

Rapid Recoveries Insensitive To Crush Size Support Run Of Mine Heap Leach Process

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("PilotGold" or the "Company") is pleased to report that results from metallurgical testing of oxide material from its Goldstrike Project, in southwestern Utah, provide unequivocal support for a simple heap leach mining scenario. Gold recoveries from 19 of the 20 column tests were rapid and > 80% complete within 10 days, with final column leach recoveries ranging from 65% to 97%. Importantly, gold extraction has proven relatively insensitive to particle size, and can be projected out to 150 millimetres (mm) (6 inch) particle size, simulating run of mine conditions, without significant loss of gold recovery.

Samples for this study were collected from 10 large diameter diamond drill holes from a wide range of locations and ore types within the Main Zone of the Historic Mine Trend. The Main Zone represents approximately 10% of the Goldstrike Property in terms of size, and has been the focus of our drilling for the past 18 months. Pilot Gold has drilled 226 holes into the Main Zone thus far, with approximately 90% of the holes intersecting oxide gold mineralization.

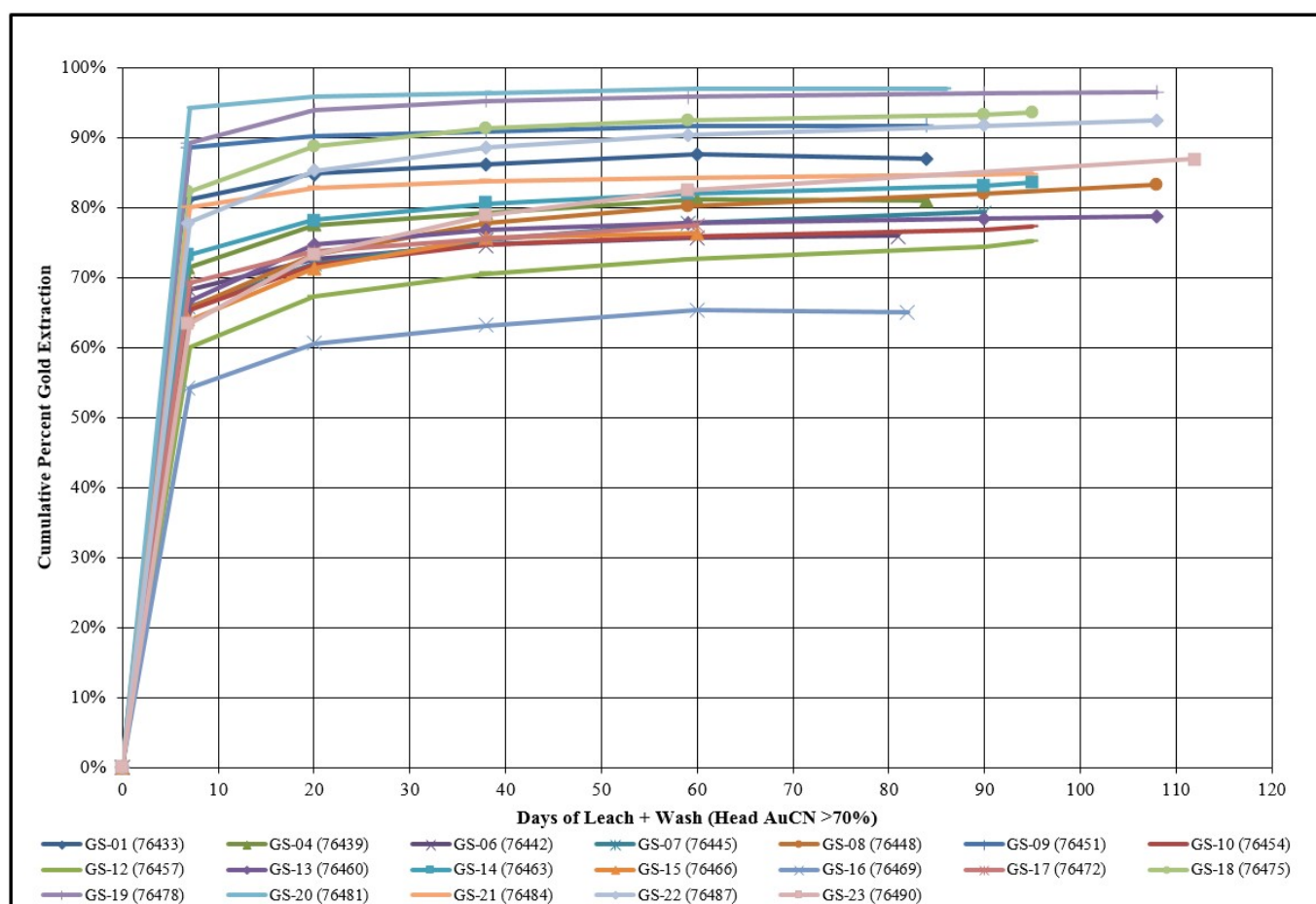
The historic Goldstrike Mine operated as a heap leach operation from 1988 to 1994, with 209,000 ounces of gold produced from 12 shallow pits, at an average grade of 1.2 g/t Au. The Company has been successful in demonstrating that there is a significant amount of near surface oxide gold mineralization remaining within the 22km² property that is owned/controlled 100% by Pilot Gold.

Metallurgical testwork included fine and coarse bottle rolls and 12.5 mm (0.5 inch) and 25 mm (1 inch) column tests. In total, 48 bottle rolls (twenty-four 200 mesh and twenty-four 10 mesh) and 20 column tests were carried out on 24 composites.

Highlights include:

- **20 Column leach tests produced a weighted average* 85.9% extraction.**
- **Gold extraction is rapid, with >80% of the extractable gold recovered within the first 10 days of column leaching. Click [here](#) for graph of recovery curve.**
- **Gold extraction is relatively insensitive to particle size, and can be projected out to 80% passing 150 mm (6 inch) particle size, simulating run of mine conditions, without significant loss of gold recovery.**
- **Twenty-four coarse bottle roll tests (target 80% passing 10 mesh or 1.7 mm particle size) produced a weighted average* 78.6% gold extraction.**
- **If only the column test set of 20 composites is considered, the weighted average* for coarse bottle rolls is 83.6%.**
- **Twenty-four fine bottle roll tests (target 80% passing 200 mesh or 75 micron particle size) produced a weighted average* 84.2% gold extraction.**

Graph of recovery curves for 19 column tests (sulphide sample GS-03 not shown)



**Weighted average gold extraction is obtained using the following equation: (composite head grade (g/t) x extraction (%) for all head grades)/sum of all head grades. Using arithmetic averages tend to over-represent low grade composites and under-represent high grade composites. The arithmetic average of the 24 coarse bottle rolls is 77.5%. The arithmetic average of the 20 column tests is 81.3%.*

“The Goldstrike oxide gold system has district scale implications based on historical and current drill results, covering over a 22 square kilometre target area. Finding the gold and building ounces is only one part of the equation. Getting the gold out of the rock efficiently is just as important.” says Cal Everett, Pilot Gold President & CEO. “The metallurgical results are exceptional and support our belief that a high percentage of the gold can be rapidly recovered in a simple, low cost, run of mine, heap leach operation”.

For a table showing actual and modeled data for bottle roll and column testing, please click here:

https://libertygold.ca/images/news/2017/Goldstrike_metPRtable.pdf

For a map showing locations of drill holes used for metallurgical testing, please click here:

https://libertygold.ca/images/news/2017/Goldstrike_metPRchart.jpg

Gold Extraction Data for Goldstrike composite samples						
Kappes, Cassiday & Associates (KCA) Test Results						
Composite ID	Location	Material Type	Head Assay Au (g/t)	Gold Extraction		
				Cyanide Solubility AuCN %1	200 mesh (75 µ) bottle roll	10 mesh (1.7 mm) bottle roll
GS-01	Basin Pit	oxide	0.54	91.0	88.8	88.0
GS-02	Basin Pit	oxide	0.76	95.5	92.3	88.0
GS-04	Basin Pit	oxide	0.37	99.0	77.8	76.0
GS-06	Basin Pit	oxide	0.30	76.2	80.4	75.0
GS-07	Basin Pit	oxide	0.35	90.6	90.2	75.0
GS-08	Basin Pit	oxide	0.41	94.0	92.9	86.0
GS-09	Basin Pit	oxide	0.65	98.2	95.8	91.0
GS-10	Octopad	oxide	2.84	84.4	78.1	74.0
GS-12	Octopad	oxide	0.81	77.9	73.6	69.0
GS-13	Hamburg Pit	oxide	1.28	94.6	80.6	73.0
GS-14	Hamburg Pit	oxide	0.71	93.4	92.9	84.0
GS-15	Hamburg Pit	oxide	0.51	92.6	91.4	86.0
GS-16	Octopad	oxide	0.33	73.7	70.8	62.0
GS-17	Aggie Zone	oxide	0.37	92.7	80.7	77.0
GS-18	Aggie Zone	oxide	1.08	99.7	94.9	92.0
GS-19	Aggie Zone	oxide	2.71	102.5	97.3	93.0
GS-20	Aggie Zone	oxide	2.26	96.5	97.6	97.0
GS-21	Aggie Zone	oxide	1.97	98.1	88.7	83.0
GS-22	Aggie Zone	oxide	2.42	98.5	94.2	87.0
GS-23	Aggie Zone	oxide	3.17	100.5	93.4	86.0
GS-24	Aggie Zone	oxide	0.35	85.0	90.4	86.0
GS-03	Basin Pit	Sulphide	0.52	38.1	64.8	38.0
GS-05	Basin Pit	sulph/trans	0.25	64.8	52.9	52.0
GS-11	Octopad	sulph/trans	2.65	40.8	35.8	42.0

1 Data from KCA/ALS analysis of composite head samples.

The work was supervised by independent consulting metallurgist Gary Simmons, formerly the Director of Metallurgy and Technology for Newmont Mining Corp. He has managed or supervised a significant number of metallurgical testing programs on similar deposits throughout the Great Basin. According to Mr. Simmons, "Data from metallurgical testing to date at Goldstrike point to rapid leaching and relatively high gold recoveries, and suggest that simple, run of mine heap leaching may be the preferred process option at Goldstrike".

Metallurgical Program

10 large diameter diamond drill holes were drilled in 2016 to sample a range of locations and ore types in the Main Zone at Goldstrike. From these, 24 composites were created for metallurgical testing, with gold grades ranging from 0.25 to 3.10 g/t gold. Of these, 21 were dominantly oxide, with cyanide soluble gold content of >70%, with three sulphide/transitional composites. Additional drilling, sampling, metallurgical testing and modeling will be carried out in the future to fully assess the relative proportions of different ore types in the mineralized zone.

Composites were sent to Kappes, Cassiday and Associates in Reno, Nevada for metallurgical testing, comprising bottle rolls, column testing, load permeability testing and ore characterization including; comminution testing, sulphur and carbon speciation, preg-rob analysis, ICP geochemical assays and whole rock analysis.

Twenty of the composites were leached in either 100 mm (4 inch) or 150 mm (6 inch) diameter columns at low strength, 0.50 g/l of sodium cyanide (NaCN) solution. Total leach, plus column wash/rinse time, varied between 81 and 112 days. One of the columns samples (Composite GS-03) required agglomeration with cement due to high clay content. This sample was predominantly sulfide and is not likely to be incorporated into any oxide heap leach resource.

Samples for bottle roll testing were crushed/pulverized to 80% passing 200 mesh (75 microns) and 80% passing 10 mesh (1.7 mm) particle size. The samples were rolled/agitated in bottles in a dilute cyanide solution for 72 hours (for 200 mesh) or 144 hours (for 10 mesh).

Organic carbon values are low. Preg-robb analysis indicates that two (8%) of the composites may be mildly preg robbing. This preliminary result suggests that organic carbon will not be an issue in recovery.

Samples were subjected to SMC drop weight testing to generate data for SAG Mill, Crushing and HPGR comminution evaluation by JKTech and Bond Abrasion index (Ai) testing at Hazen Research in Golden, Colorado. Samples can be characterized as soft to relatively hard and moderately abrasive, although these factors are more important if significant crushing is anticipated.

Three of the 20 column leach composites failed load permeability testing, at 25 m height, and may require a coarse crush and agglomeration or, if low tonnage, may be blended with other materials before heap leaching. However, one of these failed composites is the same GS-03 sulfide composite that will most likely not be part of any oxide heap leach resource. Only a small percentage of this material has been encountered in drilling to date.

About Goldstrike

Goldstrike is located in the eastern Great Basin, immediately adjacent to the Utah/Nevada border, and is a Carlin-style gold system, similar in many ways to the prolific deposits located along Nevada's Carlin trend. Like Kinsley Mountain and Newmont's Long Canyon deposit, Goldstrike represents part of a growing number of Carlin-style gold systems located off the main Carlin and Cortez trends in underexplored parts of the Great Basin. The historic Goldstrike Mine operated from 1988 to 1994, with 209,000 ounces of gold produced from 12 shallow pits, at an average grade of 1.2 g/t Au.

Moira Smith, Ph.D., P.Geo., Vice-President Exploration and Geoscience, 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 information contained in the release is accurate. Drill composites were calculated using a cut-off of 0.20 g/t. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals vary between 30 and 100% of the reported lengths due to varying drill hole orientations, but are typically in the range of 60 to 80% of true width. Drill samples were assayed by ALS Limited in Reno, Nevada for gold by Fire Assay of a 30 gram (1 assay ton) charge with an AA finish, or if over 5.0 g/t were re-assayed and completed with a gravimetric finish. For these samples, the gravimetric data were utilized in calculating gold intersections. For any samples assaying over 0.200 ppm an additional cyanide leach analysis is done where the sample is treated with a 0.25% NaCN solution and rolled for an hour. An aliquot of the final leach solution is then centrifuged and analyzed by AAS. Metallic screen techniques may be employed where the presence of coarse free gold is suspected. Approximately 1000 grams of coarse reject material are pulverized and screened. Two splits of the fine fraction are assayed, as well as all material that does not pass through the screen (the coarse fraction). The final gold assay reported is a weighted average of the coarse and fine fractions. QA/QC for all drill samples consists of the insertion and continual monitoring of numerous standards and blanks into the sample stream, and the collection of duplicate samples at random intervals within each batch. Selected holes are also analyzed for a 51 multi-element geochemical suite by ICP-MS. ALS Geochemistry-Reno is ISO 17025:2005 Accredited, with the Elko prep lab listed on the scope of accreditation.

Goldstrike 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 Goldstrike is available in the technical report entitled "Technical Report on the Goldstrike Project, Washington County, Utah, U.S.A.", effective April 1, 2016 and dated October 7, 2016, prepared by Michael M. Gustin, C.P.G. and Moira Smith, Ph.D., P.Geo. found at the top of this page or under Pilot Gold's issuer profile in SEDAR (www.sedar.com).

ABOUT PILOT GOLD

Pilot Gold is led by a proven technical and capital markets team that continues to discover and define high-quality assets. Our core projects are Goldstrike in Utah, Black Pine in Idaho and Kinsley Mountain in Nevada. The Company also holds important interests in two Turkish assets,

Halilaga and TV Tower, and has a pipeline of Western US projects characterized by large land positions and district-wide potential that can meet our growth needs for years to come.

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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, 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, timing and likelihood of deployment of additional drill rigs, successful delivery of results of metallurgical testing, the release of an initial resource report, 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 and/or the reliance on technical information provided by 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; possible claims against the Company; 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 28, 2017 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.