

July 7, 2016

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce it has signed an Option Agreement with Logan Resources Ltd ("Logan") under which Logan may earn up to an 80% interest in up to four of its nine Great Basin Portfolio Properties (the "Properties"). The Properties are located within the eastern Great Basin, in eastern Nevada and western Utah, and include the Drum, Griffon, Antelope, Sandy, Easter, Brik, Stateline, Viper, and Anchor gold properties.

**Pilot Gold will continue to focus its own exploration efforts on its 100%-controlled Goldstrike oxide gold project in southwestern Utah, the 79%-controlled Kinsley oxide and high grade sulphide gold project in Nevada, the newly acquired 100%-owned Mineral Gulch oxide gold project in southern Idaho and the 100%-owned Baxter Springs low sulphidation epithermal gold-silver project in Nevada.**

Prior to the closing of the transaction (the "Closing Date"), Logan will complete a non-brokered private placement (the "Logan Financing") in order to fund the initial exploration, holding and development costs as outlined below. Once the Logan Financing is closed, Logan will issue 9.9% of the issued and outstanding shares of Logan to Pilot Gold. Pilot Gold maintains its right of ownership interest in Logan provided it owns 5% or more of Logan. Logan will also reimburse Pilot Gold for 100% of the 2016 annual holding costs paid by Pilot Gold to date for the Properties.

Terms of the Option Agreement are as follows:

1. Logan may earn an initial 51% interest in 4 of the 9 Properties by:
  - Incurring US\$1,000,000 in cumulative exploration, holding and development costs within 12 months of the Closing Date.
  - Returning 5 of the 9 Properties to Pilot Gold within 12 months of the Closing Date, with 100% of the 2017 holding costs paid.
  - Maintaining the Properties in good standing, including making all lease payments, advanced royalty payments and satisfying any minimum expenditure requirements on the Properties.
2. Logan may earn an additional 19% (total of 70%) interest in the 4 selected Properties by incurring an additional US\$2,000,000 in exploration expenditures within 36 months of the Closing Date and issuing an additional 1,000,000 shares to Pilot Gold on completion of the 70% earn-in requirement.
3. Logan may earn an additional 10% (total of 80%) interest in any of the selected Properties by completing a prefeasibility study on that Property, prepared in accordance with National Instrument 43-101.

Pilot Gold is pleased to be partnering with Logan in advancing this portfolio of gold exploration projects in the Great Basin, Nevada and Utah and will provide land status support to Logan, as well as assist in building the field exploration group.

Closing of the Option Agreement is subject to regulatory and other customary approvals, including the TSX Venture Exchange.

## 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](http://www.pilotgold.com) or contact:

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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 closing of the Option Agreement and Logan's ability to complete various milestones, 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, 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](http://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.*