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## Drilling to target high-grade mineralization in the Secret Canyon Shale

VANCOUVER, B.C. – Pilot Gold Inc. (PLG - TSX) ("Pilot Gold" or the "Company") is pleased to announce that it has commenced a four-hole RC drill program targeting high-grade gold mineralization in the Secret Canyon Shale at the Kinsley Mountain Gold Project ("Kinsley") in northeastern Nevada.

In late 2013, Pilot Gold discovered the Western Flank gold deposit. The sulphide resource is currently estimated at 284,000 Indicated ounces of gold grading 6.04 g/t, and 39,000 Inferred ounces grading 2.41 g/t gold. Mineralization is open for extension to the north and east. (See [December 17, 2015 press release](#), and the Kinsley Technical Report available 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).)

### Key Points:

- The Western Flank deposit is hosted in the Secret Canyon Shale, approximately 200 metres below the historical Kinsley open pit mine workings in the Dunderberg Shale
- There are 1,082 historic drill holes on the Kinsley property that test, or have tested for, mineralization in the Dunderberg Shale, with only a single historic hole (pre-Pilot Gold – 2011) passing through the Secret Canyon Shale horizon
- **Drilling completed by Pilot Gold on the new Secret Canyon Shale target stratigraphy has tested 10 general, broadly-spaced locations over an approximate 10 km<sup>2</sup> area. The target stratigraphic interval in all 10 areas contains anomalous gold mineralization to some degree, including:**
  - Western Flank Zone: 1,461,000 tonnes grading 6.04 g/t Au Indicated, 508,000 tonnes grading 2.41 g/t Au Inferred (see [December 17, 2015 press release](#), and the Kinsley Technical Report)
  - The Secret Spot: PK153: 25.7m grading 1.34 g/t Au, and 13.7 m grading 1.09 g/t Au, including 1.5 m grading 5 g/t Au, and 6.1 m grading 3 g/t Au (over a 70 metre interval) ([September 10, 2014 press release](#))
  - Racetrack: PK180: 10.7 m grading 1.25 g/t Au ([December 9, 2014 press release](#))
  - North-central historic Kinsley Mine trend: K425: 4.6 m grading 1.58 g/t Au (historical data)

**Pilot Gold believes that the Secret Canyon Shale has high potential to host more than one zone of high-grade mineralization. Exploration is now focused on this specific stratigraphic interval.**

New drill targets were developed using 3-D modeling software, including the integration of new and historical geological, geochemical and geophysical data as detailed below. As a result, a new high-priority target area immediately below and southwest of the historic Main Pit was identified and will be tested in four reverse circulation holes of approximately 425 metres each

for a total of 1,700 metres. The drill program commenced April 21, 2016.

### Secret Canyon Shale Target Area

The Western Flank deposit was discovered in late 2013 in the Secret Canyon Shale Formation, which lies below the Dunderberg Shale, host to shallow oxide resources and past-production at Kinsley, and was previously unrecognized as a potential host to mineralization ([November 18, 2013 press release](#)). In late 2015, Pilot Gold released a resource estimate for the Kinsley deposit, including a separate estimation for the Western Flank Zone ([November 5, 2015 press release](#)). Metallurgical testing of sulphide material from the Western Flank Zone returned excellent recoveries and concentrate grades, suggesting that the gold may be amenable to extraction using low capital cost, conventional flotation methods ([January 19, 2015 press release](#)).

Given the exceptional grades and metallurgical characteristics exhibited by mineralization at the Western Flank Zone, Pilot Gold began an intensive 3-D modeling exercise in the fall of 2015 focused solely on identification of other targets similar in nature to the Western Flank Zone. The drill targeting exercise involved characterization of the major controls on mineralization in the Western Flank Zone, as well as exploration vectors. These include:

- The intersection of swarms of closely-spaced, high-angle, NNE-striking faults with the NW-striking "Kinsley Trend" fault zone, along which the historic pits are aligned. Both sets of faults are believed to be feeders to mineralization in the Dunderberg Shale and Secret Canyon Shale
- Gold associated with disseminated arsenical pyrite, localized within the Secret Canyon Shale stratigraphic horizon
- Association of gold-bearing, disseminated sulphide mineralization with deep IP chargeability highs
- Association of mineralization with a halo of pathfinder elements, including As, Sb, Tl and Hg

From this exercise, a high-conviction target was identified immediately southwest of the Main Pit in the east-central Kinsley Trend. A large (400 metre-long), coincident, untested, historical IP-chargeability anomaly, as well as surface structures and geochemical anomalies are consistent with the model.

The amended program and budget reflects an increase of \$315,000 to the 2016 exploration budget at Kinsley for an amended total of \$750,000. If the drill program successfully intercepts high-grade sulphide mineralization, additional IP surveys and drilling along the Kinsley Trend may be undertaken.

For a map showing the 2016 target area please click here:

<http://pilotgold.com/sites/default/files/KinsleyPRmap04252016release.pdf>

### ABOUT KINSLEY

Kinsley Mountain hosts near-surface mineralization similar to other Carlin-style, sediment-hosted gold systems. The property consists of 513 unpatented lode claims on U.S. Bureau of Land Management land plus 6 leased patents totaling 4213 hectares, and hosts a past-

producing mine with an extensive exploration database and numerous, untested gold targets.

The Company holds approximately 79.1% of Kinsley. Intor Resources Corporation ("Intor"), a subsidiary of Nevada Sunrise Gold Corp., is the Company's joint venture partner at Kinsley.

Moir 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 are interpreted to be between 36-90% of the reported lengths. 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 0.20 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. 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.

Further information on Kinsley is available in the technical report entitled "Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, U.S.A.", effective October 15, 2015, dated December 16, 2015 and prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo. and Gary Simmons, B.Sc. MMSA (the "Kinsley Technical Report"), available 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).

### **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 two core projects are Goldstrike in Utah 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](http://www.pilotgold.com) or contact:  
Phone: 604-632-4677 or Toll Free 1-877-632-4677  
[info@pilotgold.com](mailto: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, 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, 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 our joint venture partner at Kinsley, 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; 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 17, 2016 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.*