

Pilot Gold Inc.
Annual Information Form
for the fiscal year ended December 31, 2014

Dated March 24, 2015



Suite 1900, 1055 West Hastings Street
Vancouver, B.C.
Canada V6E 2E9

☎ 1•604•632•4677

✉ info@pilotgold.com

TSX: PLG

PAGE LEFT INTENTIONALLY BLANK

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	
CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES	
PRELIMINARY NOTES	6
GENERAL DEVELOPMENT OF THE BUSINESS	9
DESCRIPTION OF THE BUSINESS	13
RISK FACTORS	19
MINERAL PROPERTIES	37
Kinsley, Nevada	37
TV Tower, Turkey	51
Halilağa, Turkey	67
SHAREHOLDER INFORMATION	90
GOVERNANCE	93
ADDITIONAL INFORMATION	102
SCHEDULE A – AUDIT COMMITTEE CHARTER	
SCHEDULE B – CODE OF BUSINESS CONDUCT AND ETHICS	

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. Such forward-looking information and forward-looking statements includes, but is not limited to, statements or information concerning the future financial or operating performance of Pilot Gold Inc. ("**Pilot Gold**" or the "**Corporation**") and its business, operations, properties and condition, the future prices of gold, copper, silver and other metals, resource potential, quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the timing of other exploration and development plans at Pilot Gold's mineral project interests, the timing and amount of estimated potential future production, and illustrative costs of production and mine lives of the Corporation's various mineral projects. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or states that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Statements relating to mineral resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated or that it will be commercially viable to produce any portion of such 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, and other metals, 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 required licences and permits and renewals thereof, labour stability, stability in market conditions, availability of equipment, accuracy of mineral resource estimates, the amenability of mineralization to produce a high-grade concentrate at Kinsley's Western Flank (as there can be no assurances as to the results of the metallurgical testing completed thus far and no inferences should be drawn therefrom), the accuracy of any metallurgical testing completed to date, favourable resolution of the challenges to the Environmental Impact Assessment reports ("**EIA**") at both Halilaga and TV Tower (Karaayı license), anticipated costs and expenditures and our ability to achieve our goals. Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of Pilot Gold and could thus 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.

Such forward-looking information, including, but not limited to, statements that address resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone; potential expansion of mineralization; the timing and results of future resource estimates; proposed timing of exploration and development plans at the Corporation's mineral projects; and the estimation of mineral resources involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Such factors include, among others: the interpretation and actual results of historical production at certain of the Corporation's exploration property interests, as well as specific historic data associated with, and drill results from, those properties, and the reliance on

technical information provided by Pilot Gold's 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 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, completion of expenditure and other obligations under earn-in or option agreements to which the Corporation is a party, government regulation of mining operations and changes in government legislation and regulation, environmental risks and reclamation expenses, title disputes, the ability to obtain, maintain or renew the underlying licences and permits for Halilağa and TV Tower in accordance with the requirements of applicable mining, environmental and other laws in Turkey; satisfaction of requirements relating to the submissions and successful defence of EIAs; successful defence against existing, pending or threatened litigation or other proceedings; the impact of archaeological, cultural or environmental studies within the property area; limitations of insurance coverage; future issuances of common shares in the capital of the Corporation ("**Common Shares**") to satisfy earn-in obligations or the acquisition of exploration properties; the timing and possible outcome of regulatory and permitting matters; and those 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 that may occur outside of management's control.

Other factors which may cause the actual results, performance or achievement of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information include: judgement of management when exercising discretion in their use of proceeds from offerings of securities; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Cadillac Warrants, Teck Warrants RSUs, DSUs, or Options (all, as defined in this Annual Information Form), future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral resources; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of exploration and development; possible variations of mineral grade or recovery rates; failure of 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, 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; 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; uncertainties associated with minority interests and joint venture operations; risks associated with the Corporation's indemnified liabilities; increased infrastructure and/or operating costs; reclamation costs; 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; competitive conditions in the mineral exploration and mining businesses; the ability of the Corporation to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integration with the Corporation's current business; influence of third party stakeholders; risks of litigation; the Corporation's designation as a "passive foreign investment company"; the adequacy of the Corporation'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 Corporation's dividend policy; and the risks involved in the exploration, development and mining business in general. Although the Corporation has 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. Further detail relating to many of these factors is discussed in the section entitled "Risk Factors" in this AIF.

Forward-looking statements and forward-looking information contained herein are made as of the date of this AIF and the Corporation disclaims 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.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

Information in this AIF, including any information incorporated by reference, and disclosure documents of Pilot Gold that are filed with Canadian securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "measured resources", "indicated resources" and "inferred resources". Shareholders in the United States are advised that, while such terms are defined in and required by Canadian securities laws, the United States Securities and Exchange Commission (the "**SEC**") does not recognize them. Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility or other technical reports or studies, except in rare cases. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

PRELIMINARY NOTES

Throughout this Annual Information Form ("**AIF**"), Pilot Gold Inc. is referred to as "**Pilot Gold**" or the "**Corporation**". All information contained in this AIF is given as of December 31, 2014, unless otherwise stated.

Currency

All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars ("**US\$**"), the same currency that the Corporation uses in its consolidated financial statements as its reporting currency. As at December 31, 2014 and March 24, 2015, the value of the Canadian dollar ("**C\$**"), based on the Bank of Canada's noon rates of exchange for the conversion of C\$ was US\$0.862 and US\$0.799 respectively.

Measurements and frequently used abbreviations and acronyms

In this AIF, metric units are used with respect to the Corporation's various mineral properties and operations. Conversion rates from imperial measures to metric units and from metric units to imperial measures are provided in the table set out below:

Imperial Measure	Metric Unit	Metric Unit	=	Imperial Measure
2.471 acres	1 hectare ("ha")	0.4047 hectares		1 acre ("ac")
3.281 feet	1 metre ("m")	0.3048 metres		1 foot ("ft.")
0.621 miles	1 kilometres ("km")	1.609 kilometres		1 mile ("mi.")
2.20 pounds	1 kilogram ("kg")	0.454 kilograms		1 pound ("lb.")
0.032 troy ounces	1 gram ("g")	31.1 grams		1 troy ounce ("oz.")

Measurements and amounts in this AIF have been rounded to the nearest two decimal places.

Financial Statements and Management Discussion and Analysis

This AIF should be read in conjunction with the audited consolidated financial statements of Pilot Gold for the year ended December 31, 2014 (the "**Audited Financial Statements**"), and the accompanying management's discussion and analysis ("**MD&A**") for that year. Unless otherwise indicated, financial information contained in this AIF is presented in accordance with International Financial Reporting Standards ("**IFRS**"). The Audited Financial Statements and MD&A are available at www.pilotgold.com and on SEDAR at www.sedar.com.

Standard Resource and Reserve Reporting System

National Instrument 43-101, "*Standards of Disclosure for Mineral Projects*", Companion Policy 43-101CP and Form 43-101F1 (collectively, "**NI 43-101**") are a set of rules developed by the Canadian Securities Administrators, which has established standards for all public disclosure an issuer makes of "scientific and technical information" concerning mineral projects ("**Technical Information**"). Unless otherwise indicated, all Technical Information, including resource estimates attributable to Pilot Gold's property interests contained in this AIF, and including any information contained in certain documents referenced in this AIF, has been prepared in accordance with NI 43-101, and those standards of the Canadian Institute of Mining, Metallurgy and Petroleum Standing Committee on Reserve Definitions (the "**CIM Standards**").

The named individuals who supervised the preparation of the Technical Information contained in this AIF are qualified persons, as defined under NI 43-101 (each individually, a "**Qualified Person**"). Each such Qualified Person is an author of one of the technical reports that form the basis for the majority of the Technical Information reproduced in this AIF.

Material Property Interests

As at March 24, 2015, the Corporation holds an interest in three mineral properties that are considered to be material within the meaning of applicable Canadian securities laws (together, the "**Material Properties**"):

<u>Property name</u>	<u>Ownership entity</u>	<u>% interest</u>
Halılađa	Truva Bakır Maden İşletmeleri A.Ş. (" Truva Bakır ")	40%
TV Tower	Orta Truva Madencilik Şanayi ve Ticaret A.Ş. (" Orta Truva ")	60% ¹
Kinsley	Pilot Gold (USA) Inc. (" Pilot USA ")	79% ²

See discussion in this AIF, under headings, "*Intercorporate Relationships*" and "*Mineral Properties*" for ownership interest and summaries of, and Technical Information for, each of the Corporation's material property interests.

Technical Disclosure

Unless otherwise indicated, Pilot Gold has prepared the Technical Information in this AIF based on information contained in the technical reports and news releases (collectively the "**Disclosure Documents**") available under Pilot Gold's company profile on SEDAR at www.sedar.com. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Each of the Corporation's Disclosure Documents was prepared by or under the supervision of a Qualified Person. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information.

Other than at Halılađa, a copper-gold porphyry deposit located in northwest Turkey ("**Halılađa**"), and at Küçükdađ ("**KCD**"), a gold-silver-copper deposit at the TV Tower project ("**TV Tower**"; and together with Halılađa, the "**Turkish Properties**"), any inferences disclosed in this AIF of potential quantity and grade at Pilot Gold's exploration property interests, and those in which the Corporation has a joint venture, are conceptual in nature. With the exception of Halılađa and KCD, there has been insufficient exploration to date, on any of the Corporation's Material Properties to define a mineral resource, and it is uncertain if further exploration will result in targets at these projects being delineated as a mineral resource.

The mineral resource estimates contained herein relating to Halılađa and KCD 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 may differ from the one indicated by drilling results and the difference may be material. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Moira Smith, Ph.D., P.Geo., Chief Geologist, Pilot Gold, and a Qualified Person, has prepared and approved the Technical Information in this AIF. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this AIF.

¹ As described elsewhere in this AIF, particularly under "Mineral Properties – TV Tower, Turkey", pursuant to a share-purchase and joint venture agreement with Teck, effective March 12, 2015, the Corporation increased its beneficial interest in Orta Truva, and thus, TV Tower to 60% (from 40%) by making certain exploration expenditures, and by making payments and equity issuances to Teck. Formal conveyance of shares in Orta Truva is in progress.

² The Corporation's interest in Kinsley increased in 2013 from 65% to 79% pursuant Intor Resources Corporation ("**Intor**"), the U.S. subsidiary of Nevada Sunrise Gold Corporation ("**NSGC**")'s interest having been diluted as a result of that company not funding its share of expenditures on the project during that year.

CORPORATE STRUCTURE OF THE CORPORATION

Name, Incorporation and Registered Office

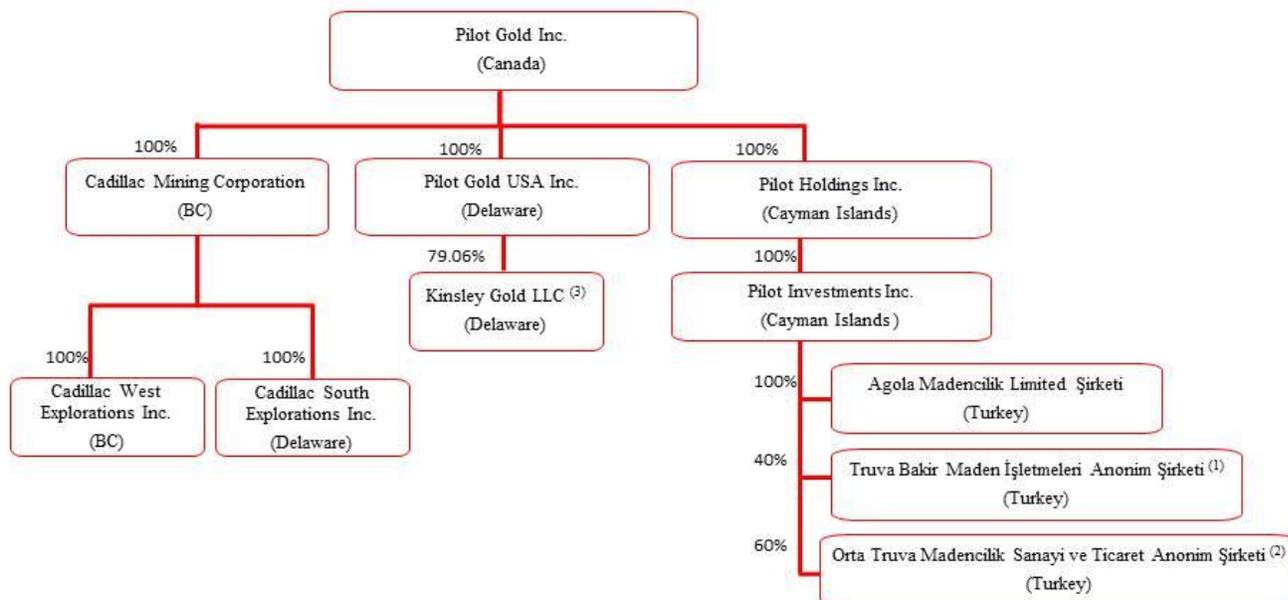
Pilot Gold was incorporated as “7703627 Canada Inc.” under the Canada Business Corporations Act (“CBCA”) on November 18, 2010. Articles of amendment were subsequently filed on November 29, 2010 to change the name of the Corporation to “Pilot Gold Inc.”

The registered office and principal place of business of the Corporation is located at Suite 1900, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9. The Corporation also has offices in Elko, Nevada, USA and Ankara, Turkey for its projects located in these respective jurisdictions, and subsidiaries in the Cayman Islands.

Intercorporate Relationships

A significant portion of the Corporation’s business is carried on through its various subsidiaries and joint venture entities. The following chart illustrates, as at the date of this AIF, the Corporation’s subsidiaries, affiliates and joint ventures, including their respective places of incorporation (establishment in the case of partnerships) and the percentage of voting securities (or partnership interests) in each that are held by the Corporation either directly or indirectly:

Pilot Gold Inc.



- (1) Truva Bakır, a Turkish Joint Stock Company, holds title to the licenses that comprise Halılağa. The Corporation holds a 40% interest in Truva Bakır. Teck Madencilik Şanayi Ticaret A.Ş. (“**TMST**”), an indirect subsidiary of Teck Resources Limited (“**Teck**”) owns 60% of Truva Bakır, and is the project operator of Halılağa.
- (2) Orta Truva, a Turkish Joint Stock Company, holds title to the licenses that comprise TV Tower. As of the date of this AIF, the Corporation holds a 60% interest in Orta Truva; TMST holds the remaining 40%. Agola Madencilik Limited Şirketi (“**Agola**”), a subsidiary of Pilot Gold, is the project operator at TV Tower. The Corporation satisfied the option to increase its interest in Orta Truva (and thus, indirectly to TV Tower) to 60% in early 2015, as described in this AIF, particularly under the heading, “*Mineral Properties – TV Tower, Turkey*”.
- (3) Kinsley Gold LLC holds i) a lease on the Kinsley Mountain property; and ii) certain other directly claims. Pilot Gold is the project operator for Kinsley and holds an approximate 79.1% interest in Kinsley Gold LLC. Intor holds the remaining 20.9% interest.

GENERAL DEVELOPMENT OF THE BUSINESS

Pilot Gold was incorporated as a wholly-owned subsidiary of Fronteer Gold Inc. ("**Fronteer**") on November 18, 2010. At that time, Fronteer was a publicly-listed entity engaged in the acquisition and exploration of mineral properties or interests predominantly located in Nevada, USA and Turkey.

On February 3, 2011, Fronteer, the Corporation and Newmont Mining Corporation ("**Newmont**") entered into an arrangement agreement ("**Arrangement Agreement**") pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement (the "**Fronteer Arrangement**"), which became effective on April 6, 2011 (the "**FA Effective Date**"). Pursuant to the Fronteer Arrangement, Fronteer shareholders received C\$14.00 in cash and one pre-consolidation common share for each common share of Fronteer. The pre-consolidation common shares were subsequently consolidated on a one-for-four basis, such that each former Fronteer shareholder held one Common Share for every four common shares of Fronteer previously held.

On the FA Effective Date, Pilot Gold ceased to be a wholly-owned subsidiary of Fronteer, and Fronteer became an indirect, wholly-owned subsidiary of Newmont. Immediately prior to the FA Effective Date, and pursuant to the Fronteer Arrangement, the Corporation:

- assumed from Fronteer, certain obligations and acquired (i) certain exploration properties and assets in Nevada and Turkey, and (ii) cash from Fronteer in the amount of C\$9,584,714;
- acquired all of the issued and outstanding shares of Pilot Investments Inc. ("**PII**") (formerly, Fronteer Investment Inc.), the legal entity that holds the Corporation's interest in Orta Truva and Truva Bakır Halilağa and TV Tower; and
- issued Common Shares to Fronteer that resulted in Newmont holding an indirect 19.9% interest in Pilot Gold.

On April 11, 2011 the Corporation's Common Shares began trading on the Toronto Stock Exchange (the "**TSX**") under the symbol, "PLG", marking the beginning of Pilot Gold's existence as a publicly traded company. Pilot Gold is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Three Year History

Pursuant to incurring \$1.18 million in exploration expenditures and in accordance with an option agreement (the "**Kinsley Option Agreement**") acquired from Animas Resources Ltd. ("**Animas**"), the Corporation earned an initial 51% interest of the Kinsley Mountain gold property ("**Kinsley**") on March 31, 2012. The Corporation elected at that time to continue earning-in toward a further 14% interest. On February 8, 2013, the Corporation provided Intor notice that the second earn-in milestone (3.0 million in exploration expenditures) had been met as of December 31, 2012, earning Pilot Gold a 65% interest on the project. The interest in the lease and exploration claims that together comprise the Kinsley property were conveyed into Kinsley Gold LLC on October 24, 2013. During 2013, as a result of Intor having determined not to participate in the 2013 Program and Budget, and as a consequence of actual expenditures incurred at Kinsley, the Corporation's interest in Kinsley increased to approximately 79.1%.

Effective February 9, 2012, the Corporation entered into an earn-in arrangement with Nevada Clean Magnesium Inc. ("**NCMI**"; formerly, Molycor Gold Corp.), whereby, in exchange for a cash payment of \$119,636, and the issuance over time of 120,000 Common Shares, the Corporation could earn an initial 60% in the Griffon gold property ("**Griffon**") a Carlin-type sediment-hosted gold property at the southern end of the Battle Mountain-Eureka Trend in Nevada. Pursuant to a subsequently negotiated agreement, on August 1, 2013, NCMI transferred title to the Griffon property to the Corporation and terminated the associated earn-in agreement and all related obligations in exchange for the issuance by the Corporation of 180,000 Common Shares.

On June 20, 2012, the Corporation entered into a share-purchase and joint venture agreement with TMST, pursuant to which the Corporation can acquire a further 20% of Orta Truva, and thus indirectly, a further 20% in TV Tower (the "**TV Tower Agreement**"), upon:

- a) incurring \$21,000,000 in exploration expenditures over three years (the "**TV Tower Expenditure Requirement**"), with a minimum commitment of \$5,000,000 in the first year;
- b) issuing 3,275,000 Common Shares and 3,000,000 Common Share purchase warrants ("**Teck Warrants**") to TMST within five business days of signing the TV Tower Agreement. Each Teck Warrant shall be exercisable for a period of three years from the date of issue and shall be exercisable for one Common Share at an exercise price of C\$3.00 per share;
- c) issuing 1,637,500 Common Shares to TMST on the first and second anniversaries of the date the agreement was signed; and
- d) making a one-time cash payment to TMST equal to \$20 per ounce of gold applicable to only 20% of the ounces of gold delineated at TV Tower in excess of 750,000 gold ounces defined as compliant Measured, Indicated or Inferred resources in a NI 43-101 technical report prepared generally concurrent with the completion of the TV Tower Expenditure Requirement (the "**Gold Bonus Payment**").

On March 23, 2015, TMST confirmed to the Corporation that the TV Tower Expenditure Requirement had been satisfied, and acknowledged that there was no obligation to make the Gold Bonus Payment. All Common Share and Teck Warrant issuances required by the TV Tower Agreement have been completed. Formal conveyance and registration of the 20% interest in Orta Truva is in progress as at the date of this AIF.

On October 10, 2012, the Corporation reported the completion of an initial preliminary economic assessment of the 40% owned Halilaga project (the "**2012 PEA**"). The 2012 PEA was based on an initiate mineral resource estimate, first presented in the March 23, 2012 technical report titled "*Resource Estimate for the Halilaga Copper-Gold Property NI 43-101 Technical Report*" and authored by Garth Kirkham, P. Geo. of Kirkham Geosystems Ltd., and James Gray, P. Geo. of Advantage Geoservices Ltd (the "**Gray Kirkham Report**").

On November 1, 2012, the Corporation completed a "bought-deal" short form prospectus offering (the "**2012 Bought-Deal**"), pursuant to which Pilot Gold issued 17,825,000 units of the Corporation ("**PLG Units**") at a price of C\$1.65 per Unit to raise aggregate gross proceeds of C\$29,411,250. Each PLG Unit consisted of one Common Share and one half of one Common Share purchase warrant (each whole common share purchase warrant, a "**Share Purchase Warrant**"). Each Share Purchase Warrant entitled the holder to acquire one Common Share at a price of C\$2.20 until October 31, 2014. The Share Purchase Warrants were listed on the TSX under the symbol "PLG.WT". Concurrent private placements with subsidiaries of Teck and Newmont (the "**Teck Subscription**", and the "**Newmont Subscription**" respectively, and together with the 2012 Bought-Deal, the "**2012 Offering**") closed on November 1, 2012. To maintain their respective pro rata interest in accordance with the participation rights detailed in this AIF, 3,669,482 Units on the same terms as those issued under the 2012 Bought-Deal were issued pursuant to the Newmont Subscription, and 1,230,565 Units on the same terms as those issued under the 2012 Offering were issued pursuant to the Teck Subscription. The Teck Subscription and Newmont Subscription raised additional aggregate gross proceeds of C\$8,085,078. Units purchased by Newmont and TMST were subject to a four-month statutory hold period. The Share Purchase Warrants expired, unexercised.

Pilot Gold announced on January 10, 2013 that it had signed and closed a definitive purchase agreement (the "**Regent Agreement**") to sell 100% of the Regent exploration property ("**Regent**") to Rawhide Mining LLC ("**RMC**") for \$3,000,000 in cash. Pursuant to the Regent Agreement, Pilot Gold will retain a net profits royalty of 15% on Regent, and is entitled to a sliding scale gold equivalent bonus payment (the "**Regent Gold Bonus**"), each of which is payable in certain circumstances after RMC has achieved production at Regent.

Pursuant to the ("**Karaayı Agreement**"), on September 13, 2013, Orta Truva agreed to acquire the Karaayı license ("**Karaayı**"), from Batı Anadolu Madencilik Sanayi ve Ticaret A.Ş. (formerly, Chesser Arama ve Madencilik Limited Şirketi)("Batı Anadolu"), then a Turkish subsidiary of Chesser Resources Limited ("**Chesser**")³, an arm's length party. Karaayı is adjacent to the group of licenses that comprise TV Tower. In conformity with the TV Tower Agreement, and in order to have consideration paid to acquire Karaayı qualify as part of the TV Tower Expenditure Requirement, Pilot Gold contributed \$300,000 in cash and 1,250,000 Common Shares to Orta Truva to acquire Karaayı. Through the period until conveyance of title is completed, the license will be held in trust and for the benefit of Orta Truva. By virtue of a services agreement, Orta Truva is the 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 on behalf of Orta Truva. Exploration expenditures at Karaayı incurred by Pilot Gold qualify as part of the TV Tower Expenditure Requirement. At the date of this AIF, formal registration of transfer is pending approval of the Turkish Ministry of Energy and Natural Resources.

On January 23, 2014, an initial independent resource estimate was announced for the KCD gold-silver-copper deposit at TV Tower (the "**KCD Resource**"). With an effective date of November 6, 2013, the KCD Resource estimate, was:

- based on results from 37,860 m of drilling in 169 drill holes (160 core and nine RC); and
- divided into a lower gold zone and an overlying silver zone, as gold and silver are found in largely spatially distinct zones.

The KCD Resource is incorporated in an updated technical report relating to TV Tower entitled: "*Independent Technical Report on the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014 and dated February 20, 2014 (the "**Updated TV Tower Report**"), prepared by Casey M. Hetman, M.Sc., P.Geol. Senior Consultant, Geology, SRK Consulting (Canada) Inc. ("**SRK**"); James N. Gray, P. Geol. of Advantage Geoservices Ltd. ("**Advantage Geo**"); and Gary Simmons, BSc, Metallurgical Engineering, of GL Simmons Consulting, LLC ("**Simmons Consulting**").

On April 2, 2014, the Corporation completed a "bought-deal" short form prospectus offering (the "**2014 Offering**"), pursuant to which the Corporation issued 13,072,000 Common Shares at a price of C\$1.53 per Common Share, to raise aggregate gross proceeds of C\$20,000,160.

On August 29, 2014, the Corporation completed the acquisition of Cadillac Mining Corporation ("**Cadillac**"), and its 100%-owned Goldstrike-Utah past-producing gold project located in the State of Utah, pursuant to a court-approved plan of arrangement (the "**Cadillac Arrangement**"). Under the Cadillac Arrangement, shareholders of Cadillac received (i) 0.12195 of a Common Share, and (ii) 0.12195 of a warrant to purchase a Common Share ("**Cadillac Warrant**") for each common share of Cadillac held; representing a total of 4,218,164 Common Shares and 4,218,164 Cadillac Warrants respectively. Each Cadillac Warrant entitles the holder to acquire one Common Share at an exercise price of C\$2.00 with a two-year term. Existing Cadillac warrants and stock options assumed are exercisable for a Common Share, adjusted in respect of exercise price and number, based on the 0.12195 exchange ratio.

³ Batı Anadolu was subsequently acquired by Nurol Holdings A.Ş. ("Nurol"), a Turkish entity. Nurol has since conveyed its interest in Batı Anadolu to its mining subsidiary, Tümad Madencilik A.Ş.

On January 29, 2015, the Corporation reported an updated and revised economic assessment (the "**Revised Halilağa PEA**") as a revision to the 2012 PEA (see *Mineral Properties – Halilağa, Turkey*). After-tax highlights of the Revised Halilağa PEA, using a \$1,200/oz. gold ("**Au**") price, and a \$2.90/lb. copper ("**Cu**") price⁴:

- Net present value ("**NPV_{7%}**") of \$474 million,
- 43.1% internal rate of return ("**IRR**"),
- 1.3 year payback;
- Cumulative Free-Cash-Flow of \$802.9 million;
- Cu cash cost of \$1.08/lb (net of by-products);
- Mine plan of 25,000 tonnes per day over 13.6 years with strip ratio of 1.3:1;
- Life of mine ("**LOM**") payable production of 780 million lb. Cu and 924 thousand oz. Au; and
- Pre-production capital costs of \$346 million (including a \$65.4 million contingency).

The Revised Halilağa PEA, prepared by JDS Mining & Energy Inc. ("**JDS**"), is based on an update to the resource estimate (the "**Updated Halilağa Resource**") documented in the Gray Kirkham Report.

Expected Changes to the Business

As of the date of this AIF, Pilot Gold has begun the 2015 exploration and drill programs at Kinsley and at TV Tower. Management of the Corporation do not expect any material changes to the business; however, as is typical of the mineral exploration and development industry, from time to time Pilot Gold reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Furthermore, the Revised Halilağa PEA illustrates a robust, low strip, technically simple and scalable open-pit copper-gold project, utilizing conventional milling and flotation methods. Management continues to discuss alternatives with Teck and various third-parties a process to unlock the potential value of the project.

There can be no assurance that the results of exploration or development programs planned or underway will not result in material changes to the scientific and technical information contained herein. Accordingly, readers of this AIF are urged to read the press releases issued by the Pilot Gold once they become available on SEDAR, for full and up-to-date information concerning the Corporation's business and its material exploration property interests.

Significant Acquisitions

Pilot Gold did not make any significant acquisitions during the financial year ended December 31, 2014 that would require the Corporation to file a Form 51-102F4 *Business Acquisition Report* under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**").

As at the date of this AIF, the Corporation is evaluating the prescribed test of significance of the March 12, 2015 acquisition of the additional 20% interest in Orta Truva.

For further information regarding Pilot Gold, reference is made to Pilot Gold's filings with the Canadian securities regulatory authorities available on SEDAR at www.sedar.com.

⁴ All mineralized material classified as Indicated (69%) and Inferred (31%) Mineral Resources was considered in the optimization and mine plan. The Revised Halilağa PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the Revised Halilağa PEA will be realized. A copy of the Revised Halilağa PEA is available on SEDAR at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Pilot Gold is principally engaged in the acquisition, exploration and development of mineral properties, or interests in companies controlling mineral properties, which feature strong grades, meaningful size and access to existing infrastructure in mining-friendly jurisdictions in the World.

The Corporation's objective is to become the leading gold and copper-focused exploration company. Pilot Gold's technical and management teams are currently focused on discovering and advancing a pipeline of projects with strong exploration and production potential in Turkey and the United States. The Corporation's Material Properties are Kinsley, TV Tower and Halilağa.

Turkey

Turkey has a rich mining history and has quickly become an emerging gold producer. Gold production has increased in almost every year since 2001, growing from 2t to 33.5 t in 2013. Turkey's Ministry of Energy & Natural Resources estimate gold reserves to be 840t⁵.

The Biga district in northwestern Turkey, home to TV Tower and Halilağa, is a region that boasts excellent infrastructure, including paved roads, power, and proximity to a major port.

Pilot Gold's technical team has played a pioneering role in discovering a significant gold, silver, and copper endowment in the Biga district and establishing the region as an area of significant mineral and economic potential.

Pilot Gold's projects in northwest Turkey's Biga district include a 40% interest in Halilağa and a 60% beneficial interest in TV Tower.

TV Tower

At more than 90 km², TV Tower is a large gold, silver and copper system in the Biga district, and includes two gold discoveries, a silver-gold deposit, evidence of a 4-km-long silica cap with multiple gold-oxide targets and an associated supergene copper zone and three copper-gold porphyry systems. The road-accessible project is located on the Biga Peninsula of northwest Turkey, an area featuring numerous open pit coal, quartz and clay mines, ceramics factories and a major power plant. The project has an extensive road network and drill targets all lie on land administered by Turkey's Ministry of Forests and Water Affairs (the "**Ministry of Forests**").

Pursuant to the TV Tower Agreement, the Corporation became the operator of TV Tower on June 20, 2012. As project operator, Pilot Gold completed an exploration program from 2012 to 2014 that consisted of approximately 50,000 m of diamond and core drilling at KCD, Columbaz, Kayalı-Karaayı (together, "**K2**"), property-wide airborne magnetic/EM geophysical surveys and ongoing surface mapping and geochemical sampling. The Corporation completed an earn-in on March 12, 2015, increasing its beneficial interest in the project to 60%.

Halilağa

The Corporation holds a 40% interest in Halilağa a a PEA-stage copper-gold porphyry deposit located 20 km southeast of TV Tower. The Revised Halilağa PEA suggests the project requires modest up-front capital, provides a rapid payback, low cash costs, strong cash flows and generates strong after-tax IRR. As at the date of this AIF, the Corporation and its joint venture partner continue to undertake strategic activities to advance Halilağa and increase its value.



⁵ World Gold Council "Turkey: Gold in Action", January 22, 2015.

United States

Pilot Gold also has an interest in several exploration-stage gold projects throughout Nevada and along the Nevada-Utah border.

Kinsley

The Corporation's primary interest in Nevada is Kinsley, a past-producing, sediment-hosted gold property along the Long Canyon Trend, with stratigraphy, structure and style of mineralization similar to other sediment-hosted gold systems in northeast Nevada. Pilot Gold's geologic team, defined a significant gold resource at Long Canyon prior to its sale to Newmont and believe that Kinsley has the potential to host significant gold mineralization in several stratigraphic intervals.

Located in southeast Elko County, the Corporation holds an approximate 79% interest in Kinsley.

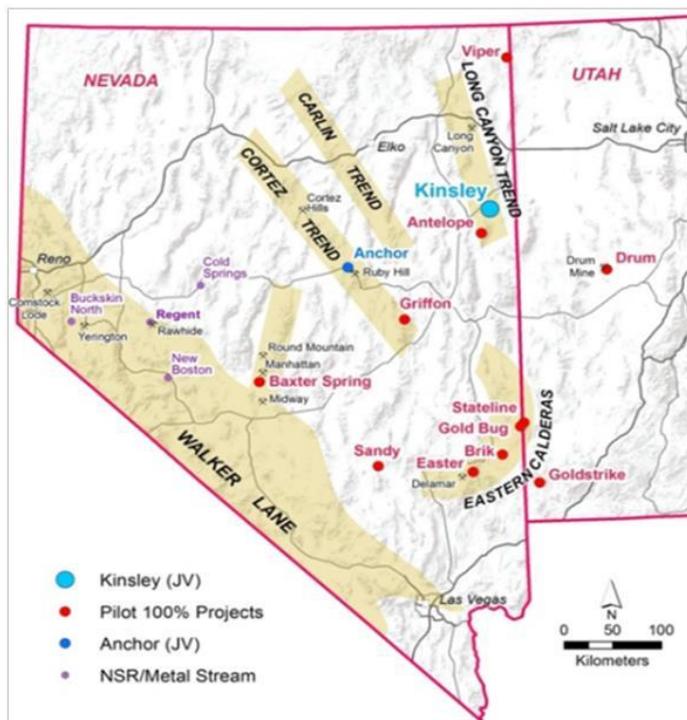
Pilot Gold anticipates an active drill program at Kinsley throughout 2015, with a focus on the property's Northern Claim blocks ("**Kinsley North**") as a consequence of the receipt in 2014 of an approved amendment to the existing Plan of Operations ("**PoO**").

Management have planned the 2015 program to capitalize on the current understanding of the stratigraphy and controls on mineralization at the property's Western Flank and historic pits, primarily defined by intersections of NW- and NNE-trending structures with favourable stratigraphy.

Portfolio projects

Pilot Gold's portfolio of properties in the United States includes interests in several exploration properties. Several of these were acquired either shortly before, or pursuant to the Frontier Arrangement. The Corporation continued to stake new claims and acquire new property rights through 2014 as part of a continuing effort to prioritize and unlock value in the portfolio

For further details concerning the Corporation's material mineral properties, please see "*Mineral Properties*" in this AIF.



Area of Interest and Limitations on the Business

Newmont

Pilot Gold has made certain covenants in the Arrangement Agreement that affect its ability to acquire and explore additional properties. Until the fifth anniversary of the FA Effective Date, without Newmont's prior written consent, none of Pilot Gold or its subsidiaries are permitted to stake, lease or otherwise purchase or acquire or become entitled to acquire, directly or indirectly, alone or in concert with any other Person (as defined in the Arrangement Agreement), any interest whatsoever in real property, land rights, surface rights, water rights or any mineral concessions, leases, claims or other form of mineral rights whatsoever, any part of which lies within the boundary of, or within five miles of the perimeter of the Long Canyon Property, the Sandman Property and the Northumberland Property (which are properties acquired by Newmont pursuant to the Fronteer Arrangement), and if Pilot Gold or any of its subsidiaries acquires any such interest in contravention of the foregoing, Pilot Gold is required to notify Newmont and to hold such interest in trust for Newmont and promptly convey such interest to Newmont at no cost.

Teck

The TV Tower Agreement and the Biga Agreements include a defined area of interest ("AOI") requiring any one partner or any of its subsidiaries or affiliates that stakes or acquires any surface or water rights or mineral properties within two (2) km of the perimeter of TV Tower or Halilağa respectively, to offer to have those rights or properties included in the related project. Teck and Pilot Gold are also required to consult each other prior to making any acquisitions of lands held by third parties within the respective AOI.

The AOI on TV Tower replaces the property restrictions detailed in the Biga Agreements relating to the Turkish Properties and other mineral properties in northwest Turkey's Biga district. Those other licenses held by Pilot Gold and Teck in the Biga district that are not Designated Projects (as that term is defined in the Biga Agreements) are also subject to a two km AOI with similar consultation and participation.

Anti-Dilution Participation Rights

Teck (TMST)

Pursuant to the TV Tower Agreement, if at any time prior to the completion of the earn-in at TV Tower, the Corporation proposed to issue or sell Common Shares or securities convertible into Common Shares (collectively, the "**Additional Pilot Gold Securities**"), TMST had the right (the "**TMST Participation Right**") to subscribe for and purchase (directly or through an affiliate) Additional Pilot Gold Securities at the same price and on the same terms at which such Additional Pilot Gold Securities were offered for sale to other purchasers, such that TMST would be able to maintain its then current shareholding of Common Shares as a percentage of Pilot Gold's then outstanding Common Shares after giving effect to such offering.

TMST exercised the TMST Participation Right concurrent with the 2012 Bought-Deal, consequentially maintaining its interest in the Common Shares. TMST did not exercise the TMST Participation Right concurrent with the 2014 Offering. To the best of the Corporation's knowledge, as at December 31, 2014, Teck, through its Turkish subsidiary, TMST, holds a 7.35% undiluted ownership interest in the Corporation.

Concurrent with satisfaction on March 12, 2015 of the earn-in at TV Tower, the TMST Participation Right expired.

Competitive Conditions

The Corporation's business is intensely competitive, and the Corporation competes with other exploration, development, and mining companies, many of which have greater resources and experience. As described in this AIF, under "*Risk Factors*", competition in the precious

metals mining industry is primarily for mineral rich properties which can be developed and produced economically and the capital for the purpose of financing development of desired properties.

In addition, this competition may impact the Corporation's ability to recruit or retain qualified employees with the technical expertise to find, develop, or operate such properties.

Pilot Gold believes that its success is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to the precious metals exploration business. Pilot Gold believes it has adequate personnel with the specialized skills required to successfully carry out its operations. As at March 24, 2015, the Corporation and its subsidiaries had 26 direct employees. Many of the Corporation's management and its senior geologic team are either former employees or long-time contractors of Frontier.

The Corporation has also retained Oxygen Capital Corp. ("**Oxygen**"), a private entity owned by certain directors and an officer of the Corporation to provide services to the Corporation including staffing, office rental, and other administrative functions. Oxygen provides its services and personnel on a cost recovery basis. The Corporation benefits from expanded access to technical and administrative personnel as a result of the Oxygen relationship. Several members of the Pilot Gold team are employed by Oxygen, and provide services through the arrangement. Through the year ended December 31, 2014, 8 employees of Oxygen dedicated at least 50% of their time to Pilot Gold. Neither Oxygen, nor its owners (with the exception of Mr. Holmes who is paid a salary for his services as an officer of the Corporation) are remunerated for services provided under this arrangement.

Health, Safety and Environment

The Corporation places great emphasis on providing a safe and secure working environment for all of Pilot Gold's employees, and recognizes the importance of operating in a sustainable manner.

Pilot Gold's Health, Safety and Sustainability Committee meets at least twice per year to review the Corporation's performance and compliance as related to such matters. Pilot Gold has also adopted a Health, Safety and Sustainability Charter, and has communicated the importance of working in a safe and secure working environment to all employees and significant contractors. Pilot Gold has also adopted a Health, Safety and Sustainability Policy to frame decisions of the Corporation's employees and contractors.

The Corporation believes awareness and communication of risks are critical steps in preventing accidents on each of the property interests operated by the Corporation. The Corporation requires:

- Mandatory orientation sessions for all site workers and visitors on the properties;
- Drill safety meetings at start-up of drill programs, weekly safety meetings while drill programs are underway, and after accidents/incidents; and
- The use of radios or "spot-devices" at all times for personnel in the field; individuals are encouraged to communicate with home regularly.

The Corporation had no direct lost-time incidents during 2014 (none in 2013). There were no lost time incidents at Halilaga.

There were no significant environmental incidents at any of the exploration and development properties at which the Corporation is the operator through the twelve-months ended December 31, 2014.

Pilot Gold is subject to federal, provincial, territorial, and state and local environmental laws and regulations. Management have put in place ongoing monitoring programs at the Corporation's properties and posts surety bonds, as required, in compliance with state and local closure, reclamation, and environmental obligations. The estimate for future reclamation and property closure costs (current and non-current) for the Corporation's projects at December 31, 2014 was \$0.05 million. The reclamation obligation relates to disturbance through 2014 on the

Corporation's portfolio of property interests, including limited disturbance at Kinsley under a United States Interior Department's Bureau of Land Management (the "BLM") Notice of Intent, and subsequently under an Approved Record of Decision relating to the PoO⁶ for exploration and disturbance at Kinsley. Exploration work and disturbance continues at Kinsley. Reclamation activities at the Corporation's other property interests was largely complete as at the date of this AIF.

One of the more significant remaining environmental risks associated with the Corporation's exploration projects relates to handling of fuel and fuel storage systems. These risks are mitigated through the use of various spill protection equipment such as berms and bladders. Management have also developed emergency plans in the event a significant spill does occur. The Corporation maintains MSDS "Material Safety Data Sheets" for each mud product, and does not use anything other than the standard, additives for the industry, all generally benign – bentonite, polymer, cement, soda ash, cellophane flakes, paper flakes, (dish) detergent.

Many of Pilot Gold's projects are subject to periodic monitoring by government agencies with respect to environmental protection plans and practices, which in many circumstances must be detailed when applying for exploration permits.

Corporate Social Responsibility – Turkey

In the Biga district, TMST and Pilot Gold (and formerly, Fronteer) have worked extensively with community stakeholders in the settlements surrounding Halılağa and TV Tower to build positive relationships based on transparency, trust and shared benefits. The Corporation and TMST aim to maintain a mutually beneficial relationship with the local communities, including the villages of Muratlar, Hacibekirler and Halılağa, and other stakeholders based on respect, consultation and participation.

Since 2008, more than \$1.3 million (through 2013: \$1.2 million) has been spent by Orta Truva, Truva Bakır and Agola on community development and sustainability projects in the area. Historic activities include vocational training; sponsorship of sustainability programs, agricultural-related activities, health services and infrastructure upgrades in local communities; the drilling of new water sources for the Town of Muratlar; the reconstruction of a Muratlar courtyard; the construction of fire-fighting reservoirs between Muratlar and Hacibekirler village; and the development of a regional reforestation program in order to reverse deforestation caused by forest fires. The Corporation has also contributed food for local festivals and disadvantaged families in neighbouring communities, provided educational and construction materials to the primary school in Muratlar, and donated books to the vocational library of Çanakkale, 18 Mart University in Çanakkale district.

Specific community investment activities included:

- Provided initial funding and service support for a domestic waste collection service for Muratlar and Hacibekirler;
- Facilitated and sponsored agricultural training in Muratlar and Hacibekirler, including certified training to village women on milking techniques, ovine animal feeding and care and workshops on soil, fertilization, and seed cultivation methods to farmers in nearby villages;
- Funding and assisting with the construction of the *Truva Bakır Children's Playground, Outdoor Fitness and Recreation Area*, to provide a safer playground for children and an outdoor fitness area for adults in the region;
- Continued providing materials support and service delivery for various infrastructure projects to nearby villages, including donating time and funds to repair a poorly maintained water pipeline running to Kuşçayır, Serçeler, Kirazlı, Ortaca, and Şapçı villages. Issues relating to water quality for the residents of these villages are a significant local concern;

⁶ BLM Notice of Intent # NVN-090386 (in this AIF, the "NOI"). The NOI authorized disturbance of up to 1.02 acres (0.41 ha). PoO Record of Decision, Case # NVN-091528 and approved Environmental Assessment received on August 30, 2013 supplanted the NOI.

- Contributing labour and supplies for the repair of a community tea-house building in Ortaca village, and providing assistance with renovations to mosques in Kuşçayırı, Serçeler and Ortaca villages, and
- Sponsoring annual charity festivals and local sports teams of these villages.

Ensuring that the local communities have an understanding of and appreciation for, the potential impacts and benefits of exploration, development and mining activity in the region is also a focus. On a regular basis, the Corporation and TMST engage with community members, solicit and respond to feedback and concerns raised from concerned citizens, and host property tours for interested members of the community. The Corporation and TMST are committed to:

- Provide information and regular updates to community groups and the general public regarding all exploration activities in the region;
- Undertake exploration in a safe manner, and assess the environmental and social risks associated with each phase of the projects;
- Support transparent and fair employment strategies at the local level, and where possible, employing a workforce at all skill levels; and
- Allocate resources to study and develop a social, economic, and educational infrastructure within those communities directly affected by our activities.

Where practical, Orta Truva, Truva Bakır, and Agola give priority to local communities when sourcing goods and services. As operator of TV Tower, Agola has been active in the support of a local co-operative that provides access to villager-owned machinery, heavy and light equipment and supplies. Citizens of the villages of Kirazlı, Serçeler, and Ortaca, among others in the district, benefit as a group by using this transparent local procurement organization, while Agola ensures it gets the services, supplies and equipment in a cost effective way.

As is evident from the specific community investment activities described in this AIF, Orta Truva, Truva Bakır and Agola are committed to community investment projects that promote local development, decrease poverty, and enhance the quality of life by investing in education and health initiatives for local communities. In addition to more immediately-required infrastructure and educational support, development activities are meant to include long-term, sustainable goals for local communities that generate employment opportunities; and improve long-term health services. The main objectives of these community development projects is to build partnerships with local community groups including the residents of project-affected settlements, government authorities, Non-Governmental Organizations and university personnel, while working to ensure that all parties contribute to these initiatives.

RISK FACTORS

An investment in securities of the Corporation involves a significant degree of risk and must be considered highly speculative due to the nature of the Corporation's business and the present stage of exploration and development of its mineral property interests. There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Pilot Gold and could cause the Corporation's operating and financial performance to differ materially from the estimates described in forward-looking statements related to the Corporation.

These risks and uncertainties are not the only ones facing the Corporation. There are widespread risks associated with any form of business and specific risks associated with Pilot Gold's business and its involvement in the gold exploration and development industry.

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production. **Shareholders of Pilot Gold may lose their entire investment.**

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully reviewed by prospective investors. These risks may not be the only risks faced by Pilot Gold. Risks and uncertainties not presently known by Pilot Gold or which are presently considered immaterial may also adversely affect Pilot Gold's business, properties, results of operations and/or condition (financial or otherwise). **If any of the following risks actually occur, Pilot Gold's business, financial condition, operating results and prospects could be adversely affected.**

Additional risks and uncertainties not presently known to Pilot Gold or those that are currently deemed immaterial may also impair the Corporation's business operations. If any such risks actually occur, the business, financial condition and operating results of the Corporation could be materially harmed. All references to "Pilot Gold" or the "Corporation" in this section entitled "*Risk Factors*" include Pilot Gold and its subsidiaries and joint ventures, except where the context otherwise requires. Before making an investment decision, prospective investors should carefully consider the risks and uncertainties herein, as well as the other information contained in the Corporation's public filings.

Turkey is still considered to be an "*emerging market*". Many of the Risk Factors identified in this AIF reflect risks and characteristics unique to operating in an emerging market.

Permitting and License Risks

In the ordinary course of business, Pilot Gold will be required to obtain and renew governmental licences or permits for the operation and expansion of the Material Properties or for the development, construction and commencement of mining at any of the Corporation's mineral resource properties, including the Material Properties. Obtaining or renewing the necessary governmental licences or permits is a complex and time-consuming process involving numerous jurisdictions with public hearings and costly permitting and other legal undertakings on the part of the Corporation.

In Turkey and the United States, as with many jurisdictions, there are various federal, provincial and local laws governing land, power and water use, the protection of the environment, development, occupational health and safety, waste disposal and appropriate handling of toxic substances. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and require the Corporation to obtain permits from various governmental agencies.

Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits which the Corporation may require for future exploration or possible future development will be obtainable

at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to the Corporation or its properties. This could have a negative effect on the Corporation's exploration activities or the Corporation's ability to develop its properties.

The duration and success of the Corporation's efforts or those of its partners to obtain and renew licences or permits are contingent upon many variables not within Pilot Gold's control, including the interpretation of applicable requirements implemented by the particular licensing authority(-ies). The Corporation may not be able (and no assurances can be given with respect to its ability) to obtain or renew licences or permits that are necessary to operations at Pilot Gold's property interests, including, without limitation, an exploitation or operations licence, or the cost to obtain or renew licences or permits may exceed what Pilot Gold believes can be recovered from its property interests if they are put into production. Any unexpected refusals of required licences or permits or delays or costs associated with the licensing or permitting process could prevent or delay the development or impede the operation of a mine, which could adversely impact the Corporation's operations and profitability.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

The Corporation cannot be certain that it will receive the necessary permits and licences at all, or on acceptable terms required to conduct further exploration and to develop its properties and bring them into production. The failure to obtain such permits or licences, or delays in obtaining such permits or licences, could increase the Corporation's costs and delay its activities, and could adversely affect the properties, business or operations of the Corporation.

Republic of Turkey

Under the Turkish Mining Law, mining operations have been divided into six groups which are subject to different terms and conditions on licensing principles and procedures. The two types of licenses granted for prospecting and operating mines are as follows; (i) exploration licenses, enabling a holder to carry out prospecting activities in a specific area; (ii) exploitation/operation licenses, enabling a holder to carry out operational activities (including exploration) within the same area as stated in the prospecting license. For production (extractive activity) to occur, an operations permit must also be obtained. An operations permit enables a holder to operate a specific mine as specified in the Exploitation/Operation license, and as contemplated by an approved EIA report. Applications for an operation-type license must be submitted before the end of the term of an exploration-type license, and must demonstrate the presence of an economic resource on the license⁷. The conversion application includes providing a resource estimate, a conceptual mine plan, a positive conceptual economic analysis and an initial description of likely environmental impacts.

Each licence type is valid for a predetermined period of time and must meet a variety of requirements in order to remain in good standing, including a requirement to receive a number of permits from the Government of Turkey's Mining Affairs General Directorate of the Ministry of Energy and Natural Resources (the "**General Directorate-Mining Affairs**"). Applications to renew an exploration-type licence, as well as applications to receive, or renew an operation-type licence, are made to the General Directorate-Mining Affairs, and are subject to an extensive review. Periodically, and particularly when a licence is under review for renewal or conversion from one classification to another, a licence holder must prepare and submit an EIA to the General Directorate-Mining Affairs. A public consultation process occurs following receipt of approval. There

⁷ Readers of this AIF are cautioned that this definition is not equivalent to the term "economic" as it relates to the definition of proven and probable as those terms are used in NI 43-101, and does not infer that mineralization at either Halilağa or TV Tower (or Kinsley) could be economically and legally produced based on drilling and resource estimate modelling undertaken to date. Similarly, the resource estimate, a conceptual mine plan, a positive conceptual economic analyses required in such applications are in line with Turkish requirements, and are not necessarily equivalent to those under Canadian or United States requirements.

can be no assurance that an EIA will be approved, or that it won't consequently be overturned or that activity on a property won't be arrested as a result of the public consultation process. A failure to renew a particular licence could have a significant detrimental impact on the price of the Corporation's Common Shares, and on the ability of the Corporation to raise debt or capital.

As it relates to Halılađa and TV Tower (with the exception of Karaayı), TMST has been responsible for completing and submitting applications for permits and permit renewals, and the Corporation does not always have control over the submission of such applications and reports. As previous operator of Karaayı, Chesser, prepared and submitted an EIA in respect of an operations permit on the Karaayı license. At the date of this AIF, Truva Bakır and Orta Truva await receipt of an operating permit relating to workplace safety and sanitation (a "**GSM permit**") for each of Halılađa and Karaayı from the Office of the Governor of Çanakkale (the "**Governor**"). A GSM permit, along with an approved EIA report would allow Truva Bakır and Orta Truva to undertake the limited test-mining contemplated in the EIAs for each respective project. The absence of an approved GSM permit does not impact the ability for either Truva Bakır or Orta Truva to undertake exploration programs or access the properties. It is the Corporation's understanding that a decision on issuance of the GSM permit is being deferred until there is ultimate resolution of the challenge lodged against the Ministry of Environment and Urbanism in Turkey (the "**Ministry**") for its approval of the EIA, as described in this AIF. Although there is no known history of a GSM permit being denied or revoked by the Governor, should either Truva Bakır or Orta Truva fail to receive a GSM permit, it will restrict the ability to progress beyond the exploration stage at Halılađa and/or at Karaayı.

The Corporation has experienced permitting delays in Turkey in the past. Mining legislation in Turkey has also been subject to recent changes. There is no certainty that further changes to the legislation will not be introduced that may have an effect on permitting.

In particular, and as discussed in this AIF: (i) the Corporation's exploration and development activities at Halılađa and at Karaayı have recently been subject to legal challenges that could impact the longer term ability to develop and operate the open pit mine contemplated in the Revised Halılađa PEA, and certain exploration and development activities at Karaayı; and (ii) the approvals process to permit exploration drilling has recently slowed, with the Republic of Turkey's Ministry of Forests' General Directorate of Forestry's ("**General Directorate-Forestry**") deferring for an uncertain period the approval of permit applications to undertake drilling which could impact additional drilling at TV Tower.

The Office of the Governor of Çanakkale has introduced a proposal to designate a large area of the Biga district as a Sensitive Land Protection Area (the "**SLPA**"). The Governor of Çanakkale has also applied to designate additional environmental protections over the greater watershed area that is inland from the city of Çanakkale. A large portion of the Corporation's property interest at TV Tower (5 licenses) is captured within the proposed SLPA and proposed watershed protection area. The Corporation anticipates that if either, or both of these proposed protection areas are put in place there will be increased requirements for the preparation and submission of EIA reports, and the potential for further delays in the permitting process.

The Corporation has also determined there to be items of potential archaeological interest in a limited area of the Karaayı tenure. The Corporation has engaged specialists to provide the appropriate authorities in Turkey with a report and conclusions. While the Corporation does not currently believe any the possible artifacts identified on the property will impact the ability to continue to advance exploration, and if warranted, development, there can be no certainty that the results of the archaeological review will not make permitting on the licence more difficult.

The Karaayı licence is registered in Turkey under the name Batı Anadolu, a subsidiary of a Turkish industrial conglomerate. Formal conveyance and registration of the Karaayı license remains pending. Pursuant to the Karaayı Agreement, Nurol has covenanted to assist with and undertake the transfer and registration of the license. There is no guarantee that the licence will be registered in the name of Orta Truva, or that either Batı Anadolu or Nurol won't impede

exploration or development on the licence. Should there be no formal conveyance of title and registration there could be a substantial adverse impact on the Corporation.

United States

The Corporation received an approved record of decision for the PoO and associated Environmental Assessment on August 30, 2013.

Approval of the PoO allows for expanded exploration activities in the southern third of the Kinsley property beyond the previously disturbed areas. Until the PoO was approved, the Corporation's drilling activities had been limited to the area under the 5 acre NOI. An amendment to the PoO to extend the permitted area of disturbance to include North was approved on October 16, 2014.

The timing of receipt of additional approvals may impact the Corporation's ability to execute exploration program in the future; there is no known impact on planned exploration for 2015.

Legal Challenge and Turkish Judicial Process

Subsequent to the receipt of an approved EIA report from the Ministry of Environment and Urban Planning in Turkey, 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 EIA issued on a designated area on (i) one of the licenses that comprises the overall Halilağa property; and (ii) the Karaayı license in the southern part of TV Tower.

The respective petitions filed with the local Çanakkale Administrative Court (the "**Court**") name the Ministry as the respondent and do not name any of Truva Bakır, TMST, Orta Truva, Batı Anadolu or Pilot Gold. The petitions each requested annulment of the respective EIA Reports and suspension of any activities contemplated thereunder. The plaintiffs reportedly raised a number of challenges in the region on a similar basis, several of which have been evaluated by the Court in parallel to the hearings regarding Halilağa and TV Tower.

Following judicial discovery, the Court overturned the validity of the EIA Reports, and concluded that certain additional analyses must be included in an amended EIA for each of the projects in order that the proposed test mining activities might proceed. An EIA, the Court determined, must include analyses of the potential cumulative environmental impacts (a "**CIA**") of any contemplated disturbance at a particular project when examined along with all other activities planned for a particular region⁸. The Ministry subsequently applied to the Turkish Council of State, the highest administrative court in the Republic of Turkey, requesting that it (i) hear an appeal of the findings at the Hearing, (ii) overturn the Court-mandated inclusion of a CIA in an EIA, and (iii) reinstate the EIAs. As of the date of this AIF, the Company awaits a response from the Council of State.

Neither the Corporation nor the joint venture entities are named as parties to the litigation. Although the Corporation believes the petition is without merit, there can be no guarantee that the Halilağa or Karaayı EIA challenges will not cause future permitting delays, unexpected interruptions or additional costs for each of these projects. There is no threat to the validity of tenure, and there is no legal impediment to prevent ongoing exploration activities outside of the EIA-contemplated area.

Because the determination of the Court relates only to the designated areas contemplated by the (presently annulled) EIAs, there has been, and is no impact or restriction on Pilot Gold to continue planned exploration activities at Halilağa and at TV Tower, outside of the areas contemplated in the respective EIAs. Pilot Gold does not believe there to be any threat to the validity of tenure, nor any legal impediment to prevent ongoing exploration activities outside of the EIA-contemplated areas. Even if successful and the annulment of the EIAs is ultimately upheld, the Company expects that it would either revise or submit new EIAs for each project in

⁸ In the case of Karaayı, a test pit and in the case of Halilağa, an adit for a small bulk sample. The EIAs at TV Tower contemplate 6.9 hectares for operations, and at Halilağa, 17 hectares, representing only a small portion of area of the overall tenure.

conformity with the revised requirements. We furthermore note that the revised EIA report for Halilağa would also likely contemplate the project outlined in Revised Halilağa PEA, or some other illustrative mine plan.

Exploration, Development and Operating Risks, and Risks Associated with the Early Stage Status of the Corporation's Mineral Properties and the Nature of Exploration

The Corporation's mineral property interests are of high risk, and are considered to be speculative in nature. There is no certainty that the expenditures made by the Corporation towards the search for and evaluation of gold or other minerals with regard to its mineral property interests, or otherwise, will result in discoveries of commercial quantities of gold or other minerals. Where expenditures on a property have not led to the discovery of mineral reserves, such incurred expenditures will generally not be recoverable. Furthermore, the exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines. Substantial expenditures are required to locate and establish mineral reserves through drilling, for development of metallurgical processes to extract the metal from the ore, and in the case of new properties, for construction of the mining and processing facilities and infrastructure at any site chosen for mining.

It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a gold or other precious or base metal or mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. Other factors include: the ability to hire and retain qualified people, the ability to obtain suitable machinery, equipment or labour and the ability to obtain necessary services in jurisdictions in which the Corporation operates. Unfavourable changes to these and other factors have the potential to negatively affect the Corporation's operations and business.

In the exploration and development phases of a project, no absolute assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, if production is commenced, mineral reserves are finite and there can be no assurance that the Corporation will be able to locate additional reserves as its existing reserves are depleted.

Although as described in this AIF, there are initial resource estimates defined for targets at Halilağa and KCD, there has been insufficient exploration to date on the Kinsley property to define a mineral resource, and it is uncertain if further exploration will result in targets at Kinsley being delineated as a mineral resource. Furthermore, the terms "Resource(s)" or "Reserve(s)" cannot be used to describe Pilot Gold's mineral property interest at the Kinsley property due to its early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration at Kinsley to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Quantities and/or grade described in this AIF for targets at Kinsley, or those at TV Tower, other than KCD, should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the profitability of future operations.

As to Halilağa and TV Tower's KCD deposit, or other properties on which the Corporation may release a resource estimate, the Corporation notes that mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates may or may not account for mineability, selectivity, mining loss and dilution. These mineral resource

estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

Even in the event of the successful completion by the Corporation or its joint venture partners of those programs underway on the individual Material Properties (see “*Mineral Properties*”, in this AIF), there is no assurance that the results of such exploration will warrant undertaking, or result in, the completion of further exploration programmes or activities on any particular Material Property. In such circumstances, the Corporation may be required to reallocate its resources and focus its operations on other mineral properties. There can be no assurance that any such additional mineral properties will be available for acquisition by the Corporation or that, if available, the terms of acquisition will be favourable to the Corporation.

In general, mining operations involve a high degree of risk. The Corporation’s operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The Corporation’s Securities are Subject to Market Price Volatility

The market price of the Common Shares may be adversely affected by a variety of factors relating to Pilot Gold’s business, including fluctuations in the Corporation’s operating and financial results, the results of any public announcements made by Pilot Gold or its joint venture partners and the failure to meet analysts’ expectations.

The market prices of securities of Pilot Gold have experienced wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of Pilot Gold. Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, the price of gold, copper and other commodities and market perceptions of the attractiveness of particular industries. This volatility may adversely affect the market price of the Common Shares.

The price of the Corporation’s public securities is also likely to be significantly affected by short-term changes in gold, copper or other mineral prices. Other factors unrelated to the Corporation’s performance that may have an effect on the price of the Common Shares and Share Purchase Warrants include the following: (i) the extent of analytical coverage available to investors concerning the Corporation’s business may be limited if investment banks with research capabilities do not follow the Corporation’s Common Shares; (ii) lessening in trading volume and general market interest in the Corporation’s securities may affect an investor’s ability to trade significant numbers of Common Shares or Share Purchase Warrants; (iii) the size of the Corporation’s public float may limit the ability of some institutions to invest in the Corporation’s Common Shares; and (iv) a substantial decline in the price the Common Shares that persists for a significant period of time could cause the Corporation’s Common Shares to be delisted from the TSX or from any other exchange upon which the Corporation’s Common Shares may trade from time to time, further reducing market liquidity.

As a result of any of these factors, the market prices of the Common Shares or Share Purchase Warrants at any given point in time may not accurately reflect the Corporation’s long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be

the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Government Regulation

In addition to Permitting and License Risks, the mineral exploration activities (as well as the potential for eventual mining, processing and development activities) of the Corporation are subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Government approvals, approval of aboriginal peoples and permits are currently, and may in the future be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Regulators in the United States and Turkey have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

The Corporation's mineral exploration and mining activities in the countries in which it operates, including the United States and Turkey, may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Corporation's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Corporation's exploration and development activities are currently carried out in material compliance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Furthermore, any shift in political attitudes, or amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof are beyond the control of the Corporation and could have a substantial adverse impact on the Corporation.

Turkey

In Turkey, mining rights and minerals are exclusively owned by the state. The ownership of minerals in Turkey is not subject to the ownership of the relevant land. By law, the state delegates its rights to explore and operate to individuals or legal entities by issuing licences for a determined period of time in return for a royalty payment. Mining rights, with respect to certain types of mines, belong to the state or state enterprises.

As detailed in this AIF, according to the General Directorate-Mining Affairs, the Turkish State will receive a sliding scale Gross Royalty (Pit-Head Sale Price) royalty (known as the State's Rights) for precious metals in the "Group 4C" minerals (in other words, non-ferrous minerals, excluding gems). If mineral tenure is on state-owned forestry land, an additional 30% is added to the royalty payment.

Further changes to the mining law in Turkey impacting the rate at which royalties are levied could have a substantial adverse impact on the Corporation, or on the potential economics of an exploration or development project in Turkey.

Recently, permitting for exploration disturbance by the Minister of Forests has slowed, providing uncertainty on the process and timing for the receipt of such permissions. Failure to receive, or to receive timely forestry disturbance permissions may impact the Corporation's ability to conduct its planned exploration activities on the Turkish Properties.

If approved / implemented, the proposed SLPA and proposed watershed protection area could have a substantial adverse impact on the Corporation, or on the potential economics of an exploration or development project in Turkey.

United States

At the federal level, recent United States federal budgets propose to levy a 5% royalty on the gross proceeds of hardrock minerals mined on public lands including silver, gold and copper extracted from all new projects on public lands managed by the BLM or the United States Forest Service. The United States Department of Interior (the "DOI") proposed budget also calls for reforms on mining operations and reducing the environmental impacts of mining.

These and other changes to legislation and regulation in the United States, as well as similar changes in other jurisdictions may indicate an increasing risk for companies operating in the exploration and production stage of the mining industry to be subject to increasing taxes on operations. The Corporation's activities and financial results may be adversely impacted by these and other changes.

State Forest Land in Turkey

In order to conduct drilling or other potentially disruptive exploration activities on concessions within State Forest Land in Turkey, valid permits are required from the General Directorate-Forestry. There have recently been several changes in regulation governing the use of forestry lands for mining activities in Turkey. The potential for continuing change in Turkey as it relates to undertaking exploration activities on concessions within State Forest Land, or as it relates to other areas determined to be protected or otherwise deemed to be of national interest is elevated. As noted elsewhere in this AIF, the process and timeliness by which forestry permits are awarded has slowed such that very few permits were granted in 2013 and 2014, or through to the date of this AIF. It is uncertain if the Corporation's existing permits may be affected in the future or are appropriate to undertaking an efficient and/or successful exploration program or if the Corporation will have difficulties in obtaining all necessary forest permitting it requires for its mining and exploration activities to continue if any new regulations are adopted.

Risks Associated with a Lack of Funding to Satisfy Contractual Obligations

The Corporation may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Corporation may have its property interests subject to such agreements reduced as a result or even face termination of such agreements. The Corporation has joint venture agreements in Turkey with respect to Halilağa and TV Tower and in the United States at Kinsley. Each of these joint venture agreements provides for adjustments to the interests of the parties in the respective legal entity that holds the property interest where either party fails to fund cash calls within certain specified periods. If the Corporation fails to fund cash calls, it risks having its interest reduced, may lose its effective veto power over certain decisions and ultimately could have its interest in the particular joint venture diluted or terminated. TMST, the Corporation's partner at Halilağa and TV Tower is a subsidiary of Teck, a much larger entity with far greater access to financial resources than the Corporation.

Additional Capital and Potential Dilution to Common Shares

Pilot Gold's articles of incorporation allow the Corporation to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by our Board, in many cases, without the approval of the shareholders.

There are currently 107,235,497 Common Shares issued and outstanding. The increase in the number of Common Shares issued and outstanding through further issuances may have a depressive effect on the price of the Common Shares and will dilute the voting power of the Corporation's existing shareholders.

The exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Corporation's properties or even a loss of property interest. In particular, if capital calls are made by TMST in respect of Halilağa or the Corporation acquires additional mineral properties which necessitate exploration expenditures, the Corporation may not have sufficient funds to finance such operations. The primary source of funding available to the Corporation consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be on terms that are favourable to the Corporation. In addition, any future financing may be dilutive to existing shareholders of the Corporation.

In addition, the Corporation has issued potentially dilutive securities in the form of incentive stock options to purchase Common Shares ("**Options**") pursuant to Pilot Gold's Stock Option Plan (2011) (the "**Option Plan**"). As at December 31, 2014, there were 107,235,497 Common Shares and 5,698,333 Options exercisable as at the date of this AIF, the number of Common Shares outstanding was 107,284,277, and there were 6,751,097 Options exercisable.

The Corporation has also issued potentially dilutive securities in the form of Common Share purchase warrants: (i) Pursuant to the TV Tower Agreement, the Corporation issued 3,000,000 Teck Warrants on June 29, 2012; and (ii) pursuant to the acquisition of Cadillac, the Corporation issued 4,218,164 Share Purchase Warrants. Each Teck Warrant is exercisable for a period of three years from the date of issue, for one Common Share an exercise price of C\$3.00 per Common Share. Each Share Purchase Warrant issued to the former shareholders of Cadillac entitles the holder to acquire one Common Share at a price of C\$2.00 until August 29, 2016.

The Corporation may issue additional Common Shares in future offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of Options. The Corporation may also issue Common Shares to finance future acquisitions and other projects. Pilot Gold cannot predict the size of future issuances of Common Shares, or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares.

Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and Pilot Gold may experience dilution in the Corporation's earnings per share.

Foreign Operations Risk

Some of Pilot Gold's operations are conducted in Turkey and Pilot Gold may acquire or invest in additional properties located in less stable jurisdictions in the future and, as such, its operations are and may increasingly be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; and changing political conditions and governmental regulations, including changing environmental legislation.

Turkey is seeking membership to the European Union and is progressing to conform to EU standards and develop greater political and economic stability. However, Turkey has historically experienced, and to some degree continues to experience heightened levels of political and

economic instability due to regional geopolitical instability. These conditions may be exacerbated by current global economic conditions, or become exacerbated during electoral processes. This instability may cause changes to existing governmental regulations affecting mineral exploration and mining activities and/or may have a material adverse effect on the Corporation's properties, business and results of operations.

Changes, if any, in mining or investment policies or shifts in political attitudes in Turkey or other jurisdictions in which Pilot Gold holds properties or assets may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on operations, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

In addition, in the event of a dispute arising from foreign operations, Pilot Gold may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. Pilot Gold also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Pilot Gold to accurately predict such developments or changes in laws or policy or to the extent to which any such developments or changes may have a material adverse effect on Pilot Gold's operations.

The occurrence of these factors and uncertainties cannot be accurately predicted and could have an adverse effect on the properties, business, operations or financial condition of the Corporation.

Current Economic Conditions

There are significant uncertainties regarding the prices of gold, copper, other precious and base metals and minerals and the availability of financing for the purposes of mineral exploration and development. A reduction in the price of gold, copper or other metals may prevent the Corporation's properties from being economically mined or result in the write-off of assets whose value is impaired as a result of lower metal prices. The price of metals may also have a significant influence on the market price of the Corporation's Common Shares. The prices of gold and copper are affected by numerous factors beyond the Corporation's control, such as the level of inflation, fluctuation of the United States dollar and foreign currencies, global and regional demand, sale of gold by central banks and the political and economic conditions of major gold producing countries throughout the world. As a result, the Corporation may have difficulty raising debt or equity financing for the purposes of mineral exploration and development, and, if obtained, on terms favourable to the Corporation and/or without excessively diluting present shareholders of the Corporation. These economic trends may limit the Corporation's ability to develop and/or further explore its mineral property interests and may limit the ability of the Corporation to meet capital calls with respect to Halılađa, and/or satisfy and execute approved programs and budgets at TV Tower, and/or execute on an approved budget at Kinsley.

Commodity Price Risks

The price of the Common Shares, the Corporation's financial results and exploration, and development and mining activities may in the future be significantly and adversely affected by declines in the price of gold or other minerals. The price of gold or other minerals fluctuates widely and is affected by numerous factors beyond the Corporation's control, including but not limited to the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar, the Turkish lira and other foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future price declines in the market

value of gold or other minerals could cause continued development of and commercial production from the Corporation's properties to be impracticable. Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Economic viability of future production from the Corporation's mining properties, if any, is dependent upon the prices of gold and other minerals being adequate to make the properties economic.

In addition to adversely affecting any resource estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Minority Interests in the Turkish Properties

The terms of the joint venture agreements governing the exploration of Halilağa and TV Tower provide effective control to TMST over many of the activities conducted on Halilağa since TMST holds a majority (60%) of the shares of the joint venture company that holds the mining rights in respect of that property. The respective joint venture agreements for TV Tower and Halilağa provide that only a limited number of decisions regarding that property require unanimous approval. Accordingly, for as long as the Corporation has only a minority interest, it will be dependent upon TMST for many aspects of project development at Halilağa. Conversely, despite having a majority interest at Orta Truva, the Corporation may still be dependent on TMST for certain approvals for project development at TV Tower.

Major Shareholder with greater than 10% Holding

Newmont indirectly holds approximately 12.82% of the Corporation's issued and outstanding Common Shares and is Pilot Gold's single largest shareholder. As a result, Newmont may have the ability to influence the outcome of matters submitted to the Pilot Gold shareholders for approval, which could include the election and removal of directors, amendments to Pilot Gold's corporate governance documents and business combinations. Pilot Gold's interests and those of Newmont may at times conflict, and this conflict might be resolved against Pilot Gold's interests. The concentration of approximately 12.82% of Pilot Gold's issued and outstanding shares in the hands of a single shareholder may discourage an unsolicited bid for the Common Shares, and this may adversely impact the value and trading price of the Common Shares. Further, Newmont's participation in, or failure to participate in any issuance of Additional Pilot Gold Securities may have a material impact on the value and trading price of the Common Shares.

The Corporation Has No Known Reserves and No Economic Reserves May Exist on the Corporation's Properties, Which Could Have a Negative Effect on the Corporation's Operations and Valuation

Despite exploration work on the Corporation's mineral property interests, no mineral reserves have been established thereon. In addition, the Corporation is still engaged in exploration on all of its properties in order to determine if any economic deposits exist on the Corporation's properties. The Corporation may expend substantial funds in exploring some of its properties only to abandon them and lose its entire expenditure on the properties if no commercial or economic quantities of minerals are found. Even if commercial quantities of minerals are discovered, the exploration properties might not be brought into a state of commercial production. Finding mineral deposits is dependent on a number of factors, including the technical skill of exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as content of the deposit including harmful substances, size, grade and proximity to infrastructure, as well as metal prices and the availability of power and water in sufficient supply

to permit development. Most of these factors are beyond the control of the entity conducting such mineral exploration. Illustratively, the Revised Halilağa PEA highlights the potential development of a mine, however, it 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 thus no certainty that the preliminary economic assessment will be realized at Halilağa. Kinsley and TV Tower are early stage exploration projects and, with the exception of an initial resource estimate at TV Tower's KCD target, do not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed in the TV Tower Report and Kinsley Report are conceptual in nature and there has been insufficient exploration (with the exception of KCD) to define a mineral resource for the targets disclosed therein. It is uncertain if further exploration will result in any targets on those properties being delineated as a mineral resource.

The Corporation is an exploration and development stage company with no history of pre-tax profit and no income from its operations. There can be no assurance that the Corporation's operations will be profitable in the future. There is no certainty that the expenditures to be made by the Corporation in the exploration and development of its properties will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable deposits and no assurance can be given that any particular level of recovery of mineral reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) mineral deposit which can be legally and economically exploited. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production. If the Corporation is unsuccessful in its exploration and development efforts, it may be forced to acquire additional projects or cease operations.

Subsidiaries and Joint Ventures

The Corporation owns its respective 40% and 60% interests in the Turkish Properties through joint stock companies with Teck, its approximately 79.1% interest in Kinsley in a limited liability company partnership interest with a subsidiary of NSGC, and it operates some of its properties through subsidiaries. Pursuant to earn-in and lease agreements, the Corporation is also the operator of certain exploration properties for which it does not have title. The Corporation is subject to the typical risks associated with partnerships and joint ventures and contractual agreements, including disagreement on how to develop, operate or finance the project and contractual and legal remedies of the Corporation's partners in the event of such disagreements. In addition, any limitation on the transfer of cash or other assets between the Corporation and such entities, or among such entities, could restrict the Corporation's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Corporation's value and stock price.

Reliance on a Limited Number of Properties

The only material property interests of the Corporation are its 79.1% interest in Kinsley and its 40% and 60% interests in the Halilağa and TV Tower respectively. As a result, unless the Corporation acquires additional property interests, any adverse developments affecting any one of these properties could have a material adverse effect upon the Corporation and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation. While the Corporation may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Corporation will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Corporation or at all. See "*Mineral Properties*" in this AIF.

Land Title

The acquisition of the right to explore and/or exploit mineral properties is a detailed and time-consuming process. Although the Corporation is satisfied it has taken reasonable measures to acquire unencumbered rights to explore its mineral properties in the United States, no assurance can be given that such claims are not subject to prior unregistered agreements or interests or to undetected or other claims or interests which could be material or adverse to the Corporation. The Corporation's mineral properties in the United States are primarily unpatented mining claims to which the Corporation has only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively the ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper posting and marking of boundaries and possible conflicts with other claims not determinable from descriptions of record. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry.

The present status of the Corporation's unpatented mining claims located on public lands provides the Corporation with the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Corporation is also allowed to use the surface of the land solely for purposes related to exploration, mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States government. The Corporation remains at risk that the mining claims may be forfeited either to the United States government or to rival private claimants due to failure to comply with statutory requirements.

In Turkey, mining rights and minerals are exclusively owned by the State. The ownership of the minerals in Turkey is not subject to the ownership of the relevant land. The State, under the mining legislation, delegates its rights to explore and operate to individuals or legal entities by issuing licences for a determined period of time in return for a royalty payment. Mining rights, with respect to certain types of mines, belong to State or State enterprises.

The Corporation, in collaboration with Teck, may need to enter into negotiations with landowners and other groups in the local community in Turkey in order to conduct future exploration and development work on the Turkish Properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Turkey or if such agreements will be on terms acceptable to the Corporation so that the Corporation can continue to conduct exploration and development work on these properties.

Infrastructure

Mining, processing, development, and exploration activities depend on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's operations, financial condition and results of operations.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the Corporation's properties. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the business, financial condition and results of operations of the Corporation.

Limited Operating History

The completion of the Fronteer Arrangement on April 6, 2011 and subsequent listing on the TSX of the Common Shares marked the start of independent operations for Pilot Gold. As the Corporation is only in its fourth year of operation, it has little history of operations and no

earnings. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

Insurance and Uninsured Risks

The Corporation's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Corporation maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

The Corporation currently has no known financial obligations relating to environmental protection. However, all phases of the Corporation's operations are subject to environmental regulation (including EIAs and permitting) in the jurisdictions in which it operates. Several of the properties in Nevada to which the Corporation has an interest, including Kinsley, have undergone significant surface disturbance for over 100 years. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation and international standards are evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation and standards, if any, will not adversely affect the Corporation's business, condition or operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Pilot Gold cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect Pilot Gold.

Water Sources

Community water sources exist in the same regions as the Corporation's property interests in Turkey, and the United States. The Corporation will have to ensure that exploration activities do not impact community water sources. The proposed watershed protection area that overlaps the Corporation's properties could also impact the Corporation's access to water and the way in

which arrangements with local communities are negotiated to provide access. Future operations may require that alternate water sources be provided to potentially affected communities.

Indemnified Liability Risk

Pursuant to the Arrangement Agreement, Pilot Gold has covenanted and agreed that, following the FA Effective Date, it will indemnify Newmont, Fronteer and its subsidiaries from all losses suffered or incurred by them 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), which includes (i) a liability or obligation that, following the FA Effective Date, Fronteer or any of its subsidiaries is legally obliged to pay but which was incurred or accrued prior to the FA Effective Date in respect of the Fronteer Exploration Properties (including the operations or activities in connection therewith and any liabilities or obligations for taxes in connection with the transfer of the Fronteer Exploration Properties to Pilot Gold), and (ii) the amount of any tax payable by Fronteer in respect of the disposition of Common Shares to the former Fronteer security holders. Pilot Gold will remain liable under this indemnity for six years following the FA Effective Date, or until 60 days after the end of the relevant statutory limitation period in respect of claims for taxes. Because of Pilot Gold's limited financial resources, any requirement to indemnify under these provisions could have a material adverse effect on the ability of Pilot Gold to carry out its business plan.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of potentially productive mineral properties. In particular, there is a high degree of competition faced by the Corporation for desirable mining property interests, suitable prospects for drilling operations and necessary mining equipment, and many of these companies have greater financial resources, operational experience and/or more advanced properties than the Corporation. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes with other resource companies, many of whom have greater financial resources and/or more advanced properties, in attracting equity and other capital necessary for the Corporation to advance the exploration and development of its mineral properties.

The ability of the Corporation to acquire additional properties depends on, among other things, its available working capital, its ability to explore and develop its existing properties, its ability to attract and retain highly-skilled employees, and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. Mineral prices have historically been subject to fluctuations and are affected by numerous factors beyond the control of the Corporation.

In addition and as described in this AIF, the Corporation is subject to certain covenants in the Arrangement Agreement and on the Turkish Properties that affect its ability to acquire and explore additional properties in a prescribed AOI in Nevada and Turkey respectively. The management, employees, and directors of Pilot Gold have significant expertise, experience, and history working in the State of Nevada and Turkey. These covenants and restrictions will prevent Pilot Gold from entering into, or undertaking activities in this AOI for a specified period of time which may reduce the Corporation's potential and ability to benefit from and maximize the collective experience of its management, employees and directors.

Specialized Skill and Knowledge

Various aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning, and implementation of exploration programs, as well as finance and accounting. The

Corporation has found that it can locate and retain such employees and consultants and believes it will continue to be able to do so; however, no assurances can be made in that regard.

Acquisitions and Integration

From time to time, it can be expected that the Corporation will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. If the Corporation chooses to raise debt capital to finance any such acquisitions, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Influence of Third Party Stakeholders

Some of the lands in which Pilot Gold holds an interest, or the exploration equipment and roads or other means of access which Pilot Gold intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. If such third parties assert any claims, Pilot Gold's work programs may be delayed even if such claims are without merit. Such delays may result in significant financial loss and loss of opportunity for Pilot Gold.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Corporation's ability to raise capital through future sales of Common Shares. In particular, Newmont and Teck indirectly own approximately 12.82% and 7.35% respectively of the issued and outstanding Common Shares. If either Newmont or Teck decide to liquidate all or a significant portion of their position, it could adversely affect the price of the Common Shares.

Risk of Litigation

Pilot Gold may become involved in disputes with third parties in the future that may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If Pilot Gold is unable to resolve these disputes favourably or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of Pilot Gold to carry out its business plan.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of Oxygen, a company from whom the Corporation receives management and technical services, as well as other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws.

Passive Foreign Investment Corporation ("PFIC")

Pilot Gold was classified as a PFIC within the meaning of Section 1291 through 1298 of the US Internal Revenue Code of 1986, as amended, for the 2011-2014 tax years, and may again be classified as a PFIC for the 2014 tax year and beyond. A US shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to special US federal income taxation rules, which may have adverse tax consequences to such shareholder. Additionally, a United States shareholder may be eligible to make certain elections under two alternative tax regimes. A US shareholder should consult its own US tax advisor with respect to an investment in the Common Shares and to ascertain which elections, if any, might be beneficial to the United States shareholder's own facts and circumstances.

Key Executives

The Corporation is dependent on the services and technical expertise of several key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Many of these key executives are employed directly by Oxygen, and provide services through a management services arrangement. Due to the relatively small size of the Corporation, the loss of any of these individuals or the termination of the agreement with Oxygen, may adversely affect the Corporation's ability to attract and retain additional highly skilled employees and may impact its business and future operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Although Pilot Gold has a very limited history of operations, the Corporation has undertaken to put into place a system of internal controls appropriate for its size, and reflective of its level of operations. The Corporation's certifying officers have assessed internal control over financial reporting to be effective as at December 31, 2014.

Credit and Liquidity Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, and amounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Pilot Gold has no debt, and at the date of this AIF, has approximately \$14.12 million in cash and short term deposits primarily held with large Canadian, US and Turkish commercial banks, and approximately \$0.42 million of available for sale investments⁹.

Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Corporation's objective in managing liquidity risk will be to maintain sufficient readily available cash reserves and credit in order to meet its liquidity requirements at any point in time. The total cost and planned timing of acquisitions and/or other development or construction projects is not currently determinable and it is not currently known precisely when the Corporation will require external financing in future periods.

⁹ Fair value of Available for Sale investments include common shares and share purchase warrants of investment securities determined using the Black-Scholes equation.

Currency Rate Risk

The Corporation's reporting currency is the United States dollar, which is exposed to fluctuations against other currencies. The Corporation's most recent equity financing was undertaken, and funds were received in Canadian dollars. The Corporation's primary operations are located in the United States and Turkey and many of its expenditures and obligations are denominated in United States dollars, and Turkish lira. It can be anticipated that obligations will also arise in Euros and other currencies should the Corporation expand its operations into additional countries. The Corporation maintains its principal office in Canada; maintains cash accounts in United States dollars, Turkish lira, and Canadian dollars and has monetary assets and liabilities in United States dollars, Canadian dollars, and Turkish lira. As such, the Corporation's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and operating results of the Corporation. The Corporation has not undertaken to mitigate transactional volatility in the United States dollar, Turkish lira, or the Canadian dollar at this time. The Corporation may, however, enter into foreign currency forward contracts in order to match or partially offset existing currency exposures.

Dividend Policy

No dividends on the Common Shares have been paid by the Corporation to date. Payment of any future dividends will be at the discretion of the Corporation's board of directors (the "**Board**") after taking into account many factors, including the Corporation's operating results, financial condition and current and anticipated cash needs. At this time, the Corporation has no source of cash flow and anticipates using all available cash resources towards its stated business objectives and retaining all earnings, if any, to finance its business operations.

MINERAL PROPERTIES

As at March 24, 2015, the Corporation holds an interest in three mineral properties that are considered to be material within the meaning of applicable Canadian securities laws: (i) TV Tower, (ii) Halilağa, and (iii) Kinsley. These properties are discussed in detail below. The remaining properties are in a relatively early stage.

Kinsley, Nevada

Except as otherwise stated herein, the following disclosure relating to Kinsley is based on information derived from the technical report entitled “*Updated Technical Report on the Kinsley Project, Elko and White Pine Counties, Nevada, USA*”, effective March 1, 2015, and dated March 19, 2015, co-authored by Michael M. Gustin, C.P.G., Moira Smith, Ph.D., P.Geo., and Gary L. Simmons, MMSA (the “**Kinsley Technical Report**”). Michael M. Gustin, of Mine Development Associates (“**MDA**”), Moira Smith, Chief Geologist for Pilot Gold (USA) Inc. (“**Pilot USA**”), a wholly-owned subsidiary of Pilot Gold, and Gary L Simmons, of GL Simmons, LLC are each a designated Qualified Person for the Kinsley Technical Report upon which the Technical Information reproduced in this AIF is based. See in this AIF, “*Interests of Experts*”. The Kinsley Technical Report was commissioned by Pilot USA, a wholly owned subsidiary of Pilot Gold, as a “first time” technical report on the property.

Readers are directed to and encouraged to review the Updated Kinsley Technical Report, which can be reviewed in its entirety under the Corporation’s profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The Updated Kinsley Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Updated Kinsley Technical Report contains the expression of the professional opinion of the Qualified Person based upon information available at the time of preparation of the Updated Kinsley Technical Report. The following disclosure, which is derived from the Updated Kinsley Technical Report, is subject to the assumptions and qualifications contained in such report. Recent activities relating to Kinsley are summarized in this AIF under heading, *Mineral Properties – Kinsley, Nevada: Recent Developments*.

Project Description and Location

The Kinsley project is held by Kinsley Gold LLC (“**KGLLC**”), a limited liability company owned 79.06% by Pilot Gold (USA) Inc. and 20.94% by Intor Pilot Gold (USA) Inc. is wholly owned by Pilot Gold Inc. Intor is wholly owned by NSGC. For the purposes of this summary of the Updated Kinsley Technical Report, Pilot Gold Inc., Pilot Gold (USA) Inc., and are referred to interchangeably as “Pilot Gold.” Pilot Gold’s interest in Kinsley is derived from the purchase of a Mining Option Agreement from Animas in September 2011.

The Kinsley project is located in the Kinsley Mountains in Elko County, northeastern Nevada, approximately 150 kilometers northeast of Ely, Nevada, and 83 kilometers southwest of West Wendover, Nevada.). The approximate geographic centre of Kinsley is 40° 09’ N latitude and 114° 20’ W longitude.

Mineral tenure consists primarily of 475 unpatented federal lode mining claims, totaling approximately 3,848 ha, in portions of Townships 26 and 27 North, Ranges 67 and 68 East. Pilot Gold has paid the annual federal unpatented claim fees through August 31, 2015. The Kinsley project also includes five patented claims leased from Marvil Investments LLC (“**Marvil**”). The patented claims total 26.6 ha in Section 13, Township 26 North, Range 67 East, and Sections 7 and 18, Township 26 North, Range 68 East.

KGLLC is required to make advance royalty payments to Nevada Sunrise LLC (“**Sunrise LLC**”), a private holding company unrelated to NSGC, in accordance with an underlying lease agreement, beginning with a payment of \$50,000 per year through 2016, and increasing incrementally thereafter up to a maximum of \$200,000 per year in 2020 and beyond. If future production of gold occurs at Kinsley, KGLLC is subject to a 2% Net Smelter Return royalty

("NSR") payable to Sunrise LLC. The leased patented claims are subject to a 2% NSR and annual advanced royalty payments of \$10,000, escalating to \$20,000 on the fifth anniversary of the agreement, payable by KGLLC to Marvil.

Production from Kinsley would be subject to the State of Nevada Net Proceeds of Mine Tax, which is limited to 5% of the production net proceeds (similar to a 5% net profits tax). This tax is levied by the State of Nevada on all mine production in the state.

From October 20, 2011, through October 9, 2013, Pilot Gold operated the project under BLM Notice of Intent NVN-090386, which authorized disturbance of up to 4.77 acres (1.93 ha). On August 30, 2013, The BLM approved a Plan of Operations (NVN-091528) ("PoO") submitted by Pilot Gold that authorized the disturbance of up to 71.5 acres (28.9 ha). An amendment to the PoO to permit an additional 20.47 acres (8.28 ha) of disturbance in selected areas in the northern portion of the project area was approved on October 28, 2014, bringing the total permitted disturbance to 91.97 acres (37.22 ha).

Environmental liabilities at Kinsley are limited to the reclamation of disturbed areas resulting from exploration work conducted by Pilot Gold since acquisition of the property in 2011.

There is no surface water at the Kinsley property. In September 2012, Pilot Gold applied for 1,080 acre-feet-annually of water from the Nevada Division of Water Resources (NDWR). The appropriations were approved in May 2013, and in October 2013, water well PKW-1 was constructed at a site on the main access road. A total of 1.72 acre-feet (2.12 million litres) of water was pumped for drilling and dust control in 2013. Total water use for 2014 (through December 4) was 21.43 acre-feet (26.44 million litres).

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to Kinsley is via paved U.S. Highway Alternate 93 to approximately 65 kilometers southwest of the town of West Wendover, Nevada, or approximately 135 km on the same highway north-northeast of the town of Ely, Nevada. From that point, one proceeds south for 18 kilometers on an improved gravel road, known as the Kinsley Mountain mine road, 18 km through Antelope Valley on the east side of the Kinsley Mountains to the project site.

Climate is typical for the high-desert regions of northeastern Nevada with hot, dry summers and cold, snowy winters. Summer high temperatures range from 30° to 38°C, with winter low temperatures typically -20° to -10°C and winter high temperatures of 0° to 5°C. Most of the precipitation in the region falls as snow in the winter months, with lesser precipitation as rain in the spring and thunderstorms during the late summer. Winter storms can deposit up to a meter of snow at higher elevations at Kinsley Mountain, with higher elevations of the property typically snow-covered from late November through March.

In the absence of all-weather road access to drill sites, a typical exploration operating season at Kinsley is from mid-April through early December. Improved road access and road maintenance with snow removal equipment can extend the exploration operating season through the winter months, subject to recommended winter operating procedures issued by the BLM.

Kinsley lies in the Basin and Range physiographic province of Nevada and western Utah. The project site is located in moderate to steep terrain in the central and northern portions of the Kinsley Mountains. The Kinsley Mountains are a 12-km-long, north-northeast-trending ridge that extends north from the Antelope Range. Elevations range from 1,750 m in valley bottoms to 2,400 m at Antelope Mountain south of the project.

The lower slopes of the project are covered by grasses and sagebrush that progress up-slope to piñon and juniper woodlands typical of high-desert mountain vegetation in northeast Nevada. Until late 2013, exploration activities at Kinsley were conducted primarily in disturbed areas at the former mine site on the eastern slope of the range. The previously explored and mined areas, as well as most of the current exploration targets, lie on moderate to steep slopes that require road construction to develop drill sites and access.

Drilling contractors, heavy-equipment contractors, and field technical personnel to support continued exploration activities are all available from service companies and contractors in Elko, Ely, and West Wendover, Nevada and Salt Lake City, Utah. Should an economic gold deposit be delineated at Kinsley, experienced mining personnel and equipment suppliers are available in Salt Lake City and Elko, as well as elsewhere in Nevada.

The nearest major power grid is a 25 Kilovolt distribution line located approximately 8.5 km west-northwest of Kinsley near Boone Spring on Alternate Highway 93. This highway ultimately delivers electric power to the no longer active Victoria mine in the Dolly Varden Mountains approximately 27 km northwest of Kinsley. The Griggs substation, a higher-voltage 69-kilovolt substation and line, is located near Lages Station, approximately 26 km southwest of Kinsley. Power to the area is provided by Mt. Wheeler Power, a local electric power co-op headquartered in Ely, Nevada. There is currently no power to the site.

There is no surface water on the Kinsley property. From 2011 to 2013, water for drilling was purchased through a local rancher from a reservoir located approximately 18 kilometers south of the project. For a portion of 2013, when this water source proved inadequate, water was trucked from Wendover. Commencing in December 2013, water was (and is) sourced from a well drilled at the project site for this purpose by Pilot Gold.

History

The south end of the Kinsley Mountains was the site of sporadic base and precious metal exploration and production that began as early as 1862 and continued into the 1960s. U.S. Minerals Exploration Co. discovered sediment-hosted gold mineralization at the Kinsley property in 1984 through rock-chip sampling of jasperoid in Cambrian strata in an area with no historic workings.

Subsequently, Cominco American Resources, Inc. ("**Cominco**") and Hecla Mining Company ("**Hecla**") explored the property and completed a number of drilling programs. Alta Gold Company ("**Alta**") purchased the property in 1994 and commenced open-pit mining in 1995, producing about 135,000 to 138,000 ounces of gold through 1999. The mine exploited oxidized, disseminated mineralization from eight shallow open pits and processed the ore by cyanide heap-leach extraction. The mine closed when Alta declared bankruptcy during a period of depressed gold prices. The mine produced oxidized disseminated gold ore from eight shallow pits and processed the ore on heap-leach pads. From topographically lowest to highest, and from southeast to northwest, these pits include the Access, Lower Main, Emancipation, Main, Upper Main, Ridge, West Ridge, and Upper pit. A crushing plant, heap-leach pad, and recovery facility were located at the base of the eastern slope of the Kinsley Mountains below the mining facilities immediately east of the project claims. A haul road connected the operations.

Actual production from the property is reported to have been about 4.7 million tons averaging 0.039 oz Au/ton (4.3 million tonnes @ 1.34 g Au/t), with 134,777 ounces of gold produced, but a total production of 138,151 ounces has also been reported. The Kinsley mine produced more tons and ounces than had been originally planned, but at a lower grade, with a reported realized gold recovery (73.3%) being close to what was estimated.

In 1999 when production ceased, Alta estimated that remaining "drill indicated resources" included 785,808 tons (712,869 million tonnes) of oxidized mineralization in the mine area averaging 0.037 oz Au/ton (1.27 g Au/t), for a total of 28,799 ounces, and an additional 590,022 tons (535,256 million tonnes) of oxidized mineralization averaging 0.024 oz Au/ton (0.82 g Au/t), for a total of 14,227 ounces, from locations mostly to the southwest of the mine area. Unoxidized/refractory mineralization within the mine area was estimated at 994,162 tons averaging 0.072 oz Au/ton (901,884 million tonnes @ 2.47 g Au/t), for a total of 71,904 ounces. The historical estimates were prepared prior to the adoption of NI 43-101 reporting standards; these historical "resources" and "reserves" are not considered to be current resources and reserves and therefore should not be relied upon. A qualified person has not done sufficient work to classify these historical estimates as current resources, and Pilot Gold is not treating these historical estimates as current mineral resources or mineral reserves.

Sunrise LLC staked the property in 2000 and, over the next decade, undertook rock-chip sampling and review of the existing drill-hole database. Lateegra Resources Corp. optioned the property in 2002, carried out geophysical studies, produced a technical report, and dropped the project in 2003. In 2004, Pan American Gold Corp. drilled three relatively deep holes around the margins of the deposit and completed several geophysical surveys. Intor leased the Kinsley property from Sunrise LLC effective June 21, 2007. The lease is for an initial term of ten years and can be extended thereafter. Animas optioned the property in 2010 and carried out geologic mapping, geochemical sampling, and a gravity survey.

Reclamation and Environmental Obligations

Animas contracted with Enviroscientists, Inc. ("**Enviroscientists**") of Reno, Nevada, to prepare an environmental review of the Kinsley property in order to assess the extent of potential liabilities related to previous mining activities by Alta (DeLong, 2010). Alta did not carry out any reclamation on the property and forfeited their bond. The BLM reclaimed the site using the Alta reclamation bond as well as federal monies. Reclamation included partial backfilling of a number of the open pits, re-contouring of other mining and exploration disturbances such as exploration drill roads, haul roads, and waste dumps, and re-vegetation of these reclaimed areas. The large heap-leach pad at the base of the range on the eastern slope was also decommissioned, re-contoured, and re-vegetated. Enviroscientists believes that the surface disturbance and reclamation liability that are related to the Alta operations are not transferable; thus there are no outstanding reclamation liabilities that could, or would, be tied to successor companies as a result of holding the mining claims associated with the property (DeLong, 2010).

Environmental liabilities at Kinsley are limited to the reclamation of disturbed areas resulting from exploration work conducted by Pilot Gold since acquisition of the property in 2011.

Geological Setting

The Kinsley Mountains are underlain primarily by limestone, dolostone, and shale ranging from Middle Cambrian to Late Ordovician in age. These include Middle Cambrian limestone, tentatively assigned to the Geddes, Secret Canyon Shale and Bighorse formations; the Upper Cambrian Dunderberg Shale, Notch Peak Limestone, and Notch Peak Dolomite; and the Ordovician Pogonip Group limestone and shale. These units are gently folded into an open, north-plunging anticline, which exposes progressively younger strata to the north. A moderate-angle, west-dipping fault along the west side of the range locally juxtaposes this sequence with overlying quartzite and dolostone suspected to be correlative with the Upper Ordovician Eureka Quartzite and Fish Haven Dolomite. The south end of the range is intruded by a small, late-Eocene age felsic stock with a hornfelsed aureole. Strata were subjected to ductile contractional deformation in mid-Mesozoic time and Cenozoic low- and high-angle extensional faulting. Low-angle faults bound most major lithologic units, and locally cut out entire formations. North- to northeast-striking faults intersect northwest-trending structures; relative ages are uncertain. Basin and Range normal faults bound both sides of the range.

Exploration

Pilot Gold has actively explored the property since September 2011 and has conducted the following exploration activities to date:

- Claim staking;
- Permitting;
- Detailed geological pit mapping;
- Detailed regional geological mapping;
- Surface soil and rock sampling;
- Compilation of drill and blast hole data, including assay and geological data, into a comprehensive database;

- Construction of 65 geological cross sections that have been digitized into GEMS® mining software to create a three-dimensional ("3D") model of the property; and
- Drilling of 207 core and reverse circulation rotary ("RC") drill holes.

Summary statistics of the work completed by Pilot Gold are summarized below in Table K(i)

Table K(i) Exploration Activity by Pilot Gold

Year	2011	2012	2013	2014	Total
Soil Sampling	0	1,386	800	269	2,455
Rock Sampling	200	295	261	412	1,168
RC Drilling (m)	0.0	9,941	10,476.0	13,051.5	33,468.5
RC (#holes)	0	47	43	45	135
Core Drilling (m)	1,267.0	2,078.0	3,747.0	13,892.2	20,984.2
Core (#holes)	6	15	15	38	48
Total Drilling (m)	1,267.0	12,019	14,223.0	26,943.7	54,452.7
Total (#holes)	6	62	58	83	209

A soil sampling program consisting of 1,386 samples on a 75 x 75 m grid was carried out in 2012 in the northern portion of the property. Samples were collected by Rangefront Geological Consulting of Elko, Nevada. Sites were located using a handheld GPS with pre-loaded coordinates and waypoints. A and B horizon soil development is patchy to nonexistent in many areas, so samples targeted "C" horizon "mineral" soil. Samples were sieved in the field into Hubco bags. Samples were analyzed by ALS Laboratories ("ALS"), a division of ALS Ltd for gold by fire assay with atomic absorption spectrometry ("AAS") finish, and for 41-element geochemistry by inductively-coupled plasma-emission and mass spectrometry ("ICP-MS") on a 0.5 gram sample aliquot.

In April 2013, 800 soil samples were collected on a 75 x 75 meter grid by North American Exploration of Salt Lake City, Utah on newly-staked claims on the west side of the Kinsley Mountains. Sampling and analysis followed the same procedures as described above. In 2014, Pilot Gold staff collected 269 soil samples from the Secret Spot target area in the southwestern portion of the property and on two new blocks of claims staked to the south of the contiguous Kinsley claim block.

Gold in soil is clearly elevated in association with outcropping Dunderberg Shale in the vicinity of the historical pits and areas to the southwest. Weakly anomalous soils were also recorded to the north, particularly in association with the basal portion of the Pogonip Group. Arsenic is more widely dispersed, and is elevated throughout the Pogonip Group. In the southwest claim block, gold is associated with altered Secret Canyon Shale outcrops.

Pilot Gold collected a total of 200 rock-chip samples in 2011, 295 in 2012, 261 in 2013, and 412 in 2014. Most consisted of selective grab samples, primarily targeting jasperoid outcrops, and were collected by Pilot Gold geologists or consultants during regional mapping as well as mapping of specific drill targets, including the Right Spot, Ken's Jasperoid, and Western Flank areas. Sample information was either entered directly into a hand-held ArcPad/GPS unit for direct upload into ArcMap, or by use of a GPS unit with handwritten descriptions later entered into a spreadsheet.

In addition to selective grab samples, a series of chip and channel samples were collected from new exposures along drill access roads in the Right Spot target and in the Secret Spot area. The channel samples were taken on 3 m intervals, except where contacts or faults were exposed. In these cases, sample length was changed to distinguish geochemistry on each side of the contacts or faults.

Samples were delivered directly to the ALS Elko preparation laboratory for standard sample preparation, with the sample pulps analyzed by fire assay with AAS finish at ALS in Reno, Nevada, and by 51-element ICP-MS at ALS in North Vancouver, B.C.

Gold is elevated in samples taken from the historic pits, outcropping silicified portions of the Dunderberg shale, and in jasperoid from the Right Spot target. North of the historic pits, gold is elevated only locally in jasperoid samples hosted in the basal portion of the Pogonip Group. However, Carlin-type gold pathfinder elements arsenic and antimony are moderately to highly anomalous in jasperoid samples from throughout the property. The geochemically anomalous nature of the jasperoids suggests that they could possibly be related to gold mineralization at depth within stratigraphic units that host gold to the south.

Pilot Gold drilled six core holes at Kinsley in late 2011 for a total of 1,267 m, including three located immediately south of the Emancipation pit and three on the east, north and west sides of the Main pit. The primary purpose of this drilling program was to validate drilling carried out by previous operators. To that end, the holes were twins or near-twins of existing holes.

Pilot Gold drilled a total of 15 core and 47 RC holes for a total of 12,019 m in 2012. Drilling was constrained by the disturbance limitations of the Notice of Intent, and it was restricted largely to areas that had been previously disturbed. Most of the drilling focused on down-dip extensions of mineralization north of the Main pit. Results were highly variable but in general did show the presence of mineralization extending down dip to the north for at least 300 m north of the pit, with a notable intercept of 20.4 meters averaging 5.48 g Au/t in PK014C. In addition, several holes tested the Dunderberg Canyon area to the east of the Main pit, with PK039 returning 10.7 m averaging 1.08 g Au/t. The final 13 holes of the season, PK056 through PK068, tested for mineralization in the Dunderberg Shale in the Western Flank area. This area was selected to follow up on several shallow historical drill holes that detected gold mineralization in this area, which is on trend and approximately 550 meters north of the historic pits. Mineralization in the Dunderberg Shale was encountered in a number of Pilot Gold drill holes, including 15.2 m averaging 1.73 g Au/t in PK056 and 13.7 meters averaging 6.03 g/t in PK061. Of greater importance was an intercept in PK067 at approximately 100 meters below the Dunderberg Shale horizon, which returned 4.6 meters averaging 9.50 g Au/t.

Pilot Gold drilled a total of 14,223 meters in 15 core and 43 RC holes in 2013. The 2013 drill program focused on step out, follow-up, and initial drill testing of targets defined by compilation, modeling and 2012 exploration, and was aided by receipt of the approved PoO in August, 2013. The majority of the drilling focused on the Western Flank zone, both lateral to, and deeper than, previous historical and Pilot Gold 2012 drilling.

As with other parts of the property, some holes were allowed to test deeper portions of the stratigraphy. The Hamburg dolomite in this area is faulted out, with holes going directly from the Dunderberg Shale into the Hamburg Limestone across a low-angle fault. At least one hole (PK067) had previously encountered high-grade mineralization at greater depth. Several holes during this program were inadvertently shut down in deeper mineralization due to lack of recognition of very fine-grained pyrite in the chips or core, including PK073 (10.7 m averaging 2.21 g Au/t) and PK083C (6.1 m averaging 1.84 g Au/t and 9.1 m averaging 0.49 g Au/t). A conceptual breakthrough came with PK091CA, which, while it was also terminated in mineralization, nevertheless returned 36.6 m averaging 8.53 g Au/t. Mineralization in the form of very fine-grained pyrite was intersected in laminated to thin, alternating beds of shale and limestone. PK104C also contained a significant intercept (24.4 m averaging 2.50 g Au/t) higher in the hole in Hamburg limestone.

Pilot Gold has drilled a total of 26,943.7 m in 38 core and 45 RC holes in 2014, as contained in the current MDA drilling database. Drilling targeted gold mineralization discovered in PK91CA in the Secret Canyon Shale (Western Flank target), as well as targets derived from surface gold mineralization mapped and sampled in the Right Spot, Secret Spot, and Racetrack areas. Drilling in the area around PK091C in the Western Flank target showed a zone with continuity of high grade in a west-northwest direction and significant thicknesses that is hosted within the Secret Canyon Shale, as well as a higher-grade zone plunging to the north.

Mineralization

The gold mineralization at Kinsley is, at present, best described as sediment-hosted, Carlin-type gold mineralization. Carlin-type gold deposits are a class of deposits that are not unique to Nevada, but they exist in far greater numbers and total resource size in northern Nevada than anywhere else in the world. They are characterized by concentrations of very finely disseminated gold in silty, carbonaceous, and calcareous rocks. The gold is present as micron-size to sub-micron-size disseminated grains, often internal to iron-sulphide minerals (arsenical pyrite is most common) or with carbonaceous material in the host rock.

Historically, and in terms of ounces mined, stratabound disseminated gold in calcareous siltstones of the Dunderberg Shale comprised the most important mineralized zones at Kinsley, followed by mineralized jasperoids in the Hamburg Upper Limestone and silicified dissolution breccias in the Notch Peak Formation. These deposits commonly display relatively uniform distribution of gold values between 0.7 and 1.7 g Au/t and are tabular in shape and variable in thickness, depending on the thickness of the favorable host rock. All of the mined deposits were oxidized, with low to moderate amounts of limonite after pyrite.

In 2013, gold mineralization was recognized on the west side of the Kinsley project in limestone and shale beds within the Hamburg Limestone and Secret Canyon Shale, units that had not previously been recognized as potential hosts of gold mineralization. Subsequent drilling in 2014 returned a number of high-grade gold intercepts within the Secret Canyon Shale at the Western Flank target, including 10 holes with intercepts ranging from 6 to 15 g Au/t over core lengths of 15 to 50 m (the core lengths are considered to be close to true widths). The gold occurs within thinly bedded units that are replaced by fine-grained pyrite and arsenical pyrite,

Gold mineralization at Kinsley is present in both unoxidized and oxidized forms. The authors of the Update Kinsley Technical Report note that Monroe *et al.* (1988) report that gold in unoxidized rocks is present as micron-sized or smaller particles associated with silica, calcite, and pyrite, with lesser arsenopyrite, sphalerite, and cinnabar, based on petrographic studies. Gold in oxidized rocks is associated with silica, calcite, and iron oxides including goethite, limonite, jarosite, hematite, and scorodite. Unoxidized mineralization in the Dunderberg Shale is associated with very fine grained, brownish-gray disseminated pyrite. Orpiment and realgar have been noted locally within the Dunderberg Shale in the Western Flank area. Within unoxidized intervals in the Clarks Spring member in the Western Flank area, several drill holes cut high-grade mineralization. It is characterized by:

1. Replacement of shale beds by very fine grained, relatively brassy pyrite and silica. Some of the pyrite is likely arsenical, as deduced from the relatively high (500-1,500 ppm) arsenic content of the samples, although the distinction is not visible. Some shears are also pyritized, with pyrite stringers parallel to the shears.
2. Coarse stibnite clots along fractures
3. Very minor, fine-grained, disseminated, pale orange-red mineral suspected to be realgar.
4. Small, coarse, white calcite veins and breccia fillings.
5. Small zones of collapse breccia with sulphidized clasts

Paragenetically, decalcification was likely early, followed by pyrite and silica, followed by fracture-controlled stibnite and later calcite. Stibnite is locally present in calcite veins.

Drilling

Available records indicate that from 1984 to 2011 an estimated 1,158 holes were drilled by four historical operators; over 90% of these holes were drilled by Cominco and Alta. RC methods were used for approximately 83% of the meters, and 94% of the 1,367 holes drilled by the previous and current operators. Drill sample intervals are predominantly five feet (1.524 meters) in length, or less. Pilot Gold's project database includes 1,082 historical holes within the current property boundary. Much of the drilling targeted shallow oxidized zones and the average depth of the drill holes is less than 67 meters. Approximately 244 of the historical holes have

potentially significant, unmined gold intercepts. These holes include both oxidized and unoxidized intervals. A total of 131,550 meters of drilling has been performed at the Kinsley project since 1986 (Table K(ii)).

Table K(ii) Summary of Kinsley Project Drilling 1986 – 2014

	RC Holes	RC Meters	Core Holes	Core Meters	Rotary Holes	Rotary Meters	Total Holes	Total Meters
Previous Operators 1986 - 2004	1,147	75,950.0	9	312.0	2	835	1,158	77,097.0
Pilot Gold 2011 - 2014	135	33,468.5	74	20984.2	0	0	209	54,452.7
Total	1,282	109,419	83	21,296	2	835	1,367	131,550

During the period 1986 through 1988, Cominco drilled approximately 60% of their RC drill holes dry and 40% with water injection. Alta drilled more than 80% of their RC holes dry. Sampling was done by both companies on five-foot (1.524-metre) intervals. No information is available for the Hecla and Pan American Gold Corp. drilling.

The majority of the historical drill collars at Kinsley were surveyed in the Nevada State Plane Coordinate system. No survey records are available, other than drill logs that have the X, Y, and Z coordinates hand-written on them.

No down-hole directional survey data exist from the historical drilling at Kinsley. Most of the historical drilling was relatively shallow, and the majority of the drill holes were vertical, so any effects of hole deviation are not considered to be material.

From 2011 through 2014, Pilot Gold drilled 135 RC holes and 74 core holes for a total of 54,452.7 meters. RC drilling was carried out wet, with samples collected at five-foot (1.524-meter) intervals. Core was mainly HQ-size, with smaller quantities of NQ-size core. Since acquiring the Kinsley property in mid-2011, Pilot Gold has drilled a total of 209 core and reverse circulation (RC) holes through the end of 2014.

For all years, the contractor for core drilling was Major Drilling America, Inc. ("**Major Drilling**") of Salt Lake City, Utah and Elko, Nevada. All core holes were drilled with HQ-size tools (6.4-cm diameter core), unless ground conditions mandated a reduction to NQ (4.8-cm core diameter). To date, ground conditions in three holes (PK003C, PK137C and PK186C) have necessitated a reduction to NQ coring. Down-hole surveys for core holes were completed with a Reflex E-Z Shot electronic solid-state single-shot down-hole camera supplied by Major Drilling. Readings were taken at the collar and at approximately 30-meter intervals down hole. Significant hole deviations were not encountered.

The RC drill contractor in 2012 was Major Drilling America, Inc., and 2013-2014 Boart Longyear of Elko, Nevada. RC Drilling encountered relatively few problems and most holes were completed to the required depth. A few of the deeper holes on the west side of the range were lost due to loss of circulation in highly fractured formations. The drillers used a variety of solutions for this, including venturi-equipped center tubes in the hammer to create negative pressure in the return tube, an auxiliary air pressure booster, and pumping of lost-circulation products into the hole, with varying success. A center-return hammer was used in almost all holes except for the upper portion of holes where significant alluvium was encountered. The center-return hammer allowed drillers to regain circulation within a few feet after drilling into voids, often encountered in the massive limestone formations. A casing advance system was used in areas that contain significant unconsolidated material, including the area north of the Main pit.

Down-hole surveys for RC holes were carried out by logging contractor International Directional Services ("**IDS**") of Elko, Nevada. IDS utilized a truck-mounted, through-the-drill steel Reflex Gyro gyroscopic survey instrument. Readings are taken at the bottom, top, and at 50-foot intervals throughout the completed drill hole. There generally can be more deviation in RC holes, however significant drill-hole deviations have not been encountered in the RC drilling at Kinsley.

Drill core is logged on site at the Kinsley logging facility, or at Pilot Gold's warehouse in Elko, Nevada. Information is logged directly into digital files by a Pilot Gold geologist. The digital logs include fields for rock type, color, alteration, mineralization, and structural data, with a separate log for breccia descriptions. Rock Quality Designation ("RQD") was also captured in the logs. The core was photographed both wet and dry for archival and geotechnical purposes. The logs captured data largely in numerical or letter code format. Completed logs were imported into an Access database. The core was then cut in Pilot Gold's Elko warehouse, sampled, and delivered to ALS for sample preparation in Elko.

Pilot Gold's drill-hole collars were surveyed at the end of the drilling program by All Points North Surveying and Mapping of Elko, Nevada, using a geodetic survey-grade Trimble 4000-series GPS receiver with a base station for real-time correction. Accuracy of the measurements is ± 2 centimeters in the X and Y directions and ± 3 centimeters in the Z direction.

Subsequent to drilling, drill holes are abandoned according to Nevada state regulations. Drill collars are marked in the field after completion with a cement plug, wire, and metal tag.

The majority of all holes drilled at Kinsley have vertical or subvertical orientations, which cross the predominant, generally shallow-dipping mineralized zones at relatively high angles. A significant number of angle holes were also completed, primarily by Pilot Gold, in attempts to either cut the mineralization at high angles or to take advantage of a single pad as a site for multiple holes. The predominant sample length for the drill intervals is 1.524 meters (five feet), with a relatively small percentage of shorter or longer intervals derived largely from Pilot Gold core holes. MDA believes the drill-hole sample intervals are appropriate for the style of mineralization at the Kinsley project. Furthermore, MDA is unaware of any sampling or sample recovery factors that may materially impact the accuracy and reliability of the results and believes that the drill samples are of sufficient quality for use in future resource estimations.

Sample Preparation, Analyses and Security

The following sections summarize the extent of MDA's knowledge regarding the sample preparation, analysis, security, and quality control/quality assurance protocols used in the various drilling and surface-sampling programs at Kinsley. The commercial analytical laboratories known to have been used by the historical operators at Kinsley, as well as the sample preparation and analytical procedures known to have been used by these laboratories to obtain the gold assays, are, or were at the time, well recognized and widely used in the minerals industry. In addition, all of the historical operators were reputable, well-known mining/exploration companies, and there is ample evidence that these companies and their chosen commercial laboratories followed accepted industry practices with respect to sample preparation, analytical procedures, security. It is important to note, however, that most of the Alta drill samples, which comprise approximately half of the Kinsley database, were analyzed at their in-house laboratory, and it is possible that some of Cominco's drill samples were analyzed at Cominco's in-house laboratory. It is also possible that some of the Alta analytical results in the project database may have been derived from cyanide-leach analyses, which often yield partial gold determinations, as opposed to fire-assaying methods, which are assumed to be total-gold analyses.

Pilot Gold geologists were on site during the Pilot Gold drilling programs and they carried out geological logging of drill core, and defined the core sample intervals. Drill core was collected at the drill sites by Pilot Gold personnel. After quick logging of the drill core at Kinsley, the core was either logged on site in a trailer designated for that purpose, or transported by Pilot Gold geologists to a secure logging and core-cutting facility attached to Pilot Gold's Elko office.

All drill core was sampled except for backfill and pad-fill material, as well as the upper portions of holes drilled from the same drill pad. Sampled intervals were identified based on geological considerations. Sample lengths vary from approximately 0.24 to 5.8 m, with an average length of 1.5 m. All core was photographed wet and dry. Personnel from Rangefront

Geological Consulting then cut the core length-wise into halves using diamond saws and sampled the core at Pilot Gold's Elko facility.

The drill core was routinely sawn into halves, with one half sampled and sent to the assay laboratory. During 2011 and 2012, when field-duplicate samples were taken, one of the halves of core was split into two ¼-core samples, one for the primary assay and one for the duplicate, leaving half of the core stored for future reference in the Pilot Gold Elko office. During 2013 and 2014, the field duplicate consisted of the second half of core, with no core remaining in storage. All samples were transported by ALS personnel from the Pilot Gold cutting facility to ALS' sample preparation laboratory in Elko, Nevada. After sample preparation, sample pulps were sent from the ALS Elko laboratory to the ALS laboratory in Reno, Nevada, for analysis of gold by fire assay, and to the ALS laboratory in North Vancouver, B.C., for multi-element geochemical analyses.

RC drilling was carried out with water injection and sampled on five-foot (1.524-m) intervals. Samples were collected at the rig via a rotary wet splitter, which reduced the material to a manageable size, typically 10 to 12 kg. Samples were placed in numbered sample bags, stored on-site in bins provided by ALS, and were picked up by ALS personnel on a regular basis. The chain of custody was completed when ALS personnel delivered the bins to ALS' sample preparation facilities in Elko or Winnemucca, Nevada.

Pilot Gold employs a blind numbering system for both core and RC samples, such that the hole number and down-hole footage are not known to the assay laboratory. The primary assay laboratory for Pilot Gold has been ALS. The ALS analytical facility in North Vancouver, B.C., is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation from the Standards Council of Canada ("**SCC**") for all methods used to analyze samples from the Kinsley project, including ICP-MS. The ALS laboratory in Reno, Nevada, which was responsible for fire assaying of all samples from the Kinsley project, is certified to ISO 9001:2008 standards and has received ISO/IEC 17025:2005 accreditation from the SCC for this method. ALS was chosen as Pilot Gold's primary laboratory based on a rigorous, 2008 audit by consultant Barry Smee of all Nevada assay laboratory facilities. The audit was performed for Fronteer Gold; Pilot Gold was created as part of the 2011 acquisition of Fronteer by Newmont.

Pilot Gold's drill samples were prepared and analyzed by ALS. The entire sample submitted by Pilot Gold was crushed to 8 to 10 mesh, following which a 400 gram subsample was obtained using a riffle splitter. The 400 gram subsample split was then pulverized to a nominal -150 mesh particle size. The pulps were analyzed for gold by fire assay of a 30 gram charge with atomic absorption spectroscopy ("**AAS**") finish (ALS method code AuAA23). All samples were also analyzed for 51 elements using an aqua-regia digestion and ICP-MS techniques (ALS method code ME-MS41). Samples with gold contents greater than or equal to 5 g Au/t were re-analyzed by fire assay with a gravimetric finish (ALS method code AuGRA21). ALS also completed cyanide-soluble gold ("**AuCN**") analyses on most samples with reported values of 0.2 g Au/t or higher. For this procedure, 30 grams of sample pulp were continually rolled and leached for one hour in 60 milliliters of 0.25% NaCN solution, at room temperature, and maintained at a pH of 11 to 12. Gold was then analyzed by AAS using ALS method AuAA13.

All data from logging and assaying were verified on site and uploaded to a database maintained on a server in the office of Pilot Gold in Elko, Nevada.

Data Verification

The major contributors to the current Kinsley project database include Cominco, Alta, and Pilot Gold. Records indicate that Cominco and Alta instituted quality assurance/quality control ("**QA/QC**") programs, but little useable data are available to review and comment on the results. No information is available on QA/QC programs that may have been used by Hecla and Pan American.

The QA/QC program instituted by Pilot Gold for the Kinsley 2011 drilling program, and employed in all subsequent programs, included the systematic analyses of standards, blanks,

field duplicates, preparation duplicates, and analytical duplicates. All yearly drill programs also employed check assaying by Inspectorate America Corp. ("**Inspectorate**") of Sparks, Nevada. Inspectorate was selected as Pilot Gold's secondary laboratory under advisement from consultant Barry Smee. The QA/QC program was designed to ensure that at least one standard, blank, or field duplicate was inserted into the drill-sample stream for every 30 drill samples, which is the number of samples in each ALS analytical batch. All holes drilled by Pilot Gold at Kinsley have been subject to this QA/QC program.

MDA carried out two site visits, performed independent sampling of mineralized drill core, conducted audits of Pilot Gold's collar, survey, and assay database, and reviewed the available information from the Cominco and Alta QA/QC programs.

The Alta and Cominco analytical data were used to support a successful mining operation, and subsequent drilling by Pilot Gold is generally consistent with the results generated by these companies. In consideration of this, as well as other information reviewed in this report, MDA believes the Kinsley data as a whole are acceptable as used in the Updated Kinsley Technical Report.

Metallurgy

Cominco and Alta completed metallurgical work in the 1980s and 1990s, including bottle roll, column leach, and "preg-robbing" testing on samples from the Main, Upper, Ridge, Access, and Emancipation zones. Alta concluded that the Kinsley mineralization was generally readily amenable to recovery of gold by cyanidation, with rapid recovery rates, and commenced heap leaching. Gold recovery during production at the Kinsley mine from 1995 through 1997 was estimated to be 73%.

Pilot Gold has identified portions of the deep mineralization in the Western Flank area that have a very high Au-to-S ratios (>10). Compositing samples of this material underwent flotation testing at the Hazen Research, Inc. laboratory in Denver, Colorado ("**Hazen**"), to determine if high-grade gold concentrates could be produced. Flotation testing of four composite samples, with calculated head grades ranging from 4.23 to 20.3 g Au/t, achieved gold extractions ranging from 76.0% to 89.6%, with the concentrate grades ranging from 98.6% to 312.0% g Au/t. Overall gold extraction ranged from 89.0% to 95.0% after cyanidation of the tails. This testing resulted in a process flowsheet for potential production of gold concentrate that may be potentially sold to commercial smelters or to Nevada mine owners of refractory processing facilities.

Mineral Resource and Mineral Reserve Estimates

There are no current NI 43-101-compliant resources or reserves at Kinsley. The historical estimates summarized below were prepared prior to the adoption of NI 43-101 reporting standards; these historical "resources" and "reserves" are not considered to be current resources and reserves and therefore should not be relied upon. A qualified person has not done sufficient work to classify these historical estimates as current resources, and Pilot Gold is not treating these historical estimates as current mineral resources or mineral reserves¹⁰.

¹⁰ Historical Mineral Resource: Kinsley Mountain - The reader is cautioned that the discussion relating to Kinsley contains information regarding historical mineral resources and reserves derived from historical information (and described herein as a "historic reserve", a "geologic reserve", "mineable reserves" and as "drill indicated resources") prepared by previous operators of the Kinsley Mountain property before the development of NI 43-101 guidelines and, accordingly, such information should not be relied upon. A Qualified Person has not done sufficient work to classify the information or historical resource as comprising current mineral resources or mineral reserves at Kinsley. The Corporation has not audited any of the data underlying the historic resources and historic reserves, nor attempted to classify the historic results according to NI 43-101 standards or the CIM Standards. The reader should not rely on such historic information. The information regarding the historical mineral resources and reserves are contained in this AIF because the information and historical resources and reserves are considered relevant and of historical significance. Details relating to the estimates that comprise the historic resources and historic reserves to the extent available, including discussion as to the sources and dates of the underlying estimates, and the extent of any known key assumptions, parameters and methods used to prepare the estimates, as well as an outline of work required to upgrade the historic data as current are included in the NI 43-101 technical report entitled "*Updated Technical Report on the Kinsley Project, Elko and White Pine Counties, Nevada, U.S.A.*", effective August 1, 2015, dated August 19, 2015. Neither Michael M. Gustin, C.P.G., of Mine Development Associates, Moira Smith, Ph.D., P.Geo., Pilot Gold Chief Geologist, nor Gary L. Simmons, MMSA, of GL Simmons Consulting LLC, co-authors of the Updated Kinsley Technical Report, nor the Corporation, have treated the historical resources or historic reserves as either current mineral resources or mineral reserves.

Terms in quotation marks in the following text are as used by the original source and may not reflect current NI 43-101-compliant classifications. MDA has no information regarding how any of the historical estimates were categorized, and therefore can make no judgment as to the applicability of such categorizations to current NI 43-101 classification. There are currently no mineral resources or reserves estimated for the Kinsley project. Grade and tonnage data summarized below were originally reported in tons and ounces per ton, and have been converted to metric units for the purposes of this report.

In June 1994, Alta reported estimated “minable reserves” in the Upper, Main, Ridge, and West Ridge areas of approximately 3.5 million tons averaging 0.045 oz Au/ton (3.2 million tonnes @ 1.54 g Au/t), with a stripping ratio of 2.75:1 and an estimated gold recovery of 74%. In July 1994, prior to the initiation of production, Alta estimated “geologic reserves” of approximately 5.6 million tons averaging 0.039 oz Au/ton (5.1 million tonnes @ 1.34 g Au/t) at a cut-off of 0.015 oz Au/ton (0.51 g Au/t).

In 1999 when production ceased, Alta estimated that remaining “drill indicated resources” included 785,808 tons (712,869 million tonnes) of oxidized mineralization in the mine area averaging 0.037 oz Au/ton (1.27 g Au/t), for a total of 28,799 ounces, and an additional 590,022 tons (535,256 million tonnes) of oxidized mineralization averaging 0.024 oz Au/ton (0.82 g Au/t), for a total of 14,227 ounces, from locations mostly to the southwest of the mine area. Unoxidized/refractory mineralization within the mine area was estimated at 994,162 tons averaging 0.072 oz Au/ton (901,884 million tonnes @ 2.47 g Au/t), for a total of 71,904 ounces (*the reader of this AIF is directed to footnote 12 above, related to historic resources*).

Exploration and Development

At least 1,158 generally shallow holes were drilled at Kinsley at various times between 1986 and 2004, and of these, approximately 244 of the holes intersected potentially significant gold intercepts that lie beyond the limits of the Alta pits. Since acquiring the property in 2011 and through to the end of 2014, Pilot Gold drilled a total of 209 core and RC holes. Six holes were drilled in 2011 and focussed on confirming mineralization encountered by the previous operators in areas around the Alta pits. Holes drilled in 2012 through 2014 extended mineralization north of the Main pit, confirmed mineralization in the southeast Access area, and discovered new mineralization in the Dunderberg Canyon and Western Flank areas. The latest drilling in 2014 focused on near-surface mineralization in the Right Spot target and, more significantly, deep stratigraphic targets in the Western Flank target area.

Previous operators recognized that gold typically occurs in Upper Cambrian rocks as (i) jasperoid-hosted oxide mineralization in the Big Horse Limestone; (ii) stratabound and structurally hosted oxide and unoxidized mineralization within the Dunderberg Shale; and (iii) dissolution/collapse-breccia-hosted oxide mineralization in the Notch Peak Formation. Pilot Gold has since identified gold in additional stratigraphic units below the Big Horse Limestone, including a jasperoid-altered limestone unit within the Hamburg Dolomite, and pyritized and variably oxidized and brecciated shale and limestone in the Hamburg Limestone and Secret Canyon Shale, both of Middle Cambrian age.

Pilot Gold’s discovery of high-grade mineralization hosted by the Secret Canyon Shale at the Western Flank target is of particular note. This discovery, which has generated numerous high-grade drill intercepts over significant true widths, lies along the northwestern extension of the mineralized trend defined by the Alta open pits (the Kinsley trend). The significance of the Western Flank target is best understood by the following: (i) the Hamburg Dolomite, which overlies the Secret Canyon Shale, was previously thought to be a lower boundary to the mineralization, so few historical holes were drilled to depths sufficient to test the deeper stratigraphy; and (ii) the high-grade mineralization hosted in the Secret Canyon Shale at the Western Flank target is overlain by gold mineralization in the same stratigraphic units that were mined by Alta. The potential for additional occurrences of high-grade mineralization at depth in the Secret Canyon Shale along the Kinsley trend, and possibly other similar structural

settings, is clearly excellent. For example, drilling has encountered gold in the Secret Canyon Shale at four target areas that are spread over a length of more than 3.5 kilometers in south-southwestern direction along the western side of the Kinsley Mountains.

In addition to the potential of the lower stratigraphic section at the Kinsley property, the Pogonip Group remains virtually untested. The Ordovician Pogonip Group has been eroded from the southernmost portions of the Kinsley property through to the northern limits of the Kinsley trend, but dominates exposures over large areas of the property to the north. The base of Pogonip Group hosts gold mineralization at the Long Canyon gold deposit, with which the Kinsley project shares a number of similarities.

The amenability of oxidized mineralization at Kinsley to heap-leach processing is well established by both metallurgical testing and the success of heap leaching at the Alta mining operation. The newly discovered Western Flank zone is quite different, however, due to: (i) the mineralization is generally unoxidized, although cross-cutting zones of oxidized and partially oxidized mineralization, which appear to be related to faults and associated structural perturbances, are characteristic of the mineralization; and (ii) the close correlation of increasing gold grades with increasing sulfide (pyrite) contents. Preliminary metallurgical testing completed by Pilot Gold suggests that the gold mineralization hosted by the Secret Canyon Shale at the Western Flank target may be amenable to flotation concentration followed by cyanide leaching of the flotation tails, and processing of the concentrates at a roaster, autoclave, or possibly a smelter.

Pilot Gold has demonstrated that the potential for further discovery of potentially viable oxidized, mixed, and unoxidized mineralization at the Kinsley property is excellent.

Recommendations

At the date of the Kinsley Technical Report, and based on results to date, MDA believe , an aggressive program of drilling should be undertaken in 2015-2016 and, subject to the results of this program, 2016-2017. Given the high grades and positive results of the preliminary metallurgical testing of the high-grade Secret Canyon Shale-hosted mineralization in the Western Flank zone, an effort should be made to identify other, zones of mineralization along similar structural settings across the property (example, within the Kinsley trend and the Secret Spot and Racetrack targets). Further drilling of the Western Flank zone is also needed to fully define its extents, with an emphasis on possible extensions of the mineralization to the east. The deep potential of the Keneroid target warrants drill testing in the coming year as well.

Beyond the work summarized above, exploration targets should continue to be developed on the property, especially to the north of the Kinsley trend and within the newly acquired claims in the southern portion of the property. With success, new and existing targets that have not been tested by drilling should then be prioritized for future drilling.

Further metallurgical testing of the Secret Canyon Shale (Western Flank) mineralization should be completed. A limited orientation IP survey to assess its applicability to this style of mineralization is also recommended.

Proposed Kinsley budget for 2015-2017

MDA proposes a Phase 1 \$2,000,000 program for 2015-2016 that includes 6,000 m of core drilling and 18,000 m of RC drilling to test Secret Canyon Shale-hosted targets on the KN claims, north and south of the Western Flank deposit, at the Racetrack and Secret Spot targets, along the Kinsley Mine trend, and at the Keneroid target. Metallurgical testing and the IP survey are also recommended for the Phase 1 program. The Phase 1 program should culminate in an estimation of the project gold resources.

A Phase 2 program, which is contingent upon the receipt of encouraging results from the Phase 1 program, is proposed to: (i) continue definition drilling of mineralized areas of potential economic significance; (ii) continue exploratory surface work and the drill-testing of new and insufficiently drilled targets; (iii) complete follow-up metallurgical testing; (iv) and undertake economic-scoping studies to define and progress the project. The Phase 2 program includes

10,000 m of core drilling and 14,000 m of RC drilling. Details of the costs of the recommended programs are provided in Table K(iii).

Table K(iii) Cost Estimates for Phase 1 and Phase 2 Kinsley Project Exploration Programs

Item	Phase 1 2015-2016 (18-month budget)	Phase 2 2016-2017 (18-month budget)
Core and RC Drilling (incl. access, water, surveys, etc.)	\$2,700,000	\$2,900,000
Assaying and geochemistry	600,000	600,000
Soil and Rock Sampling	25,000	25,000
Direct Salaries and Expenses	675,000	675,000
Land Holding Costs	170,000	170,000
IP Survey	75,000	-
Permitting	40,000	75,000
Metallurgy	40,000	100,000
Resource Estimation	125,000	-
Scoping Study	-	275,000
<i>Total</i>	<i>\$4,450,000</i>	<i>\$4,820,000</i>

Note: costs related to field support, overhead and indirect labor, travel, community relations, land-tenure maintenance, legal and advisory expenses, and other administration have not been included.

Recent Developments¹¹

The 2015 exploration program, including 11,000 drill-metres is underway as of the date of this AIF. The 2015 program budget of \$2.0 million will be funded by Intor and Pilot Gold proportionate to each company's respective interest.

¹¹ Discussion detailed under heading "*Mineral Properties – Kinsley, Nevada: Recent Developments*" in this AIF supplements and updates the disclosure summarizing the Kinsley Technical Report.

TV Tower, Turkey

Except as otherwise stated herein, the following disclosure relating to TV Tower is based on information derived from the **Updated TV Tower Report**, prepared by Casey M. Hetman, P.Geo., with SRK Consulting (Canada) Inc., James N. Gray, P. Geo. of Advantage Geo and Gary Simmons, BSc, Metallurgical Engineering, of Simmons Consulting. Each of Messrs. Hetman, Gray and Simmons is independent of Pilot Gold, and is an independent “Qualified Person” (as defined by NI 43-101) for the Updated TV Tower Report upon which the Technical Information reproduced in this AIF is based. See in this AIF, “*Interests of Experts*”.

Readers are directed to and encouraged to review the Updated TV Tower Report, which can be reviewed in its entirety under the Corporation’s profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The Updated TV Tower Report is intended to be read as a whole, and sections should not be read or relied upon out of context. The Updated TV Tower Report contains the expression of the professional opinion of the Qualified Person based upon information available at the time of preparation of the Updated TV Tower Report. The following disclosure, which is derived from the Updated TV Tower Report, is subject to the assumptions and qualifications contained in such report.

The Updated TV Tower Report relates principally to the independent resource estimate for the Küçükdağ gold-silver-copper deposit at TV Tower announced on January 23, 2014 and encompasses drill results from the 2013 exploration program at TV Tower, the incorporation of the contiguous Karaayı license to the overall tenure and the discovery of a four-kilometre-long trend that hosts an extensive blanket of supergene copper mineralization underlying oxide gold zones comprising the Kayalı and Karaayı targets (K2) and evidence of two or more zones of copper-gold porphyry alteration at K2. The Updated TV Tower Report supports continued exploration and development of the targets on the property and proposed a Phase I exploration budget of \$12.35 million and a Phase II program, dependent upon the results of Phase I that is generally designed to continue resource definition drilling at Kayalı (\$900,000), Sarp/Columbaz (\$1,500,000) and Gümüşlük (\$1,000,000) in advance of preparing an initial resource on at least two of these targets, as well as initial drilling (\$500,000) on other targets on the property. If results warrant, a PEA on Küçükdağ (\$200,000) and a PEA on Karaayı (\$200,000) was also recommended for Phase 2. Field support, camp costs, legal, environmental and other administrative costs similar to those in the Phase 1 program (total \$5,200,000) should continue to be incurred to support the Phase 2 program.

Property Description and Location

TV Tower is located in Çanakkale Province on the Biga Peninsula of Northwestern Turkey. The property consists of 9,065.14 hectares of mineral tenure in nine contiguous licenses. Seven of the licenses are classified as exploitation/operation type, and two licenses are exploration type.

TV Tower is a 40%-60% joint venture between Pilot Gold and TMST. Eight of the licenses relating to TV Tower are held by Orta Truva, a Turkish Joint Stock Company. One license is held by Batı Anadolu for benefit of Orta Truva¹².

¹² See updated discussion under heading “Mineral Properties – TV Tower, Turkey: Recent Developments” in this AIF

Table Ti: TV Tower Project Licenses

	PROVINCE	Town	PROPERTY NAME	ACQ DATE	DUE DATE	AREA (ha)	LICENCE NO	ER	LICENCE NO	Type	OWNER
1	ÇANAKKALE	Merkez	TV Tower	12.07.2013	12.7.2023	422.43	20050783	3054704	20050783	Operation	Orta Truva
2	ÇANAKKALE	Merkez	TV Tower	17.12.2013	17.12.2023	847.24	200810224	3185466	200810224	Operation	Orta Truva
3	ÇANAKKALE	Merkez	TV Tower	28.11.2013	28.11.2023	1,935.85	200810225	3185469	200810225	Operation	Orta Truva
4	ÇANAKKALE	Merkez	TV Tower	28.11.2013	28.11.2023	1,490.24	200810226	3185470	200810226	Operation	Orta Truva
5	ÇANAKKALE	Merkez	TV Tower	26.12.2013	26.12.2023	1,076.14	200810227	3185468	200810227	Operation	Orta Truva
6	ÇANAKKALE	Merkez	TV Tower	03.05.2012	03.05.2015	141.85	201200526	3275213	201200526	Exploration	Orta Truva
7	ÇANAKKALE	Bayramiç	TV Tower	03.05.2012	03.05.2015	222.85	201200527	3272987	201200527	Exploration	Orta Truva
8	ÇANAKKALE	Bayramiç	TV Tower	15.11.2011	15.11.2021	972.36	69050	1048473	AR-91855	Operation	Orta Truva
9	ÇANAKKALE	Bayramiç	Karaayı ⁽¹⁾	23.09.2009	23.09.2019	1956.18	80823	3278928	80823	Operation	Batı Anadolu

Note 1 – Held in trust for Orta Truva

Before completing the third anniversary year as operation type licenses, an EIA report must be completed and all necessary permits acquired. License numbers ER 3275213 and ER 3272987 remain “exploration type” licenses and each must be converted to an “exploitation/operation type” prior to March 3, 2015.

As described in this AIF, on June 20, 2012, Pilot Gold entered into a share-purchase and joint venture agreement with TMST, a subsidiary of Teck pursuant to which, Pilot Gold would have the right to acquire a further 20% of Orta Truva, and thus indirectly, a further 20% in TV Tower. Through the three year period over which Pilot Gold will have the right to earn-in to the additional 20%, Pilot Gold will be the operator of TV Tower¹³.

On September 13, 2013, at Pilot Gold’s direction, Orta Truva agreed to acquire 100% of mining operation license #80823 (formerly identified as license numbers 58368 and 70501), known as the Kuşçayırı or Karaayı project, from Batı Anadolu. Consideration for the transaction comprised 1,250,000 Common Shares and \$300,000. The addition of the Karaayı license increased the total land package to 9,066.14 hectares.

According to the General Directorate-Mining Affairs, the Turkish state will receive 4% Gross Royalty (Pit-Head Sale Price) (known as the State’s rights) for precious metals in the ‘Fourth Group’ minerals (in other words, non-ferrous minerals, excluding gems). Each year the licence holder pays the royalty on the last day of June.

The author of the Updated TV Tower Report is not aware that the property is subject to environmental liabilities other than those attached to drill site permits that have been, or may be issued in the future.

SRK is unaware of any significant factors and risks that may affect access, title or the right or ability to perform the exploration work recommended for the TV Tower Project.

¹³ See updated discussion under heading “Mineral Properties – TV Tower, Turkey: Recent Developments” in this AIF

Accessibility, Climate, Local Resources Infrastructure and Physiography

TV Tower is located 27 km SE of the city of Çanakkale and 37 km west of the city of Çan on the Biga Peninsula in NW Turkey. Access to TV Tower and the defined targets is afforded by a series of local improved and unimproved gravel and dirt forestry roads.

TV Tower is located in an area of steep-sided hills and ridges. The highest elevations on the property are approximately 700 m. Exploration areas require significant road construction for drilling. Most of the property has been logged in the past, such that vegetation includes immature pine trees and heavy brush, particularly on north-facing slopes. Deciduous trees are present in areas with year-round streams.

The Biga Peninsula has fertile soils and a Mediterranean climate with mild, wet winters and hot, dry summers. Temperatures range from 15 to 35°C in the summer and -10 to 10°C in the winter months. The annual rainfall is approximately 30 cm, generally falling as mixed rain and snow in late fall and winter. Year-round access to the properties for field exploration is unrestricted due to weather; however, snow during winter may restrict vehicle movement for short periods.

The region is well serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the Town of Çan (37 km to the E). Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested. Local labour is employed from nearby villages. There is no exploration infrastructure located on the properties, with the exception of dirt roads used for logging. There are a number of streams and water springs located at the bases of many of the hills that are suitable sources of water for drilling.

History

Limited historical exploration work has been completed within the TV Tower licence areas. There are numerous small, ancient, possibly Roman workings, located throughout the property. These workings include prospect pits, small stopes and ore piles and are widespread in and around mineralized areas of the Biga Peninsula. A series of holes were drilled in the Sarp target area in the northeastern part of TV Tower, but further details of this exploration work or results from the drilling are not known. The Government General Directorate of Mineral Research and Exploration of Turkey ("MTA") conducted a regional-scale exploration program over the Biga Peninsula between 1988 and 1991. Results from this work were not available to the author of the Updated TV Tower Report. Historical sampling by TMST in the 1990's included 36 rock samples from silicified and argillic altered outcrops along with six silt samples. The highest-grade rock samples returned 1,900 ppb and 510 ppb Au at Sarp. The highest value returned from the silt sampling program was collected over the southeastern portion of the property and returned 241 ppb Au. These anomalous results highlighted the potential of the area. The author of the Updated TV Tower Report is not aware of any previous mineral resource or reserve estimates or mineral production from the property.

TMST and Pilot Gold's predecessor, Fronteer undertook surface exploration programs from 2007 through 2011, including:

- Extensive grid-based soil sampling, totalling over 4,460 samples
- Prospecting and rock sampling, totalling over 1,780 samples
- Geological mapping over approximately 60% of the property
- Ground magnetics (35 line-km) and IP (77.4 line-km), over established targets
- PIMA Hyperspectral analysis of over 4,000 rock and core samples

The results of these investigations showed the presence of widespread gold and copper geochemical and geophysical anomalies that led to the designation of at least seven high-priority targets, of which four were tested by the drilling of 92 diamond core holes. This drilling led to discoveries at the Küçükdağ and Kayalı targets.

The newly-acquired Karaayı tenure was explored by Eurogold AŞ (Normandy Mining Ltd.) ("**Eurogold**"), Tüprag Metal Madencilik Sanayi ve Ticaret Anonim Şirketi ("**Tüprag**"), a subsidiary of Eldorado Gold Corporation ("**Eldorado**"), and Chesser from 2004 to 2012. These companies carried out limited rock and soil sampling, geophysical surveys and geological mapping, and discovered near-surface high sulphidation epithermal gold mineralization as well as porphyry copper-gold mineralization through drilling of a total of 41 rotary air blast, RC and diamond core holes.

Geological Setting

TV Tower lies within the central part of the Biga Peninsula, the geology of which is complex and characterized by various lithological associations made up of: (1) Paleozoic and early Mesozoic basement metamorphic rocks; (2) Permian and Mesozoic sedimentary and ophiolitic rocks; (3) Tertiary volcanic and intrusive rocks; and (4) Neogene sedimentary rocks. Older rocks are affected by several collisional orogenic events. Tertiary rocks record mainly brittle extensional and transtensional deformation. TV Tower hosts metamorphic basement rocks at low elevations in the western and central areas, overlain by interlayered Tertiary calc-alkaline volcanic and volcanoclastic rocks. They are variably altered, brecciated mineralised and variably deformed (e.g. brittle deformation).

Exploration

Exploration on the TV Tower property, exclusive of Karaayı, from 2007 through 2011, is summarized in the table T(ii).

	2007	2008	2009	2010	2011
Rock/Soil samples	98/1156	263/418	450/1264	357/1264	616/358
PIMA samples			1,300		2,780
IP/Resistivity (Line Km)	-	-	25.2	39.2	13.0
Ground Magnetic Survey (Line Km)	-	-		168.0	67.0
Total Drill Holes	-	-		19	72
Drilling (metres)	-	-		4,183.6	14,758.8

The above exploration work was conducted by TMST and Fronteer. Casey M. Hetman, one of the authors of the Updated TV Tower Report, relied on data and information relating to exploration work and results supplied by TMST. Given Fronteer / Pilot Gold's long standing interaction and association with TMST, and their best practices protocols, the author is satisfied that the data and information were collected in a proper manner and collated into appropriate databases

At the Karaayı license, exploration work was carried out by Eurogold, Tüprag and Chesser from 2004 through 2011, including limited soil and rock sampling, geological mapping, IP and magnetic surveys.

In June, 2012, Pilot Gold, as operator of the Joint Venture with TMST, commenced a program of geological mapping, sampling and drilling, with an emphasis on target identification and definition. As of the effective date of the Updated TV Tower Report, Pilot Gold has collected over 3,293 rock and 5,242 soil samples, conducted an airborne EM and magnetics surveys over the entire property, mapped most of the property in reconnaissance at 1:25,000 scale and a number of targets in detail, and has identified or refined several new or existing targets.

Mineralization

The TV Tower property contains multiple zones of gold mineralisation interpreted to be nested within a large, highly-altered volcanic center or centers. Many of these target areas have wide-spread epithermal alteration with supporting geophysical and geochemical signatures typical of those seen at other high- and low-sulphidation gold (Kirazlı, Ağı Dağı) and porphyry copper-gold deposits (Halılağa) within the Biga Peninsula.

The targets defined to date on the TV Tower property are primarily classified as either low sulphidation epithermal gold-silver, high sulphidation epithermal gold-silver +/- copper or copper-gold porphyry mineralisation. An intermediate sulphidation deposit (Kartaldağ) exists in an inlier to the property and occurrences of this type of mineralisation may be also present at TV Tower. One target has also been defined in the basement metamorphic rocks and has been tentatively classified as listwanite lode-gold mineralisation.

Targets are defined by surface geochemistry, alteration and IP chargeability highs, and include the following:

Küçükdağ (KCD) Target

The mineralised zone consists of west-northwest/east-southeast-trending gold zone overlain by a large, tabular zone of silver mineralisation. Copper is found in association with both zones. Gold, silver and copper mineralisation hosted in a sub-horizontal stratigraphic sequence consisting primarily of tuff, reworked volcanoclastic rocks and siltstone. Mineralisation is characterised by a high sulphidation gold-pyrite-enargite assemblage and associated silicification and advanced argillic alteration. Gold-copper mineralisation in the main zone is associated with hydrothermal/tectonic breccias, stratabound and structural zones of vuggy quartz and sheeted vein swarms. A silver rich, relatively strata-bound zone overlies and extends north of the gold zone and includes zones of polymict grading to crackle breccias. Another zone of gold mineralisation, overlying the silver zone, was discovered late in the 2013 drill program.

As of the effective date of the Updated TV Tower Report, a total of 216 drill holes have been drilled and tested in the Küçükdağ target. The discovery hole, KCD-2, returned 136.2 m grading 4.3 g/t Au, 0.68% Cu and 15.8 ppm Ag from a silica-sulphide-cemented breccia zone.

Kayalı /Naçak Gold Targets

The Kayalı target includes extensive outcropping zones of vuggy and massive quartz and strong advanced argillic alteration over a 2 km x 1.5 km area at the top of "TV Tower Hill", representing the highest elevations on the property. This area is characterized by the presence of extensive silicified ledges, hosted primarily in volcanoclastic rocks, quartz-alunite ledges variably developed in overlying feldspar-hornblende porphyritic volcanic flows, and WNW-ESE-striking, steeply SSE-dipping vuggy quartz ribs marking joint sets, brittle faults and breccia zones.

Drilling initially focused on an area of elevated gold in rock samples marking a prominent silica rib. Drill hole KYD-1 returned 114.5 m grading 0.87 g/t Au, apparently by drilling in a near-parallel orientation to a rib. The mineralised zone is characterised by the presence of brecciated and hematitized vuggy quartz after relatively fine-grained, tuff and volcanoclastic rocks. It extends from surface to a depth of up to 120 m. Grade is generally correlated with a higher degree of brecciation. The silicified interval is strongly oxidized. Below the silicified zone, the hole passes into advanced argillic altered, feldspar porphyritic flows, and eventually into unoxidized rocks. At this boundary, a zone of supergene chalcocite and covellite is developed. Copper likely was present as enargite in the silicified zone but was subsequently leached and redeposited at the oxidation-reduction boundary. 3,586.1 m of diamond drilling in 17 holes was completed in 2013.

The Naçak target is located to the northeast of the Kayalı target. It consists of a high sulphidation epithermal target and a porphyry target. The high sulphidation target is defined primarily by a gently north-dipping silica ledge and related advanced argillic alteration with sporadic high gold values in rocks that crop out over a wide area. The ledge was targeted with ten drill holes by TMST with limited success.

Nacak Porphyry Target

The Nacak porphyry target consists of an area of coincident Au and Cu in soil present at lower elevations below the silica ledge. In this area, volcanic rocks contain areas of patchy silicification, locally with finely disseminated grey sulphide. Quartz stockwork veining representing possible “A” veins, cut by “B” veins with axial lines and locally cut by limonite veinlets (oxidized “D” veins?) was noted in outcrop (vein terminology after Gustafson and Hunt, 1975). Possible phyllic alteration was noted in association with veining. These observations suggested the possibility of porphyry-style mineralisation at depth. Elsewhere in this area, rare float of potassic altered monzonite with disseminated chalcopyrite and malachite was noted.

Three diamond drill holes totalling 1,116.2 m targeted porphyry-style alteration at Nacak in 2013. All three returned intervals of phyllic alteration with weak sheeted quartz or stockwork quartz veining in feldspar porphyritic intrusive rocks. Two holes contained weak pervasive potassic alteration at depth. While anomalous copper and gold grades were noted in association with phyllic alteration and stockwork veining, potentially economic grades were not encountered.

Karaayı Targets

The Karaayı tenure hosts a number of porphyry and high sulphidation epithermal gold targets, collectively referred to as “Karaayı”.

Karaayı high sulphidation epithermal gold targets are similar in nature to the Kayalı target, with gold hosted in massive to vuggy quartz-altered ledges developed primarily in a gently north-dipping sheet of dacitic volcanoclastic rock. Elevated gold values are encountered in WNW-striking, steeply SSW-dipping ribs consisting of jointed, sheared and brecciated rock with abundant hematite and limonite as fracture fillings and breccia cement. Two drilled targets have been identified to date, including one on the west and south sides of Yumrudağ, the other located 1 km to the east on Ardiç Tepe. As with Kayalı, these areas host zones of supergene copper located immediately under the gold zones at the base of the zone of oxidation. The gold zones have been the target of three previous drilling campaigns.

There are at least two porphyry targets on the Karaayı tenure. One is located immediately east of the gold target located on Ardiç Tepe. At this location, a crowded feldspar-hornblende-biotite-quartz porphyry intrusion is exposed on surface. It is affected by strong phyllic alteration and quartz stockwork veins with axial lines. Disseminated and fracture-filling copper oxides and chalcocite are locally present. The target was tested with two RC holes by Tüprag and one diamond drill hole by Chesser. Pilot Gold drilled one diamond drill hole into the target, which is further described in the drilling section.

A second porphyry target is present in the lower elevation area south of Yumrudağ. In this location, recent soil sampling has outlined a NW-SE-elongate copper and gold in soil anomaly measuring approximately 1200 X 400 m. Surface mapping has identified the presence of NE-trending sheeted quartz veins with axial lines and phyllic-altered margins.

Gümüslük Target

The Gümüslük target area is underlain by metamorphic rocks, including phyllite, marble, and serpentinite. Zones of gossanous material, skarn alteration and quartz veins with green mica (fuchsite?) were noted in reconnaissance traverses through this area, which had returned anomalous Au, Ag and Cu from widely-spaced soil samples. Results from rock sampling were disappointing relative to Au values in soil samples; leading to a suspicion that mineralization might be recessive in nature.

For this reason, Pilot Gold conducted a detailed, 50 x 50 m infill soil grid over the area, for a resulting 25 x 25 m sample spacing, which returned a 1.2 km-long gold in soil anomaly with individual samples returning over 6 ppm Au.

Kartaldağ West Target

The Kartaldağ deposit, located within an inlier in the TV Tower property, is described as an intermediate sulphidation epithermal deposit reputed to have returned high gold and silver grades in small-scale historic mining from a NE-trending zone of silicification, quartz veining and sulphide mineralisation. A resistant, E–W-trending rib of silica-alunite alteration continues westward from the mine for at least 200 m onto the TV Tower Property. This rib is cored by a steep, iron oxide stained breccia zone. Within the breccia zone, clasts of epithermal quartz vein material were noted. Rock sampling has returned up to 0.9 g/t gold, with most samples returning at least anomalous values. The presence of quartz vein material in the breccia raises the possibility of a vein at depth. Strong argillic or advanced argillic alteration with low sulphidation epithermal vein material in float extends up to 1 km west of the rib.

Sarp/Columbaz Target

The Sarp/Columbaz target, located in the east-central part of the TV Tower property, was defined by extensive silicification, advanced argillic alteration, anomalous surface geochemistry and a strong IP chargeability high. 11 diamond drill holes totalling 2,112.1 m were drilled at Sarp in 2010 and 2011. The Sarp/Columbaz area was originally explored by TMST as a HS epithermal target. Pilot Gold has recognized the presence of high grade Au and Ag in LS epithermal quartz veins at this target and will be testing this alternative model in 2014.

Other Targets

Other targets exist on the property that have not been drill tested, including the Kestanecik LS epithermal Au-Ag target and the Tesbihçukuru HS epithermal Au target. As mapping and sampling progress, other targets are being discovered.

Drilling

TMST carried out drilling in two separate campaigns between August 2010 and December 2011. The main objective of the 2010 and 2011 drilling programs was to test coincident IP/MAG geophysical anomalies and anomalous gold values in rock and soil samples at the Küçükdağ, Kayalı / Nacak and Sarp / Columbaz targets.

Between August 2010 and early January 2011, a total of 19 diamond core holes were drilled (including two abandoned) for a total of 4,183.60 m. From March 2011 through December 2011, 82 diamond core holes were drilled of which 74 were completed for 15,446.6 m including 37 holes into the Küçükdağ / Küçükdağ Southeast target, 35 holes at Kayalı and Nacak HSE and 10 holes at the Sarp target. In total, 19,630.2 m in 92 holes were drilled on the property by TMST.

Drill results on the Küçükdağ target were very encouraging. KCD-02 and KCD-19, drilled into the sub-vertical breccia zone, returned 4.26 g/t Au over 136.20 m (drilled), including 12.76 g/t Au over 15.90 m, and 3.80 g/t Au over 131.80 m (drilled), including 9.54 g/t Au over 45.0 m respectively. KCD-16, drilled into the “stratiform” silver zone, returned 51.94 g/t Ag over 74.5 m.

At the Kayalı target, drilling by TMST confirmed gold grades returned from surface channel sampling, with KYD-01 returning 15.4 m (drilled) at 2.85 g/t Au within an interval of 114.5 m averaging 0.87 g/t Au, and KYD-02 returning 22.5 m (drilled) at 1.98 g/t Au.

Pilot Gold carried out two campaigns of drilling between August 2012 and January 2013 and from March 2013 through the effective date of this technical report. A total of 158 diamond drill holes for 35,325.2 m and 11 RC holes for 1,927.5 m were completed during this period. An additional 2 RC holes totalling 282 m were drilled for the purpose of installing groundwater monitoring wells.

To date, drilling at Küçükdağ, including 134 diamond drill holes totalling 29,339.2 m and 10 RC holes totalling 1,882.5 m, returned a number of significant intercepts, including high-grade Au-Ag-Cu, long intercepts of moderate Au grade, and moderate-grade Ag mineralisation.

Sampling and Analysis

All drill samples collected in the TMST and Pilot Gold programs were subjected to rigorous quality control procedures that ensured best practice in the handling, sampling, analysis and storage of the drill core. QA / QC included the insertion and monitoring of blanks, standards and duplicates at regular intervals, the retention of half-core for archival purposes, and a program of check assaying. The authors consider the adequacy of sampling, security and analytical procedures carried out by TMST and Pilot Gold to be satisfactory.

Drill holes were collared in HQ diameter core (63.5 mm). The holes were reduced to NQ (47.6 mm) when and where problems were encountered due to bad ground conditions such as clay-rich fault zones. Core was placed in plastic boxes with depth markers every drill run (up to 3 m).

Boxes were securely sealed and brought to the core facility at TMST's Etili camp and secure core logging and storage facility once a day by the drilling company. Reflex survey tests were taken at 50 to 100 m intervals down-hole to provide measurements of drill hole deviation. All drill holes were sampled and assayed continuously by staff of TMST on behalf of Orta Truva, with the exception of obviously non-mineralized intervals in drill holes KCD-03, KCD-01 and KYD-07. Sample intervals were selected on a geological basis and generally average < 1.0 m in length and up to 1.5 m.

Most of the diamond drill holes were completed using HQ size core and the average recovery was 86%. The majority of core loss was due to fault gouge zones. QA/QC protocols generally conform to industry standards and no concerns were raised.

Data pertaining to drilling programs at the Karaayı license are still being compiled. QA / QC protocols employed by Eurogold are not available. Consequently, data from these holes are not currently being utilized. Both Tüprag and Chesser were known to employ QA / QC protocols; the nature of these protocols is not currently known and is currently being investigated.

Security of Samples

Samples were transported to Acme Analytical Laboratories Ltd. ("ACME") in Ankara for sample preparation, including crushing and preparation of a 1000 gram pulp. After samples were processed a 100-g pulp packet was forwarded to ACME in Vancouver for geochemical analysis by ICP-MS and gold by fire assay, with the remaining "master pulp" material for each sample remaining in Ankara and later transferred to the Etili camp for final storage. Notification of receipt of sample shipments by the laboratory is confirmed by electronic mail. No problems were encountered during the transport throughout the program.

Metallurgical Testing

In April, 2011 G&T Metallurgical Services Ltd. of Kamloops were contracted to complete a "pre-scoping" metallurgical test work program on the Küçükdağ mineralised zone. The two master composite samples were subjected to mineralogical and metallurgical investigations. Gold recoveries, for both composites, using a combined gravity plus cyanidation flow sheet resulted in about 50 percent overall gold extractions by this method. Gold recoveries to the gravity concentrate were very low at between 2 to 5 percent. Additional testing was recommended to see if the feed mass recovery to the concentrate could be reduced without significant gold recovery loss.

In 2013, Pilot Gold commenced a metallurgical testing and ore characterisation program under the guidance of consulting metallurgists Gary Simmons and John Gathje, with testing at Hazen. This program includes analysis of all assay intervals with > 0.2 g/t Au and > 10 ppm Ag using cyanide-soluble methods, and analysis of selected intervals for organic carbon.

For this study, 132 variability composites were selected based on geological and assay considerations. From these, 16 master composites were organized using a significant portion of the variability composites to represent geology / lithology and variable Au, Ag and Cu grade ranges.

The master composites cover oxide, mixed and sulphide mineralisation. The scope of test work included:

- Sample preparation, cold storage after prep and head assays on the 16 MC's. (completed)
- Comminution testing for JK SAG parameters, Bond Ball Mill Work Index and Abrasion Index numbers (completed)
- Baseline cyanide-leach and carbon-in-leach ("CIL") testing on oxide and mixed MC's (on-going)
- Scoping level rougher and cleaner flotation test work on various MC's (on-going)
- CIL of flotation scavenger concentrate, cleaner tails and rougher tails products (on-going)

Twelve individual variability composites, representing various rock types, were selected for comminution testing. The results show a very wide range of SAG (A x b), Ball Mill (kWh/t), Abrasion Index (Ai) numbers. Although the results of other elements of the metallurgical program have not been finalized, preliminary results of the leach work on oxide and transitional materials suggest the following interpretations:

- Gold in oxide and mixed material types can be cyanide leached. It is early in testing, but samples tested show a flat response to particle size vs. gold extraction %, indicating amenability to conventional milling and / or heap leaching practice.
- Gold extractions ranged from 50-92% at a grind size of 80% passing (P80) 75 microns (μm).
- Silver in oxide and mixed material types can also be extracted by cyanide leaching; however, unlike gold, there is a marked decline in extraction % with increasing particle size, indicating that silver mineralisation will not be suitable for heap leaching.
- Silver extraction at a grind size P80 = 75 μm , is lower than gold, ranging from 45-73%; however, there is potential to improve silver extraction by various methods which have not been evaluated in this early stage of testing, such as: finer grinding, higher cyanide strength, lead nitrate addition, elevated temperature leaching, and pressure cyanidation.
- Some samples contain organic carbon C(org). With respect to gold extraction, there is indication of "very mild" preg-robbing effect, whereas silver extraction appears to be unaffected.

Preliminary results of the leach work on primarily sulphide materials suggest the following interpretations:

BLIT material type (the major rock type source for high-grade sulfide Cu, and Au mineralisation) testing indicated reasonable response to conventional flotation practice with:

- Rougher and scavenger flotation concentrate recoveries ranging from 87-96% for Cu, 78-93% for Ag and 89-95% for Au.
- 1st cleaner concentrate recovery ranges from 73-90% for Cu, 33-75% for Ag and 60-87% for Au
- 2nd cleaner concentrate recovery ranges from 69-88% for Cu, 28-72% for Ag and 54-85% for Au

LASH / LATASH1 material type (a modest rock type source for sulfide Cu, Au and Ag mineralisation) testing response, conducted on a single master composite blend of these two materials, is poor based upon very limited testing:

- C(org) is present in some LASH / LATASH1 materials
- Rougher and scavenger flotation concentrate recovery averaged 85.8% for Cu, 80.2% for Ag and 69.5% for Au
- 1st cleaner flotation concentrate recovery averaged 61.9% (Cu), 29.9% (Ag) and 27.7% (Au)
- 2nd cleaner flotation concentrate recovery averaged 55.9% (Cu), 25.2% (Ag) and 23.6% (Au)

All sulfide material types contain copper minerals with elevated levels of arsenic and antimony. A significant portion of the contained As and Sb report to flotation concentrates, in concentration levels between 2-8%. The commercial concentrate smelting market is limited for concentrates containing elevated levels of As and Sb. Potential exists to treat small to modest tonnages of high-grade Cu, Au and Ag concentrates, containing As and Sb, either through concentrate blending entities or direct sale to smelters. Once sufficient flotation optimization test

work is completed, a concentrate marketing study should be commissioned to evaluate potential placement of the KCD Project concentrates.

In the event that KCD concentrates cannot be sold into the commercial smelting market, on-site concentrate processing options need to be investigated, in parallel with ongoing work. On-site concentrate treatment will most likely involve hydrometallurgical treatment, involving oxidation of sulfide materials and economic recovery of Cu, Au and Ag. Potential hydrometallurgical treatment options for consideration should include: Acid Pressure Oxidation (Cu, Au and Ag concentrates), Alkaline Pressure Oxidation (Ag and Au concentrates), Acid Albion Leach (Cu extraction), Neutral Albion Leach (Au and Ag extraction), others as necessary. Non-hydrometallurgical treatment options for Au & Ag concentrates include: fine grinding and cyanide leaching, pressure cyanidation, caustic leaching.

Rougher and cleaner testing was carried out on three samples from a single drill hole at Karaayı, including supergene and primary copper mineralisation associated with porphyry mineralisation in KAD-02. The samples had a range of Cu grades from 0.3 to 0.4% and gold grades from 0.1 to 0.4 g/t Au. Rougher flotation tests showed that nearly all the sulphides could report to a bulk concentrate with high recoveries of copper and gold. Cleaner flotation tests returned poor grades due to incomplete mineral liberation in the rougher concentrate. Further optimization is needed to confirm that an acceptable grade of final concentrate can be produced. Flotation performance based on the rougher and cleaner flotation tests, and incorporating an appropriate plant recovery discount, gave estimated recovery performance to final concentrate of 80% Cu and 58% Au¹⁴.

Mineral Resource and Mineral Reserve Estimates

The resource estimate at KCD was completed by James N. Gray, P.Geo. of Advantage Geo, an Independent Qualified Person as defined by NI 43-101. No mineral reserve estimates have been completed at this early stage in the project.

The resource estimate is based on results from 37,860 m of drilling in 169 drill holes (160 core and nine RC). Quality-control data generated during the various drill programs conducted at Küçükdağ, were independently verified by SRK, as part of the project review. The resource model consists of a detailed three-dimensional geological model including lithological domains and structural domains derived from 25 metre-spaced sections. These, in turn, were used to constrain the interpolation of gold, silver and copper grades. Block grades were estimated by ordinary kriging. Blocks measure 10 x 10 x 5 m. A total of 26,173 individual assay intervals averaging 1.4 m in length were composited into a total of 12,981 composite intervals of 3 m length. Gold, silver and copper assay data were reviewed statistically to determine appropriate grade capping levels by domain. A total of 71 gold assays, 48 silver assays and 33 copper assays were capped prior to compositing based on the evaluation of probability plots by major rock type. In addition to the capping of assay data, the impact of anomalously high gold values was controlled by restricting their range of influence in the estimation process.

For mineralization in the Gold Zone to be classified as Indicated the following criteria were used: two holes within 25 m *or* three holes within 36 m. Indicated classification for the Silver Zone is based on a minimum of two holes within 35 m or three holes within 50 m. All other above cut-off grade material within the pit shell was classified as Inferred. The mineral resources are confined within a Whittle pit shell generated by SRK to ensure reasonable prospects of economic extraction.

The pit shell was based on the following parameters: Au: \$1,335/oz; Ag: \$22/oz; Cu: \$3.60/lb; Mining: \$2.00/t; Milling, General and Administrative and sustaining capital cost

¹⁴ See updated discussion under heading “Mineral Properties – TV Tower, Turkey: Recent Developments” in this AIF

("CAPEX") estimate: \$15/t milled; Recovery: Au and Ag = 75%; Cu = 70%; Overall pit slope: 50°. At a 0.5 g/t gold equivalent ("AuEq") cut-off, the strip ratio is 1.47:1. Tonnage estimates are based on 6,027 density measurements which were used to assign average values to lithologic domains of the block model. Bulk density for the main Küçükdağ gold mineralized rock unit averages 2.38 tonnes/m³.

The resource at a 0.5 g/t AuEq cut-off is presented in Table ii below. The 0.5 g/t AuEq cut-off (\$19/t at assumed gold price) has been used as a reasonable economic cut-off grade for an open pit operation feeding a conventional flotation plant. At this cut-off grade, the strip ratio is 1.47:1.

Table T(iii): Küçükdağ Estimated Mineral Resource at a 0.5 g/t Gold Equivalent Cut-off

Zone	Resource Class	Tonnes (x10 ⁶)	Au (g/t)	Ag (g/t)	Cu (%)	AuEq (g/t)	Metal (x10 ³)		
							Au(oz)	Ag(oz)	Cu(lb)
Total	Indicated	23.06	0.63	27.6	0.16	1.34	470	20,479	78,859
	Inferred	10.77	0.15	45.7	0.06	1.01	53	15,831	14,883
Gold Zone	Indicated	11.62	1.22	8.8	0.23	1.74	456	3,298	59,470
	Inferred	1.70	0.85	8.5	0.15	1.23	46	464	5,591
Silver Zone	Indicated	11.44	0.04	46.7	0.08	0.94	14	17,182	19,388
	Inferred	9.08	0.02	52.7	0.05	0.97	6	15,367	9,292

Exploration and Development

With the establishment of the resource at Küçükdağ, the foundation of significant Au and Ag mineralization has been established for the TV Tower Exploration property. There is room for additional mineralization to be discovered around Küçükdağ as additional drilling is undertaken; specifically within the silver zone that remains open to the north and west of the current resource.

It is important to consider that the property consists of seven different target areas in addition to Küçükdağ. The target areas include multiple epithermal and porphyry systems that show promising Au, Ag and Cu mineralization. All of these target areas warrant further exploration work that should include additional bedrock mapping, geochemical and geophysical surveys as well as drilling. Building on geological information that has been established at Küçükdağ, the most interesting zones of mineralization are often related to key structural corridors and therefore detailed structural mapping for all exploration target areas is considered a priority for the TV Tower Property.

Of the additional exploration target areas that exist on the property outside of Küçükdağ, Kayalı and the K2 trend at Karaayı are two key areas that are presently exhibiting very encouraging exploration drilling results. The Karaayı target is classified as a high sulphidation epithermal and oxide system that includes porphyry styles of mineralization and is characterised by very encouraging Au and Cu mineralization. The Kayalı Target includes significant Au and Cu mineralization and is classified as a high sulphidation epithermal and oxide system with recently discovered zone of supergene Cu mineralisation. Both these targets warrant further focused exploration activity as these are two areas that show potential for future resource development¹⁵.

¹⁵ See updated discussion under heading "Mineral Properties – TV Tower, Turkey: Recent Developments" in this AIF

Recommendations

As a follow-up to encouraging exploration results since Pilot Gold assumed the role of operator at TV Tower, and as a reflection of the prospectively of multiple targets on the property, continued aggressive exploration of the TV Tower project is recommended in two phases. The first phase will see Pilot Gold complete its obligations under the earn-in and is designed to fully test the Karaayı high-sulphidation epithermal and porphyry target, and expand upon the initial understanding of several identified targets over a period greater than one year. The first phase also recommends follow-up drilling to expand the resource at Küçükdağ.

A Phase I Exploration Program which would include, in aggregate a \$12.35 million budget, is recommended for the following:

- Küçükdağ: complete certain metallurgical and engineering analyses and drill test targets to the north and northwest of the resource;
- Karaayı high-sulphidation epithermal and porphyry targets: resource definition drilling with initial metallurgical analysis and high-level engineering and related studies;
- Kayalı: Follow-up drill testing on gold and copper targets;
- Sarp / Columbaz: Detailed targeting and surface work prior to a follow-up drill program of 2010 and 2011 program;
- Gümüşlük: Surface work prior to initial Pilot Gold led drill testing;
- General property: surface and soil sampling in advance of testing of other priority targets.

Field Support, Camp Costs & Travel as well as costs associated with Community Relations, land tenure maintenance, legal fees associated with the EIA challenges and administrative activities have been included. The proposed budget includes costs associated with conversion of licenses from 'exploration' to 'operation' status, and filing of necessary EIA reports.

Budget proposed in Updated TV Tower Report for Phase 1 program

The total budget for program outlined above is estimated by the authors of the Updated TV Tower Report at \$12,350,000 (inclusive of 5% contingency) as detailed in the table below.

	Küçükdağ	Karaayı HSE and Porphyry targets	Kayalı	Sarp / Columbaz	Gümüşlük	General Property	Total
Drilling	\$1,305,000	\$1,740,000	\$870,000	\$725,000	\$435,000	\$ -	\$5,075,000
Meters (core)	9,000	12,000	6,000	5,000	3,000	-	35,000
Cost per meter	\$ 145	\$145	\$145	\$145	\$145	\$145	
Assaying	\$332,000	\$442,600	\$221,300	\$184,400	\$110,700	\$ -	\$1,291,000
Samples	7,377	9,836	4,918	4,098	2,459	-	28,689
Cost per sample	\$45	\$45	\$45	\$45	\$45	\$45	
Metallurgy	\$160,000	\$30,000	\$30,000	\$ -	\$ -	\$ -	\$220,000
Geology	\$12,000	\$10,000	\$10,000	\$12,000	\$8,000	\$30,000	\$82,000
Geophysics &	\$8,000	\$300,000	\$8,000	\$100,000	\$100,000	\$64,000	\$580,000
Resource Estimation	\$ -	\$110,000	\$20,000	\$ -	\$ -	\$ -	\$130,000
Labor (Wages)	\$420,000	\$720,000	\$350,000	\$296,000	\$178,000	\$200,000	\$2,164,000
Land & Legal	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$720,000
Environmental						\$360,000	\$360,000
Field Support, Camp						\$600,000	\$600,000
Community						\$220,000	\$220,000
Capital Purchases						\$120,000	\$120,000
General and						\$ 200,000	\$200,000
Subtotal	\$2,357,000	\$3,472,600	\$1,629,300	\$1,437,400	\$951,700	\$1,914,000	\$11,762,000
Contingency (5%)	\$117,850	\$173,630	\$ 81,465	\$71,870	\$47,585	\$95,700	\$588,100
Total	\$2,474,850	\$3,646,230	\$1,710,765	\$1,509,270	\$999,285	\$2,009,700	\$12,350,100

A Phase 2 program, generally designed to continue resource definition drilling at Kayalı (\$900,000), Sarp/Columbaz (\$1,500,000) and Gümüşlük (\$1,000,000) in advance of preparing an initial resource on at least 2 of these targets, as well as initial drilling (\$500,000) on other targets on the property is recommended assuming that results from Phase 1 are encouraging. If results warrant, a PEA on Küçükdağ (\$200,000) and a PEA on Karaayı (\$200,000) is recommended. Field support, camp costs, legal, environmental and other administrative costs similar to those in the table above (total \$5,200,000) should continue to be incurred to support the Phase 2 program.

SRK is unaware of any significant factors and risks that may affect access, title, or the right or ability to perform the exploration work recommended for the TV Tower Project.

Recent Developments¹⁶

The following disclosure relating to TV Tower summarizes non-material activities and results since the effective date of the Updated TV Tower Report.

Earn-in and acquisition of additional 20% interest

Teck confirmed that we had satisfied 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 on March 12, 2015. Although, as at the effective date of this AIF, the necessary documentation to register the change in ownership interest is pending, as a consequence of satisfying the earn-in, the Corporation beneficially holds a 60% interest in TV Tower.

Actual expenditures through 2014

During 2014, as operator, we advanced a number of targets and made new discoveries at the 90km² TV Tower project, including two gold-copper porphyries: “Valley” and “Columbaz”. We completed 9,158 metres of drilling at the Hilltop and Valley porphyry targets and K2 epithermal gold targets, and 3,390 metres of drilling at Columbaz as part of the 2014 program. From January 1, 2014 to December 31, 2014, the Corporation incurred \$4.6 million in direct expenditures at TV Tower compared to a budget of \$4.7 million.

Exploration

The Corporation plans to undertake an exploration drill program in 2015, primarily along the K2 (Kayalı and Karaayı) trend, focused on oxide gold, supergene copper mineralization and copper-gold porphyry systems. Strategic exploration drilling at the Gümüslük, Kartaldağ West and Sarp/Columbaz targets is also planned, pending receipt of drill permits from the General Directorate-Forestry.

Exploration statistics for TV Tower are tabulated below, including all activity in 2014 subsequent to the release of the Technical Report, with comparative data during the period of the earn-in. On the basis of encouraging drill results from five due diligence drill holes on the Karaayı tenure in late 2013, Pilot Gold focused most of its exploration efforts on this tenure.

	2012	2013	2014	Total
Rock Samples	740	766	636	2142
Soil Samples	2641	2628	792	6061
Airborne Geophysics (Line-m)	801.5	0	0	801.5
Ground magnetics (Line-Km)	0	0	221.35	221.35
IP (Line-Km)	0	0	54	54
RC Drill Holes*	0	11	0	11
Core Drill Holes	59	99	46	204
Drilling (meters)	11,810.5	25,607.6	12,548.9	49,967.0

*does not include water monitoring holes

Surface exploration activities in 2014 outlined a 1200 m-long by 400 m-wide gold and copper in soil anomaly south of the main ridge on the tenure. Follow-up prospecting and mapping outlined an area of outcropping quartz magnetite stockwork, phyllic and potassic alteration consistent with the presence of a copper-gold porphyry system.

This area, named the “Valley Porphyry target” was tested by drilling of 20 diamond core holes, totalling 4,344 m. Highlights in 2014 include:

¹⁶ Discussion detailed under heading “*Mineral Properties – TV Tower, Turkey: Recent Developments*” in this AIF supplements and updates the disclosure summarizing the Updated TV Tower Report.

- KRD010: 0.99 g/t Au and 0.39% Cu (1.65 g/t AuEq) over 153.1m from surface (discovery hole);
- KRD014: 1.59 g/t Au and 0.48% Cu (2.41 g/t AuEq) over 130.9m from surface,
 - including 3.12 g/t Au and 0.85% Cu (4.57 g/t AuEq) over 49.9 m; and
- KRD016: 0.63 g/t Au and 0.27 g/t Cu (1.10 g/t AuEq) over 134.7 m.

To date, the Valley Porphyry target has been drill tested along the axis of the soil anomaly over a distance of approximately 1,000 m. However, drill site placement was not ideal due to permitting restrictions. The limited number of drill holes to date at the Valley Porphyry does not allow for a resource estimate at this time.

The success at identifying outcropping mineralization through surface sampling led to a comprehensive program of surface mapping, prospecting, ground magnetics and induced polarization ("IP") surveys over the southern portion of the Karaayı tenure. Through this effort, several other porphyry and skarn targets have been identified and await follow-up drilling.

Drilling activity also occurred at the previously-recognized Hilltop Porphyry target, located along the main K2 ridge at Karaayı; the oxide, high-sulphidation gold target known as Yumrudağ on the east end of the K2 oxide gold trend; the Columbaz low sulphidation epithermal target, located 1.5km south of KCD. In the course of drilling the Columbaz target, a copper-gold porphyry system was discovered. Highlights from this drilling include:

- CD0012C: 0.36 g/t Au and 0.13% Cu over 499.1m (0.59 g/t AuEq), including
 - 0.48 g/t Au and 0.18% Cu over 234.3m (0.79 g/t AuEq)
- CD008C: 0.60 g/t Au and 0.11% Cu over 357.7m (0.80 g/t AuEq), including,
 - 8.41 g/t Au and 0.06% Cu over 7.8 m, including 24.0 g/t Au over 1.5 m, and
 - 3.32 g/t Au and 0.15% Cu over 13.2 m, including 27.9 g/t Au over 1.1 m.

IP surveys were carried out over the Gümüşlük listwaenite lode-gold, the Kartaldağ West high sulphidation epithermal gold and the Tesbihçukuru high sulphidation gold and porphyry target in 2014. A number of high chargeability and/or high resistivity targets were generated from this work. Drill testing of these targets awaits a positive outcome of drill site permitting.

Metallurgy

Phase 2 metallurgical testing was carried out in 2014 for silver ore from Küçükdağ in order to improve recovery. All testing was carried out at Hazen under the direction of Gary Simmons, Met. Eng. of GL Simmons Consulting LLC, a Qualified Person as defined by NI 43-101. The scope of Phase 2 testing, carried out in 2014, encompassed (i) flotation of the sulfides to investigate the potential for making a high-grade Ag concentrate, and (ii) oxidative treatment of flotation concentrates to enhance Ag extraction and improve overall Ag recovery.

The result of this testing demonstrated that silver recovery from rougher plus scavenger flotation ranged from approximately 82 to 89% using natural pH. The bulk sulfide flotation concentrate contained 18.8% sulphide sulphur (S=). The high S= grade, combined with the relatively low Ag grade (144 g/t) in the rougher concentrate, necessitated the adoption of partial oxidation testing approach to determine if the Ag mineralization could be oxidized preferentially over pyrite. Partial-oxidation options selected for testing included:

- Alkaline Pressure Oxidation (APOX)
- Neutral Albion Leach (NAL)
- Caustic (NaOH) Oxidation
- Trona ($\text{Na}_3(\text{CO}_3)(\text{HCO}_3) \cdot 2\text{H}_2\text{O}$) Oxidation

The results indicate that partial S= oxidation using Trona achieves higher Ag extractions, at lower S= oxidation levels, than the other oxidation technologies. It may be possible to achieve >80% Ag extraction with higher levels of Trona addition. Regeneration of caustic from Trona oxidation discharge liquors, may be possible, significantly reducing the total amount of Trona

required but at the same time adding lime to the process for regeneration of caustic. Additional research is needed to refine this process.

Pilot Gold is currently carrying out preliminary flotation testing at the Valley porphyry target. Samples are currently being processed at Hazen, under the advisement of Mr. Simmons.

Tenure

Chesser sold its interest in Batı Anadolu to Nurol, a Turkish industrial conglomerate. Formal conveyance and registration of the Karaayı license remains pending. Pursuant to the Karaayı Agreement, Nurol has covenanted to assist with and undertake the transfer and registration of the license.

The conversion date for licence 201200526 and 201200527 is coming due in May 2015. The Corporation anticipates applying for a 2 years extension of the existing respective operation licences, and does not anticipate any impediments thereon.

Expenditures through 2014

Total exploration expenditures at the TV Tower property in 2014, including the activities summarized in this section were \$4.60 million, compared to a budget of \$4.68 million. Expenditures to date are generally in line with the recommended budget outlined in the Updated TV Tower Report.

Environmental Impact Assessment report update

Following judicial discovery, in a two-to-one decision, the Court overturned the validity of the EIA Report, and concluded that certain additional analyses must be included in an amended EIA for the projects in order that the proposed test mining activities might proceed. An EIA, the Court determined, must include analyses of the potential cumulative environmental impacts (a "CIA") of any contemplated disturbance at a particular project when examined along with all other activities planned for a particular region. The Ministry subsequently applied to the Turkish Council of State, the highest administrative court in the Republic of Turkey, requesting that it (i) hear an appeal of the findings at the Hearing, (ii) overturn the Court-mandated inclusion of a CIA in an EIA, and (iii) reinstate the EIAs. As of the date of this AIF the Corporation awaits a response from the Council of State.

Because the determination of the Court relates only to the designated areas contemplated by the (presently annulled) EIAs, there has been, and is no impact or restriction on Pilot Gold to continue planned exploration activities at TV Tower, outside of the areas contemplated in the EIA. Pilot Gold does not believe there to be any threat to the validity of tenure, nor any legal impediment to prevent ongoing exploration activities outside of the EIA-contemplated areas. Even if successful and the annulment of the EIA is ultimately upheld, the Corporation expects that it would either revise or submit a new EIA for the project in conformity with the revised requirements.

There is no threat to the validity of tenure, and there is no legal impediment to prevent ongoing exploration activities outside of the EIA-contemplated area. Pilot Gold furthermore anticipates that Orta Truva will revisit the EIA process and submit an updated EIA as the project evolves and should legislation relating to the content of an EIA change.

Halilağa, Turkey

Except as otherwise stated herein, the following disclosure relating to Halilağa is based on information derived from the updated technical report entitled “*Revised Preliminary Economic Assessment Technical Report Halilağa Project, Turkey*”, effective December 20, 2014, and dated February 16, 2015, co-authored by Gordon Doerksen, P.Eng., Stacy Freudigmann, P.Eng., Dino Pilotto, P.Eng., Maritz Rykaart, P.Eng., Greg Abrahams, P.Geo., Gary Simmons, MMSA, Garth Kirkham, P.Geo., James Gray, P.Geo., (the “**Revised Halilağa PEA**”). See in this AIF, “*Interests of Experts*”. The Revised Halilağa PEA was commissioned by Pilot Gold, joint venture partner with TMST in Truva Bakır, the Joint Venture holding company that holds Halilağa

The Revised Halilağa PEA is based upon an updated mineral resource estimate prepared by James Gray, P.Geo., of Advantage Geoservices Ltd. (the “**Updated Resource**”) and incorporated in the Revised Halilağa PEA. The Updated Resource includes all additional drilling since the mineral resource estimate first presented in the Gray Kirkham Report. The purpose of the Revised Halilağa PEA is to present findings of a preliminary economic assessment of Halilağa that update and revise the findings of the previously released 212 PEA, prepared by SRK Consulting (Canada) Inc., dated October 10, 2012. Although not referenced in the Revised Halilağa PEA, the Gray Kirkham Report also included an Inferred Resource of 95,000 ounces gold at an average grade of 0.60 g/t gold (4,914,000 tonnes). This oxide resource was not included in the Revised Halilağa PEA.

This engineering study in the Revised Halilağa PEA is an update from the 2012 PEA. Several sections from the 2012 PEA were used in the Revised Halilağa PEA with updates included as the authors of the Revised Halilağa PEA deemed appropriate.

The principal areas of revision include incorporation of updates for

- Updated mineral resource estimate;
- Mill throughput of 25,000 tonnes per day (“**t/d**”) (the 2012 PEA assumed 50,000 t/d);
- Revised tailings management plan;
- Addition of a gold leaching circuit for cleaner tails to improve the overall recovery of gold;
- Revised capital and operating costs;
- Updated closure strategy;
- Revised tax calculations;
- Modification of royalty calculations to (then) current Turkish law; and
- Use of a mining contractor.

The contents of Revised Halilağa PEA reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

The Revised Halilağa PEA is considered 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. Mineral resources that are not mineral reserves have not yet demonstrated economic viability. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration or mineral reserves once economic considerations are applied. Therefore there is no certainty that the production profile concluded in the Revised Halilağa PEA will be realized.

The reader is cautioned that the preliminary economic assessment summarized in the Revised Halilağa PEA is only intended to provide an initial, high-level review of Halilağa. Further studies, including engineering and economics are required (typically a preliminary

feasibility study, or “PFS”) with regards to infrastructure and operational methodologies. The Revised Halilağa PEA mine plan and economic model include the use of a significant portion of inferred resources which are considered to be too speculative to be used in an economic analysis except as permitted by NI 43-101 for use in PEAs as mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no guarantee that inferred resources can be converted to indicated or measured resources nor is there any guarantee that Halilağa economics described in the Revised Halilağa PEA would be achieved.

Readers are directed to and encouraged to review the Revised Halilağa PEA, which can be reviewed in its entirety under the Corporation’s profile on SEDAR at www.sedar.com and which qualifies the following disclosure. The following summary is not exhaustive. The Revised Halilağa PEA is intended to be read as a whole, and sections should not be read or relied upon out of context. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Revised Halilağa PEA. The Revised Halilağa PEA contains the expression of the professional opinions of the individual Qualified Persons based upon information available at the time of preparation of the Revised Halilağa PEA. The following disclosure, which is derived from the Revised Halilağa PEA, is subject to the assumptions and qualifications contained in such report.

Project Description and Location and Ownership

Halilağa is located about 40 km southeast of Çanakkale between the villages of Halilağa and Muratlar in the south-central part of the Biga Peninsula in Northwestern Turkey. The main area of interest is the Kestane porphyry copper-gold zone located at 483200E, 4419200N UTM Central meridian 27 (ED50 datum).

In 2002, Halilağa was acquired at auction by Teck Cominco Arama ve Madencilik Sanayi Ticaret A. Ş. (now TMST). In 2004, TMST and Fronteer (predecessor company to Pilot Gold), entered into an option agreement that covered several properties in the Biga Peninsula (including Halilağa) that enabled Fronteer to acquire 100% interest in the properties subject to certain earn-back rights by TMST which was exercised on November 30, 2006. Subsequently, TMST earned a 60% interest in the property by investing \$2.5 million during 2007. On December 31, 2009, TMST declined to earn an additional 10% interest in the Halilağa Project.

TMST (60%) and Fronteer (40%) formed a Joint Venture company called Truva Bakır, which owns, or has beneficial interest in, the licenses that comprise Halilağa. Pilot Gold has a 40% interest and TMST has a 60% interest in Truva Bakır. Fronteer’s interest in Truva Bakır, and thus, Halilağa was transferred to Pilot Gold in April 2011. Halilağa consists of 14 licenses covering 8,866.18 ha. Thirteen licenses are directly held by Truva Bakır, and one license is held by TMST for the benefit of Truva Bakır. (see Table H(i) and Figure H(i)). Since 2012, five “Operation type” licenses were combined into one “Operating-type” license encompassing the total area of the five previous outlined licenses. These licenses were 3074271, 3129124, 3146203, 3146197, and 3167539.

Mining rights and minerals are exclusively owned by the State. The ownership of the minerals in Turkey is not subject to the ownership of the relevant land. The State, under the mining legislation, delegates its rights to explore and operate to individuals or legal entities by issuing licences for a determined period of time in return for a royalty payment. The licenses for mining rights are granted to Turkish citizens, legal entities established under Turkish laws, and some authorized public bodies. Companies established under Turkish law, according to the provisions of the Turkish Commercial Code, are Turkish companies even if they are established by foreign persons with 100% foreign capital. Consequently, there is no distinction between the mining rights that may be acquired by local investors and those that may be acquired by foreign investors, provided that the foreign investors establish a company in Turkey under Turkish law.

Under the Turkish Mining Law, mines have been divided into six groups under which Halilağa falls in Group IV. These groups are subject to different terms and conditions on licensing principals and procedures.

These groups are:

- Sand and gravel (Group I);
- Marble and other similar decorative stones (Group II);
- Salts in solution that can be obtained from aqueous solutions (Group III);
- Metal and industrial minerals (Group IV), (the group Halilağa would be classified under);
- Precious metals and gem stones (Group V); and
- Radioactive minerals and substances (Group VI).

The two types of licenses granted for prospecting and operating mines are as follows; (i) exploration licenses, enabling a holder to carry out prospecting activities in a specific area; (ii) exploitation/operation licenses, enabling a holder to carry out operational activities (including exploration) within the same area as stated in the prospecting license. For production (extractive activity) to occur, an operations permit must also be obtained. An operations permit enables the holder to operate a specific mine as specified in the Exploitation/Operation license, and as contemplated by an approved EIA report.

Applications to convert from an exploration to an operation-type license must be submitted before the end of the term of an exploration-type license, and must demonstrate the presence of an economic resource on the license.

The conversion application includes providing a resource estimate, a conceptual mine plan, a positive conceptual economic analysis and an initial description of likely environmental impacts. The pre-requisite to conversion application is the EIA permit, business opening and work permit, and governmental land use (e.g. forestry, pasture lands etc.) permits. When a license conversion happens, the exploration drilling permits are cancelled and the holder must apply for a new forestry permit to drill on the project. Each license type is valid for a predetermined period of time and must meet a variety of requirements in order to remain in good standing, including a requirement to receive a number of permits from the Government of Turkey's General Directorate-Mining Affairs.

Five licenses are at "Operation-Type", seven licenses are pending conversion from "Exploration-Type" to "Operation-Type" and two licenses remain as "Exploration-Type". The main license hosting the Central Zone at the Kestane porphyry has been converted to an Operation-type license¹⁷.

Figure H(i): Halilağa Licence Map, Çanakkale Province

¹⁷ Tenure description and table at *Table H(i), below*, is as at date of *Revised Halilağa PEA: See "Recent Developments" in this summary of Halilağa for updates to tenure.*

Table H(i): Halilağa Project Licences, Çanakkale Province¹⁸

No	PROVINCE	Town	ACQ_DATE	DUE_DATE	AREA (ha)	LICENCE_NO	ER	LICENCE_NO*	Type	OWNER	REMARKS
1	ÇANAKKAL E	Bayramiç	08.04.2005	08.04.2010	605.32	20050053	3052748	20050053	Operation Pending	Truva Bakir	Operation Permit is pending
2	ÇANAKKAL E	Bayramiç	08.03.2006	08.03.2011	131.39	20061699	2389904	20061699	Operation Pending	Truva Bakir	Operation Permit is pending
3	ÇANAKKAL E	Bayramiç	13.11.2007	13.11.2012	404.1	200710082	3146206	200710082	Operation Pending	Truva Bakir	Operation Permit is pending
4	ÇANAKKAL E	Bayramiç	13.11.2007	13.11.2012	128.09	200710083	3146212	200710083	Operation Pending	Truva Bakir	Operation Permit is pending
5	ÇANAKKAL E	Bayramiç	13.11.2007	13.11.2012	58.05	200710084	3146215	200710084	Operation Pending	Truva Bakir	Operation Permit is pending
6	ÇANAKKAL E	Bayramiç	13.11.2007	13.11.2012	146.64	200710087	3146209	200710087	Operation Pending	Truva Bakir	Operation Permit is pending
7	ÇANAKKAL E	Bayramiç	07.03.2008	07.03.2013	18.8	200801695	3167537	200801695	Operation Pending	Truva Bakir	Operation Permit is pending
8	ÇANAKKAL E	Bayramiç	07.10.2003	10/7/2018	428.99	51297	2399031	IR-7468	Operation	Teck	Tulekoğlu Property. There is a court case between Teck and Tulekoğlu [§]
9	ÇANAKKAL E	Çan	03.05.2012	03.05.2015	769.94	201200524	3270271	201200524	Exploration	Truva Bakir	In Progress
10	ÇANAKKAL E	Bayramiç	03.05.2012	03.05.2015	179.17	201200525	3255378	201200525	Exploration	Truva Bakir	In Progress
11	ÇANAKKAL E	Bayramiç	21.05.2009	21.05.2019	1994.47	81802	3290089	81802	Operation	Truva Bakir	EIA Challenge, the court is in progress
12	ÇANAKKAL E	Bayramiç	02.03.2012	02.03.2022	829.1	20054260	1098491	20054260	Operation	Truva Bakir	In Progress
13	ÇANAKKAL E	Çan	21.03.2012	21.03.2022	1328.73	20064172	3080113	20064172	Operation	Truva Bakir	In Progress
14	ÇANAKKAL E	Çan	06.12.2012	06.12.2022	1843.39	82361	3297351	82361	Operation	Truva Bakir	In Progress
Total					8,866.18						

♦ The licence number indicated refers to the “Exploration-stage” license; the same licence number as subsequently awarded at the “Operation-stage” provided that the Exploration-stage license was acquired after 2005 when certain changes to the Turkish Mining Law became effective.

* The licence number indicated refers to the “Operation-stage” license awarded, or pending.

§ Legal matter noted is unrelated to the Corporation; validity and title to the license is not in question.

¹⁸ Tenure table is as at date of Halilağa PEA; The seven expired exploration licences shown in Table iii are in the process of being converted into Operation-stage licences. Confirmatory documentation from the government in the form of registration of the respective license numbers is pending and there is no reason to believe these will not be issued. Revised expiration dates will be issued upon completion of registration

According to Turkish Mining Law, the property boundaries are defined by the coordinate descriptions on the original license application and awarded to the applicant by the government. The licenses that define Halılağa are expressed according to the UTM northern Zone 35 coordinate system and European Datum 1950.

At the effective date of the Revised Halılağa PEA, the Government of Turkey was reviewing the State's Mining Royalties. The authors of the Revised Halılağa PEA relied on the 2012 PEA's summary of royalties, such that the Government of Turkey would receive a 2% of Net Smelter Royalty (known as the State's Rights) for base metals and 4% for precious metals. Because the project uses copper flotation, the copper net smelter royalty is reduced to 1%.

The State's Rights, paid by the license holder, would be distributed to; the Special provincial Administration of Çanakkale (25%), Turkish Treasury (50%), and Sub-provincial Administration (in this case Bayramiç and Çan as it is in between those sub-provinces) to be used for infrastructure (25%). The Council of Ministers can apply a maximum 25% discount in the State's Rights rates depending on the type of mineral, the region of production, and other criteria.

The project is located on State-owned land; therefore an additional 30% of the royalty payment is required to be paid, increasing the gold royalty to 2.6% and the copper royalty to 1.3%.

Each year the license holder pays the royalty on the last day of June.

Truva Bakır's project activities are required to follow the mining codes as set out within Turkey's state and local environmental regulations. Truva Bakır must protect the environment from spills, capture and dispose of hazardous material including aviation fuel, reclaim disturbed ground, cap drill holes, and remove all refuse. All of the necessary forest and environmental permits were obtained for the 2011 site work, including permission for timbering, road construction, drill site construction, and drilling for exploration.

On May 25, 2009, Truva Bakır received a renewed Group IV "Operation-type" minerals license, renewing the exploration license at Halılağa. In 2012, the operation permit for an open pit clay operation was acquired for the main Kestane licence before the third anniversary of the "Operation-type" license. This permit is valid until 2019 and can be readily renewed. At the same time, a small underground copper-gold mining project application was submitted, for which approval is pending. An approved EIA report and the GSM permit are the final permits required to acquire the copper-gold Operations Permit, allowing the filed copper-gold related operation at Halılağa to continue.

In December 2011, Truva Bakır submitted an EIA report for a small-scale copper-gold test-mining underground scenario (an adit) to the Ministry in connection with an application to meet the requirements of an operation stage permit for the principal licenses that comprise the Halılağa Project. In August 2012, Truva Bakır was 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 requested suspension of mining (exploitation) activities contemplated within the EIA area by way of an interim decision to be granted by the Court. Following discovery and the consequential administrative hearing, on November 20, 2013, the Court found that the EIA report for Halılağa had been appropriately approved by the Ministry, and concurred that the report was valid. The Court however, awarded interim injunctions suspending any activities contemplated in the EIA relating to the designated area contemplated (Licence Number 81802). There is no impact or restriction on Truva Bakır for planned activities at Halılağa outside of the designated areas.

The Court also concluded initially, that notwithstanding the validity of the EIA report, certain additional analyses should be included in an amended report, including an analysis of the cumulative impact assessment of the disturbances considered in the Halılađa EIA when examined along with all other contemplated EIA reports submitted in the greater Çanakkale area.

In December 2013, the Ministry appealed the interim injunction, and the Court's inclusion of a cumulative impact assessment requirement. The District Administrative Court at Edirne, Turkey rejected the Ministry's appeal on December 30, 2013. An administrative hearing convened on March 7, 2014, to determine if a revised and amended EIA is required. Rulings from the Court led to the annulment of the existing EIA and required that the EIA's be resubmitted with a cumulative impact assessment. The Ministry has appealed the decision.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

TMST utilizes a well-appointed camp, office, core storage and core logging facility about 12 km away from the project adjacent to the town of Etili.

The Biga Peninsula has fertile soil and a Mediterranean climate with mild, wet winters and hot, dry summers. Maximum daily temperatures average 30° C in July and August, while January, the coldest month, averages highs of 9° C and lows of 1° C. The annual rainfall for the Çanakkale region is approximately 63 cm, generally falling as mixed rain and snow in late fall and winter. The project construction and operation would be unencumbered by weather.

Halılađa contains a 4-km-long, E-W-trending topographic high, with the Kestane porphyry located on the northern flank of the hill. The highest elevations on the property are approximately 600 m with the Kestane Zone occurring at an elevation of approximately 350 m.

Vegetation in the area is dominated by scrub oak and various low-lying shrubs as well as pine trees planted by the Forestry Department. Various grasses also grow in the area and provide grazing for livestock. Vegetation in higher elevation is predominantly coniferous trees while various crops and grasses predominate in areas developed for farming.

The Biga Peninsula has excellent infrastructure with power, road, rail and port facilities. For concentrate shipping, several port options exist in the region. Based on a high-level review of all the regional ports, this study assumes that concentrate would be trucked to the Port of Bandırma, 140 km by road from Halılađa. The Bandırma Port has excellent space, multiple-jetty availability, and a willing owner. Bulk material storage handling facilities are needed. Bandırma appears to be the best option for the shipment of Halılađa concentrate. The port facility was toured by Pilot Gold personnel and QP Gord Doerksen of JDS. The port has adequate space for a concentrate storage and loading facility. Port management showed interest in providing this service.

Türkiye Cumhuriyeti Devlet Demiryolları, operates a railway running roughly north-south from the Port of Izmir to the Port of Bandırma through the city of Balıkesir, the closest point to the project (about 100 km distance). It is not envisioned that the regional rail facilities will be utilized by the project as it stands now but further study may change this.

The project site itself has access roads and a 154 kV power transmission line that traverses the planned open pit. The transmission line is fed from a coal-fired power generation plant in Çan. The transmission line would have to be relocated but may serve as a source of power during construction.

There are several abandoned, flooded coal pits within 6 km of the proposed plant site and these are planned to be used as water reservoirs for the project. Bathymetry has not been done on the pits but conservative estimates indicate that they would store sufficient water for the project needs.

History

Historic exploration activities were focussed primarily on the Halılađa, Halılađa North and Pirentepe properties. Pirentepe and Halılađa North are now within the Halılađa project interest and are owned by Truva Bakır.

The MTA conducted a regional scale exploration program over the Biga Peninsula between 1988 and 1991. MTA drilled 2 diamond drill holes totalling 302 m to test a geochemical anomaly identified by rock chip sampling at Halılađa North. MJTC-16 intersected narrow intervals of gold mineralization and returned 0.58 g/t Au over 13.85m. MJTC-17 did not intersect any significant mineralization.

In 1997, Cominco collected several rock chip samples from silicified outcrops at Halılađa North and at Kumluggedik Hill area, where numerous gold anomalies have been detected. The highest-grade sample from Halılađa North contained 1.17 g/t Au and the highest grade sample from Kumluggedik contained 2.2 g/t Au. In 1998, a total of 293 soil samples were collected from Kunk-Kumluggedik lithocap by Cominco. The most anomalous gold in these soil samples highlights the area east of Kumluggedik and Güventaşı Hills.

Since 2000 and prior to current ownership, Cominco conducted reconnaissance soil sampling and rock chip sampling. A total of 107 samples were collected over five N-S soil lines.

There are historical adits and a small pit on the property; however, the background and production history on these workings are undocumented and unknown, and would not significantly affect future development. The authors of the Revised Halılađa PEA are not aware of any previous mineral resource estimates, reserve estimates or mineral production from the property.

Geological Setting

The Halılađa property is located in the central part of the Biga Peninsula in Western Turkey. The geology of the peninsula is complex and characterized by various lithological associations made up of: (1) Paleozoic basement metamorphic rocks; (2) Permian and Mesozoic sedimentary and volcanic rock units; (3) Tertiary volcanic and intrusive rocks; and (4) Neogene sedimentary rocks.

The Halılađa area is mainly underlain by Oligo-Miocene volcanic and sedimentary rocks, overlying a basement consisting of schists and carbonate rocks that outcrop to the southeast of the Bakırlik area. The Halılađa property area is extensively covered by colluvium, particularly on the steeper slopes of the Kunk Tepe, Guvemtasi Tepe, Tasyatak Tepe, and Kumluggedik Tepe. Note that a “tepe” is defined as a hill. In road cuts, this colluvial cover can be up to 3 m thick, limiting the total exposure of bedrock outcrop across the property.

Exploration

Since acquisition in 2002, exploration activities performed by TMST and Truva Bakır have primarily centred on the Halılađa and Pirentepe areas. Between 2002 and 2004 there was no activity on the property.

In 2005-2006, Fronteer/TMST conducted an exploration program consisting of geological mapping, surface geochemical sampling, a pole-dipole IP survey and a ground magnetics survey. The soil and rock chip sample results highlighted the porphyry-related mineralization of the Central Zone at Kestane. Rock chip sampling of oxidized and leached outcrops returned 19 samples (out of 40 collected) with gold values greater than 1.0 g/t. Forty-three line km of IP Chargeability/Resistivity and 44 line km of ground magnetic surveying were completed. The most significant feature generated by the surveys was a coincident high chargeability and high magnetic anomaly associated with the Kestane Central Zone.

In 2007, geological mapping of the Central Zone, to the northwest and to the southeast which includes the Bakırlık Hill area, was completed by TMST at a scale of 1/10,000. A total of 3,650 soil, 172 rock, and 58 silt orientation samples were collected from this area.

In 2008, a total of 566 rock samples were collected. The 2008 rock geochem highlighted three new targets: Kunk North, Kumlugedik Hill and Madendere. In 2009 and 2010, a total of 36 rock chip samples were collected during the 2009 field season. Significant highlights of this program include rock chip sampling results from Kızılıçıktaş (0.1-0.5 g/t Au) and confirmation of anomalous gold in rock-saw samples from north of Kunk Hill (> 0.5 g/t Au).

With respect to the geology, Garth Kirkham P. Geo., one of the authors of the Revised Halılağa PEA is confident that the data and results are valid based on the site visit and inspection of all aspects of the project, including methods and procedures used. It is the opinion of Mr. Kirkham that all work, procedures, and results have adhered to best practices and industry standards required by NI 43-101. At the time of his site visit, no duplicate samples were taken to verify assay results, but Mr. Kirkham is of the opinion that the work is being performed by a well-respected, large, multi-national company that employs competent professionals that adhere to industry best practices and standards.

Mineralization

Halılağa is classified as a copper-gold porphyry system. The Halılağa alteration system covers a large area of more than 4 km x 2 km and displays all porphyry alteration types as well as related epithermal and skarn alteration facies.

Copper-Gold porphyry, skarn, and high-sulphidation epithermal gold alteration and mineralization are all found in close proximity in the Halılağa area. Recognizing that the high-sulphidation deposits underlying many of the hills in the area could be overlying or concealing porphyry deposits at depth led to the discovery of Halılağa in the valley bottom adjacent to the Kunk high-sulphidation epithermal system. The Kestane Cu-Au porphyry system exhibits alteration and mineralization zoning typically seen in deposits of this type. This includes a low-grade, potassic-altered core and relatively high copper and gold grades, often associated with a high density of quartz-magnetite-sulphide veins in areas flanking the core. Mineralization is also associated with an overlap of phyllic and potassic alteration, a small supergene chalcocite blanket, and adjacent areas of hornfelsing and skarn alteration.

Advanced argillic alteration and gold mineralization at Kunk Hill and Pirentepe are classified as high sulphidation epithermal mineralization. Copper mineralization in the Bakırlık Tepe area is classified as proximal copper skarn. All three types are related to magmatic-hydrothermal activity associated with intrusion of the Kestane porphyry stock and other intrusions in the area

The Kestane porphyry outcrops are characterized by potassic overprinted by phyllic alteration whereas Kunk-Kumlugedik Hill-tops are characterized by silicification surrounded by advanced argillic to argillic and distal propylitic alteration. Skarn-related alteration is located around the Bakırlık and Bostanlıkbası areas. The Kestane porphyry stock was emplaced into the volcano-sedimentary sequence and produced hornfels halo around its margins.

At the Kestane porphyry, most quartz veins are 'B-type', averaging 5% of the rock by volume, but locally up to 20%, and 'A-type' veinlets are rare or difficult to recognize on outcrops. The fact that B-veins, shreddy biotite, and D-veins can be recognized in an outcrop is significant because these indicate the presence of moderately intense potassic alteration with a moderate sericitic overprint. Given the tendency for the best grades in porphyry Cu-Au deposits to be associated with potassic alteration associated with abundant quartz veins, the possibility of high primary grades in chalcopyrite or chalcopyrite (\pm magnetite) assemblages can be inferred from

these outcrops. Additionally, the moderate degree of sericitic alteration suggests that chalcocite enrichment below the leached cap might be present because acidic conditions at the water table favour the formation of chalcocite rather than copper-oxides, silicates, and carbonates.

Drilling

In 2006-2007, a total of 23 holes (including five abandoned holes) totalling 6,346 m were completed. Most of the holes targeted the Kestane porphyry and intersected porphyry-style copper-gold mineralization with economic grades, as shown by discovery drill hole HD-01, which intersected 1.03 g/t Au and 1.03% Cu over 105.4m. A 25 metre-thick chalcocite blanket averaging approximately 2% Cu was also intersected close to the surface in holes HD-01, HD-02, HD-04, and HD-14.

In 2008, the Bakırlık skarn zone (4 km ESE of Kestane) was the major focus of the drilling program. A total of 20 diamond holes totalling 4,051 m were completed during that period. Holes HD-21 and HD-25 intersected narrow zones of skarn mineralization with high grade copper + gold ± silver values.

In 2009, a total of 18 holes (including four abandoned holes), totalling 5,670 m (excluding the 247 metre of hole HD-42D, a deviated hole) were completed at Kestane.

In 2010, the program was designed to continue grid-drilling the Kestane Central Zone (the main area of porphyry copper-gold mineralization). A total of 25 holes (20 diamond and five RC) totalling 9,076.6 m (including 14 abandoned holes) were completed.

In addition to drilling, IP geophysical surveys were carried out in 2009 and 2010 that highlighted deep chargeability targets 1 km west of Kestane, and also a chargeability target at Madenderesi.

The 2011 program focused on extending the mineralization and acquiring data sufficient for producing a NI 43-101 resource estimate. Significant intersections were encountered, including a zone of significant grade corresponding to the near-surface chalcocite blanket encountered in 2007 drilling. A total of 44 holes (including four abandoned holes) totalling 19,599 m were completed. A series of north-south geological sections were constructed every 100 m through the deposit. Sectional interpretations now show two E-W-trending normal faults bounding the porphyry mineralization to the north and south, creating a mineralized horst at the centre; another NW-SE-trending, east-dipping normal fault bounds the top of the horst.

In 2012, a total of 7,483.5 m (including 563 m of abandoned drill-metres) of drilling was carried out in 25 diamond holes (including six of abandoned) in order to 1) convert Inferred mineral resources to indicated mineral resources; and 2) to define the southern and northern limits of the mineralized body.

The drilling between 2007 and 2011 was performed by Spectra Jeotek Sanayi ve Ticaret A.Ş. of Ankara, Turkey, and was conducted using two to five, contractor-manufactured drill rigs. The model numbers are D150 and D220 with depth capacities of 1,000 m and 1,500 m of HQ, respectively. In 2011, the drilling was done with tri-cone bit (Q=120 mm) until the contact with the QFP/hornfels was made and then continued with HQ core after casing the hole. Between 2007 and 2010 the drilling was mostly HQ drilling which was then reduced to NQ when ground conditions became difficult. Recovery was not an issue, except for fault zones. The HRC series drill holes are RC type holes.

The drill hole collars for holes HD-01 through HD-35 were surveyed using Total Station methods. The subsequent holes HD-36 and above were surveyed using a differential global positioning system with a horizontal and vertical accuracy of generally ± 20 cm. Drill hole

deviation was measured using Reflex Survey tests taken between 50 m and 100 m intervals down hole to provide control.

Sampling and Analysis

Collars were set up under the direct supervision of Truva Bakır staff and were drilled with HQ and PQ diameter core. The holes were reduced to NQ when and if problems were encountered due to difficult ground conditions and/or thick fault zones. Core was placed in plastic boxes with depth markers for every drill run of up to 3 m. At Halılağa, core recoveries are considered by the authors of the Revised Halılağa PEA to be good and within tolerance to include in a resource estimate.

Sixty-eight percent of samples were either 1 or 2 m in length (54% - 2 m, 14% - 1 m). A total of 140 composites of less than half length (1.0 m) were removed from the dataset used for grade estimation, after it was determined that this did not fundamentally affect the grade statistics by rock type. A total of 21,502 composites were used for grade estimation.

All RC drilling samples were subjected to quality control procedures that ensured best practice in the handling, sampling, analysis, and storage of the drill samples

RC samples were collected and split using a 24-slot rotary splitter at the drill site and then sealed in plastic bags. Samples were collected continuously at 1.0 m-1.5 m intervals. The splitter was cleaned between each sample with a compressed air hose. The RC drill samples were taken and kept under constant supervision by Truva Bakır personnel.

Core boxes were securely sealed and brought, by truck, to the core facility at the Etili camps once a day by the drilling company or Truva Bakır. Here they were logged, cut, bagged, tagged and stored prior to being shipped to the analytical laboratory. All core samples were prepared at the ALS sample preparation laboratory located at the Etili camp and processed within the secure confines of the camp prior to the pulp packets being transported by commercial air carrier to the ALS laboratory in North Vancouver, Canada.

Following the switch to Acme Labs in late 2009, all Halılağa core samples were first trucked from Etili to the Acme preparation facility in Ankara by independent transport. Pulp packets were subsequently transported by commercial air carrier to Acme Labs in Vancouver, Canada, for assay and analysis.

At the core handling facility, drill holes were logged by Truva Bakır geologists recording observations using the Anaconda method and then entered into the database using Acquire® software. Prior to logging, the geologist and the field technicians performed the following tasks:

- Inspected core boxes;
- Recorded missing boxes and footage errors;
- Replaced footage markers with clean, clear markers;
- Digitally photographed all boxes;
- Recorded rock quality designation ("**RQD**") and core loss; and
- Logged core; information included engineering comments regarding the competency of core and a fracture analyses that included quantitative measurements of primary fractures, gouge material, veins, and dominant fracture patterns.

Specific gravity ("**SG**") measurements from drill cores were routinely carried out for both oxide and sulphide mineralization.

Sample preparation and analysis of core from the first 35 drill holes at Halılağa was conducted by independent, ISO certified ALS. In addition, samples from three early RC holes were similarly prepared and analyzed by ALS. Since October 18, 2009, or from drill hole HD-36

onward, the drill core samples were prepared and analyzed by independent, ISO certified Acme Analytical Laboratories (“Acme”).

QA/QC measures used at Halilaža were employed at all stages of work in the core shed, the sample preparation facility, and in the analytical laboratory. Evaluation of QA/QC results was done systematically and promptly to ensure that only the best quality data was entered into Halilaža database. Umpire, or external check, assays have been carried out as a further means of data verification. At all times this work, whether in the field, the lab, or the exploration office, was consistent with best practices currently in use in the mineral exploration industry.

There are no known factors related to drilling and sampling that would materially impact the accuracy and reliability of the results in the opinion of the authors of the Revised Halilaža PEA.

Security of Samples

Garth Kirkham, P.Geo., one of the authors of the Revised Halilaža PEA, and the Gray Kirkham Report, visited the property between August 13 and 16, 2011. The tour of the offices, core logging and storage facilities showed a clean, well-organized, professional environment. On-site staff led Mr. Kirkham through the chain of custody and methods used at each stage of the logging and sampling process. All methods and processes are to North American, industry standards and no issues were identified.

Mineral Resource and Mineral Reserve Estimates

The Revised Halilaža PEA documents the update of the initial Halilaža mineral resource documented in an NI 43-101 Technical Report in March of 2012 (the “2012 Resource”). This updated resource includes all drill results available since that time. This resource was estimated by ordinary kriging, using Gemcom® software as opposed to the geometric method of inverse distance weighting used for the initial resource. The geologic model used for this resource was prepared by Teck staff and is conceptually the same as that used for the initial resource with the addition of an altered porphyry unit recognized during the 2012 fieldwork. Geologic control for estimation was based on rock type as well as structural zonation on the flanks of the porphyry unit, as it was for the 2012 Resource. Copper, gold and molybdenum grades were estimated using 2.0 m composited drill data.

The revised resource is tabulated within the same optimized pit shell as was generated and used for the 2012 Resource. The impact of drilling since the initial resource has been to increase confidence as reflected by the increase in Indicated Mineral Resource as a portion of the total resource. Table H(ii) compares the 2014 updated sulphide resource with the initially reported numbers; the 0.43 g/t AuEq cut-off approximately corresponds to the 0.2% CuEq cut-off used in the 2012 disclosure

Table H(ii): Comparison to Initial Estimated Halilaža Mineral Resources at 0.43 g/t AuEq Cut-off

Resource Model ⁽¹⁾	Indicated					Inferred				
	Tonnes (Millions)	Cu (%)	Au (g/t)	Mo (%)	AuEq (g/t)*	Tonnes (Millions)	Cu (%)	Au (g/t)	Mo (%)	AuEq (g/t)*
Updated (2014)	182.7	0.27	0.30	0.0057	0.90	178.7	0.23	0.24	0.0087	0.77
Initial (2012)	168.8	0.30	0.31	0.0054	0.97	199.6	0.23	0.26	0.0067	0.78
Difference	+8%	-10%	-4%	+6%	-8%	-10%	-1%	-7%	+30%	-2%

*AuEq grades were calculated using the following parameters:

- Cu price and recovery of \$2.90/lb and 90%
- Au price and recovery of \$1200/oz and 70%
- Mo price and recovery of \$12.50/lb and 50%

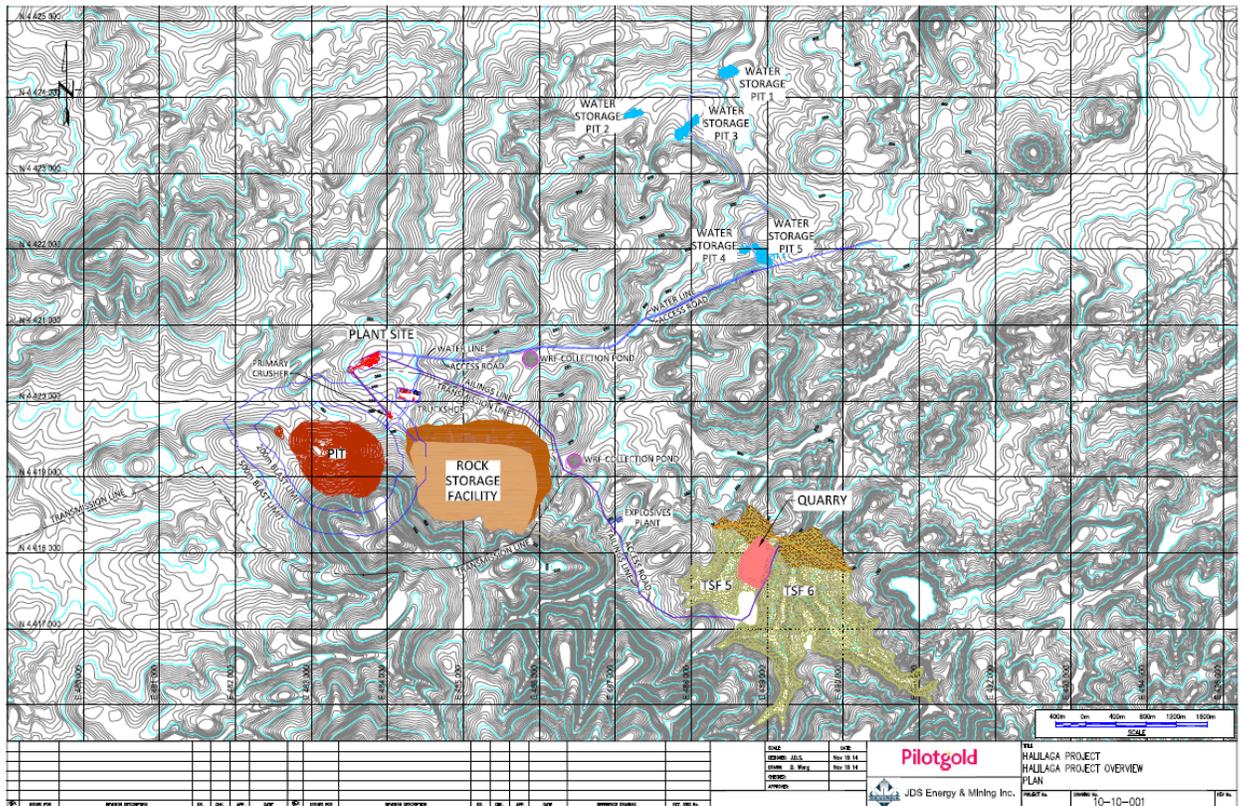
(1) In situ grade

Inferred resources were used in the LOM plan with inferred resources representing 31% of the material planned for processing. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources would be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a PFS or a feasibility study ("FS") of a mineral project. Accordingly, at the present level of development, there are no mineral reserves at Halilaža.

Mining Operations

The Halilaža deposit is amenable for development as an open pit ("OP") mine. Mining of the deposit is planned to produce a total of 124 Mt of processing plant feed and 158 Mt of waste (1.3:1 overall strip ratio) over a 14 year mine life. The current LOM plan focuses on achieving consistent plant feed production rates, and early mining of higher grade material, as well as balancing grade and strip ratios. In addition, it is anticipated that there would be a 4-year to 5-year feasibility, permitting and pre-production construction period as well as a reclamation period at the end of the mine life. Figure H(ii) illustrates the proposed overall site layout for Halilaža, including the open pit and proposed plant site locations.

Figure H(ii): Proposed Site Layout



Several nearby mined out water storage pits, have been identified. Since these pits already exist, they would require the least amount of earthworks and permitting; therefore, they have been selected as the water storage option for the Revised Halilaža PEA. No water storage

embankments were considered, since the overall impact on the project would be much greater if a separate water storage facility were to be constructed.

The mine design process for the deposit commenced with the development of CAE Mining NPV Scheduler ("NPVS") OP optimization input parameters. These parameters included estimates of metal price, mining dilution, process recovery, offsite costs, geotechnical constraints (slope angles) and royalties (see Table H(iii)). The resource model was based on a 20m by 20m by 10m block size.

Table H(iii): Mine Planning Optimization Input Parameters

Item	Unit	Values
Metal Prices		
Gold	\$/oz	1,250
Copper	\$/lb	3.00
Recovery to Cu Concentrate		
Gold	%	var.w/ Au grade
Copper	%	var.w/ Cu grade
Recovery CIL		
Gold (cleaner tails CIL)	%	15
Cu Concentrate Grade ("conc.")		
Gold	g/t	var.w/ Au and Cu grade
Copper	%	30
Moisture content		8
TCRC and Smelter Payables		
Gold in Dore	%	99
Gold in Cu conc	%	96
Gold deduction in Cu conc.	g/t in conc	1
Copper in Cu conc	%	96
Cu conc treatment	\$/dmt conc	75.00
Cu refining charge	\$/lb pay Cu	0.075
Au refining charge	\$/oz pay Au	7.00
Transport, marketing, ins, etc.	\$/dmt conc	62.7
Other Parameters		
Grade factor (variable)	%	95
Royalties	%	4
Pit Slope Angles	overall degrees	36 to 48
Dilution	%	5
Mining recovery	%	100
Strip ratio (est.)	t:t	1.3
Internal NSR cut-off	\$/t	8.97
External NSR cut-off (est.)	\$/t	13.8
Processing rate	tpd milled	25,000
Operating Costs		
O/P Waste mining Cost	\$/waste tonne	2.00
OP Mineralized material Mining Cost	\$/mill feed tonne	2.00
OP Processing and G&A Cost	\$/milled tonne	8.54

The OP mineable resources are reported at an internal cut-off value of \$8.97/t based on input parameters above.

*The values in this table vary slightly from those used in the economic model as parameters were further refined in the economic model as the project progressed. The differences are not considered material to pit shape definition.

CAE Mining's NPV Scheduler software was used to determine the optimal mining shells with the assumed overall slope angles shown in the previous table. Preliminary mining phases were selected and preliminary mine planning and scheduling was then conducted on these selected optimal shells. The mineable resources for the Halilaža deposit are presented in Table H(vi).

Both Indicated and Inferred resources were used in the LOM plan of which, Indicated resources represent 69% (86 Mt) of the material planned to be processed.

Table H(vi): PEA Proposed Mining Plan

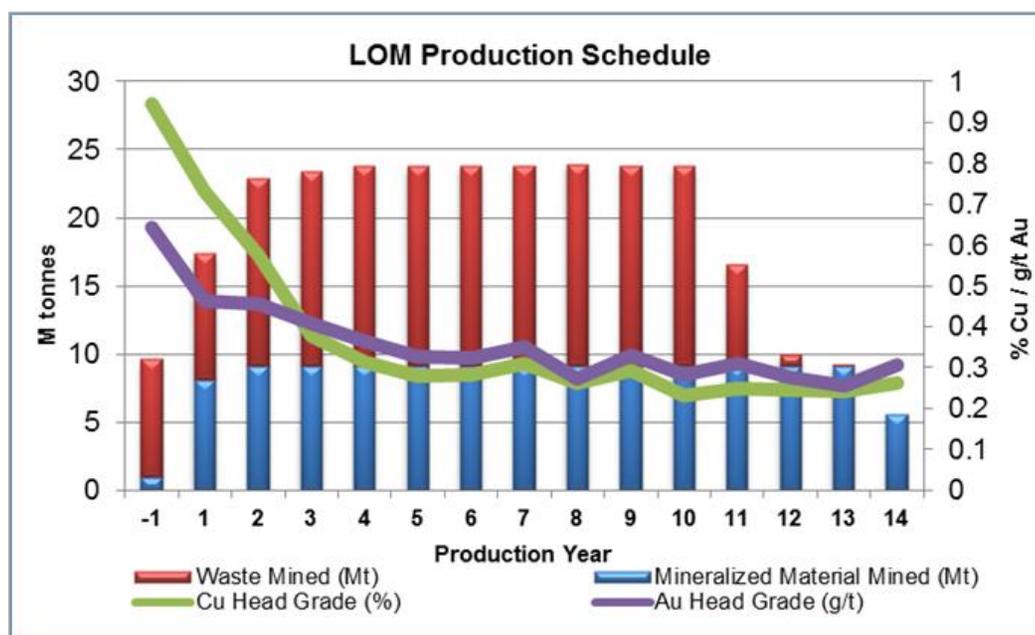
Description	Unit	Value
Mine Production Life	yr	14
Process Feed Material	Mt	124
Diluted Copper Grade (mill head grade)	%	0.34
Contained copper	Mlbs	920
Diluted Gold grade (mill head grade)	g/t	0.34
Contained gold	koz	1,357
Waste	Mt	158
Total material	Mt	282
Strip ratio	t:t	1.3

The mining sequence was divided into a number of stages designed to maximize grade, reduce pre-stripping requirements in the early years and, maintain the plant at full production capacity. The LOM production schedule is shown in Table H(vii).

Table H(vii): LOM Production Schedule

Item	Unit	Total	Year														
			-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Mineralized Material	Mt	124.3	1	8.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	9.1	5.6
Gold Feed Grade	g/t	0.34	0.64	0.46	0.46	0.41	0.36	0.33	0.32	0.35	0.27	0.33	0.28	0.31	0.28	0.26	0.31
Contained Gold	koz	1,357	21	121	134	120	107	96	95	103	80	97	83	91	81	75	55
Copper Feed Grade	%	0.34	0.95	0.73	0.57	0.38	0.31	0.28	0.28	0.31	0.26	0.29	0.23	0.25	0.24	0.24	0.26
Contained Copper	Mlbs	920	21	131	116	76	63	56	57	63	52	59	47	50	49	49	33
Waste Material	Mt	157.6	8.7	9.3	13.8	14.3	14.7	14.7	14.7	14.7	14.8	14.7	14.7	7.4	0.9	0.2	
Total Material	Mt	281.9	9.7	17.4	23	23.5	23.8	23.8	23.9	23.8	23.9	23.8	23.8	16.6	10	9.3	5.6
Strip Ratio	t:t	1.3	8.7	1.1	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	0.8	0.1	0	
Total Material Mined	Mtpd		26.49	47.71	62.92	64.32	65.32	65.21	65.37	65.27	65.60	65.23	65.23	45.39	27.42	25.43	15.47

Figure H(ii) LOM Production Schedule



Waste Management

Waste rock from mining operations is planned to be deposited in an engineered rock storage facility ("**RSF**") immediately adjacent to the proposed open pit. The RSF is designed to hold a total of 160 Mt of material.

Tailings from the process plant are proposed to be deposited in a Tailings Storage Facility ("**TSF**"). The TSF design consists of two rock fill embankments with a fully lined containment area. The starter embankment is designed to be contained in the initial larger valley, while an additional smaller valley would be required to contain the ultimate facility. Seepage collection ponds would be constructed downstream of the impoundments.

The upstream side of the embankment is designed to be lined with an High Density Polyethylene ("**HDPE**") liner. The liners within the facility would be placed on a protective bedding layer.

The embankments would have an upstream slope of 2.5:1 H:V and a downstream slope of 3:1 H:V. The crest was assumed to be 10 m in width. The starter embankment would have a length of 560 m with maximum height and width of 46 m and 270 m respectively. The ultimate embankments are designed to have a combined crest length of 1,695 m, a maximum height of 97 m and maximum width of 550 m. Each of the two embankments would have a stability key trench excavated to a depth of 5 m and width of 50 m along the centerline of the ultimate embankment.

The upstream side of the embankment is planned to be lined with an HDPE liner installed on an approximate 0.3-0.5 m bedding layer. Beneath the bedding layer would be a clay or transition material followed by the bulk rock fill. The key trench would be backfilled with rock fill.

The facility is designed as a zero discharge facility until it is closed with a dry cover. The TSF design includes a spillway to ensure protection of the embankment in the event of a flood. At the PFS stage after a hazard classification has been undertaken, consideration could be given to designing the facility to contain the probable maximum flood which would negate the need for an operational spillway.

The TSF facility is envisioned to be constructed in stages with the embankment being constructed in the downstream direction. The starter embankment, seepage collection facilities and temporary spillway would all be built prior to project start-up. Construction would be continuous throughout the LOM thereafter, with a raise completed every year. The typical increase in height is planned to be between 3 to 5 m. After each raise, the previous spillway would be backfilled and a new side hill spillway constructed.

Construction material is planned to be sourced from a nearby quarry. All embankment fill would be compacted in lifts to improve density and stiffness. Liner extensions would be tied into the existing liners; small benches may be utilized to aid at liner tie-in points.

Clearing and grubbing are scheduled to be completed as needed during the expansion of the facility. The liner would be exposed at surface since new liner sections would be covered within a year or two of placement and hydraulically placed tailings would not damage the liner system.

The facility would be re-sloped for positive drainage toward the spillway. A simple infiltration reducing cover would be constructed that includes a sealing layer of 0.25 m, drainage layer of 0.5 m and top soil of 0.5 m. The facility would then be re-vegetated and drainage paths will be lined with appropriately sized riprap. Seepage collection ponds would remain during closure to monitor performance.

Mineral Processing and Metallurgical Testing

Preliminary metallurgical test work was conducted in 2007 and 2011, which focused on developing a preliminary understanding of ore sample hardness and flotation response. The results show that the Halilağa mineralized material is of moderate competency and hardness, and amenable to grinding in a conventional SAG-ball milling circuit with pebble crushing. In addition, locked-cycle flotation tests showed that 85% of the feed copper reported to the final concentrate, which results in a grade of 30% copper. Approximately, 61% of the feed gold reported to the final concentrate with a gold grade of 21 g/t. The mineralogy is fine grained and test work indicated a requirement to re-grind to a fine particle size of approximately 20 micrometres to achieve adequate liberation for flotation. A copper recovery versus copper feed grade relationship has also been estimated based on preliminary variability testing.

The Halilağa process plant and associated service facilities are proposed to process 25,000 t/d of Run of Mine ("ROM") material, producing copper concentrate for sale into the commercial smelter market and doré bullion for processing at a precious metal refinery. The proposed process plant design includes crushing and grinding, rougher and cleaner flotation, regrinding, and dewatering of copper concentrate, cleaner tails CIL and cyanide detoxification ahead of tailings disposal. It was assumed that copper concentrate would be trucked from site to the Port of Bandırma and doré bars would be shipped to a precious metals refinery for processing and sale. The flotation and cyanide destruction tailings would be thickened before placement in the TSF. Water supply to the processing facilities are planned to come from the collection of surface water and use of the abandoned, flooded coal pits (water storage pits) in the immediate vicinity.

Project Cost Estimates

The CAPEX estimate for Halilağa is shown in Table H(viii). The estimated costs include mine pre-stripping, mine development, site preparation, process plant, first fills, infrastructure, buildings, utilities and road works. The estimates are considered to have an overall accuracy of ±30% and assume the project would be developed on an EPCM (engineering, procurement, and construction management contracting arrangement) basis.

Table H(viii): Capital Cost Estimate

Capital Cost	Pre-Production (\$M)	Sustaining/Closure (\$M)	Total Capital Costs (\$M)
Capitalized Mining Costs	17.9	0.0	17.9
Contractor Mobilization/Demobilization	1.0	1.0	2.0
Mining	0.6	0.0	0.6
Site Development	5.5	0.0	5.5
Process Plant	131.6	0.0	131.6
On-Site Infrastructure	29.6	0.0	29.6
Tailings Storage	25.0	103.3	128.3
Indirects	37.6	0.0	37.6
EPCM	25.3	0.0	25.3
Owner's Costs	6.4	0.0	6.4
Sustaining	0.0	15.8	15.8
Closure	0.0	50.2	50.2
Subtotal	280.6	170.3	450.8
Contingency	65.4	42.3	107.7
Total Capital Cost	346.0	212.6	558.5

Data for these estimates have been obtained from numerous sources, including:

- PEA-level engineering design;
- Unit rates obtained from local Turkish mining contractors;
- Budgetary equipment quotations;
- QP experience; and
- Data from recently completed similar studies and projects.

Operating costs ("OPEX") for Halilağa are summarized in Table H(ix). The OPEX estimate is based on a variety of sources including cost service data, vendor quotes, first principle calculations, and reference projects.

Table H(ix) Operating Costs

Operating Cost	\$/t processed	LOM \$M
Mining‡	4.05	503.7
Re-Handle*	0.01	1
Processing (incl. Tails)	8.35	1,038.20
G&A	0.7	86.6
Total OPEX	13.11	1,629.40

(‡): Excludes capitalized pre-stripping costs

(°): Based on \$1.85/t mined (assuming average LOM 1.3 strip ratio)

(*): Re-handle cost amounts to \$1/t re-handled. Total material re-handled amounts to 1M tonnes.

Economic Analysis and Results

An engineering economic model was developed to estimate annual cash flows and project sensitivities. Pre-tax estimates of project values were prepared for comparative purposes, while after-tax estimates were developed to approximate the true investment value. It must be noted that the tax estimates involve many complex variables that can only be accurately calculated during operations and, as such, the after-tax results are approximations to represent an indicative value of the after-tax cash flows of the project.

One metal price scenario was used for the economic analysis and prices were held constant throughout the mine life, demonstrated in Table H(x). Metal prices were based on LME closing spot prices during December 2014.

Table H(x): Metal Price Assumptions

Metal	Unit	Value
Copper Price	\$/lb	2.90
Gold Price	\$/oz	1,200

Economic assumptions used in the economic analysis include the following:

- Discount Rate of 7% (sensitivities using other discount rates have been calculated – Refer to Section 21.6, Table 21.4 and Figure 21.7);
- Closure cost of \$63.7M (which includes a 25% contingency) was considered;
- Revenues, costs and taxes are calculated for each period in which they occur rather than actual outgoing/incoming payment;
- Working capital was calculated as three months of operating costs in (mining, processing, tailings storage, environment, and G&A) in Year 1 (assumed to be required in Year -1). The working capital is recuperated during the last year of production (Year 14). Total working capital considered in Year -1 amounts to \$29M;

- Depreciation for CAPEX has been considered based on Turkish regulations and asset class;
- Results are presented on a 100% equity basis; and
- No management fees or financing costs have been considered.

These assumptions are typical and appropriate for a PEA-level study.

The economic analysis excludes all pre-development and sunk costs up to the start of detailed engineering (i.e. exploration and resource definition costs, engineering fieldwork and studies costs, environmental baseline studies costs, etc.).

Using the pit design developed for the Revised Halilağa PEA LOM plan, and a discount rate of 7%, Halilağa shows an after-tax NPV_{7%} of \$473.8M and an IRR of 43.1%. Table H(xi) presents a summary of the key economic results.

Table H(xi): Key Economic Results

Summary of Results	Unit	Value
Cu Payable	LOM M lbs	779.4
Au Payable	LOM k oz	924.2
Operating Costs	\$/t processed	13.11
Total Capital Costs Incl. Contingency	\$M	558.5
Discount Rate	%	7.0
Pre-Tax NPV	\$M	510.9
Pre-Tax IRR	%	45.8
Pre-Tax Payback	Years	1.2
After-Tax NPV	\$M	473.8
After-Tax IRR	%	43.1
After-Tax Payback	Years	1.3
Cu Cash Cost‡	\$/Cu lb	2.50
Cu Cash Cost (Net of By-Products)*	\$/Cu lb	1.08
Cu Cash Cost (incl. Sustaining Capital)**	\$/Cu lb	2.78
Cu Cash Cost (Incl. Sustaining Capital) Net of By-Products ⁰	\$/Cu lb	1.35

‡ Cash Cost = (Treatment Charge + Refining Charges + Royalties + Operating Costs) / Payable Cu lbs

* Cash Cost (Net of By Products) = ((Treatment Charge + Refining Charges + Royalties + Operating Costs) - (Payable Au * Au Price)) / Payable Cu lbs

** Cash Cost (incl. Sustaining Capital) = (Treatment Charge + Refining Charges + Royalties + Operating Costs + Sustaining Capital Costs) / Payable Cu lbs

⁰ Cash Cost (incl. Sustaining Capital) Net of By-Products = ((Treatment Charge + Refining Charges + Royalties + Operating Costs + Sustaining Capital) - (Payable Au * Au Price)) / Payable Cu lbs

The reader is cautioned that the Revised Halilağa PEA is preliminary in nature and includes the use of 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, as such, there is no certainty that the illustrative economics will be realized. The the Revised Halilağa PEA uses 31% inferred mineralized material.

Exploration and Development

Industry standard mining, processing, construction methods and economic evaluation practices were used to assess Halilaža. There was adequate geological and other pertinent data available to generate a PEA.

Based on current knowledge and assumptions, the results of this study show that Halilaža has positive economics (within the very preliminary parameters of a PEA) and could be advanced to the next level of study by conducting the work indicated in the recommendations section of the Revised Halilaža PEA. While a significant amount of information is still required for a complete assessment of Halilaža, at this point, there do not appear to be any fatal flaws.

The study has achieved its original objective of providing a preliminary review of the potential economic viability of Halilaža.

Risks and Opportunities

As with almost all mining ventures, there are a large number of risks and opportunities that can affect the outcome of Halilaža. Most of these risks and opportunities are based on uncertainty, such as lack of scientific information (test results, drill results, etc.) or the lack of control over external factors (metal price, exchange rates, etc.).

As with almost all mining ventures, there are a large number of risks and opportunities that can affect the outcome of the project. Most of these risks and opportunities are based on uncertainty, such as lack of scientific information (test results, drill results, etc.) or the lack of control over external factors (metal price, exchange rates, etc.).

Subsequent higher-level engineering studies would be required to further refine these risks and opportunities, identify new risks and opportunities, and define strategies for risk mitigation or opportunity implementation.

The main preliminary risks identified for the Halilaža Project are, summarized as follows:

- Permit acquisitions;
- Stakeholder support;
- Reduced metal prices;
- Geological interpretation and mineral resource classification (31% of the mineral resources used in the mine plan are classified as Inferred) and there is no guarantee these resources can be upgraded to Indicated or Measured;
- Increased OPEX and/or CAPEX;
- Geotechnical and hydrogeological considerations;
- Metal recovery and mineral processing assumptions, including deleterious elements; and
- Water supply and the right to use it.

The following opportunities may improve the project economics:

- Exploration potential from under-explored near-by anomalous zones;
- Further optimization of the mine plan and production schedule;
- Regional exploration and the potential to increase mineral resources;
- Processing of the oxide material (currently treated as waste);
- Further metallurgical optimization;
- Improved metal prices;
- Additional tax and investment incentives potentially available to the project;
- Possible synergies and economies of scale related to the proximity of other properties such as TV Tower; and
- Reduction in CAPEX and/or OPEX from value engineering.

Recommendations

It is recommended that the project be advanced to the next level of study, a PFS. Prior to undertaking the PFS, the potentially mineable resource will have to be drilled more extensively in an attempt to convert Inferred resources to Indicated resources although there can be no assurances that this will be successful. After drilling, sampling and assaying, a new resource model will be required. A high-level estimate of the resource drilling and re-estimation cost is provided in Table xii below:

Table H(xii): Cost Estimate for New Mineral Resource Estimate to Support a PFS

Item and Description	New Mineral Resource Estimate Cost (M\$)
Resource Definition Drilling (8,000 m x \$160/m)	1.28
Assaying (\$40/m average)	0.32
Camp Operations, Trucks, Fuel, Supplies	2.30
Resource Estimation	0.16
Salaries and staff costs	3.20
Condemnation Drilling under Surface Facilities (2,000 m x \$160)	0.32
Mineral Resource Estimate	7.58

Recent Developments and Other Information¹⁹

The Corporation has reviewed identified risks and opportunities to identify the most impactful additional studies and analyses required to: (i) enhance available scientific information (drill results, higher-level engineering studies, etc.); (ii) further mitigate risks; (iii) augment opportunities; and (iv) define strategies to advance the asset. The Corporation expects to continue discussions with Teck on strategic next steps for the project.

New Mining Law

On February 17, 2015, revisions to the Turkish Mining Law was signed into law, the most significant impacts of which are (i) updates to the royalty regime; (ii) enhanced requirements around safety; (iii) clarity on the requirements for environmental protection, and (iv) clarity on the process by which licenses, permits and approvals are granted to companies during the exploration, development, construction and production stages of a mining operation, and a reduction in fees required for forestry permits. A licence auction process for abandoned or relinquished licences will also be implemented, and a provision allowing contiguous licences to be combined has also been introduced.

The revised royalty framework illustrates an escalating rate shown in the following table:

Cu (\$/t)	Royalty (%)	Au (\$/oz)	Royalty (%)
< 5,000	2	<800	2
5,001-7,500	4	801-1,250	4
7,501-8,000	6	1,251-1,500	6
8,001-8,500	8	1501-1,750	8
8,500-9,000	10	1,751-2,000	10
9,001-9,500	14	2,001-2,250	14
> 9,501	16	>2,251	16

The royalties illustrated in the table above could be reduced by 50% if the ore is processed (or gold is produced) at an owner-operated processing plant in Turkey.

As of the date of this AIF, the procedural legislation and guidance for implementation of this new law was in development.

¹⁹ Discussion detailed under heading “*Mineral Properties – Halilağa, Turkey: Recent Developments*” in this AIF supplements and updates the disclosure summarizing the Halilağa PEA.

Licenses, tenure and permits

In order to comply with license requirements for minimal annual production, Truva Bakır extracted 2,000 tonnes of clay and silica (quartz) in a bulk sample operation on the property in October 2014 (license: 3290089). The value of the inventoried silica is estimated to be \$0.03 million and has been stockpiled for possible sale at an unspecified date. The bulk sample did not occur on the area of the tenure for which there is an EIA challenge, nor was it on the Kestane resource area.

Truva Bakır holds several valid permits from the General Directorate-Forestry allowing further infill and exploration drilling on the property. Forestry permissions fees are paid each year.

SHAREHOLDER INFORMATION

Dividends and Distributions

There are no restrictions that prevent the Corporation from paying dividends or distributions. However, the Corporation has not paid any dividends or distributions on its Common Shares since incorporation and there are no plans to pay dividends at this time. At present, all available funds are invested to finance the growth of the Corporation and the exploration and development of its mineral properties. Any decision to pay dividends on its Common Shares in the future will be made by the Board from time to time, in its discretion, on the basis of many factors, including Pilot Gold's earnings, operating results, financial condition and anticipated cash needs and other conditions existing at such time.

Description of Capital Structure

The Corporation is authorized to issue an unlimited number of Common Shares. There are 107,284,277 Common Shares issued and outstanding as of March 24, 2015. Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares are entitled to receive on a pro rata basis such dividends on such Common Shares, if any, as and when declared by the Board at its discretion from funds legally available therefor, and, upon the liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any preemptive, subscription, redemption, retraction, surrender or conversion or exchange rights, nor do they contain any sinking or purchase fund provisions.

Consolidated Capitalization

The following represents the Corporation's capital structure:

i) Common Shares

Designation of security	Number of Common Shares Authorized	Outstanding on December 31, 2014	Outstanding on March 24, 2015
Common Shares	Unlimited	107,235,497	107,284,277

ii) Teck Warrants

The Corporation issued 3,000,000 Teck Warrants (non-trading securities) to TMST pursuant to the TV Tower Agreement. Each Teck Warrant is exercisable for a period of three years from June 29, 2012, the date of issue, for one Common Share at an exercise price of C\$3.00.

iii) Cadillac Warrants

The Corporation issued 4,218,164 Cadillac Warrants (non-trading securities) to the former shareholders of Cadillac pursuant to the Cadillac Arrangement. Each Cadillac Warrant is exercisable for a period of two years from August 29, 2014, the date of issue, for one Common Share at an exercise price of C\$2.00.

Holders of the Teck Warrants and Cadillac Warrants do not, as such, have any voting right or other right attaching to the Common Shares until the particular warrants are properly exercised and Common Shares issuable upon exercise of the Teck Warrants or Cadillac Warrants are issued.

Principal Shareholders of Pilot Gold

To the knowledge of Pilot Gold's directors and officers, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares other than²⁰:

<u>Name</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Newmont Holdings ULC ²¹	13,759,170	12.82%

Market for Securities

As of the date of this AIF, the Common Shares are listed for trading on the TSX under the symbol: "PLG".

Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

There are no securities of the Corporation currently held in escrow or subject to a pooling agreement or subject to any other contractual restriction on transfer.

Trading Activity and Volume

The following tables set forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the TSX during the year ended December 31, 2014²².

Common Shares

Period	Volume	High (C\$)	Low (C\$)
January 2014	4,831,024	\$ 1.34	\$ 0.86
February 2014	8,078,005	\$ 1.64	\$ 1.01
March 2014	11,302,099	\$ 1.75	\$ 1.35
April 2014	7,835,538	\$ 1.51	\$ 1.30
May 2014	3,160,790	\$ 1.50	\$ 1.23
June 2014	6,285,304	\$ 1.63	\$ 1.22
July 2014	5,924,124	\$ 1.77	\$ 1.35
August 2014	2,911,418	\$ 1.47	\$ 1.24
September 2014	5,044,216	\$ 1.32	\$ 1.01
October 2014	4,258,524	\$ 1.09	\$ 0.71
November 2014	3,838,436	\$ 0.88	\$ 0.64
December 2014	2,522,417	\$ 0.93	\$ 0.75

Prior Sales

Non-trading securities – Options

The Corporation issued the following Options during fiscal 2014:

²⁰ Information as to holdings of Common Shares has been taken from insider reports or other disclosure documents electronically filed with regulators and publicly available through the Internet at the website for the Canadian System for Electronic Disclosure by Insiders ("**SEDI**") at www.sedi.ca or SEDAR at www.sedar.com.

²¹ Newmont Holdings ULC is a subsidiary of Newmont; shares are held directly by Newmont Holdings ULC, and were acquired pursuant to the Fronteer Arrangement, and pursuant to the Newmont Subscription.

²² Source: *TMX Datalinx*

Date of Grant	Number of Stock Options Issued	Exercise Price (C\$)	Expiry Date
24-Jan-14	2,480,000	1.15	23-Jan-19
7-Apr-14	75,000	1.44	6-Apr-19

A further 957,000 Options were issued in the period subsequent to December 31, 2014 to the date of this AIF. There are, as of the date hereof, 6,097 Options issuable to former optionholders of Cadillac pursuant to the Cadillac Arrangement.

As at March 24, 2015, there were 9,842,000 Common Shares issuable upon the exercise of outstanding Options at a weighted average exercise price of C\$2.08 per Common Share.

*Non-trading securities – Restricted Share Units ("**RSU**") and Deferred Share Units ("**DSU**")*

The Corporation issued the following 315,000 DSUs and 406,910 RSUs in the period subsequent to December 31, 2014 to the date of this AIF

Non-trading securities

There were no non-trading securities issued in 2014.

Registrar and Transfer Agent

The Corporation's transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. (Canada) ("**Computershare**"), located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia.

GOVERNANCE

Directors and Officers of the Corporation

Directors

As of March 24, 2015, the name, province or state and country of residence, position or office held with the Corporation and principal occupation for the immediately preceding five years of each of the directors and executive officers of the Corporation are as follows, with all companies listed still carrying on business as of the date hereof unless otherwise noted:

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Mark O'Dea ⁽²⁾⁽³⁾ British Columbia, Canada	<i>Chairman and Director</i> President and Director, Oxygen (February 2012 to present) Executive Chair and Interim CEO, True Gold Mining Inc. (" True Gold ") ⁽¹⁾⁽⁷⁾ (December 2012 to present) Chairman and CEO, Blue Gold Mining Inc. (" Blue Gold ") ⁽⁷⁾⁽¹²⁾ (September 2011 to December 2012) President and Chief Executive Officer, Fronteer ⁽⁷⁾⁽⁸⁾ (2001 to April 2011) Director, Pure Gold Mining Inc. (" Pure Gold ") (formerly, Laurentian Goldfields Ltd. ⁽¹⁾⁽⁷⁾ (February 2010 to present) President and Chief Executive Officer, Aurora Energy Resources Inc. (" Aurora ") ⁽⁹⁾ (June 2005 to April 2009)	April 2011
Matthew Lennox-King ⁽³⁾⁽⁶⁾ British Columbia, Canada	<i>President, Chief Executive Officer and Director</i> Senior Geologist, Fronteer ⁽⁷⁾⁽⁸⁾ (May 2008 to April 2011) Manager-CMB Project, Aurora ⁽⁹⁾ (April 2006 to April 2008) Project Geologist, Fronteer ⁽⁷⁾⁽⁸⁾ (January 2004 to March 2006)	November 2010
John Dorward ⁽⁴⁾ Ontario, Canada	<i>Director</i> President, CEO and Director, Roxgold Inc. (" Roxgold ") ⁽⁷⁾ (September 2012 to present) Vice-President, Business Development, Fronteer ⁽⁷⁾⁽⁸⁾ (November 2009 to April 2011) Non-Executive Director, Navarre Minerals Limited (" Navarre ") ⁽⁷⁾ (November 2008 to present) Chief Financial Officer, Mineral Deposits Limited (" MDL ") ⁽¹⁰⁾ (November 2006 to June 2009)	April 2011
Donald McInnes ⁽²⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	<i>Director</i> Director, True Gold ⁽¹⁾⁽⁷⁾ (December 2012 to present) Vice Chair, Alterra Power Corp. (" Alterra ") ⁽¹¹⁾ (March 2011 to present) Director, Oxygen (February 2012 to present) President and CEO, True North Nickel Inc. ⁽¹⁾⁽⁷⁾ (February 2012 to June 2014) Vice Chair, Blue Gold ⁽⁷⁾⁽¹²⁾ (September 2011 to December 2012) Director, Fronteer ⁽⁷⁾⁽⁸⁾ (2001 to April 2011) Vice Chair and Chief Executive Officer, and former President, Plutonic Power Corporation (" Plutonic ") ⁽¹²⁾ (June 1999 to March 2011) Director, Royal Nickel Corporation (" RNC ") ⁽⁷⁾ (June 2014 to present)	April 2011

Name, Province/State of Residence	Office held with Corporation and Principal Occupation for Five Preceding Years	Director Since
Robert Pease ⁽³⁾⁽⁵⁾ British Columbia, Canada	<p><i>Director</i></p> <p>Director, Pure Gold (January 2014 to present) ⁽¹⁾⁽⁷⁾</p> <p>President and CEO of Sabina Gold & Silver Corp.⁽⁷⁾ (October 2012 to February 2015)</p> <p>Chair of Crazy Horse Resources Incorporated⁽⁷⁾ (July 2011 to November 2011)</p> <p>Director and Advisor of Richfield Ventures Corp. ⁽⁷⁾⁽¹³⁾ (September 2010 to June 2011)</p> <p>Director, President and Chief Executive Officer of Terrane Metals Corp.⁽⁷⁾⁽¹⁴⁾ (April 2006 to October 2010)</p>	April 2011
Sean Tetzlaff ⁽²⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada	<p><i>Director</i></p> <p>Director and Vice-President, Oxygen (February 2012 to present)</p> <p>Chief Financial Officer, Pure Gold (June 2014 to present) ⁽¹⁾⁽⁷⁾</p> <p>Chief Financial Officer and Corporate Secretary, Blue Gold⁽⁷⁾⁽¹²⁾ (December 2011 to December 2012)</p> <p>Chief Financial Officer, VP Finance and Corporate Secretary, Fronteer⁽⁷⁾⁽⁸⁾ (January 2005 to April 2011)</p> <p>Chief Financial Officer, VP Finance, and Corporate Secretary, Aurora⁽⁹⁾ (March 2006 to February 2008)</p>	February 2011
Vance Spalding ⁽¹⁹⁾ Nevada, United States	<p><i>Vice-President, Exploration</i> <i>(August 2012 to present)</i></p> <p>Exploration Manager, Pilot Gold (April 2011 to August 2012)</p> <p>Exploration Manager, Fronteer⁽⁷⁾⁽⁸⁾ (March 2009 to April 2011)</p> <p>Project Manager, Centerra Gold Inc.⁽¹⁸⁾ (1997 to March 2009)</p>	N/A
Alexander Holmes British Columbia, Canada	<p><i>Vice-President, Business Development (December 2011 to present)</i></p> <p>Vice-President, Business Development, True Gold⁽¹⁾⁽⁷⁾ (December 2012 to present)</p> <p>Director, Oxygen (February 19, 2014 to present)</p> <p>Vice-President, Business Development, Blue Gold⁽⁷⁾⁽¹²⁾ (December 2011 to December 2012)</p> <p>VP, Investment Banking, NCP Northland Capital Partners Inc.⁽¹⁵⁾ (2010 to 2011)</p> <p>Vice President of PI Financial Corp.⁽¹⁵⁾ (2003-2010)</p>	N/A
Ken Engquist Colorado, United States	<p><i>Vice-President, Project Development & Engineering</i> <i>(January 2014 to present)</i></p> <p>Manager, Projects (Cripple Creek; Victor Gold), AngloGold Ashanti Limited⁽²⁰⁾ (August 2012 to 2013)</p> <p>Engineering Manager (Underground), Oyu Tolgoi Project, Rio Tinto PLC (2005 to July 2012)</p>	N/A
Patrick Reid British Columbia, Canada	<p><i>Vice-President, Corporate Affairs (April 2011 to present)</i></p> <p>Senior Director, Institutional Marketing of Fronteer⁽⁷⁾⁽⁸⁾ (2010 to 2011)</p> <p>Senior Vice President and Partner of AGF Investments Inc.⁽¹⁶⁾ (2004 to 2010)</p>	N/A
John Wenger British Columbia, Canada	<p><i>Chief Financial Officer and Corporate Secretary (April 2011 to present)</i></p> <p>Audit and Assurance staff/manager, Ernst & Young LLP⁽¹⁷⁾ (2003 to February 2011)</p>	N/A

Notes:

- (1) Receives management and technical services from Oxygen. Each of Messrs. Holmes, Lincoln, and Reid provide services to the Corporation pursuant to an administrative services agreement with Oxygen. Offices

shared amongst True Gold, Pilot Gold, and Pure Gold pursuant to agreements with Oxygen. Oxygen provides services on a cost recovery basis. None of the directors of Oxygen receive remuneration by virtue of their ownership of Oxygen.

- (2) Member of the Compensation Committee.
- (3) Member of the Health, Safety and Sustainability Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Corporate Governance and Nominating Committee.
- (6) Mr. Lennox-King is also a director of Pilot Holdings Inc. ("PHI"), and PII, each a wholly owned subsidiary of the Corporation, and of Truva Bakır and Orta Truva, each indirectly owned 40% by the Corporation.
- (7) A mineral property exploration and development company.
- (8) Acquired by Newmont; subsequently dissolved on May 3, 2011.
- (9) A uranium exploration and development company; acquired by Newmont in April 2011 and subsequently renamed.
- (10) An Australian heavy mineral sands mining and exporting company.
- (11) A global renewable energy company; acquired by Alterra. Mr. McInnes is currently Vice-Chairman of Alterra.
- (12) Acquired by True Gold in December 2012.
- (13) Acquired by New Gold Inc.
- (14) Acquired by Thompson Creek Metals Company.
- (15) A securities and investment company.
- (16) A global investment management services firm.
- (17) A global accounting, assurance and advisory firm.
- (18) A gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets.
- (19) Mr. Spalding is also a director of Pilot USA, a wholly owned subsidiary of the Corporation.
- (20) AngloGold Ashanti Limited and Rio Tinto PLC are multinational mining and metals marketing companies.

The term of office of each of the Corporation's directors expires at the Corporation's next annual general meeting at which directors are elected for the upcoming year or when his successor is duly elected, or earlier in accordance with the by-laws of the Corporation. The next scheduled annual meeting of the shareholders of the Corporation will be held on May 14, 2015.

Aggregate Ownership of Securities

As at December 31, 2014, the directors and executive officers of the Corporation, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 3,002,879 Common Shares representing approximately 2.80% of the issued and outstanding Common Shares as of such date. On a fully-diluted basis, assuming the exercise of all Options, RSUs, DSUs, Cadillac Warrants and Teck Warrants, the directors and executive officers of the Corporation, as a group beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 9,906,842 Common Shares representing approximately 9.24% of the issued and outstanding Common Shares as of such date.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Pilot Gold is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief financial officer or chief executive officer of any company (including the Corporation) that:

- a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (any such order, an "Order") that was issued while that person was acting in that capacity; or
- b) was subject to an Order that was issued after that person ceased to act in such capacity and which Order resulted from an event that occurred while that person was acting in that capacity; and

No director or executive officer of the Corporation, or shareholder holding a sufficient number of Common Shares to materially affect the control of the Corporation:

- (a) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets; and

No director or executive officer of the Corporation holding a sufficient number of securities of the Corporation to affect, materially, the control of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The information contained in this AIF as to ownership of securities of the Corporation, corporate cease trade orders, bankruptcies, penalties or sanctions, and existing or potential conflicts of interest, not being within the knowledge of the Corporation, has been provided by each director and executive officer of the Corporation individually.

Legal Proceedings and Regulatory Actions

Except as otherwise disclosed in this AIF, the Corporation is not currently, and has not at any time during its most recently completed financial year, been a party to, nor has any of its property been the subject of, any material legal proceedings or regulatory actions. The Corporation is not aware of any such proceedings or actions threatened or known to be contemplated.

Conflicts of Interest

Except as disclosed herein, to the knowledge of management of the Corporation, there are no existing or potential material conflicts of interest between the Corporation or any of its subsidiaries and any director or officer of the Corporation. Directors and officers of the Corporation may serve as directors and/or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Corporation or any of its subsidiaries may participate, the directors of the Corporation may have a conflict of interest in negotiating and conducting terms in respect of such participation. If such conflict of interest arises at a meeting of the Board, a director who has such a conflict is required to disclose such conflict and abstain from voting for or against the approval of such participation or such terms.

Interests of Experts

The Corporation relies on experts to audit its annual consolidated financial statements, and to prepare mineral resource estimates on certain of the Corporation's mineral properties, and related technical reports.

PricewaterhouseCoopers LLP, Chartered Accountants ("**PwC**"), are the Corporation's auditors and have prepared an opinion with respect to the Corporation's consolidated financial statements as at and for the year ended December 31, 2014. PwC report that they are independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

Each of the following authors of the respective Technical Reports referenced in this AIF is a Qualified Person:

Technical Report	Qualified Person
Updated TV Tower Report	Casey M. Hetman, M.Sc., P.Geo., SRK Consulting (Canada) Inc. James Gray, P.Geo., Advantage Geoservices Ltd. Gary Simmons, MMSA, GL Simmons Consulting LLC
Updated Kinsley Technical Report	Michael Gustin, CPG, Moirra Smith, Ph.D., P.Geo. Gary Simmons, MMSA, GL Simmons Consulting LLC
Revised Halilağa PEA	Gordon Doerksen, P.Eng., JDS Energy & Mining Inc. Stacy Freudigmann, P.Eng., JDS Energy & Mining Inc. Dino Pilotto, P.Eng., JDS Energy & Mining Inc. Maritz Rykaart, P.Eng., SRK Consulting (Canada) Inc. Greg Abrahams, P.Geo., SRK Consulting (Canada) Inc. Gary Simmons, MMSA, GL Simmons Consulting LLC Garth Kirkham, P.Geo., Kirkham Geosystems Ltd. James Gray, P.Geo., Advantage Geoservices Ltd.

In the case of the following news releases issued by the Corporation (available under the Corporation's profile on SEDAR at www.sedar.com), from which certain Technical Information contained in this AIF has been derived, Moirra Smith, Ph.D., P.Geo., an employee of the Corporation is a Qualified Person:

- June 11, 2014
- June 19, 2014
- July 22, 2014
- September 4, 2014
- October 22, 2014
- February 6, 2015
- March 10, 2015
- March 20, 2015
- March 23, 2015

Other than as described below, based on information provided by the experts as at March 24, 2015, the experts named above did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or one of its associates or affiliates, when the experts prepared their respective reports, and no securities or other property of the Corporation or one of its associates or affiliates were subsequently received or are to be received by such experts.

Dr. Smith is not independent of Pilot Gold by virtue of her employment with the Corporation. Dr. Smith is Chief Geologist of Pilot Gold and holds Common Shares, Options and RSUs. As of the date hereof, and as of the date of the press releases for which she was the Corporation's Qualified Person, the Common Shares and Options held by Dr. Smith, represent less than 1% of the issued and outstanding Common Shares.

Interests of Management and Others in Material Transactions

Other than as disclosed elsewhere in this AIF, no director, executive officer, or shareholder beneficially owning or exercising control or direction over, directly or indirectly, more than 10% of the Common Shares, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction during the current fiscal year or within the three most recently completed financial years or in any proposed transaction which, in either such case, has materially affected or is reasonably expected to materially affect the Corporation.

Material Contracts

The only material contracts entered into by the Corporation, other than in the ordinary course of business, since the date of incorporation until the date of this AIF or before the most recently completed financial year of the Corporation but which are still in effect, are as follows:

1. Arrangement Agreement dated February 3, 2011, pursuant to which Newmont acquired all of the outstanding common shares of Fronteer by way of a plan of arrangement.
2. An agreement dated October 19, 2004 between Fronteer and TMST pursuant to which Fronteer, was granted an option to acquire a 100% interest in a group of properties known as the Biga Properties (which includes Halilağa and TV Tower) and TMST was granted certain back-in rights. Under the terms of the related agreement, TMST and Fronteer earned a 60% and 40% interest, respectively, in Halilağa and four other designated properties. Fronteer's rights in the agreement were acquired by the Corporation in connection with the acquisition of the shares of PII (formerly, FII), as described in this AIF.
3. The FII Share Purchase Agreement, dated April 4, 2011, pursuant to which Fronteer Holdings Inc. ("**FHI**"), a wholly-owned subsidiary of Fronteer, sold to PHI, all of the issued and outstanding shares of PII. As a result of such purchase, PHI indirectly acquired all of PII's 40% interest in the Turkish Properties and a 100% interest in three other prospective properties in Turkey.
4. An agreement dated April 4, 2011 between Fronteer and Pilot Gold pursuant to which Fronteer transferred to Pilot Gold the following: (i) 2,000,000 common shares and 1,000,000 share purchase warrants of Rae-Wallace Mining Company ("**RWMC**") and an option agreement with RWMC pursuant to which Pilot Gold acquired a right to earn a 51% interest in up to two properties that RWMC owns or may acquire within a 25,300 km² AOI; (ii) C\$9,584,714; (iii) additional cash required by Pilot Gold to fund the purchase from Fronteer of certain properties, located in the Eureka, Nye and Lincoln counties of Nevada and Iron County, Utah, the relevant technical information, reports, data and studies associated with the Viper project and the PII shares described herein; and (iv) additional assets of Fronteer, including an office lease in Vancouver, British Columbia, office equipment and furniture, and the fixed assets and technical information, reports, data and studies related to those exploration properties transferred to Pilot Gold in accordance with the Arrangement Agreement. In addition, Fronteer assigned to Pilot Gold the contracts entered into with respect to those assets acquired from Fronteer. In consideration for the foregoing, Pilot Gold issued Common Shares to Fronteer that resulted in Newmont holding an indirect 19.9% interest in Pilot Gold following the completion of the Fronteer Arrangement, and assumed certain liabilities relating to the assets acquired by Pilot Gold.
5. An agreement dated June 20, 2012 between Pilot Gold, PII, Agola, TMST and Orta Truva whereby the Corporation can increase its ownership interest in Orta Truva from 40% to 60%; the Corporation is empowered to make the majority of operational and financial decisions relating to TV Tower, and the terms of the joint venture relationship between the Corporation and TMST, are prescribed, superseding the memoranda of understanding Biga Agreements as related to Orta Truva and TV Tower.

6. The Warrant Indenture, dated August 29, 2014, between the Corporation and Computershare Providing for the Issue of Cadillac Warrants, and Computershare as warrant agent to hold the rights, interests and benefits contained herein for and on behalf of those persons who from time to time become the holders of Cadillac Warrants issued pursuant to the Warrant Indenture.

Copies of each of the material contracts described above have been filed with the applicable Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com.

Board Committees

The Board has four standing committees: (i) Audit; (ii) Compensation; (iii) Corporate Governance and Nominating; and (iv) Health, Safety and Sustainability. A Disclosure Committee has also been formed as a sub-committee of the Corporate Governance and Nominating Committee. Details as to the composition and mandate of the audit committee of the Board (the "**Audit Committee**"), are described in this AIF under the heading "Information Concerning the Audit Committee and External Auditor"; detail related to the mandates and composition of the Compensation Committee, Corporate Governance and Nominating Committee, and the Health, Safety and Sustainability Committee are described in the Corporation's Management Information Circular prepared in respect of the Annual General Meeting of the Shareholders of the Corporation to be held on May 12, 2014, and which will be filed on SEDAR at www.sedar.com.

Information Concerning the Audit Committee and External Auditor

Audit Committee Charter

The Corporation's Audit Committee has a written charter to follow in carrying out its audit and financial review functions (the "**Audit Committee Charter**"), a copy of which is attached to this AIF as Schedule "A". The Audit Committee reviews all financial statements of the Corporation prior to their publication, reviews audits, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The Audit Committee meets separately (without management present) with the Corporation's auditors to discuss the various aspects of the Corporation's financial statements and the independent audit.

The Corporation has also adopted a code of ethics (the "**Code of Ethics**") that applies to all personnel of the Corporation. A copy of the Code of Ethics is attached as Schedule "B" to this AIF. Employees of the Corporation are encouraged to report suspected violations of the Code of Ethics to the 'Complaints Officer'. The Complaints Officer is the Chair of the Audit Committee.

Audit Committee Oversight

At no time during the fiscal year ended December 31, 2014 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedure

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter attached as Schedule "A" hereto.

Composition of the Audit Committee

The Audit Committee was constituted on April 3, 2011 by resolution of the Board. The members of the Audit Committee are Sean Tetzlaff (Chair), Donald McInnes and John Dorward, each of whom is "independent" and "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees*.

Relevant Education And Experience

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Sean Tetzlaff

Mr. Tetzlaff is currently Chief Financial Officer of Pure Gold and an owner and director of Oxygen. From December 2011 to December 2012 Mr. Tetzlaff was the Chief Financial Officer and Corporate Secretary of Blue Gold. From 2005 to April 2011 he served as Chief Financial Officer, Vice-President Finance and Corporate Secretary of Fronteer. In these capacities he had oversight of financial, legal and contractual matters for each company's respective operations and various international subsidiaries, and was responsible for the successful execution of numerous equity investments, asset divestitures and M&A transactions. Mr. Tetzlaff also served as Chief Financial Officer of Aurora from 2006 to 2008, helping that company grow from initial public offering through to the advancement of one of the world's largest undeveloped uranium deposits. Mr. Tetzlaff previously served as Senior Manager (2002 to 2004) and Manager (1999-2001) with the tax group at KPMG LLP, and was Chief Financial Officer of Valerie Gold Resources Ltd. and Emgold Mining Corporation from 1996-1999. Mr. Tetzlaff earned a B.Comm from the University of British Columbia in 1991 and earned his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia in 1994.

John Dorward

Mr. Dorward has a background in finance, corporate transactions and investment banking having been Chief Financial Officer and bank lender to several mining companies. He is currently President and CEO of Roxgold (September 2012 to present), and sits as a non-executive director with Navarre (November 2008 to present), an exploration company listed on the Australian Securities Exchange (the "ASX"). Mr. Dorward was previously employed by Fronteer as Vice President, Business Development (2009 to April 2011) and was instrumental in the acquisition of AuEx Ventures Inc. by Fronteer, the sale of Fronteer's uranium assets to Paladin Energy Ltd., and ultimately the negotiation of Fronteer's acquisition by Newmont. Prior to his employment with Fronteer, Mr. Dorward was Chief Financial Officer of MDL (November 2006 to June 2009), and Chief Financial Officer and Company Secretary of Leviathan Resources Limited, a gold mining company listed on the ASX (October 2004 to November 2006). Mr. Dorward holds a B.Comm (Hons) from Melbourne University, and a Graduate Diploma in Applied Finance and Investment.

Donald McInnes

Mr. McInnes holds a B.A. from Dalhousie University and has over 30 years' experience in the mineral exploration industry; in that time has contributed to raising more than \$1 billion in debt and equity financing. Since 1993, Mr. McInnes has been a founder, president and director of a number of publicly-traded mineral exploration companies and has sat on numerous audit committees. He is currently Vice Chair of Alterra (March 2011 to Present), a Director and audit committee member of True Gold (December 2012 to present), and a Director of RNC. Mr. McInnes was previously Vice Chair of Blue Gold (September 2011 to December 2012), a director and audit committee member of Fronteer (2001 to April 2011) and was the founder of Kutcho Copper Corp. (formerly Western Keltic Mines Inc.), holding the position of President from 1993 to 2006, and Vice Chair and CEO of Plutonic from June 1999 to March 2011, a renewable power development company he founded with a portfolio of clean-energy projects, which merged with Alterra. Mr. McInnes is also a director, and past Chair of the board of directors of Prostate Cancer Canada and was a Governor of the Business Council of British Columbia, a non-partisan organization advising political leaders on issues to enhance British Columbia's competitiveness and prosperity. Mr. McInnes has also been a director of the Clean Energy Association of British Columbia, the Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada.

Auditor

PwC has been the Corporation's external auditor since February 25, 2011. PwC conducts the annual audit of Pilot Gold's consolidated financial statements and on occasion, provides audit-related, tax and other services. PwC reports to the Audit Committee.

External Auditor Service Fees

The following table shows the fees paid, net of 5% administrative surcharge, by the Corporation to PwC for services in the years ended December 31, 2014 and 2013:

	Years ended December 31		
	2014	2013	
Audit fees	C\$100,000	C\$75,000	Total fees for audit services
Audit related fees	C\$94,000	C\$45,000	Fees for consulting on accounting matters, due diligence and technical guidance, review procedures on the Corporation's interim financial statements; and services in connection with the 2012 Offering
Total	C\$194,000	C\$120,000	

Audit fees paid increased \$25,000 from 2013 to 2014, reflecting the timing of invoices and payments whereby a portion of the fee related to the 2013 audit was paid in 2014. The base annual audit fee charged by PwC to the Corporation was unchanged over that paid relating to the 2013 audit.

In 2014, audit-related fees primarily related to the 2014 Offering (\$40,000), the acquisition of Cadillac (\$9,000), and fees paid entirely for interim reviews and related procedures of the Corporation's quarterly financial statements (\$45,000). In 2013, audit-related fees primarily related to fees paid entirely for interim reviews and related procedures of the Corporation's quarterly financial statements (\$45,000).

Tax Fees:

There were no tax fees paid by the Corporation to PwC in either of the last two fiscal years.

All Other Fees:

There were no other fees paid.

ADDITIONAL INFORMATION

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's Information Circular prepared in respect of the most recent Annual General Meeting of the Shareholders of the Corporation. Additional financial information is also provided in Audited Financial Statements and the related MD&A.

A copy of such documents, and of this AIF, as well as additional information relating to the Corporation, is available on SEDAR under the Corporation's profile at www.sedar.com. Copies may also be obtained upon request from the Corporate Secretary of the Corporation. The Corporation may require payment of a reasonable charge if the request is made by a person who is not a holder of securities of the Corporation. Information on the Corporation's website is not part of this AIF, or incorporated by reference.

Additional information relating to the Corporation may be found on SEDAR under the Corporation's profile at www.sedar.com.

SCHEDULE A – AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors of Pilot Gold Inc.

1. ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is appointed by and reports to the board of directors (the "**Board**") of Pilot Gold Inc. (the "**Corporation**"). The Committee assists the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation.

The Committee and its membership shall to the best of its ability, knowledge and acting reasonably, meet all applicable legal, regulatory and listing requirements, including, without limitation, those of any stock exchange on which the Corporation's shares are listed, the *Canada Business Corporations Act* (the "**Act**"), and all applicable securities regulatory authorities.

2. COMPOSITION

- The Committee shall be composed of three or more directors as shall be designated by the Board from time to time.
- Each member of the Committee shall be "independent" and financially literate (as such terms are defined under applicable securities laws and exchange requirements for audit committee purposes).
- Each member of the Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.
- Members of the Committee shall be appointed at a meeting of the Board, typically held immediately after the annual shareholders' meeting. Each member shall serve until his/her successor is appointed unless he/she shall resign or be removed by the Board or he/she shall otherwise cease to be a director of the Corporation. Any member may be removed or replaced at any time by the Board.
- Where a vacancy occurs at any time in the membership of the Committee, it may be filled by a vote of a majority of the Board.
- The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be an independent director (as described above).
- If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside.
- The Chair of the Committee presiding at any meeting shall not have a casting vote.
- The Committee shall appoint a secretary (the "**Secretary**") who need not be a member of the Committee or a director of the Corporation. The Secretary shall keep minutes of the meetings of the Committee. This role is normally filled by the Secretary of the Corporation.
- No Committee member shall simultaneously serve on the audit committee of more than two other public companies with active business operations or significant assets.

3. MEETINGS

- The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, provided that meetings of the Committee shall be convened whenever requested by the external auditors (the “Independent Auditors”) or any member of the Committee in accordance with the Act.
- The Chair of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by e-mail to each member of the Committee at least 48 hours prior to the time fixed for such meeting.
- A member may in any manner waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.
- Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- A majority of Committee members, present in person, by video-conference, by telephone or by a combination thereof, shall constitute a quorum.
- If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made at a meeting duly called and held.
- The CEO and CFO are expected to be available to attend meetings, but a portion of every meeting will be reserved for in camera discussion without the CEO or CFO, or any other member of management, being present.
- The Committee may by specific invitation have other resource persons in attendance such officers, directors and employees of the Corporation and its subsidiaries, and other persons, including the Independent Auditors, as it may see fit, from time to time, to attend at meetings of the Committee.
- The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

- The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.
- Minutes of Committee meetings shall be sent to all Committee members.
- The Chair of the Committee shall report periodically the Committee's findings and recommendations to the Board.

4. RESOURCES AND AUTHORITY

- The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information with respect to the Corporation and its subsidiaries as it considers being necessary or advisable in order to perform its duties and responsibilities.
- The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors and resources, as it deems advisable, at the expense of the Corporation.
- The Committee shall have the authority to communicate directly with the internal and external auditors.

5. RESPONSIBILITIES

A. Chair

To carry out its oversight responsibilities, the Chair of the Committee shall undertake the following:

- provide leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- chair meetings of the Committee, unless not present (including in camera sessions), and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- ensures that the Committee meets on a regular basis and at least four times per year;
- in consultation with the Committee members, establishes a calendar for holding meetings of the Committee;
- establish the agenda for each meeting of the Committee, with input from other Committee members, and any other parties, as applicable;
- ensures that Committee materials are available to any director on request;
- acts as liaison and maintains communication with the Chair of the Board (or Lead Director if an individual other than the Chair) and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes, at least annually and at such other times and in such manner as the Committee considers advisable, reporting to the full Board on:
 - all proceedings and deliberations of the Committee;
 - a. the role of the Committee and the effectiveness of the Committee in contributing to the objectives and responsibilities of the Board as a whole; and
 - principal operating and business risks identified by management and how each are either mitigated or managed.

- ensure that the members of the Committee understand and discharge their duties and obligations;
- foster ethical and responsible decision making by the Committee and its individual members;
- encourage Committee members to ask questions and express viewpoints during meetings;
- together with the Corporate Governance and Nominating Committee, oversee the structure, composition, membership and activities delegated to the Committee from time to time;
- ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approve work to be done for the Committee by consultants;
- facilitate effective communication between members of the Committee and management;
- encourage the Committee to meet in separate, regularly scheduled, non-management, closed sessions with the Independent Auditors;
- attend each meeting of shareholders to respond to any questions from shareholders as may be put to the Chair; and
- perform such other duties and responsibilities as may be delegated to the Chair by the Board from time to time.

B. The Committee

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or legal counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee is hereby delegated the duties and powers specified in Section 171 of the Act and, without limiting these duties and powers, the Committee will carry out the following responsibilities:

A. Financial Accounting and Reporting Process and Internal Controls

- review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable Canadian accounting standards and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements prior to their being filed with the appropriate regulatory authorities. The Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements and in the interim financial statements is not significantly erroneous, misleading or incomplete and that the audit and review functions have been effectively carried out.
- review management's internal control report. In consultation with the Independent Auditors, the Committee shall assess the integrity of internal controls and financial reporting procedures and ensure implementation of such controls and procedures.

- review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.
- meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
- review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- oversee the Corporation's plans to adopt changes to accounting standards and related disclosure obligations.
- in consultation with the Corporate Governance and Nominating Committee, ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting and overseeing a corporate code of ethics for senior financial personnel.
- establish procedures for the receipt, retention and treatment of:
 - complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting, internal accounting controls or auditing matters.
- provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

- recommend to the Board for approval by shareholders, the selection, appointment and compensation of the Independent Auditors;
- be directly responsible for oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
- ensure the lead audit partner and the other audit partners (if any) at the Independent Auditor is replaced in compliance with applicable laws.
- be directly responsible for overseeing the work of the Independent Auditors, including the resolution of disagreements between management and the Independent Auditors regarding financial reporting.
- with reference to the procedures outlined separately in "Procedures for Approval of Non-Audit Services" (attached hereto as Appendix 'A'), pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors.

- monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.
- review the Independent Auditor's audit plan, including scope, procedures, timing and staffing of the audit.
- review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit, and receive and review the auditor's interim review reports.
- obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within applicable Canadian accounting principles that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.
- review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

C. Other Responsibilities

- perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate;
- institute and oversee special investigations, as needed; and
- review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

Enacted April 4, 2011
Amended December 12, 2013 and December 18, 2014

SCHEDULE B – CODE OF BUSINESS CONDUCT AND ETHICS

Purpose

This Code of Business Conduct and Ethics (the "**Code**") of Pilot Gold Inc. ("**Pilot Gold**", or the "**Corporation**") and its subsidiaries and affiliates is intended to document the principles of conduct and ethics to be followed by the Corporation's directors, officers employees and where practical, key consultants (being, those who are engaged in an employee-like capacity) (collectively, the "**Personnel**") of the Corporation. The Code applies to interpersonal and electronic communications. Its purpose is to:

- Reiterate Pilot Gold's commitment to full compliance by the Corporation, its subsidiaries and affiliates, and its Personnel with Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), the U.S. Foreign Corrupt Practices Act ("**FCPA**"), and any local anti-bribery or anti-corruption laws that may be applicable;
- Promote fair dealing with the Corporation's customers, suppliers, competitors and other third parties;
- Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- Promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, the relevant Canadian regulatory authorities and in other information disseminated to the public;
- Promote compliance with applicable governmental laws, rules and regulations as well as the rules of the Toronto Stock Exchange;
- Promote the prompt internal reporting to an appropriate person of violations of this Code;
- Promote accountability for adherence to this Code, the CFPOA and the FCPA;
- Provide guidance to Personnel to help them recognize and deal with ethical issues;
- Promote a workplace free from bullying and harassment;
- Provide mechanisms to report unethical or inappropriate conduct; and
- Help foster a culture of honesty and accountability.

This Code is not intended to be a comprehensive guide to all of the Corporation's policies or to all its Personnel's responsibilities under applicable laws or regulations. It is intended to provide general parameters to help resolve the ethical and legal issues encountered when the Corporation conducts business.

The Corporation expects all of its Personnel to comply and act in accordance, at all times, with the principles stated above and the more detailed provisions provided hereinafter.

Violation of the law, the Corporation's governance policies or this Code by Personnel is grounds for disciplinary action up to and including, but without limitation, immediate termination of employment or directorship.

Disclosure

The Corporation is committed to providing full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or furnishes to, the Canadian regulatory authorities and in other public communications made by the Corporation. The goal of the Corporation's Timely Disclosure, Confidentiality and Insider Trading Policy (the "**Disclosure Policy**") is to raise awareness of the Corporation's approach to disclosure among the Personnel and those authorized to speak on behalf of the Corporation.

The Disclosure Policy extends to all Personnel and those authorized to speak on the Corporation's behalf. It covers disclosures in documents filed with, or furnished to, the securities regulators and written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, information contained on the Corporation's web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), interviews with the media as well as speeches, conference calls and posting to social media websites. As a prerequisite and condition of employment, all Personnel must sign an acknowledgment by which they agree to adhere to such Disclosure Policy, which is generally provided to the new hire prior to or immediately after his or her start date and is available on the Corporation's network or from the Chief Financial Officer.

Basic Obligations

Under the Corporation's ethical standards, Personnel share certain responsibilities. It is each such person's responsibility to:

- (i) become familiar with, and conduct Corporation business in compliance with, applicable laws, rules and regulations and this Code;
- (ii) treat all Corporation Personnel, customers and business partners in an honest and fair manner;
- (iii) avoid situations where any Personnel's personal interests are, or *appear to be*, in conflict with the Corporation's interests; and
- (iv) safeguard and properly use the Corporation's proprietary and confidential information, assets and resources, and those of the Corporation's business partners.

Compliance with All Laws, Rules and Regulations

The Corporation is committed to compliance with all applicable laws, rules, and regulations, including laws and regulations applicable to the Corporation's securities and trading in such securities, as well as any rules promulgated by any exchange on which the Corporation's shares are listed or quoted for trading.

Fair Dealing

Personnel are required to deal honestly and fairly with the Corporation's customers, suppliers, competitors and other third parties.

Corruption is the misuse of public power for private profit, or the misuse of entrusted power for private gain. Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment to, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage. Bribery and corruption can take many forms, including the provision or acceptance of:

- Cash payments;
- Phony jobs or "consulting" relationships;
- Kickbacks;
- Political contributions;
- Charitable contributions;
- Social benefits; or
- Gifts, travel, hospitality, and reimbursement of expenses.

When dealing with customers and suppliers, the Corporation:

- prohibits offering, paying, promising or authorizing bribes, kickbacks or any other form of loan, reward, advantage of benefit, or other improper payment, direct or indirect, to any representative (or immediate relative) of government, labour union, customer or supplier in order to:
 - obtain a contract, some other commercial benefit or government action;
 - cause a person to act or fail to act in violation of a legal or official duty; or
 - cause a person to abuse or use his or her position to influence any acts or decisions of the foreign state or public international organization for which the official performs duties or functions;
- prohibits Personnel from accepting any bribe, kickback or improper payment from anyone;
- prohibits gifts of more than modest value to or from suppliers or customers;
- limits marketing and client entertainment expenditures to those that are necessary, prudent, job-related and consistent with the Corporation's policies;
- requires clear and precise communication in the Corporation's contracts, its advertising, its literature, and its other public statements and seeks to eliminate misstatements of fact or misleading impressions;
- reflects accurately on all invoices to customers the sale price and terms of sales for goods sold or services rendered; and
- prohibits Personnel from otherwise taking unfair advantage of the Corporation's customers or suppliers, or other third parties, through manipulation, concealment, abuse of privileged information or any other unfair-dealing practice.

Conflicts of Interest

Personnel should not engage in any activity, practice or act which creates or gives the appearance of a conflict with the best interests of the Corporation or its partners. A conflict of interest occurs when any Personnel places or finds himself or herself in a position where his or her personal or private interests create or give the appearance of a direct or indirect conflict (i) with the best interests of the Corporation; (ii) sufficient to put into question the independence, impartiality and objectivity that he/she is obliged to exercise in the performance of his/her duties and responsibilities as one of the Corporation's Personnel, or (iii) with an adverse effect on such person's motivation or the proper performance of his or her job.

The interests of the Corporation shall always prevail where Personnel are in a situation of conflict of interest or perceived conflict of interest, or where the personal interest of a related party places Personnel in a situation of conflict of interest or perceived conflict of interest.

Examples of such conflicts could include, but are not limited to:

- accepting outside employment with, or accepting personal payments from, any organization which does business with the Corporation or is a competitor of the Corporation;
- competing with the Corporation for the purchase or sale of property, services or other interests or taking personal advantage of an opportunity in which the Corporation has an interest;
- having, or immediate family members having, more than a de minimis financial interest in a firm which does business with the Corporation;
- accepting gifts, gratuities or favours (together, "**gifts**") from a person, body, enterprise or association engaged in or wishing to engage in transactions with the Corporation, except in either a) the case of gratuities or favours of a trivial or nominal value, or b) in the case of normal course, or customary gifts greater than a nominal value, provided that the intended recipient of such gift discloses the gift to the Corporate Governance and Nominating Committee in advance;
- seeking or accepting any personal loan or services from any entity with which the Corporation does business, except from financial institutions or service providers offering similar loans or

services to third parties under similar terms in the ordinary course of their respective businesses;

- accepting any personal loan or guarantee of obligations from the Corporation, except to the extent such arrangements are legally permissible; and
- whether directly or indirectly, having a personal financial interest in a contract or a proposed contract involving the Corporation or a customer, business partner or supplier to be entered into by the Corporation, including significant share ownership, or is likely to obtain, a personal advantage or benefit as a result of a decision made by the Corporation.

Personnel must not place themselves or remain in a position in which such person's private interests conflict with the interests of the Corporation.

If the Corporation determines that any Personnel's outside work interferes with performance or his or her ability to meet the requirements of the Corporation, as they are modified from time to time, such person may be asked to terminate such outside work if he or she wishes to remain employed by the Corporation. To protect the interests of both the Personnel and the Corporation, any activity that involves a potential or apparent conflict of interest may be undertaken only after disclosure to the Corporation by such person and review and approval by management of the Corporation or another appropriate party.

Disclosure Requirements:

Conflicts of interest, or potential conflicts of interest, must be disclosed by Personnel as soon as he or she becomes aware of the existence of a potential conflict (either personal, or having to do with another of the Corporation's Personnel), in accordance with the "*Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct, Bullying, Harassment and Accounting Matters*" as appended hereto as Appendix 'A'.

Failure to disclose a known conflict may result in discipline under this policy.

Confidentiality Concerning Corporate Affairs

Personnel must preserve and protect the confidentiality of information entrusted to them by the Corporation or its customers and suppliers and which they come into contact with in their work, except when disclosing information which is expressly approved by an officer of the Corporation with authority to give such approval, including if legally mandated. Confidential information encompasses proprietary information which is not in the public domain that could be of use to competitors, or that could harm the Corporation, its Personnel, its customers, suppliers or business partners if disclosed.

Personnel must also not use or disclose to the Corporation any proprietary information or trade secrets of any former employer or other person or entity with whom obligations of confidentiality exist. Similarly, this obligation to protect confidential information continues after leaving the Corporation.

Accuracy of Corporate Records

The Corporation is required to record and publicly report all internal and external financial records in compliance with International Financial Reporting Standards ("IFRS"). The books and records of Pilot Gold and each of its subsidiaries and affiliates must correctly record both the amount and a written description of any transaction. Personnel must ensure that there is a reasonable relationship between the substance of a transaction and how it is described in the Corporation's books and records

Therefore, Personnel are responsible for ensuring the accuracy of all books and records within their control and complying with all Corporation policies and internal controls. All Corporation information must be reported accurately, whether in internal personnel, safety, or other records or in information the Corporation releases to the public or files with, or furnishes to, Canadian regulatory authorities.

Financial Reporting and Disclosure Controls

The Corporation is required to file or furnish periodic and other reports with certain Canadian regulatory authorities and to make certain public communications. The Corporation is required by such regulatory authorities to maintain effective "disclosure controls and procedures" so that financial and non-financial information is reported timely and accurately both to its senior management and in any public filings it makes. Personnel are expected, within the scope of their employment duties, to support the effectiveness of the Corporation's disclosure controls and procedures.

Health and Safety

The Corporation is committed to making its work environment safe, secure and healthy for its Personnel and others. The Corporation complies with all applicable laws and regulations relating to safety and health in the workplace. The Corporation expects all Personnel to promote a positive working environment for all. Personnel are expected to consult and comply with all Corporation rules regarding workplace conduct and safety including the Corporation's Health, Safety & Sustainability Policy. Personnel should immediately report any unsafe or hazardous conditions or materials, injuries, and accidents connected with the Corporation's business and any activity that compromises corporate security to a senior officer of the Corporation. Personnel must not work under the influence of any substances that would impair the safety of themselves and others. All threats or acts of physical violence or intimidation are prohibited.

Corporate Social Responsibility and Community Relations Activities

With the exception of participating on an ancillary basis, or as a host of a community event in which an invitation was broadly extended, Personnel are prohibited from benefiting directly from any Corporate Social Responsibility or Community Relations activities, projects and programs implemented by the Corporation.

Pilot Gold will make every effort to avoid all forms of corruption including the transfer of any kind of benefit, whether directly or indirectly offered, for the purpose of influencing a domestic or foreign public official to misuse his or her power or influence.

Without prior approval by the Corporate Governance and Nominating Committee of the Board of Directors, political donations by the Corporation are prohibited.

The Corporation will generally not fund donation requests for the following:

- Organizations that discriminate based on the basis of race, colour, creed, gender, sexual orientation or national/ethnic origin;
- Organizations dedicated primarily to the advancement of religious or ethnic interests;
- Individuals or organizations for profit;

- Generic requests for funding or capital campaigns;
- Funding primarily for travel or accommodations.

Protection and Proper Use of the Corporation's Assets

All Personnel should protect the Corporation's assets and ensure their efficient use. Pilot Gold's assets must be protected from loss, damage, theft, misuse, and waste. The Corporation's assets include your time at work and work product, as well as Pilot Gold's equipment and vehicles, computers and software, trading and bank accounts, company information and the Corporation's reputation, trademarks and name. Pilot Gold's telephone, email, Internet and other electronic systems are primarily for business purposes. All records received or generated by Personnel in the course of their duties shall be the property of Pilot Gold. Personal communications using these systems should be kept to a minimum.

Personnel should exercise prudence in incurring and approving business expenses, work to minimize such expenses and ensure that such expenses are reasonable and serve the Corporation's business interests.

Respect for the Corporation's Personnel

The Corporation's employment decisions will be based on reasons related to its business, such as job performance, individual skills and talents, and other business or related factors. The Corporate policy requires adherence to all federal, state, provincial or other local employment laws. In addition to any other requirements of applicable laws in a particular jurisdiction, the Corporate policy prohibits discrimination in any aspect of employment based on race, color, religion, sex, national origin, disability or age, within the meaning of applicable laws.

Abusive or Harassing Conduct Prohibited

The Corporation prohibits abusive or harassing conduct by its Personnel towards others, such as unwelcome sexual advances, comments based on ethnicity, religion or race, or other non-business, personal comments or conduct that make others uncomfortable in their employment with / engagement by the Corporation. The Corporation encourages and expects all Personnel to report harassment or other inappropriate conduct as soon as it occurs.

Bullying and Harassment

The Corporation is committed to a work environment that is free from bullying and harassment and supportive of the productivity, dignity and self-esteem of every employee. The Corporation will not tolerate and is dedicated to preventing, where possible, or otherwise minimizing, bullying and harassment. Bullying and harassment:

- includes any inappropriate conduct or comment by a person towards a worker that the person knew or reasonably ought to have known would cause that worker to be humiliated or intimidated, or any unwelcome or objectionable conduct or comment which would be considered discriminatory under the *BC Human Rights Code*, but
- excludes any reasonable action taken by an employer or supervisor relating to the management and direction of workers or the place of employment.

Examples of conduct or comments that might constitute bullying and harassment include verbal aggression or insults, calling someone derogatory names, harmful hazing or initiation practices, vandalizing personal belongings, and spreading malicious rumours.

Examples of conduct or comments that might constitute sexual harassment include: unwanted physical contact such as touching, patting, pinching and hugging; sexual advances with actual or implied work related consequences; and sexual jokes, innuendos or horseplay.

The above definitions and examples are intended to be general guidance and not exhaustive and the types of behavior described are by way of illustration only.

Personnel must:

- not engage in the bullying and harassment of other Personnel.
- report if bullying and harassment is observed or experienced.

Any Personnel found to have bullied or harassed another person may be subject to discipline, up to and including termination of employment or other business relationship. Because of the seriousness of such allegations, malicious unfounded complaints may also be subject to discipline, up to and including termination of employment or other business relationship.

Privacy

The Corporation, and companies and individuals authorized by the Corporation, collect and maintain personal information that relates to its Personnel, including compensation, medical and benefits information. The Corporation follows procedures to protect information wherever it is stored or processed, and access to the personal information of its Personnel is restricted. Personal information will only be released to outside parties in accordance with the Corporation's policies and applicable legal requirements. Personnel who have access to personal information must ensure that personal information is not disclosed in violation of the Corporation's policies or practices.

Duty to Report Suspected Code Violations

The Corporation expects its Personnel to take all responsible steps to prevent a violation of this Code, to identify and raise potential issues before they lead to problems, and to seek additional guidance when necessary.

If any Personnel observe or become aware of an actual or potential violation of this Code or of any applicable law or regulation, whether committed by the Corporation's Personnel or by others associated with the Corporation, it is their responsibility to promptly report the circumstances as outlined herein and to cooperate with any investigation by the Corporation. This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that Personnel acting in good faith have the means to report actual or potential violations.

For assistance with compliance matters and to report actual or potential compliance infractions, Personnel should refer to the procedures outlined separately in "*Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct and Accounting Matters*" (attached hereto as Appendix 'A').

Relationship to Other Policies

All Corporation policies apply to Personnel. If such person is a director, in addition to this Code, the Mandate of the Board and the Directors' Code of Ethics will guide him or her procedurally in his or her position as a director. If such person is a Senior Financial Officer, in addition to this Code, the Code of Ethics for Senior Financial Officers will guide him or her procedurally in his or her position as a senior financial officer.

In addition, if any such person is a member of a committee of the Board, the applicable committee charter(s) should guide his or her conduct in carrying out his or her duties on such committee. In the event of any conflict between such policies and this Code, the terms of this Code shall govern.

Waivers and Amendments

Only the Board may waive application of or amend any provision of this Code. A request for such a waiver should be submitted in writing to the Board, Attention: Chair of the Board, for the full Board's consideration. The Corporation will promptly disclose to the appropriate regulatory authorities in accordance with applicable Canadian securities laws and regulations and applicable exchange rules upon which the Corporation's securities are listed or quoted for trading all substantive amendments to the Code as well as all waivers of the Code granted to directors or officers by the Board.

No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of the Corporation's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, shareholder or any other person or entity.

Enacted April 4, 2011

Revised December 12, 2013 and December 18, 2014

Schedule B - Appendix A

Procedures for Receipt of Complaints and Submissions Relating to Ethical Conduct, Bullying, Harassment and Accounting Matters

Pilot Gold Inc. (the "**Corporation**") expects directors, officers, employees and key consultants (being, those who are engaged in an employee-like capacity) (collectively, "**Personnel**") of the Corporation to take all responsible steps to prevent violations of its Code of Business Conduct and Ethics (the "**Code**"), to identify and raise potential issues before they lead to problems, and to seek additional guidance when necessary.

These Procedures are designed to provide an atmosphere of open communication for compliance issues and to ensure that Personnel acting in good faith have the means to report actual or potential violations.

Reporting Responsibility

If any Personnel observe or become aware of an actual or potential violation of the Code or of any applicable law or regulation (including securities laws and regulations), whether committed by Personnel or by others associated with the Corporation (for example, external parties with whom Pilot Gold has contracted), it is his/her responsibility to promptly report the circumstances as outlined herein and to cooperate with any investigation by the Corporation.

It is also the responsibility of Personnel who have concerns regarding questionable accounting, internal financial controls or auditing matters to report such concerns in accordance with the procedures outlined herein.

Examples of issues to be reported are set out in Schedule "A" to these Procedures.

No Retaliation and Acting in Good Faith

The Corporation prohibits Personnel from retaliating or taking adverse action against anyone for raising suspected conduct violations or helping to resolve a conduct concern. Any individual who has been found to have engaged in retaliation against any of the Corporation's Personnel for raising, in good faith, a conduct concern or for participating in the investigation of such a concern may be subject to discipline, up to and including termination of employment or other business relationship. If any individual believes that he or she has been subjected to such retaliation, that person is encouraged to report the situation as soon as possible to one of the people identified in the "Reporting Procedures" section below.

Anyone filing a complaint concerning a violation or suspected violation of the Code, or reporting concerns relating to accounting and auditing matters must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense, and may be subject to legal and civil action in addition to employment review.

Reporting Procedures

For assistance with compliance matters or clarification as to the manner in which to report actual or potential compliance infractions, Personnel should contact the Chief Financial Officer of the Corporation.

General compliance matters

Personnel may submit reports of alleged violations of this Code in writing on a confidential basis to the Chair of the Corporation's Corporate Governance and Nominating Committee (the "**Governance Committee**") in an envelope labeled with a legend such as "*To be opened by the Corporate Governance and Nominating Committee only, being submitted pursuant to the Code of Business Conduct and Ethics.*" Personnel may submit such confidential envelopes directly or via any officer of the Corporation, who shall pass it on forthwith to the Chair of the Governance Committee

Compliance related to financial and accounting matters

If such perceived violations of the Code involve matters related to accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters, Personnel may submit reports of such violations to the individual designated from time to time by the Corporation's Audit Committee (the "**Audit Committee**") to whom complaints and submissions can be made regarding such matters (the "**Complaints Officer**") or, if not designated at such time, the Chair of the Audit Committee. Personnel may submit such confidential envelopes directly or via any officer of the Corporation, who shall pass it on forthwith to the Complaints Officer (or Chair of the Audit Committee).

Officers and directors who become aware of any violation of the Code shall promptly report them to i) the Chair of the Governance Committee openly or confidentially (in the manner described above) or ii) one of the Complaints Officer or the Chair of the Audit Committee, in those instances described above.

In reporting any actual or potential violation of the Code, an individual should provide, to the extent possible, such relevant documents to support the allegations being made, such as e-mails, handwritten notes, photographs, or physical evidence.

Any report of actual or potential violation of the Code should include, at a minimum the following information:

- the names of the parties involved.
- any witnesses to the incident(s).
- the location, date, and time of the incident(s).
- details about the incident (behaviour and/or words used).
- any additional details that would help with an investigation.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. If not made anonymously, the Chair of the Governance Committee or Complaints Officer (as applicable) will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days.

Complaints Officer

By e-mail that is disseminated to all Personnel at least annually, management of the Corporation shall advise employees of the name of the Complaints Officer for the ensuing period.

The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Audit Committee or the Chair of the Audit Committee.

The Corporation's Compliance Officer can be contacted as outlined below:

Tel: 1-604-632-4677

Fax: 1-604-632-4678

Mail: Suite 1900 – 1055 West Hastings Street, Vancouver, BC V6E 2E9, Canada

E-mail: stetzlaff@oxygenecapitalcorp.com

The Complaints Officer shall be informed that he or she must report to the Audit Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis at the quarterly meeting of the Audit Committee called to approve interim and annual financial statements of the Corporation.

Handling of Reported Violations

Upon receipt of a report from the Chair of the Governance Committee, or the Complaints Officer, the Governance Committee or Audit Committee (as applicable) shall discuss the report and take such steps as that committee of the Corporation's Board of Directors (the "**Board**") may deem appropriate. At a minimum the Governance Committee or the Audit Committee, as applicable, should initiate an investigation of the alleged violation(s). Additional steps could include, if appropriate:

- Advising the alleged subject of the report; and
- Considering a review and revisions to workplace procedures to prevent any future violations of the Code.

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

The Complaints Officer, Chair of the Audit Committee or Chair of the Governance Committee (as applicable) shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

Investigation of Reported Violations

Following the receipt of any complaints submitted hereunder, the Governance Committee or the Audit Committee, as applicable, will investigate each matter so reported and recommend corrective disciplinary actions to the Board, if appropriate, up to and including termination of employment.

At a minimum, investigations will:

- be undertaken promptly and diligently, and be as thorough as necessary, given the circumstances.
- be fair and impartial, providing both the complainant and respondent equal treatment in evaluating the allegations.
- be sensitive to the interests of all parties involved, and maintain confidentiality.
- be focused on finding facts and evidence, including interviews of the complainant, respondent, and any witnesses.
- incorporate, where appropriate, any need or request from the complainant or respondent for assistance during the investigation process.

Enacted June 13, 2011
Revised December 12, 2013

Schedule B - Appendix A1

Examples of Matters to be Reported

- Fraud, Theft
- Accounting irregularities, Financial Statement Disclosure issues
- Non-compliance with Internal Accounting Controls
- Workplace violence
- Substance abuse
- Discrimination, Bullying and Harassment
- Falsification of company Records
- Conflicts of Interest
- Release of proprietary information
- Safety/Security violations
- Malicious property damage
- Violations of securities laws (including insider trading)
- Breaches of other applicable laws (environmental, employment, health and safety laws)
- Ethics violations

Receipt and Acknowledgement

The undersigned hereby acknowledges having received and read a copy of the "Pilot Gold Inc. – Code of Business Conduct and Ethics" and agrees to adhere to its terms and its intent at all times.

Name: _____

Signature: _____

Date: _____