. Historical results are not necessarily indicative of future results.

(3) 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. Historical results are not necessarily indicative of future results.

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 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 and the presence of mineral deposits on properties adjacent to or in close proximity to Goldstrike is not necessarily indicative of mineralization on Goldstrike. 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 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.

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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, projected completion of a resource estimate at Goldstrike and the expected receipt of a final metallurgical test report. 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 uncertainty and interpretation of results including drill results and metallurgical test 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.