Project Generates After-tax 43.1% IRR and US$474 Million NPV7%with Initial CAPEX of US$346 million

January 29, 2015

Pilot Gold (PLG - TSX) (“Pilot Gold” or the “Company”) is pleased to announce the completion of a new Preliminary Economic Assessment (“PEA”) for the Halilaga copper-gold porphyry project in northwestern Turkey (“Halilaga” or the “Project”). The revised PEA illustrates a robust, low strip, technically simple and scalable open-pit copper-gold project, utilizing conventional milling and flotation methods. It requires modest up-front capital, has a rapid payback, low cash costs, strong cash flows and generates strong after-tax IRR of 43.1% and an NPV7% of US$474 million. All dollar amounts in this release are stated in US currency.

PEA HIGHLIGHTS (after-tax, based on $1,200/oz gold, $2.90/lb copper):

- NPV7% of $474 million, 43.1% IRR and 1.3 year payback;
- Cumulative Free-Cash-Flow of $802.9 million;
- Copper cash cost of $1.08/lb (net of by-products);
- Mine plan of 25,000 TPD over 13.6 years with strip ratio of 1.3:1;
- LOM payable production of 780 million pounds copper and 924 thousand ounces gold;
- Pre-production capital costs of $346 million (including a 25% contingency of $65.4 million).

“We have designed the optimal project for the deposit in the context of today’s capital markets. The revised project more than doubles the IRR and retains the same after-tax value as the 2012 study while substantially reducing overall capital costs,” stated Matt Lennox-King, President and CEO of Pilot Gold. “The revised PEA leverages the established infrastructure in the district and the high grades at surface to drive rapid payback of capital, showcasing Halilaga as a standout project in the mid-size copper-gold development space.”

Project Highlights (using approximate spot prices of December 2014: $1,200/oz Au; $2.90/lb Cu)

Total copper produced (payable)	779.4 million pounds
Total gold produced (payable)	924.2 thousand ounces
Average copper grade (CuEq of 0.545%)	0.34 %
Average gold grade	0.34g/t
Average copper equivalent	0.55%
Average annual gold production (payable)	67.9 thousand ounces
Average annual copper production (payable)	57.2 million pounds
Pre-production capital cost (including $65.4 million contingency)	$346.0 million
Total capital cost (including $107.7 million contingency)	$558.5 million

The Project has strong leverage to rising commodity prices as well as resiliency to lower prices:

Parameter (pre-tax)	$2.90/lb Cu; $1,200/oz Au	$3.50/lb Cu; $1,350/oz Au	$2.25/lb Cu; $1,100/oz Au;
NPV7%	$510.9 million	$894.3 million	$130.2 million
IRR	45.8%	67.4%	19.8%
Payback Period	1.2 years	0.9 years	2.0 years

The revised PEA is preliminary in nature as it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the preliminary assessment and economics set forth in the PEA will be realized.

CHANGES FROM PREVIOUS PEA

The revised PEA represents an update of the Project’s previous PEA (October 2012) which included an initial resource estimate (February 2012) and contemplated a 50,000 tonnes per day operation. The revised PEA contemplates a smaller, optimized 25,000 tonnes per day mine. The base case in the revised PEA and the 2012 PEA both used a $1,200/oz gold price and a $2.90/lb copper price.

The revised PEA incorporated a number of optimization enhancements, specifically:

- **an optimized mine plan:** a smaller mine size and a reduced throughput tonnage resulted in increased grade over the LOM.
- **the use of contract mining:** eliminated CAPEX related to owner-operator mining fleet which is offset by a small increase in OPEX.
- **reduced pre-production CAPEX:** as a result of the optimization of the mine plan and the contemplation of contract mining, pre-production CAPEX was reduced by $542.8 million to $346 million from $888.8 million. CAPEX savings were partially offset by the addition of a tailings liner for improved environmental regard.
- **increased gold recoveries:** added a CIL plant to improve gold recovery; increasing overall gold recovery from 60.8% to 73.4%.
- **the application of various government incentives:** after reviewing various Turkish tax investment incentives, the effective corporate tax rate was reduced to 4%. Additional investment incentives such as VAT and customs duties exceptions, social security premium relief and interest relief on third-party debt are not modelled and may be available.

Variance of the Revised PEA (2015) to the 2012 PEA:

Parameter	2012 PEA	Revised PEA
After-tax IRR	20%	43%
After-tax NPV7%	$474 million	$474 million
After-tax Payback	2.7 years	1.2 years
Initial CAPEX (Including	$888.8 million	$346.0 million

contingency)		
Total CAPEX (Including contingency)	$1,168.7 million	$558.5 million

PROJECT DESCRIPTION

Pilot Gold holds a 40% interest in Halilaga, with Teck Resources Limited's Turkish subsidiary, Teck Madencilik Sanayi Ticaret A.S. ("TMST") is the Company's 60% joint venture partner and project operator.

The Halilaga property is located in northwestern Turkey in a regional industrialized zone that includes large open pit coal mines, a major power plant, ceramics factories, and deep water ports. The Halilaga site has road access and electrical grid power. Labour, supply centers and industrial service providers are available in the region. The Halilaga copper-gold deposit, Turkey's 4th largest gold deposit*, is characterized by high grades at surface in both metals, little to no overburden and favourable terrain.

PROJECT DEVELOPMENT PLAN

The proposed project concept is to develop a green-fields copper-gold deposit with open pit mining and conventional milling and flotation concentration methods and a CIL plant for improved gold recoveries. The production rate was assumed to be 25,000 tonnes per day over 13.6 years with about 124.3 million tonnes of mineralized material mined and processed during the project life. The overall strip ratio (the ratio of waste rock to economic mineralized rock) of the mine is approximately 1.3:1.

An estimated 779.4 million pounds of copper and 924,000 ounces gold would be produced at an average grade of 0.34% copper and 0.34 g/t gold. Due to better than average grades in years one to three, more than 266,400 ounces of gold and 304 million pounds copper would be payable during that period.

* source: SNL Financial LC.

OPERATING AND MINING COSTS

Unit and total operating costs were estimated for Halilaga over the life of the project. Operating costs ("OPEX") were developed from first principles for mining, processing, and administration using operating plans as the bases and considering labour, materials, consumables, and certain contract services. Estimated operating and mining costs are higher than in the 2012 PEA as operating overhead and processing costs are now spread over a smaller operation. The selection of a contract miner resulted in a relatively small increase in OPEX in lieu of a previously contemplated owner-operator fleet of $180.1 million. The estimated cash costs in the revised PEA for copper are $1.08 per pound, net of by-products.

CAPITAL COSTS

Estimated pre-production capital costs are 61% lower than in the 2012 PEA due primarily to a smaller mine and the contemplation of contract mining over an owner-operator scenario. The estimated pre-production capital costs include process plant ($131.6 million), indirect costs ($37.6 million), on site infrastructure ($29.6 million) and tailings storage ($25 million).

Life of mine sustaining capital costs are estimated at $212.6 million (including $42.3 million contingency) with most of the expenditures associated with the Tailings Storage Facility of $103.3 million. Closure costs are estimated to be $50.2 million.

METALLURGY AND PROCESSING

Preliminary metallurgical testing used in the PEA was conducted in 2007 and 2013 by ALS Metallurgy (formerly G & T Metallurgical Services Ltd.) of Kamloops, B.C. Canada. The results show that the mineralized material is of moderate competency and hardness and is amenable to grinding in a conventional SAG mill / ball mill circuit. Flotation testing indicated that 88.2% of the copper and 58.4% of the gold are recovered to the final concentrate, an additional 15% of the gold head grade would be recovered through the cleaner tail carbon-in-leach (CIL) circuit increasing overall gold recovery to 73.4% with a concentrate grade of 30% copper and 20.1 g/t gold. Additional testing and optimization may improve recoveries.

ADJACENT PROPERTIES

The Biga district hosts numerous high-sulphidation gold systems, as well as porphyry copper-gold targets. Halilaga is located mid-way between two advanced stage gold projects owned by Alamos Gold Inc. (“Alamos”). Halilaga is 12 km to the NW of Agi Dagi, and 12 KM SE of Kirazli, respectively. Alamos published a pre-feasibility study on a combined Agi Dagi – Kirazli project in July 2012, and is planning to begin mine construction at Kirazli upon receipt of all necessary permits and approvals. Kirazli is projected to be the first “modern” gold mine built in Çanakkale State, with Agi Dagi expected to follow within 18 months.

TV Tower, a large exploration stage project owned by Pilot Gold and Teck Resources is 15 km due west of Halilaga. TV Tower hosts a gold-silver resource defined by Pilot Gold (see press release of January 23, 2014) and several recent porphyry and high sulphidation gold and copper-gold discoveries believed to be similar to the styles of mineralization present on the Halilaga tenure.

UPDATED RESOURCE ESTIMATE

The revised PEA, prepared by JDS Mining & Energy Inc. (“JDS”), is based on an updated mineral resource estimate (the “Updated Resource”). The Updated Resource outlines an Indicated Mineral Resource of 182.7 million tonnes, grading 0.30 g/t gold (1.762 million ounces) and 0.27% copper (1.09 billion pounds or 493.3 tonnes), and an Inferred Mineral Resource of 178.7 million tonnes, grading 0.24 g/t gold (1.379 million ounces) and 0.23% copper (906.3 million pounds), using a 0.43 g/t gold-equivalent1 cut-off. The Updated Resource is an update of the resource estimate documented in a Technical Report, dated March 23, 2012 (the “2012 Resource”), prepared by Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd., and James Gray, P.Geo. of Advantage Geoservices Ltd. The Updated Resource is based on assay data available as of July 4, 2013. The geologic model used for the Updated Resource was again prepared by Teck Resources Limited and is conceptually the same as that used for the 2012 Resource. Geologic control for estimation was based on the same rock type as well as structural zonation on the flanks of the porphyry unit as the 2012 Resource. The 2012 Resource was estimated by inverse distance interpolation; the Updated Resource was estimated by ordinary kriging. Copper, gold and molybdenum grades were estimated using 2.0 m composited drill data. The Updated Resource is tabulated within the same optimized pit shell as was generated for the 2012 Resource as the optimization assumptions are still valid. The impact of drilling since the 2012 Resource has been to increase confidence as reflected by the increase in Indicated mineral resources as a portion of the total resource estimate.

1Metal equivalence is based on prices/recoveries of: Cu-$2.9 per lb/90%, Au-$1200 per oz/70% and Mo-$12.5 per lb/50%.

All mineralized material classified as Indicated (69%) and Inferred (31%) Mineral Resources was considered in the optimization and mine plan. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The revised PEA is preliminary in nature as it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the preliminary assessment and economics set forth in the PEA will be realized.

PREPARATION OF PEA AND Qualified Persons

The PEA has been prepared by JDS with input from SRK Consulting (Canada), GL Simmons Consulting LLC, Kirkham Geosystems Ltd., and Advantage Geoservices Ltd.

Moira 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 and consistent with that provided by the authors of the PEA.

Each of the individuals listed below is an independent Qualified Person for the purposes of NI 43-101. All scientific and technical information in this press release is based upon information prepared by or under the supervision of those individuals, and each has approved the scientific and technical information in this release:

Qualified Persons

- Gord Doerksen, P.Eng. JDS Energy & Mining Inc.
- Stacy Freudigmann, P.Eng. JDS Energy & Mining Inc.
- Dino Pilotto, P.Eng. JDS Energy & Mining Inc.
- Maritz Rykaart, P.Eng. SRK Consulting (Canada) Inc.
- Greg Abrahams, P.Geo. SRK Consulting (Canada) Inc.
- Gary Simmons, BSc. Metallurgical Engineering GL Simmons Consulting LLC
- Garth Kirkham, P.Geo. Kirkham Geosystems Ltd.
- James Gray, P.Geo. Advantage Geoservices Ltd.

An updated National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") technical report will be filed on SEDAR and will available at Pilot Gold's website (www.pilotgold.com) within 45 days.

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 or contact:

Matt Lennox-King, President & CEO
Patrick Reid, VP Corporate Affairs
Phone: 604-632-4677 or Toll Free 1-877-632-4677. Email: info@pilotgold.com

The revised PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the PEA will be realized. 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. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. 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.

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 capital costs, recovery, grade, timing of exploration and development plans at the Company's mineral projects and the production and economic results at the Company's projects. 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, statements that address future mineral production, reserve potential, potential size of a mineralized zone, potential expansion of mineralization, potential type(s) of mining operation as well as to Pilot Gold's ability to fund cash-calls made by TMST for ongoing expenditure at Halilaga; assumptions about future prices of gold, copper, silver and other metal prices, currency exchange rates and interest rates, metallurgical recoveries, 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 Halilaga, reliance on technical information provided by our joint venture partner or other third parties as related to Halilaga; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; changes in project parameters as plans continue to be refined; inability to upgrade inferred mineral resources to indicated or measured mineral resources; inability to convert mineral resources to mineral reserves; possible variations in grade or recovery rates; amount or timing of proposed production figures; current and proposed exploration and development; the costs and timing of exploration and development of new deposits; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; uses of funds in general including future capital expenditures, exploration expenditures and other expenses for specific operations; the timing and success of exploration activities generally; delays in permitting; satisfaction of Turkish requirements relating to the periodic submissions of Environmental Impact Assessments; possible claims against the Company or its joint venture partner; the impact of archaeological, cultural or environmental studies within the property area, labour disputes; delays in obtaining governmental approvals or financing as well as those factors discussed in the Annual Information Form for the year ended December 31, 2013, dated March 14, 2014 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.

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.