PILOT GOLD INC.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the nine months ended September 30, 2013

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This Management's Discussion and Analysis, dated as of November 12, 2013, is for the nine month period ended September 30, 2013 (the "MD&A"), and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2013 of Pilot Gold Inc. (in this MD&A, also referred to as "Pilot Gold", or the "Company", or "we", or "our", or "us"), the related notes thereto (together, the "Interim Financial Statements"), and other corporate filings, including our Annual Information Form for the year ended December 31, 2012, dated March 27, 2013 ("AIF"), available under Pilot Gold's company profile on SEDAR at www.sedar.com.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

Continued advancing our property interests with the following highlights:

- TV Tower
  - Acquired beneficial interest in the Karaayı property from Chesser Resources Limited. Karaayı is adjacent to TV Tower and is contiguous and on strike with the Kayalı target. Infill mapping and soil sampling demonstrate the presence of a widespread oxide gold-mineralized system stretching 4 kilometres in length and bridging the Kayalı and Karaayı targets. Consideration paid for Karaayı is eligible toward the earn-in at TV Tower.
  - Satisfied the second milestone expenditure requirement toward earning-in to an additional 20% interest in TV Tower.
  - Discovered a near-surface, oxidized gold zone overlying silver mineralization to the north of the high-grade sulfide gold zone at KCD. This new zone is open to the northwest and expands the area of silver and gold mineralization at KCD.
  - Continued to report long intervals of high grade gold, silver and copper results from the recently completed 2013 drill program at the KCD target, including:

    - 6.99 g/t gold, 150 g/t silver, and 10.1% copper over 5.0 metres in KCD-164; including, 14.3 g/t gold, 494 g/t silver, and 35.1% copper over 1.1 metres.
  - Commenced initial drill programs at the bulk-tonnage, oxide gold Kayalı and Karaayı targets, providing exposure to two additional high-priority gold targets at TV Tower. Initial results include:

    - 15.9 g/t gold over 3 metres, within an interval grading 1.35 g/t gold over 45 metres at Kayalı in KYD-46.
  - Received Ministry of Forestry and Water Affairs drill permits for the Sarp / Columbaz targets.
- Kinsley
  - Increased our interest in Kinsley to 78% further to an election by our joint venture partner not to participate in the 2013 exploration program.
  - Received an approved Plan of Operations in August 2013 allowing us to expand exploration over an area of up to 70 acres in the southern third of the property and to drill multiple targets beyond the previously disturbed areas on this past-producing property.
  - Launched the 2013 drill campaign with the goal of extending and further defining Kinsley's high-grade and bulk-tonnage near-surface gold mineralization by targeting specific mineralized stratigraphic units and structures.
- Halilağa
  - Continued to receive results from a variety of studies and analyses intended to refine the conceptual economic analysis and potential of this copper-gold Porphyry project, if successfully implemented.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration 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, or those described under the heading "*Risk Factors*" in our AIF, which can be found on Pilot Gold's SEDAR profile at www.sedar.com, and those set forth in this MD&A under the headings *"Cautionary Notes Regarding Forward-Looking Statements*" and "*Industry and Economic Factors that May Affect our Business"* materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

The written disclosure of technical information in the MD&A has been approved by Moira Smith, Ph.D., P.Geo, Pilot Gold Chief Geologist, and a Qualified Person ("QP") for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). Readers are directed to the section "Scientific and Technical Disclosure" included within this MD&A.

Our reporting currency is the United States dollar ("$", or "USD"). All dollar figures in this MD&A are expressed in USD unless otherwise stated. As at September 30, 2013, the value of C$1.00 was $0.97[1].

OUTLOOK

Pilot Gold is focused on exploring and advancing high quality assets that host the key traits of mines: grade, scope, size potential and access to infrastructure in mining-friendly jurisdictions. Our key assets include interests in the TV Tower project, an evolving district with multiple targets and opportunities located in Turkey; and Kinsley Mountain in Nevada. Kinsley is a past-producing gold mine, permitted in August 2013 to allow extensive exploration in and around the historic pits, and much further out into the property's Western Flank. Kinsley hosts a stratigraphy, structure and mineralization-style common to other sediment-hosted gold systems in northeast Nevada. We also hold an interest in the Halilağa deposit in Turkey and a portfolio of exploration projects in Nevada.

Pilot Gold's exploration budget for 2013 is fully funded. We anticipate being similarly positioned in 2014, putting the Company in the unique position of having two marquee projects and the capital to advance each during a time when exploration activities are being reduced, if not altogether curtailed, by many other in the sector. Despite the extremely challenging market conditions and the recent and ongoing volatility in the gold price, we believe that executing a well-planned, efficient exploration program designed to advance a promising asset remains a critical component to a company's success. Although the exploration program and budget for 2014 have not been finalized, management expects to continue carrying out active exploration programs at TV Tower and at Kinsley and to continue delivering results-focused exploration success.

Through the remainder of 2013, we anticipate the following at our key projects in Turkey and Nevada:

TV Tower

Though the principal drill program at the Küçükdağ (KCD) target is complete for 2013, drilling at the Kayalı and Karaayı targets and the planned delivery of an initial resource estimate for KCD should provide continued results-focused exploration success from the 90 km² TV Tower property through the remainder of the year and into 2014. Through the remainder of the year we will continue to focus on the identification and development of additional high quality targets across this district-scale property. In addition, we will continue or initiate metallurgical testing, environmental, cultural, initial engineering and economic studies.

We surpassed the second year expenditure requirement of the TV Tower Agreement in September 2013, and have until June 2015 to satisfy the final $9 million expenditure requirement. As of the date of this MD&A, there is approximately $6.6 million of that requirement remaining.

Kinsley

Our share of the 2013 work program at Kinsley includes approximately $3.4 million in expenditures and approximately 20,000 metres of core and reverse circulation ("RC") drilling designed to establish an initial resource under and adjacent to the historic pits, and to test priority exploration targets on flanking and outlying areas. The 2013 work program also includes preliminary metallurgical studies designed to advance our understanding of the asset and its long-term potential. With the drill program almost complete, and ongoing surface work continuing through year end, we expect to deliver a steady stream of results-related news flow in the months to come. We anticipate submitting an amendment to our current Approved Record of Decision for the Plan of Operations ("PoO") in November 2013 to allow for exploration on the northern claim blocks.

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

Halilağa

We plan to continue ongoing strategic studies including economic, metallurgical, hydrological, environmental and engineering analyses to validate and refine the conceptual economics and potential of this copper-gold porphyry project.

Portfolio

Notwithstanding our relative financial strength, we recognize that commodity and market conditions have reduced access to the equity and debt markets for many exploration companies for the foreseeable future. Accordingly, the Company has continued to rationalize expenditures and exploration activity in an effort to conserve capital and streamline operations without impairing our ability to accomplish the goals we established at the beginning of the year.

During the nine-months ended September 30, 2013 we divested several exploration properties to third-parties, effectively reducing the attention and cost of maintaining those assets, while retaining an interest in those properties through net smelter return royalty interests ("NSR") or equity in the purchaser. We expect to continue to seek opportunities to generate opportunities from the portfolio through the remainder of 2013 and into the following year.

OVERALL PERFORMANCE

Material exploration and development projects

Actual expenditures to the end of Q3 2013 and the 2013 budgeted cash exploration and development expenditures for our material property interests are summarized in the following table:

		Our share (in $ '000s) of:		
Project	**Minerals**	**Actual expenditures through Q3 2013**	**Budgeted expenditures for 2013**	**Pilot Gold ownership**
TV Tower	gold, silver, copper	7,082	7,922	40% (1)
Kinsley	gold	1,944	3,388	78% (2)
Halilağa	copper, gold, molybdenum	182	241	40% (3)
Total		9,208	11,551	

(1) Pilot Gold is currently working to increase its ownership interest at TV Tower to 60% (from 40%) in accordance with an option agreement. The second of three minimum expenditure requirements was surpassed in September 2013. The Company is responsible for 100% of expenditures at TV Tower while earning-in and as of the date of this MD&A, must incur an additional $7.1 million net of VAT receivable prior to June 2015 to satisfy the minimum total expenditure requirement.

(2) The Company's interest in Kinsley initially increased to 65%, pursuant to having notified Nevada Sunrise Gold Corporation ("NEV") on February 8, 2013 that we had met the initial and secondary earn-in expenditure requirements. The total budget approved by the Company and NEV for Kinsley for 2013 was $5.21 million. Consequential to NEV's election not to participate in the 2013 program and budget, and pursuant to Pilot Gold's election not to fund what would otherwise have been NEV's share, the Company's interest in Kinsley, with retrospective effect to January 1, 2013 is approximately 78%. The Company is sole funding exploration through 2013 with a budget of $3.39 million.

(3) Amounts budgeted for 2013 for Halilağa include Pilot Gold's share for the economic, metallurgical, hydrological, environmental and engineering analyses undertaken by Truva Bakır Maden İşletmeleri Anonim Şirketi ("Truva Bakır"), the joint venture entity that owns Halilağa. Each shareholder of Truva Bakır is also funding its proportionate share of legal costs associated with the EIA matter described in this MD&A.

Additional information about each of our material projects is also summarized in our AIF, and can be viewed at SEDAR at www.sedar.com.

We have no revenue-producing operations. Although the budget for the year is $18.5 million, our revised 2013 expenditure forecast, inclusive of exploration, development, capital and general and administrative costs, is approximately $17 million, further to having narrowed our focus on exploration activities at, and strategic studies on, TV Tower and Kinsley in particular. To date we have incurred approximately $15.9 million (86%) of the 2013 budget. Our remaining treasury is sufficient to satisfy the remaining planned expenditures for 2013. The program and budgets for 2014 have not yet been finalized.

TV Tower **(40% owner and operator)**

The 9,065 hectare TV Tower gold-silver-copper property ("TV Tower") is located close to established infrastructure in northwestern Turkey and boasts two gold discoveries to date and numerous targets. The TV Tower mineral tenure comprises nine contiguous licences. To date we have identified multiple epithermal-type targets including KCD, Kayalı and Karaayı, each of which were drilled in 2013. In addition to remaining drill permits at KCD, Kayalı and Karaayı, we received forestry drill permits for the Sarp and Columbaz targets in October 2013, and have three forestry drill permits pending.

Our current 40% interest in TV Tower is held through a shareholding in Orta Truva Madencilik Sanayi ve Ticaret Anonim Şirketi ("Orta Truva"), a Turkish Joint Stock Company. Our joint venture partner at Orta Truva is Teck Madencilik Sanayi Ticaret A.Ş. ("TMST"), a subsidiary of Teck Resources Limited ("Teck").

On June 20, 2012, we became Operator of, and secured the right to acquire an additional 20% interest (to an aggregate of 60%) in, Orta Truva, and thus indirectly, a further 20% of TV Tower (the "TV Tower Earn-in") pursuant to a joint venture and earn-in agreement (the "TV Tower Agreement"). Pilot Gold's current interest in Orta Truva will remain unchanged at 40% until we complete the earn-in requirements. Upon satisfaction of the TV Tower Earn-in we will remain Operator so long as we remain the majority owner.

To acquire the additional 20% interest, Pilot Gold must incur $21 million in eligible exploration expenditures ("Eligible Expenditures") over three years. The Company must also issue Pilot Gold common shares ("Common Shares") to TMST upon attainment of certain milestones, and may be required to make a one-time cash payment to TMST upon completing the $21 million expenditure requirement (the "Additional Consideration") depending upon the size of the then delineated gold resource at TV Tower outlined by a NI 43-101 technical report. The Company completed the $7-million second year minimum expenditure in September 2013, and as of the date of this MD&A, has approximately $6.6 million remaining to complete the final expenditure requirement. We issued a total of 3,275,000 Common Shares to TMST in connection with accomplishing these milestones and have no requirement to issue further Common Shares.

Exploration and target development continues on multiple targets at TV Tower in a program currently designed to infill and expand the gold-silver-copper mineralized footprint at KCD, and to test the bulk-tonnage, oxide gold Kayalı and Karaayı targets. We have also initiated the process to convert certain licenses to "Operating" type from their current status of "Exploration" type to ensure the path is clear for continued work on the principal licenses of the TV Tower property.

Küçükdağ (KCD)

Drilling at the KCD target returned some of the highest-grade gold, silver and copper drill intercepts ever reported in northwestern Turkey, including 5.94 grams per tonne gold (g/t Au) gold, 12.6 g/t silver and 0.53% copper over 137.1 metres in KCD-39 and 227 g/t Au over 12.0 metres in KCD-50. Several recent drill holes have discovered oxidized gold mineralization overlying a zone of silver-only mineralization that itself partially overlies a high-grade gold-silver-copper zone. Mapping and sampling of this sequence is in progress. Results from the final 6 drill holes at KCD are pending as of the date of this MD&A. Preliminary and ongoing metallurgical testing of gold and silver mineralization from KCD is ongoing. The current foci of these analyses is to understand the amenability of heap leaching of the gold and silver oxide and mixed mineralization types, as well as to understand the extent to which the sulphide mineralization responds to flotation. Physical test work and analyses are anticipated to be completed by year end.

We remain on schedule to deliver a maiden NI 43-101 resource estimate, including initial metallurgical analyses on KCD by year-end.

Kayalı

The discovery hole at the bulk tonnage, oxide gold Kayalı target (KYD-01) returned 114.5 metres averaging 0.87 g/t gold in oxide. A 3,600 metre drill program was completed at Kayalı in November 2013, with results pending as of the date of this MD&A from a final drill hole. Initial results, reported November 1, 2013, include: 15.9 g/t gold over 3 metres, within an interval grading 1.35 g/t gold over 45 metres at Kayalı in KYD-46; and 0.60 g/t oxide gold over 81.0 metres, within an interval grading 0.41 g/t gold over 147.7 metres, in KYD-39.

Karaayı

On September 5, 2013 we announced a transaction to acquire the 1,956 hectare Karaayı property from Batı Anadolu Madencilik Sanayi ve Ticaret A.Ş. ("Batı Anadolu"), a Turkish subsidiary of Chesser Resources Limited ("Chesser"), a company listed on the Australian Securities Exchange. Pursuant to the acquisition agreement, Orta Truva will acquire Karaayı in exchange for: 1,250,000 Common Shares and $300,000 in cash. Consistent with the structure of the TV Tower Agreement and in order for consideration to be included as an Eligible Expenditure, the acquisition was financed by Pilot Gold. The value of the Common Shares and the cash component were contributed pro-rata to the current interest of TMST (60%) and that of the

Company (40%) in Orta Truva. The Common Shares were issued as 625,000 to Chesser upon execution of the acquisition agreement (subject to a four-month hold), 312,500 held in escrow to be released at the six month anniversary of execution and 312,500 held in escrow to be released at the one year anniversary of execution.

Karaayı is adjacent to TV Tower and is contiguous and on strike to the Kayalı target. It has approximately 100 permitted drill sites. A Turkish subsidiary of Eldorado Gold Corporation holds a 2.5% NSR on Karaayı.

Until conveyance of title in Turkey is completed, the license will be held in trust and for the benefit of Orta Truva. Orta Truva is operator at Karaayı during the conveyance period and in turn, pursuant to the TV Tower Agreement, Pilot Gold will undertake and oversee all exploration activities at the property. Exploration expenditures at Karaayı incurred by Pilot Gold qualify as Eligible Expenditures.

After reviewing data and identifying drill targets, the Company began drill testing Karaayı as an extension of the ongoing Kayalı program in October 2013. Initial infill mapping and soil and rock sampling by Pilot Gold, between Kayalı and Karaayı, demonstrate the presence of a contiguous oxide gold-mineralized system stretching four kilometres, linking the two targets and providing a significant extension to Kayali.

Karaayı Permitting

Similar to that which is described in this MD&A relating to the Halilağa copper-gold porphyry ("Halilağa"), subsequent to the receipt of an approved Environmental Impact Assessment ("EIA") report from the Ministry of Environment and Urban Planning in Turkey (the "Ministry"), the governmental department responsible for approving such reports, the Ministry was served a legal petition by certain claimants in Turkey to annul its approval of the Karaayı EIA. The petition filed with the Çanakkale Administrative Court (the "Court") names the Ministry as the respondent and does not name Batı Anadolu or Chesser. The petition also requests suspension of any activities contemplated in the EIA by way of an interim decision to be granted by the Court. Bati Anadolu has been recognized by the Court as an interested party to the proceedings allowing it to contribute materials in defence of the Ministry's approval of the EIA.

Pursuant to the structure outlined in the agreement to acquire Karaayı, Orta Truva and Bati Anadolu will work together as interested parties to the proceedings.

The process of discovery is currently underway. A Court-appointed panel of expert witnesses (the "Experts") visited Karaayı and reviewed the EIA and the claimant's submissions, and has presented a preliminary report summarizing their preliminary findings. Although one of the Experts, acting on his own mandate, submitted a separate brief to the Court outlining certain issues and concerns with the EIA (the "Dissenting Expert's Brief"), the principal report submitted concluded that the Ministry had not erred in approving the EIA. The Court is expected to review the Experts' report as well as submissions from the claimants, Bati Anadolu and the Ministry through the remainder of 2013.

Pilot Gold believes the petition is without merit, and even if successful and the EIA is annulled, the ability to continue planned exploration activities at Karaayı will not be affected.

From January 1, 2013 to September 30, 2013, we incurred $10.6 million in Eligible Expenditures at TV Tower (year ended December 31, 2012: $4.77 million), including the value of consideration to acquire Karaayı ($1.6 million). We expect expenditures at TV Tower (including Karaayı) to exceed that property's 2013 budget of $7.92 million by approximately $0.5 million as a reflection of higher than anticipated drill costs as we drilled a higher proportion of diamond drill holes than originally planned and extended the 2013 program to include drill targets at Karaayı. As of the date of this MD&A, we have completed the 2013 drill program at TV Tower, with approximately 22,800 metres of exploration drilling at several targets.

Further information relating to TV Tower is available in the technical report entitled: "*Updated Technical Report on the TV Tower Exploration Property*" dated August 3, 2012, and effective July 15, 2012 prepared by Paul Gribble of Tetra Tech WEI Inc. For further detail on the TV Tower Agreement refer to the TV Tower Agreement and the summary in the Company's AIF. The Updated Technical Report on the TV Tower Exploration Property, the TV Tower Agreement and the AIF are each available under Pilot Gold's issuer profile at SEDAR at www.sedar.com.

Kinsley **(78% owner and operator)**

Kinsley Mountain ("Kinsley") is a sediment-hosted gold property along the Long Canyon Trend with a stratigraphy, structure and mineralization-style common to other sediment-hosted gold systems in northeast Nevada. Comprised of 380 claims (3,096 hectares), the Kinsley property hosts a past-producing mine and exhibits near-surface mineralization similar to other Carlin-style, sediment hosted gold systems.

We acquired an earn-in option to Kinsley in 2011, and in May 2012 completed our expenditure commitment to earn an initial 51% interest. We immediately elected to continue working toward an earn-in to an additional 14% (in aggregate a 65% interest), which was completed in February 2013. The final issuance of Common Shares to Animas Resources Ltd. ("Animas"), as consideration for the acquisition of the Kinsley earn-in option was satisfied on September 20, 2013.

On August 14, 2013 Intor Resources Corporation ("Intor"), a subsidiary of NEV and our partner at Kinsley elected not to participate in the current year program. We elected not to fund what would have been Intor's share of the 2013 program. Accordingly, the revised budget at Kinsley is equal to what had previously been Pilot Gold's share ($3.39 million); the majority of which will be expended in the second half of the year. Commensurate with these elections, Pilot Gold's interest in Kinsley increased to approximately 78%. Intor's remaining 22% interest may be subject to further dilution should it continue to elect not to fund its share of programs going forward.

The 2013 drill program commenced on July 16, 2013 with one drill on the limited remaining permitted area provided for by the prior year permit and ahead of receipt of the PoO. In August 2013 we received the approved PoO from the United States Interior Department's Bureau of Land Management (the "BLM") permitting disturbance over an area of approximately 70 acres in the southern third of the tenure. We immediately mobilized additional RC and core drill rigs to Kinsley and commenced a program designed to drill multiple targets beyond the previously disturbed areas on this past-producing property.

The originally planned 20,000 metre core and RC program for 2013 also includes additional geophysical and metallurgical surveys, and district wide exploration. With a later than anticipated start to the program we currently expect to have completed 16,000 metres before concluding for the year.

We have begun certain biological, environmental and cultural work in conjunction with a planned application to amend the Environmental Assessment and PoO to include the northern claim block

There is currently 1 drill rig operating at Kinsley, with results pending, as of the date of this MD&A from 15 RC and 42 Core drill holes.

Through September 30, 2013 we had capitalized approximately $2.04 million in expenditures at Kinsley (year ended December 31, 2012, $3.67 million).

Further information relating to Kinsley is available in the technical reports entitled: "*Technical Report on the Kinsley Project, Elko County, Nevada, U.S.A.*", dated March 26, 2012, effective February 15, 2012 prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo., and Kent Samuelson; available on SEDAR under Pilot Gold's issuer profile at SEDAR at www.sedar.com.

***Halilağa* (40% owner, and non-operator)**

Halilağa is located 20 kilometres southeast of TV Tower, with a preliminary economic assessment (the "Halilağa PEA") illustrating, within the very preliminary parameters of a PEA, that conceptually Halilağa may support a straightforward open pit mine utilizing conventional milling and flotation for recovery of copper and gold[2]. Although preliminary in nature and derived from broad, factored assumptions, management believes that Halilağa has the potential to be a compelling development project, demonstrating the possible:

a) economic benefits of the higher grades of copper and gold at surface, and
b) benefits of available and proximate infrastructure for mine development.

The Company's interest in Halilağa is held through a 40% shareholding in Truva Bakır Maden İşletmeleri Anonim Şirketi ("Truva Bakır"). TMST is project operator and holds the remaining 60% of this Turkish entity.

Since the date of the Halilağa PEA, Truva Bakır has engaged engineering, metallurgical and financial consultants to perform desktop analyses of potential economic benefits that could be derived from alternative inputs and estimates to those illustrated in the Halilağa PEA. Specifically these engagements (the "Additional Studies") include working with:

i) an engineering firm familiar with Halilağa to consider:
   a. the potential use of contract mining services, rather than an owner-operated fleet, as assumed in the Halilağa PEA;
   b. a staged-development scenario, whereby the mine plan and production schedule conceived in the Halilağa PEA could be modified such that mining and processing material occurred at different illustrative life of mine periods;
ii) a metallurgical engineering consultant to identify alternative processing methods for the various mineralization types at Halilağa as well as to assess and test processing alternatives for the tailings; and
iii) a recognized international accounting firm to review available tax rate and investment incentives implemented by the Turkish government.

Although there has not been a sufficient amount of analysis undertaken to reach any conclusions, nor is there any certainty that the alternatives outlined in the Additional Studies could be implemented, the Company believes the opportunities illustrated to date could potentially enhance the conceptual economic analysis and opportunity of this porphyry project if successfully implemented.

Through the remainder of the year the Company and project operator, TMST, expect to continue with ongoing strategic studies, including economic, environmental and engineering analyses to validate the conceptual economics of the Halilağa PEA. It is anticipated that such studies will likely include ongoing follow-up on the recommendations presented by the authors of the Halilağa PEA.

From January 1, 2013 to September 30, 2013, our share of expenditures at Halilağa was $0.18 million (year ended December 31, 2012: $1.63 million). Expenditures incurred reflect costs associated with the Additional Studies and legal costs relating to the matter described at "*Halilağa Permitting Update*" in this MD&A.

For further details on the Halilağa PEA, refer to the Company's AIF, and the NI 43-101 technical report, entitled "*Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey*", dated August 27, 2012, prepared by Gordon Doerksen, P. Eng of JDS Energy and Mining Inc.; Dino Pilotto, P.Eng and Maritz Rykaart, P.Eng of SRK Consulting (Canada) Inc.; Kevin Scott, P.Eng of Ausenco Solutions Canada Inc.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd. A copy of the Halilağa PEA is available on Pilot Gold's website at www.pilotgold.com and under the Company's profile on SEDAR at www.sedar.com.

[2] The Base Case described in the Halilağa PEA was prepared based on a gold price of $1,200 / oz and a copper price of $ 2.90 / lb.

Halilağa Permitting Update

In 2012, as part of its application to renew and advance certain exploration licenses that comprise Halilağa, Truva Bakır was awarded an approved EIA report from the governmental department responsible for approving such reports. As detailed in our Management's Discussion and Analysis for the year ended December 31, 2012 (the "Annual MD&A"), Truva Bakır was subsequently informed that the Ministry had been served a legal petition by certain claimants in Turkey to annul the Ministry's approval of the EIA report. The petition filed with the Court names the Ministry as the respondent and does not name Truva Bakır or its shareholders. The petition also requests suspension of any activities contemplated in, and limited to the area defined by, the EIA, by way of an interim decision from the Court. There has not yet been any ruling on this.

During Q2 2013, the Court appointed a panel of expert witnesses to review and consider submissions from the plaintiffs and the Ministry. On July 4, 2013 members of the Court, the Experts and representatives from Truva Bakır and the plaintiffs visited Halilağa to examine the proposed location of the small-scale copper-gold test mining (adit) location outlined in the EIA report. As described in the Annual MD&A, the adit is intended to advance our understanding of the potential of Halilağa. The Experts delivered written summaries of their visit and preliminary findings from their review of key documents to the Court in September 2013. Although one of the Experts, acting on his own mandate, submitted a Dissenting Expert's Brief, the principal report submitted concluded that the Ministry had not erred in approving the EIA.

Truva Bakır, the Ministry and the complainants have also submitted responses to the Experts' reports and await the commencement of an administrative hearing. Pilot Gold believes the petition and the Dissenting Expert's Brief to be without merit, and even if successful and the EIA is annulled, the ability to continue planned 2013 activities at Halilağa will not be affected. Further detail relating to the EIA process, and related risks is described in our AIF, filed under the Company's profile on SEDAR at www.sedar.com.

Other property interests

Gold Springs

On August 2, 2013 we sold our remaining 17.5% interest in Gold Springs LLC, the Nevada partnership entity that holds the Gold Springs Project, to a subsidiary of High Desert Gold Corporation ("High Desert"), project operator and our then partner at Gold Springs. As consideration we received common shares of High Desert representing a 7.5% equity interest in that company[3]. The determination to rationalize our interest follows our decision during the first quarter of 2013 to cease financial participation in the exploration program at Gold Springs in order to focus on the Company's material exploration property interests.

Griffon

On August 1, 2013, Pilot Gold agreed to purchase a 100% interest in the Griffon gold property (the "Griffon Purchase Agreement") from Nevada Clean Magnesium Inc. ("NCMI"). The Griffon Purchase Agreement replaces the option agreement that had provided the Company the ability to earn-in to an initial 60% of the Griffon property (the "Griffon Earn-in Agreement"). Consideration paid by Pilot Gold under the Griffon Purchase Agreement to replace the Griffon Earn-in Agreement and acquire 100% of Griffon is 180,000 Common Shares, with no cash component, nor any expenditure commitment required. The Company anticipates incurring expenditures of $0.49 million on Griffon in 2013 ($0.29 million incurred through the nine months ended September 30, 2013), with the majority directed at preparing this property for a potential future drill campaign.

Anchor

In September 2013 we entered into a farm-out arrangement of the Anchor exploration property, granting an option to a subsidiary of Desert Star Resources Corporation ("DSR") to earn an initial 51% interest, with a further option to increase its interest to 65%. In return, we receive staged payments of common shares of that company and their commitment to incur minimum annual expenditure requirements on the property.

Buckskin North, Cold Springs and New Boston

The Company disposed of the Buckskin North, Cold Springs and New Boston exploration properties to a private company in exchange for a 2% NSR royalty on each. The Company had previously determined to write-down the value of each of these properties as they no longer met the profile for continued retention in our portfolio.

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[3] On October 21, 2013, High Desert announced a proposed transaction to be acquired by South American Silver Corp. That transaction is pending.

SELECTED FINANCIAL INFORMATION

Management is responsible for the consolidated financial statements referred to in this MD&A, and provides officers' disclosure certifications filed with Canadian provincial securities commissions. The Audit Committee (the "Audit Committee") of the Company's Board of Directors (the "Board") reviews and approves the Interim Financial Statements and MD&A.

The Interim Financial Statements have been prepared in accordance with IAS 34, *Interim financial reporting*. The Interim Financial Statements should be read in conjunction with Pilot Gold's audited consolidated financial statements for the year ended December 31, 2012 (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Our significant accounting policies are presented in Note 3 of the Annual Financial Statements. Details of new accounting standards effective the reporting period beginning January 1, 2013 and their effect on the financial information can be found in Note 3 of the Interim Financial Statements. No material changes were noted. We have elected to defer all exploration and evaluation expenditures relating to our mineral exploration property interests.

The financial data presented below for the current and comparative periods was prepared in accordance with IFRS. Because Pilot Gold Inc. raises its financing and incurs head office expenses in Canadian dollars, it has been determined to have a Canadian dollar functional currency. In order to enhance comparability with our peers and as a better representation of the principal currency used by the mining and mineral exploration industry, the presentation currency of our Interim Financial Statements is USD.

The Company's operations are in one industry – the exploration for gold, copper and other precious and base metals. At September 30, 2013, Pilot Gold has three geographic segments: Canada, the USA, and Turkey. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information to a user.

The selected period information and summary of financial results in this MD&A should be read in conjunction with the Interim Financial Statements.

Results of Operations

The following financial data (in millions, except per share data) are derived from our unaudited condensed interim consolidated financial statements for the nine month periods ended September 30, 2013, and 2012:

	Three months		Nine months	
	Sept 30, 2013	**Sept 30, 2012**	**Sept 30, 2013**	**Sept 30, 2012**
Total revenues	-$nil	-$nil	-$nil	$-nil
Net loss for the quarter	$1.22	$1.81	$7.57	$4.66
Basic and diluted loss per share	$0.01	$0.03	$0.09	$0.08

Three and Nine Months Ended September 30, 2013 vs. Three and Nine Months Ended September 30, 2012

The most significant contributors to the loss for the three months ended September 30, 2013, were wages and benefits of $0.39 million and non-cash stock based compensation expenses of $0.34 million. The nine month period included the write down of the deferred exploration expenses relating to the New Boston property ($1.28 million), and a decline in the fair value of financial instruments of $1.55 million. Stock-based compensation and wages and benefits expenses also contributed to the loss for the nine month period by $1.91 million and $1.31 million respectively. For both the three and nine months ended September 30, 2013, the next most significant contributors were office and general expenses of $0.34 million and $1.04 million, respectively. Expenses for the three and nine months ended September 30, 2013 were offset by income from management fees earned pursuant to the TV Tower Agreement of $0.26 million and $0.62 million, respectively (three and nine month periods ended September 2012: $nil), and finance income of $0.09 million and $0.33 million, respectively.

The most significant contributors to the loss for the three and nine months ended September 30, 2012 were stock based compensation ($0.33 and $1.37 million respectively) and the cost of wages and benefits ($0.41 and $1.31 million respectively). Expenses for the nine months ended September 30, 2012 were offset by income resulting from a change in fair value of our financial instruments ($0.56 million).

Where practical, the Company has continued to actively reduce costs relating to general and administrative activities as well as other non-property related activities in an effort to direct capital to activities at TV Tower and Kinsley.

Write-down of mineral property interest

During the nine months ended September 30, 2013, the Company wrote down the value of deferred exploration expenditures relating to the New Boston ($1.28 million), and Buckskin North ($0.09 million) properties further to a review and prioritisation of the Company's portfolio of mineral property assets. Buckskin North had been classified as an asset held for sale on our statement of financial position as at December 31, 2012. During the comparative nine month period, three of the Company's mineral properties were written down to an aggregate of $0.54 million. There were no indicators of impairment on the Company's other assets at September 30, 2013.

Change in fair value of financial instruments

The balance of our derivative financial instruments includes 1,000,000 share purchase warrants of Rae-Wallace ("RW Warrants") and 3,125,000 NEV Share purchase warrants, both determined to have nil value. During the year ended December 31, 2012, the impairment of our available-for-sale financial assets consisting of 6,250,000 NEV Shares and 3,895,100 Rae-Wallace shares, were recognized in the statement of loss.

In the nine month period ended September 30, 2013 the fair value of our investments in the shares of Rae-Wallace and of Global Resources Corporation Ltd were determined to be nil resulting in a write down to the statement of loss. Our 17.5% interest in Gold Springs LLC was also written down to realisable value prior to being disposed of in exchange for 6,058,667 shares in High Desert. The impairments and all losses recognized to date were recognized in the statement of loss rather than as a component of other comprehensive loss.

Changes to the fair value of our derivative and impaired available-for-sale financial instruments are recorded to income (loss) in each period. The value of share purchase warrants is determined using the Black-Scholes option-pricing model. In estimating the value of the warrants, we make assumptions about the volatility of underlying share prices of the shares and warrants held and the expected life of these warrants. These estimates affect the warrant 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 management's intentions about holding the investment. The fair value of our impaired available-for-sale financial instruments is determined through their quoted price on the exchanges on which they are listed.

Stock-based compensation

Stock based compensation expense, arising from the vesting of granted employee stock options, totaled $0.34 million and $1.91 million for the three and nine months ended September 30, 2013 respectively, as compared to $0.33 million and $1.37 million for the three and nine months ended September 30, 2012. This total does not include amounts recorded as part of property investigation expense or capitalized to mineral properties ($0.03 million and $0.09 million respectively for the nine month period ended September 30, 2013). The expense is higher in the current period as compared to 2012 as a reflection of a Company-wide grant of stock options to purchase Common Shares ("Options") in January 2013. 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.

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 the 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.

Wages and benefits

In the three and nine months ended September 30, 2013, Pilot Gold recorded $0.39 million and $1.31 million respectively (three and nine months ended September 30, 2012: $0.41 million and $1.31 million respectively) to wages and benefits expense. The balance of wages and benefits is in line with the same periods in the prior year, despite salary increases to our employees, on the whole due to the allocated cost of personnel providing services to the Company pursuant to the management services agreement (the "Oxygen Agreement") with Oxygen Capital Corp. ("Oxygen"). The expense through September 30, 2013 is higher than the amount budgeted for wages and benefits for the quarter not attributable to deferred exploration ($1.26 million) and includes compensation expenses invoiced by Oxygen in accordance with the Oxygen Agreement.

Consistent with our accounting policies relating to the capitalization of exploration expenditures, in any period a significant portion of our remuneration costs are capitalized to our exploration properties based on the nature of work undertaken. Wages and benefits included on our statement of loss reflect only those costs not attributable to either exploration on specific projects, or property investigation. During the nine months ended September 30, 2013, we capitalized $0.35 million (September 30, 2012: $0.55 million) in wages and benefits to our property interests and $0.04 to property investigation (September 30, 2012: $0.17 million) with $0.97 million in wages capitalised towards the TV Tower property.

Office and general

There was a decrease in office and general expenditures during the three and nine months ended September 30, 2013 ($0.34 million and $1.04 million respectively) as compared to the same periods ended September 30, 2012 ($0.37 million and $1.16 million respectively). Office and general expenditures reflect activities at our offices in Canada, the United States and Turkey and have to date been positively impacted from our effort to reduce overhead costs, including savings realized though the allocation of costs from Oxygen (beginning August 1, 2012).

Professional Fees

Professional fees comprise primarily of legal, audit and accounting costs. Professional fees in each of the three and nine month periods ended September 30, 2013 ($0.11 million and $0.62 million, respectively) are higher than the comparative periods ($0.09 million and $0.27 million respectively), as a reflection of increased corporate activity during 2013 to evaluate strategic opportunities and capitalize on current market weakness in order to expand our portfolio of property interests in the United States and Turkey.

Investor relations, promotion and advertising

Costs associated with investor relations, promotion and advertising activities during the three and nine months ended September 30, 2013 were 22% and 14% lower respectively than in the comparative periods primarily reflecting the timing of investor relations activities, efforts to reduce non-exploration expenditures and the absence in 2013 of costs associated with the rebranding and website re-launch that occurred in 2012.

Property investigation

Property investigation related expenditures are expensed until a new project is acquired or the rights to explore the property have been established. Property investigation costs, which include the costs of due diligence and exploration of projects under investigation for acquisition, decreased by 74% to $0.13 million in the third quarter of 2013 compared to $0.50 million in the same period in 2012. Project investigation and generative exploration 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 producing or near term producing assets for acquisition. However, the completion of the TV Tower Agreement, effective June 20, 2012, and the earn-in to 65% at Kinsley provided us with the opportunity to shift our focus to our existing projects, reducing the cost attributable to property investigation.

Management fees

During the three and nine months ended September 30, 2013, the Company received a total of $0.26 million and $0.62 million respectively (September 30, 2012: three and nine months, $nil) in management fees primarily as a result of a service agreement between the Company and Orta Truva. These fees relate mainly to the mark-up on Eligible Expenditures on TV Tower as per the terms of the TV Tower Agreement.

Other comprehensive loss

The net balance of other comprehensive loss consists of the impact of exchange gains and losses from the exchange differences on the translation of our foreign operations with a non-USD functional currency as well as the fair value gains and losses on our unimpaired available-for-sale financial assets.

For the three and nine months ended September 30, 2013 the foreign exchange contribution was a gain of $0.65 million and a loss of $1.83 million respectively (September 30, 2012: three months, $0.81 million; nine months, $0.81 million). The impact from exchange differences will vary from period to period depending on the rate of exchange. In the period between January 1, 2013 and September 30, 2013, there was a 3.26% change in the exchange rate between the United States and Canadian dollars.

The contribution made by the fair value gains and losses of our financial assets were losses of $0.15 million and $0.15 million for the three and nine months ended September 30, 2013 respectively (September 30, 2012: three months, $0.32 million; nine months, $0.98 million). In addition, $0.13 million of losses to date were reclassified to the statement of loss following impairment of certain available-for-sale financial assets. The current period losses correspond to the fair value decrease of our investments in DSR and High Desert.

Financial Position

The following financial data are derived from our financial statements for the nine month period ended September 30, 2013, and the year ended December 31, 2012:

	September 30, 2013	December 31, 2012
Total assets	$72.01 million	$72.39 million
Non-current liabilities	$0.07 million	$0.04 million
Cash dividends declared	$nil	$nil

Total assets

Total assets have decreased since December 31, 2012, by $0.38 million to $72.01 million, further to impairments during the period, net of $5.47 million in value ascribed to Common Shares issued and capitalised to the Earn-in Option asset pursuant to the TV Tower Agreement and as partial consideration for the acquisition of Karaayı. Total assets also decreased due to the impact of foreign currency translation of assets held in subsidiaries with a Canadian dollar functional currency. Notwithstanding periodic or one-time transactions, and any changes to the value of our portfolio of investment holdings, total assets will generally remain constant from one period to the next, less the cost of expenditures on activities not eligible for capitalization. The market value of our investments is subject to fluctuation from one period to another dependent upon market prices and trading activities of those entities.

As the Company earns-in to an increased interest in Orta Truva (and therefore TV Tower), 40% of Eligible Expenditures are capitalized to the value of the Company's interest in Orta Truva, and 60% of Eligible Expenditures are deferred to the "Earn-in Option" intangible asset. The bifurcation of the expenditure in each period permits the Company to fund 100% of activity at TV Tower while maintaining our proportionate interest in Orta Truva until the earn-in has been completed. The majority of Eligible Expenditures are incurred by our wholly owned Turkish subsidiary in accordance with a technical services agreement. Our subsidiary invoices Orta Truva for services performed, and we fund Orta Truva through capital advances, such that it can settle the amount due. At September 30, 2013, $1.21 million was due from Orta Truva pursuant to invoices issued prior to period end relating to the Company's activities at TV Tower. $1.3 million of amounts due at September 30, 2013 were received as at the date of the MD&A. Summary financial information of Orta Truva and Truva Bakır and a reconciliation of the Earn-in Option to Orta Truva, as well as our investment in Truva Bakir are provided in the Interim Financial Statements at notes 9 and 10.

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.

Non-current liabilities

At each of September 30, 2013, and 2012, our non-current liabilities comprise liabilities recorded in recognition of a legal obligation in Turkey to accrue for lump-sum termination payments for employees when their employment is terminated due to retirement or for reasons other than resignation or misconduct. Additionally some long term liabilities have been recorded in relation to reclamation work to be performed on exploration properties.

Shareholders' equity

The Company issued Common Shares as follows during the nine months ended September 30, 2013:

Date	Common Shares	
March 19, 2013	1,637,500	First anniversary TV Tower earn-in milestone issuance to TMST.
August 1, 2013	180,000	Shares issued to terminate the Griffon Agreement.
September 13, 2013	1,250,000	Shares issued as part consideration in the Karaayı acquisition.
September 20, 2013	25,000	Final issuance to Animas for acquisition of the Kinsley Option
September 30, 2013	1,637,500	Second anniversary TV Tower earn-in milestone issuance to TMST.

The weighted average fair value of Options granted during the period determined using Black-Scholes was C$1.34 per option. The weighted average significant inputs into the model were share price of C$2.13 at the grant date, exercise price C$2.12, volatility of 78%, dividend yield of 0%, an expected Option life of 5 years and an annual risk-free interest rate of 1.5%. A 2.77% forfeiture rate is applied to the Option expense.

SUMMARY OF QUARTERLY RESULTS

The following information (in thousands of $, except per share amounts) is prepared in accordance with IFRS and is derived from and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for each of the past eight quarters, as well as the Interim Financial Statements. Consistent with the preparation and presentation in our Interim Financial Statements, these unaudited quarterly results are presented in USD. The determination of functional currency for the Company and each of its subsidiaries and associates is unchanged from that which is consolidated in the Interim Financial Statements.

Condensed consolidated statements of loss and comprehensive income (loss)

	Sep 30 2013	Jun 30 2013	Mar 31 2013	Dec 31 2012	Sep 30 2012	Jun 30 2012	Mar 31 2012	Dec 31 2011
Continuing operations								
Loss for the period before discontinued operations after tax	(1,215)	(3,845)	(2,510)	(3,361)	(1,814)	(1,383)	(1,461)	(2,099)
Other comprehensive income								
Exchange differences on translating foreign operations	650	(1,756)	(1,084)	(121)	809	(464)	469	556
Net value gain (loss) on financial assets	(151)	132	14	917	(322)	(516)	(146)	(2)
Loss per share from continuing operations								
Basic and diluted	(0.01)	(0.04)	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)	(0.04)

The loss for the quarter ended September 30, 2013, includes cash flows relating to operating expenditures of $0.69 million, consisting mostly of salaries and office and general expenses, as well as additional non-cash stock based comp expenditures of $0.35 million. There were additional foreign exchange losses of $0.1 million. Loss from operations was offset by $0.26 million in management fee income recognised during the period pursuant to the TV Tower Agreement. Consistent with previous quarters, net cash outflows were primarily directed to the exploration and development of the Company's exploration properties, and in funding paid to our associates.

In the quarter ended June 30, 2013, loss from operations was $3.03 million, including a $1.28 million write-down of deferred exploration expenditures relating to New Boston. A further $1.12 million loss was recognized on our impaired available-for-sale financial instruments, offset by management fees earned of $0.25 million and interest income of $0.12 million.

In the quarter ended March 31, 2013, loss from operations was $2.47 million with a further $0.39 million in losses recognized on our derivative and impaired available-for-sale financial instruments. These losses were offset by $0.12 million in interest income and $0.11 million in management fees earned pursuant to the TV Tower Agreement.

In the quarter ended December 31, 2012, our loss from operations of $3.06 million includes $0.98 million for the write down of the Regent property to net realisable value and $0.63 million relating to 2012 bonuses to employees and service providers paid in 2013. An additional $0.73 million in losses recognized on impairment of certain of available-for-sale investments previously recognized in other comprehensive income was offset by $0.38 million in management fees received on Eligible Expenditures on TV Tower.

In the quarter ended September 30, 2012, our loss from operations of $2.05 million included $0.54 million in the write-down of deferred exploration expenditures. This was offset by the reversal of the write down of the balance of Value Added Tax receivable previously recorded by our Turkish subsidiary of $0.31 million.

In the three month period ended June 30, 2012, our loss from operations of $1.33 million includes the reversal of the write-down of a property option relating to mineral property rights in Peru (the "RW Option") held at the time by Rae-Wallace. This was offset by exchange gains relating to our US dollar cash balances held in Canada ($0.12 million).

In the three month period ended March 31, 2012, our net loss from operations of $2.36 million includes the write-down of the RW Option for $0.17 million and was offset by a favourable change in the fair value of our long-term investments ($0.8 million), owing primarily to an increase to the fair value of our derivative financial instruments and the gain on recognition of shares we acquired in NEV.

The net loss for the three month period ended December 31, 2011 reflects a similar loss as recorded in the previous three month period of $2.13 million, and similar cash outflows from operating activities of $1.34 million. A loss of $0.56 million on translation of our foreign operations due to the appreciation of the Canadian dollar relative to the US dollar is included in other comprehensive loss for the period.

LIQUIDITY AND CAPITAL RESOURCES

Pursuant to the closing of three related and concurrent financings (the "2012 Bought-Deal", the "Newmont Subscription" and the "Teck Subscription", together, the "Offering", each as defined and described in the Annual MD&A), receipt of cash consideration from the sale of the Regent property, and the balance of existing treasury, as at the date of this MD&A, the Company has approximately $22.8 million available in cash and short-term investments. With no debt, the Company's working capital balance as at this date of this MD&A is approximately $23.3 million.

Although we have no revenue-producing operations, and earn only minimal income through management fees, investment income on treasury, amounts arising through various property option agreements and occasionally as a result of the disposal of an exploration asset, the closing of the Offering in November 2012 positions the Company to advance our material properties without the need to raise additional capital in the medium-term. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Pilot Gold, is reasonable.

Our global budget, including exploration and administration for 2013, is $18.52 million. We anticipate spending $7.92 million at TV Tower, $3.39 million at Kinsley, $0.24 million at Halilağa, and approximately $0.56 million (previously $1.0 million) on other exploration property interests.[4] Budgeted general and administrative costs of $5.30 million include salaries, professional fees and those costs associated with running the Company's offices in Vancouver, Nevada and Turkey as well as for investment in capital equipment and review of new opportunities. Management believes that the available funds are 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.

For discussion of the planned use of proceeds detailed in the Company's (final) short form prospectus dated October 25, 2012 (the "Prospectus"), see our Annual MD&A. In summary, the planned use of proceeds predicated only on the base financing amount contemplated in the Offering, was as follows:

Activity or Nature of Expenditure (through the end of 2014)	**Approximate Use of Net Proceeds (C$ millions)**
Exploration and Development of TV Tower	14.9
Exploration and Development of Kinsley	9.1
Exploration and Development on portfolio of other mineral property interests	2.8
Working Capital	4.1
Total	**30.9**

It was anticipated in the Prospectus that funds raised further to the exercise of the over-allotment option provided to the underwriters of the 2012 Bought-Deal would to be allocated towards the continued development of TV Tower and Kinsley. With the exception of Kinsley, at which there was a deferral of certain costs originally anticipated for Q2 2013, our share of expenditures relating to our material properties to date have also been in line with the anticipated use of proceeds from the Offering. The election by Intor not to participate in the 2013 Program and Budget at Kinsley did not have any impact on the Company's planned expenditure at Kinsley. In connection with state bonding requirements associated with the Kinsley Environmental Assessment and the PoO, the Company has posted $0.7 million with the BLM. The bond is recorded to the Interim Financial Statements as a deposit, a non-current.

Pilot Gold manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties.

The properties in which we currently have an interest are in the exploration and development stage. Accordingly, we are dependent on external financing, including the proceeds of future equity issuances or debt financing, to fund our activities. Circumstances that could impair our ability to raise additional funds, or our ability to undertake transactions, are discussed in our AIF under the heading "*Risk Factors.*" There is no assurance that we will be able to raise the necessary funds through capital raisings in the future.

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

[4] In July 2013, the Company revised its forecast costs to reduce expenditures on non-core portfolio property interests.

Contractual obligations

Mineral Properties and Capital Expenditures

We have obligations in connection with certain of our mineral property interests that require either:

i) cash payments to be made to the government or underlying land or mineral interest owners; or
ii) minimum expenditure requirements in order to maintain our rights to such mineral interests.

Although 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 certain notable obligations relating to TV Tower, Kinsley, Drum and Gold Bug:

TV Tower: Although the $9 million third-year expenditure requirement is not a commitment in that the obligation would be eliminated should we choose to no longer invest funds exploring the property, we are currently incurring costs at TV Tower and have related ongoing obligations with employees, contractors and consultants. It is furthermore not currently possible to estimate the obligation that might arise relating to the value of the Additional Consideration; accordingly, no amount has been recorded.

Kinsley: Pursuant to the Kinsley Gold LLC Operating Agreement and the elections by both members relating to Kinsley's 2013 Program and Budget, should the Company fail to incur at least 80% of the amended budget of $3.5 million, Intor will have the election to claw-back its interest by funding in arrears its pro-rata share of the amount expended in the year at Kinsley. Based on expenditures to date at Kinsley, we do not anticipate that there will be such a shortfall. As described in this MD&A under "*Advance Royalty Payments*", in accordance with the underlying lease agreement, Kinsley Gold LLC is required to make advance royalty payments ("ARPs") to Nevada Sunrise, LLC ("NSL"), a private Nevada-based company.

Drum: Effective January 1, 2013, the Company signed a mining lease for the Drum property, an early stage, sediment hosted target in western Utah. In addition to the ARPs described in this MD&A under "*Advance Royalty Payments*", Pilot Gold is required to make certain annual exploration expenditures at Drum beginning in 2014. The agreement requires us to incur $0.1 million in 2014, $0.3 million in 2015, $0.5 million in 2016 and $0.75 million in 2017 and for all years thereafter, in order to maintain the lease agreement in good standing. The Company has incurred $0.08 million at the date of this MD&A.

Gold Bug: On August 31, 2012 the Company signed an amended lease agreement with Nevada Eagle Resources LLC, a subsidiary of Newmont, whereby Pilot Gold is required to make aggregate expenditures of $3 million over a period of six years, with escalating annual minimum amounts in order to maintain the amended lease agreement in good standing. An initial minimum amount of $0.5 million in expenditures on Gold Bug is a committed expenditure to be settled in cash by the end of the second year of the agreement to maintain the lease in good standing. The Company has incurred $0.27 million at the date of this MD&A.

Pilot Gold had no other commitments for material capital expenditures as of September 30, 2013.

Management and Technical Services Agreement

The Company has entered into a Management and Technical Services Agreement with Oxygen, a private company owned by three directors of the Company. Pursuant to the Oxygen Agreement, and without limiting or abrogating the duties of Pilot Gold's President and Chief Executive Officer or its Chief Financial Officer and Corporate Secretary, Oxygen provides the Company:

- access to, and the use of the assets contained in, office space leased by Oxygen; and
- services, staff and expertise as determined necessary to properly and efficiently manage the assets, operations, business and administrative affairs of Pilot Gold.

The Company pays Oxygen for the cost of management and technical services, including the wage allocations of Oxygen employees (plus tax and applicable benefits) at cost; there is no mark-up or additional direct charge to the Company from Oxygen under the Oxygen Agreement.

The Oxygen Agreement is intended to provide the Company with a number of technical and management services and access, on an as-needed basis, to Oxygen's roster of geologists, mining engineers, investor relations and financial professionals that would not necessarily otherwise be available to Pilot Gold at this stage of the Company's development.

The Oxygen Agreement is for an initial term of three years, and shall be automatically renewed from time to time thereafter for additional terms of one year unless otherwise terminated. Pursuant to the Oxygen Agreement, the Company has paid to Oxygen a security deposit estimated at an amount equal to three months of management and technical services. This amount is recorded in the Interim Financial Statements as a non-current asset. The Company has also paid for certain leasehold improvements and capital assets acquired by Oxygen and used by the Company pursuant to the Oxygen Agreement; such costs are also accounted for as non-current assets. The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination.

Advance Royalty Payments

In accordance with the underlying lease agreements at Kinsley and at our Drum project, we will be required to make ARPs to the respective underlying property holders as follows:

Total future ARPs, as at September 30, 2013 are as follows.

Year	Kinsley	Drum
2014	$ 50,000	$ 30,000
2015	50,000	45,000
2016	50,000	60,000
2017	75,000	75,000
2018	100,000	100,000
2019	150,000	100,000
2020 and beyond	200,000	100,000

The aggregate advance ARPs on each respective property will subsequently be credited against future NSR payments payable from production at the respective property. Although the annual payments are commitments to the Company, as long as we continue to hold these properties, it is not currently possible to make a reliable estimate of the obligation such that a provision can be made. Pursuant to the underlying lease agreements the Company has the right to terminate the lease by giving thirty days advance notice and returning the Company's interest in the property to underlying property holder.

Leases

The Company has entered into operating leases for premises in the United States and Turkey. The lease terms are between two and four years. Each lease is renewable at the end of the lease period at market rates. Office premises and other operating leases in Canada are provided by Oxygen and included in the amount invoiced to the Company monthly. Upon termination of the Oxygen Agreement, the Company is required to indemnify Oxygen for costs associated with those agreements or obligations that had been executed or incurred by Oxygen in connection with, or related to the services provided to the Company by Oxygen. These amounts, as pertaining to non-cancellable leases, are included in the table below. The aggregate lease expenditure related to Pilot Gold's office premises charged to the statement of loss for the three months ended September 30, 2013 is $0.18 million.

Total future minimum lease payments, under non-cancellable operating leases as at September 30, 2013 are as follows:

Year	$ millions
2013	0.07
2014	0.29
2015	0.17
2016	0.16
2017+	1.30
	1.99

The Company is also responsible for its share of property taxes and operating costs on office premises leases in Canada, Turkey and the US.

RELATED PARTY TRANSACTIONS

Oxygen Capital Corporation

As noted, Oxygen is a related party providing services to the Company at cost including staffing, office rental and other administrative functions. Related party transactions during the period total $0.92 million in expenditures and $0.14 million in deferred exploration expenditures relating to mineral properties, reflected in the Company's Interim Financial Statements. As at September 30, 2013, the Company held an immaterial receivable and payable from and to Oxygen. These amounts were settled during October 2013.

The Company also has a deposit of $0.43 million with Oxygen to be used against the final three months of service with that company upon termination of the Oxygen Agreement. Although Oxygen does not charge a management fee or mark-up on cost of its services, from time to time direct costs invoiced to Oxygen by an owner of that company may be passed along to the Company.

Compensation of key management personnel

Key management includes members of the Board, the President and CEO, 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 directly or via Oxygen is shown below:

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Salaries and other short-term employee benefits	$0.89 million	$0.80 million
Share-based payments	$1.17 million	$1.15 million
Total	**$2.06 million**	**$1.95 million**

Associates

The Company's associates are also related parties. The following amounts show cash paid directly to our associates in the nine months ended September 30, 2013 and 2012:

	Nine months ended September 30,	
	2013	2012
Truva Bakır	$0.23 million	$1.38 million
Orta Truva	$11.72 million	$0.34 million
Gold Springs	-	$0.39 million
Total	**$11.95 million**	**$2.11 million**

The figure for 2013 for Orta Truva includes $6.98 million of Expenditures capitalised towards the Earn-in Asset (2012: $nil). As at September 30, 2013, we had total outstanding receivables from Orta Truva of $1.2 million (December 31, 2012: $4.25 million that as at that date was attributable to $2.55 million to the Earn-in Option and $1.7 million to Investment in Associates). A $0.03 million receivable was outstanding from Truva Bakır at September 30, 2013 (December 31, 2012: $0.01 million).

During the three months ended March 31, 2013, we declined to participate in the proposed exploration program at the Gold Springs project led by High Desert, diluting our interest in that project to approximately 17%. Gold Springs ceased to be a related party at that time.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

Indemnifications

Newmont Mining Corporation

As described in our AIF, Pilot Gold ceased to be a wholly owned subsidiary of Fronteer Gold Inc. ("Fronteer") on April 6, 2011, pursuant to an arrangement agreement ("Arrangement Agreement") between Newmont Mining Corporation ("Newmont"), Fronteer and Pilot Gold, whereby Newmont acquired all the outstanding common shares of Fronteer by way of a plan of arrangement (the "Fronteer Arrangement"). The effective date of the Fronteer Arrangement was determined to be March 30, 2011. The Fronteer Arrangement 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) for a period of six years following the effective date of the Fronteer Arrangement.

Teck Resources Limited

The TV Tower Agreement also provides for certain indemnifications between TMST and Pilot Gold. Such indemnifications relate to actions of Pilot Gold, as Operator of TV Tower during and after the period of earn-in, as well as to indemnifications between each of the shareholders of Orta Truva, and between Orta Truva and the respective shareholders.

Oxygen Capital Corporation

Upon termination of the Oxygen Agreement, Pilot Gold is required to indemnify Oxygen for costs associated with those agreements or obligations which had been executed or incurred by Oxygen in connection with or related to the services provided to the Company by Oxygen. The associated commitment, relating to the discharge of non-cancellable leases, is included in the summary of contractual obligations in this MD&A.

CHANGES IN ACCOUNTING POLICES AND NEW ACCOUNTING PRONOUNCEMENTS

For information on the Company's accounting policies and new accounting pronouncements, please refer to our disclosure in our Interim Financial Statements, at Note 3.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities and expenses. Factors that could affect these estimates are discussed in our AIF under the heading, "*Risk Factors*". Subject to the impact of such risks, the carrying value of Pilot Gold's financial assets and liabilities approximates their estimated fair value.

(i) Review of asset carrying values and impairment assessment

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 such ore bodies into production.

In accordance with the Company's accounting policy, assets are evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

The most significant assets assessed include the value of our investments in our associates, the carrying value of our exploration properties and deferred exploration expenditures, and the carrying value of the Earn-in Option, including the fair value of the 3,000,000 Common Share purchase warrants ("Teck Warrants") issued to TMST. There were no assumptions underlying our estimate of recoverability of these assets that relate to matters defined as highly uncertain at the time these estimates were made. Recoverability of the carrying amount of the exploration properties, and of our interests in associates, is dependent on successful development and commercial exploitation or, alternatively, sale of the respective assets. Recoverability of the carrying amount of the Earn-in Option is dependent on our successfully meeting the earn-in requirements of the TV Tower Agreement. Changes in any of the assumptions used to determine impairment testing could materially affect the result of our analyses.

As noted in the Interim Financial Statements, the Company had previously determined to write down the value of deferred exploration expenditures relating to the Buckskin North and New Boston exploration properties, each of which along with the Cold Springs property were sold in exchange for a 2% NSR during the nine months ended September 30, 2013. The Company also wrote-down the carrying value of our interest in Gold Springs LLC and the value of our Rae-Wallace shares.

(ii) Provisions for decommissioning and restoration liabilities

Closure and restoration costs are a normal consequence of exploration. The Company's accounting policy requires the recognition of such provisions when the obligation occurs. The initial provisions are periodically reviewed during the life of the project to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of the projects. The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience on other sites. None of the likelihood of new regulations, the degree of change in estimates and their overall effect upon us, or the expected timing of expenditures, is predictable. As a result there could be significant adjustments to the provision for decommissioning, which would affect future financial results.

As at September 30, 2013, the Company has recorded $0.05 million, of which $0.02 million is a current liability, (December 31, 2012: $0.04 million) relating to restoration provisions.

(iii) Determination of the fair value of share-based payments

The fair value of Options granted and Warrants (including the Teck Warrants) issued is computed to determine the relevant charge to the income statement, and liability if applicable. In order to compute this fair value the Company uses a Black-Scholes pricing model that inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates. Changes in any of these inputs could cause a significant change in the share-based compensation expense charged in a period.

The assumptions with the greatest potential impact on the calculations are the volatility and the expected life. We base our expectation of volatility on the volatility of similar publicly listed companies, as the expected life of our Options exceeds our trading history.

(iv) Deferred tax assets and liabilities

The determination of the Company's tax expense for the period and deferred tax liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes.

The Company provides for such differences, where known, based on management's best estimate of the probable outcome of these matters.

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 instruments held by the Company classified in this category are share purchase warrants.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of 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 12 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 12 months, or management expects to dispose of them within 12 months.

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of loss as part of interest income. Dividends on available-for-sale equity instruments are recognized in the statement of 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 impaired, the accumulated gains or losses are moved from accumulated other comprehensive income (loss) to the statement of 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 'Receivables' and 'Cash', 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 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).

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables and accrued liabilities. Trade payables and accrued liabilities 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 12 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. The Board provides oversight of our risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 Common 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 short term investments.

Market Risk

The significant market risk to which we are exposed is 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 cash calls from our 60% partner on Halilağa, are incurred in USD. The fluctuation of the Canadian dollar in relation to the USD 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 USD in our 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 Canadian dollars in relation to the USD.

A 1% increase or decrease in the exchange rate of the USD relative to the Canadian dollar, would result in a $0.18 million increase or decrease respectively in the Company's cash and short term investment balance. Our exposure relating to operating activity in Turkey from fluctuations of the Turkish lira remains minimal given the nature, type and currency (USD) of expenditure. A significant strengthening in the value of the Turkish lira compared to the USD could, however, adversely impact the economics associated with Halilağa. We have not entered into any derivative contracts to manage foreign exchange risk at this time.

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.

Interest Rate Risk

We are subject to interest rate risk with respect to our investments in cash and cash equivalents. Our current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned.

INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are substantially unchanged from those described under the heading "*Risk Factors*" in our AIF, available on Pilot Gold's SEDAR profile at www.sedar.com. In particular, there remain significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties and increased volitility in the prices of gold, copper, other precious and base metals and other minerals as well as increasing volatility in the foreign currency exchange markets as assets continue to be repriced against a backdrop of uncertainty relating to the potential tapering of the United States Federal Reserves Qualitative Easing programs, ongoing deferral of, and debate relating to, the debt ceiling and budget review issues in the United States, and as a rebalancing of the global growth forecast is digested by the capital, commodity and currency markets.

While the recent decrease in the price of gold and ongoing uncertainties in capital markets do not have a direct impact on the Company's ability to carry out exploration, the Company may be impacted should it become more difficult to gain access to capital (e.g. debt or equity financing for the purposes of mineral exploration and development) when and if needed. Difficulty in accessing capital on favourable terms may limit the Company's ability to develop and/or further explore the mineral properties in which we have an interest and may limit our ability to meet capital calls with respect to our associates. Further, the recent strengthening of the USD (the currency in which the Company incurs the majority of its operating costs) against the Canadian dollar (the currency in which Pilot Gold has historically raised capital) will impact the rate at which the Company's treasury is consumed.

The specific risks noted in our AIF may limit the Company's ability to develop and/or further explore its mineral property interests and may limit the ability of the Company to satisfy earn-in expenditure requirements on our material projects.

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 interests been the subject of, any material legal proceedings or regulatory actions.

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. We are also continually reviewing and discussing opportunities with third parties regarding the sale of non-strategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

With the exception of ongoing reviews of opportunities to expand our property portfolio in Turkey and the United States, there are no proposed asset or business acquisitions or dispositions before the Board for consideration, other than those discussed in this MD&A and those in the ordinary course. 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.

OUTSTANDING SHARE DATA

There are 89,940,333 Common Shares and 14,362,524 Warrants to purchase Common Shares issued and outstanding at the date of this MD&A.

As at September 30, 2013 and the date of this MD&A, there were 6,920,000 Options outstanding issued to directors, officers, employees, and key consultants. Of the total number of Options granted, 4,335,000 are exercisable as at September 30, 2013 and as at the date of this MD&A. No Options have been exercised as of the date of this MD&A.

The Company has not declared any dividends since incorporation.

SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN

With the exception of transactions and activities described in this MD&A, there were no subsequent events.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Based on a review of its internal control procedures at the end of the period covered by this MD&A, 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, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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.

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, 2013, 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. There have been no significant changes in our disclosure controls and procedures during the period ended September 30, 2013.

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.

ADDITIONAL INFORMATION

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

APPROVAL

The Audit Committee has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it of us, and will be posted to our website at www.pilotgold.com.

(signed) "Matthew Lennox-King"	*(signed) "John Wenger"*
Matthew Lennox-King	John Wenger
President and Chief Executive Officer	Chief Financial Officer and Corporate Secretary
November 12, 2013	

SCIENTIFIC AND TECHNICAL DISCLOSURE

With the exception of Halilağa, the Company's material exploration projects and those in which we have an interest are early stage and do not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed herein relating to targets at TV Tower and Kinsley are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed in this MD&A. It is uncertain if further exploration will result in these targets being delineated as a mineral resource.

Unless otherwise indicated, Pilot Gold has prepared the technical information in this MD&A ("Technical Information") based on information contained in the following technical reports:

- "Updated Technical Report on the TV Tower Exploration Property, Çanakkale, Western Turkey", effective July 15, 2012, and dated August 3, 2012;
- "Technical Report on the Kinsley Project, Elko County, Nevada, U.S.A.", effective February 15, 2012, and dated March 26, 2012; and
- "Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey", effective August 27, 2012, and dated October 10, 2012,

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 an independent QP. 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.

Mineral resource estimates relating to Halilağa are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined at Halilağa may differ from the one indicated by drilling results and the difference may be material. Although there has been no economic analysis summarized in this MD&A relating to the Halilağa PEA, readers are cautioned that the Halilağa PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Halilağa PEA will be realized. Further studies, including engineering and economics, are required (typically as a Pre-Feasibility Study) with regards to infrastructure and operational methodologies. Moreover, the illustrative mine plan and economic model detailed in the Halilağa PEA include the use of a significant portion of Inferred resources, which are considered to be too speculative geologically to be used in an economic analysis, except as permitted by NI 43-101 for use in PEAs. Additional disclosure and cautionary notes relating to the Halilağa PEA are summarized in the AIF.

Moira Smith, Ph.D., P.Geo, Pilot Gold Chief Geologist, is the Company's designated QP for the purposes of NI 43-101, and has reviewed and validated that the scientific or technical information contained in this MD&A related to the Halilağa PEA is consistent with that provided by the QPs responsible for the Halilağa PEA, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Dr. Smith has also reviewed and validated that the scientific or technical information contained in this MD&A related to TV Tower (post- effective date of the TV Tower Agreement) is accurate. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

As to Halilağa and for TV Tower through to the effective date of the TV Tower Agreement, all drill samples and analytical data were collected under the supervision of TMST, using industry standard QA-QC protocols. Dr. Smith is responsible for compiling the technical information contained in this MD&A but she has not verified all the assay data generated by TMST as project operator at Halilağa, or as previous operator at TV Tower, and has not necessarily had access to individual assay certificates. However, the grades and widths reported here agree with the Company's past results on the projects and TMST has given her no reason to doubt their authenticity. Dr. Smith also visits Halilağa and TV Tower regularly during the active drilling season and during those visits, is given complete freedom to review drill core and technical data on site, and to discuss the ongoing program and results at Halilağa with TMST staff. She is satisfied that TMST is meeting industry standards for all levels of exploration work being carried out at Halilağa.

Cautionary Notes Regarding Forward-Looking Statements

This MD&A, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning, future financial or operating performance of Pilot Gold and its business, operations, properties and condition, the future price of gold, silver, copper, molybdenum and other metal prices, the potential quantity and/or grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Pilot Gold's exploration property interests, the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of Pilot Gold, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint venture partners or other third parties, the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital, Pilot Gold's ability to fully fund cash-calls made by its joint venture partner for ongoing expenditure at Halilağa; completion of expenditure obligations under the option and earn-in agreements to which the Company is a party, government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain or convert the underlying licences for Halilağa and TV Tower in accordance with the requirements of applicable mining laws in Turkey; government regulation of exploration and mining operations; environmental risks, including satisfaction of requirements relating to the submissions and successful defence of EIA reports and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage, future issuances of Common Shares to satisfy earn-in obligations or the acquisition of exploration properties and the timing and possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Pilot Gold to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Statements relating to mineral reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral reserves and resources described exist in the quantities predicted or estimated and may be profitably produced in the future. Estimated values of future net revenue do not represent fair market value. There is no certainty that it will be commercially viable to produce any portion of the resources.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of gold, copper, silver, molybdenum and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources and mineral reserves, successful resolution of the EIA Challenges, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Pilot Gold and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties; disruptions or changes in the credit or securities markets and market fluctuations in prices for Pilot Gold's securities; judgement of management when exercising discretion in their use of proceeds from the Offering; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Options, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; the

Company is an exploration and development stage company with no history of pre-tax profit and no income from its operations and there can be no assurance that the Company's operations will be profitable in the future; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, pitwall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; Pilot Gold's ability to renew existing licences and permits or obtain required licences and permits; changes in government legislation and regulation; fluctuations in commodity prices; requirements for future funding to satisfy contractual obligations and additional capital needs generally; changes or disruptions in market conditions; market price volatility; the Company currently has a major shareholder with greater than 10% holdings; uncertainties associated with minority interests and joint venture operations; the majority of the Company's operations occur in foreign jurisdictions; risks associated with the Company's indemnified liabilities; increased infrastructure and/or operating costs; reclamation costs; the Company has limited operating history and no history of earnings; reliance on a finite number of properties; limits of insurance coverage and uninsurable risk; contests over title to properties; environmental risks and hazards; regulation of State Forest Land in Turkey; limitations on the use of community water sources; the need to obtain and maintain licences and permits and comply with laws and regulations or other regulatory requirements; competitive conditions in mineral exploration and mining business; the ability of the Company to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integration with the Company's current business; influence of third party stakeholders; risks of litigation; the Company's designation as a "passive foreign investment company"; the Company's system of internal controls; conflicts of interest; credit and/or liquidity risks; fluctuations in the value of Canadian and United States dollars relative to each other; changes to the Company's dividend policy; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "*Risk Factors*" in the AIF. 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 or revise 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 or forward-looking information 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. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

Pilot Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on forward-looking information.

Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms "Measured", "Indicated" and "Inferred" Resources are used herein. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.