

Drilling targets the 7 km-long, 2 km wide Historic Mine Trend, a follow-up to historic results and 2015 proof of concept drill program

March 23, 2016

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce that it has commenced **infill and step out drilling** on the 7 km-long "Historic Mine Trend" on its Goldstrike Project in southwestern Utah. The primary target is Carlin-style shallow, oxide gold mineralization. Pilot Gold acquired 100% of the Goldstrike Project through the acquisition of Cadillac Mining Corporation in August, 2014 (see [press release, August 29, 2014](#)).

Previous mining at Goldstrike occurred from 1988 to 1994, with 209,000 ounces of gold produced from 12 shallow pits, at an average grade of 1.2 grams Au/tonne. Historical gold recovery is documented to be 75% from run of mine and crushed ore(1).

Over a 12-month period, the Company compiled and digitized approximately 20 years of historical exploration and mining data, including 1519 shallow drill holes, ~100,000 blast holes and surface geological and geochemical data. A robust 3D model was generated, followed by a successful "proof of concept" 18 hole RC drill program in late 2015.

Highlights – Goldstrike “Historic Mine Trend” Compilation

- **Oxide gold mineralization remains in areas under and adjacent to 12 historical pits that are linked together by historical drill results along a 7 km long, “Historical Mine Trend”. For a map of historic drill holes please [click here](#).**
- **The Historic Mine Trend has exposed oxide gold mineralization throughout a 14 square km area.**
- **Previous operators focused drilling and mining primarily in areas of exposed gold mineralization, with very little drilling outside of these areas. Pilot Gold has confirmed by drilling that the mineralized zone is open for extension under shallow cover to the NW of the pits.**
- **Oxide gold mineralization occurs primarily at the base of Eocene Claron Formation conglomerate and sandstone, and is associated with anomalous As, Sb, Hg, Tl, Fe-oxide and jasperoid, hallmarks of Carlin-style mineralization. The Claron Formation lies unconformably on Paleozoic carbonate rocks, and is overlain, in turn, by Miocene mafic to intermediate volcanic rocks.**
- **6 additional, oxide gold-bearing windows of basal Claron Formation occur within a 28 square km area NW of the Historic Mine Trend. All are considered priority exploration targets. Claron Formation that is not exposed but overlain by Miocene tuffs will also be targeted by RC drilling.**

RC infill and step-out drilling commenced on the Historic Mine Trend on March 2, 2016 within

kilometre 6 south block (Km 6 S), and has progressed to the Km 6 N and Km 5 N blocks. For a map showing the template of blocks Km 1 to Km 7, showing the historic pit outlines and 2016 proposed drilling please [click here](#).

2016 Drill Program

The objective of the 2016 drill program is to target unmined and/or undrilled areas between and around the historic pits, and to drill test down-dip to the north of, and laterally beyond, the Historic Mine Trend into areas where gold has been confirmed but not systematically drilled off. The holes will average approximately 150 metres in length, with up to 20 holes drilled per month. The scope of the program is open-ended and dependent on results. **At least 100 drill holes are covered in the Phase 1 2016 drill budget.**

The objective is to advance the Goldstrike Project to a resource estimate by year end, incorporating new and historical RC drill hole data over a broad area.

Historic Drill Database

Pilot Gold inherited a very large amount of data pertaining to previous exploration and mining, including original assay certificates, drill chip trays, core and other data vital to reconstructing the remaining gold endowment and controls on mineralization at Goldstrike.

Data includes 1519 historic drill holes, of which 1242 are located in the Historic Mine Trend and 277 are located elsewhere on the property.

Average hole depth was 63 metres with only 9 holes deeper than 300 metres.

1270 of the 1519 historic drill holes (84%) contained detectable gold.

On the Historic Mine Trend, 66% of the drill holes graded 2.5 gram-metres (g/t Au multiplied by number of metres in the interval) or more. 634 (41%) of the historical drill holes graded 10 gram-metres or more.

Thickness of oxide gold intercepts along the Historic Mine Trend averaged 15 metres with thicknesses up to 90 metres noted.

(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

2015 Pilot Gold Confirmation Drill Results

The Q4 2015 RC drill program confirmed the geological model for extension of the Goldstrike mineralized system under shallow cover. Eleven of the 18 drill holes returned intercepts of at least 10 gram-metres (see press releases dated, [January 14, 2016](#) and [December 1, 2015](#)).

- 6.1 metres grading 3.27 g/t Au
- and 3.0 metres grading 0.86 g/t Au
- and 7.6 metres grading 0.92 g/t Au in PGS002
- 39.6 metres grading 1.01 g/t Au in PGS003
- 41.1 metres grading 0.84 g/t Au in PGS004
- 35.1 metres grading 0.85 g/t Au in PGS007
- 22.9 metres grading 1.68 g/t Au in PGS008
- 36.6 metres grading 1.06 g/t Au in PGS010
- 15.2 metres grading 0.84 g/t Au in PGS011
- 18.3 metres grading 2.72 g/t Au in PGS012
- 71.6 metres grading 0.48 g/t Au in PGS013
- 39.6 metres grading 0.47 g/t Au in PGS014
- 27.4 metres grading 0.66 g/t Au in PGS016

Two of the 18 drill holes were lost due to adverse ground conditions and two missed the target interval due to fault offsets.

Goldstrike Property and Historical Activity

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. The Goldstrike Property comprises 96 km² of US federal lode claims, patented (private) claims and Utah State leases. The historic mine is now fully reclaimed.

Goldstrike Geology

Oxide gold mineralization is dominantly hosted in sandstone and conglomerate in the basal portion of the Eocene Claron Formation, along a regional unconformity that is virtually untested where it dips under shallow sedimentary and volcanic cover. The Claron Formation extends down dip of mineralized surface exposures, which are present throughout the northern half of the Goldstrike Property, an area covering approximately 42 km². The entire area is considered prospective for gold mineralization. In addition to the exposures in the Historic Mine Trend, six other large windows to the northwest of the Historic Mine Trend expose the basal Claron Formation, and all contain drill-tested oxide gold mineralization. In particular, the Mineral Mountain area, located approximately 4 km north of the Historic Mine Trend and as described in the Report (as defined below), contains a current Inferred Resource of 41,144 ounces of gold, contained in 3.4 million tons of material grading 0.0122 ounces per ton of gold. Additional drilling may expand the mineralized footprint of this zone, which is open in several directions,

and is planned for 2016.

Gold is also present in Mississippian through Permian carbonate shelf strata immediately underlying the Claron Formation, where they constitute the principal host rocks in the westernmost two pits on the Historic Mine Trend. While these rocks are more typical of Carlin-style host rocks, and are exposed over the entire southern half of the property, they have not been extensively tested. The overall potential in these rocks is relatively unknown, but presumed to be significant.

Moira Smith, Ph.D., P.Geo., VP 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. Pilot Gold 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. Pilot Gold drill samples were assayed by ALS Chemex (ISO9001:2000) 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. 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. Goldstrike is an early-stage exploration project and, except for that which is noted in the Report, does 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.

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 (the "Report"). As at the date of the Report, Mr. Puchlik was a "Qualified Person" as defined by NI 43-101.

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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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, 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 or its joint venture partners; 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.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. The mineral resource estimates referenced in this press release use the terms "Indicated Mineral Resources" and "Inferred Mineral Resources". While these terms are defined in and required by Canadian regulations (under NI 43-101), these terms are not recognized by the U.S. Securities and Exchange Commission ("SEC"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Pilot Gold is not an SEC registered company