PILOT GOLD INC.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the quarter ended March 31, 2011

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Pilot Gold Inc.
Management Discussion and Analysis
Three Months Ended March 31, 2011

This Management's Discussion and Analysis ("MD&A"), dated as of June 13, 2011 is in respect of our first interim reporting period and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2011 of Pilot Gold Inc. (in this MD&A also referred to as "Pilot Gold" or, "we" or, "our" or, "us"), and the related notes thereto (collectively the "Interim Financial Statements"), the audited consolidated financial statements of Pilot Gold Inc. for the period April 23, 2010 to December 31, 2010 and the related notes thereto (collectively the "Pilot Gold Financial Statements"), and the audited consolidated financial statements of the Exploration Properties Business of Fronteer Gold Inc., for the year ended December 31, 2010 and the related notes thereto (collectively the "Exploration Business Financial Statements") as publicly filed under Pilot Gold's company profile on SEDAR www.sedar.com.

As of January 1, 2011, Pilot Gold adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2011 and March 31, 2010 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, and using accounting policies consistent with IFRS. Readers of this MD&A should refer to *Change in Accounting Policies- First-time Adoption of International Financial Reporting Standards ("IFRS")* below, for a discussion of IFRS and its affect on our financial presentation.

Our reporting currency is the United States dollar and all dollar figures in this MD&A are expressed in United States dollars unless otherwise stated. As at March 31, 2011, the value of C$1.00 was US$0.9688[1].

The following discussion contains forward-looking statements that involve numerous risks and uncertainties. Actual results of Pilot Gold could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth below under the heading "Cautionary Notes Regarding Forward-Looking Statements" and in Pilot Gold's Amended Annual Information Form ("AIF") for the year ended December 31, 2010 dated May 12, 2011 (Amended June 3, 2011), under the heading "Risk Factors", which can be found on Pilot Gold's SEDAR profile at www.sedar.com.

Highlights

- On February 3, 2011, Pilot Gold, Fronteer Gold Inc. ("Fronteer"), and Newmont Mining Corporation ("Newmont") entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement (the "Fronteer Arrangement"). The Fronteer Arrangement was approved by the shareholders of Fronteer at a special meeting held on March 30, 2011, and became effective April 6, 2011, at which time Pilot Gold ceased to be a wholly-owned subsidiary of Fronteer.
- Cash and cash equivalents at March 31, 2011 of $43,159, decreased 102% from December 31, 2010, reflecting our activity in Turkey. Pilot Gold's consolidated cash balance at March 31, 2011 and 2010 reflects only the accounts of our wholly-owned Turkish and Cayman subsidiaries, acquired through the Fronteer Arrangement.
- Received $9,819,540 in cash on April 4, 2011 pursuant to the closing of the Fronteer Arrangement.
- Through the application of the continuity of interest basis of accounting, recorded a loss for the quarter ended March 31, 2011 of $414,074, compared to a loss of $420,555 for the quarter ended March 31, 2010. The loss in both periods is a reflection of the allocation of costs incurred by Fronteer, the former parent company of Pilot Gold, on the properties and operations transferred to Pilot Gold on closing of the Fronteer Arrangement. Comprehensive income for the quarter ended March 31, 2011 of $200,082, and $38,164 for the quarter ended March 31, 2010 includes the foreign exchange differences arising from the translation of foreign operations of $20,082 and $38,164 respectively, and for the quarter ended March 31, 2011, a net gain of $180,000 on the revaluation of the our investment in the common shares of Rae Wallace Mining Company ("Rae Wallace").

[1] Nominal noon rate as per the Bank of Canada.

- Transferred the South Monitor exploration property back to a subsidiary of Fronteer, at a gain of $92,726 pursuant to the terms of the Fronteer Arrangement.
- Through the first quarter 2011, we spent $500,760 on the Halilağa Project, and released a NI 43-101 technical report on the property, dated February 15, 2011 (amended June 7, 2011), entitled "*NI 43-101 Technical Report on the Halilağa Exploration Property, Canakkale, Western Turkey*".
- Completed the Phase 1 drill program at the TV Tower Project, and released a NI 43-101 technical report, dated February 15, 2011(amended June 7, 2011), entitled "*NI 43-101 Technical Report on the TV Tower Exploration Property, Canakkale, Western Turkey*". Through the first quarter 2011, our share of expenditures on the TV Tower Project was $137,362.
- Subsequent to period end, on April 11, 2011, Pilot Gold's common shares ("Common Shares") began trading on the Toronto Stock Exchange (the "TSX") under the symbol, "PLG".
- On May 24, 2011, Pilot Gold announced a bought-deal financing that is expected to close on June 14, 2011 and provide approximately CAD 23.75 million (net) in additional funds. These funds will provide us the ability to execute on our exploration plans, and the flexibility to react to opportunities if and when they present themselves.

Description of the Business

Pilot Gold was incorporated as "7703627 Canada Inc." under the *Canada Business Corporations Act* on November 18, 2010 as a subsidiary of Fronteer. By articles of amendment effective November 29, 2010 our name was changed to "Pilot Gold Inc.". Pilot Gold's registered office and principal place of business is located at Suite 1650, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9. We also have offices in Elko, Nevada, USA and Ankara, Turkey for our projects located in those respective jurisdictions.

On February 3, 2011, Pilot Gold, Fronteer, and Newmont entered into an arrangement agreement pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of the Fronteer Arrangement, which became effective on April 6, 2011. At that time, Pilot Gold ceased to be a wholly-owned subsidiary of Fronteer.

The shareholders of Fronteer approved the Fronteer Arrangement at a special meeting held on March 30, 2011. Pursuant to the Fronteer Arrangement, subsidiaries of Fronteer transferred to Pilot Gold the following assets and liabilities:

i. unpatented mining claims known as the Anchor, Baxter Springs, New Boston, Stateline, Easter, Viper and Gold Springs projects;

ii. certain assets and liabilities in Elko, Nevada, including office equipment and furniture, fixed assets, computer hardware and software, and certain technical data related to the exploration properties;

iii. all of the issued and outstanding shares of Fronteer Investment Inc. (subsequently renamed Pilot Investment Inc.) which holds the respective 40% interests in Orta Truva Madencilik Sanayi ve Ticaret A.Ş. ("Orta Truva") and Truva Bakir Maden Isletmeleri A.Ş. ("Truva Bakir") the legal joint venture entities that hold the TV Tower Project and the Halilağa Project respectively;

iv. 2,000,000 common shares in the capital of Rae Wallace, 1,000,000 warrants to purchase shares of Rae Wallace, and an option to earn a 51% interest in up to two properties that Rae Wallace owns or acquires;

v. CAD 9.58 million ($9.82 million) in cash, a 40% beneficial interest in the Dededagi exploration property in Turkey, and the physical assets in our Vancouver office

The foregoing assets were transferred to Pilot Gold in exchange for the issuance of 192,807,707 Common Shares, the assumption by Pilot Gold of certain liabilities and the transfer by way of assignment back to Fronteer of the South Monitor project. In connection with the Fronteer Arrangement, the Common Shares were immediately consolidated on a one-for-four basis.

Pilot Gold has accounted for the costs associated with the properties and business acquired in accordance with the continuity of interest basis of accounting. Assets, liabilities, operations and cash flows recorded in our condensed interim consolidated financial statements are based on the amounts recorded by Fronteer, as if Pilot Gold had been an independent operator through March 30, 2011.

Prior to closing the Fronteer Arrangement, Pilot Gold was a wholly-owned subsidiary of Fronteer, and did not trade on any stock exchange. Immediately following closing of the Fronteer Arrangement, approximately 80.1% of Pilot Gold was held by former shareholders of Fronteer, and 19.9% was held by Newmont. The Common Shares began trading on the TSX on April 11, 2011 under the symbol "PLG".

Overview

Pilot Gold is an exploration-stage gold company principally engaged in the acquisition, exploration and development of mineral properties in Turkey and Nevada. Our strategy is to create shareholder value through the advancement of our key mineral properties, or through the acquisition of additional mineral properties, projects or interests in corporations.

Among Pilot Gold's portfolio of precious metal mineral rights in the United States, our key project is the 100%-owned Regent Project in Mineral County, Nevada, comprised of 263 unpatented mining claims covering approximately 1,801 hectares. Pilot Gold also holds a 40% joint venture interest in two Turkish subsidiaries, which respectively hold the licenses for the Halilağa Project and the TV Tower Project. The Halilağa Project is a copper-gold porphyry deposit and the TV Tower Project is an emerging gold system, both of which are located in northwest Turkey's Biga District. Teck Madencilik Sanayi Ticaret A.S. ("TMST"), an indirect subsidiary of Teck Resources Limited is Pilot Gold's 60% partner and the operator for both projects. We also own 10 additional early-stage gold exploration properties covering approximately 8,100 hectares in the states of Nevada and Utah, a 40% beneficial interest in the Dededagi exploration property in Turkey, and three other early-stage exploration properties in Turkey.

Through the first quarter of 2011, activity on the Halilağa Project and the TV Tower Project continued uninterrupted by operator TMST while Pilot Gold, Fronteer and Newmont worked to complete the Fronteer Arrangement, and carve-out the business of Pilot Gold from its former parent, Fronteer. Our activity through the first quarter of 2011 in the United States consisted largely of claim staking for our portfolio of properties in Nevada and Utah, and re-logging of historic diamond drill and RC chips and data compilation at our Regent Project in south-western Nevada. Shortly after the end of our first quarter, we concluded the sale of two of our wholly-owned exploration properties in Turkey in exchange for common shares of Global Resources Corporation Limited ("GRCL"), an Australian publicly-listed corporation.

In connection with the Fronteer Arrangement, we released NI 43-101 technical reports on each of the Halilağa Project and the TV Tower Project on February 15, 2011. We subsequently amended each of these reports on June 7, 2011. Our 40% share of expenditures incurred through the first quarter 2011 was $500,760 (first quarter 2010: $237,089) and $137,362 (first quarter 2010: $3,703), respectively. The Phase 1 drill program at the TV Tower Project, underway since August 2010, was completed in January 2011. A Phase 2, 15,000 metre drill program commenced in early April 2011. On April 21, 2011, we announced the commencement of a Phase 1 10,000 metre drill program at our Regent Project in south-western Nevada.

The closing of the Fronteer Arrangement on April 6, 2011 and the listing of our common shares on the TSX on April 11, 2011 marked the commencement of the independent operation of Pilot Gold and established a new chapter for the development of our three material properties.

Principal exploration projects

We are principally active on three strategic gold and copper-gold projects located in Nevada and Turkey. None of our properties have any known body of delineated commercial ore or any established economic deposit. Our material projects are currently in the exploration stage, and include:

Regent –	a low-sulphidation epithermal gold and silver mineralized system in Nevada;
Halilağa –	a copper-gold porphyry project in Turkey, and;
TV Tower –	a large gold property with widespread epithermal to porphyry characteristics in Turkey.

Regent

The Regent gold-silver project ("the Regent Project") is located in Mineral County Nevada, approximately 60 km SE of Fallon, Nevada, on the eastern margin of the prolific Walker Lane epithermal gold-silver belt.

During the first quarter 2011, Pilot Gold staked 153 new claims at the Regent Project, bringing the overall property to 263 claims totalling 1,803 hectares (4,456 acres). The claims are unencumbered and there are no royalties or other encumbrances outstanding.

The gold mineralization at the Regent Project is of the low-sulfidation epithermal type and occurs in stockwork and discreet veins and disseminated through porous tuffaceous rocks. It is similar in style to mineralization observed at the neighboring Rawhide Mine, located 3 kilometres to the southeast

Pilot Gold completed no work on the Regent Project in 2010. In the first quarter of 2011, Pilot Gold has completed limited geological mapping, re-logging of available historic drill core and RC chips, cross-sectional interpretative work, and initiated a ground-based gravity survey. In the three-months ended March 31, 2011, total costs incurred were $146,638.

Pilot Gold plans to undertake an aggressive two-phase exploration program in the search for both near surface disseminated and high-grade vein hosted mineralization starting in April 2011. This work will be funded by proposed expenditures of $1.93 million for a Phase 1 program followed by proposed expenditures of $3.33 million for a Phase 2 program, as warranted from the results gained during Phase 1. The Phase 1 program will consist of geologic and alteration mapping, ground geophysics (magnetic, IP, and possibly EM), RC drilling (2,000 metre) and diamond core drilling (3,000 metre), and initial metallurgical work. A Phase 2 program will build on results and increase RC and diamond core drilling by an additional 6,000 metre and 6,000 metre, respectively.

Halilağa

Located in the Biga peninsula of north-western Turkey, approximately 40 kilometres southeast of the city of Çanakkale, and 25 kilometres west south-west of the town of Çan, in Çanakkale Province, Turkey, the Halilağa copper-gold project (the "Halilağa Project") consists of approximately 7,230 hectares of mineral tenure in licenses. Twelve licenses are held in the name of Truva Bakir, which is the legal joint venture entity established to hold the property. Applications for two licenses are held in the name of Truva Bakir and are pending. One license is held by TMST and will be transferred to Truva Bakir once the license has been converted to an exploitation license. Pilot Gold owns 40% of Truva Bakir.

Drilling to date shows that the Halilağa Project hosts a significant copper-gold porphyry system. It is proximal to excellent infrastructure and is located in an active mining jurisdiction.

In 2010, TMST completed 9,007 metres of core drilling in 25 holes at the Halilağa Project. Our 40% share of costs was $1,517,441. The 2010 drilling returned the longest interval of continuous copper-gold mineralization intersected to date: 0.26 g/t gold and 0.33% copper over 646.50 metres starting from surface in hole HD-54 from the Central Zone at Kestane. Drilling in 2010 almost doubled the overall width of copper-gold mineralization at the Central Zone from 400 metres to more than 750 metres in overall width, and over a strike length of 1,200 metres with thicknesses of over 600 metres. An important aspect of this deposit is the occurrence of a higher-grade copper-gold enrichment zone starting at, or near surface, and which locally reaches up to 40 metres in thickness. The Central Zone remains open to expansion in all directions.

In 2011, a $4,600,000 budget was proposed by TMST (our share: $2,060,800, inclusive of a management fee payable to TMST), including a Phase 1 10,000 metre drill program at the Central Zone at Kestane, and testing for porphyry targets outside this zone.

As of March 31, 2011, TMST had completed 6,098 metres of core drilling in 15 holes. It is anticipated that the Phase 1 10,000 metre drill program will completed by June, 2011, with a Phase 2 10,000 metre drill program contingent on results from Phase 1.

Initial metallurgical test work on the Central Zone has determined that mineralized samples responded consistently well to flotation and produced a high-grade concentrate. A final concentrate grade of 35-40% copper with 85-90% overall copper recovery was achieved using three stages of cleaning. Gold grades in the final concentrate were approximately 25 grams per tonne with overall gold recovery in the range of 65-70%. It is expected that further process optimization will result in improvements in copper and gold recoveries at the same concentrate grades.

TV Tower

Located in the Biga Peninsula of north-western Turkey, approximately 27 kilometres southeast of the city of Çanakkale and 2.6 kilometres north of the village of Kuscayir, in Çanakkale Province, Turkey, the TV Tower gold-copper-silver project (the “TV Tower Project”), is a large, road-accessible property consisting of approximately 6,744 hectares of mineral tenure in six licenses. Four licenses are held in the name of Orta Truva, which is the legal joint venture entity established to hold the property. Two licenses are held by TMST and will be transferred to Orta Truva once the licenses have been converted to an exploitation license. Pilot Gold owns 40% of Orta Truva.

The TV Tower Project is interpreted to host several promising high-sulphidation epithermal gold and porphyry targets, similar to the neighbouring Aği Daği and Kirazli gold properties of Alamos Gold Inc.

Target evaluation of the TV Tower Project was first conducted by members of Pilot Gold’s technical team (formerly of Fronteer) in the summer of 2008. Since 2008, TMST has completed detailed geological mapping, PIMA alteration studies, extensive soil and rock geochemical sampling, and ground-based magnetic and IP/Resistivity surveys. Eight high-priority targets have been identified with widespread epithermal to porphyry characteristics typical of those seen at other deposits in the Biga District.

In 2010, TMST completed 4,184 metres of core drilling in 19 holes as part of the Phase 1 drill program between August 2010 and January 2011. Our 40% share of costs was $684,153. Results from the drilling were very positive with assays returning 0.87 g/t gold over 114.5 metres and 0.91 g/t gold over 108 metres at the Kayali target, and 4.26 g/t gold over 136.20 metres (including 12.76 g/t gold over 15.90 metres) and 16.33 g/t gold over 24.20 metres at the Kücükdag target. TMST also completed IP and ground magnetic surveys, as well as additional geological mapping and rock chip/soil geochemical sampling.

In 2011, a $3,500,000 budget was proposed by TMST (our share: $1,568,000, inclusive of a management fee payable to TMST), including a 15,000 metre drill program focused on expanding on the Kücükdag and Kayali targets, with exploration drilling on two additional targets.

As of March 31, 2011, TMST had completed additional rock/soil sampling, infill IP surveying over high priority targets, initiated detailed geological mapping of the Kücükdag and Sarp targets, and submitted forestry permissions for further drill sites. Drilling resumed in April 2011 with three core drills on the property.

Other properties

Pursuant to the Arrangement Agreement, we acquired an interest in the following exploration properties. We consider these properties fundamental to building long-term exploration success. Anticipated expenditures described for each property include commitments to maintain properties, or related agreements

Anchor – Eureka County, Nevada

The Anchor property lies within the southern portion of the Eureka-Battle Mountain Mineral Trend and is located about 4.8 kilometres northwest of the Archimedes deposit. The property consists of 72 fully owned unpatented lode claims on Nevada Bureau of Land Management (“BLM”) land.

In 2010, we completed reconnaissance level exploration of the area surrounding the current claim block and collected 100 rock chip samples for analysis from outcrops and subcrops. To assist with future drill targeting, a gravity survey on a grid with 200 metre spacing was performed in the fall of 2010.

Exploration work planned for 2011 consists of additional geologic mapping in the area, and interpretation and integration of existing data into drill targets at an anticipated cost of $80,000. Through

March 31, 2011, Pilot Gold incurred expenditures of $7,808 on the property. A Notice of Intent ("NOI") to drill will be submitted to the BLM, but there are no current plans to drill test Anchor in 2011.

Baxter Springs – Nye County, Nevada

Baxter Springs is located in the Toquima Range, approximately 29 kilometres south of Round Mountain, Nevada and 10 kilometres south of the Manhattan Mine, formerly operated by Echo Bay. The property consists of 36 unpatented mining claims.

The 2010 exploration program consisted of geologic mapping, a gravity survey on a grid of 197 stations on a 200 metre spacing, plus surface rock and soil sampling. A total of 203 rock and 3 soil samples were collected.

In 2011, we plan to undertake additional geologic mapping and evaluation of previous drilling in 3-D. Drill targets will be identified and an NOI to drill will be submitted to the BLM. Our anticipated expenditure through 2011 at Baxter Springs is $145,000. In the three-months ended March 31, 2011, we spent $27,924 on the property.

Brik – Lincoln County, Nevada

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 Brik property consists of 225 unpatented lode claims on BLM land and displays gold mineralization in the uppermost levels of a volcanic-hosted low-sulfidation quartz vein environment.

Over the course of 2010, we completed 127 rock samples for analysis along with 1,289 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 NOI to perform drilling. Upon receipt of approval of the NOI, a Phase 1 2,500 metre RC drill program is planned for Q2-2011 to test the Brik Vein, Sinter Zone, Hidden Treasure, and Maui Wash targets. Our anticipated expenditures through 2011 is $567,000. In the three-months ended March 31, 2011, we incurred $14,006 in costs on the property.

Buckskin North – Douglas County, Nevada

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 property 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. Management considers the Buckskin property to be a candidate for joint venture with a company interested in exploring for copper. In the three-months ended March 31, 2011, we had not spent anything on the property. We anticipate incurring minimal expenditures on the property through 2011.

Cold Springs – Churchill County, Nevada

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 property consists of 72 contiguous unpatented lode claims on land managed by the BLM.

In 2010, we 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 unpatented claims.

Planned exploration work in 2011 consists of target generation and preparation, and the preparation and submittal of an initial NOI to perform drilling. Through this first quarter 2011, we incurred expenditures of $9,734 on the property. No drilling is anticipated to be carried out in 2011.

Dededagi – Turkey

Pilot Gold holds a 40% beneficial interest in the Dededagi property which is located in Biga Peninsula of north-western Turkey. The property consists of one license held by TMST which will be transferred to Orta Truva once the license has been converted to an exploitation-type license. There were, as at March 31, 2011, no deferred expenditures associated with this property. There is no plan to incur any costs on this property until it has been transferred to Orta Truva.

Easter – Lincoln County, Nevada

The Easter property is situated on the east flank of the Delamar Mountains, approximately 13 kilometres southwest of Caliente, Nevada and 12 kilometres east-northeast of the Delamar mine in Lincoln County, Nevada. It consists of 20 unpatented lode claims on BLM land, and an additional 50 claims staked by La Quinta Resources Corp. ("La Quinta"), within the property's area of interest.

The property is subject to an earn-in joint venture with La Quinta, whereby La Quinta can earn 65% by expending $2,000,000 on exploration prior to January 4, 2015. La Quinta must maintain the claims; make annual cash payments totalling $190,000 over the five-year term of the agreement, and issue 500,000 La Quinta common shares to Pilot Gold. We retain a net smelter royalty of 2.5% - 4% subject to the price of gold.

In 2010, La Quinta completed a resource estimate and 11 reverse circulation drill holes on the previously undrilled, upper-most portion of the central vein area.

Gold Springs 2 – Lincoln County, Nevada

The Gold Springs 2 property ("Gold Springs 2") is situated on the west flank of the Paradise Mountains, approximately 30 kilometres northeast of Panaca, Nevada and 90 kilometres northwest of Cedar City, Utah. The property straddles the state line, and is approximately half in Lincoln County, Nevada, and approximately half in Iron County, Utah. It consists of approximately 129 unpatented lode claims on BLM land.

Gold Springs 2 is under option to High Desert Gold Inc. ("HDG"), whereby HDG can earn a 60% interest in the property by spending $1,000,000 in aggregate by January 10, 2015, in addition to making cash payments to Pilot Gold that escalate from $20,000 to $40,000 per year. At earn-in, we can either elect to participate at 40% or less, or revert to a $40,000 per year payment plus a sliding scale NSR, which is based on the price of gold. Pilot Gold retains a net smelter royalty of 2.5% - 4% subject to the price of gold. A 4% royalty on four claims is payable to a third party.

In 2010, HDG completed a total of 11 reverse-circulation drill holes for a total of 1,823 metres and a soil sampling program over a portion of the claim block in order to better define the size and continuity of some of the high priority target areas. Additional metallurgical testing was completed, indicating that larger samples contain more gold than smaller samples. A total of 697 samples were collected on a 100x50 metre grid over the northern portion of the property.

Stated work plans for Gold Springs 2 for 2011 consists of additional drilling, and rock and soil geochemistry to advance additional targets on the property. It is expected that HDG will have met its earn-in commitments by mid year 2011 and a decision will be made to either participate or take dilution. At such time, HDG will determine the annual budget for Gold Springs 2.

New Boston– Nye County, Nevada

The New Boston property is a copper-molybdenum porphyry target, subject to historic exploration, located on the northern margin of the Walker Lane structural and metallogenic belt, in Nevada. The property consists of 135 fully-owned unpatented mining claims on BLM land.

In 2010, we completed rock and soil sampling over the New Boston property, with 213 and 965 samples being collected, respectively. A total of 74 line kilometres of ground magnetic geophysical surveys were collected, along with 211 gravity measurements, and interpretation of historic drilling and geologic data.

In 2011, additional mapping will be conducted to refine exploration targets, and an NOI for a first pass drill program will be submitted to the BLM. We anticipate conducting a Phase 1 2,500 Core Drill Program in Q3-2011, and will test outcropping zones of copper mineralization and deeper interpreted moly targets from historic work. Associated costs for 2011 are expected to be approximately $657,000. Our expenditures in the three-months ended March 31, 2011 amount to $24,016.

Stateline– Lincoln County, Nevada

The Stateline property is situated on the east flank of the Paradise Mountains, approximately 37 kilometres east of Panaca, Nevada and 88 kilometres northwest of Cedar City, Utah in Iron County, Utah.

From 2008 to 2010, the property was a subject to a joint venture earn-in with Newmont. It consists of approximately 48 unpatented lode claims, along with an additional three Utah state leases and 113 unpatented claims staked by Newmont within the area of influence of the agreement with Newmont. It consists of approximately 161 unpatented lode claims, along with an additional three Utah state leases. Significant historic mining took place on the Stateline property, however, production figures are not known.

In 2010, Newmont collected 17 additional rock samples and returned the property to Pilot Gold after deciding not to continue with the joint venture earn-in. We spent one day on the property before Newmont returned it to us, and collected 11 rock samples.

In 2011, a more in-depth evaluation of the property will be conducted, consisting of geologic mapping, and rock and soil geochemical sampling programs. Based upon the results of that work, we will either decide to continue exploration on the Stateline property or offer it for a joint venture, or earn-in opportunity. An NOI to drill will be submitted to the BLM. In the three-months ended March 31, 2011 we had not incurred any expenditure on the property.

Viper– Elko County, Nevada

The Viper project is located in Elko County, Nevada, approximately 70 kilometres northeast of the hamlet of Montello, Nevada and consists of 163 wholly owned unpatented lode claims and 990 hectares (2,450 acres) of private mineral rights held 75% by Pilot Gold; 21.25% by the underlying Lessor; and 3.75% by an unrelated third party.

In 2010 we conducted ground surveys and geological mapping to follow up on encouraging gold rock and soil sample results received in 2009. Additional work involved the preparation for an initial drilling program and an NOI to drill the targets on BLM ground was approved.

We plan additional geologic mapping and interpretation for 2011, and intend to conduct a Phase 1 2,500 metre RC Drill Program in Q3-2011, designed to test high-grade gold and silver occurrences identified in 2009 and 2010 surface exploration programs. Costs in 2011 through March 31 were $5,982. Our 2011 budget for the Viper property is $605,000.

Yunt Dag – Turkey

The Yunt Dag gold property, a high sulphidation gold epithermal system, is located 35 kilometres southeast of the Ovacik Gold Deposit and 50 kilometres north of the City of Izmir in Western Turkey. The property was acquired and developed through grassroots work and has no prior history of exploration or mining. Agola Madencilik Limited Sirketi ("Agola"), our wholly-owned Turkish subsidiary, completed silt, soil, and rock sampling in early 2008 at Yunt Dag and subsequently optioned the property to Newmont Mining in 2009. The option agreement was terminated by Newmont prior to drilling.

The property is 100% owned by Pilot Gold and consists of three exploration stage licenses totalling 4,276 hectares acquired through the application process in December 2007. Management considers this property to be an excellent target for an earn-in arrangement for a company seeking to either expand its presence or move into Turkey. We have no plans to make any expenditure on the property in 2011.

Property options

Rae Wallace Option – Peru

In the third quarter of 2010, Fronteer paid $150,000 for a three-year option to earn a 51% interest in up to two properties that Rae Wallace currently owns or acquires within a 23,500-square-kilometre area in Peru (the "Rae Wallace Option"). The Rae Wallace Option was transferred to Pilot Gold as part of the Fronteer Arrangement. To earn a 51% interest in a property, Pilot Gold must spend the greater of $150,000, or three times Rae Wallace's expenditures on the property from the date of the agreement. In addition, should Rae Wallace wish to joint venture any other property in this area of interest, it must first offer Pilot Gold the joint-venture opportunity.

In the year ended December 31, 2010 and through the first quarter, we incurred total expenditures of $-nil and $7,700, respectively, analyzing the Rae Wallace properties.

Exploration properties subsequent to March 31, 2011

As discussed in this MD&A under "Subsequent Events", Pilot Gold completed the disposal of its 100% interest in its non-material Aktarma and Ispir projects on June 6, 2011. The Aktarma and Ispir projects are early stage exploration properties located in north-western Turkey. As at March 31, 2011, Pilot Gold had not incurred material expenditures beyond claim staking, and initial property analysis. Consideration for the sale of these properties was 4,500,000 shares of the acquirer, Global Resources Corporation Limited. We retain a 2% Net Smelter Return production royalty on all products mined at these properties. The disposition of these properties, which have been reported as 'Held for Sale', and resulted in a write-down of $68,566 in our condensed interim consolidated financial statements, will not have a material effect on our operations.

Changes in Accounting Policies

Change in reporting currency

Effective January 1, 2010, we changed our reporting currency to the United States dollar. The change in reporting currency was made to better reflect our business activities and to improve investors' ability to compare our financial results with other publicly traded businesses in the gold mining industry. Prior to January 1, 2010, Pilot Gold, and the Exploration Business reported their respective consolidated balance sheets and related consolidated statements of operations and cash flows in the Canadian dollar.

First-time adoption of International Financial Reporting Standards ("IFRS")

Pilot Gold previously prepared its consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants (the "CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS, and require publicly accountable enterprises to apply such standards effective for periods beginning on or after January 1, 2011. Accordingly, the accounting policies adopted in the preparation of our first unaudited condensed interim consolidated financial statements have been prepared on the basis of IFRS, which is mandatory for financial years beginning on or after January 1, 2011. The comparative balances at March 31, 2010, and the year ended December 31, 2010 have been restated accordingly. The transition from Canadian GAAP to IFRS had no significant impact on cash flows generated by Pilot Gold. On transition to IFRS, we determined the following impacts:

First time adoption

Under IFRS 1, there are four mandatory exemptions from full retrospective application of IFRS. Of these, the only applicable election relates to estimates. An entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. Our IFRS estimates as at January 1, 2010 are consistent with our previous estimates under GAAP for the same date.

There are also fifteen elective exemptions. We have not applied any elective transition exceptions and exemptions to full retrospective application of IFRS.

Determination of functional currency

Under IFRS, functional currency is determined on an entity-by-entity basis as the primary economic environment in which each entity operates. The hierarchy of factors explicitly described by IAS 21 *The Effects of Changes in Foreign Exchange Rates* in this determination has led to a change in the functional currency of our United States-based subsidiary to United States dollars due to a number of factors. The result is a number of foreign currency translation differences not present under Canadian GAAP. Management notes that these differences are in addition to any arising from our determination to change our presentation currency from the Canadian dollar to United States dollars.

The following tables reconcile the unaudited condensed consolidated statements of financial position and statements of loss and comprehensive income prepared in accordance with Canadian GAAP for Pilot Gold and the Exploration Properties Business ("EPB") and as previously reported[2] to those prepared and reported in our unaudited condensed interim consolidated financial statements in accordance with IFRS:

Condensed consolidated statements of financial position

	January 1, 2010		
	Cdn GAAP EPB[1]	**Adj** IAS 21	**IFRS**
Assets			
Current assets			
Cash and cash equivalents	218,526	-	218,526
Trade and other receivables	247,680	-	247,680
Total current assets	466,206	-	466,206
Non-current assets			
Exploration properties and deferred exploration expenditures	366,001	4,570	370,571
Property and equipment	740,678	(13,992)	726,686
Investment in associates	875,821	-	875,821
Total non-current assets	1,982,500	(9,422)	1,973,078
Total assets	2,448,706	(9,422)	2,439,284
Liabilities and Shareholder's Equity			
Current liabilities			
Trade and other payables	35,015	-	35,015
Total current liabilities	35,015	-	35,015
Non-current liabilities			
Deferred tax liabilities	2,556	1,197	3,753
Total non-current liabilities	2,556	1,197	3,753
Shareholder's equity			
Share capital			
Contributed surplus	4,340,689	-	4,340,689
Cumulative Translation account	119,379	67,001	186,380
Accumulated deficit	(2,048,933)	(77,620)	(2,126,553)
Total shareholder's equity attributable to owners of the Company	2,411,135	(10,619)	2,400,516
Total shareholder's equity and liabilities	2,448,706	(9,422)	2,439,284

[1] We determined the Company's presentation currency to be the United States dollar to better reflect Pilot Gold's business activities and to improve investors' ability to compare the Company's financial results with other publicly traded businesses in the gold mining industry

[2] As at January 1, 2010, and March 31, 2010, there are no balances presented related to Pilot Gold Inc., as the assets and activities accounted for in accordance with the continuity of interests' basis of accounting were not acquired by Fronteer, our former parent until April 23, 2010.

Condensed consolidated statements of financial position (continued)

	December 31, 2010			
	Cdn GAAP	Cdn GAAP	Adj	IFRS
	EPB[1]	Pilot	IAS 21	
Assets				
Current assets				
Cash and cash equivalents	86,966	-	-	86,966
Trade and other receivables	286,502	-	-	286,502
Assets held for sale	27,724	-	-	27,724
Total current assets	401,192	-	-	401,192
Non-current assets				
Exploration properties and deferred exploration expenditures	1,945,234	1,146,735	(38,199)	3,053,770
Property and equipment	962,500	-	(31,612)	930,888
Reclamation deposits	12,858	-	-	12,858
Other financial assets	419,133	-	-	419,133
Investment in associates	3,087,329	-	-	3,087,329
Total non-current assets	6,427,054	1,146,735	(69,811)	7,503,978
Total assets	6,828,246	1,146,735	(69,811)	7,905,170
Liabilities and Shareholder's Equity				
Current liabilities				
Trade and other payables	52,579	22,228	-	74,807
Total current liabilities	52,579	22,228	-	74,807
Non-current liabilities				
Deferred tax liabilities	2,656	-	(106)	2,550
Total non-current liabilities	2,656	-	(106)	2,550
Shareholder's equity				
Share capital	-	1,215,000	-	1,215,000
Contributed surplus	9,938,722	77,525	-	10,016,247
Cumulative Translation account	259,822	(2,041)	(18,690)	239,091
Accumulated other comprehensive income	(8,770)	-	-	(8,770)
Accumulated deficit	(3,416,763)	(165,977)	(51,015)	(3,633,755)
Total shareholder's equity attributable to owners of the Company	6,773,011	1,124,507	(69,705)	7,827,813
Total shareholder's equity and liabilities	6,828,246	1,146,735	(69,811)	7,905,170

Condensed consolidated statements of financial position (continued)

	March 31, 2010		
	Cdn GAAP	**Adj**	**IFRS**
	EPB[1]	IAS 21	
Assets			
Current assets			
Cash and cash equivalents	91,150	-	91,150
Trade and other receivables	254,580	-	254,580
Total current assets	345,730	-	345,730
Non-current assets			
Exploration properties and deferred exploration expenditures	490,907	(7,769)	483,138
Property and equipment	930,837	(23,723)	907,114
Investment in associates	1,100,633	-	1,100,633
Total non-current assets	2,522,377	(31,492)	2,490,885
Total assets	2,868,107	(31,492)	2,836,615
Liabilities and Shareholder's Equity			
Current liabilities			
Trade and other payables	17,604	-	17,604
Total current liabilities	17,604	-	17,604
Non-current liabilities			
Deferred tax liabilities	786	(134)	652
Total non-current liabilities	786	(134)	652
Shareholder's equity			
Share capital			
Contributed surplus	5,140,923	-	5,140,923
Cumulative Translation account	198,272	26,272	224,544
Accumulated deficit	(2,489,478)	(57,630)	(2,547,108)
Total shareholder's equity attributable to owners of the Company	2,849,717	(31,358)	2,818,359
Total shareholder's equity and liabilities	2,868,107	(31,492)	2,836,615

Condensed consolidated statements of loss and comprehensive income (loss)

The significant impacts of IFRS on the Company's consolidated statements of financial position at March 31, 2010 and December 31, 2010 include those described above and those described below in the reconciliation of the Company's condensed statements of loss and comprehensive loss:

	March 31, 2010		
	Cdn GAAP EPB[1]	**Adj** IAS 21	**IFRS**
Continuing operations			
Operating expenses			
Professional fees	30,555	-	30,555
Wages and benefits	96,365	-	96,365
Stock based compensation	137,504	-	137,504
Office and general	54,594	-	54,594
Investor relations, promotion and advertising	9,160	-	9,160
Amortization	83,891	(796)	83,095
Loss from operations	412,069	(796)	411,273
Other income (expenses)			
Finance income	100	-	100
Foreign exchange gains and (losses)	(13,554)	19,194	5,640
Loss from associates	(18,123)	-	(18,123)
	(31,577)	19,194	(12,383)
Loss before tax	(443,646)	19,990	(423,656)
Income tax recovery	3,101	-	3,101
Loss for the year	(440,545)	19,990	(420,555)
Other comprehensive income			
Exchange differences on translating foreign operations	78,893	(40,729)	38,164
Other comprehensive income for the period, net of tax	78,893	(40,729)	38,164
Total loss and comprehensive income for the period	(361,652)	(20,739)	(382,391)

Condensed consolidated statements of loss and comprehensive income (continued)

	December 31, 2010			
	Cdn GAAP	**Cdn GAAP**	**Adj**	**IFRS**
	EPB[1]	Pilot	IAS 21	
Continuing operations				
Operating expenses				
Professional fees	91,899	35,446	-	127,345
Wages and benefits	305,002	48,443	-	353,445
Stock based compensation	159,467	51,229	-	210,696
Office and general	181,685	20,178	-	201,863
Investor relations, promotion and advertising	32,601	10,681	-	43,282
Amortization	387,337	-	(3,714)	383,623
Loss from operations	1,157,991	165,977	(3,714)	1,320,254
Other income (expenses)				
Change in fair value of financial instruments	(72,097)	-	-	(72,097)
Foreign exchange gains and (losses)	(46,745)	-	22,890	(23,855)
Loss from associates	(92,199)	-	-	(92,199)
	(211,041)	-	22,890	(188,151)
Loss before tax	(1,369,032)	(165,977)	26,604	(1,508,405)
Income tax recovery	1,203	-	-	1,203
Loss for the year	(1,367,829)	(165,977)	26,604	(1,507,202)
Other comprehensive income (loss)				
Exchange differences on translating foreign operations	140,443	(2,041)	(85,691)	52,711
Net value loss on financial assets	(8,517)	-	(253)	(8,770)
Other comprehensive income (loss) for the period, net of tax	131,926	(2,041)	(85,944)	43,941
Total loss and comprehensive loss for the period	(1,235,903)	(168,018)	(59,340)	(1,463,261)

Explanatory notes:

a) IAS 21 Adjustment

Under IFRS, functional currency is determined on an entity-by-entity basis as the primary economic environment in which each entity operates. The hierarchy of factors explicitly described by IAS 21 *The Effects of Changes in Foreign Exchange Rates* in this determination has led to a change in the functional currency of the United States and Turkey-based subsidiaries to United States dollars due to a number of factors. The result is a number of foreign currency translation differences not present under Canadian GAAP.

Selected Period Information

The Fronteer Arrangement has been determined to be a common control transaction, and has been accounted for using the continuity of interest method of accounting. There is currently no guidance in IFRS on the accounting treatment for combinations among entities under common control. IAS 8 – *Accounting policies, changes in accounting estimates and errors* requires management, if there is no specifically applicable standard of interpretation, to develop a policy that is relevant to the decision making needs of user and that is reliable. We have determined to apply the concept of continuity of interest basis of accounting for transactions under common control as detailed under United States generally accepted accounting principles ("US GAAP"). US GAAP requires an acquirer in a combination between entities or businesses under common control to recognize the assets acquired and liabilities assumed in the transaction at their carrying amounts in the accounts of the transferring entity at the date of the transfer.

In accordance with the continuity of interest basis of accounting, our unaudited condensed interim consolidated financial statements reflect the assets, liabilities, operations and cash flows of Pilot Gold and those of the Exploration Business as if Pilot Gold, and the Exploration Business had always been the combined entity through to March 30, 2011. Accordingly, the select period information and summary of financial results in this MD&A and our condensed interim consolidated financial statements should be read in conjunction with the consolidated annual financial statements of Pilot Gold, and of the Exploration Business, respectively.

Summary of Financial Results

This is the first MD&A report since becoming a reporting issuer as a result of the Fronteer Arrangement, and we have not previously prepared interim financial statements. As a result, information for each of the eight most recently completed quarters is not available.

The following tables set forth selected financial information[3] with respect to Pilot Gold, which information has been derived from and should be read in conjunction with the condensed interim consolidated financial statements of Pilot Gold as at, and for the three-month period ended March 31, 2011.

Condensed statements of loss and comprehensive income	Three months ended March 31,	
	2011	2010
Continuing operations	$	$
Loss from continuing operations before tax	(414,074)	(420,555)
Other comprehensive income		
Exchange differences on translating foreign operations	20,082	38,164
Net value gain on financial assets	180,000	-
Loss per share from continuing operations		
Basic and diluted	$ (0.01)	$ (0.01)

[3] Comparative information related to the three months ended March 31, 2011 and 2010, and the year ended December 31, 2010 presented here, and elsewhere in this MD&A reflect the allocated costs of Fronteer in accordance with the continuity of interests' basis of accounting, further to the spin-out of Pilot Gold from Fronteer. The allocation of general and administrative expenses and mineral property expenditures was calculated on the basis of the ratio of costs incurred on the mineral properties of the Exploration Business and Pilot Gold in each period presented as compared to the costs incurred on all mineral properties of Fronteer, as if Pilot Gold had been an independent operator of these projects during the period reported. The allocation of stock-based compensation was calculated on a specific project basis for those employees and consultants assigned specifically to those projects and for all others based on the ratio of costs incurred on the exploration properties acquired in each period presented as compared to the costs incurred on all mineral properties of Fronteer in each of the periods.

Management cautions readers of this MD&A, that the allocation of expenses does not necessarily reflect future general and administrative expenses.

As our exploration and administrative activities increase, our costs and net loss can be expected to continue to rise. Pilot Gold has generated no revenue to date. At December 31, 2010, our loss from continuing operations before tax was $1,507,202. In determining other comprehensive loss, we recorded exchange differences on translating foreign operations of $52,711 and $8,770 in a net value loss on financial assets at December 31, 2010.

Condensed statements of financial position	As at March 31, 2011	As at December 31, 2010	As at January 1, 2010
	$	$	$
Total assets	18,734,582	7,905,170	2,439,284
Total current liabilities	30,410	74,807	35,015
Total non-current liabilities	1,742	2,550	3,753

Management cautions readers of the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2011, that because the balances presented are based on the amounts recorded by Fronteer as if we had been an independent operator through March 30, 2011, the allocation of expenses in the statements of loss for the current and comparative periods does not necessarily reflect the nature and level of our future operating expenses.

Results of Operations - Discussion

For the three-month period ended March 31, 2011, we reported a net loss of $414,074 compared to a net loss of $420,555 for the three-month period ended March 31, 2010. We reported comprehensive losses of $213,992 and $382,391 for the three-month periods ended March 31, 2011 and 2010 respectively. The discussion below reflects the allocation of costs from Fronteer pursuant to the application of continuity of interest accounting. Variances across comparative periods are due largely to variances in the pro rata amount allocated.

Wages and benefits

In the three months ended March 31, 2011, Pilot Gold recorded $145,207 (March 31, 2010: $93,365) of allocated wages and benefits expenses. The increase is due to increased wages and benefits and particularly to a larger bonus paid out in 2011 than in 2010.

Amortization

Amortization expense of $103,044 for the three months ended March 31, 2011 increased from $83,095 in the comparative period due to the acquisition by Fronteer of equipment attributed to, and acquired by Pilot Gold in 2011.

Professional fees

Professional fees expensed in the three months ended March 31, 2011 of $56,439 (March 31, 2010: $30,555) include legal, accounting and audit costs attributed to Pilot Gold. The increase in professional fees relates to advisory services provided to Pilot Gold in connection with the Fronteer Arrangement. Professional fees relating directly to the closing of the Fronteer Arrangement, and the acquisition of Fronteer by Newmont were excluded from the allocation.

Stock-based compensation

The allocated stock-based compensation expense of $20,371 for the three months ended March 31, 2011 is lower than the allocated expense for the three months ended March 31, 2010 of $137,504 due to Fronteer having granted options in the first quarter of 2010, where no similar grant was made in the first quarter of 2011. In determining the fair market value of stock-based compensation granted to employees and non-employees, management made significant assumptions and estimates. These estimates have an effect on the stock-based compensation expense recognized and the contributed surplus balance on our balance sheet. Management has made estimates of the life of stock options, the expected volatility and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the options and analyzing share price history to determine volatility.

Loss on assets held for sale

Pilot Gold recorded a loss on assets held for sale of $69,353 in connection with the disposal, subsequent to March 31, 2011 of the Aktarma and Ispir mineral properties to GRCL. The amount recorded reflects their net realizable value.

Change in fair value of financial instruments

Our financial instruments comprise 1,000,000 share purchase warrants of Rae Wallace. The change in fair value reflects an increase to the calculated fair value of these warrants at March 31, 2011 as compared to December 31, 2010. The value of the warrants is determined using the Black-Scholes option-pricing model. In estimating the value of the warrants, we made assumptions about the volatility of underlying share prices of its investment in shares and warrants of Rae Wallace and the expected life of the warrants. These estimates affect the warrants value recognized and the underlying gain or loss recorded as mark-to-market adjustments. The estimates are chosen after analyzing the share price history and managements intentions about holding the investment. Since Rae Wallace is currently not traded on a formal stock exchange, the estimate of the fair value of this investment has been determined by looking at comparable corporations who are listed on a recognized exchange.

Other comprehensive income

The balance of other comprehensive income for the three months ended March 31, 2011 includes $20,082 in exchange differences arising on the translation of our foreign operations (three months ended March 31, 2010: $38,164), and a net value gain on financial assets of $180,000 during the three months ended March 31, 2011 relating to the revaluation of the 2,000,000 Rae Wallace common shares held (three months ended March 31, 2010: $-nil).

The exchange differences arising on the translation of our foreign operations reflects changes in the exchange rate between the United States dollar, our reporting currency, and the Canadian dollar from one period to the next.

The gain on financial assets is due to the increase in value of our holdings in the common shares of Rae Wallace.

Review of changes to the statement of financial position - Discussion

Current Assets

Current assets increased significantly to $10,354,906 as at March 31, 2011 (December 31, 2010: $401,192; and January 1, 2010: $466,206) owing mainly to the $9.82 million in cash due in connection with the closing of the Fronteer Arrangement. The remaining balance in each period reflects amounts relatively unchanged for Value-Added Tax receivable in Turkey, and cash and cash equivalents. As at March 31, 2011, Pilot Gold had classified $177,105 related to the Aktarma and Ispir properties as current further to their classification as held-for-sale.

Non-current assets

The comparative composition of the balance of non-current assets is as follows:

	As at March 31, 2011	As at December 31, 2010	As at January 1, 2010
Exploration properties & deferred exploration expenditures	3,067,449	3,053,770	370,571
Property and equipment	872,376	930,888	726,686
Reclamation deposits	12,858	12,858	-
Other financial assets	643,937	419,133	-
Investment in associates	3,783,056	3,087,329	875,821

The balance of deferred exploration expenditures reflects the costs incurred on those properties transferred to Pilot Gold at December 31, 2010 pursuant to the First Nevada Eagle Purchase Agreement (as defined in our AIF), and those transferred to Pilot Gold pursuant to the Fronteer Agreement. The balance did not change significantly as we decreased the level of activity on our portfolio of properties while our focus through the quarter ended March 31, 2011 was to complete the spin-out, and subsequent listing of Pilot Gold's common shares on the TSX.

The balance of other financial assets increased by $224,804 as at March 31, 2011, as compared to December 31, 2010, as a result of a change to the value of the underlying common shares and share purchase warrants held in Rae Wallace. There were no other financial assets at January 1, 2010, as the Rae Wallace shares and share purchase warrants were acquired in September 2010.

The investment in Pilot Gold's two 40%-owned associates in Turkey increased further to funding our cash call commitments as TMST, our partner on and operator of the Halilağa Project and the TV Tower Project continued to execute the budgeted exploration programs.

Liabilities

Current liabilities comprise trade and other payables that relate to expenditures incurred by Fronteer, and allocated to Pilot Gold for each period. The balance of $30,410 at March 31, 2011 reflects entirely the trade payables of our wholly-owned subsidiary in Turkey, while the balance of $74,807 at December 31, 2010 also comprises certain legal fees directly attributable to Pilot Gold, and an accrual for certain bonuses payable to former employees of Fronteer that transferred to Pilot Gold. The balance at January 1, 2010 similarly comprises payables of our wholly-owned subsidiary in Turkey, and was consistent across all three periods.

Subsequent Events

In addition to those transactions detailed in this MD&A and the condensed interim consolidated financial statements related to the closing of the Fronteer Arrangement, we concluded the following, subsequent to March 31, 2011:

- On April 11, 2011, trading of the Common Shares of Pilot Gold on the TSX commenced under the symbol, "PLG".

- On April 13, 2011, Pilot Gold granted 3,787,500 stock options to certain of its employees and directors at an exercise price of C$3.45 per option, expiring April 12, 2021.

- On May 16, 2011, and amended May 26, 2011, we signed an agreement with GRCL, a company traded publicly on the Australian Stock Exchange (symbol: GRM), whereby we would dispose of our interests in two exploration stage properties known as, Aktarma and Ispir in exchange for 4,500,000 common shares in GRCL. Under the related royalty agreements, each signed June 3, 2011, we retain a 2% Net Smelter Return production royalty on all products mined at Aktarma and Ispir. The fair market value of the shares received at June 6, 2011, the date the transaction closed was 171,000 Australian dollars ($183,600). We recorded a write-down of $68,566 to adjust the carrying value of these properties to their recoverable value.

- On May 24, 2011, we announced that we had entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 8,333,334 common shares of Pilot Gold (the "Offered Shares") at a price of C$3.00 per Offered Share (the "Issue Price") for aggregate gross proceeds of C$25,000,002 (the "Offering"). Pilot Gold has also granted the Underwriters an option to acquire up to an additional 1,250,000 Common Shares exercisable at the Issue Price at any time until 30 days following the closing of the Offering to cover over-allotments, if any, for total gross proceeds up to C$28,750,002. Pilot Gold filed a preliminary prospectus related to the Offering on May 31, 2011, and a final prospectus on June 8, 2011. The Offering is expected to close on or about June 14, 2011.

Liquidity and Capital Resources

Pilot Gold manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. Under the Fronteer Arrangement, Pilot Gold was capitalized with approximately $9.82 million in cash and a portfolio of properties and assets. We have no long-term debt and have 50,701,952 common shares issued and outstanding at the date of this MD&A. Prior to the closing of the Fronteer Arrangement, operations were funded by our sole shareholder, Fronteer. Pilot Gold does not generate any cash flows from operations and has no income other than investment income.

On an ongoing basis, management evaluates and adjusts its planned level of activities to ensure that adequate levels of working capital are maintained, and believes that this approach, given the relative size of Pilot Gold, is reasonable. Management believe that the funds available to it remain sufficient for current operations and will enable Pilot Gold to execute its planned exploration and development program on its three material properties for at least one year assuming no other factors change.

The properties in which we currently have an interest are in the exploration and development stage; accordingly we are dependent on external financing to fund our activities. In order to carry out planned exploration, development, permitting activities, and pay for administrative costs, we will spend our existing working capital and raise additional amounts as needed. There is no assurance that we will be able to raise necessary funds through capital raisings in the future. We will continue to assess new properties and seek to acquire an interest in additional properties if we feel there is sufficient geologic or economic potential, and if we have adequate financial resources to do so. Circumstances that could impair our ability to raise additional funds, or our ability to undertake transactions are discussed in this MD&A under the heading "*Industry and Economic Factors the May Affect our Business*" and in our amended AIF for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), under the heading "*Risk Factors*".

Pilot Gold had no commitments for material capital expenditures as of March 31, 2011. We have certain contractual obligations related to office leases, which are disclosed in this MD&A under "Contractual Obligations". We also have obligations in connection with certain of our mineral property interests that require cash payments to be made to the government or underlying land or mineral interest owner, in order to maintain our rights to such interests. Most of these are not firm commitments, with such obligations being eliminated should we choose to no longer invest funds exploring the property.

We have not issued any dividends and management does not expect this will change in the near future.

Industry and Economic Factors the May Affect our Business

In addition to the factors discussed in our amended AIF for the year ended December 31, 2010, under the heading "*Risk Factors*", we note the following:

Metal Prices and Market Sentiment

The market price of metals and minerals is volatile and cannot be controlled. Metal prices have fluctuated widely, particularly in recent years. If the price of metals and minerals should drop significantly, as occurred in late 2008, the economic prospects for any of our properties could be significantly reduced. There is no assurance that, even if commercial quantities of ore are delineated, a profitable market may exist for the sale of products, including concentrates from that ore.

Factors beyond our control may affect the marketability of any minerals discovered or concentrates produced. The marketability of minerals is affected by numerous other factors beyond our control, including quality issues, impurities, government regulations, royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Factors tending to affect the price of metals include:

- *The relative strength of the U.S. dollar against other currencies;*
- *Government monetary and fiscal policies;*
- *Expectations of the future rate of global monetary inflation and interest rates;*
- *General economic conditions and the perception of risk in capital markets;*
- *Political conditions including the threat of terrorism or war;*
- *Speculative trading;*
- *Investment and industrial demand; and*
- *Global production and inventory stocks.*

The effects of these factors, individually or in aggregate, on the prices of gold, copper and/or silver is impossible to predict with accuracy. Fluctuations in metal prices may adversely affect the Company's financial performance and results of operations. Further, if the market price of gold, copper and/or silver falls or remains depressed, Pilot Gold may experience losses or asset write-downs and may curtail or suspend some or all of its exploration, or development.

Furthermore, sustained low metal prices can halt or delay the development of new projects; reduce funds available for mineral exploration and may result in the recording of a write-down of mining interests due to the determination that future cash flows would not be expected to recover the carrying value.

Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of such commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major mineral and metal producing countries throughout the world.

Securities of junior and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and global and market perceptions of the attractiveness of particular industries. The Company's share price is likely to be significantly affected by short-term changes in metal prices. Other factors unrelated to the Company's performance that may have an effect on the price of its shares include the following: the extent of analytical coverage available to investors concerning Pilot Gold's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Company's shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Pilot Gold may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The development and exploration of any of Pilot Gold's properties will continue to require additional financing. Failure to obtain sufficient financing will result in delaying or indefinite postponement of exploration and development or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be favourable to the Company.

Health, Safety and Environment

We place a great emphasis on providing a safe and secure working environment for all of our employees and protecting the environment. There were no lost time accidents or significant environmental incidents at any of our operations through the three-months ended March 31, 2011.

Pilot Gold is subject to federal, provincial, territorial and state, and local environmental laws and regulations. We have put in place ongoing pollution control and monitoring programs at our properties, and posted surety bonds as required for compliance with provincial, state and local closure, reclamation and environmental obligations. There is currently no estimate for future reclamation and property closure costs for our projects, due to their early stage. Our policy is to record the fair value of reclamation and property closure costs, as determined by an independent consultant, in the period in which they are incurred. A corresponding amount will be added to the carrying amount of the associated asset and depreciated over the asset's life. Ongoing reclamation activities associated with exploration stage properties are capitalized to exploration in the period incurred.

The significant remaining environmental risks associated with our exploration projects relate to handling of fuel and fuel storage systems. These risks are mitigated through the use of various spill protection equipment such as berms and bladders. We have also developed emergency plans in the event a significant spill does occur. Many of our projects are subject to periodic monitoring by government agencies with respect to our environmental protection plans and practices which in many circumstances must be detailed when applying for exploration permits.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when Pilot Gold becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Pilot Gold has transferred substantially all risks and rewards of ownership.

Our accounting policy for each category of financial instrument is summarized below:

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, Pilot Gold classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. The only instruments held by Pilot Gold classified in this category are cash and cash equivalents, and share purchase warrants.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of income (loss). Gains and losses arising from changes in fair value are presented in the statement of income (loss) within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Pilot Gold has classified certain of its long-term investments in this category.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of income (loss) as part of interest income. Dividends on available-for-sale equity instruments are recognized in the statement of income (loss) as part of other gains and losses when Pilot Gold's right to receive payment is established. When an available-for-sale investment is sold or permanently impaired, the accumulated gains or losses are moved from accumulated other comprehensive income (loss) to the statement of income (loss) and included in other gains and losses.

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Pilot Gold's loans and receivables are comprised of 'trade and other receivables', and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(iv) Held to maturity: Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Pilot Gold's management has the positive intention and ability to hold to maturity. They are measured at amortized cost less any allowance for impairment. Amortization of premiums or discounts and losses due to impairment are included in current period income (loss). Pilot Gold holds no instruments in this category.

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables and accrued liabilities. Trade payables are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Risks associated with Financial Instruments

We are exposed in varying degrees to a variety of financial instrument related risks. Our board of directors provide oversight of our risk management processes. 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. Pilot Gold's credit risk is primarily attributable to its liquid financial assets. We limit exposure to credit risk and liquid financial assets through maintaining our cash and cash equivalents, with Canadian Chartered Banks and our reclamation deposits with A+ or higher rated United States 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. We manage our capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and our holdings of cash and cash equivalents. We may from time to time have to issue additional shares to ensure there is sufficient capital to meet our long term objectives. Our financial liabilities of trade payables and accrued liabilities are payable within a 90 day period and are expected to be funded from the cash receivable in connection with the closing of the Fronteer Arrangement.

Market Risk

The significant market risk to which we are exposed is foreign exchange risk.

Foreign Exchange Risk

The results of our operations are exposed to currency fluctuations. To date, we have raised funds entirely in Canadian dollars. The majority of our mineral property expenditures, including the cash calls from our 60% partner on the Halilağa Project and the TV Tower Project, are incurred in United States dollars. The fluctuation of the CAD in relation to the United States dollar will have an impact on Pilot Gold's financial results.

Further, although only a portion of our expenditures, primarily general and administrative costs are incurred in Canadian dollars, we record our assets located in Vancouver in Canadian dollars. As the operating results and financial position of Pilot Gold are reported in United States dollars in our consolidated financial statements, there may also be an impact to the value of Pilot Gold's assets, liabilities and shareholders' equity as a result of the fluctuation of the CAD in relation to the United States dollar. We have not entered into any derivative contracts to manage foreign exchange risk at this time.

Fair Value Estimation

The carrying value of Pilot Gold's financial assets and liabilities approximates their estimated fair value.

Contractual Obligations

Operating Leases

Pilot Gold Inc has entered into operating leases for premises and office equipment in Canada, the United States and Turkey. Total minimum operating lease commitments and minimum rental commitments for future years are as follows:

Year	Amount ($)
2011	319,998
2012	356,543
2013	294,206
2014	288,494
2015	295,192
2016+	968,027
	2,522,460

Indemnification

The Arrangement Agreement provides that Pilot Gold is required to 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).

Internal Controls Over Financial Reporting

Management is responsible for certifying the design of Pilot Gold’s internal control over financial reporting (“ICFR”) as required by National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings (*“National Instrument 52-109”). ICFR is intended to provide reasonable assurance regarding the preparation and presentation of financial statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the design of Pilot Gold’s ICFR as of March 31, 2011, pursuant to the requirements of National Instrument 52-109. Management has designed appropriate ICFR for the nature and size of Pilot Gold’s business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework that management has adopted to design certain functions is the COSO Framework published by The Committee of Sponsoring Organizations of the Treadway Commission.

Management has determined that the Company’s internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in Pilot Gold’s internal controls over financial reporting that occurred during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting

Disclosure Controls and Procedures

Disclosure controls and processes have been designed to ensure that information required to be disclosed by Pilot Gold is compiled and reported to management as appropriate to allow timely decisions regarding required disclosure. Pilot Gold’s Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of March 31, 2011, that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Pilot Gold is made known to them by employees and third party consultants working for Pilot Gold and its subsidiaries. Other than any arising as a result of the transition to IFRS, there have been no significant changes in our disclosure controls and procedures during the period ended March 31, 2011.

It should be noted that while Pilot Gold's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and processes will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and processes will prevent all errors and frauds. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

Related Party Transactions

All transaction described in this MD&A between Pilot Gold and Fronteer, and between the Pilot Gold and Newmont are considered to be of a related party nature, and have been discussed throughout this MD&A. As there were no key management personnel at March 31, 2011, and as we had yet to provide remuneration to directors for their services as directors through March 31, 2011, there are no additional related party transactions to note.

Proposed Transactions

There are no proposed asset or business acquisitions or dispositions, other than those discussed in this MD&A and those in the ordinary course, before the board of directors for consideration. While we remain focused on our plans to continue exploration and development on our three material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

Off Balance Sheet Arrangements

Pilot Gold has no off balance sheet arrangements.

New Accounting Pronouncements

Pilot Gold has not applied the following new and revised IFRS that have been issued but are not yet effective, at the date of this MD&A:

(i) Accounting standards effective January 1, 2012

Financial instruments disclosure

In October 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures* The amendments are effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. Pilot Gold does not anticipate this amendment to have a significant impact on its consolidated financial statements.

Income taxes

In December 2010, the IASB issued an amendment to IAS 12 – *Income Taxes.* This amendment is effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. Pilot Gold does not anticipate this amendment to have a significant impact on its consolidated financial statements.

(ii) Accounting standards anticipated effective January 1, 2013

Financial instruments

The IASB intends to replace IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") in its entirety with IFRS 9 – *Financial Instruments* ("IFRS 9") in three main phases. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. In November 2009 and October 2010, phase 1 of IFRS 9 was issued and amended, respectively, which addressed the classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. The IASB has issued exposure drafts addressing impairment of financial instruments, hedge accounting and the offsetting of financial assets and liabilities, with comments due in March and April of 2011. Pilot Gold is currently evaluating the impact IFRS 9 expected to have on its consolidated financial statements.

Significant Accounting Policies

Pilot Gold's significant accounting policies are presented in Note 4 of the unaudited condensed interim consolidated statements for the three months ended March 31, 2011.

Legal Matters

Pilot Gold is not currently, and has not at any time during our most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions.

Outstanding Share Data

As at the date hereof, the following is a description of the outstanding equity securities previously issued by Pilot Gold:

Date	Type of Security	Price per Security	Number of Securities
November 18, 2010(1)	Common Shares	$1.00	1
December 30, 2010(2)	Common Shares	N/A	10,000,000
April 4, 2011(3)	Common Shares	N/A	100
April 4, 2011(4)(5)	Common Shares	N/A	192,807,707

Notes:

(1) One Common Share was issued to Fronteer on November 18, 2010 on incorporation of Pilot Gold.

(2) Pursuant to the First Nevada Eagle Purchase Agreement (as defined in the AIF), Pilot Gold acquired assets from Fronteer for a purchase price of $1,215,000, which purchase price was satisfied by the issuance of 10,000,000 Common Shares to Fronteer.

(3) 100 Common Shares were issued to Fronteer in connection with the capitalization of certain debt in the amount of $39,500 and US$170,377.35 prior to the completion of the Fronteer Arrangement.

(4) Pursuant to the Arrangement Agreement, Pilot Gold acquired certain assets from Fronteer for a purchase price of $62,197,668 and US$2,674,575, which purchase price was satisfied by the issuance of 192,807,707 Common Shares and the assumption of certain liabilities by Pilot Gold.

(5) On April 6, 2011, Pilot Gold consolidated its share capital on a one-for-four basis. The then issued and outstanding 202,807,808 Common Shares were reduced to 50,701,952 Common Shares, of which 10,089,688 Common Shares continued to be held by Fronteer, and indirectly by Newmont following its acquisition of Fronteer, and 40,612,264 Common Shares were distributed to former securityholders of Fronteer in connection with the Fronteer Arrangement.

Adoption of Stock Option Plan

Pilot Gold has established a stock option plan (the '2011 Plan") for directors, senior officers, employees, and consultants of Pilot Gold and its subsidiaries. Under the terms of the 2011 Plan, options granted are exercisable over periods of up to ten years, and the exercise price of each option shall not be less than the closing market price of Pilot Gold's stock on the trading day immediately before the date of grant. Any consideration paid by the optionee on the exercise of options is credited to share capital.

The number of shares which may be issued pursuant to options previously granted and those granted under the 2011 Plan will be a maximum of 10% of the issued and outstanding shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis.

We did not grant any stock options granted during the three months ended March 31, 2011, or 2010. On April 13, 2011, we granted 3,787,500 stock options to our employees and directors to purchase Common Shares which vest over a period of in thirds at the end of each year, are exercisable at C$3.45 per option, and expire April 12, 2021.

Critical Accounting Estimates

The preparation of Pilot Gold's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Management must also make judgments or assessments as to how the financial assets and liabilities are categorized.

Estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. In particular, information about significant areas of estimation uncertainty considered by management in preparing our condensed interim consolidated financial statements is described below:

- the estimated useful lives and residual value of plant and equipment;
- the inputs used in the Black-Scholes valuation model (volatility, interest rate, expected life) in accounting for the value of the Rae Wallace share-purchase warrants;
- the determination that there were no material restoration, rehabilitation and environmental exposure exists based on the facts and circumstances;
- the economic recoverability and probability of future economic benefits of exploration, evaluation and development costs;
- certain contingencies including various legal and tax matters which may be outstanding from time to time; and
- the allocation of expenses from Fronteer in connection with our policy to record the costs of Pilot Gold, and the Exploration Business in accordance with the continuity of interest basis of accounting

Factors that could affect these estimates are discussed in our amended AIF for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), under the heading "*Risk Factors*".

Outlook

Through the remainder of 2011, Pilot Gold plans to continue its exploration and drilling programs on its three material properties.

Regent Project (100% owned)

We plan to aggressively explore the Regent Project, with the dual focus of exploring the high grade vein hosted potential and defining a near surface disseminated gold and silver deposit. Exploration expenditures of $1,927,000 are planned for Phase 1 programme in 2011. Depending upon results from Phase 1, Pilot Gold plans to commence a Phase 2 program in 2012 at a cost of approximately $3,300,000 (of which $721,000 is expected to be incurred in 2012).

The Phase 1 program, already underway as of April 21, 2011, will consist of geologic and alteration mapping, ground geophysical surveys, 2,000 metres of reverse circulation drilling, 3,000 metres of diamond core drilling and initial metallurgical work. Phase 2 would increase reverse circulation and diamond core drilling by an additional 6,000 metres each.

Halilağa Project (40% owned)

In conjunction with our 60% joint venture partner and project operator, TMST, Pilot Gold plans to continue to advance and explore the Halilağa Project through 10,000 metres of diamond drilling, focused both on the central Kestane Zone, and testing exploration targets peripheral to Kestane. At Kestane, drilling is focused on expanding the foot print of porphyry copper-gold mineralization, currently 1,200 metres x 750 metres, both along strike and at depth. Close spaced drilling is being conducted within the current foot print to augment geologic continuity of the mineralized system. Pilot Gold's share of 2011 exploration expenditures on the Halilağa Project total approximately$2.06 million.

TV Tower Project (40% owned)

In conjunction with our 60% joint venture partner and project operator, TMST, Pilot Gold plans to continue to build on the successful Phase 1 drill program completed at the TV Tower Project in January 2011, through completing a 15,000 metre Phase 2 drill program. In 2010, gold mineralized high sulphidation epithermal systems were identified in drilling at both of the Kayali and Kücükdag targets, with elevated gold grades intercepted over long widths. Phase 2 drilling started at the TV Tower Project in early April, with three diamond drill rigs operating on site. Drilling will focus on expanding the Kayali and Kücükdag targets, with additional high priority exploration targets being tested over the course of the program. Pilot Gold's 40% share of 2011 expenditures at the TV Tower Project is forecast to be approximately $1.57 million.

In addition to the Regent Project, the Halilağa Project and the TV Tower Project, Pilot Gold plans to advance exploration activity on certain of its portfolio of properties. Specifically, the Brik, Viper and New Boston properties in Nevada have all been permitted for drilling and we anticipate that Phase 1 exploration drilling activities will be carried out on these projects in Q2-Q4 2011. As discussed elsewhere in this MD&A, exploration activities at each of these projects will consist of geologic mapping, drill target definition and first pass drill programs designed to test high priority target identified by Pilot Gold.

The Offering announced on May 24, 2011 and expected to close on June 14, 2011 will provide us with the ability to execute on our stated exploration program, with the flexibility to pursue opportunities as they present themselves.

Approval

The board of directors of Pilot Gold has approved the disclosure contained in this interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it of us, and will be posted to our website atwww.pilotgold.com.

Additional Information

For further information regarding Pilot Gold, refer to Pilot Gold's filings with the Canadian securities regulatory authorities available under Pilot Gold's company profile on SEDAR at www.sedar.com

Cautionary Notes Regarding Forward-Looking Statements

This MD&A contains "forward-looking information" and "forward-looking statements" which include, but are not limited to, statements or information concerning the future financial or operating performance of Pilot Gold and its business, operations, properties and condition, the future price of copper, gold and other metal prices, the estimation of mineral resources or potential expansion of mineralization, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of Pilot Gold, the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital, government regulation of mining operations, environmental risks and reclamation expenses, title disputes and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage and the timing and possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Pilot Gold to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward- looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information are based upon a number of estimates and assumptions of management at the date the statements are made, and are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. 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 factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of Canadian and United States dollars relative to each other; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of copper, gold and other metal prices; changes in the worldwide price of other commodities such as coal, fuel, electricity and fluctuations in resource prices, currency exchange rates and interest rates; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave- ins, pit-wall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities; changes in government legislation and regulation; changes in ownership interest in any project; increased infrastructure and/or operating costs; Pilot Gold's ability to renew existing licenses and permits or obtain required licenses and permits; changes or disruptions in market conditions; variations in ore grade or recovery rates; risks relating to international operations and joint ventures; changes in project parameters; disruptions or changes in the credit or securities markets and market fluctuations in prices for Pilot Gold's securities; inflationary or deflationary pressures; the need to obtain and maintain licenses and permits and comply with laws and regulations or other regulatory requirements; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; contests over title to properties; operating or technical difficulties in connection with mining or development activities; employee relations and shortages of skilled personnel and contractors; the risks involved in the exploration, development and mining business generally; and the factors discussed in our amended AIF for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), under the heading "*Risk Factors*".

Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking statements or forward- looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise , except as required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

National Instrument 43-101 Compliance

Unless otherwise indicated, Pilot Gold has prepared the technical information in this MD&A ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under Pilot Gold's company profile on SEDAR at www.sedar.com.

Our Disclosure Documents were prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Ian Cunningham-Dunlop, Professional Engineer, Chief Operating Officer and Vice President Exploration of Pilot Gold, a Qualified Person for the purposes of NI 43-101 is responsible for preparing and supervising the preparation of the scientific or technical information contained in this MD&A and verifying the technical data disclosed in this document relating to our projects. Mr. Cunningham-Dunlop has consented to the inclusion of this information in the form and context in which it appears in this MD&A.

The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.