

## **Western Flank sulphide mineralization amenable to flotation processing with concentrate grades up to 312 g/t gold**

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Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to report results from an initial metallurgical program designed to address the amenability of high-grade mineralization from the Secret Canyon host rock at the Kinsley Mountain property to produce a high-grade concentrate.

"These initial metallurgical test results clearly demonstrate that high grade material from the Western Flank zone can produce a high-grade concentrate with excellent gold recoveries," stated Matt Lennox-King, Pilot Gold's President & CEO. "The results open the door to consideration of low capital and operating cost alternatives for potential mining of high-grade sulphide mineralization at Kinsley."

### Summary Highlights:

<b>Composite</b>	<b>Overall Au Recovery<sup>1</sup> (%)</b>	<b>Concentrate Grade (g/t)</b>	<b>Flotation Recovery (%)</b>	<b>Calculated Feed Grade (g/t)</b>
KMMC-1	89.0	98.6	87.9	4.23
KMMC-2	95.0	312.0	82.2	20.3
KMMC-3	93.2	152.0	89.6	8.42
KMMC-4	93.8	199.0	76.0	11.4

*<sup>1</sup>Overall recovery is the total of the gold recovered into flotation concentrate plus gold leached from the final tails*

At Kinsley, initial geochemical analyses of mineralized intercepts, including characterization of carbon and sulfur, ICP analysis and determination of the solubility of gold in cyanide demonstrated that the concentration of gold relative to sulfur is high relative to other sediment-hosted, Carlin-style gold deposits. As well, petrographic work showed that pyrite, within which the gold is believed to be resident, is relatively crystalline, dense (non-porous) and that there is a very small quantity of sulfides that are <20 microns. These data and observations demonstrate potential for producing a high-grade flotation concentrate, which could then be evaluated for direct sale to commercial smelters or potentially to any one of several Nevada mine operators who can process refractory concentrates via roasting or autoclaving, for final recovery of the gold.

Four samples representing a range of gold grades from 4.23 to 20.3 g/t gold and a range of cyanide solubility levels were subjected to rougher and scavenger flotation testing over a range of conditions including variations in grind size, followed by cyanidation of the flotation tails. Combined concentrate recoveries ranged from a low of 76% to a high of 89.6%. Combined with cyanidation of the flotation tails, the total recovery increased to 89.0% to 95.0%. The concentrate grades ranged from a low of 98.6 g/t gold to a high of 312 g/t gold, with gold

recovery to concentrate highest in the higher-grade and less oxidized samples.

Secret Canyon gold mineralization at Kinsley, unlike more typical Carlin-style deposits, is unique in several aspects:

1. The sulfides at Secret Canyon are crystalline, dense (not porous) and the lack of sulfides <20 microns make them prime candidates for flotation.
2. The total sulfide sulfur content of Secret Canyon material averages about 1.0%, which is low for a typical Nevada refractory resource, indicating that flotation concentration ratios can be high and consistently produce high grade concentrates.
3. The ratio of gold, in grams/tonne - to sulfide sulfur, in percent (Ratio: Au/S) is very high, ranging from 7.8 to 19.2 for the four Master Composites. Since refractory gold treatment facility capital and operating cost are most affected by sulfide sulfur content, the low sulfide sulfur feed grade and the high ratio of Au/S are very favourable indicators for:
  1. Low capital cost facilities for on-site treatment,
  2. Low relative operating cost for concentrate treatment whether processed on or off-site by other commercial entities.
4. Concentrate grade ranged from 98.6 to 312 g/t gold. At a US\$1,200 gold price, the contained value of these concentrates range from \$3,800 - \$12,000 per tonne. Therefore, cost for on-site processing or shipping and processing concentrate at a commercial smelter or a local Nevada refractory treatment facility would only represent a small portion of the overall concentrate value.

Concentrates were assayed for deleterious elements and were found to contain arsenic and antimony. Arsenic in the concentrate tested ranged from 0.69% to 1.22% and averaged 1.01% while antimony in the concentrate tested ranged from 0.022% to 1.58% and averaged 0.60%. While arsenic and antimony are elevated, the levels would not preclude direct sale to a smelter, sale to a concentrate blender or to a typical Nevada refractory ore processing facility.

The program was carried out at Hazen Research, Inc. in Golden, Colorado under the direction of consulting metallurgist Gary Simmons. Mr. Simmons has more than 35 years of experience with mining companies in project management, process development, mill operations, design engineering, research and development and corporate due diligence. He played key roles with Fronteer Gold on the flagship Long Canyon and Northumberland projects, and was Senior Technical Director, Metallurgy and Technology for Newmont Mining Corporation.

*Gary Simmons, of GL Simmons Consulting, LLC (B.S. Extractive Metallurgy), a Qualified Professional with the Mining and Metallurgical Society of America and Pilot Gold consultant, is the Qualified Person, within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), who has overseen the collection and verification of the data for this release and has reviewed and approved this release's content. Mr. Simmons is independent of Pilot Gold. Metallurgical testing was conducted at Hazen Research, Inc. in Denver, Colorado.*

*Moir Smith, Ph.D., P.Geo., Chief Geologist, Pilot Gold, is the Company's designated Qualified Person for this news release and has reviewed and validated that the information contained in the release is accurate.*

## ABOUT KINSLEY MOUNTAIN

Kinsley Mountain hosts near-surface mineralization similar to other Carlin-style, sediment-hosted gold systems. The property consists of 469 claims on U.S. Bureau of Land Management land plus 6 leased patents totalling 9,520 acres (3,853 hectares) and hosts a past-producing mine with an extensive exploration database and numerous, untested gold targets.

The Company holds approximately 79.1% of Kinsley. Intor Resources Corporation ("Intor"), a subsidiary of Nevada Sunrise Gold Corp., is the Company's joint venture partner at Kinsley.

Kinsley Mountain is an early-stage exploration project and 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.

*Further information on Kinsley is available in the technical report entitled "Technical Report on the Kinsley Project, Elko County, Nevada, U.S.A.", effective February 15, 2012 and dated March 26, 2012, prepared by Michael M. Gustin, CPG of Mine Development Associates and Moira Smith, Ph.D., P.Geo. and Kent Samuelson of Pilot Gold Inc., under Pilot Gold's Issuer Profile on SEDAR ([www.sedar.com](http://www.sedar.com)).*

## ABOUT PILOT GOLD

Pilot Gold is a well-funded gold exploration company led by a proven technical team that continues to discover and define high-quality projects featuring strong grades, meaningful size and mining-friendly addresses. Our three key assets include interests in the Kinsley project in Nevada and the TV Tower and Halilaga projects in Turkey, each of which has the ability to become a foundational asset. We also have a pipeline of 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 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, 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 conditions, the absence of any ground water at Kinsley and the related impact on permitting, the availability of equipment, accuracy of any mineral resources, the amenability of mineralization to produce a high-grade concentrate (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 (if any) 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 at the Kinsley property, reliance on technical information provided by our joint venture partner or other third parties as related to Kinsley; 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 14, 2014 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.*