

Pilot Gold enters into agreement to acquire Cadillac Mining Corporation

June 12, 2014

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) (“Pilot Gold” or the “Company”) is pleased to announce that it has entered into an arrangement agreement (the “Agreement”) with Cadillac Mining Corporation (CQX-TSXV) (“Cadillac”) pursuant to which the Company has agreed to acquire all of the issued and outstanding shares of Cadillac by way of a court-approved plan of arrangement (the “Transaction”).

Cadillac’s Goldstrike project, located in Western Utah, is a sediment-hosted gold project that

and non-solicitation covenants (subject to the fiduciary obligations of the Cadillac Board and a Pilot Gold "right to match").

It is anticipated that the Transaction, if approved by Cadillac's shareholders, will be completed in late August.

Under the Agreement, Pilot Gold will make available to Cadillac an interest-bearing senior secured line of credit of up to \$200,000 to meet certain of Cadillac's costs prior to completion of the Transaction. The loan and accrued interest become due and payable upon the occurrence of certain events, including upon termination of the Agreement.

Blake, Cassels & Graydon LLP is acting as legal counsel to Pilot Gold. Legal counsel to Cadillac is McCullough O'Connor Irwin LLP.

ABOUT PILOT GOLD

Pilot Gold is a well-funded gold exploration and development 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:

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Goldstrike is an early-stage exploration project and does not contain any mineral resource estimates as defined by NI 43-101. The legacy data presented herein is provided by Pilot Gold for informational purposes only, and gives no assurance as to its reliability and relevance to any potential or proposed exploration program at Goldstrike. Neither Pilot Gold nor Cadillac have completed any quality assurance program or applied quality control measures to the legacy data, nor has a Qualified Person done sufficient work to verify the source of the legacy data. Accordingly, the legacy data should not be relied upon. Assuming successful completion of the proposed transaction Pilot Gold anticipates verification of some or all of the legacy data, however, the anticipated timing and results of that data verification cannot be ascertained at this time. Confirmation work may produce results that differ substantially.

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 successful completion of the Plan of Arrangement, 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, without limitation risks related to the approval of applicable governmental authorities, required Cadillac shareholder approval and necessary court and stock exchange approvals, the satisfaction or waiver of certain other conditions contemplated by the arrangement agreement, interpretation of historic results at the Goldstrike property, reliance on technical information provided by Cadillac as related to Goldstrike; 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 Cadillac, 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 and those risks described in Cadillac's public filings.

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.