

12-06

Pilot Gold Inc. (PLG-TSX) ("Pilot Gold" or the "Company") reports financial results for the first quarter ended March 31, 2012, and announces work plans for 2012.

"We have made several key advances already in 2012, including earning a majority interest in the Kinsley Mountain project, and completing a project first resource estimate at Halilaga," says Pilot Gold President and CEO Matt Lennox-King. "We look forward to building on our success to date with aggressive exploration and drilling programs in 2012 at Kinsley, TV Tower and Halilaga."

HIGHLIGHTS TO DATE

- Reported a project-first independent resource estimate on the Halilaga copper-gold porphyry.
- Released drill results from a Phase One 1,267 metre six-hole core drill program at Kinsley Mountain, including 5.91 g/t gold over 18.4 metres.
- Subsequent to period end, earned an initial 51% interest at the Kinsley Mountain Project, and elected to earn-in to a 65% interest in the property.

2012 WORK PROGRAMS

Kinsley Mountain Project - 12,000 metre drill program

Our 2012 work program includes 12,000 metres of RC drilling and detailed geologic modelling and analysis. It is designed to confirm and expand the historic gold footprint and to test priority exploration targets at depth and along strike. Drilling commenced on March 20, 2012. We also recently submitted an amendment to the existing Notice of Intent on the property to the United States Bureau of Land Management ("BLM") to increase our allowable area of disturbance on the property. We plan to submit a Plan of Operations with the BLM early in 2012 to further increase the area on which we can actively explore. Having achieved the initial 51% earn-in on May 9, 2012, Pilot Gold has elected to earn an additional 14% interest (to an aggregate of 65%) in the project by making a further \$3 million in expenditures on the property before May, 2017. We have already invested \$0.9 million in exploration expenditures toward this second option. Nevada Sunrise Gold Corporation is Pilot Gold's joint venture partner. Our total budget at Kinsley Mountain for the year is \$2.7 million.

TV Tower Project - 12,000 metre drill program

Our 2012 work program includes approximately 12,000 metres of core drilling with a focus on the Kucukdag and Kayali targets, along with detailed geological mapping, geochemical sampling, ground geophysics, and reconnaissance in the western areas of the property. Initial groundwork has commenced with drilling expected to begin in Q2, 2012. Teck Resources Limited's Turkish subsidiary, TMST, is Pilot Gold's 60% joint venture partner for the project. Our share of budgeted expenditures for 2012 is currently \$1.2 million.

Halilaga Project - 15,000 metre drill program On February 8, 2012, we announced the first resource estimate for the Halilaga project. We plan to build on this resource with 15,000 metres of infill and exploration drilling. Phase One of the program commenced on March 27, 2012, and includes 5,000 metres of infill core drilling with a focus on resource expansion and conversion. Additional economic, engineering and metallurgical studies have also been initiated. TMST is also the Company's 60% partner for this project. Budgeted expenditures for 2012 are \$4.87 million, with Pilot Gold's share totalling \$1.95 million.

FINANCIAL DATA

The following selected financial data is derived from our consolidated financial statements for the three month period ended March 31, 2012, as prepared in accordance with International Financial Reporting Standards. As described in our audited consolidated financial statements, a portion or the comparative period reflects the application of continuity of interest accounting.

	Three months ended March 31 (in 000s except per share data)	
	2012	2011
Loss for the period		(\$414)
	(\$1,461)	
Loss and comprehensive loss for the year		(\$214)
	(\$1,138)	
Basic and diluted loss per share	(\$0.02)	(\$0.01)

	As at	
	March 31, 2012	December 31, 2011
	(in 000s)	(in 000s)
Cash and short-term investments	\$15,178	\$18,420
Working capital	\$14,628	\$17,846
Total assets	\$37,122	\$37,493
Current liabilities	\$1,109	\$1,050
Non-current liabilities	\$24	\$74
Shareholder's equity	\$35,989	\$36,370

- For the three months ended March 31, 2012, we reported a net loss of \$1.46 million compared to a net loss of \$0.41 million for the three months ended March 31, 2011. The loss per share for the three months ended March 31, 2012 was \$0.02 (three months ended March 31, 2011: \$0.01). The most significant contributors to the losses for the three months ended March 31, 2012 were stock based compensation (\$0.52 million) and wages (\$0.46 million), however, these costs were offset by an income inclusion resultant from a change in fair value of our financial instruments (\$0.8 million). In the comparative period, the most significant contributors to the losses were allocated depreciation and wages.
- The net balance of other comprehensive income for the three months ended March 31,

2012 was \$0.32 million (March 31, 2011: income of \$0.20 million). The three months ended March 31, 2012 includes a \$0.47 million gain (March 31, 2011: gain of \$0.02 million) from the impact of exchange gains and losses arising from exchange differences further to the translation of our foreign operations with a non-United States dollar functional currency, and a net value loss on financial assets of \$0.15 million during the three months ended March 31, 2012 (three months ended March 31, 2011, gain of \$0.18 million) relating to the revaluation of common shares we hold in other publicly listed companies. The impact from exchange differences will vary from period to period depending on the rate of exchange; in the period between January 1, 2011 and March 31, 2012, there was a 1% change in the exchange rate between the United States and Canadian dollars.

- Current assets decreased to \$15.74 million as at March 31, 2012 (December 31, 2011: \$18.90 million), and comprise primarily cash and short-term investments of \$15.18 million (December 2011: \$18.42 million). The decrease reflects cash outflows related to exploration and corporate activities through the three months ended March 31, 2012. The remaining balance of current assets comprises receivables and prepayments of \$0.56 million (December 31, 2011: \$0.48 million) which have increased primarily due to receivables from Blue Gold for management services as well as from our associates due to work performed on properties.

This press release should be read in conjunction with Pilot Gold's unaudited condensed interim consolidated financial statements and Management's Discussion and Analysis for the quarter ended March 31, 2012. These documents can be found on the Company's website (www.pilotgold.com) or on SEDAR at www.sedar.com. All amounts are presented in United States dollars unless otherwise stated.

ABOUT PILOT GOLD

Pilot Gold is a 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 Halilaga and TV Tower projects in Turkey, each of which alone has the ability to drive the Company forward, and the Kinsley Mountain Project in Nevada, a past-producing sediment hosted gold system. 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:

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Ian Cunningham-Dunlop, P. Eng., VP Exploration and Chief Operating Officer for Pilot Gold, and a "Qualified Person" within the meaning of NI 43-101, is responsible for compiling the technical information contained in this release.

All statements in this press release, other than statements of historical fact, are "forward-looking information" with respect to Pilot Gold Inc. ("Pilot Gold") within the meaning of applicable Canadian securities laws, including statements that address future mineral production, reserve potential, exploration drilling, the future prices of gold, copper and molybdenum, potential quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the timing of a preliminary economic assessment or other study, proposed exploration and development of our exploration properties and the estimation of mineral reserves and resources. 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. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to differ materially from those anticipated in such forward-looking information. Such forward-looking information, including, but not limited to, completion of expenditure obligations under the Kinsley Mountain Option Agreement; Pilot Gold's ability to fund cash-calls made by our joint venture partners for ongoing expenditures on our joint venture properties; current and proposed exploration and development, estimated future working capital, uses of funds, future capital expenditures; information with respect to exploration results, the timing and success of exploration activities generally; the costs and timing of the development of new deposits, potential quantity and/or grade of minerals, potential size of mineralized zone, potential expansion of mineralization, potential type of mining operation; the timing, timeline and possible outcome of permitting or license renewal applications; the ability to maintain or convert the underlying licenses in accordance with the requirements of the Turkish Mining Law, government regulation of exploration and mining operations, environmental risks, including satisfaction of Turkish requirements relating to the periodic submissions of Environmental Impact Assessments, title disputes or claims, and limitations on insurance coverage involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, risks related to the interpretation and actual results of historical production at certain of our exploration properties, reliance on technical information provided by our joint venture partners or other third parties as related to any of our other exploration properties; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; 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 our AIF for the year ended December 31, 2011, 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. Accordingly, readers should not place undue reliance on forward-looking information. Further details relating to Pilot Gold are also available in the Company's Annual Information Form ("AIF") for the year ended December 31, 2011 dated March 28, 2012, available under Pilot Gold's SEDAR profile at <http://www.sedar.com>.