VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce its financial and operating results for the year ended December 31, 2016, and to provide an outlook on 2017.

Our exploration activities and budget in 2017 will continue to focus on our three significant US gold projects, all of which are past producing, open pit, heap leach, Carlin-style gold mines. Our Goldstrike project in Utah, Black Pine project in Idaho, and Kinsley Mountain project in Nevada are cornerstone assets that are extremely well located and have the potential for significant resource growth.

All amounts are presented in United States dollars unless otherwise stated.

Company highlights through and subsequent to December 31, 2016:

- Continued to report encouraging gold results at Goldstrike at multiple targets, including results from new targets: Peg Leg, Dip Slope, Covington and Warrior, with ongoing infill and resource drilling at the Main and Aggie Zones.
- Continued data compilation, modelling and drill targeting at the historic Black Pine heap leach gold mine. Black Pine was acquired in 2016 from Western Pacific Resources as part of our continuing effort to identify and secure shallow, oxidized Carlin-style gold systems, similar in nature and target size to Kinsley and Goldstrike. (See press releases of June 16, 2016 and February 21, 2017)
- Completed a bought deal financing of C$14.42 million (the "2016 Bought-Deal") (See press release of November 16, 2016)

Goldstrike, Utah

The program objective for 2016 was to advance the property to an initial mineral resource estimate in 2017, incorporating new and historical drill hole data over a broad area. The 2016 program was successful in delineating vast areas of new shallow, oxide gold mineralization between, adjacent to, and under the historic open pits. Results from this program continued to expand the area of known mineralization, yielding encouraging gold results from several new target areas: Aggies, Covington, Dip Slope, Peg Leg, and Warrior.

For the year ended December 31, 2016, expenditures, including non-cash items, capitalized to Goldstrike were $4.59 million (year ended December 31, 2015: $1.03 million), including: drilling and assaying ($2.47 million), salaries ($0.91 million), property-related payments ($0.48 million), and analyses and surveys ($0.36 million).

The initial 2017 exploration program and budget at Goldstrike is $5.98 million. The 2017 RC drilling program began on February 1, 2017 and is set to continue through to November, for a total of 42,500m of drilling. Areas of focus are located to the north and west of the Main Zone, and include the Peg Leg Graben, over an area one km-long and up to 250 m wide, and the 4 km2 Dip Slope zone, host to several historic pits.

Metallurgical testing is underway using material derived from 10 large-diameter core holes drilled in 2016, with final results expected during Q2 2017. Metallurgical testing encompasses

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bottle rolls, column testing and comminution test work, in order to provide sufficient data for modeling and prediction of gold recovery over a wide range of mineralization types and feed sizes.

The Company is operating under a Notice of Intent ("NOI"), which has been amended and increased four times to date, allowing for up to 9.76 acres of disturbance for access and drill sites. In February 2017, the Company applied for an additional NOI for a further 1.8 acres of disturbance in the property's Mineral Mountain area. We expect to receive approval on a full Plan of Operations ("PoO") by the end of Q2 2017, which will allow access for drilling over a large number of targets property-wide.

The Company also expects to report a first-time mineral resource estimate at Goldstrike in a revised technical report in mid Q2 2017.

Kinsley, Nevada

On December 17, 2015, the Company reported a first-time mineral resource estimate at Kinsley that includes the delineation of a significant high-grade zone at the Western Flank zone, containing an indicated resource of 284,000 ounces grading 6.0 g/t gold (See press release, November 4, 2015), and technical report entitled "Updated Technical Report and Estimated Minerals Resources for the Kinsley Project", effective October 15, 2015 and dated December 16, 2015, prepared by Michael M. Gustin, C.P.G., with Mine Development Associates, Inc. (MDA) of Reno, Nevada; Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC; and Dr. Moira Smith, Ph.D. on SEDAR at http://www.sedar.com.); the Western Flank deposit, is one of the highest-grade resources announced in Nevada in the last 5 years.

The 2016 exploration program, including surface work, 3D modeling, a small drill program and airborne magnetics and VTEM, generated several high priority targets confirming our belief in the potential of a much larger gold system. In the year ended December 31, 2016, approximately $0.69 million in expenditures were capitalized at Kinsley (year ended December 31, 2015, $1.70 million), including Intor's 20.9% share (recognized in the Annual Financial Statements as a component of Non-Controlling Interest). Expenditures through December 31, 2016 included drilling and assaying ($0.25 million), land and lease payments ($0.15 million), and salaries ($0.06 million).

The identification of multiple untested targets with the same attributes as the Western Flank underscores the Company's belief in the potential of Kinsley. The 2017 exploration program contemplates a limited drill program along the Western Flank's eastern extension and in an area southeast of the historical Main Pit. The Company's share of budgeted expenditures at Kinsley for the 2017 program is $0.42 million.

Black Pine, Idaho

Consistent with management's plan to enhance the Company's US gold portfolio, on June 14, 2016 Pilot Gold acquired the Black Pine property, a past-producing, Carlin-style, oxide gold mine located in southeastern Idaho. Surface oxide gold mineralization at Black Pine is present over a 12 km2 area in historic soil and rock samples. The property database contains over

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1,866 historic drill holes, including a large number of unmined intervals of gold mineralization.

The Company anticipates further data compilation and surface geologic activities through early 2017, in advance of a potential late 2017, validation drilling program. A current PoO allows access to a number of areas on the property for drilling; a new PoO will be submitted in Q2 to permit drilling over a wider area, including a number of undrilled targets. The 2017 budget for Black Pine is approximately $0.39 million.

Moira Smith, Ph.D., P.Geo., Vice President Exploration and Geosciences, 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.

The resource estimate at Kinsley's Western Flank, effective October 15, 2015, was determined using a 1.0 g/t Au cut-off grade over 1,461,000 tonnes of Secret Canyon Shale-hosted sulphide and transitional mineralization. The cut-off grade used assumes an open-pit mining scenario, using a pit floor elevation generated using Whittle software, reasonable assumptions for mining and milling costs, and a US$1,300/oz gold price.

Goldstrike, Kinsley and Black Pine are early stage exploration projects; the potential quantities and grades disclosed herein are conceptual in nature and, except for the mineral resource estimate at the Western Flank deposit at Kinsley, there has been insufficient exploration to define a mineral resource for other targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource. The potential to define an additional mineral resource at Kinsley or a resource at Goldstrike or Black Pine is conceptual in nature and there has been insufficient exploration to define a mineral resource thereat.

SELECTED FINANCIAL DATA

The following selected financial data is derived from our consolidated financial statements and related notes thereto for the years ended December 2016, 2015 and 2014, as prepared in accordance with International Financial Reporting Standards.

These documents can be found on the Company's website (www.pilotgold.com) or on SEDAR at www.sedar.com.

	Twelve months ended December 31,		
	2016	**2015**	**2014**
Attributable to shareholders:			
Loss for the period	$5,576,830	$6,974,976	$6,709,098
Loss and comprehensive loss for the year	$4,895,227	$12,989,681	$10,535,641

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Basic and diluted loss per share	$0.04	$0.07	$0.07

	As at December 31,		
	2016	**2015**	**2014**
Cash and short-term investments	$12,468,891	$7,912,417	$17,870,785
Working capital	$12,399,183	$8,215,220	$17,768,551
Total assets	$104,546,476	$93,729,943	$86,846,581
Current liabilities	$897,297	$477,128	$1,620,799
Non-current liabilities	$1,241,886	$604,359	$115,640
Shareholders' equity	$79,392,102	$69,609,115	$81,372,291

Total assets comprise primarily exploration properties and deferred exploration expenditures of $83.68 million and cash, cash equivalents and short term investments of $12.47 million. The 40% share of TV Tower owned by Teck is included as a component of the $23.02 million non-controlling interest on the Company's statement of financial position. Total assets also include $0.83 million in receivables, and prepayments, and $5.42 million in value recorded for the Company's 40% interest in the PEA-stage Halilaga copper-gold project in Turkey.

The increase since year end 2015 in working capital reflects the $3.30 million net proceeds from the 2016 Private Placement (See press release of March 4, 2016) and, $9.91 million from the 2016 Bought Deal (See press release of November 16, 2016), as well as $0.80 million in net reimbursements pursuant to the replacement of certain bonding deposits in the United States. These cash inflows were offset by costs incurred toward the 2016 exploration programs of $6.26 million (2015: $5.08 million), and cash outflows for operating expenditures of $3.52 million (2015: $3.86 million).

Total liabilities at December 31, 2016, 2015 and 2014 primarily reflect accounts payable and accruals recorded at period end arising from ongoing activities. The 2016 balance also includes a deferred tax liability of $1.16 million (2015: $0.47 million) arising from the impact of foreign exchange differences on the carrying value of TV Tower. The significant overall increase over the prior year is a reflection of increased exploration activities at year end compared to 2015.

The most significant contributors to the losses in the twelve months ended December 31, 2016 were, the cost of wages and benefits of $1.79 million (2015: $1.72 million, 2014: $1.82 million) and office and general costs of $1.17 million (2015: $1.14 million, 2014: $1.21 million), as well as non-cash stock based compensation of $1.01 million (2015: $0.99 million, 2014: $1.22 million). The year ended December 2015 included impairments of $2.09 million. The loss per share decreased to $0.04 in 2016 compared to $0.07 for 2015 and 2014.

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The net other comprehensive income attributable to shareholders for the year ended December 31, 2016, was $0.68 million compared to losses of $6.01 million and $3.83 million in 2015 and 2014 respectively, driven by exchange differences on translation of foreign currency subsidiaries. The impact from exchange differences will vary from period to period depending on the rate of exchange; in the period between January 1, 2016 and December 31, 2016, the United States dollar depreciated 4% relative to the Canadian dollar (2015 and 2014: appreciated 15% and 8.3% respectively).

APPOINTMENT OF JOANNA BAILEY AS CFO

The Company is also pleased to announce the appointment of Dr. Joanna Bailey as Chief Financial Officer and Corporate Secretary, effective April 4, 2017.

Dr. Bailey is a Chartered Accountant (ICAS) with over 10 years of experience in accounting and financial reporting in Canada and the UK. After completing a Ph.D. in Chemistry at the University of Cambridge, UK, Dr. Bailey joined PricewaterhouseCoopers LLC in 2004 specializing in statutory reporting audits across a variety of industries including mining, retail, production and services. In 2009, Dr. Bailey joined the accounting team at Fronteer Gold and has been the Corporate Controller at Pilot Gold since its inception in 2011. Dr. Bailey is a member of the Institute of Chartered Accountants of Scotland.

Dr. Bailey will replace Mr. John Wenger who is leaving the Company to pursue other opportunities. The Board wishes to extend its gratitude to Mr. Wenger for his years of service to Pilot Gold and wishes him all the best in his future endeavours.

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.

For more information, visit www.pilotgold.com or contact:

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info@pilotgold.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, potential quantity and/or grade of minerals, potential size and expansion of a mineralized zone, proposed timing of exploration and development plans the release of an initial resource report at Goldstrike, and the successful delivery of results of metallurgical testing and positive results thereof. 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 and geo-political conditions, availability of equipment, accuracy of any mineral resources, the amenability of mineralization to produce a grade or quality of concentrate sufficient to be economic (as there can be no

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assurances as to the results of the metallurgical testing and no inferences should be drawn therefrom), the accuracy of any metallurgical testing completed to date, 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 and uncertainties, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, the timely receipt of regulatory approvals; risks related to the interpretation of results and/or the 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; possible claims against the Company or its joint venture partners; labour disputes and other risks of the mining industry; the uncertainty of negotiating with foreign governments, expropriation or nationalization of property without fair compensation, adverse determination or rulings by governmental authorities delays in obtaining governmental approvals, government regulation of exploration and mining operations, and the application thereof in accordance with the rule of law, 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.

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

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