PILOT GOLD INC.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2015

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Year ended December 31, 2015

This Management's Discussion and Analysis, dated as of March 17, 2016, is for the year ended December 31, 2015 (the "**MD&A**"), and should be read in conjunction with audited consolidated financial statements for the year ended December 31, 2015 of Pilot Gold Inc. (in this MD&A, also referred to as "**Pilot Gold**", or the "**Company**", or "**we**", or "**our**", or "**us**"), the related notes thereto (together, the "**Annual Financial Statements**"), and other corporate filings, including our Annual Information Form for the year ended December 31, 2015, dated March 17, 2016 (the "**AIF**"), available under our company profile on SEDAR at www.sedar.com. Our reporting currency is the United States dollar ("**$**", or "**USD**"); dollar figures in this MD&A are expressed in USD unless otherwise stated. Canadian dollars herein are expressed as "C$". As at December 31, 2015, the value of C$1.00 was $0.72; the nominal noon rate as per the Bank of Canada.

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. The Company continually seeks to minimize its exposure to business risks, but by the nature of its business and exploration activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described under the heading "*Risk Factors*" in our AIF, which can be found on Pilot Gold's SEDAR profile at www.sedar.com, and those set forth in this MD&A under the headings *"Cautionary Notes Regarding Forward-Looking Statements*" and "*Industry and Economic Factors that May Affect our Business"* materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

Corporate

- Appointed Mr. Cal Everett as new President and CEO.
- Raised C$4.47 million by way of a non-brokered private placement (the "**2016 Private Placement**").

Goldstrike

- Launched 2016 phase one drill program on March 2, 2016.
- Reported results of 2015 drilling[1], including near surface oxide gold of:
  - 39.6 metres ("**m**"), grading 1.01 g/t Au;
  - 41.1 m, grading 0.84 g/t Au, including 29.0 m grading 1.08 g/t Au;
  - 22.9 m, grading 1.68 g/t Au, including 12.2 m, grading 2.67 g/t Au;
  - 36.6 m, grading 1.06 g/t Au, including 13.7 m, grading 1.89 g/t Au.

Kinsley

- Reported an initial resource estimate for the Western Flank high-grade gold ("**Au**") zone. The resource estimate at Kinsley includes 284,000 Indicated ounces at an average grade of 6.04 g/t Au. The resource estimate delineates[2]:
  - 405,000 Indicated ounces in 5,529,000 tonnes, averaging 2.27 grams per tonne gold ("**g/t Au**"), and
  - 122,000 Inferred ounces in 3,362,000 tonnes averaging 1.13 g/t Au.
- Reported metallurgical results suggesting that sulphide mineralization is amenable to flotation processing and the potential production of a marketable gold concentrate.

TV Tower

- Completed our earn-in to a 60% interest.
- Doubled the size of the mineralized footprint at the Hilltop porphyry system to approximately 600 m by 500 m
- Reported results of metallurgical testing suggesting that mineralization is amenable to flotation processing with concentrate grades up to 40% copper ("**Cu**") and 84 g/t gold at the Valley porphyry.
- Reported 499.1 m grading 0.59 g/t gold equivalent ("**AuEq**") from surface at the Columbaz porphyry.

Halilağa

- Released a revised PEA for the Halilağa copper-gold porphyry deposit that generates a $474 million after tax NPV_7%, provides a 43% after-tax IRR with net after-tax cash flows of $802.9 million life of mine. The project, as outlined in the Revised Halilağa PEA, requires $346 million in pre-production capital expenditures (including a 25%, $65.4 million contingency); and a payback period (after-tax) of 1.3 years[3].

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[1] See press releases of December 1, 2015 and January 14, 2015
[2] See technical report, entitled "*Updated Technical Report and Estimated Mineral Resources for the Kinsley Project Elko and White Pine Counties, Nevada, U.S.A*". (the "**Kinsley Report**"); and footnote at pages 4&5 for detailed disclosure relating to estimate.
[3] See NI 43-101 technical report, entitled "*Revised Preliminary Economic Assessment Technical Report Halilaga Project, Turkey*," effective December 20, 2014, dated February 16, 2015. The Revised PEA both used a $1,200/oz gold price and a $2.90/lb copper price.

OUTLOOK

With a new CEO and a renewed focus on the Company's exploration programs, in the Great Basin of Nevada and Utah, Pilot Gold remains in a strong position with high quality projects in the United States, the optionality in our advanced project interests in Turkey, and the capital to continue to advance our business.

Our conviction in the importance of executing well-planned and efficient exploration remains unchanged. Building on successes to date at Goldstrike and Kinsley and with access to proceeds from the 2016 Private Placement, management have narrowed the scope of exploration activities to focus our efforts at our US properties. Drilling is underway at Goldstrike, and planned to commence in the spring at Kinsley.

The Company continues to recognize the need to advance our programs swiftly, with targeted drilling throughout the year. We believe there to be significant potential for low-cost, high grade discovery and growth at the Goldstrike and Kinsley properties in particular.

Pilot Gold's share of expenditures for the year ended December 31, 2015 as compared to our share of the 2015 budgeted cash exploration and development expenditures, and those planned for 2016 on our property interests are summarized (in 000s) as:

Project	**Minerals**	Actual cash expenditures in 2015	Budgeted expenditures for 2015	**Budgeted expenditures for 2016**	**Pilot Gold ownership**
Goldstrike	gold	$ 986	$ 1,000	**$ 2,159**	100%
Kinsley	gold	$ 1,394	$ 1,582	**$ 567**	79%
TV Tower	gold, silver, copper	$ 1,794	$ 4,553	**$ 491**	60% (1)
Halilağa	copper, gold, molybdenum	$ 240	$ 329	**$ 305**	40%
Portfolio	gold, silver, copper	$ 230	$ 49	**$ 39**	100%
Total		$ 4,644	$ 7,513	**$ 3,561**	

(1) Pilot Gold increased its beneficial interest at TV Tower to 60% (from 40%) on March 12, 2015, in accordance with an option agreement.

During the year ended December 31, 2015, we incurred $8.66 million in cash exploration and administration expenditures (approved 2015 annual budget, as amended[4]: $11.70 million).

We expect our main exploration focus in 2016 to be the Goldstrike and Kinsley projects and will continue active discussions with Teck Resources Limited ("**Teck**") and various third-parties to unlock the value and potential of our remaining portfolio of projects.

At Goldstrike, we have an initial program and budget for 2016 of $2.16 million. Should results warrant we will increase the Goldstrike budget later in the year. We have a Notice of Intent ("**NOI**") in place providing 3.5 acres of disturbance, and have begun the application process for a full Plan of Operations that will allow us to complete a significant amount of drilling on the property. We expect to submit two additional NOIs at Goldstrike, providing us additional allowable disturbance acreage, while the Plan of Operations approval process is underway.

At Kinsley, we believe the initial resource estimate represents a stepping stone along the way to realizing the potential of a much larger gold system. In 2016 we expect to focus exploration on untested targets at, and with the same attributes as, the Western Flank, and may undertake the next phase of drilling in Q2 or Q3.

With a working capital balance of approximately $10.14 million (as at the date of this MD&A) the Company has the capital necessary to continue making discoveries and building value at its key properties. With the additional funds raised in the 2016 Private Placement, our treasury is sufficient to satisfy planned expenditures for 2016 (see discussion under "Liquidity and Capital Resources" in this MD&A).

The written disclosure of technical information in the MD&A has been approved by Moira Smith, Ph.D., P.Geo., Pilot Gold Vice-President Exploration and Geoscience, and a Qualified Person ("**QP**") for the purposes of National Instrument 43-*101 Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Dr. Smith reviewed and validated that the scientific or technical information contained in this MD&A is consistent with that provided by the QPs responsible for the NI 43-101 Technical Reports for the respective projects, and has verified the technical data disclosed in this document relating to those projects in which the Company holds an interest. Dr. Smith has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

[4] Budget amended to include Q4 2015 drilling at Goldstrike-Utah project; total budget for 2015: $1.0 million.

EXPLORATION AND DEVELOPMENT PROJECTS – OVERALL PERFORMANCE

With the exception of deposits at each of our material properties (Western Flank at Kinsley, Küçükdağ ("**KCD**") at TV Tower and Kestane at Halilağa), (i) the Company's exploration projects and other targets on its material properties are early stage and do not contain any mineral resource estimates as defined by NI 43-101; (ii) the potential quantities and grades disclosed in this MD&A are conceptual in nature, and (iii) there has been insufficient exploration to define a mineral resource for other targets disclosed herein. It is uncertain if further exploration will result in these targets being delineated as a mineral resource. Additional information about each of our material projects is also summarized in our AIF and the respective NI 43-101 Technical Reports, each of which can be viewed on SEDAR at www.sedar.com.

Goldstrike (100% owner and operator)

Goldstrike was acquired in August 2014, and although not yet a material property, it has become a focal exploration project for the Company. Concurrent with extensive compilation and data analysis in 2015, we completed a 2,877 metre, 18 hole RC drill program designed to test project potential and to validate historic results. Results from Pilot Gold's first-year drill program were published in early 2016 and indicate that shallow oxide gold mineralization is present north and down-dip of the existing pits over a strike length of over 1,200 metres in the eastern part of the historic mine corridor. Gold mineralization is widespread and predictable along a trend we believe to be at least 6 km-long. Drill highlights include:

- 39.6 metres, grading 1.01 g/t Au in PGS003
- 41.1 metres, grading 0.84 g/t Au in PGS004, including 29.0 metres, grading 1.08 g/t Au
- 22.9 metres, grading 1.68 g/t Au in PGS008, including 12.2 metres, grading 2.67 g/t Au
- 36.6 metres, grading 1.06 g/t Au in PGS010, including 13.7 metres, grading 1.89 g/t Au

In the western part of the historic mine corridor, PGS012 returned 18.3 m grading 2.72 g/t Au, including 10.7 m grading 4.32 g/t.

For the year ended December 31, 2015, expenditures incurred at Goldstrike were $0.99 million (year ended December 31, 2014: $0.11 million) consistent with a budget of $1.0 million. The 2016 Budget currently contemplates $2.16 million in exploration.

Kinsley (79.1% owner and operator)

Kinsley is a Carlin-type past-producing mine located south of Newmont Mining's Long Canyon deposit in northeast Nevada. Comprised of 513 claims on U.S. Bureau of Land Management ("**BLM**") land plus 6 leased patents totalling 4,213 ha, Kinsley has a stratigraphic, structural, and mineralization style similar to other sediment-hosted gold systems in the eastern Great Basin.

The initial resource estimate, effective October 15, 2015 and dated December 16, 2015, defines a high-grade zone at the Western Flank along with near-surface oxide ounces in the vicinity of the historic mine. Mineralization hosted in the Secret Canyon Shale in the Western Flank zone includes 284,000 Indicated ounces at an average grade of 6.04 g/t gold. Results from the 2015 drill program indicate the presence of gold mineralization zone in the Dunderberg (Candland) Shale and the Secret Canyon Shale formations approximately 150 metres east of the high-grade Western Flank zone which remains open to the east and west[5].

The resource estimate includes three separate cut-off grades, reflecting depth from surface, oxidation, and metallurgical considerations. These include shallow oxidized rock (0.2 g/t Au cut-off); shallow transitional and sulphide mineralization, hosted in the Dunderberg Shale (1.3 g/t Au cut-off), and Secret Canyon Shale-hosted sulphide and transitional mineralization (1.0 g/t Au cut-off). Cut-off grades assume an open-pit mining scenario, using a pit floor elevation generated using Whittle software, reasonable assumptions for mining and milling costs, and a US$1,300/oz gold price.

Using multiple cut-offs, reflecting the different mineral types and respective metallurgical characteristics, the resource estimate for all mineralization types is:

	Indicated			Inferred			
Mineralization	oz Au	g/t Au	Tonnes	oz Au	g/t Au	Tonnes	Cut-off (g/t Au)
All types	405,000	2.27	5,529,000	122,000	1.13	3,362,000	-
Secret Canyon Shale sulphide	284,000	6.04	1,461,000	39,000	2.41	508,000	1.0
Dunderberg Shale sulphide & transitional	45,000	2.67	520,000	37,000	2.44	470,000	1.3
Oxide	76,000	0.66	3,548,000	46,000	0.60	2,384,000	0.2

[5] See press release dated June 23, 2015.

The resource estimate was completed by Michael Gustin, Ph.D., CPG, of Mine Development Associates, Inc. ("**MDA**") of Reno, Nevada, an Independent Qualified Person as defined by NI 43-101 in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended[6]. The resource estimate is based on results from 77,097 m of historical drilling in 1,158 drill holes (9 core and 1,149 reverse circulation ("**RC**") or rotary), as well as 59,852 m in 222 holes, including 74 core holes and 148 RC holes drilled by Pilot Gold. Quality-control data generated during the various drill programs were independently verified by MDA as part of the project review. The resource model consists of a detailed three-dimensional geological model including lithological, structural, and gold domains derived from 25 metre-spaced sections. The low, medium, and high-grade gold domains, in turn, were used to constrain the interpolation of gold grades. Blocks measure 5m x 5m x 5m. A total of 10,016 individual assay intervals averaging 1.527 m in length were composited into a total of 10,037 composite intervals of 1.524 m length. Gold assay data was reviewed statistically and visually to determine appropriate grade capping levels by domain. A total of 21 gold assays were capped prior to compositing based on the evaluation of probability plots by gold domain. 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. Gold grades were interpolated using inverse distance to the third power (ID^3). For mineralization to be classified as Indicated, the following criteria were used:

- Indicated (Secret Canyon Shale): minimum of three composites; minimum of 2 holes within an average distance of 25 m from the block.
- Indicated (All Other Mineralization): minimum of three composites; minimum of 2 holes within an average distance of 20 m from the block.

Remaining estimated blocks not classified as "Indicated" meeting the following elevation criteria summarized were classified as "Inferred".

To ensure reasonable prospects of economic extraction, the project resources were limited to elevation levels as defined by Whittle pit shells. A pit optimization was run using a $1,300/oz Au and parameters applicable to: (i) oxidized, potentially heap-leachable mineralization: $2.50/t processing cost, $1.41/t General and Administrative ("**G&A**") cost, and a gold recovery of 75%; (ii) mixed and unoxidized mineralization that could potentially be processed by flotation, leaching of the flotation tails, and custom oxidation by roaster or autoclave: $32.00/t processing cost, $7.04/t G&A cost, and 85% Au recovery; and (iii) mineralization hosted within the Secret Canyon Shale, which potentially could also be processed by flotation, leaching of the flotation tails, and custom oxidation by roaster or autoclave: $28.30 processing cost, $7.04/t G&A cost, and 95% Au recovery. The pits were used to define the following maximum depths below the topographic surface for the potentially open-pit resources at Kinsley: 125 m below the topographic surface on the east side of the Kinsley Mountains and 350 meters below the surface on the western side. Tonnage estimates are based on 129 bulk specific gravity determinations completed by ALS Laboratories for Pilot Gold, as well as historical data, which were used to assign average values to oxidation domains of the block model.

Preliminary metallurgical testing of the sulphide material from the Secret Canyon Shale suggests that a marketable gold concentrate, with concentrate grades up to 312 g/t Au, can be produced via flotation. Recoveries of up to 95% are achieved when combined with leaching of the tails. Initial metallurgical results from the primary host rock (Dunderberg shale) in the historical mining operation at Kinsley yielded up to 83% Au, producing a concentrate grade of up to 52.3 g/t Au.

Pilot Gold's interest in Kinsley is approximately 79.1%. Intor Resources Corporation ("**Intor**"), a subsidiary of Nevada Sunrise Gold Corporation ("**NEV**") and our partner at Kinsley, holds the remaining 20.9% interest and funded its pro-rata share of expenditures in 2015.

During 2015, the Company completed 5,400 metres of drilling in 13 RC holes at Kinsley, with a focus primarily on the Secret Canyon Shale horizon east of the Western Flank Zone. Total metres drilled were less than planned, reflecting a more measured approach in light of market conditions. In the year ended December 31, 2015 approximately $1.70 million in expenditures were capitalized at Kinsley (year ended December 31, 2014, $6.32 million), including Intor's $0.49 million share (recognized as a component of Non-Controlling Interest). Expenditures and activity through the year ended December 31, 2015 included: drilling and assaying ($0.72 million), salaries ($0.47 million) and analyses and surveys ($0.1 million).

Further information relating to Kinsley is available in the technical report entitled: "*Updated Technical Report and Estimated Minerals Resources for the Kinsley Project*" effective October 15, 2015 and dated December 16, 2015. The report was prepared by Michael M. Gustin, CPG, Moira Smith, Ph.D., P.Geo., and Gary Simmons, B.Sc. MMSA, and is available under Pilot Gold's issuer profile at SEDAR at www.sedar.com.

TV Tower (60% owner and operator)

The 9,065 hectare TV Tower gold-silver-copper property comprises nine[7] contiguous licences and is located in northwestern Turkey in a regional industrialized zone that includes base metal mines, large open pit coal mines, a major power plant, ceramics factories, and deep water ports.

Our interest in TV Tower is held through a 60% shareholding in Orta Truva Madencilik Sanayi ve Ticaret Anonim Şirketi ("**Orta Truva**"), the legal entity that holds title to the licenses that comprise the property. Teck Madencilik Sanayi Ticaret A.Ş. ("**TMST**"), a subsidiary of Teck, is our joint venture partner at TV Tower and holds the remaining 40% of Orta Truva. Each partner is funding its pro-rata share of exploration and development programs. Effective March 12, 2015, further to having satisfied requisite earn-in obligations (the "**Earn-in**"), we increased our interest in Orta Truva and TV Tower from 40% to 60%. Through the Earn-in period, we accounted for our interest in Orta Truva as an investment in an associate; although we were project operator, we did not control the legal entity. Accordingly, we had been recording 40% of Eligible Expenditures at the project to the Company's interest in Orta Truva, with the remaining 60% captured as part of the Earn-in Asset. Upon satisfaction of Earn-in, we began to consolidate our interest in Orta Truva to our statement of financial position, with the full value of the project reflected in our exploration properties and deferred exploration expenditures, and the value ascribed to TMST's 40% interest in Orta Truva captured as a non-controlling interest. Our joint venture partner is currently funding its 40% pro-rata share of the exploration budget at TV Tower.

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[6] See press release dated November 5, 2015; Further details of the estimation methods and procedures are available in a NI 43-101 technical report, co-authored and released by MDA, which is filed on SEDAR (www.sedar.com) effective October 15, 2015 and dated December 16, 2015.
[7] An administrative process is underway to combine several polygonal areas comprising two separate licences in the property's north.

To date, we have identified a contiguous area greater than 50km^2 of epithermal and porphyry-related alteration across this gold-silver-copper district, including a large silver-gold resource at the project's KCD deposit and three closely-situated copper-gold porphyries, each located a relatively short distance to Halilağa. The principal focus of the Company at TV Tower, has been on i) the Kayalı-Karaayı (collectively, "**K2**") zone at the southern end of the tenure, host to a largely contiguous, oxidized epithermal gold system stretching over four km long, and the Valley and Hilltop copper-gold porphyries, and ii) the Küçükdağ ("**KCD**") gold-silver deposit in the north. There remain multiple untested targets across the rest of the tenure.

Our focus at TV Tower in 2015 was the expansion of the footprint of the copper-gold porphyry systems at K2. We are particularly encouraged with early indications from the supergene copper enrichment zone at the Hilltop porphyry. Although our approved program and budget contemplated up to 20,000 metres of drilling, we adjusted our program as a reflection of market conditions and completed only 5,315 metres, which nevertheless culminated in a doubling of the mineralized footprint at the Hilltop porphyry system.

The approved program and budget for 2015 was $7.59 million (our share: $4.55 million). The Company executed the 2015 program at a very measured pace as a reflection of capital market conditions, and the availability of permits on high-priority targets. Our share of expenditures (from January 1, 2015 to December 31, 2015) totalled $2.6 million and included: drilling and assay expenses ($0.69 million), salaries ($0.54 million) and consultant's costs ($0.47 million), with the remainder including camp costs and transportation.

Further information relating to TV Tower is available in the technical report entitled "*Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014 and dated February 20, 2014, prepared by Casey M. Hetman, P.Geo. with SRK Consulting (Canada) Inc. ("**SRK**"), James N. Gray, P. Geo. of Advantage Geoservices Ltd., and Gary Simmons, BSc, Metallurgical Engineering, of G L Simmons Consulting, LLC. The TV Tower Report is available under Pilot Gold's issuer profile on SEDAR at www.sedar.com.

Halilağa (40% owner, non-operator)

The Halilağa property is located 15 km southeast of the Valley and Hilltop porphyries at TV Tower, providing a cornerstone to a large prospective district in the face of an increasingly challenged market. The 8,866 hectare Halilağa property has road access and electrical grid power. Labour, supply centres and industrial service providers are available in the region. The deposit is located in favourable terrain and is characterized by high copper and gold grades at surface with little-to-no overburden. The Company's interest in Halilağa is held through a 40% shareholding in Truva Bakir Maden İşletmeleri A.Ş. ("**Truva Bakır**"). TMST is project operator and holds the remaining 60% of this Turkish entity.

A preliminary economic assessment (the "**Revised Halilağa PEA**") was published in January 2015 as a revision to a PEA published in 2012 (the "**2012 PEA**"). Within the preliminary parameters of a PEA, the Revised Halilağa PEA illustrates a robust, low strip, technically simple and scalable open-pit mine, utilizing conventional milling and flotation methods. The project requires modest up-front capital, demonstrates a rapid payback of initial capital, has low cash costs, and generates a strong after-tax IRR, and cash flow. The illustrative project, as outlined in the Revised Halilağa PEA is relatively insensitive to changes in commodity and exchange rates, requires modest pre-production capital expenditure; and yields a payback period (after-tax) of 1.3 years[8]. The comparative projects presented in the 2012 PEA and the Revised Halilağa PEA demonstrate the flexible nature and range of possible development scenarios available at Halilağa[9]. Although preliminary in nature and derived from broadly factored assumptions, the conceptual project in the Revised Halilağa PEA was designed to demonstrate the optimal development scenario for the deposit in the context of today's capital market conditions. Advancing Halilağa toward feasibility would require additional metallurgical testing, geotechnical drilling and resource definition drilling. We have developed a high-level program and illustrative budget that we expect would satisfy the requirements to make a feasibility decision and continue to discuss opportunities for the project with Teck.

For the year ended December 31, 2015, our share of expenditures jointly incurred at Halilağa was $0.30 million (year ended December 31, 2014: $0.59 million) against a total budget of $0.82 million for the same period. Expenditures reflect costs associated with permitting and tenure costs, ongoing community and social relations activities, certain field and desktop analyses and legal costs relating to the matter described in this MD&A.

For further details on the Revised Halilağa PEA, including discussion relating to the sensitivity analyses, refer to the NI 43-101 technical report, entitled "*Revised Preliminary Economic Assessment Technical Report Halilaga Project, Turkey,*" effective December 20, 2014 and dated February 16, 2015, prepared by Gordon Doerksen, P. Eng., Dino Pilotto, P.Eng. and Stacy Freudigmann, P.Eng. of JDS Energy and Mining Inc.; Greg Abrahams, P.Geo and Maritz Rykaart, P.Eng. of SRK; Gary Simmons of GL Simmons Consulting LLC.; Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd.; and James Gray, P.Geo. of Advantage Geoservices Ltd. A copy of the Revised Halilağa PEA is available under Pilot Gold's issuer profile on SEDAR at www.sedar.com.

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[8] See NI 43-101 technical report, entitled "*Revised Preliminary Economic Assessment Technical Report Halilaga Project, Turkey*," effective December 20, 2014, dated February 16, 2015.
[9] Both 2012 PEA and the Revised Halilağa PEA, are based on $1,200/oz gold, $2.90/lb copper, and a discount rate of 7%.

SELECTED FINANCIAL INFORMATION

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

The Annual Financial Statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. Our significant accounting policies are presented in Note 3 of the Annual Financial Statements; we followed these accounting policies consistently throughout the year. Details of new accounting standards, effective the reporting period beginning January 1, 2016, and their effect on the financial information can be found in Note 5 of the Annual Financial Statements. No material changes were noted. Our accounting policy is to defer all exploration and evaluation expenditures relating to our mineral exploration property interests that qualify for deferral.

Management has determined that Pilot Gold Inc. has a C$ functional currency because the parent entity raises its financing and incurs head office expenses in Canadian dollars ("**C$**"). In order to enhance comparability with our peers and as a better representation of the principal currency used by the mining and mineral exploration industry, the presentation currency of our consolidated financial statements is USD.

The Company operates in one industry – the exploration for gold, copper, and other precious and base metals, and in three geographic locations: Canada, the USA, and Turkey. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information.

Results of Operations

The following financial data (in $ millions, except per share data) are derived from our consolidated financial statements for the years ended December 31, 2015, 2014 and 2013 respectively:

	2015	2014	2013
Total revenues	-$nil	-$nil	-$nil
Net loss for the period and attributable to shareholders	$6.97	$6.71	$9.14
Basic and diluted loss per share and attributable to shareholders	$0.07	$0.07	$0.10

Fiscal year ended December 31, 2015 vs. fiscal year ended December 31, 2014

Losses from operations totaled $7.20 million for the year ended December 31, 2015, up 19% from $6.05 million for the year ended December 31, 2014. The increase over the comparative period is primarily due to mineral property write downs of $2.09 million, offset by lower operating expenses in almost all other areas including wages and benefits, and non-cash stock based compensation. Foreign exchange gains in 2015 were larger than those of the prior year, which further offset losses in 2015. There were also significantly smaller losses in 2015 from the change in fair value of held-for-sale equity investments as compared to prior year.

A significant portion of our remuneration costs are capitalized to our exploration property interests based on the nature of work undertaken in that period. Wages and benefits included in our statement of loss reflect only those costs not attributable to either exploration on specific projects, or property investigation. Wages and benefits relating to Canadian personnel, and office and general expenditures incurred in Canada are incurred on a cost-recovery basis through an administration and technical services agreement (the "**Oxygen Agreement**") with Oxygen Capital Corporation ("**Oxygen**"), a related party.

Write-down of mineral property interest

In the year ended December 31, 2015, the Company wrote down the value of deferred exploration expenditures relating to the Gold Bug ($0.74 million), Viper ($1.05 million) and Drum ($0.30 million) exploration properties in Nevada. The write down of Gold Bug and Drum were a consequence of a decision to curtail exploration and certain tenure related obligations on the respective properties. The Viper write down reflects a land management plan put in place during the period by the BLM aimed at the protection of the Greater Sage Grouse, which imposes restrictions on access and development of BLM-administered land. Although the Viper property comprises public and private land, and the tenure has certain attributes, including a past-discovery and a valid drill permit which may mitigate the impacts of the land management plan. However, the restrictions have cast into doubt the recoverability of deferred costs thereon. In the comparative period, the Arasanlı property was written down to $-nil resulting in a $0.14 million loss. There were no indicators of impairment on the Company's other assets as at December 31, 2015.

Stock-based compensation

Stock-based compensation expense for the year ended December 31, 2015, totaled $0.99 million (December 31, 2014: $1.22 million). These amounts do not include values recorded as part of property investigation expense or capitalized to mineral properties ($0.21 million collectively for the year ended December 31, 2015, and $0.30 million in the comparative period).

The expense in the current period is lower and reflects (i) the relative value of a Company-wide grant of employee stock options ("**Options**") to purchase common shares of the Corporation ("**Common Shares**"), Restricted Share Units ("**RSUs**") and Deferred Share Units ("**DSUs**") in February 2015, and (ii) the diminishing impact of Options granted in prior periods as they vest. Stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether Options, RSUs or DSUs are granted in a period, and the timing of vesting or cancellation of such equity instruments. Typically, Options, RSUs and DSUs will be granted once each year, resulting in a higher expense in the particular quarter of the grant (from those that vest immediately), as opposed to those other quarters of the year.

In determining the fair market value of stock-based compensation granted to employees and non-employees, management make significant assumptions and estimates. These estimates have an effect on the stock-based compensation expense recognized and the contributed surplus balance on our statements of financial position. Management has made estimates of the life of the Options, the expected volatility, and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the Options and analyzing share price history and that of a peer group to determine volatility.

Property investigation and technical studies

Property investigation expenditures are $0.26 million lower than in the comparative period ($0.34 million and $0.60 million for the years ended December 31, 2015 and 2014 respectively) due to an increased focus on our material properties and other established exploration properties in 2015, over 2014. A significant portion of costs relating to the Revised Halilağa PEA were sole-funded by Pilot Gold in 2014, with no similar undertaking in 2015.

Other income (expenses)

Other income of $0.27 million for the year ended December 31, 2015, consisted primarily of (i) impairments and fair value losses on our available-for-sale financial assets, (ii) foreign exchange gains or losses, (iii) income (loss) pick-up from our associates, and (iv) finance income, as compared to net expenses of $0.66 million from these same income (expense) items for 2014. The change compared to 2014 reflects foreign exchange gains of $0.22 million for the year ended December 31, 2015 on our USD cash balances in our companies with foreign functional currencies as the USD continued to appreciate relative to the Canadian dollar, where a small gain of $0.06 million was recorded in the comparative period. These amounts were offset by losses relating to the change in fair value of our equity investments that were significantly higher in the year ended 2014 compared to the current year ($0.15 million and $0.89 million, for the years ended December 31, 2015 and 2014, respectively).

Other comprehensive loss

The net balance of other comprehensive loss consists of the impact of exchange gains and losses from the translation of our foreign operations with a non-USD functional currency as well as the fair value gains and losses on our unimpaired, available-for-sale financial assets. For the year ended December 31, 2015 the impact of foreign exchange were losses of $6.02 million (year ended December 31 2014 losses of: $4.24 million). The impact from exchange differences will vary from period to period depending on the rate of exchange. In the period between January 1, 2015 and December 31, 2015, there was a 15% increase in the relative value of the USD against the C$, leading to large foreign exchange losses.

Fiscal year ended December 31, 2014 vs. fiscal year ended December 31, 2013

Losses from operations totaled $6.05 million for the year ended December 31, 2014, down 26% from $8.15 million a year earlier. The overall reduction is due in the most part to lower non-cash stock based compensation and fewer write-downs of deferred exploration expenditures in 2014. These reductions are offset by increased wages and benefits and investor relations costs, reflecting salary increases, increases to our complement of personnel and a small increase in our participation in conferences and marketing-related activities. A significant portion of our remuneration costs are capitalized to our exploration property interests based on the nature of work undertaken in that period. Wages and benefits included in our statement of loss reflect only those costs not attributable to either exploration on specific projects, or property investigation. Office and general expenditures incurred in Canada are incurred on a cost-recovery basis pursuant to the Oxygen Agreement.

The comparative difference in the overall net loss over the years ended December 31, 2014 and 2013 reflects smaller losses recorded on the fair value of financial instruments for the year ended December 31, 2014 compared to the prior year. There were no losses attributable to the non-controlling interest.

Stock-based compensation

Stock-based compensation expense for the year ended December 31, 2014, totaled $1.22 million (December 31, 2013: $2.28 million). This total does not include amounts recorded as part of property investigation expense or capitalized to mineral properties ($0.30 million collectively for the year ended December 31, 2014, and $0.14 million in the comparative period). The expense is lower in the 2014 as compared to 2013 due to (i) a Company-wide grant of Options to purchase Common Shares in January 2014 that had a lower fair value than a similar grant that was made in January 2013, and (ii) the diminishing impact of Options granted in prior periods as they become fully expensed. Generally, stock-based compensation expense should be expected to vary from period to period depending on several factors, including whether Options are granted in a period and whether Options have fully vested or are cancelled in a period. It is expected that Options will typically be granted once each year, resulting in a higher stock-based compensation expense in the particular quarter of the grant, as opposed to those other quarters of the year due to Options that vest immediately.

In determining the fair market value of stock-based compensation granted to employees and non-employees, management make significant assumptions and estimates. These estimates have an effect on the stock-based compensation expense recognized and the contributed surplus balance on our statements of financial position. Management has made estimates of the life of the Options, the expected volatility, and the expected dividend yields that could materially affect the fair market value of this type of security. The estimates were chosen after reviewing the historical life of the Options and analyzing share price history and that of a peer group to determine volatility.

Property investigation and technical studies

Property investigation related expenditures are expensed until a new project is acquired or the rights to explore the property have been established. Property investigation costs for the year ended December 31, 2014 of $0.60 million include $0.40 million in costs relating to the Revised Halilağa PEA that were incurred and expensed by the Company as such costs were not funded pro-rata with Teck. In the previous year the total of $0.18 million only included property investigation expenditures.

Write-down of mineral property interest

At March 31, 2014, the Company wrote down the value of deferred exploration expenditures relating to the Arasanlı exploration property in Turkey ($0.14 million), further to a review and prioritization of the Company's portfolio of mineral property assets. In the 2013, the Buckskin North and New Boston properties in Nevada were written-down ($1.37 million). Arasanlı had previously been classified as held-for-sale.

Other income (expenses)

Other income (expenses) consisted primarily of (i) impairments and fair value losses on our available-for-sale financial assets, (ii) foreign exchange gains or losses, (iii) income (loss) pick-up from our associates, and (iv) finance income, amounting to a loss of $0.66 million for the year ended December 31, 2014 as compared to $0.99 million in 2013. The overall decrease primarily reflects losses recorded on our available-for-sale financial assets of $1.58 million for the year ended December 31, 2013, compared to losses of only $0.89 million in 2014.

Other comprehensive loss

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

For the year ended December 31, 2014 the impact of foreign exchange were losses of $4.42 million (year ended December 31, 2013: $3.49 million). The impact from exchange differences will vary from period to period depending on the rate of exchange. In the period between January 1, 2014 and December 31, 2014, there was an 8.3% increase in the relative value of the United States dollar against the Canadian dollar, leading to large foreign exchange losses.

Financial Position

The following financial data are derived from our consolidated financial statements as at December 31, 2015, 2014 and 2013:

	December 31, 2015	**December 31, 2014**	**December 31, 2013**
Total assets	$93.73 million	$86.85 million	$71.37 million
Non-current financial liabilities	$0.13 million	$0.12 million	$0.07 million
Cash dividends declared	$nil	$nil	$nil

Total assets

The $6.88 million increase in total assets in 2015 over 2014 reflects the full consolidation of Orta Truva previously accounted for as an equity investment, off-set by a decline in the reported balance of cash due to operations and the declining value of the Canadian dollar when compared to the United States dollar[10]. The $15.48 million increase in total assets in 2014 over 2013 reflects the acquisition of Cadillac Mining Corporation ("**Cadillac**"), which closed in August 2014, and the receipt of cash raised in a bought-deal financing that closed in April 2014 (the "**2014 Bought-Deal**").

[10] The Company raises capital in Canadian dollars, and typically maintains approximately half of its treasury in Canadian dollars. The Company's financial information is presented in United States dollars.

Notwithstanding periodic or one-time transactions and any changes to the value of our portfolio of investment holdings, and subject to changes in foreign exchange, total assets will generally remain constant from one period to the next, less the cost of expenditures on activities not eligible for capitalization.

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

Non-current financial liabilities

At December 31, 2015, 2014 and 2013, our non-current liabilities include (i) liabilities recorded in recognition of a statutory obligation in Turkey to accrue, for lump-sum termination payments, for employees when their employment is terminated due to retirement or for reasons other than resignation or misconduct, and (ii) reclamation work to be performed on exploration properties. As at December 31, 2015, a deferred tax liability has been recognised on acquisition of a controlling interest in Orta Truva, arising from foreign exchange on the tax basis of our assets held in Turkey, this is not classified as a financial liability.

Shareholders' equity

The weighted average fair value of the 997,000 Options granted during the year ended December 31, 2015, determined using Black-Scholes, was C$0.63 per Option. The weighted average significant inputs into the model were share price of C$1.11 at the grant date, exercise price C$1.11, volatility of 70%, dividend yield of 0%, an expected Option life of 5 years and an annual risk-free interest rate of 0.65%. A 3.7% forfeiture rate is applied to the Option expense. In the year ended December 31, 2015 the Company granted 406,910 RSUs and 315,000 DSUs, each with a fair value of $1.14. A former director of the Company exercised 60,000 DSUs in August 2015.

On March 12, 2014, we closed the 2014 Bought-Deal with the issuance of 13,072,000 Common Shares, at a price of C$1.53 per Common Share for gross proceeds of C$20,000,160.

As consideration in the acquisition of Cadillac, the Company issued 4,218,164 Common Shares with a fair value of $5.05 million and 4,218,164 Warrants to purchase Common Shares with a fair value of $1.24 million, to the former shareholders of Cadillac.

Refer also to discussion in this MD&A under heading, "Outstanding Share Data". The Company has not declared any dividends since incorporation, and does not expect this will change in the near future.

SUMMARY OF QUARTERLY RESULTS

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

Condensed consolidated statements of loss and comprehensive income (loss)

	Dec 31 2015	Sep 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014
Loss attributable to the shareholders								
Loss before discontinued operations after tax	(1,610)	(1,592)	(2,152)	(1,620)	(1,977)	(1,321)	(1,263)	(2,152)
Exchange differences on translating foreign operations	(347)	(1,703)	434	(4,336)	(1,823)	(2,829)	2,108	(1,880)
Net value gain (loss) on financial assets	39	(16)	(23)	5	(18)	51	124	440
Basic and diluted	(0.02)	(0.01)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)

The loss for the quarter ended December 31, 2015 includes the non-cash write down of $0.30 million in the deferred exploration expenditures relating to the Drum exploration property. The other most significant expenditures for the quarter are: (i) wages and salaries not allocated to projects of $0.55 million, which are higher than in other quarters due to reduced activity at the properties toward year-end; (ii) slightly higher office and general costs of $0.32 million; and (iii) Property Investigation and costs of technical studies of $0.18 million, that include expenditures in relation to the pursuit of opportunities to extract value from the Turkish portfolio.

The loss for the quarter ended September 30, 2015 included the write down of the Viper property for $1.05 million. The write down for the Gold Bug property in the prior quarter was lower at $0.74 million, however total expenditures and cash flows overall were lower in the quarter ended September 30, 2015 due to lower overall operating expenditures, including office and general of $0.25 million. Also having an impact on a lower loss than prior period were, foreign exchange gains of $0.42 million and stock based compensation expense of $0.19 million.

The largest contributor to the loss for the quarter ended June 30, 2015 includes a non-cash write down of the Gold Bug property $0.74 million. There was no similar write-down in the prior quarter. The overall loss and cash outflow also includes expenses relating to wages and benefits of $0.40 million and office and general of $0.30 million, each of which is similar to the prior quarter, and non-cash stock based compensation of $0.20 million, which is lower than the prior quarter reflective of the timing of vesting provisions.

The loss for the quarter ended March 31, 2015 primarily consists of (non-cash) stock based compensation of $0.49 million and wages and benefits of $0.38 million. Overall losses were lower than in the preceding quarter due in the most part to the recognition of an accrual of the 2014 bonus recorded in the prior period, and paid in the quarter ended March 31, 2015.

The most significant contributors to the loss for the quarter ended December 31, 2014 are wages and benefits of $0.64 million, property investigation of $0.31 million, office and general costs of $0.30 million, and non-cash stock based compensation costs of $0.29 million. The greater loss for the three months ended December 31, 2014 over the previous quarter is driven by additional wages and benefits costs relating to the accrual of the 2014 bonus, as well as costs incurred for the Revised Halilağa PEA not capitalized to the project itself or accounted for by Truva Bakır.

The loss for the three months ended September 30, 2014 was higher than the prior quarter due in the most part to a decrease in the fair value of our available-for-sale financial instruments of $0.38 million. These losses were offset by lower wages and benefits, and office and general expenditures, in aggregate $0.57 million, in the quarter ended September 30, 2014 as compared to $0.60 million in the preceding quarter.

The most significant contributors to the loss for the quarter ended June 30, 2014 were wages and benefits and office and general expenses, collectively $0.91 million as well as non-cash stock-based compensation of $0.22 million. The overall loss this quarter is lower than the previous quarter due to a number of factors; our non-allocated wages expenditures are lower by $0.10 million this period than in the previous quarter due to greater continuing work qualifying for capitalisation. Stock-based compensation is also lower than the previous quarter by $0.23 million due to a grant of Options in the previous quarter that included Options that vested immediately. Additionally, fair value losses related to our available-for-sale financial instruments were also $0.27 million higher in the quarter ended March 31, 2014 than at June 30, 2014.

The most significant contributors to the loss for the quarter ended March 31, 2014 were salaries and office and general expenses and non-cash stock-based compensation expenditures, collectively $1.30 million. The quarter ended March 31, 2014 has higher losses compared to the previous quarter due mostly to a $0.14 million write-down of Arasanlı and fair value losses relating to our impaired available-for-sale financial instruments ($0.28 million), offset by lower wages and salary costs ($0.17 million less than in prior period) arising from somewhat lower activity at our projects during the first quarter of 2014 as compared to that of the fourth quarter of 2013. Cash outflows from operations for the period were relatively comparable to those of preceding quarters. Exchange differences on translating foreign operations are reflective of the difference between historical rates used to translate the equity accounts on the balance sheets of the non-US dollar functional currency entities, and the period end rates used to translate the assets and liabilities.

FOURTH QUARTER

Consistent with previous quarters, net cash outflows were primarily directed to the exploration and development of the Company's exploration properties, and in funding paid to our associate.

In the quarter ended December 31, 2015, our loss from continuing operations of $1.61 million includes $1.69 million in operating losses; the total loss is offset by $0.01 million in foreign exchange gains and $0.03 million in finance income.

LIQUIDITY AND CAPITAL RESOURCES

We have no revenue-producing operations, and earn only minimal income through investment income on treasury, management fees from joint venture projects at which we are the operator, the proceeds from property option agreements, or as a result of the disposal of an exploration asset.

The receipt of proceeds from the 2016 Private Placement, which closed on March 4, 2016, enables the Company to advance with our 2016 budgeted expenditures that include the development of our Utah and Nevada based properties in the US.

As at the date of this MD&A, including cash contributed by our partners at Kinsley and TV Tower for use in accordance with approved budgets at each property, the Company has approximately $9.71 million available in cash, cash equivalents, and short-term investments. With no debt, the Company's working capital balance as at the date of this MD&A is approximately $10.14 million. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. We believe that this approach, given the relative size of Pilot Gold, is reasonable.

Our global budget, including exploration and administration for 2016, is $6.89 million. We currently anticipate spending approximately $2.16 million at Goldstrike, $0.57 million at Kinsley, $0.49 million at TV Tower, and $0.37 million on other exploration property interests including $0.3 million at the Halilağa. Budgeted general and administrative costs of $3.25 million include salaries, professional fees and those costs associated with running the Company's offices in Vancouver, Nevada and Turkey as well as for investment in capital equipment and review of new opportunities. Management believes that the available funds are sufficient for current operations and will enable Pilot Gold to execute its planned exploration and development program on its material properties for at least one year, assuming no other factors change.

The receipt of proceeds from the 2014 Bought-Deal positioned the Company to advance our material properties through 2015. A summary of the planned use of proceeds detailed in the Company's short form prospectus dated March 26, 2014, predicated on the base financing amount in the 2014 Bought-Deal, and with reference to the balance of cash and short term investments at the time, is as follows:

Activity or Nature of Expenditure (through the end of 2015)	Approximate Use of Net Proceeds (C$)
Exploration & Development of Kinsley	7.79 million
Exploration & Development of TV Tower	5.47 million
Exploration & Development on portfolio of other mineral property interests	2.60 million
Working Capital	2.72 million
Total	**18.58 million**

Expenditures through 2014 and 2015 were generally in line with the forecast above. Our share of cash expenditures at Kinsley for 2014 and 2015 total $6.57 million, and expenditures at TV Tower for the same period total $6.4 million. Exploration successes at TV Tower in 2014 led to an accelerated program, and consequentially slightly higher expenditures. In 2015, to address continued capital market and commodity challenges, project expenditures were curtailed. The Company's intentions to undertake more detailed analyses of the illustrative economics of Halilağa in a revised PEA was not previously contemplated, nor were the costs associated with the proposed acquisition of Cadillac and consequential commencement of a drill program at the Goldstrike property in 2015. Treasury designated for Working Capital and the portfolio properties was reallocated to satisfy these incremental planned expenditures.

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

Investments

At the effective date of this MD&A, the market value of our portfolio of investment holdings, comprising securities in exploration companies, is $0.31 million.

Contractual obligations

Mineral Properties and Capital Expenditures

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

i) cash payments to be made to the government or underlying land or mineral interest owners; or

ii) minimum expenditure requirements in order to maintain our rights to such mineral interests.

Although most of our property obligations are eliminated should we choose to no longer invest funds exploring the property), we have certain notable obligations:

Kinsley and TV Tower: Pursuant to the respective operating agreements and the elections by members to participate in funding the 2016 Program and Budget for each project, the Company must incur its pro rata share of the approved budgets for Kinsley, and TV Tower.

In addition to the advance royalty payments ("**ARPs**") described in this MD&A under "*Advance Royalty Payments,*" Pilot Gold is required to make minimum annual exploration expenditures at certain of our exploration properties, in order to maintain the associated lease agreements in good standing. The Company has incurred all such minimum expenditure commitments at the date of this MD&A.

Pilot Gold had no other commitments for material capital expenditures as of December 31, 2015.

Advance Royalty Payments

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

Total future ARPs, as at December 31, 2015 are as follows.

Year	Kinsley‡	Antelope
2016	$ 50,000	$ 50,000
2017	75,000	60,000
2018	100,000	60,000
2019	150,000	60,000
2020 and beyond	200,000	60,000

‡Payable to Nevada Sunrise, LLC ("**NSL**"), a private Nevada-based company, unrelated to Intor

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

Leases

The Company has entered into operating leases for premises in the United States and Turkey. The lease terms are between two and four years; each lease is renewable at the end of the lease period at market rate. Office premises and other operating leases in Canada are paid to Oxygen, pursuant to the Oxygen Agreement. These amounts, as pertaining to non-cancellable leases, are included in the table below. The aggregate lease expenditure related to Pilot Gold's office premises charged to the statement of loss for the year ended December 31, 2015 is $0.25 million (see also in this MD&A, "**Related Party Transactions**").

Total future minimum lease payments, under non-cancellable operating leases as at December 31, 2015 are:

Year	
2016	$ 0.22 million
2017	0.22 million
2018	0.14 million
2019	0.12 million
2020+	0.48 million
	$ 1.18 million

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

Indemnifications

As described in our AIF, Pilot Gold is party to certain agreements giving rise to certain indemnifications for losses suffered or incurred by the counterparty to such agreements. There have been no claims or notices in regard to any such indemnifications.

OFF BALANCE SHEET ARRANGEMENTS AND INDEMNIFICATIONS

The Company has no off-balance sheet arrangements.

LEGAL MATTERS

Environmental Impact Assessments - Halilağa and TV Tower (update)

In January 2016, the Turkish Council of State (the "**Supreme Court**") overturned a decision of the Çanakkale Administrative Court to annul the EIA reports that had previously been received and approved for Halilağa and TV Tower. The Company awaits a final administrative ruling from the Supreme Court formally reinstating these EIA reports.

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.

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

RELATED PARTY TRANSACTIONS

Administration and Technical Services Agreement - Oxygen Capital Corporation

In 2013 the Company entered into an administration and technical services agreement with Oxygen, a private company owned by three directors and an officer of the Company. Pursuant to the Oxygen Agreement, Oxygen provides the Company on a no-fee (cost-recovery) basis:

- technical and administrative services, staff and expertise on an as-needed basis that would not necessarily otherwise be available to Pilot Gold at this stage of the Company's development, and
- access to and the use of the assets including contained in head office space leased by Oxygen.

Pilot Gold shares a head office with other private and public companies each of which has an arrangement with Oxygen. Oxygen allocates the costs of personnel (plus applicable benefits), assets and infrastructure to the various companies based upon the estimated time spent by personnel on Company activities. Oxygen exists to consolidate employees and office infrastructure in one entity so that costs may be more efficiently allocated. Oxygen does not mark-up costs or charge a fee to the Company. Employees of Oxygen providing services to the Company do so pursuant to a secondment agreement, and take direction from the President & Chief Executive Officer and Chief Financial Officer of the Company. Oxygen has no management role in Pilot Gold.

Transactions with Oxygen during the year ended December 31, 2015 total $0.77 million, and are reflected in the Annual Financial Statements. As at December 31, 2015, the Company held a payable to Oxygen of $0.11 million (settled subsequent to period end), and a deposit of $0.23 million with Oxygen for use against the final three months of service upon termination of the arrangement.

OUTSTANDING SHARE DATA

There are 107,344,284 Common Shares and 4,218,157 Warrants issued and outstanding as at December 31, 2015. As at the date of this MD&A there are 125,306,214 Common Shares and 13,164,657 Warrants issued

As at December 31, 2015 there were 6,925,333 Options outstanding issued to directors, officers, employees, and key consultants of the Company. A further 4,482,500 Options were granted in March 2016. Of the total number of Options granted 4,292,222 are exercisable as at December 31, 2015 and 5,911,500 are exercisable as the date of this MD&A.

As at the December 31, 2015, there were 406,910 units outstanding issued pursuant to the RSU plan, of which none were exercisable; and as at the date of this MD&A further an additional grant in March, 2016 there were 498,113 RSUs outstanding of which 101,840 were exercisable.

As at the December 31, 2015, there were 255,000 units outstanding issued pursuant to the DSU plan. A further 153,000 DSUs were granted in March 2016. As of the date of this MD&A there were 408,000 DSUs outstanding.

CRITICAL ACCOUNTING ESTIMATES

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

i) Functional currency

The functional currency for the parent entity, and each of its subsidiaries and associates, is the currency of the primary economic environment in which the entity operates. The US and Turkish subsidiaries of the parent entity, have a US dollar functional currency, while the parent entity itself, and its remaining subsidiaries, have a Canadian dollar functional currency. Determination of functional currency may involve certain judgements to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

ii) Review of asset carrying values and impairment assessment

In accordance with the Company's accounting policy, each asset is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the higher of value in use and fair value less costs to sell. The most significant assets assessed for impairment include the value of the Company's investment interests in associates, the carrying value of its exploration property interests and deferred exploration expenditures and the carrying value of the earn-in option intangible asset.

Recoverability of the carrying amount of Pilot Gold's exploration property interests is dependent on successful development and commercial exploitation or, alternatively, sale of the respective assets. Changes in any of the assumptions used to determine impairment testing could materially affect the result of this analysis.

iii) Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration expenditures requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

Further to a review and prioritization of the Company's portfolio of mineral property assets, during the year ended December 31, 2015, the Company wrote down to $nil the value of deferred exploration expenditures relating to the Gold Bug, Viper and Drum exploration properties in the United States. As described in this MD&A, the Viper property was written down was as a result of new land management plan restrictions in the area around Viper and causing the recoverability of deferred costs relating to the property to be cast into doubt. There were no indicators of impairment on the Company's other assets.

iv) Investment in associate

Recoverability of the carrying amount of Pilot Gold's interest in its associate in Turkey is dependent on successful development and commercial exploitation, or alternatively, sale of Halilağa. Changes in any of the assumptions used to determine impairment testing could materially affect the result of this analysis.

v) Deferred tax assets and liabilities

The determination of the Company's tax expense for the period and deferred tax liabilities involves significant estimation by management. In determining these amounts, management makes estimates of the expected timing of the reversal of deferred tax assets and liabilities.

Estimates and assumptions

The key assumption concerning the estimation uncertainty that is inherent in forecasting future events at a particular reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is described below. The Company bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Exploration and evaluation expenditure

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's exploration and evaluation assets, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions. The publication of a NI 43-101 compliant mineral resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e. measured, indicated or inferred). The estimates directly impact when the Company defers exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditures is unlikely, the relevant capitalised amount is written-off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

ii) Deferred tax assets and liabilities

The Company is subject to assessments by various taxation authorities, which may interpret legislation differently and judgement is required in determining the global tax provision.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

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

At initial recognition, we classify financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond 12 months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as non-current, unless the investment matures within 12 months, or management expects to dispose of them within 12 months. Pilot Gold has classified certain of its long-term investments in this category.

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

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

(iv) Held to maturity: Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are measured at amortized cost less any allowance for impairment. Amortization of premiums or discounts and losses due to impairment are included in current period income (loss). Pilot Gold's short term investments are in this category.

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables and accrued liabilities. Trade payables and accrued liabilities are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Risks Associated With Financial Instruments

We are exposed in varying degrees to a variety of financial instrument related risks. The Board provides oversight of our risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. We manage our capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and our holdings of cash and cash equivalents. We may from time to time have to issue additional Common Shares to ensure there is sufficient capital to meet our long-term objectives. Our financial liabilities of trade payables and accrued liabilities are payable within a 90-day period and are expected to be funded from the available balance of cash and short term investments.

Market Risk

The significant market risk to which we are exposed is foreign exchange risk. The results of our operations are exposed to currency fluctuations. To date, we have raised funds entirely in C$. The majority of our mineral property expenditures, including cash calls from our partner on Halilağa are incurred in USD. The fluctuation of the C$ in relation to the USD and Turkish Lira ("**TL**") will have an impact on Pilot Gold's financial results.

Further, although only a portion of our expenditures, including G&A costs are incurred in Canadian dollars, we record our assets located in Canada in C$. As the operating results and financial position of Pilot Gold are reported in USD in our consolidated financial statements, there may also be an impact to the value of Pilot Gold's assets, liabilities, and shareholders' equity as a result of the fluctuation of the C$ compared to the $.

A 1% increase or decrease in the exchange rate of the USD relative to the C$ would result in a $0.04 million increase or decrease respectively in the Company's cash and short-term investment balance. Although our exposure relating to operating activity in Turkey from fluctuations of the TL remains minimal given the nature, type, and currency (USD) of expenditure, recent volatility in that currency relative to the USD has increased the potential for an impact on the Company's cash and short-term investment balance. A significant strengthening in the value of the TL compared to the USD could adversely impact the economics associated with Halilağa.

We have not entered into any derivative contracts to manage foreign exchange risk at this time.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Pilot Gold's credit risk is primarily attributable to its liquid financial assets. We limit exposure to credit risk and liquid financial assets through maintaining its cash and short term investments with high credit quality banking institutions in Canada, the USA and Turkey. Credit risk is mitigated on these financial instruments in accordance with the Company's investment policy.

Interest Rate Risk

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

CHANGES IN ACCOUNTING POLICES AND NEW ACCOUNTING PRONOUNCEMENTS

For information on the Company's accounting policies, please refer to our disclosure in our Annual Financial Statements at Note 3 and Note 5.

INDUSTRY AND ECONOMIC FACTORS THAT MAY AFFECT OUR BUSINESS

Economic and industry risk factors that may affect our business, in particular those that could affect our liquidity and capital resources, are as described under the heading "*Risk Factors*" in our AIF, available on Pilot Gold's SEDAR profile at www.sedar.com. In particular, there are currently significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development. There are also significant uncertainties relating to the global economony, increased volitility and a general decline in the prices of gold, copper, other precious and base metals and other minerals, as well as increasing volatility in the foreign currency exchange markets and a weakening of the Canadian dollar which impact our business and may impact our ability to remain a going concern.

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

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

PROPOSED TRANSACTIONS

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment, and joint venture transactions and opportunities that could enhance shareholder value. We are also continually reviewing and discussing opportunities with third parties regarding the sale of non-strategic properties in our portfolio. There is no guarantee that any contemplated transaction will be concluded.

With the exception of continuing discussions as to maximizing the value of Halilağa, there are no proposed asset or business acquisitions or dispositions before the Board for consideration, other than those discussed in this MD&A. While we remain focused on our plans to continue exploration and development on our material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

SUBSEQUENT EVENTS NOT OTHERWISE DESCRIBED HEREIN

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

Pilot Gold's officers certify the design of Pilot Gold's ICFR using the Internal Control – Integrated Framework (2013) issued by The Committee for Sponsoring Organizations of the Treadway Commission. Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes to the internal controls over financial reporting that occurred during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

Disclosure Controls and Procedures

Disclosure controls and processes have been designed to ensure that information required to be disclosed by Pilot Gold is compiled and reported to management as appropriate to allow timely decisions regarding required disclosure. Pilot Gold's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of December 31, 2015, that the disclosure controls and procedures are effective in providing reasonable assurance that material information related to Pilot Gold is made known to them by employees and third-party consultants working for Pilot Gold and its subsidiaries. There have been no significant changes in our disclosure controls and procedures during the year ended December 31, 2015.

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

ADDITIONAL INFORMATION

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

APPROVAL

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

(signed) "Cal Everett"
Cal Everett
President and Chief Executive Officer
March 17, 2016

(signed) "John Wenger"
John Wenger
Chief Financial Officer and Corporate Secretary

SCIENTIFIC AND TECHNICAL DISCLOSURE

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

The existence of similar features at TV Tower's porphyry targets as those at the Halilağa deposit do not mean that another mineral resource will be found to exist at TV Tower or, if found to exist, that it will be of similar grade or quantity that is found at Halilağa.

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

- *"Updated Technical Report and Estimated Mineral Resources for the Kinsley Project, Elko and White Pine Counties, Nevada, USA", effective October 15, 2015, and dated December 16, 2015;*
- "*Independent Technical Report for the TV Tower Exploration Property, Çanakkale, Western Turkey*", effective January 21, 2014, and dated February 20, 2014;
- "*Revised Preliminary Economic Assessment Technical Report for the Halilağa Project, Turkey*", effective December 20, 2014 and dated February 16, 2015;

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

Our Disclosure Documents were prepared by or under the supervision of an independent QP. Readers are encouraged to review the full text of the Disclosure Documents qualifying the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral resource estimates 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 that which is indicated by drilling results, and the difference may be material. Furthermore, readers are cautioned that the Revised Halilağa PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Revised Halilağa PEA will be realized. Further studies, including engineering and economics, are required (typically as a Pre-Feasibility Study) with regards to infrastructure and operational methodologies. Moreover, the illustrative mine plan and economic model detailed in the Revised Halilağa PEA include the use of a significant portion of Inferred Resources, which are considered to be too speculative geologically to be used in an economic analysis, except as permitted by NI 43-101 for use in PEAs. Additional disclosure and cautionary notes relating to the Revised Halilağa PEA are summarized in the AIF.

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

Cautionary Notes Regarding Forward-Looking Statements

This MD&A, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, including statements or information concerning, future financial or operating performance of Pilot Gold and its business, operations, properties and condition; the potential quantity, recoverability and/or grade of minerals, the potential size of a mineralized zone or potential expansion of mineralization, proposed exploration and development of Pilot Gold's exploration property interests and the Corporation's anticipated expenditures.

Forward-looking statements and forward-looking information is often, but not always, identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information are 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 metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licences and permits and obtaining required licences and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources; the timing and amount of estimated future production, illustrative costs of production and mine life of the various mineral projects of Pilot Gold, the amenability of mineralization to produce a high-grade concentrate at Kinsley (as there can be no assurances as to the results of the metallurgical testing and no inferences should be drawn therefrom), the accuracy of any metallurgical testing completed to date, successful resolution of disputes (if any) and anticipated costs and expenditures, the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, and the reliance on technical information provided by our joint venture partners or other third-parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities; Pilot Gold's ability to fully fund cash-calls made by its joint venture partner for ongoing expenditure at Halilağa; satisfaction of expenditure obligations under earn-in agreements to which the Company is a party, government regulation of mining operations, environmental risks and reclamation expenses, title disputes, the ability to maintain or convert the underlying licences for Halilağa and TV Tower in accordance with the requirements of applicable mining laws in Turkey; government regulation of exploration and mining operations; the timing and possible outcome of regulatory and permitting matters; successful resolution of the challenges to the EIAs described in this MD&A or those that might arise in the future, the impact of archaeological, cultural or environmental studies within the property areas, anticipated costs and expenditures and our ability to achieve our goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Pilot Gold and there is no assurance they will prove to be correct.

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

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others: general business, economic, competitive, political, regulatory and social uncertainties; fluctuations in and the future price of gold, copper, silver and other metal prices; disruptions or changes in the credit or securities markets and market fluctuations in prices for Pilot Gold's securities; judgement of management when exercising discretion in their use of proceeds from the 2014 Bought-Deal of the 2015 Private Placement; potential dilution of Common Share voting power or earnings per share as a result of the exercise of Options, RSUs, DSUs, or Warrants, future financings or future acquisitions financed by the issuance of equity; discrepancies between actual and estimated mineral reserves and resources; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; Pilot Gold's ability to renew existing licences and permits or obtain required licences and permits; changes in government legislation and regulation; requirements for future funding to satisfy contractual obligations and additional capital needs generally; uncertainties associated with minority interests and joint venture operations; risks arising from having the majority of the Company's operations occur in foreign jurisdictions, those associated with the Company's indemnified liabilities and the potential for increased infrastructure and/or operating costs or reclamation costs; the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "*Risk Factors*" in the AIF. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

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

Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Pilot Gold disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

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

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied. The mineral resource estimates referenced in this press release use the terms "**Indicated Mineral Resources**" and "**Inferred Mineral Resources**". While these terms are defined in and required by Canadian regulations (under NI 43-101), these terms are not recognized by the U.S. Securities and Exchange Commission ("**SEC**"). "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant “reserves” as in-place tonnage and grade without reference to unit measures. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. Pilot Gold is not an SEC registered company.