PILOT GOLD INC.
(AN EXPLORATION STAGE COMPANY)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the six months ended June 30, 2012

Pilot Gold Inc.
Management Discussion and Analysis
Six months ended June 30, 2011

This Management's Discussion and Analysis ("MD&A"), dated as of August 13, 2012, should be read in conjunction with the Company's Annual Information Form ("AIF"), the unaudited condensed interim consolidated financial statements for the six month period ended June 30, 2012 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 (collectively the "Interim Financial Statements"), and other corporate filings available under Pilot Gold's company profile on SEDAR www.sedar.com. We report our financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Our reporting currency is the United States dollar ("$"). All dollar figures in this MD&A are expressed in United States dollars unless otherwise stated. As at June 30, 2012, the value of C$1.00 was $0.98[1].

Highlights and Significant Events

Continued advancing our three key projects, with the following highlights:

- TV Tower
  - Secured the right to become project Operator and to acquire a further 20% of the TV Tower gold-silver property ("TV Tower") in northwestern Turkey; this allows Pilot Gold to aggressively drive exploration on the project.
  - In advance of assuming operational control of the exploration program at TV Tower, carried out surface exploration across the property. This work has identified several new zones of mineralization since the start of Pilot Gold-led field work in March. Our drill program is already underway and our surface program is ongoing.
  - Commenced a 16,000 metre, year-one resource definition and exploration drill program, focused on the Küçükdağ [pronounced: k-chŭk-dă] ("KCD") gold-silver target, where previous drilling returned exceptional grades, including 4.28 g/t gold over 136.2 metres and silver grades up to 171 g/t silver over 47.50 metres. We plan additional exploration on other property-wide exploration targets and anticipate completing 9,000 metres of drilling in 2012. Two diamond core drills began operating in early August; two additional drills are scheduled to arrive in the fall of 2012.
- Kinsley Mountain
  - Earned an initial 51% interest to the lease and related claims at the past-producing Kinsley Mountain sediment-hosted gold property, and elected to earn-in to a 65% interest in the property.
  - Increased our exposure to Kinsley Mountain by subscribing for 6,250,000 common shares and 3,125,000 whole-share purchase warrants of Nevada Sunrise Gold Corporation ("NEV"). A subsidiary of NEV is our partner at Kinsley Mountain.
  - In July we reported strong intervals of gold mineralization in step-out holes at Kinsley Mountain, including 5.48 grams per tonne gold over 20.4 metres, building on our success with the initial drill results (reported in February 2012) which included 5.91 g/t gold over 18.4 metres.
- Halilağa
  - Reported an independent resource estimate at the Halilağa [pronounced: (hā)-lē-lā] copper-gold porphyry in northwestern Turkey ("Halilağa") in February 2012.

    Using a 0.2% copper equivalent cut-off grade, this project-first resource demonstrated an Indicated Resource of 1.665 million ounces gold at an average grade of 0.31 g/t gold, and 1.112 billion pounds of copper at an average grade of 0.30% copper (168,167,000 tonnes), and an Inferred Resource of 1.661 million ounces gold at an average grade of 0.26 g/t gold, and 1.007 billion pounds of copper at an average grade of 0.23% copper (198,668,000 tonnes).
  - Continued hydrological, geo-technical, and economic studies.
  - Reported initial results from the 2012 campaign, including broad intervals of continuous copper-gold mineralization in all holes. Highlights include: 0.64 g/t gold and 0.52% copper over 134.90 metres.

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

This MD&A contains forward-looking statements that involve numerous risks and uncertainties. Actual results of Pilot Gold could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth below under the heading "*Cautionary Notes Regarding Forward-Looking Statements*". For further information of the risks and uncertainties facing the Company, and for other information about our business and projects, please see the Company's AIF for the year ended December 31, 2011 dated March 28, 2012, under the heading "*Risk Factors*", which can be found on Pilot Gold's SEDAR profile at www.sedar.com.

Overview and Description of the Business

Pilot Gold is a gold exploration company led by proven, technically focused management that continues to discover and define high-quality projects featuring strong grades and meaningful size in mining-friendly jurisdiction. We are principally engaged in the acquisition, exploration and development of mineral properties with both low technical risk and the potential to host robust, economically-significant deposits in the future.

Outlook

We have three key projects to drive value: TV Tower, Kinsley Mountain and Halilağa. We believe each has the potential to be a foundational asset in its own right.

In Turkey, we hold a 40% interest in Halilağa and TV Tower, two very large and near-contiguous properties located at the epicentre of a mineralized district, and close to established infrastructure in northwestern Turkey. In Nevada, our key project is Kinsley Mountain, a sediment-hosted gold project with the stratigraphy, structure and a mineralization style common to other sediment hosted gold systems in northeast Nevada. In addition to TV Tower, Kinsley Mountain and Halilağa, Pilot Gold's exploration platform is supported by a strong pipeline of exploration projects in Nevada and Turkey. Promising projects in Nevada include the Griffon and Antelope sediment-hosted gold properties, as well as the Brik and Viper properties on which our team made new gold discoveries in 2011.

In the six months ended June 30, 2012, we announced catalytic building blocks at each key project to drive our vision of becoming the leading gold-focused exploration company in Turkey and Nevada:

TV Tower

During the quarter we signed a joint venture and earn-in agreement (the "TV Tower Agreement") that will, enable us to increase our interest in TV Tower to 60%. We became project Operator at TV Tower on June 20, 2012. Securing Operatorship of TV Tower has been an objective for Pilot Gold since our listing in 2011, and provides the Company the first real opportunity to aggressively advance exploration across this target rich property. We have a year-one exploration budget of 16,000 metres, including 9,000 metres by year-end, focused at the KCD gold-silver target. Pilot Gold's team has been conducting surface exploration since mid-March of 2012, and has already identified a number of additional exploration targets, with large areas of the property remaining virtually unexplored. We are also working to expand our local team to move aggressively on this highly prospective property. Two core drills began operating at TV Tower in early August; initial drill results are expected during the third quarter.

Kinsley Mountain

We completed an earn-in to an initial 51%-interest at Kinsley Mountain during the second quarter of 2012, and elected to exercise an option to earn a further 14%-interest in the property. We have already incurred more than 50% of the minimum expenditure requirement to attain that 65% interest.

During Q2 2012, we submitted an application to the United States Bureau of Land Management ("BLM") for a Plan of Operations which will allow for expanded exploration activities beyond the previously disturbed areas, and plan to apply for a separate permit that would enable additional drilling on those claims formerly known as Kinsley North. We expect to complete 47 holes as part of the 2012 RC program. Results from the RC portion of the program completed to date are pending

Halilağa

The recently completed project-first resource estimate and ongoing drill campaign at Halilağa provides a third opportunity for Pilot Gold to drive significant value. Ongoing infill and step out drilling at Halilağa continues to intersect long intervals of copper-gold mineralization, expanding the mineralized footprint and improving continuity within the deposit. To unlock the value of this copper-gold porphyry, we are concurrently enhancing the existing resource with economic, engineering, metallurgical, hydrological and environmental studies.

Mineral Properties

Additional information about each of our material projects is summarized in our AIF for the year ended December 31, 2011, dated March 28, 2012, as well as in respective project technical reports filed on SEDAR at www.sedar.com.

Actual expenditures to the end of Q2 2012 and the 2012 budgeted cash exploration and development expenditures for our material properties are summarized in the following table:

		Our share (in $ '000s) of:			
Project	**Minerals**	**Expenditures through Q2 2012**	**2012 Budget (original)**	**2012 Budget (revised)**	**Pilot Gold ownership e**
TV Tower	gold, silver, copper	313	1,200	4,131 [2]	40%
Kinsley Mountain	gold	2,239	2,713	2,869	51%
Halilağa	copper, gold, molybdenum	947	1,949	1,949 [3]	40%
Total		**3,499**	**5,862**	**8,949**	

(*) Pilot Gold holds an option to increase its ownership interest at TV Tower (60%) and Kinsley Mountain (65%), and is currently working to earn-in to the respective increase interest at each.

TV Tower (40% owner and Operator)

Pursuant to the TV Tower Agreement, signed on June 20, 2012, we became Operator of and secured a right to acquire an additional 20% interest (to an aggregate 60% interest) in TV Tower, a large (71 km^2) epithermal gold property located in northwestern Turkey.

On August 8, 2012, we announced the commencement of a 16,000 metre resource definition and exploration drill program at TV Tower. There are currently two core drills operating at TV Tower with a two more expected in the fall. A total of $0.31 million in Expenditures since January 1, 2012 have already been incurred that in accordance with the TV Tower Agreement have been treated as eligible toward earn-in. A portion of these costs were expensed during Q1 2012, and have been reclassified between the investment in Orta Truva and an earn-in option respectively on a 40% and 60% basis.

As of the date of this MD&A, we have drilled 551 metres in 2 completed holes, and 2 partial holes. Our team on the ground is encouraged by the progress to date.

TV Tower consists of approximately 7,109 hectares of mineral tenure in eight licenses, is proximal to Halilağa, and is interpreted to host multiple, epithermal gold and porphyry systems, similar to the neighbouring Ağı Dağı and Kirazlı gold properties of Alamos Gold Inc. ("Alamos"). Our 40% interest is held through a shareholding in Orta Truva Madencilik Şanayi ve Ticaret A.Ş. ("Orta Truva"), a Turkish Joint Stock Company. Our joint venture partner at Orta Truva is Teck Madencilik Şanayi Ticaret A.Ş. ("TMST"), an indirect subsidiary of Teck Resources Limited ("Teck").

To acquire an additional 20% interest in Orta Truva, and thus indirectly, a further 20% of TV Tower, Pilot Gold:

- Must incur $21 million in exploration expenditures over three years (the "TV Tower Expenditure Requirement"), with a minimum expenditure of $5 million in the first year, $7 million in the second year, and $9 million in the third year.
- Issued 3,275,000 common shares of Pilot Gold ("Common Shares") and 3,000,000 Common Share purchase warrants ("Pilot Warrants") to TMST. Each Pilot Warrant is exercisable for a period of three years from the date of issue and is exercisable for one Common Share at an exercise price of C$3.00 per share;
- Must issue 1,637,500 Common Shares to TMST on each of the first and second anniversaries of the date the TV Tower Agreement was signed, should Pilot Gold elect to continue with the earn-in; and

[2] Revised budget for TV Tower reflects Pilot Gold's program as Operator

[3] Revised 2012 budget for Halilağa contingent on final approval by TMST as operator

- Must make a one-time cash payment to TMST, equal to $20 per ounce of gold, applicable on 20% on the gold ounces delineated at TV Tower in excess of 750,000 ounces defined as compliant Measured, Indicated or Inferred resources in a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report, prepared generally concurrent with the completion of the TV Tower Expenditure Requirement (the "Additional Consideration").

The $5 million expenditure requirement in the first year is a committed expenditure, whereby the Company must make a cash payment to TMST for the portion of the $5 million not incurred before the first anniversary of the TV Tower Agreement, regardless as to whether we determine to proceed with the earn-in. Should the Company elect to proceed with the earn-in, the shortfall amount would also be added to the TV Tower Expenditure Requirement for the second year of the earn-in.

During the period in which we incur the TV Tower Expenditure Requirement, Pilot Gold will be the Operator at TV Tower. Our current interest in Orta Truva will remain unchanged at 40% until we complete the earn-in commitments. Upon completion of the earn-in period we would remain Operator so long as we remain the majority owner.

Our share of actual expenditures at TV Tower attributed to our investment in Orta Truva through these first two quarters of 2012 was $0.31 million, consisting of $0.19 million in cash calls and $0.12 of 40% of the total Expenditures as described in this MD&A (year-ended December 31, 2011: $2.1 million). Our revised budget, as Operator, is $4.13 million.

Kinsley Mountain (51% owner, and Operator)

The Kinsley Mountain property consists of 277 claims comprising 5,444 acres, and hosts a past-producing mine, with numerous untested exploration targets. In May 2012, we completed our expenditure commitment to earn an initial 51% interest at Kinsley Mountain and immediately elected to continue working toward an earn-in to an additional 14% (in aggregate a 65% interest). Pursuant to the initial earn-in, the mineral claims staked within, and nearby to the defined area of interest, including the property formerly known as Kinsley North, will be transferred to a newly established limited liability company. To the date of this MD&A, we have incurred approximately $1.9 million in exploration expenditures attributable to the earn-in of the second option on the property.

In July, we reported strong intervals of gold mineralization in step-out holes at Kinsley Mountain, including 5.48 grams per tonne gold over 20.4 metres in hole PK014C, located 150 metres northeast of hole PK002 which returned 6.23 g/t gold over 8.7 metres in 2011 drilling.

Expenditures on the property for the first six months of 2012 totalled $2.2 million compared to a revised budget of $2.9 million for the year. Assays from the recently completed 14-hole diamond core drilling program reported to date returned mineralization in step-out holes 100 metres to 150 metres north of the historic main pit area, where Pilot Gold's 2011 drilling was focused.

Exploration continues at Kinsley Mountain, with one reverse circulation drill operating over a wider area along the north and western margins of the previously-defined zone of gold mineralization. Through to the date of this MD&A, 2,081 metres of core drilling in 15 holes have been completed, with an additional 8,176 metres of RC drilling in 43 completed holes.

During the quarter, we submitted an application for a Plan of Operations to the BLM which will allow for expanded exploration activities beyond the previously disturbed areas. We are also planning to apply for a Notice of Intent, to allow additional drilling on those claims formerly known as Kinsley North.

Concurrent with the 2012 drill program, regional exploration, data compilation and modeling, and environmental studies are underway. Activities include rock chip sampling, detailed geologic mapping and digitizing and modeling of historic data including over 1,100 drill holes and 72,000 mine blast-hole samples leading to the first comprehensive 3-D model for the project. The model allows for more accurate targeting of mineralization and along high-grade structural controls beyond the limit of historic workings.

Through to the date of this MD&A, 2,081 metres of core drilling in 15 holes have been completed, with an additional 7,500 metres of RC drilling was completed in 36 completed holes. We expect to complete 47 holes as part of the 2012 RC program.

Through June 30, 2012, we have incurred $2.24 million (year-ended December 31, 2011: $1.13 million) in expenditures at Kinsley Mountain. To extend exploration over a wider area of the previously-defined zone of gold mineralization, we have revised the budget to $2.87 million.

Halilağa (40% owner, and non-operator)

Located approximately 45 kilometres southeast of the city of Çanakkale on the Biga Peninsula, Turkey, the 40%-owned Halilağa property hosts a significant copper-gold porphyry deposit based on results from 30,004 metres of drilling in 72 drill holes through October 17, 2011.

The project-first independent resource estimate[4] on the Kestane [pronounced: kĕs-tā-nē] copper-gold porphyry at Halilağa, comprises:

	Tonnes (000's)	Average Cu grade (%)	Average Au grade (g/t)	Average Mo grade (%)	Contained Cu (000's lb)	Contained Au (000's oz.)
Sulphide resource (1)						
Indicated	168,167	0.30	0.31	0.006	1,112,223	1,665
Inferred	198,668	0.23	0.26	0.007	1,007,361	1,661
Oxide resource (2)						
Inferred	4,914		0.60		—	95

Strip Ratio: 2.5 : 1

(1) At a 0.2% copper equivalent cut-off grade

(2) At a 0.2 g/t gold cut-off grade

The related NI 43-101 technical report for Halilağa, co-authored by Garth Kirkham, P.Geo., and James Gray P.Geo., entitled "*Resource Estimate for the Halilağa Copper-Gold Property NI 43-101 Technical Report*", dated March 23, 2012 was released on March 26, 2012. The resource remains open down-plunge to the east and along portions of its southern margin.

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[4] The mineral resource estimate was prepared by Mr. James Gray, P.Geo., of Advantage Geoservices Ltd., in accordance with the CIM Standards, as amended. Mr. Gray is an independent qualified person as defined by NI 43-101 ("QP"). The Company filed the related NI 43-101 technical report on SEDAR at www.sedar.com on March 26, 2012.

Copper, gold and molydbedum grades were estimated by inverse distance squared weighting of two metre composited sample data. The interpolation used structural and rock type controls on sample selection and search orientation. Blocks were estimated based on a minimum of five samples, a maximum of 24 and a maximum of seven samples per hole. Composites were capped by rock type. In total, metal removed through the capping process was low as is typical in porphyry style mineralization: 0.8% copper, 1.2% gold and 10% molybdenum. Average rock type densities were assigned to blocks based on the results of 2,466 measurements.

The resource was classified based on spatial parameters related to available composite data as Indicated or Inferred. Measures were taken to ensure the resource meets the condition of "reasonable prospects of economic extraction" as suggested under NI 43-101. A Lerchs-Grossman pit shell was generated for the purpose of resource tabulation. This pit volume was generated using MineSight® software using a copper price of $4.0/lb applied to copper equivalent grade and an overall pit slope of 45°. Only blocks within the pit volume are included in the declared resource. Within the pit shell, estimated blocks were assigned as Inferred Mineral Resource and upgraded to Indicated where:

- estimated by two holes and within 25 metres of a drill hole, or
- estimated by two holes and within 50 metres of the second closest hole, or
- estimated by three holes and within 25 metres of a drill hole, or
- estimated by three holes and within 80 metres of the second closest hole, or
- estimated by three holes and within 100 metres of the third closest hole, or
- estimated by four holes if the average distance to samples is ≤ 100 metres.

For the main sulphide resource, a cut-off of 0.2 percent copper equivalent (% CuEq) is felt to be reasonable based on a production rate of 50,000 to 70,000 tonne/day from a pit feeding a mill and flotation plant where total operating costs would be in the range of $10-12 per tonne. Due to the differing metallurgical characteristics and anticipated metal extraction methods, the oxide resource is tabled separately. Although the gold resource is extractable, it is not expected that the base metals within the oxide zone will be recoverable. The cut-off of 0.2 g/t gold is judged as reasonable based on other heap leach gold projects including Alamos' nearby Ağı Dağı project.

Mineral Resources and Mineral Reserves are subject to risks related to metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, and other relevant issues, that are beyond the control of the company. Mineral Resources are not Mineral Reserves and there is no guarantee that a Mineral Resource will ever become a Mineral Reserve. However, based on recent work, we currently anticipate that a good portion of the current Mineral Resource should be converted to Mineral Reserves with future drilling.

TMST is Pilot Gold's 60% partner and the operator at Halilağa. Phase One of the 2012 exploration program includes 5,000 metres of infill core drilling as part of a larger planned infill and exploration drill program. This Phase One program will be completed in August and will transition into a Phase Two 3,750 metre program. The reduction to the number of metres originally planned will provide Teck and Pilot Gold an opportunity to refine the program and conclude on a strategy for advancement of this development-track copper-gold porphyry.

Through the rest of the year we will continue to enhance the existing resource with ongoing economic, metallurgical, hydrological and environmental studies at Halilağa. The first round of assays from the 2012 work program have returned broad intervals of continuous copper-gold mineralization in all holes, including 0.64 g/t gold and 0.52% copper over 134.90 metres in HD-115. Of the eight holes completed to date, six were infill holes within the defined resource while the remaining two, HD-108 and HD-110, were drilled beyond the resource area and at least 100 metres from the nearest previously reported drill holes. All holes intersected copper-gold porphyry-style mineralization, including notable high-grade intervals in holes HD-108, HD-109 and HD-115. Through the date of this MD&A, there has been 5,540 metres of core drilling completed in 16 completed, and three partial holes.

Revised budgeted expenditures for 2012 are $4.87 million, with Pilot Gold's share totalling $1.95 million. TMST increased the budget during the first quarter of 2012, however, the final budget for 2012 at Halilağa is contingent on Teck's mid-year approval process. The amount previously reported as Pilot Gold's budgeted share for Halilağa was $1.36 million. Our share of actual expenditures through the end of the first six months in 2012, were $0.96 million.

Other property interests

Pilot Gold has 15 other property interests in the United States, including the recently acquired Gold Bug property, a large low-sulphidation epithermal gold-silver project located in the Eastern Calderas region of Nevada featuring multiple untested targets, and the Griffon property, a past-producing sediment-hosted gold system on the southern extension of the Cortez Trend that appears to share some of the same DNA as Kinsley Mountain. We have an aggregate budget of $0.41 million approved for 2012 on these two properties, and have incurred $0.32 million, including acquisition costs, through June 30, 2012.

At the Regent, Brik, New Boston and Viper projects, the aggregate budget in 2012 is $0.22 million. Although plans for each of these four properties are under review as we focus on Kinsley Mountain in Nevada and turn our attention to the recently acquired Griffon property, management believes that each of Regent, Brik, New Boston and Viper are properties of merit that warrant continued exploration. Through the end of the June 2012 we have incurred $0.12 million in aggregate expenditures on this group of properties.

We also hold an interest in Gold Springs LLC, an entity established to hold the Gold Springs 2 low-sulphidation epithermal gold-silver property ("Gold Springs") with partner, and project operator High Desert Gold Corporation ("High Desert"), following their earn-in to an initial 60% interest in 2011. During the three months ended June 30, 2012 the Company elected to terminate its participation in the 2012 program at Gold Springs, resulting in a dilution of 10.2% of the Company's interest in Gold Springs in accordance with the terms of the related operating agreement. A dilution loss of $88,729 was recognised for the period. If less than 90% of the planned 2012 budget for Gold Springs is expended by year end, the Company can reconsider its contribution to the budget and return to our previous 40% interest in Gold Springs by paying 40% of expenditures incurred by High Desert from June 1, 2012 to year end, plus interest. Pilot Gold contributed $0.39 million to Gold Springs LLC in 2012 in response to cash calls through May 31, 2012.

Additional information about our pipeline projects is summarized in our AIF for the year ended December 31, 2011, dated March 28, 2012, filed on SEDAR at www.sedar.com.

Selected Financial Information

As described in our annual financial statements for the year ended December 31, 2011, Pilot Gold ceased to be a wholly owned subsidiary of Fronteer Gold Inc. ("Fronteer") on April 6, 2011, pursuant to an arrangement agreement between Fronteer and Newmont Mining Corporation ("Newmont"), whereby Newmont acquired all the outstanding common shares of Fronteer by way of a plan of arrangement (the "Fronteer Arrangement"). The effective date of the Fronteer Arrangement was determined to be March 30, 2011 (the "Arrangement Date").

The Fronteer Arrangement has been determined to be a common control transaction, and has been accounted for using the continuity of interest method of accounting. Pursuant to the application of continuity of interest accounting, those balances and transactions relating to the period through to the Arrangement Date reflect an allocation of cash flows, expenditures and activities based on the amounts recorded by Fronteer attributable to Pilot Gold's assets and business.

The percentage derived from the total exploration expenditure, up to the Arrangement Date, incurred by Fronteer in this comparative period on Pilot Gold's properties, over Fronteer's total exploration and development expenditures for this same period, was used to determine the appropriate balance to record in our unaudited Interim Financial Statements for those items of general and administrative expenses, wages and salaries stock based compensation and other overhead costs not directly chargeable to the Company through to the Arrangement Date.

The selected period information and summary of financial results in this MD&A and our Interim Financial Statements should be read in conjunction with the consolidated annual financial statements of Pilot Gold for the year ended December 31, 2011. Discussion in this MD&A related to the results of our operations up to the Arrangement Date reflects the allocation of costs from Fronteer pursuant to the application of continuity of interest accounting.

Results of Operations

The Company's operations are in one industry, the exploration for gold, copper and other precious and base metals. At December 31, 2011, Pilot Gold has three geographic segments: Canada, the USA, and Turkey. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information to a user.

Three and Six Months Ended June 30, 2012 vs. Three and Six Months Ended June 30, 2011

The following financial data (in thousands, except per share data) are derived from our financial statements for the six month periods ended June 30, 2012, and 2011:

	Three months		**Six months**	
	June 30, 2012	**June 30, 2011**	**June 30, 2012**	**June 30, 2011**
Total revenues	-$nil	-$nil	-$nil	$-nil
Net loss for the quarter	$1,383	$7,270	$2,844	$7,684
Basic loss per share	$0.02	$0.14	$0.05	$0.15
Diluted loss per share	$0.02	$0.14	$0.05	$0.15

The most significant contributors to the loss for the three and six months ended June 30, 2012 were stock based compensation ($0.51 and $1.03 million respectively) and the cost of wages and benefits ($0.44 and $0.90 million respectively). Expenses for the six months ended June 30, 2012 were offset by income resultant from a change in fair value of our financial instruments ($0.68 million). In the comparative period, the most significant contributors to the losses were also stock based compensation and wages.

Stock-based compensation

The amounts expensed for stock-based compensation, not included as part of property investigation expense, or capitalized to mineral properties, were for the three and six months ended June 30, 2012, $0.51 and $1.03 million respectively. Despite an option grant during the most recent quarter, stock-based compensation is lower than in the comparative periods ($4.84 and $4.86 million, respectively) as a significant number of options granted as part of the initial option grant vested in April 2011, whereas neither the option grant in 2012, nor the number of options vesting in the current period were as large. The impact of certain forfeitures was also recorded in the current period.

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

Generally, stock based compensation expense should be expected to vary from period to period depending on several factors, including whether options are granted in a period and whether options have fully vested or are cancelled in a period.

Wages and benefits

In the three and six months ended June 30, 2012, Pilot Gold recorded $0.44 and $0.90 million respectively (June 30, 2011: $0.46 and $0.61 million) to wages and benefits expense. The balance of wages and benefits has increased when compared to the preceding two quarters, notwithstanding a relatively stable headcount through the majority of 2011 and into the current year owing to an annual wage increase for the majority of our team effective January 2012. Our 2012 budget for wages and benefits is $2.1 million. The expense through June 30, 2012 is generally consistent with the amount budgeted. The comparative period includes an allocation of Fronteer's wages and benefits costs as employment relationships with the majority of our personnel began after March 30, 2011. Prior to this date, Pilot Gold had no employees, and no related cash flows.

Consistent with our accounting policies relating to the capitalization of exploration expenditures, in any period a significant portion of our remuneration costs are capitalized to our exploration properties based on the nature of work undertaken. Wages and benefits included on our statement of loss reflect only those costs not attributable to either exploration on specific projects, or property investigation. During the six months ended June 30, 2012, we capitalized $0.42 million (June 30, 2011: $0.39 million) in wages and benefits to our properties.

Office and general

In the three and six months ended June 30, 2012, office and general expenditures reflecting activities at our offices in Canada, the United States and Turkey, amounted to $0.41 and $0.79 million respectively (June 30, 2011: $0.45 and $0.50 million). Expenses reported that relate to the comparative period include those allocated to the Company in accordance with continuity of interest accounting in the first three months of 2011, as well as ramp-up costs following our initial public listing in April 2011. Our 2012 budget for office and general expense is $1.11 million. The expense through June 30, 2012 is slightly higher than the amount budgeted for the first half of the year as a result of additional costs incurred relating to our website re-launch, certain office supplies, and renewals for software and subscriptions. Beginning in 2011, a portion of our office-related costs were off-set by recoveries from Blue Gold Mining Inc. ("Blue Gold"), further to an administrative services agreement with that company. Management fees of $0.01 million charged to Blue Gold are included in Other Income on the Company's statements of loss (comparative period: $-nil).

Property investigation

In the three and six months ended June 30, 2012, the Company incurred property investigation costs of $0.01 and $0.38 million respectively (June 30, 2011 three and six months: $0.37 and $0.37 million). Costs of property investigation are expensed until a new project is acquired or the rights to explore the property have been established. Project investigation is a core part of our business and growth strategy and we remain active in identifying projects that will enhance our growth pipeline, including identifying near term producing assets for acquisition.

Property investigation includes $0.13 million of stock-based compensation expense attributed to property investigation for the six months ended June 30, 2012 (comparative period: $0.08 million), based on an allocation that corresponds with the deferral of such costs to mineral properties.

The TV Tower Agreement, effective June 20, 2012, specifies that Expenditures incurred beginning January 1 2012 qualify toward earn-in. Certain Expenditures were originally recorded to property investigation during Q1 2012. In the six months ended June 30, 2012, $0.31 million of property investigation costs were recharged to Orta Truva; Accordingly, we reversed the amount previously expensed, the result of which is a net decrease in property investigation expense for the quarter.

Professional fees

Professional fees in the three and six months ended June 30, 2012 were a $(0.08) million gain and a $0.18 million expense respectively (June 30, 2011: $0.20 and $0.26 million), and relate primarily to legal, accounting and audit costs. During the three months ended June 30, 2012 $0.14 million of legal fees relating to the TV Tower Agreement, of which $0.10 million was recognised as an expense in the previous quarter, were deemed acquisition costs and re-classed to the Earn-in Option as direct acquisition costs.

The most significant contributors in the six months ended June 30, 2012 relate to the legal costs associated with the Kinsley Mountain earn-in, the purchase of the NEV Units in Q1 2012, termination of the RW Option (refer below), acquisition of the Griffon and Gold Bug property interests, and ongoing discussions related securing other opportunities for our portfolio.

Investor relations, promotions and advertising

Investor relations, promotions and advertising expenses in the three and six months ended June 30, 2012 were $0.09 and $0.26 million respectively (June 30, 2011: $0.77 and $0.90 million), and relate primarily to attendance at trade shows, the rebranding of Pilot Gold's corporate appearance, property tours with investment banking analysts and other similar costs intended to increase the Company's profile, and update the markets understanding our material projects. Expenditures to date are generally in line with the amount budgeted, with certain non-recurring investor relations and marketing activities having been undertaken in the first quarter of the year. The comparative period includes costs involved in the set-up of Pilot Gold as a new company.

Recovery of previously written-down property option

During the first quarter of 2012, management wrote off the deferred costs related to the acquisition of, and subsequent expenditures on, an option (the "RW Option") to acquire a 51% interest in up to two exploration properties owned by Rae-Wallace Mining Company ("Rae-Wallace"). The RW Option was acquired by the Company pursuant to the Fronteer Arrangement, with the associated costs accounted for in accordance with continuity of interest accounting. Management had determined at that time that the Company would not recover such costs, or elect to proceed with the RW Option prior to its expiration. On May 29, 2012, we agreed to waive our rights to the option on Rae-Wallace's Liscay property in exchange for an extension to the expiry of the warrants currently held. Shortly thereafter, key terms were agreed to between the two parties to extend this arrangement to all of the properties covered by the RW Option in exchange for common shares of Rae-Wallace, an extension to the term of those Rae-Wallace warrants the Company already holds as well as further equity interest in Rae-Wallace contingent upon that company closing a defined transaction. Thus, the original impairment indicators were reversed, and the amount previously impaired was written back up. The related agreement was signed On July 18, 2012.

Dilution loss

During the three months ended June 30, 2012, we elected to terminate our participation in the 2012 exploration program at Gold Springs, led by High Desert. In accordance with the terms of the related operating agreement we were diluted from a 40% interest in Gold Springs LLC, to a 30% interest. The resulting dilution has led to the recognition of a loss of $88,729.

Change in fair value of financial instruments

The balance of our derivative financial instruments includes 1,000,000 share purchase warrants of Rae-Wallace and 3,125,000 share purchase warrants of NEV.

Changes to the fair value of our derivative financial instruments are recorded to income (loss) in each period. The value of share purchase warrants is determined using the Black-Scholes option-pricing model. In estimating the value of the warrants, we make assumptions about the volatility of underlying share prices of the shares and warrants held and the expected life of these warrants. These estimates affect the warrant value recognized and the underlying gain or loss recorded as mark-to-market adjustments. The estimates are chosen after analyzing the share price history and management's intentions about holding the investment. As it relates specifically to those warrants held in Rae-Wallace, the estimate of fair value has been determined by looking at comparable corporations who are listed on a recognized exchange because, as at the date of this MD&A, Rae-Wallace is traded only over the counter and not on a formal stock exchange,

Other comprehensive income (loss)

The net balances of other comprehensive income (loss) for the three and six months ended June 30, 2012 were a loss of $0.98 and $0.66 million, respectively (June 30, 2011: income of $0.06 and $0.26 million). The six months ended June 30, 2012 includes a $0.01 million gain (June 30, 2011: gain of $0.29 million) from the impact of exchange gains and losses arising from exchange differences further to the translation of our foreign operations with a non-United States dollar functional currency; and a net value loss on financial assets of $0.66 million during the six months ended June 30, 2012 (six months ended June 30, 2011, loss of $0.03 million) relating to the revaluation of common shares we hold in other publicly listed companies. The impact from exchange differences will vary from period to period depending on the rate of exchange; in the period between January 1, 2012 and June 30, 2012, there was a 1% change in the exchange rate between the United States and Canadian dollars.

Financial Position

The following financial data are derived from our financial statements as at June 30, 2012, and the year ended December 31, 2011:

	June 30, 2012	December 31, 2011
Total assets	$39.64 million	$37.49 million
Long-term liabilities	$0.02 million	$0.07 million
Cash dividends declared	$nil	$nil

Total Assets

Total assets ($39.64 million) have increased since December 31, 2011 by $2.15 million reflecting in part an increase to the value of our long-term investments, an increase to the value of our interests in associates, and an increase to the value of our mineral property interests, as we've continued to advance exploration. These increases were offset by a decrease in cash and short-term investments, and a dilution loss of $0.09 million recorded in June 2012 arising from our decision to cease participation in the program at Gold Springs LLC. Total assets have also increased as a result of the recognition of $4.45 million relating to the legal costs, and shares and warrants issued to TMST pursuant to the TV Tower Agreement as the right to earn in (the "Earn-in Option"). The Earn-in Option also includes $0.19 million of Expenditures recognized to date, the majority of which had previously been expensed as Property Investigation. As Expenditures progress, the Earn-in Option will increase in value.

Current assets decreased to $11.77 million as at June 30, 2012 (December 31, 2011: $18.90 million), and comprise primarily cash of $10.7 million and $0.12 million in short term investments (December 2011: $7.39 and $11.03 million respectively). The decrease reflects cash outflows related to exploration and corporate activities through the six months ended June 30, 2012. The remaining balance of current assets comprises receivables and prepayments of $0.78 million (December 31, 2011: $0.48 million) which have increased primarily due to receivables from Blue Gold for management services as well as amounts due from certain of our associates further to exploration activities in those entities.

Non-current assets include primarily (i) deferred exploration expenditures; (ii) partial consideration to acquire the Earn-in Option; and (iii) our net investments in associates.

During the six months ended June 30, 2012, we incurred $2.87 million (year ended December 31, 2011, $6.1 million) in net deferred exploration expenditures. Exploration activities during the first quarter of 2012 reflect primarily our exploration program at Kinsley Mountain, our principal exploration project in Nevada. The value of our associates increased from that at December 31, 2011, due to increased funding of our share of expenditures at our 40%-owned associates in Turkey, and the now 30%-owned Gold Springs LLC. In aggregate, funding to our associates through quarter ended June 30, 2012 was $1.56 million, of which $0.58 million relates to accrued cash calls payable at quarter end.

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

Non-current liabilities

At June 30, 2012 and at December 31, 2011 our non-current liabilities comprise liabilities recorded in recognition of a legal obligation in Turkey to accrue for lump-sum termination payments for employees when their employment is terminated due to retirement or for reasons other than resignation or misconduct. The comparative period also includes deferred tax liabilities, in the current period our operating losses are sufficient to cover any liabilities, and hence none has been recorded.

Shareholders' equity

Pursuant to the TV Tower Agreement, we issued 3,275,000 Common Shares and 3,000,000 Pilot Warrants to TMST. Each Pilot Warrant is exercisable for a period of three years from the date of issue and is exercisable for one Common Share at an exercise price of C$3.00 per share. As noted above, the related value of these Common Shares and Pilot Warrants has been recorded as part of the Earn-in Option, a non-current asset.

The fair value of each warrant was determined to be C$0.19 using the Black-Scholes valuation model and the following inputs:

Risk free interest rate	1.13%
Expected life	3 years
Expected volatility	63%
Expected dividend yield	0.0%

During the six months ended June 30, 2012, the Company also issued an aggregate of 100,000 Common Shares to other public companies in connection with earn-in agreements to acquire, or maintain our interest in exploration properties in the United States.

Refer also to discussion in this MD&A under heading, "*Outstanding Share Data*". The Company has not declared any dividends since incorporation.

Summary of Quarterly Results

The following information (in thousands of $, except per share amounts) is derived from and should be read in conjunction with, our unaudited condensed interim consolidated financial statements for the past eight quarters, as well as the audited consolidated financial statements for December 31, 2011.

The balances presented for the three month period ended March 31, 2011, and all periods prior reflect entirely the allocation of costs from Fronteer, consistent with the continuity of interest basis of accounting, as if Pilot Gold had been an independent entity through March 30, 2011. The net losses through each of these periods are non-cash, and represent an allocation of costs incurred and the operations on, properties ultimately acquired by Pilot Gold. Management cautions readers of this MD&A, that the allocation of expenses in the statements of loss for the quarters prior to the Arrangement Date do not necessarily reflect the nature and level of our ongoing operating expenses and activities.

Condensed consolidated statements of loss and comprehensive income (loss)

	Jun 30 2012	Mar 31 2012	Dec 31 2011	Sept 30 2011	Jun 30 2011	Mar 31 2011 *	Dec 31 2010 *	Sept 30 2010 *
Continuing operations								
Loss from continuing operations after tax	(1,383)	(1,461)	(2,099)	(2,058)	(7,270)	(414)	(442)	(294)
Other comprehensive income								
Exchange differences on translating foreign operations	(464)	469	556	(2,373)	273	20	(5)	55
Net value gain (loss) on financial assets	(516)	(146)	(2)	(49)	(214)	180	(20)	11
Loss per share from continuing operations								
Basic and diluted	(0.02)	(0.02)	(0.04)	(0.03)	(0.14)	(0.01)	(0.01)	0.00

*The balances presented for the three month period ended March 31, 2011, and all periods prior reflect entirely the allocation of costs from Fronteer, consistent with the continuity of interest basis of accounting, as if Pilot Gold had been an independent entity through March 30, 2011.

In the three month period ended June 30, 2012, our loss from operations of $1.38 million was offset by the reversal of the write down of the RW Option and favourable exchange gains relating to our US dollar cash balances held in Canada ($0.12 million).

In the three month period ended March 31, 2012, our loss from operations of $2.2 million was offset by a favourable change in the fair value of our long term investments ($0.8 million), owing primarily to an increase to the fair value of our holding of our recently acquired shares and warrants of NEV and exchange gains arising on the translation of foreign operations of $0.47 million further to the appreciation of the Canadian dollar versus the US dollar. In the three months ended March 31, 2012, we also determined to write-off the capitalized costs acquired from Fronteer relating to the RW Option ($0.18 million) further to a determination of the likelihood we would recover such costs, or elect to proceed with the option

The loss for the three month period ended December 31, 2011 reflects a similar loss as recorded in the previous three month period of $2.10 million, and similar cash outflows from operating activities of $1.34 million. The consistency as compared to the prior quarter is a reflection of the normalization of our business, post Fronteer Arrangement. In the three month period ended December 31, 2011 our other comprehensive loss was impacted by $2.4 million on translation of our foreign operations due to the depreciation of the Canadian dollar relative to the US dollar.

In the three month period ended September 30, 2011 our condensed consolidated statements of loss and comprehensive loss reflected those costs incurred undertaking general exploration and property investigation on a number of potential targets ($0.78 million), office and general costs ($0.37 million), the non-cash impact of stock-based compensation ($0.5 million) and a non-cash charge of $0.02 million arising from a decline in the fair value of shares and warrants we hold in other public companies. The total loss for that three-month period was $2.06 million, with cash outflows from operating activities of $1.75 million.

In the three month period ended June 30, 2011 our condensed consolidated statements of loss and comprehensive loss reflected a number of start-up, initial-public listing and post-Fronteer Arrangement costs as well as the impact of the inaugural stock-based compensation grant, resulting in a loss for that period of $7.27 million, and cash out flows from operating activities of $1.08 million. During the three month period ended June 30, 2011, we also closed a $C25-million financing (the "2011 Bought-Deal") on June 14, 2011, impacting our cash flows from financing activity in that period.

Investments

At the effective date of this MD&A, the market value of our portfolio of equity holdings of is approximately $0.93 million, and includes common shares and/or common share purchase warrants in the following companies:

- Nevada Sunrise Gold Corporation ("NEV");
- Rae-Wallace; and
- Global Resources Corporation Limited ("GRCL").

In the first quarter of 2012, in order to secure an additional interest in Kinsley Mountain, we participated in a private placement in NEV, our minority partner at Kinsley Mountain. Through the offering, which closed on March 23, 2012, we hold 6,250,000 common shares of Nevada Sunrise Gold Corporation ("NEV Shares") and 3,125,000 warrants to purchase NEV Shares ("NEV Warrants"), and retain a right to participate in future financings to maintain this position. Further details relating to our participation in the placement by NEV are included in our MD&A for the year ended December 31, 2011. The value of the NEV Shares and NEV Warrants at the date of this MD&A is $0.70 million. Our purchase price was approximately $0.75 million.

During the second quarter of 2012 we also received an additional 100,000 shares in GRCL in exchange for providing that company with a 6-month extension to their earn-in at our Yunt Dag property in Turkey.

In July 2012, as partial consideration in exchange for waiving our rights over the options we held on certain of Rae-Wallace's properties, we received 1,985,100 shares of Rae-Wallace and an extension to the expiry date of the warrants already held, of 24 months after Rae-Wallace achieve a listing on a recognised exchange.

Liquidity and Capital Resources

Pilot Gold manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. We have no long-term debt. In 2011, we successfully closed the 2011 Bought-Deal, resulting in net proceeds of $24.1 million, with share issue costs of approximately $1.7 million. For a summary of our planned use of proceeds see our MD&A for the year ended December 31, 2011.

Since the close of the 2011 Bought Deal, through to June 30, 2012, we have incurred approximately $2.80 million in costs related to Halilağa, $2.16 million in costs related to TV Tower, $2.95 million in costs related to the Regent property, $4.33 million in costs related to the exploration and development on portfolio of other mineral properties property in Nevada and Turkey, and $6.76 million in cashflows relating to mineral property investigation, office-related costs, and general corporate activities. Expenditures relating to our material properties have to date been in line with anticipated use of proceeds from the 2011 Bought Deal.

The Company does not, and has no immediate ability to generate any cash flows from operations. The Company earns only minimal income through its services agreement with Blue Gold, investment income on treasury, and amounts arising through various property option agreements. As at the date of this MD&A, the Company has $8.98 million in cash and cash equivalents available, equity investments of $0.93 million, working capital of $10.58 million and no debt, which provides us with the resources to execute on our current exploration plans, and gives us the financial flexibility to react to additional opportunities if, and when, they present themselves.

On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and paying for administrative costs, to ensure that adequate levels of working capital are maintained, and believes that this approach, given the relative size of Pilot Gold, is reasonable. Our revised exploration budget for 2012 is $10.5 million, up from $6.51 million reported in connection with the March 31, 2012 MD&A, owing primarily to the increased planned expenditure at TV Tower, and additional exploration at Kinsley Mountain. Our general and administrative budget for 2012 is $4.22 million; general and administrative costs include salaries, professional fees and those costs associated with running the Company's offices in Vancouver, Nevada and Turkey. 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 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 for the year ended December 31, 2011 dated March 28, 2012, under the heading "Risk Factors". There is no assurance that we will be able to raise necessary funds through capital raisings in the future.

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

Indemnifications

Newmont

The Fronteer Arrangement provides that Pilot Gold is required to indemnify Newmont and Fronteer and Fronteer's subsidiaries from all losses suffered or incurred by Newmont, Fronteer or Fronteer's subsidiaries as a result of or arising, directly or indirectly, out of or in connection with an Indemnified Liability (as such term is defined in the Arrangement Agreement).

Teck Resources Limited

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

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

Most of these are not firm commitments, with such obligations being eliminated should we choose to no longer invest funds exploring the property.

The $5 million minimum Expenditure requirement in the first year of the earn-in to Orta Truva is a committed expenditure, whereby Pilot Gold must make a cash payment to TMST for the portion of the $5 million not incurred before the first anniversary of the TV Tower Agreement regardless as to whether we determine to proceed with the earn-in. Should the Company elect to proceed with the earn-in, the shortfall amount would also be added to the TV Tower Expenditure requirement for the second year of the earn-in.

At this time it is not possible to estimate the obligation that would arise out of any shortfall of Expenditures in year-one of the earn-in required in the TV Tower Agreement in order to complete the earn-in to the additional 20% interest. It is similarly not possible to estimate the obligation that might arise relating to the value of the Additional Consideration. No amount for either has therefore been recorded.

Pilot Gold had no other commitments for material capital expenditures as of December 31, 2011.

Leases

The Company has entered into operating leases for premises in Canada, the United States and Turkey. The lease terms are between two and four years; each lease is renewable at the end of the lease period at market rate. The aggregate lease expenditure related to Pilot Gold's office premises charged to the statement of loss for the six months ended June 30, 2012 is $0.14 million.

Total future minimum lease payments, under non-cancellable operating leases as at June 30, 2012 are as follows:

Year	
2012	$ 242,407
2013	430,090
2014	387,778
2015	266,403
2016	253,074
2017+	569,417
	$ 2,149,169

The Company is also responsible for its share of property taxes and operating costs on office premise leases and leases certain equipment and automobiles under cancellable operating lease agreements.

Industry and Economic Factors that May Affect our Business

Economic and industry factors are substantially unchanged from those reported in our MD&A for the year ended December 31, 2011. In particular, there remain significant uncertainties in capital markets impacting the availability of equity financing for the purposes of mineral exploration and development.

As a result, the Company may have difficulty raising debt or equity financing for the purposes of mineral exploration and development, and, if obtained, on terms favourable to the Company and/or without excessively diluting present shareholders of the Company. These economic trends 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

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 for the year ended December 31, 2011, dated March 28, 2012 or our MD&A for the year ended December 31, 2011, materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

Turkish permitting

In accordance with requirements of Turkish Mining Law, on February 14, 2012, TMST, as project operator prepared and submitted an Environmental Impact Assessment ("EIA") report to the Ministry of Environment and Urbanism in Turkey (the "Ministry"). For the principal "Group 4 minerals licenses" at Halilağa to remain in good standing, a Ministry-approved EIA report was required by May 21, 2012. The holder of a Group 4 minerals license in good standing can undertake exploration activity for a variety of precious, base and industrial minerals.

On March 20, 2012, TMST notified us that the EIA report had been accepted by the Ministry. The 10-day public comment period that follows such a submission, elapsed on April 9, 2012. We subsequently received a copy of an approval letter from the undersecretary of the Turkish Minister of Environment and Urbanisation (the "Minister") further to a review of the EIA report by the Turkish Mining Bureau, confirming that the EIA report had been approved, issued, and signed by the Ministry. On May 16, 2012 TMST received a renewed Group 4 minerals license, renewing the exploration permit at Halilağa. Shortly thereafter, TMST informed Pilot Gold that a variety of the necessary operating permits had also been received to keep the operation licenses covering the resource area in good standing.

Eventually undertaking mining activity on a valid license requires a valid Operations Permit. A Group 4 minerals license in good standing can host a number of Operations Permits, each of which can be for a different commodity, provided the separate permits do not overlap. In Turkey, the process to renew or receive Operations Permits for mining activities on a valid license also includes applying for and receiving a number of permits at the federal and state levels following receipt of a Ministry-approved EIA report. Among these are permits from the Turkish Ministry of Environment and Forestry, and a business operating permit relating to workplace safety and sanitation (a "GSM permit") from the Office of the Governor of Çanakkale (the "Governor").

The GSM permit is the final permit required to renew the copper-gold Operations Permit, allowing copper-gold related operations (beyond exploration) at Halilağa to continue; effectively securing the license. TMST applied for a GSM permit on receipt of the approved EIA report. Receipt of the GSM permit from the Governor is pending. Although there is no known history of a GSM permit being denied, or revoked by the Governor, should TMST fail to receive this permit, it will restrict the ability to progress beyond the exploration stage at Halilağa, as it relates to copper-gold.

Concurrent with the EIA report submission, TMST applied to merge the principal Kestane license at Halilağa with two neighbouring licenses in order to safeguard the ability to overall operate at Halilağa while the EIA report was under review by the Ministry. Hosted on these neighbouring licenses was a valid Operations Permit for a clay-silica operation. There is no additional EIA report filing requirement for clay-silica mining. There is an associated obligation with holding an Operations Permit for clay-silica to begin production of silica within 3 years.

The Operations Permit for clay-silica and the renewed Group 4 minerals license allow exploration to continue on Halilağa while we await receipt of the GSM permit, and safeguard the license in the unlikely event that renewal of the GSM permit is denied. We expect receipt of a GSM permit shortly.

Further detail relating to the EIA process, and related risks is described in our AIF for the year ended December 31, 2011, dated March 28, 2012, as well as in related technical report filed on SEDAR at www.sedar.com.

Financial Instruments and Other Instruments

Financial assets and liabilities are recognized when Pilot Gold becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and Pilot Gold has transferred substantially all risks and rewards of ownership. Our accounting policy for each category of financial instrument is summarized below:

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. At initial recognition, Pilot Gold classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

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

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

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

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

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

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

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

(v) Financial liabilities at amortized cost: Financial liabilities at amortized cost include trade payables and accrued liabilities. Trade payables 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 twelve months. Otherwise, they are presented as non-current liabilities.

Risks associated with Financial Instruments

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

Liquidity Risk

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

Market Risk

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

Foreign Exchange Risk

The results of our operations are exposed to currency fluctuations. To date, we have raised funds entirely in Canadian dollars. The majority of our mineral property expenditures, including the cash calls from our 60% partner on Halilağa and TV Tower, and our 30% partner at Gold Springs are incurred in United States dollars. The fluctuation of the Canadian dollar in relation to the United States dollar will have an impact on Pilot Gold's financial results.

Further, although only a portion of our expenditures, primarily general and administrative costs are incurred in Canadian dollars, we record our assets located in Vancouver in Canadian dollars. As the operating results and financial position of Pilot Gold are reported in United States dollars in our consolidated financial statements, there may also be an impact to the value of Pilot Gold's assets, liabilities and shareholders' equity as a result of the fluctuation of the CAD in relation to the United States dollar.

A 10% increase or decrease in the USD dollar relative to the Canadian dollar, through the six months ending June 30, 2012 would result in a $0.19 million increase or decrease respectively in net loss and comprehensive loss. Our exposure in Turkey on fluctuations of the Turkish Lira is considered minimal given the lower levels of activity and relative asset values.

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Pilot Gold's credit risk is primarily attributable to its liquid financial assets. We limit exposure to credit risk and liquid financial assets through maintaining our cash and cash equivalents, with Canadian Chartered Banks and our reclamation deposits with A+ or higher rated United States financial institutions.

Interest Rate Risk

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

Related Party Transactions

Compensation of key management personnel

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

	Six months ended June 30, 2012	2011
Salaries and other short-term employee benefits	$ 536,454	$ 233,397
Share-based payments	903,155	4,483,469
Total	**$ 1,439,609**	$ 4,716,866

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

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 financial statements for external purposes in accordance with applicable generally accepted accounting principles. Internal control systems, no matter how well designed, have inherent limitations.

Based on a review of its internal control procedures at the end of the period covered by this MD&A, management has determined that the Company's internal controls over financial reporting have been effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There were no changes in Pilot Gold's internal controls over financial reporting that occurred during the quarter ended June 30, 2012 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 June 30, 2012, that the disclosure controls and procedures are effective to provide reasonable assurance that material information related to Pilot Gold is made known to them by employees and third party consultants working for Pilot Gold and its subsidiaries. There have been no significant changes in our disclosure controls and procedures during the period ended June 30, 2012.

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.

Changes in Accounting Policies and New Accounting Pronouncements

For information on changes to accounting policies and new accounting pronouncements, please refer to our disclosure in our MD&A for the year ended December 31, 2011, dated March 28, 2012, available SEDAR.

Significant Accounting Policies

Pilot Gold's significant accounting policies are presented in Note 4 of the audited consolidated statements for the year ended December 31, 2011. We have followed these accounting policies consistently throughout the year.

We have chosen to defer all exploration and evaluation cost relating to our mineral exploration properties.

As noted elsewhere in this MD&A, in the absence of any specified accounting treatment under IFRS, we chose to apply the continuity of interest basis of accounting to account for the impact of the Fronteer Arrangement, and our comparative results.

Critical Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions that affect the reported amounts of assets, liabilities and expenses. Factors that could affect these estimates are discussed in our AIF for the year ended December 31, 2011 dated March 28, 2012, under the heading "*Risk Factors*". Subject to the impact of such risks, the carrying value of Pilot Gold's financial assets and liabilities approximates their estimated fair value.

(i) Review of asset carrying values and impairment assessment

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

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 fair value less costs to sell.

The most significant assets assessed include the value of our investment interests in associates, and the carrying value of our exploration properties and deferred exploration expenditures. There were no assumptions underlying our estimate of recoverability of these assets that relate to matters defined as highly uncertain at the time these estimates were made. Recoverability of the carrying amount of the exploration properties, and of our interest in associates 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 our analyses.

At June 30, 2012, we reviewed the carrying value of our asset and determined that there were no indicators of impairment. Management believes that the related estimates are reasonable.

(ii) Decommissioning and restoration provisions

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

As at June 30, 2012, the Company has recorded $0.03 million (December 31, 2012: $0.05 million) relating to restoration provisions.

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

The fair value of stock options granted is computed to determine the relevant charge to the income statement, and liability if applicable. In order to compute this fair value the Company uses a Black-Scholes pricing model that inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates.

Changes in any of these inputs could cause a significant change in the share-based compensation expense charged in a period.

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

(iv) Deferred tax assets and liabilities

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

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

Legal Matters

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

Off Balance Sheet Arrangements

We have approximately $0.2 million in standby Letters of Credit with a US bank for the completion of reclamation on its mineral properties in the USA. These standby letters of credit are backed by Certificates of Deposits.

As disclosed elsewhere in this MD&A, the Company has a commitment to incur $5 million in Expenditures related to TV Tower prior to the first anniversary of the TV Tower Agreement, a portion of which has already been incurred. The remaining balance ($4.8 million) although committed, does not qualify as an obligation in accordance with IFRS, and has not been included on the Company's balance sheet.

The Company has no other off-balance sheet arrangements.

Proposed Transactions

As is typical of the mineral exploration and development industry, we are continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. There are no proposed asset or business acquisitions or dispositions, other than those discussed in this MD&A and those in the ordinary course, before the board of directors for consideration. While we remain focused on our plans to continue exploration and development on our three material properties, should we enter into agreements in the future on new properties, we may be required to make cash payments and complete work expenditure commitments under those agreements.

Outstanding Share Data

There are 62,460,286 Common Shares issued and outstanding at the date of this MD&A.

As at June 30, 2012, there were 2,864,167 stock options exercisable; and 2,864,167 stock option exercisable at the date of this MD&A. 30,000 stock options were granted to a new employee subsequent to June 30, 2012 through to the date of this MD&A. No stock options have been exercised as of the date of this MD&A.

Subsequent Events Not Otherwise Described herein

With the exception of the termination of the RW Option described in this MD&A, there were no other subsequent events.

Additional Information

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

Approval

The Audit Committee of 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) "Matthew Lennox-King"	*(signed) "John Wenger"*
Matthew Lennox-King	John Wenger
President and Chief Executive Officer	Chief Financial Officer and Corporate Secretary

August 13, 2012

Scientific and Technical Disclosure

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

Our Disclosure Documents were prepared by or under the supervision of a QP as defined in NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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

The mineral resources estimates contained herein relating to Halilağa are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from the one indicated by drilling results and the difference may be material. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

Ian Cunningham-Dunlop, Professional Engineer, Chief Operating Officer and Vice President Exploration of Pilot Gold, and a QP for the purposes of NI 43-101, is responsible for preparing and supervising the preparation of the scientific or technical information contained in this MD&A and has verified the technical data disclosed in this document relating to those projects in which the Company holds a 100% interest. Mr. Cunningham-Dunlop has consented to the inclusion of the Technical Information in the form and context in which it appears in this MD&A.

As to Halilağa and TV Tower, all drill samples and analytical data are collected under the supervision of TMST, using industry standard QA-QC protocols. Ian Cunningham-Dunlop is responsible for compiling the technical information contained in this MD&A but he 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 had access to individual assay certificates. However, the grades and widths reported here agree with the Company's past results on the project and TMST has given him no reason to doubt their authenticity. Ian Cunningham-Dunlop also visits Halilağa and TV Tower regularly during the active drilling season and during those visits, was given complete freedom to review drill core and technical data on site, and to discuss the ongoing program and results with TMST staff. He is satisfied that TMST is meeting industry standards for all levels of exploration work being carried out on the property.

Any results contained in this MD&A that are historical in nature relating to Kinsley Mountain, have not been verified by Pilot Gold.

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

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

Cautionary Notes Regarding Forward-Looking Statements

All statements in this MD&A, other than statements of historical fact, are "forward-looking information" with respect to Pilot Gold within the meaning of applicable Canadian securities laws, including statements that address future mineral production, reserve potential, exploration drilling, the future prices of gold, silver, copper and molybdenum, potential quantity and/or grade of minerals, potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the timing of a PEA or other study, proposed exploration and development of our exploration properties and the estimation of mineral reserves and resources. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to differ materially from those anticipated in such forward-looking information. Such forward-looking information, including, but not limited to, Pilot Gold's ability to fully fund cash-calls made by its joint venture partners for ongoing expenditure on the properties, completion of expenditure obligations under the Kinsley Option Agreement and the Griffon Option Agreement, proposed exploration and development of Pilot Gold's exploration properties, successful earn-in at TV Tower, including the ability to incur the minimum annual Expenditure requirements, estimated future working capital, uses of funds, future capital expenditures, exploration expenditures and other expenses for specific operations, future issuances of Common Shares to satisfy earn-in obligations or the acquisition exploration properties, information with respect to exploration results, the timing and success of exploration activities generally, the costs and timing of the development of new deposits, potential quantity and/or grade of minerals, potential size of mineralized zone, potential expansion of mineralization, potential type of mining operation, and the timing and possible outcome of any pending litigation, permitting timelines involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of Pilot Gold to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. Such factors include, among others, risks related to the interpretation and actual results of historical production at certain of our exploration properties, as well as specific historic data associated with and drill results from those properties, reliance on technical information provided by our joint venture partners or other third parties; the ability to maintain or convert the underlying licenses for Halilağa and TV Tower in accordance with the requirements of Turkish Mining Law; government regulation of exploration and mining operations; environmental risks, including satisfaction of requirements relating to the submissions of Environmental Impact Assessment reports; title disputes or claims; limitations on insurance coverage; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals, financing or in the completion of exploration as well as those factors discussed in the section entitled "Risk Factors" in Pilot Gold's Annual Information Form for the year ended December 31, 2011 dated March 28, 2012, which is available under Pilot Gold's SEDAR profile at www.sedar.com. Although Pilot Gold has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements are made as of the date of this MD&A and accordingly are subject to change after such date. Except as otherwise indicated by Pilot Gold, these statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Except in accordance with applicable securities laws, Pilot Gold does not undertake to update any forward-looking statements that are included in this document. 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.