

MANAGEMENT'S DISCUSSION AND ANALYSIS
PILOT GOLD INC. FOR THE PERIOD OF APRIL 23, 2010 TO DECEMBER 31, 2010

This Management's Discussion and Analysis ("MD&A") is dated as of March 2, 2011 and should be read in conjunction with the audited consolidated financial statements of Pilot Gold (in this MD&A also referred to as the "Company" or "We" or "Our" or "Us") for the period April 23, 2010 to December 31, 2010, and the related notes thereto (collectively the "Financial Statements") which are attached as Schedule I to this Appendix "E". We report our financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles ("GAAP").

Our reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise stated. As at December 31, 2010, the value of C\$1.00 was US\$1.01 according to the Bank of Canada.(1)

Basis of Presentation

Pilot Gold was incorporated on November 18, 2010, under the Canada Business Corporations Act with the name 7703627 Canada Inc. On December 13, 2010, the name of the Company was changed to Pilot Gold Inc. The Company is a wholly-owned subsidiary of Fronteer. Its sole business focus to date has been to explore certain mineral property interests in Nevada, acquired from Fronteer and certain of its subsidiaries, and to make application to list its common shares on a stock exchange. In connection therewith, Pilot Gold entered into the Arrangement Agreement with Fronteer, its sole shareholder, and Newmont Mining Corporation ("Newmont") pursuant to which Newmont will acquire all of the issued and outstanding shares of Fronteer by way of a court approved Arrangement

In addition, Pilot Gold will enter into various property and share transfer agreements with Fronteer and certain of its subsidiaries pursuant to which Pilot Gold will acquire certain additional mineral properties (which, together with the Initial Properties, constitute the Pilot Gold Properties) and the Pilot Gold Assets. As part of that process, Pilot Gold will transfer back to Fronteer or one of its subsidiaries, the South Monitor property (see in this Appendix "E", "*Description of the Business — Acquisition of the Pilot Gold Properties and the Pilot Gold Assets*"). In addition, Pilot Gold will be funded with approximately \$9,640,000 (representing \$10,000,000 less anticipated cash calls paid by Fronteer for the Turkish joint venture operations from the date the Arrangement was announced to the effective date of the Arrangement). It is anticipated that Pilot Gold will have approximately \$9,640,000 on the Effective Date of the Arrangement.

On December 31, 2010, Pilot Gold owned the Regent, Cold Springs, Buckskin, Brik (referred to in this Appendix "E" as the Initial Properties) and South Monitor mineral properties. Pilot Gold's December 31, 2010 consolidated financial statements reflect the balance sheets, statements of operations and comprehensive loss and shareholder's equity, and cash flows of the exploration business of Fronteer as it pertained to exploring, developing and managing the four Nevada projects in Pilot Gold at December 31, 2010, that will not be transferred to Newmont, as if Pilot Gold had been an independent operator of these projects during the period reported. The statements of operations and comprehensive loss for the period April 23, 2010 to December 31, 2010 includes the direct general and administrative costs incurred by Pilot Gold and a pro-rata allocation of Fronteer's general and administrative expenses incurred in the period. The financial statements have been presented under the continuity of interest basis of accounting with balance sheet amounts based on the amounts recorded by Fronteer. Management cautions readers of these Financial Statements, that the allocation of expenses in the statements of operations does not necessarily reflect the nature and level of Pilot Gold's future operating expenses.

On April 23, 2010, Fronteer acquired 100% of the outstanding limited liability company interest in Nevada Eagle Resources Inc. ("Nevada Eagle") from an arm's length third party for cash consideration of US\$4.75 million. Fronteer accounted for the business combination as a purchase transaction with Fronteer as the acquirer of Nevada Eagle. Nevada Eagle had an interest in 52 properties, four of which (other than South Monitor) were the above named Initial Properties transferred to Pilot Gold.

(1) Nominal noon rate as per the Bank of Canada.

Selected Period Information

The following table sets forth selected financial information with respect to Pilot Gold, which information has been derived from and should be read in conjunction with the Financial Statements of Pilot Gold for the period ended December 31, 2010.

	<u>Period from April 23, 2010 to December 31, 2010</u>
Consolidated Statement of Operations	
Net loss and comprehensive loss for the period	\$ 170,930
Consolidated Balance Sheet	
Current Assets	\$ —
Total Assets	\$ 1,146,621
Total Current Liabilities	\$ 22,227
Total Liabilities	\$ 22,227
Shareholder's Equity	\$ 1,124,394
Number of Common Shares Outstanding	10,000,001

Discussion of Operations

Under the continuity of interest method of accounting, Pilot Gold's Consolidated balance sheet, consolidated statement of operations and comprehensive loss and consolidated cash flows, reflect Fronteer's exploration business as it pertains to the exploration and development of the four mineral properties acquired by Pilot Gold and also include Fronteer's costs of acquiring South Monitor. Under this method of accounting, the directly identifiable overhead costs incurred by Fronteer with respect to this business, have been allocated to Pilot Gold. As well, a pro-rata allocation of Fronteer's general and administrative expenses incurred in 2010, have also been allocated to Pilot Gold. The pro-rata allocation is made as a percentage of Fronteer's exploration and development costs incurred on the four projects acquired by Pilot Gold as they relate to Fronteer's total exploration and development expenditures. Pilot Gold and Fronteer defer acquisition, exploration and development costs on properties, less recoveries in the pre-production stage, until such time as the properties are put into commercial production, sold or become impaired. On the commencement of commercial production, the deferred costs are charged to operations on the unit-of-production method based upon estimated recoverable proven and probable reserves. General exploration expenditures are charged to operations in the period in which they are incurred.

The amount shown for mineral property interests represents costs incurred, allocated and deferred to date net of recoveries from joint venture partners (if any) and write-downs and does not necessarily reflect present or future values.

Pilot Gold incurred a loss for the period ended December 31, 2010, of \$170,930. The loss comprised of legal and accounting fees of Pilot Gold and allocated general and administrative costs of Fronteer relating to Pilot Gold.

Priority Projects: 2010 Activities and Planned 2011 Activities

Regent Property (100% owned)

The Regent Property was acquired from Nevada Eagle in April 2010. It is located approximately 60 km southeast of Fallon, Nevada and consists of 110 unpatented mining claims covering a surface area of 919.74 hectares (2,272 acres).

Since the acquisition of the Regent Property, Fronteer conducted preliminary field investigations of the Regent Project at a cost of \$155,902. Geological mapping and rock and soil geochemical surveys were completed in September and October 2010, with 254 rock samples and 929 soil samples being collected. Preliminary geologic modeling was completed.

The Company plans to aggressively explore the Regent Project, with the dual focus of exploring the high grade vein potential and defining a bulk mineable disseminated gold and silver deposit. Exploration expenditures of \$1,927,000 are planned for Phase I in 2011 and early 2012. Depending upon results from Phase I, Pilot Gold plans to commence a Phase II program in 2012 at a cost of approximately \$3,330,000 (of which \$721,000 is expected to be incurred in 2012).

The Phase I program will consist of geologic and alteration mapping, ground geophysics, 2,000 metres of reverse circulation drilling, 3,000 metres of diamond core drilling and initial metallurgical work. Phase II would increase reverse circulation and diamond core drilling by an additional 6,000 metres each.

The annual maintenance fees for Regent consist of a per acre claim fee payable to the BLM and State of Nevada of approximately \$US25,900.

Other Projects

Pilot Gold also has an interest in the following exploration projects:

Brik

The Brik Property is located in the Little Mountain Mining District, situated in low lying hills north of the Cedar Range, southeast of Panaca, in east-central Lincoln County, Nevada. The Project consists of 133 unpatented lode claims on U.S. Bureau of Land Management ("BLM") land.

The Brik Project hosts a gold-mineralized, east-west striking epithermal quartz veins visible over 600 metres, within a 20 plus metre wide, steeply-south-dipping, structural and boasts a large gold in soil anomaly. The target has seen minimal exploration work and presents excellent targets for future drilling.

Over the course of 2010, Fronteer completed 127 rock samples for analysis along with 1289 soil samples for geochemical analysis. Based on the results of this work, an additional 92 claims were staked, and geologic mapping was completed over the target. Pilot Gold expects to undertake additional exploration at Brik in 2011, consisting of geologic mapping and the preparation and submittal of an initial Notice of Intent to perform drilling.

Cold Springs

The Cold Springs property is a high-level, low-sulfidation epithermal gold-silver system situated on the western flank of the Desatoya Mountains, approximately 176 kilometres east of Reno, Nevada. The project consists of 45 contiguous unpatented lode claims on land managed by the BLM.

In 2010, Fronteer completed 39.5 line kilometres of ground magnetic surveying over the Cold Springs target, in conjunction with a field evaluation visit and staked an additional 27 claims. Planned exploration work in 2011 consists of target modeling and preparation, and the preparation and submittal of an initial Notice of Intent to perform drilling. No drilling is anticipated to be carried out in 2011.

Buckskin

The Buckskin property is located on the eastern flank of the Buckskin Range, Lyon County, Nevada, approximately 16 kilometres north-northwest of the Yerington, Nevada. The project consists of 20 unpatented lode claims on land managed by the BLM.

The 2010 exploration program consisted of a two day field visit with 17 rock samples being collected for analysis and preliminary geologic mapping. The 2011 program is expected to consist of a limited soil sampling survey and additional geologic mapping. The Buckskin project is a candidate for joint venture with a company interested in exploring for copper.

South Monitor

The South Monitor property will be transferred to Newmont under the Arrangement.

Liquidity and Capital Resources

To date, Pilot Gold's operations have been funded by its sole shareholder Fronteer. As at December 31, 2010, Pilot Gold had no working capital.

Pilot Gold has no source of revenue, income or cash flow. It is, as of the date of this MD&A, wholly dependent upon its sole shareholder, Fronteer, for advance of funds or upon raising monies through the sale of Pilot Gold shares to finance its business. Pilot Gold also requires sufficient working capital to fund its planned exploration programs in 2011.

Under the Arrangement Agreement, Pilot Gold Inc. will be capitalized with approximately \$9,640,000 (representing \$10,000,000 less anticipated cash calls paid by Fronteer for the Turkish joint venture operations from the date the Arrangement was announced to the effective date of the Arrangement). This amount should be sufficient for Pilot Gold to fund its planned operations for the next 18 months.

Health, Safety and Environment

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Health, Safety and Environment”*.

Contractual Obligations

Pilot Gold has no contractual obligations other than the Arrangement Agreement (see in the Circular *“The Arrangement — The Arrangement Agreement”*).

The Arrangement Agreement provides that Pilot Gold shall indemnify Newmont and Fronteer and Fronteer’s subsidiaries from all losses suffered or incurred by Newmont, Fronteer or Fronteer’s subsidiaries as a result of or arising, directly or indirectly, out of or in connection with an Indemnified Liability (as such term is defined in the Arrangement Agreement).

Disclosure Controls and Procedures

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Disclosure Controls and Procedures”*.

Internal Controls Over Financial Reporting

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Internal Controls Over Financial Reporting”*.

Limitations of Controls and Procedures

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Limitations of Controls and Procedures”*.

Related Party Transactions

On December 30, 2010, Pilot Gold acquired the Regent, Cold Springs, Buckskin, Brik and South Monitor mineral properties from indirect subsidiaries of Fronteer, at a total cost of \$1,215,486, which approximated fair value.

Proposed Transactions

Pilot Gold is a party to the Arrangement Agreement and plans to obtain a listing for the Pilot Gold Shares. There can be no assurance when, or if, the Pilot Gold will be listed on the TSX or any other stock exchange. Upon completion of the Arrangement, it is anticipated that Pilot Gold will be a publicly traded mineral exploration company, with a portfolio of exploration properties in Nevada and Western Turkey, a 40% interest in two joint venture companies, with Teck Resources Ltd., exploring for copper-gold and gold in Turkey, and an option to acquire an interest in at least two gold projects in Peru from Rae Wallace Mining Company.

In order to become effective, the Arrangement must be approved by a resolution passed by at least two-thirds of the votes cast at the Meeting in person or by proxy by holders of Fronteer common shares and Fronteer options, voting together as a single class. The Arrangement must also be approved by the Ontario Superior Court of Justice, which will consider the fairness of the Arrangement to Fronteer Securityholders. In addition, the Arrangement is subject to certain customary closing conditions, all of which are described in the Circular. See the Circular, *“The Arrangement — The Arrangement Agreement — Conditions to the Arrangement Becoming Effective”*.

Off Balance Sheet Arrangements

Pilot Gold has no off balance sheet arrangements.

Critical Accounting Estimates

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Critical Accounting Estimates”*.

The Corporation has not made any significant critical accounting estimates at December 31, 2010.

Changes in Accounting Policies and New Accounting Pronouncements

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Changes in Accounting Policies and New Accounting Pronouncements”*.

Legal Matters

See in this Appendix “E”, Schedule V — *“Management’s Discussion and Analysis — Exploration Properties Business Statements — Legal Matters”*.

Financial Instruments and Other Instruments

Pilot Gold is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk and liquid financial assets through maintaining its cash and cash equivalents, with Canadian Chartered Banks and its reclamation deposits with A+ or higher rated US financial institutions.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Pilot Gold currently relies on funding from its parent corporation, Fronteer, to fund its operations. In the long term, Pilot Gold may have to issue additional shares to ensure there is sufficient capital to meet long term objectives. All financial liabilities are payable within a 90 day period and are to be funded from cash on hand.

Market Risk

The significant market risk to which Pilot Gold is exposed is foreign exchange risk.

Foreign Exchange Risk

The results of our operations are exposed to currency fluctuations. Our operating results and financial position are reported in Canadian dollars in our consolidated financial statements. The fluctuation of the US dollar in relation to the Canadian dollar will consequently have an impact upon our financial results and may also affect the value of our assets, liabilities and shareholders’ equity. As at December 31, 2010, Pilot Gold has not entered into any derivative contracts to manage foreign exchange risk at this time.

Financial instruments that can impact the net loss or other comprehensive loss due to currency fluctuations include: US dollar denominated cash, accounts receivable and accounts payable.

Fair Value Estimation

The carrying value of our financial assets and liabilities approximate their estimated fair value.

Our financial liabilities are not exposed to interest rate risk.

Cautionary Note Regarding Forward-Looking Statements

See *“Cautionary Note Regarding Forward-Looking Statements”* in this Appendix “E”, Schedule V — *Management’s Discussion and Analysis — Exploration Properties Business Statements*.