

March 25, 2015

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce its financial results and company highlights for the year ended December 31, 2014 and provides an update on company activities at our key projects.

"Pilot Gold finished 2014 in a very strong position," stated Matt Lennox-King, Pilot Gold President & CEO. "We have continued to grow with significant discoveries at Kinsley and TV Tower, and a compelling new development scenario at Halilaga. We have the structure and financial strength to advance our projects in Nevada and Turkey, and maintain flexibility to pursue other value opportunities that may arise."

### **2015 Outlook**

We anticipate that 2015 will be another year of discovery at Kinsley and TV Tower. The Company expects to complete 32,000 metres of drilling in 2015, focused on exploration and resource definition drilling at both Kinsley and TV Tower.

At Kinsley, we continue building on our success at the Western Flank, and will be stepping out to test compelling new drill targets across the property and Kinsley North, while continuing to advance metallurgical and engineering studies.

The discoveries of the Hilltop and Valley porphyries at TV Tower highlight the potential of this emerging gold-copper district. Extensive epithermal and porphyry-related alteration across TV Tower has led to the development of compelling targets across the property for further investigation in 2015. The nearby advanced-stage Halilaga copper-gold project demonstrates robust preliminary economics in a recently finalized PEA.

### **Financial and operational highlights through and subsequent to year end:**

- Increased our interest in TV Tower to 60% after completing the earn-in requirements.
- Advanced multiple targets, advanced the Hilltop porphyry and made two new discoveries at TV Tower, including the Valley and Columbaz copper-gold porphyries.
- Completed a total of 38,792 metres of drilling at our projects as part of the 2014 programs.
- Released a revised preliminary economic assessment ("PEA") for the Halilaga copper-gold porphyry deposit (15 km to the east of the Valley and Hilltop porphyries at TV Tower).
- Acquired Cadillac Mining Corporation ("Cadillac"), adding the prospective past-producing Goldstrike-Utah property to our portfolio of assets.
- Reported high-grade gold results including near surface oxide mineralization from several targets at Kinsley.
- Reported results of preliminary metallurgical testing of sulphide material at the Western Flank target at Kinsley, suggesting that it is amenable to production of a high-grade concentrate with excellent recovery.
- Reported a maiden resource on TV Tower, defining Turkey's 3rd largest silver deposit with significant gold credits.



metre drill program.

A subsidiary of Nevada Sunrise Gold Corporation holds the remaining 20.9% interest in the property. The Company and its partner are each obligated to fund their pro rata share.

## TV Tower

TV Tower is an extensive epithermal gold-silver and porphyry copper-gold property located in the Biga district of northwestern Turkey. Pilot Gold currently holds a 60% beneficial interest in TV Tower. The Company satisfied all requirements to complete the option to earn-in during Q1 2015. "TMST," a subsidiary of Teck Resources Limited, is the Company's 40% joint venture partner at TV Tower.

During 2014, as operator, the Company advanced a number of targets and made new discoveries at the 90km<sup>2</sup> TV Tower project, including two gold-copper porphyries: Valley and Columbaz. We completed 9,158 metres of drilling at the Hilltop and Valley porphyry targets and K2 epithermal gold targets, and 3,390 metres of drilling at Columbaz as part of the 2014 program. Drilling highlights include (see press releases dated June 19, 2014, and October 22, 2014):

- Valley: 1.59 g/t Au and 0.48% Cu, or 2.41 g/t gold-equivalent ("AuEq"[\[1\]](#)), over 130.9 metres in KRD014, including 3.12 g/t Au and 0.85% Cu (4.57 g/t AuEq1) over 49.9 m;
- Hilltop: 0.22 g/t Au and 0.26% Cu, or 0.67 g/t AuEq1, over 261.3 m in KRD006, including, 0.54 g/t Au and 0.36% Cu over 57.8 m;
- Columbaz : 0.60 g/t Au and 0.11% Cu, or 0.80 g/t AuEq1, over 357.7 m in CD008C, including, 8.41 g/t Au over 7.8 m.

In 2014 the Company also completed an initial independent resource estimate for the KCD gold-silver-copper deposit in the northern part of the TV Tower property (see press release dated January 23, 2014) and we continued to test the four kilometre-long K2 oxide gold trend in the property's south.

During the year ended December 31, 2014, Pilot Gold incurred approximately \$4.6 million in exploration expenditures at TV Tower (year ended December 31, 2013: \$10.2 million). Expenditures during the year ended December 31, 2014, included: drilling and assaying of \$1.65 million, salaries of \$1.82 million and consultant's costs of \$0.54 million, with the remainder including camp costs and transportation.

The 2015 exploration and drill program will focus on infill and exploration drilling at the project's porphyry copper-gold and oxidized high sulphidation epithermal gold targets. The proximity to Halilaga and the result of the revised PEA on that project illustrate that smaller-scale, copper-gold porphyries can be designed to be low CAPEX, provide high returns and a rapid payback. Although the proximity to Halilaga does not mean Pilot Gold will obtain similar results at TV Tower, the Company hopes to progress the copper-gold porphyries at TV Tower to a point where the parameters of the revised Halilaga PEA may illustrate the potential of the district.

A large area of the property displays extensive epithermal and porphyry-related alteration and

remains relatively unexplored. Upon receipt of additional permits, testing exploration targets on the rest of the tenure is also planned. The \$7.59 million program will be funded pro-rata by Teck and Pilot Gold.

## Halilaga

The Company holds a 40% interest in Halilaga, a copper-gold porphyry project located 20 kilometres southeast of TV Tower. On January 29, 2015, we released a revised PEA, illustrating a robust, flexible project that yields:

- \$474 million after-tax NPV7%,
- 43% after-tax IRR,
- after-tax cash flow of \$802.9 million.

The project, as under the revised PEA, requires \$346 million in pre-production capital expenditures; paid-back from operations in 1.3 years, after-tax.

Pilot Gold's share of budgeted expenditures for 2014 was \$0.60 million (2013: \$0.23 million). The Company's share of actual expenditures through the end of 2014 was \$0.59 million (2013: \$0.28 million).

Pilot Gold expects to continue discussing alternatives with TMST and various third-parties on a process to unlock the value and potential of this unique development opportunity. Pilot Gold's share of the budget for 2015 is approximately \$0.33 million.

*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 preliminary assessment and economics set forth in 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.*

## SELECTED FINANCIAL DATA

The following selected financial data is derived from our consolidated financial statements for the years ended December 31, 2014, 2013 and 2012, as prepared in accordance with International Financial Reporting Standards. All dollar figures are expressed in USD unless otherwise stated.

|                     | Twelve months ended |      | December 31, |
|---------------------|---------------------|------|--------------|
|                     | 2014                | 2013 | 2012         |
| Loss for the period | \$6,709,098         |      |              |

|  |              |              |             |
|--|--------------|--------------|-------------|
| Loss and comprehensive loss for the year | \$10,535,641 | \$12,516,033 | \$7,393,038 |
| Basic and diluted loss per share         | \$0.07       | \$0.10       | \$0.12      |

|                                 | As at December 31, |              |              |
|---------------------------------|--------------------|--------------|--------------|
|                                 | 2014               | 2013         | 2012         |
| Cash and short-term investments | \$17,870,785       | \$19,005,690 | \$37,380,364 |
| Working capital                 | \$17,768,551       | \$18,470,511 | \$40,394,752 |
| Total assets                    | \$86,846,581       | \$71,374,312 | \$72,388,880 |
| Current liabilities             | \$1,620,799        | \$1,708,714  | \$1,288,365  |
| Non-current liabilities         | \$115,640          | \$68,126     | \$42,592     |
| Shareholders' equity            | \$81,372,291       | \$67,174,395 | \$71,057,923 |

For the year ended December 31, 2014, we reported a net loss of \$6.71 million compared to a net loss of \$9.14 million and \$8.02 million for the years ended December 31, 2013 and 2012, respectively. The most significant contributors to the loss for the year ended December 31, 2014 were the cost of wages and benefits of \$1.82 million (2013: \$1.73 million; 2012: \$2.13 million), non-cash stock-based compensation of \$1.22 million (2013: \$2.28 million; 2012: \$1.72 million), office and general expenses of \$1.21 million (2013: \$1.29 million; 2012: \$1.34 million) and a decline in the fair value of financial instruments of \$0.90 million in 2013 (2013: 1.58 million, 2012: \$0.16 million). For the years ended December 31, 2013 and 2012 there were \$1.37 million and \$1.52 write downs in deferred exploration expenditures respectively versus \$0.14 million in 2014.

Expenses for the years ended December 31, 2014, 2013 and 2012 were offset by finance income of \$0.32 million (2013: \$0.36 million; 2012: \$0.19 million), and in 2012, the reversal of a previous impairment of the VAT receivable in Turkey (\$0.31 million). The loss per share for the year ended December 31, 2014 was \$0.07 (2013: \$0.10; 2012: \$0.12).

Total assets increased to \$86.85 million (2013: \$71.37 million, 2012: \$72.39 million) reflecting the April 2014 bought deal financing with aggregate gross proceeds of \$18.13 million as well as the acquisition of Cadillac for a total consideration of \$7.16 million.

During the year ended December 31, 2014, \$2.33 million was capitalised to TV Tower (2013: \$15.70 million including direct expenditures, consideration paid for the acquisition of Karaayi, a portion of which was paid with Pilot Gold common shares, the value of common shares issued in connection with the earn-in, and the impact of foreign exchange), and \$6.32 million was capitalised to Kinsley (2013: \$6.27 million). The increase to total assets was offset by the impact of foreign exchange on our Canadian dollar denominated assets.

Liabilities at December 31, 2014, 2013 and 2012 reflect primarily accounts payable and accruals recorded at year end arising from ongoing activities.

The Company's cash and cash equivalents balance increased by \$4.04 million over the course

of the year, due to the cash inflows from financing activities of \$18.22 million offset by cash operating outflows of \$5.05 million, cash outflows due to investing activities of \$8.20 million and foreign exchange losses on cash of \$0.94 million.

*Moir Smith, Ph.D., P.Geo., Chief Geologist, 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 scientific and technical information contained in this release is accurate. TV Tower and Kinsley are both early stage exploration projects and, except for the mineral resources at the KCD deposit at TV Tower, neither contain any mineral resource estimates as defined by NI 43-101. The potential to define a mineral resource at the copper-gold K2 zone of TV Tower, and on the Western Flank zone and Kinsley North area at Kinsley is conceptual in nature and there has been insufficient exploration to define a mineral resource thereat. It is uncertain if further exploration at either TV Tower or Kinsley will yield any mineral resources at Kinsley or additional resources at TV Tower.*

This press release should be read in conjunction with Pilot Gold's audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2014. These documents can be found on the Company's website ([www.pilotgold.com](http://www.pilotgold.com)) or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may receive a printed copy of the audited consolidated financial statements, free of charge, upon request. All amounts are presented in United States dollars unless otherwise stated. Pilot Gold will be hosting its annual general meeting on May 14, 2015, in Vancouver, British Columbia.

## **Resignation of Director**

Mr. John Dorward has resigned as a director of the Company effective March 25, 2015 in order to focus on other professional obligations. Mr. Dorward has served on Pilot Gold's board of directors since its inception in 2011. The Company would like to thank Mr. Dorward for his contributions.

## **ABOUT PILOT GOLD**

With a proven technical team and strong treasury, Pilot Gold continues to discover and upgrade high-quality projects featuring strong grades, meaningful size and mining-friendly locales. Our cornerstone assets include interests in the TV Tower and Halilaga projects in Turkey and the Kinsley project in Nevada, each a foundational asset. The Company also has a pipeline of projects defined by strong gold occurrences, large land positions and district-scale potential.

For more information, visit [www.pilotgold.com](http://www.pilotgold.com) or contact:

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*Unless stated otherwise, information of a scientific or technical nature in this press release regarding the TV Tower, Halilaga or Kinsley Mountain properties are summarized, derived or*

extracted from, the following technical reports: "Independent Technical Report for the TV Tower Exploration Property, Canakkale, Western Turkey", effective January 21, 2014 and dated February 20, 2014, prepared by Casey M. Hetman, P.Geo. with SRK Consulting (Canada) Inc., James N. Gray, P. Geo. of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; "Revised Preliminary Economic Assessment Technical Report Halilaga Project, Turkey," effective December 20, 2014 and dated February 16, 2015, prepared by Gordon Doerksen, P. Eng, Dino Pilotto, P.Eng and Stacy Freudigmann, P.Eng. of JDS Energy and Mining Inc.; Greg Abrahams, P.Geo and Maritz Rykaart, P.Eng of SRK; Gary Simmons of GL Simmons Consulting LLC.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd; and "Updated Technical Report on the Kinsley Project, Elko and White Pine Counties, Nevada, U.S.A.", effective March 1, 2015, dated March 19, 2015 and prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo. and Gary Simmons, B.Sc. MMSA. For further detail on TV Tower, Kinsley Mountain or the Halilaga PEA, refer to the respective technical reports filed on the Company's website at [www.pilotgold.com](http://www.pilotgold.com) or under Pilot Gold's SEDAR profile at [www.sedar.com](http://www.sedar.com).

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 with respect to the anticipated timing and closing of the Offering, anticipated use of proceeds of the Offering, those 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, 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 at the Kinsley property, reliance on technical information provided by our joint venture partner or other 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; satisfaction of Turkish requirements relating to the periodic submissions of Environmental Impact Assessments; possible claims against the Company or its joint venture partners; the inability to finalize the conveyance of the Karaayi license; 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 24, 2015 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.*

#### *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.*

[\[1\]](#) AuEq calculated using \$1,200/oz Au and \$3.00/lb Cu and assuming 100% recovery.