PILOT GOLD INC.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and nine months ended Sept 30, 2011

1650-1055 West Hastings Street
Vancouver, BC V6E 2E9

604.632.4677
www.pilotgold.com

Pilot Gold Inc.
Management Discussion and Analysis
Three and Nine Months Ended Sept 30, 2011

This Management's Discussion and Analysis ("MD&A"), dated as of November 9, 2011, is in respect of our third interim reporting period since becoming a reporting issuer, and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2011 of Pilot Gold Inc. (in this MD&A also referred to as "Pilot Gold" or, "the Company", 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 years ended December 31, 2010 and 2009 and the related notes thereto (collectively the "Exploration Business Financial Statements") as 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 Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), and use accounting policies consistent with IFRS. Readers of this MD&A should also refer to *Change in Accounting Policies- First-time Adoption of International Financial Reporting Standards ("IFRS")* below, for a discussion of IFRS and its effect on our financial presentation.

Our reporting currency is the United States dollar ("US$"). All dollar figures in this MD&A are expressed in US$ unless otherwise stated. As at September 30, 2011, the value of C$1.00 was US$0.963[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", those in Pilot Gold's Amended Annual Information Form ("AIF") for the year ended December 31, 2010 dated May 12, 2011 (Amended June 7, 2011), under the heading "Risk Factors", and those in our Final Short Form Prospectus, dated June 8, 2011, qualifing the distribution of 8,333,334 Common Shares of Pilot Gold also under the heading "*Risk Factors*" each of which can be found on Pilot Gold's SEDAR profile at www.sedar.com.

Highlights

- Completed 52,000 metres of drilling, representing 87% of our 60,000 metre 2011 exploration budget.
- Continued advancing, in partnership with Teck Madencilik Sanayi Ticaret A.S. ("TMST"), the Halilağa copper-gold porphyry property (the "Halilağa Project"), and the TV Tower gold-silver-copper property (the "TV Tower Project"), both of which are located in northwest Turkey's Biga District.

  At the TV Tower Project, there were 5 core drills operating through the three-months ended September 30, 2011 as part of an ongoing 15,000 metre drill program.

  At the Halilağa Project, drilling with up to 5 core drills continued to return long intervals of copper-gold porphyry mineralization as part of a 10,000 metre drill program. Work is underway on a project-first resource estimate at Halilağa, with completion expected prior to year end.
- Drilled two new gold discoveries at our 100%-owned Viper and Brik projects, both located in highly prospective, "off-trend" regions of Nevada.
- Purchased an option agreement on Kinsley Mountain, a sediment-hosted gold property located 75 kilometres southeast of Long Canyon where Pilot Gold's geologic team, as part of Fronteer Gold Inc. ("Fronteer"), defined a significant gold resource in what is now recognized as an new gold district.
- Received net proceeds of C$23.6 million ($24.4 million) on June 14, 2011 with the closing of a C$25 million bought-deal financing announced May 24, 2011 (the "Bought-Deal").
- Following their earn-in to 60% at the Gold Springs 2 property ("Gold Springs"), elected to participate at a 40%-interest in Gold Springs LLC, a newly established company with partner and project operator High Desert Gold Corporation ("High Desert", or "HDG").
- At Regent, recent drilling confirmed both lateral and down-dip continuity of gold mineralization at historic targets, and identified gold and silver mineralization in new targets to the northeast.

[1] Nominal noon rate as per the Bank of Canada. Canadian dollars herein expressed as "C$".

Despite a backdrop of global economic upheaval, fluctuating commodity prices and uncertainty in the capital markets, in the seven months since our public listing we have executed on our plan to aggressively explore our properties and prioritize high-conviction targets within our large portfolio. With ongoing exploration programs on multiple copper and gold projects, each with significant exploration upside, our focus is to both advance and enhance our portfolio in order to create value for our shareholders. In the period to date, Alongside our partners we have completed nearly 60,000 metres of drilling on nine projects.

Our experienced and successful board of directors and management team are pleased with the success of our efforts to date and take pride in the foundation we have established to build shareholder value using the science-based approach to exploration that was integral to the past successess of the individuals that make up our team. With the Company's cash balance of approximately $21 million, we remain focused on advancing our pipeline of projects in Turkey and Nevada.

History of the Company

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 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"), 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 Investments Inc.) which holds our 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 Mining Company ("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; and

v. C$9.58 million ($9.82 million) in cash, a 40% beneficial interest in certain exploration properties in the Biga District of northwest Turkey, and the physical assets in our Vancouver office.

The foregoing assets were transferred to Pilot Gold on April 4, 2011 in exchange for the issuance of 192,807,807 common shares of Pilot Gold (the "pre-consolidation common shares") on April 6, 2011, 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 pre-consolidation common shares were immediately consolidated on a one-for-four basis (the "Common Shares").

Pilot Gold has accounted for the historic 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 through the end of the first quarter of 2011 are based on the amounts recorded by Fronteer, as if Pilot Gold had been an independent operator through March 30, 2011. Expenditures incurred subsequent to March 30, 2011 reflect actual cash flows and activities of Pilot Gold on a post-transaction basis.

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 Toronto Stock Exchange (the "TSX") on April 11, 2011 under the symbol "PLG". Following closing of the Bought-Deal financing Newmont's holding in Pilot Gold was diluted to a 17.1% interest.

Description of the Business

Pilot Gold is an exploration-stage gold company principally engaged in the acquisition, exploration and development of mineral properties with both low technical risk and the potential for, robust, economically-significant deposits in the future. Our properties are currently located in off-trend districts in mining-friendly jurisdictions where our technical and management teams have enjoyed significant past exploration success.

Our portfolio is underpinned by the Halilağa and TV Tower projects, two very large and contiguous projects in Turkey at the epicentre of a mineralized district; each of which has the ability to drive the Company forward, and to generate significant shareholder value. We have a strong strategic relationship with Teck Resources Limited ("Teck"), our partner on these properties. Each of these large properties is advancing to management's satisfaction and generating significant drill results. The advancement of the Halilağa and TV Tower projects, and potential return each brings, provides us the foundation to develop multiple projects in Nevada toward resource delineation in the near-term.

The completion of the Fronteer Arrangement on April 6, 2011 and subsequent listing of our Common Shares marked the commencement of the independent operations of Pilot Gold. The closing of the $C25-million Bought-Deal provides our management and our geologic teams the capital required to advance our portfolio of projects in Turkey and Nevada, and the flexibility to seek out additional opportunities to increase shareholder value through the acquisition of additional mineral properties located in excellent mining jurisdictions.

For 2011, our strategy is to create shareholder value through strategic prioritization of our large portfolio of projects, to continue to advance our key mineral projects, and identify new mineral properties, or projects located in attractive mining jurisdictions to complement and enhance our existing suite of projects. We have assembled a strong technical team and a board of directors with a long-history of success and expertise at creating value in jurisdictions around the world, including most recently in Nevada and Turkey. We have the necessary resources to unlock near-term value in our portfolio of exploration and development assets, and to look for new projects globally.

In partnership with Teck and TMST, we continue to advance the Halilağa and TV Tower projects in Turkey. At Halilağa we plan to release a maiden resource by year end, and at TV Tower, we continue to identify and drill prospective targets as we continue to build on the significant gold, copper and silver results reported to date.

In Nevada, we made two new gold discoveries on our 100%-owned Brik and Viper projects; we acquired the option agreement for the Kinsley Mountain property, a highly-prospective area with exploration potential similar to the nearby Long Canyon desposit; and we continue to both explore the historic deposit and test new targets at our 100%-owned Regent project.

Throughout the remainder of 2011, active exploration programs will continue at five of our key properties, in addition to ongoing exploration by our partners at the Easter, Gold Springs 2 and Yunt Dag properties.

Business transaction update

Kinsley Mountain

The Kinsley Mountain property is owned by Nevada Sunrise LLC, a private Nevada-based company. Intor Resources Corporation ("Intor"), a subsidiary of Nevada Sunrise Gold Corporation is party to a lease with Nevada Sunrise LLC providing Intor the right to earn 100% interest in the property by making pre-determined exploration expenditures over a period of several years. Intor and Animas Resources Ltd ("Animas") entered an option agreement (the "Option Agreement") whereby Animas, as option holder, could earn an initial 51% interest in the lease. By incurring a further $3 million in eligible expenditures on the property over the ensuing five years, the Option Agreement allows the option holder to earn an additional 14% interest in the lease.

On September 20, 2011, we entered into an agreement with Animas to assume the Option Agreement. As consideration, Animas received $0.35 million and 50,000 Common Shares, and is entitled to receive a further 25,000 Common Shares on each of the first and second anniversaries of the effective date of the assignment, and an additional 50,000 Common Shares at the time we have earned and vested a 51% interest in the mining lease. If we terminate the Option Agreement prior to the due date for the issuance of any of the Common Shares, the Company shall have no further obligation to make any subsequent issuances or deliveries of Common Shares to Animas.

Under the Option Agreement, we obtained access to a substantial technical archive on the property. We plan to commence an 1,300 metre initial drill program in November 2011 and intend to make Kinsley Mountain a priority target in 2012. We will earn the initial 51% interest in the lease by making $1.18 million in eligible expenditures by March 30, 2013

Gold Springs LLC

On July 5, 2011 Pilot Gold elected to participate at a 40%-interest in Gold Springs LLC, a newly established company following the successful completion of an earn-in to 60% on the Gold Springs property by HDG. Gold Springs is an epithermal gold-silver vein system located proximate to the Company's Brik, Easter and Stateline projects on the Nevada-Utah border.

Through to the date of this election, Gold Springs was under option to HDG, whereby HDG could earn a 60% interest in the property by spending $1.0 million in aggregate exploration expenditures by January 10, 2015, in addition to making total cash option payments of $0.19 million. On June 30, 2011 we were formally notified by HDG that they had completed their mineral property expenditure obligations under the earn-in agreement, and on July 5, 2011 we received payment of $0.14 million, equivalent to the aggregate remaining cash option payment, completing HDG's earn-in requirements.

We are in the process of formally conveying our interest in the Gold Springs property to Gold Springs LLC and expect to finalize the associated Operating Agreement during Q4 2011. A management committee for Gold Springs LLC is expected to meet during Q4 2011 to establish a formal budget for the remainder of 2011 and 2012. The Company will be responsible for 40% of such costs. At the date at which HDG achieved earn-in our carrying value of the Gold Springs property was $98,981. Through the 3 months-ended September 30, 2011, Pilot Gold has been subject to cash calls from Gold Springs LLC amounting to $0.5 million. At September 30, 2011 this amount is reflected as a payable to our new associate, Gold Springs LLC, and was paid subsequent to period end.

Pilot Gold plans an active role in formulating the exploration program that will be operated by HDG. We look forward to continue working closely with our partner to advance this highly prospective project.

Principal exploration projects

Commensurate with the continuity of interest basis of accounting, the descriptions of activity on the respective properties below, make reference to "Pilot Gold" or "the Company", where exploration and related activities prior to April 6, 2011 were undertaken by Fronteer.

We are actively engaged on several strategic gold and copper-gold projects located in Turkey and Nevada. Our focus is to develop alongside our partner, the properties in Turkey in light of the significant potential they each represent, and to aggressively advance the Kinsely Mountain property, on which we recently acquired an option to earn-in, given its similarities to the nearby Long Canyon deposit.

Halilağa

Located in the Biga peninsula of northwest Turkey, approximately 40 kilometres southeast of the city of Çanakkale, and 25 kilometres west southwest of the town of Çan, in Çanakkale Province, Turkey, the Halilağa [pronounced: *(hā)-lē-lā*] copper-gold porphyry consists of approximately 9,053 hectares of mineral tenure in licenses granted by the Turkish government. 12 licenses are held in the name of Truva Bakir, the legal joint venture entity established to hold the property. TMST, an indirect subsidiary of Teck, is Pilot Gold's 60% partner and the operator at the Halilağa Project. Applications for three licenses related to the project are held in the name of Truva Bakir and remain pending. One additional license is held by TMST and will be transferred to Truva Bakir once the license has been formally converted to an exploitation license.

The Halilağa Project hosts a significant copper-gold porphyry system endowed with a shallow supergene enrichment zone that is locally up to 40 metres thick at grades of 1%-to-2% copper. The Halilağa Project and its sister project, TV Tower, comprise the nucleus of an extensive gold-copper-silver mineralized system in the Biga District, around which several smaller deposits are located.

In the three-months ended September 30, 2011 as part of on ongoing program, drilling returned the most significant holes on the project to date, including:

- 0.34% copper ("Cu") and 0.22 grams per tonne ("g/t") gold ("Au") over 466.7 metres (HD-76)
- 0.48% Cu and 0.64 g/t Au over 176.9 metres (HD-86)
- 0.64% Cu and 0.51 g/t Au over 117.3 metres (HD-94A)

Drilling on the Kestane [pronounced: *kĕs-tā-nē*] porphyry target, at Halilağa has intersected mineralization over a strike length of 1,200 metres, a width of up to 850 metres, and thicknesses of up to 600 metres. Ongoing core drilling continues to extend the boundaries of the Kestane target. Exploration drilling to the north, west and south of the Kestane target has also intersected gold, copper and anomalous levels of molybdenum. There are currently five drills active on the property with results currently pending on five completed holes.

The Halilağa Project is proximal to excellent infrastructure and is located in an active mining jurisdiction. Access to the property is afforded by a series of good forestry roads from the neighbouring villages of Halilağa and Muratlar on the Biga Peninsula. The region is well-serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the Town of Çan.

In connection with the Fronteer Arrangement, we released a NI 43-101 technical report on the Halilağa Project on February 15, 2011. We subsequently amended our report, which can be found under the Company's profile on SEDAR at www.sedar.com on June 7, 2011 in connection with the closing of the Bought-Deal.

For 2011, a $4.6 million budget was proposed by TMST (our share of which is approximately $2.0 million, exclusive of a management fee payable to TMST), including a Phase 1 & 2 four-rig 20,000 metre exploration/delineation drill program at the Central Zone of the Kestane target, and for testing prominent magnetic anomalies and other porphyry targets outside this zone on the remainder of the property. To date, approximately 17,500 metres, in 40 holes have been completed as part of the 2011 program. Phase 2 of this program, designed to both expand the known size and continuity of the porphyry body and to infill the Kestane Zone, is underway and expected to wrap up in December 2011.

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.

The infill drilling, step-out drilling, metallurgical test work, cross-sectional interpretation, and 3D Geological modeling are the initial steps in the planned project-first resource on the Halilağa Project. We anticipate completing this resource before the end of 2011.

Our 40% share of expenditures incurred through the nine-months ended September 30, 2011 was $1.77 million (nine-months ended September 30, 2010: $0.94 million). In 2010, TMST completed 9,007 metres of core drilling in 25 holes at the Halilağa Project, and significantly increased the width and strike length of the porphyry system. Drilling continues to intersect broad zones of consistent copper-gold mineralization, and to expand the near surface supergene enrichment zone, establishing an excellent foundation on which to build a significant resource estimate in late 2011.

TV Tower

Located in the Biga Peninsula of northwest 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 Project, is an emerging high sulphidation epithermal gold system, on a large road-accessible property close to numerous open pit coal mines, ceramics factories and a major coal power plant. The TV Tower Project consists of approximately 6,744 hectares of mineral tenure in six licenses, is contiguous to the Halilağa Project, and is interpreted to host multiple promising high-sulphidation epithermal gold and porphyry systems, 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 in the summer of 2008. Since then, TMST has completed detailed geological mapping, PIMA alteration studies, extensive soil and rock geochemical sampling, and ground-based magnetic and IP/Resistivity surveys.

A Phase 1 drill program, completed in January 2011, focused on zones of outcropping epithermal mineralization at several high sulphidation targets in the northern, central and southern reaches of the property. A total of 19 core holes were drilled (4,184 metres) and final assay results returned significant gold grades, with associated copper and silver, resulting in new discoveries at the Kücükdag and Kayali targets. The discovery hole at Kücükdag [pronounced: *k-chŭk-dă*] intersected 4.28 g/t Au, 0.68% Cu and

15.82 g/t silver ("Ag") over 136 metres, while at Kayali drill hole KYD-01 returned 0.87 g/t Au over 114.5 metres.

In 2011, a $3.5 million budget was proposed by TMST (our share of which is approximately $1.6 million, exclusive of a management fee payable to TMST), including a 15,000 metre Phase 2 drill program focused on expanding certain targets, notably Kücükdag and Kayali, with exploration drilling underway on several additional targets.

To date, Orta Truva has completed additional rock/soil sampling, infill IP surveying over the identifed high priority targets, initiated detailed geological mapping of the Kücükdag, Kayali and Sarp targets, and had received forestry permits for further drill sites. 72 drill holes (13,650 metres) of drilling have been completed are part of this Phase 2 program, with assay results pending on 29 holes. At present there are five core drills operating on the property.

Recent drilling at Kücükdag has intersected near-surface gold-copper-silver mineralization as well as new silver-only zones, with highlights of 1.87 g/t Au, 0.19% Cu and 7.26 g/t Ag over 48 metres in KCD-15 and 171 g/t Ag over 47.5 metres in KCD-18. Exploration activity continues with a focus to continue to expand the results from the Kücükdag and Kayali targets, and further explore several additional identified targets.

Two licenses that comprise the TV Tower Project are held in the name of Orta Truva, the legal joint venture entity established to hold the property. The remaining four licenses are held by TMST and will be transferred to Orta Truva once the licenses have been converted from exploration-type to exploitation licenses. Pilot Gold owns 40% of Orta Truva.

In connection with the Fronteer Arrangement, we released a NI 43-101 technical report on the TV Tower Project on February 15, 2011. In connection with the closing of the Bought-Deal, we subsequently amended our report on June 7, 2011.

Our 40% share of expenditures incurred through the nine-months ended September 30, 2011 was $1.2 million (nine-months ended September 30, 2010: $0.29 million).

Regent

The 100%-owned Regent gold-silver project (the "Regent Project") located in Mineral County, Nevada, approximately 60 kilometres southeast of Fallon, Nevada, is on the eastern margin of the prolific Walker Lane epithermal gold-silver belt. The Regent Project comprises of 263 unpatented and unencumbered mining claims covering approximately 1,795 hectares. Gold mineralization on the property is of the low-sulphidation epithermal type similar in style to mineralization observed at the neighbouring Rawhide/Denton Mine, located three kilometres to the southeast. Other notable Walker Lane deposits include Round Mountain and the Comstock Lode.

In connection with the Fronteer Arrangement, we released a NI 43-101 technical report on the Regent Project, dated January 4, 2011 prepared by Paul Klipfel Ph.D, Consulting Economic Geologist, CPG# 10821.

A Phase 1 drill program commenced on April 20, 2011, with 10,000 metres of reverse circulation ("RC") drilling and diamond core drilling undertaken. Our dual focus exploration program was designed to explore for both near surface disseminated targets proximal to the historic deposit and to test priority exploration targets elsewhere on the property. We have also recently staked an additional 20 claims contiguous to the property; the filing for which is pending.

Drill results from the Phase 1 program confirm both lateral and down-dip continuity of gold mineralization at Regent Hill, as well as gold and silver mineralization in new targets an additional 750 metres to the northeast. Highlights from historic drilling include hole "R0502" which returned 1.5 g/t Au over 33.5 metres in the central portion of the property. Soil geochemical sampling carried out by Pilot Gold has also defined multiple large, gold-in-soil anomalies in the southern half of the property; the largest of these has a footprint greater than that of Regent Hill. Drilling through the remainder of 2011 will focus on completing the proposed 2011 drilling campaign, completing 14 line kilometres of geophysical surveys across the property and initiating permitting for a plan of operations with the BLM.

Through the nine-months ended September 30, 2011, total expenditures at the Regent Project were $2.37 million. Pilot Gold completed no work on the Regent Project in 2010. To date, approximately 9,835 metres have been completed as part of the 2011 drill program.

Kinsley Mountain

The Kinsley Mountain property consists of 245 U.S. federal lode claims totalling approximately 2048 hectares on BLM land in the Kinsley Mountains in southeast Elko County, Nevada. The property lies roughly 75 kilometres southeast of the Long Canyon property where Pilot Gold's geologic team, as part of Fronteer, defined a significant gold resource in what is now recognized as a new gold district.

Gold mineralization was discovered on Kinsley Mountain in 1984; subsequent exploration defined with several defined pods of sediment-hosted gold mineralization concentrated in what is known as the Kinsley Trend, a northwest-southeast structural corridor. The stratigraphic intervals hosting gold mineralization at Kinsley lie immediately below the horizons that host mineralization at Long Canyon, and are known ore-hosts in other nearby deposits, including the West Peqoup deposits and Bald Mountain Mine.

Between 1994 and 1999, Alta Gold Co. ("Alta Gold") produced approximately 138,000 ounces of gold at 1.4 g/t Au from oxide ore in a heap leach operation at Kinsley. Alta Gold abandoned the mine and left an undetermined amount of ore in the ground at Kinsley during a period of low gold prices. At that time, gold discoveries were still being made and existing historic resources had not been exhausted. No drilling has been carried out at Kinsley in over 13 years.

The Kinsley Property has a database of over 1,100 shallow (average depth 218 feet) drill holes, a large number containing significant (unmined) gold intercepts. In addition to drilling, historic surveys include soil and rock sampling, geological mapping, IP/Resistivity, CSAMT, aeromagnetics and gravity. We are currently compiling this data into a 3-D model to aid in initial resource estimation and the selection of new drill targets. The same geologic team that developed the Long Canyon deposit are also currently carrying out new exploration, including detailed pit mapping, prospecting and claim staking. Permitting of a 1,300 metre diamond core drilling program was recently completed, with core drilling anticipated to commence on November 10, 2011. The purpose of this program is to validate results from the historic drill programs, and to gain insights into the structural and stratigraphic controls on mineralization.

While the existing pit areas are well explored, significant potential remains and most of the property has not been drill tested or explored in any detail. We have also recently staked additional claims to the north (down-dip) of the historic deposit following an initial evaluation of alteration interpreted to be indicative of gold mineralization at depth.

We plan to apply the same structure-based approach that was so successful at the nearby Long Canyon property. With a well-seasoned team familiar with the geology and mineralization in the area as well as access to the property's extensive historic databases, it is our intention to make Kinsley Mountain our top-priority in Nevada in 2012. Given the exploration potential, and our team's history and success in the immediate area we anticipate advancing this project rapidly through the remainder of the year and into 2012.

Expenditures on the property in the nine months ended September 30, 2011, not including initial acquisition costs, total \$0.04 million. We have allocated \$0.5 million toward Kinsley through the remainder of 2011. We have also separately staked an additional 124 claims within the area of interest, and 24 claims outside of the area of interest; the filing for these additional claims is pending.

Other properties

Our portfolio of properties in the United States and Turkey includes an interest in several exploration properties. We consider each of the following properties fundamental to building near-term resouce growth and to drive value creation in Nevada. Anticipated expenditures described for each property, as for those above, include commitments to maintain properties, or related agreements.

Brik – Lincoln County, Nevada

In May 2011 we initiated a Phase 1, 3,481 metre reverse circulation ("RC") dril program designed to test five areas with 27 RC drill holes. On August 3, 2011, we announced results of the Phase 1 program including new discoveries at the Hidden Treasure target area generating significant near-surface gold intercepts, including 2.41 g/t Au over 16.7 metres and 0.99 g/t Au over 18.3 metres in PB-24, and 0.82 g/t Au over 35 metres in PB-25. Gold mineralization at Hidden Treasure starts at surface and remains open in all directions indicating that there is substantial potential to increase the size of the discovery. A second phase program consisting of CSAMT geophyscial surveys is underway, to be followed by additional drill testing later in 2011.

The Brik Project is located in east-central Lincoln County, Nevada, approximately 14 kilometres southeast and 25 kilometres northeast of the towns of Panaca and Caliente, respectively. The Brik property consists of 103 unpatented lode claims on land administered by the United States Bureau of Land Management ("BLM"). In September 2011 we staked a further 32 claims; the filing on which is pending.

The Brik Project contains gold mineralization in a volcanic-hosted low-sulphidation quartz vein environment. Mineralization comprises gold-bearing milky quartz veins and opaline to chalcedonic silica in steeply-dipping veins and sub-horizontal pods. Previous exploration programs identified five prospective target areas on the property, which were substantiated by geochemical and geologic data acquired in 2010 and through on going exploration programs by Pilot Gold's geo-technical team. These target areas include, the Brik vein, the Sinter zone, the Hidden Treasure target, the Maui Wash area, and the East Jasperoid zone.

Our anticipated expenditure at Brik through 2011 is $0.57 million. In the nine-months ended September 30, 2011, we incurred $0.47 million in costs on the property.

Viper– Elko County, Nevada

With no known history of exploration on the property, we successfully reported a new gold discovery for the area in 2011 as part of the initial results from a Phase 1 3,363 metre RC drill program undertaken in 2011 at the Baja Zone. This new gold discovery included 1.09 g/t Au and 20.98 g/t Ag over 33.5 metres. Assays are currently pending from a further 13 holes, including 2 on the Baja Target and 11 holes on southern targets designed to test the strongest gold and silver occurrences identified in the 2009 and 2010 surface exploration programs.

The Viper Project is located in Elko County, Nevada, approximately 70 kilometres northeast of the hamlet of Montello, Nevada and consists of 147 wholly owned unpatented lode claims and 831 hectares of private mineral rights. Through our direct 75% holding, and under a property lease arrangement for an additional 21.25%, Pilot Gold controls 96.25% of the property. The remaining 3.75% is held by an unrelated third party not involved in the exploration program. Low-sulphidation epithermal vein mineralization was discovered on the property in 2009 by Pilot Gold's exploration team, in this emerging off-trend district in northeast Nevada, when reconnaissance rock samples returned high gold and silver values. Prospecting and mapping efforts led to the identification of mineralization and alteration consistent with a low-sulphidation epithermal gold system.

Expenditures for the nine-months ended September 30, 2011 were $0.58 million. Our 2011 budget for the Viper property is $0.6 million.

New Boston– Mineral County, Nevada

The New Boston Project is a copper-molybdenum porphyry and skarn prospect located in eastern Mineral County, Nevada, east of Hawthorne and approximately 100 kilometres southeast of the Yerington porphyry district. New Boston has seen very little historical exploration and has been idle for over 30 years. New Boston has attracted our attention due to the sheer size of the mineralized system, historic high copper grades at surface and broad intervals of copper-moly mineralization in historic drilling.

The New Boston property consists of 136 fully-owned unpatented mining claims on BLM land, and is located on the northern margin of the Walker Lane structural and metallogenic belt, which hosts a large number of high and low sulphidation gold-silver deposits, overlapping and contiguous to the Yerington porphyry copper district. While the Walker Lane is best known as an epithermal gold district it is also home to numerous copper-moly deposits, notably Entrée Gold's Blue Hill target and Ann Mason deposit, and Quaterra Resources' MacArthur Project.

The New Boston property encompasses two historic mining camps, New Boston and Blue Ribbon, which were exploited on a small scale for high-grade tungsten ("W"), silver ("Ag") and copper in the early 1900's. The Property was subsequently explored by a number of operators from 1960 through 1981. The primary target on the New Boston Property for explorers in the 1960's and 1970's was a molybdenum-copper porphyry and W-Mo-Cu-Ag skarn mineralization, with some acknowledgment of the potential for shallow chalcocite mineralization.

In 2010, we completed rock and soil sampling, 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.

Surface work completed in 2010 served to identify large zones of outcropping copper oxide mineralization, with 55 samples returning greater than 1% copper and 26 additional samples returning between 0.5 and 1.0% copper from the New Boston, Blue Ribbon and Eastern target areas. Sampling also defined broad zones of elevated copper and molybdenum in soils measuring 2,000 metres by 400 metres in the East zone and 750 metres by 600 metres in the Blue Ribbon or western zone. which now form the principal areas for follow-up work. Through the nine-months ended September 30, 2011 we completed a Phase 1, 1,950 metre first pass core drill program. The drill program was designed to test outcropping zones of copper mineralization and deeper interpreted molybdenum targets from historic work. On receipt of final results we plan next to undertake additional mapping to refine further exploration targets at this robust, intrusive related Cu-Mo mineralized system

Budgeted costs for 2011 are expected to be approximately $0.66 million. Our expenditures in the nine-months ended September 30, 2011 amount to $0.87 million.

Property options

Rae Wallace Option – Peru

The Rae Wallace Option was transferred to Pilot Gold as part of the Fronteer Arrangement. 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”). To earn a 51% interest in a property, Pilot Gold must spend the greater of $0.15 million, 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 nine-months ended September 30, 2011, we capitalized expenditures of $-nil and $2,526 respectively, analyzing the Rae Wallace properties, which with foreign currency exchange differences resulted in a $4,063 accounting loss toward the property through the nine months ended September 30, 2011.

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 statements of financial position and related consolidated statements of operations and cash flows in Canadian dollars.

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

Pilot Gold previously prepared its consolidated financial statements in accordance with Canadian GAAP as set out in Part V of 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 Interim 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 September 30, 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:

<u>First time adoption</u>

Under IFRS 1 - First-time adoption of International Financial Reporting Standards (“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. With reference to the hierarchy of factors explicitly described by IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21") a change in the functional currency of our United States-based subsidiary to United States dollars has been determined to be appropriate. At January 1, 2010, December 31, 2010 and September 30, 2011 we recorded a number of foreign currency translation adjustments for differences as compared to Canadian GAAP as a result.

Canadian GAAP to IFRS reconciliations

In our MD&A for the three months ended March 31, 2011, we provided illustrative reconciliations for the unaudited condensed consolidated statements of financial position as at January 1, 2010, and as at December 31, 2010 and the unaudited condensed consolidated statement of loss and comprehensive income for the year ended December 31, 2010, prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as set out in Part V of the Handbook of the Canadian Institute of Chartered Accountants (the "CICA Handbook"), for Pilot Gold and for the Exploration Properties Business of Fronteer Gold Inc. ("Exploration Properties Business", or "EPB") as previously reported, at compared to the financial information prepared as at, and for these same periods in accordance with IFRS.

IAS 34 states that the purpose of interim financial reporting is to provide an update on the latest complete set of annual financial statements. Given that the Pilot Gold Financial Statements and the Exploration Business Financial Statements were prepared in accordance with Canadian GAAP, and as our condensed interim consolidated financial statements for the three months ended March 31, 2011 provided additional IFRS transition information, such as the opening statement of financial position and accounting policies under IFRS, this MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2011.

Readers of this MD&A should refer to our unaudited condensed interim consolidated financial statements, and related MD&A, for the three months ended March 31, 2011 for further detail on the impact of this change in functional currency to our January 1, 2010 opening statement of financial position, and our comparative statement of financial position for the year ended December 31, 2010.

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 and as prepared by Pilot Gold[2] to those prepared and reported in our Interim Financial Statements in accordance with IFRS:

[2] Comparative financial information as at, and for the nine months ended September 30, 2010 had not previously been presented. Canadian GAAP financial information for the nine-month period ended September 30, 2010 was prepared by the Company for the purposes of these reconciliations.

Condensed consolidated statement of financial position as at September 30, 2010

	September 30, 2010			
	Cdn GAAP EPB[1]	**Cdn GAAP** Pilot	**Adj** IAS 21	**IFRS**
Assets				
Current assets				
Cash and cash equivalents	56,420	-	-	56,420
Trade and other receivables	284,602	-	-	284,602
Total current assets	341,022	-	-	341,022
Non-current assets				
Exploration properties and deferred exploration expenditures	1,701,038	788,190	218,473	2,707,701
Property and equipment	992,045	-	(18,672)	973,373
Other financial assets	478,975	-	-	478,975
Investment in associates	2,170,086	-	447	2,170,533
Total non-current assets	5,342,144	788,190	200,248	6,330,582
Total assets	5,683,166	788,190	200,248	6,671,604
Liabilities and Shareholder's Equity				
Current liabilities				
Trade and other payables	19,132	-	-	19,132
Total current liabilities	19,132	-	-	19,132
Non-current liabilities				
Deferred tax liabilities	(1,463)	-	3,707	2,244
Total non-current liabilities	(1,463)	-	3,707	2,244
Shareholder's equity				
Share capital				
Contributed surplus	8,589,033	997,396	-	9,586,429
Cumulative Translation account	126,934	(141,258)	258,241	243,917
Accumulated other comprehensive income	(15,734)	-	26,964	11,230
Accumulated deficit	(3,034,736)	(67,948)	(88,664)	(3,191,348)
Total shareholder's equity attributable to owner of the Company	5,665,497	788,190	196,541	6,650,228
Total shareholder's equity and liabilities	5,683,166	788,190	200,248	6,671,604

Condensed consolidated statements of loss and comprehensive income (loss):

The significant impacts of IFRS on the Company's consolidated statement of financial position at September 30, 2010 include those above, and as described in the reconciliations presented in our unaudited condensed interim consolidated financial statements as at, and for the nine months ended September 30, 2011:

	Three months ended September 30, 2010				Nine months ended September 30, 2010			
	Cdn GAAP EPB[1]	Cdn GAAP Pilot	Adj IAS 21	IFRS	Cdn GAAP EPB[1]	Cdn GAAP Pilot	Adj IAS 21	IFRS
Continuing operations								
Operating expenses								
Professional fees	7,243	4,064	-	11,307	77,344	7,090	-	84,434
Wages and benefits	45,613	14,124	-	59,737	197,227	18,403	-	215,630
Stock based compensation	2,504	24,094	-	26,598	151,067	26,909	-	177,976
Office and general	35,843	7,412	-	43,255	152,875	10,364	-	163,239
Investor relations, promotion and advertising	3,872	3,050	-	6,922	19,133	5,182	-	24,315
Amortization	103,521	-	3,691	107,212	275,536	-	2,012	277,548
Loss from operations	198,596	52,744	3,691	255,031	873,182	67,948	2,012	943,142
Other income (expenses)								
Change in fair value of financial instruments	(38,036)	-	-	(38,036)	(38,036)	-	-	(38,036)
Foreign exchange gains and (losses)	11,024	-	(10,927)	97	(3,500)	-	(9,404)	(12,904)
Loss from associates	(8,243)	-	-	(8,243)	(72,222)	-	-	(72,222)
	(35,255)	-	(10,927)	(46,182)	(113,758)	-	(9,404)	(123,162)
Loss before tax	(233,851)	(52,744)	(14,618)	(301,213)	(986,940)	(67,948)	(11,416)	(1,066,304)
Income tax recovery	6,707	-	373	7,080	1,136	-	373	1,509
Loss for the year	(227,144)	(52,744)	(14,245)	(294,133)	(985,804)	(67,948)	(11,043)	(1,064,795)
Other comprehensive income								
Exchange differences on translating foreign operations	(161,533)	(112,257)	328,452	54,662	7,555	(141,258)	191,240	57,537
Net fair value loss on financial assets	(15,734)	-	26,964	11,230	(15,734)	-	26,964	11,230
Other comprehensive income for the period, net of tax	(177,267)	(112,257)	355,416	65,892	(8,179)	(141,258)	218,204	68,767
Total loss and comprehensive income for the period	(404,411)	(165,001)	341,171	(228,241)	(993,983)	(209,206)	207,161	(996,028)

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 Interim 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 selected period information and summary of financial results in this MD&A and our Interim 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

The following information is derived from and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the quarters ended March 31, 2010, June 30, 2010, September 30, 2010, March 31, 2011, June 30, 2011 and September 30, 2011, along with an explanation for the significant items resulting in variances from quarter to quarter.

Pilot Gold became a reporting issuer in each province of Canada on April 6, 2011, as a result of the closing of the Fronteer Arrangement. Prior to becoming a reporting issuer we did not prepare interim financial results. The unaudited condensed interim consolidated financial statements for each of the three month periods ended in 2010 have been prepared by the Company for the purposes of our IFRS reconciliations and presentation herein.

Condensed consolidated statements of loss and comprehensive income (loss)	Sept 30 2011	June 30 2011	March 31 2011 *	Sept 30 2010 *	June 30 2010 *	March 31 2010 *
Continuing operations						
Loss from continuing operations after tax	(2,057,620)	(7,269,816)	(414,074)	(294,133)	(350,007)	(420,555)
Other comprehensive income						
Exchange differences on translating foreign operations	(2,373,045)	273,206	20,082	54,662	(35,289)	38,164
Net value gain (loss) on financial assets	(48,568)	(213,583)	180,000	11,230	-nil	-nil
Loss per share from continuing operations						
Basic and diluted	(0.03)	(0.30)	(0.01)	0.00	(0.01)	(0.01)

* In accordance with the continuity of interest basis of accounting, the unaudited results of operations reflect the operations and cash flows of Pilot Gold and those of the Exploration Properties Business as if Pilot Gold and the Exploration Properties Business had always been the combined entity through to March 30, 2011, the deemed effective date of the Fronteer Arrangement. Results for the periods ended March 31, 2010, June 30, 2010, September 30, 2010 and March 31, 2011, are therefore based on the amounts recorded by Fronteer as if Pilot Gold had been an independent operator through March 30, 2011. Management cautions readers of this interim MD&A, that the allocation of expenses in the statements of loss for the current and comparative periods do not necessarily reflect the nature and level of our future operating expenses.

Results of Operations - Discussion

Results for the nine-month period ended September 30, 2011 reflect direct operating results and cash flows of Pilot Gold and those allocated costs through the period to March 30, 2011 prior to the closing of the Fronteer Arrangement. Discussion in this MD&A related to the results of our operations reflects both the allocation of costs from Fronteer pursuant to the application of continuity of interest accounting, and actual operating results of Pilot Gold.

For the three and nine month periods ended September 30, 2011, we reported a net loss of $2,057,620 and $9,741,510 compared to net losses of $294,133 and $1,064,975 for the three and nine month periods ended September 30, 2010. The net loss through each period includes several non-cash items. Net operating cash flows, before adjustment for working capital, through the three and nine months ended September 30, 2011 were $1,283,524 and $3,392,832 respectively.

Losses and cash flows due to operating activities for the three month period ended September 30, 2011 better reflect the current and ongoing operations of Pilot Gold than any preceding three month period ended. In the three month period ended June 30, 2011 our condensed consolidated statements of loss and comprehensive loss reflected a number of start-up, initial-public listing and post-Fronteer Arrangement costs as well as the impact of the inaugural stock-based compensation grant, resulting in a loss for that period of $7,269,816, and cash out flows from operating activities of $1,384,233. Periods prior to April 1, 2011 reflect the allocated costs and activities of Fronteer.

We reported other comprehensive losses of $2,421,613 and $2,161,908 for the three and nine-month periods ended September 30, 2011 and other comprehensive income of $65,892 and $68,767 for the three and nine-month periods ended September 30, 2010, respectively. Losses per share for each of the three and nine month periods ended September 30, 2011 were $0.03 and $0.26 (September 30, 2010: $0.00 and $0.03). Our loss and comprehensive loss for the three month period ended September 30, 2011 include a $2,373,045 impact arising from exchanges differences as a result of the translation of our operations with a non-United States dollar functional currency. The translation impact will vary from period to period depending on the rate of exchange; in the period between July 1, 2011 and September 30, 2011, there was an -7% change in the exchange rate between the United States and Canadian dollars.

Stock-based compensation

The amounts expensed for stock-based compensation, not included as part of property investigation expense for the three and nine months ended September 30, 2011 of $473,077 and $5,335,155 (September 30, 2010: $26,598 and $177,976) are higher than the comparative periods reflecting primarily the initial grant to directors, management, employees and certain significant contractors of the Company in April 2011, where there was no similarly sized grant in any comparative period. Stock based compensation is allocated consistent with the allocation of wages and other compensation related to exploration undertakings on the Company's mineral properties.

For those periods prior to April 1, 2011, the balance reflects the allocation of stock based compensation expense recorded by Fronteer consistent with the allocation of costs under continuity of interest accounting. Of those stock options granted in April 2011, we have recorded $4,409,936 expense attributable to those options with immediate vesting. In the first quarter of 2011, $20,371 of Fronteer's stock option expense was allocated as part of continuity of interest accounting, none of which is attributed to those options with immediate vesting as no options were issued by Fronteer in that period. The 2010 comparative period also includes an allocation of Fronteer's annual first quarter grant of options to its employees and directors.

In determining the fair market value of stock-based compensation granted to employees and non-employees, management make significant assumptions and estimates. These estimates have an effect on the stock-based compensation expense recognized and the contributed surplus balance on our statements of financial position. 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 and that of a peer group to determine volatility.

Generally, stock based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options have fully vested or are cancelled in a period. It is expected that options will typically be granted once each year, resulting in a higher stock based compensation expense in the particular quarter of the grant, as opposed to those other quarters of the year.

Property investigation

Property investigation costs, which include the costs of due diligence and exploration of projects under investigation for acquisition in the three and nine months ended September 30, 2011 were $778,726 and $1,147,854 respectively (September 30, 2010: $-nil and $-nil). Project investigations are a core part of our business and growth strategy and we remain active in identifying projects that will enhance our growth pipeline, including identifying near term producing assets for acquisition. Property investigation costs are expensed until a new project is acquired or the rights to explore the property have been established.

In the nine-months ended September 30, 2011, the Company incurred costs in Turkey, Nevada, and Canada as we look to expand our portfolio of mineral properties. Our efforts to review other opportunities in jurisdictions familiar to our team began in earnest in June 2011. In the nine months ended September 30, 2011, $282,161 of stock-based compensation expense was attributed to property investigation, the allocation of which was on the same basis as the deferral of such costs to mineral properties.

Wages and benefits

In the three and nine months ended September 30, 2011, Pilot Gold recorded $298,682 and $908,401 (September 30, 2010: $59,737 and $215,360) to wages and benefits expense. Employment relationships with the majority of our personnel began on April 6, 2011; prior to this date Pilot Gold had no employees, and no cash flows. Total wages and benefits recorded by the Company through to the Effective Date reflect only the allocated compensation (including wages, benefits and bonus payments) of Fronteer, in accordance with the continuity of interest basis of accounting.

Office and general

In the three and nine months ended September 30, 2011, office and general expenditures of $366,491 and $867,667 (September 30, 2010: $43,255 and $163,329, respectively). The three-month period ended September 30, 2011 includes the full amount of the Company's general and administrative activities, whereas for periods prior to the Effective Date, the balance reflected an allocation only of those costs incurred by Fronteer, and in the second quarter of 2011 we incurred a number of office start-up costs not expected to recur through subsequent periods.

Listing and filing fees

During the three and nine-months ended September 30, 2011 we incurred listing and filing fees of $25,009 and $302,225 respectively. These costs are associated with our initial listing on the TSX, and our subsequent Bought-Deal financing during the second quarter. There was no similar costs, or allocation of such costs prior to the Effective Date. In the three months ended September 30, 2011, we incurred those normal course costs associated with being listed on the TSX as well as costs associated with the listing of the 50,000 Common Shares issued to Animas in connection with the acquisition of the Option Agreement for the Kinsely Mountain property.

Professional fees

Professional fees expensed in the three and nine months ended September 30, 2011 were $59,709 and $320,714 respectively (September 30, 2010: $11,307 and $84,434). These include legal, accounting and audit costs incurred following the Effective Date, and allocated to Pilot Gold in the three-months ended March 30, 2011. Professional fees through the nine-months ended September 30, 2011 relate to advisory services provided to Pilot Gold following the close of the Fronteer Arrangement, and are reflected in the balance incurred through to the end of our third quarter 2011. Ongoing advisory services include those typical of the start-up of a new business, many of which were incurred in the second quarter of 2011, such as the revision of key agreements, including those for employees, as well as advisory services related to compliance with regulatory requirements. Professional fees relating directly to the closing of the Fronteer Arrangement, and the acquisition of Fronteer by Newmont were excluded from the allocation.

Amortization

We recorded amortization expense of $99,880 and $321,286 for the three and nine months ended September 30, 2011 (September 30, 2010: $107,212 and $277,548). The decrease over the three month period reflects an exercise carried out by management to write off items of property plant and equipment deemed to be past their useful lives, resulting in fewer depreciable items as at the end of the three month period than carried in previous quarters. The increase over the nine month period refelcts the acquisition by Fronteer throughout 2010 of equipment attributed to, and acquired by Pilot Gold at the Effective Date, and as a result of the addition of automobiles, field and office equipment in the period following the Effective Date through to September 30, 2011.

Investor relations, promotion and advertising

Costs associated with investor relations, promotion and advertising activities through the three and nine months ended September 30, 2011 of $100,373 and $190,625 (September 30, 2010: $6,922 and $24,315) relate to costs associated with investor communications, graphic design and the publication of corporate communication materials as well as marketing activities, including travel and costs associated with hosting analysts at a number of our exploration properties. Costs in the comparative periods and through March 31, 2011 reflect those allocated costs of Fronteer.

Write-down of assets held for sale

In connection with the substantive disposal of the Aktarma and Ispir properties to GRCL, we wrote-these properties down to their aggregate carrying value. Adjusted for the impact of foreign exchange, the write-down for the three-month period ended September 30, 2011 was $-nil (September 30, 2010: $-nil), and nine-months ended September 30, 2011 was $137,984 (September 30, 2010: $-nil).

Change in fair value of financial instruments

Changes to the fair value of our derivative financial instruments, which comprise 1,000,000 share purchase warrants of Rae Wallace, are recorded to income (loss) in each period. The change in fair value reflects an increase to the calculated fair value of these warrants at September 30, 2011 as compared to December 31, 2010. The value of the Rae Wallace share purchase warrants at the following dates was:

September 30, 2011	$12,065
June 30, 2011	$31,227
March 31, 2011	$83,937
December 31, 2010	$39,133

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 (loss)

The balance of other comprehensive income (loss) for the three and nine months ended September 30, 2011 includes $2,421,613 and $2,161,908 (September 30, 2010: $65,892 and of $68,767) in exchange gains arising on the translation of our foreign operations, and a net value loss on financial assets of $82,151 during the nine-months ended September 30, 2011 (nine months ended September 30, 2010 a net gain of $11,230) relating to the revaluation of the 2,000,000 Rae Wallace common shares and 5,000,000 common shares of GRCL held. The common shares and share purchase warrants of Rae Wallace were acquired by Fronteer on July 23, 2010 and susequently by Pilot Gold in connection with the closing of the Fronteer Arrangement. The number of common shares of Rae Wallace held by Pilot Gold represents approximately 8.61% on a non-diluted basis of Rae Wallace's issued and outstanding common shares. The common shares of GRCL were acquired in connection with the substantive disposal of the Aktarma and Ispir exploration-stage properties in Turkey.

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.

Generally, 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, and does not expect to earn any revenues from continuing operations in the foreseeable future.

Review of changes to the Statement of Financial Position - Discussion

Condensed consolidated statements of financial position	As at (in $): 30 September 2011	31 December 2010
Total current assets	$ 23,451,743	$ 401,192
Total non-current assets	15,468,439	7,503,978
Total current liabilities	1,762,755	74,807
Total non-current liabilities	51,428	2,550

Current Assets

Current assets increased significantly to $23.4 million as at September 30, 2011 (December 31, 2010: $0.4 million) owing mainly to the receipt of $24.4 million cash pursuant to the closing on June 14, 2011 of the Bought-Deal, and the receipt of $9.8 million in cash amount due on close of the Fronteer Arrangement on April 4, 2011, off-set by those cash outflows for and liabilities recorded at period end related to exploration and corporate activities through the nine-months ended September 30, 2011.

Though current assets comprise almost entirely cash and short-term investments at September 30, 2011, the balance also includes receivables and prepayments of $0.38 million (December 31, 2010: $0.29 million) which has increased reflecting prepayments made in connection with insurance and other start-up related costs following the Effective Date, as well as higher balances of British Columbia Harmonized Sales Tax, and Canadian Goods and Services Tax recoverable. At September 30, 2011, $0.09 million was recorded as held-for-sale, and classified as current to reflect the substantive disposal of the Ispir property.

Pilot Gold's consolidated cash balance for comparative periods prior to March 31, 2011 reflect only the accounts of our wholly-owned Turkish and Cayman subsidiaries, acquired through the Fronteer Arrangement.

Non-current assets

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

	As at September 30, 2011 $	As at December 31, 2010 $
Exploration properties and deferred exploration expenditures	7,504,717	3,053,770
Property and equipment	722,236	930,888
Reclamation deposits	250,189	12,858
Other financial assets	429,139	419,133
Investment in associates	6,562,158	3,087,329

Exploration activities during the three months ended included aggressive drill programs on several properties, as well as the acquisition of an option to earn in to a lease on the Kinsley Mountain property. The Company incurred significantly higher costs in the three months ended September 30, 2011 than the preceding quarter as multiple exploration and drill programs got underway.

During the three-months ended September 30, 2011, we incurred $2.5 million (nine-months ended September 30, 2011, $4.7 million) in net deferred exploration expenditures as follows:

Additions / Allocations / Recoveries / Write-downs / Disposals

	Three-months ended March 31, 2011	Three-months ended June 30, 2011	Three-months ended Sept 30, 2011	**Nine-months ended Sept 30, 2011**
USA	$	$	$	**$**
Regent	146,693	1,206,638	1,012,104	**2,365,435**
New Boston	24,016	376,021	466,185	**866,222**
Viper	5,982	22,241	547,860	**576,083**
Gold Springs 2	-	(11,019)	(238,981)	**(250,000)**
Brik	14,006	315,189	140,066	**469,261**
Cold Springs	9,734	2,735	8,308	**20,777**
Baxter Springs	27,924	16,331	29,916	**74,171**
Anchor	7,808	1,718	19,593	**29,119**
Easter	-	(14,420)	34	**(14,386)**
Stateline	-	12,240	41,057	**53,297**
Buckskin North	-	15	8,288	**8,303**
Kinsley Mountain			497,883	**497,883**
Total USA	236,163	1,927,689	2,532,313	**4,696,165**
Turkey				
Yunt Dag	3,055	(11,157)	186	**(7,916)**
Total Turkey	3,055	(11,157)	186	**(7,916)**
Peru	7,700	2,848	(14,611)	**(4,063)**
Total	246,918	1,919,380	2,517,888	**4,684,186**
Assets held for sale:				
Aktarma	4,708	(10,843)	(56,195)	**(62,330)**
Ispir	7,724	(78,991)	-	**(78,991)**
	12,432	(89,834)	(56,195)	**(141,321)**

Balances at and up to the three-months ended March 31, 2011 reflect the application of continuity of interest accounting and are provided to provide context to the Company's activities since the Effective Date. The balances at December 31, 2010 reflect the costs incurred on those properties transferred to Pilot Gold pursuant to the First Nevada Eagle Purchase Agreement (as defined in our AIF for the year ended December 31, 2010, dated May 12, 2011 (Amended June 7, 2011)), and those transferred to Pilot Gold pursuant to the Fronteer Agreement. The balance did not change significantly through March 31, 2011, as we decreased the level of activity on our portfolio of properties as we worked to complete the spin-out, and subsequent listing of Pilot Gold's common shares on the TSX.

We have not yet completed feasibility studies to determine whether any of our exploration properties contain resources that are economically recoverable. All direct costs associated with exploration of these properties are capitalized as incurred. If the property proceeds to development, these costs become part of pre-production and development costs of the mine. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related deferred expenditures are written off

The balance of other financial assets increased to $429,139 as at September 30, 2011, as compared to $419,133 at December 31, 2010, as a result of the addition of 5,000,000 common shares of GRCL on June 27, 2011 less the change to the value of the underlying common shares and share purchase warrants held.

The balance related to our investment in associates increased significantly from that at December 31, 2010 due in part to increased funding of Pilot Gold's cash call commitments to our two 40%-owned associates in Turkey as TMST, our partner on and operator of the Halilağa Project and the TV Tower Project continued to execute the budgeted exploration programs, as well as due to the July 5th 2011, earn-in on the Gold Springs property by HDG as discussed elsewhere in this interim MD&A. In aggregate, funding to our Turkish associates through the nine-months ended September 30, 2011 was $2,971,372 of which $400,275 is accrued cash calls payable at September 30, 2011. Our investment in Gold Springs LLC totalled $598,929 of which $506,182 was payable at September 30, 2011. Balances due to associates at September 30, 2011 were settled subsequent to period end.

Liabilities

The balance of $1,655,442 at September 30, 2011 related to accounts payable and accrued liabilities, has increased as compared to December 31, 2010 due largely to the timing of payments, and the level and volume of activity underway as we commenced drill programs on multiple properties, and worked through many of the typical start-up activities for, and incurred costs of, a new company. Current liabilities for comparative periods comprise trade and other payables that related to expenditures incurred by Fronteer, and allocated to Pilot Gold for those respective periods. The balance of $74,807 at December 31, 2010 also included certain legal fees directly attributable to Pilot Gold, and an accrual for bonuses payable to former employees of Fronteer that transferred to Pilot Gold.

Non-current liabilities

At September 30, 2011 our non-current liabilities comprise only deferred tax liabiliites.

Shareholders' equity

10,000,001 pre-consolidation common shares were issued to Fronteer on December 30, 2010 for $1,215,000 in connection with the transfer to Pilot USA of those various unpatented mining claims that comprise the Regent Project, and the North Buckskin, Brik, Cold Springs and South Monitor properties.

Pursuant to the Fronteer Arrangement, on April 4, 2011, Pilot Gold issued 192,807,807 pre-consolidation common shares in exchange for specified assets received from Fronteer. The then issued and outstanding 202,807,808 pre-consolidation common shares were reduced immediately consolidated on a one-for-four basis to 50,701,952 Common Shares. The balance of share capital immediately following the close of the Fronteer Arrangement was $67,848,770.

Pursuant to an agreement with a syndicate of underwriters (the "Underwriters"), on June 14, 2011, Pilot Gold issued 8,333,334 Common Shares on a Bought-Deal basis at C$3.00 per Common Share, for aggregate gross proceeds of C$25,000,002. In consideration of the services rendered by the Underwriters in connection with the Bought-Deal, the Company paid the Underwriters a fee equal to 5.0% (C$1,250,000) of the gross proceeds (the "Underwriters' Fee"). In addition to the Underwriters' Fee, the Company paid share issuance costs of $372,953 in connection with the Bought-Deal.

On September 21, 2011 the Company issued 50,000 common shares to Animas as part consideration in the purchase of the Kinsley Mountain lease option. The shares were valued at $100,140 (C$2.00 each) at the time of transaction and are subject to a statutory four-month hold period .

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. We have no long-term debt and working capital of approximately $20.2 million at the date of this interim MD&A. During the second quarter of 2011, we successfully closed a Bought-Deal financing, resulting in net proceeds of $24.1 million, with share issue costs of approximately $1.7 million. The Company does not generate any cash flows from operations and earns only minimal income, other than investment income, arising from the result of various property option agreements.

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 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. Given the ongoing concerns about the global economic downturn and recent unpredictability in the prices of copper and gold, 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 our amended AIF for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), under the heading “*Risk Factors*” and in our Final Short Form Prospectus, dated June 8, 2011, qualifing the distribution of 8,333,334 Common Shares of Pilot Gold also under the heading “*Risk Factors*”.

Pilot Gold had no commitments for material capital expenditures as of September 30, 2011. We have certain contractual obligations related to office leases, which are disclosed in this interim 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.

Corporate Social Responsibility

In the Biga District, Pilot Gold and TMST have long worked with community stakeholders in the settlements surrounding the Halilağa and TV Tower projects to build positive relationships built on transparency and trust. Since 2008, more than $0.56 million has been spent by Orta Truva and Truva Bakir on community development and sustainability projects, including construction of a fire hydrant reservoir and drilling new water sources for the Town of Muratlar near the Halilağa. In 2011, community relations activities include providing vocational training, sustainability programs, health services and infrastructure upgrades in local communities. The most significant project undertaken to date in 2011 has been the restructuring of a courtyard in the Town of Muratlar. Historic activity has also included the development of a regional reforestation program in order to reverse deforestation caused by forest fires and agricultural activities.

Industry and Economic Factors that May Affect our Business

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

Refer to 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*”, and our Final Short Form Prospectus, dated June 8, 2011, qualifing the distribution of 8,333,334 Common Shares of Pilot Gold also under the heading “*Risk Factors*”.

The Company continuallly seeks to minimize its exposure to business risks, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

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 nine-months ended September 30, 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 post 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, if any, 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. In determiing the fair value of any reclamation or property closure costs, an independent consultant would be engaged. Ongoing reclamation activities associated with exploration stage properties are capitalized to exploration in the period incurred. There have been minimal such activities required, or undertaken to date.

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, where we have any - 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 available balance of cash and cash equivalents.

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, and our 60% partner on the Gold Springs 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

The Company has entered into operating leases for premises in Canada, the United States and Turkey. The lease terms are between two and four years; each location's lease is renewable at the end of the lease period at market rate. The aggregate lease expenditure related to Pilot Gold's office premises charged to the statement of loss for the nine-months ended September 30, 2011 is $245,096, including $1,904 allocated from Fronteer under continuity of interest accounting. Beginning in October 2011 we will recover some of these costs from Blue Gold Mining Inc. ("Blue Gold"), a related party to the Company as discussed elsewhere in this interim MD&A.

The Company also leases equipment and automobiles under cancellable operating lease agreements. The aggregate lease expenditure related to equipment and automobiles charged to the statement of loss for the nine-months ended September 30, 2011 is $24,299.

Total minimum operating lease commitments and minimum rental commitments, under non-cancellable operating leases for future years are as follows:

Year	Amount ($)
2011	124,632
2012	444,540
2013	308,530
2014	269,971
2015	276,239
2016+	905,873
	2,329,785

The Company is also responsible for its share of property taxes and operating costs on office premises leases.

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 September 30, 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 September 30, 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 September 30, 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 September 30, 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

The immediate parent and ultimate controlling party of the Company is Pilot Gold Inc. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated in the Company's unaudited condensed interim consolidated financial statements on consolidation and are not disclosed in this MD&A. Details of transactions between the Company and other related parties are disclosed below.

Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the Chief Operating Officer & VP Exploration, the Chief Financial Officer & Corporate Secretary, and the Country Managers in each geographic segment in which the Company undertakes exploration activities. The aggregate compensation paid, or payable to key management for employee services is shown below:

	Nine-months ended
	September 30, 2011
Salaries and other short-term employee benefits	498,363
Share-based payments	4,994,033
Total	**5,492,396**

With the exception of certain members of the Board, prior to April 6th, 2011, Pilot Gold did not have any personnel. There was thus no remuneration or other compensation paid or provided by Pilot Gold directly to any key management personnel for their services prior to April 6th, 2011. Members of the Board receive remuneration on a quarterly basis; no remuneration had been paid to those members of the Board for their services as directors through March 31, 2011.

Blue Gold Mining Inc.

By virtue of having several directors and other key management personnel in common, and reflective of the substance of their relationship, the Company and Blue Gold, a publicly listed exploration-stage mining company, have been determined to be related parties. Blue Gold and the Company share office premises and have entered into an administrative services agreement (the "Services Agreement"), effective September 1, 2011, whereby the Company invoices Blue Gold for certain costs incurred on their behalf. Under the Services Agreement, Blue Gold will reimburse the Company for office space and facilities shared, and for time spent by Pilot Gold personnel on projects and activities of Blue Gold. Amounts due to the Company and its subsidiaries as at September 30, 2011 are $14,854.

Proposed Transactions

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. There are currently 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.

Significant Accounting Policies

Pilot Gold's significant accounting policies are presented in Note 4 of the unaudited condensed interim consolidated statements for the three and nine months ended September 30, 2011.

New Accounting Pronouncements

Refer to the discussion of *New Accounting Pronoucements* in our interim MD&A for the three and nine month periods ended September 30, 2011. Pilot Gold has not applied any of the new and revised IFRS detailed therein, all of which have been issued but are not yet effective, at the date of this MD&A.

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	C$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)	Common Shares	N/A	192,807,707
April 6, 2011(5)	Common Shares	N/A	50,701,952
June 14, 2011(6)	Common Shares	C$3.00	8,333,334
September 21 2011 (7)	Common Shares	C$2.00	50,000

(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 Annual Information Form), Pilot Gold acquired assets from Fronteer for a purchase price of C$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 C$39,500 and $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 C$62,197,668 and $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 40,612,264 Common Shares were distributed to former securityholders of Fronteer in connection with the Fronteer Arrangement.

(6) Pilot Gold issued 8,333,334 Common Shares on a bought-deal basis at C$3.00 per Common Share, for aggregate gross proceeds of C$25,000,002. In consideration of the services rendered by the Underwriters in connection with the Bought-Deal, the Company paid the Underwriters a fee equal to 5.0% (C$1,250,000) of the gross proceeds (the "Underwriters' Fee"). In addition to the Underwriters' Fee, the Company paid share issuance costs of C$369,120 in connection with the Bought-Deal.

(7) On September 21, 2011 the Company issued 50,000 common shares to Animas as part consideration in the purchase of the Kinsley Mountain lease option. The shares were valued at $100,140 (C$2 each) at the time of transaction and are subject to a statutory four month hold.

There are 59,085,286 common shares issued and outstanding as at the date of this MD&A

As at September 30, 2010, and as at the date of this MD&A, there were 1,750,000 options exercisable; no options have been exercised as of the date of this MD&A. We granted 60,000 to stock options to new employees during the three months ended September 30, 2010.

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, and of Pilot Gold's stock options;
- 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 this interim MD&A in our amended AIF for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), under the heading "*Risk Factors*", and our Final Short Form Prospectus, dated June 8, 2011, qualifing the distribution of 8,333,334 Common Shares of Pilot Gold also under the heading "*Risk Factors*".

Outlook

Our team is committed to driving our key projects forward and making additional discoveries in Turkey and Nevada, two jurisdictions where our team has achieved notable past successes. As of the date of this MD&A we have cash and short-term investments totalling $21.0 million and no debt, which provides us with the resources to execute on our current exploration plans, and gives us the financial flexibility to react to additional opportunities if, and when, they present themselves.

Throughout the remainder of 2011 we plan to complete exploration and drill programs on key properties, including geophysical surveys and follow-up drilling on our Brik gold discovery, and intial drilling on the recently acquired Kinsley Mountain sediment hosted gold project. We continue to seek additional opportunities to create shareholder value through the potential acquisition of mineral properties, projects or interests in corporations located in excellent mining jurisdictions.

Turkey

Halilağa Project (40% owned)

In conjunction with our 60% joint venture partner and project operator, TMST, we plan to complete the 20,000 metre core drilling program on the Halilağa Project that is currently underway, and establish a project-first resource estimate on the Kestane copper-gold porphyry at Halilağa before year end, which is a key step in the evolution of this emerging deposit.

At Kestane, drilling continues to expand the footprint of porphyry copper-gold mineralization, currently 1,200 metres x 850 metres, both along strike and at depth. Close-spaced drilling is being conducted ahead of the planned Q4 2011 resource estimate.

TV Tower Project (40% owned)

With our 60% joint venture partner and project operator, TMST, Pilot Gold plans to complete the 15,000 metre Phase 2 drill program, currently focused on two new gold discoveries made in late 2010. At the Kücükdag target, high grade gold-copper-silver mineralization continues to be intersected over broad intervals. This continues to expand the footprint of this emerging target, comprised of a large, strongly mineralized breccia that remains open to the North, East and West. Drilling will continue into November 2011, with a focus on the Kücükdag, Kayali, Sarp and Kiraz targets.

United States

In Nevada we remain focused on aggressively exploring key projects within our extensive portfolio of exploration properties. In the fourth quarter, we plan to:

- Complete geophysical surveys ahead of a 2,500 metre Phase 2 drill program at our Brik project, where initial drilling by Pilot Gold resulted in a new gold discovery. Drilling is expected to commence in late December 2011.
- Initiate drilling at the recently acquired Kinsley Mountain sediment-hosted gold project. Drills are expected to arrive on November 10, 2011 and we plan to complete approximately 1,500 metres of core drilling ahead of a comprehensive multi-drill program in 2012.
- Wrap up our 2011 exploration program at the Regent Project with detailed analysis and assessment of “next steps” for the property. Drilling at Regent for 2011 was completed using full QA/QC programs at the end of October 2011, with holes placed to provide confidence in ore controls and continuity / predictability to mineralization. We currently await results from this phase of drilling. Initial drill results received to date have confirmed both lateral and down-dip continuity of gold mineralization at the historic deposit, and identified gold and silver mineralization in new targets an additional 750 metres to the northeast.

Approval

The Audit Committee of the Board 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 at www.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 the statements of historical fact contained herein, certain information presented constitutes "forward-looking information" within the meaning of applicable Canadian securities laws. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “planning”, “planned”, “expects” or “looking forward”, “does not expect”, “continues”, “scheduled”, “estimates”, “forecasts”, “intends”, “potential”, “anticipates”, “does not anticipate”, or “belief”, or describes a “goal”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Such forward-looking information, including, but not limited to, estimated future working capital, funds available, uses of funds, future capital expenditures, exploration expenditures and other expenses for specific operations, proposed exploration and development of our exploration properties, fully satisfying all cash call obligations to Pilot Gold’s joint venture partners, ultimate receipt of payment on proposed royalty payments, information with respect to exploration results, the timing and success of exploration activities generally, permitting timelines, government regulation of exploration and mining operations, environmental risks, title disputes or claims, limitations on insurance coverage, potential quantity and/or grade of minerals, potential size of mineralized zone, potential expansion of mineralization, potential type of mining operation, timing and possible outcome of any pending litigation, timing and results of future resource estimates or future economic studies and the timing and results of any future development programs involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, risks related to the interpretation and actual results of historical production at certain of our exploration properties, reliance on technical information provided by third parties on any of our exploration properties, current exploration and development activities; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, as well as those factors discussed in the section entitled "Risk Factors" in the Company’s Amended Annual Information Form for the year ended December 31, 2010 dated May 12, 2011 (amended June 7, 2011), which is available under Pilot Gold’s SEDAR profile at www.sedar.com. 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. 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

Our Disclosure Documents were prepared by or under the supervision of a qualified person (a “Qualified Person”) as defined in 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.

Any inference of potential quantity and grade at Pilot Gold’s exploration properties, and those in which we have a joint venture disclosed in this interim MD&A are conceptual in nature. To date there has been insufficient exploration on any of our properties to define a mineral resource and it is uncertain if further exploration will result in targets at these projects being delineated as a mineral resource.

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 those projects in which the Company holds a 100% interest. Those results contained in this MD&A that are historical in nature relating to the Regent Project have not been verified by Pilot Gold.

As to the Halilağa Project and the TV Tower Projects, all drill samples and analytical data are collected under the supervision of TMST, using industry standard QA-QC protocols for which Mr. Cunningham-Dunlop is responsible. Mr. Cunningham-Dunlop has consented to the inclusion of this information in the form and context in which it appears in this MD&A.

All drill samples and analytical data are collected under the supervision of TMST, using industry standard QA-QC protocols. Ian Cunningham-Dunlop, P. Eng, VP Exploration and Chief Operating Officer for Pilot Gold, and a "Qualified Person" within the meaning of NI 43-101, is responsible for compiling the technical information contained in this MD&A but has not verified all the assay data generated by TMST as project operator. However, the grades and widths reported here agree with the Company's past results on the project and TMST has given him no reason to doubt their authenticity.