# UPDATED TECHNICAL REPORT

# ON THE TV TOWER EXPLORATION PROPERTY

# ÇANAKKALE, WESTERN TURKEY

Prepared for:

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Submitted in fulfilment of reporting requirements under

Canadian National Instrument 43-101

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Report to:

**PILOT GOLD INC.**

# TV Tower Exploration Property - Technical Report

**AUGUST 2012**

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**Confidential**

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# GLOSSARY

## UNITS OF MEASURE

Billion ........ B
Degree ........ °
Degrees Celsius ........ °C
Dollar (American) ........ US$
Dollar (Canadian) ........ Cdn$
Gram ........ g
Grams per tonne ........ g/t
Greater than ........ >
Hectare (10,000 $m^2$) ........ ha
High sulphidation ........ HS
Kilogram ........ kg
Kilometre ........ km
Less than ........ <
Low Sulphidation ........ LS
Metre ........ m
Metric ton (tonne) ........ t
Microns ........ µm
Milligram ........ mg
Millimetre ........ mm
Million ........ M
Million tonnes ........ Mt
Million years old ........ Ma
Nanotesla ........ nT
Ounce ........ oz
Parts per million ........ ppm
Parts per billion ........ ppb
Percent ........ %
Pound(s) ........ lb

## ABBREVIATIONS AND ACRONYMS

Acme Analytical Laboratories Ltd. ........ Acme
Alamos Gold Inc. ........ Alamos
Antimony ........ Sb
Approximately ........ ~
Arsenic ........ As
Barium ........ Ba
Bismuth ........ Bi
Copper ........ Cu
East ........ E
Environmental Impact Assessment Report ........ EIA
Fronteer Gold Inc. ........ Fronteer
Fronteer Development Group Inc. ........ Fronteer
Gallium ........ Ga
Gold ........ Au

Global Positioning System ........ GPS
Hydrofluoric Acid ........ HF
Hydrogen Chloride ........ HCl
Hydrogen Dioxide (Water) ........ H2O
Intermediate Sulphidation ........ IS
Iron ........ Fe
Lead ........ Pb
Lead Monoxide ........ PbO
Limited ........ Ltd.
Madencilik Şanayi ve Ticaret Limited Anonim Şirketi ........ Orta Truva
Mercury ........ Hg
Molybdenum ........ Mo
National Instrument 43-101 ........ NI 43-101
Nitric Acid ........ HNO3
North ........ N
North Anatolian Fault Zone ........ NAFZ
Perchloric Acid ........ HClO4
Pilot Gold Inc. ........ Pilot Gold
Portable Infrared Mineral Analyzer ........ PIMA
Qualified Person ........ QP
Quality Assurance ........ QA
Quality Control ........ QC
Selenium ........ Se
Silver ........ Ag
Sodium Chloride ........ NaCl
South ........ S
Sulfur ........ S
Technical Report ........ the Report
Teck Resources Limited ........ Teck
Tetra Tech Wardrop ........ Tetra Tech
Teck Madencilik Şanayi Ticaret Anonim Şirketi ........ TMST
Tellurium ........ Te
Tin ........ Sn
TV Tower Exploration Property ........ TV Tower
TV Tower Exploration Property ........ the Property
West ........ W

# 1.0 SUMMARY

Pilot Gold Inc. ("Pilot Gold"; PLG on the Toronto Stock Exchange) have retained Tetra Tech Wardrop ("Tetra Tech") to produce a technical report (the "Technical Report") in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101, "*Standards of Disclosure for Mineral Projects*", Companion Policy 43-101CP and form 43-101F1 (collectively, "NI 43-101") for the TV Tower Exploration Property ("TV Tower", or the "Property") in Çanakkale Province of North-Western Turkey.

This Report supports Pilot Gold's assumption of operatorship at TV Tower, and earn-in option for control of TV Tower. In June 2012 Pilot Gold became project operator of TV Tower further to having signed an earn-in agreement that will, subject to Pilot Gold meeting certain earn-in obligations, result in a transfer of shares equal to an additional 20% interest in the Turkish joint stock company that holds TV Tower to a subsidiary of Pilot Gold, effectively providing Pilot Gold a 60% interest in the Property. Pilot Gold will have control over the budget and operational/program execution throughout the earn-in period. The earn-in obligations are to be discharged over a three year period and include prescribed annual exploration expenditures on the Project. As initial consideration, Pilot Gold issued common shares and share purchase warrants to Teck Resources Limited. Pilot Gold must also issue additional common shares on each of the first and second anniversaries of the date the related agreement was signed, should Pilot Gold elect to continue with the earn-in.

TV Tower was previously described in a 2011 technical report authored by Ian Cunningham-Dunlop entitled "Technical Report on the TV Tower Exploration Property, Canakkale, Western Turkey", dated February 15, 2011, and amended June 7, 2011.

## 1.1 PROPERTY DESCRIPTION AND LOCATION

TV Tower is located in Çanakkale Province on the Biga Peninsula of North-Western Turkey. The Property consists of 7,108.96 ha of mineral tenure in eight contiguous licences. One of the licences is at the operation stage, one is pending conversion to the operation stage, and the remaining six licences are in the exploration stage.

TV Tower is a 40%-60% joint venture between Pilot Gold and Teck Madencilik Şanayi Ticaret Anonim Şirketi. (**TMST**). Seven of the licences relating to TV Tower are held by Orta Truva Madencilik Şanayi ve Ticaret Limited Anonim Şirketi (**Orta Truva**) which is a Turkish joint stock company. One license relating to TV Tower is held by TMST for the benefit of Orta Truva pending conversion to the operation stage.

On June 21, 2012, Pilot Gold announced having entered into a share-purchase and joint venture agreement with Teck Resources Limited ("Teck"), the parent company to TMST, pursuant to which, Pilot Gold would have the right to acquire a further 20% of Orta Truva, and thus indirectly, a further 20% in TV Tower (the "TV Tower Share Purchase Agreement"), upon:

- Incurring US$21,000,000 in exploration expenditures over three years (the "TV Tower Expenditure Requirement"), with a minimum commitment of US$5,000,000 in the first year.
- Issuing 3,275,000 Common Shares and 3,000,000 Common Share purchase warrants ("Pilot Warrants") to Teck within five business days of signing the TV Tower Share Purchase Agreement. Each Pilot Warrant is exercisable for a period of three years from the date of issue and shall be exercisable for one common share of Pilot Gold at an exercise price of Cdn$3.00 per share.
- Issuing 1,637,500 shares to Teck on the first and second anniversaries of the date the TV Tower Share Purchase Agreement was signed.
- Making a one-time cash payment to Teck equal to US$20.00/oz. of Au applicable to only 20% of the oz. of Au delineated at TV Tower in excess of 750,000 Au oz. defined as compliant Measured, Indicated or Inferred resources in a NI 43-101 technical report prepared generally concurrent with the completion of the TV Tower Expenditure Requirement.

Through the three year period over which Pilot Gold will have the right to earn-in to the additional 20%, Pilot Gold will be the operator of TV Tower.

At the date of this report, Pilot Gold has commenced undertaking the Expenditure Requirement.

## 1.2 ACCESSIBILITY, PHYSIOGRAPHY, CLIMATE, AND INFRASTRUCTURE

The TV Tower is located 27 km SE of the city of Çanakkale and 2.6 km N of the village of Kuşçayırı on the Biga Peninsula in NW Turkey. Access to the Property and the defined targets is afforded by a series of local improved and unimproved gravel and dirt forestry roads.

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

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

The region is well-serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the Town of Çan (37 km to the E). Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested. Local labour is employed from nearby villages, although no villages lie within the exploration licences.

There is no exploration infrastructure located on the properties, with the exception of dirt roads used for logging. There are a number of streams and water springs located at the base of many of the hills that would be suitable sources of water for drilling.

## 1.3 HISTORY

Limited historical exploration work has been completed within the TV Tower licence areas. There are numerous small, ancient, possibly Roman workings, located throughout the Property. These workings include prospect pits, small stopes and ore piles and are widespread in and around mineralized areas of the Biga Peninsula. A series of holes were drilled in the Sarp target area in the northeastern part of the Property, but further details of this exploration work or results from the drilling are not known. The Government General Directorate of Mineral Research and Exploration of Turkey (MTA) conducted a regional-scale exploration program over the Biga Peninsula between 1988 and 1991. Results from this work were not available to the author. In 1996 and 1997, TMST collected 36 rock samples from silicified and argillic altered outcrops along with six silt samples. The highest-grade rock samples returned 1900 ppb and 510 ppb Au at Sarp. The highest value returned from the silt samples was 241 ppb Au from the SE portion of the Property. These anomalous results highlighted the potential of the area. The author is not aware of any previous mineral resource or reserve estimates or mineral production from the Property.

## 1.4 GEOLOGICAL SETTING AND MINERALIZATION

TV Tower lies within the central part of the Biga Peninsula, the geology of which is complex and characterized by various lithological associations made up of:

1. Paleozoic and early Mesozoic basement metamorphic rocks.
2. Permian and Mesozoic sedimentary and ophiolitic rocks.
3. Tertiary volcanic and intrusive rocks
4. Neogene sedimentary rocks.

Older rocks are affected by several collisional orogenic events. Tertiary rocks record mainly brittle extensional and transtentional deformation.

TV Tower hosts metamorphic basement rocks at low elevations in the western and central areas, overlain by interlayered Tertiary calc-alkaline volcanic and volcaniclastic rocks. They are variably altered, brecciated and mineralized and display a range of intensities of brittle deformation.

The TV Tower is interpreted to contain multiple zones of Au mineralization nested within a large, highly-altered volcanic center or centers. Many of these target areas have wide-spread epithermal alteration with supporting geophysical and geochemical signatures typical of those seen at other HS and LS Au (Kirazlı, Ağı Dağı) and porphyry Cu-Au deposits (Halilağa) within the Biga Peninsula.

The targets defined to date on the TV Tower property are classified as either LS epithermal Au-Ag, HS epithermal Au-Ag ± Cu or Cu-Au porphyry mineralization. An IS deposit immediately adjacent to the Property and examples of this type may be present within it. Targets are defined by surface geochemistry, alteration and IP chargeability highs, and include the following:

### 1.4.1 KÜÇÜKDAĞ TARGET

The Pilot Gold's current interpretation is that the main zone of mineralization at Küçükdağ is hosted in sub-vertical, hydrothermal, near-surface breccias and eruptive breccias which crosscut a sub-horizontal volcanic stratigraphy. Mineralization is characterized by a HS Au-pyrite enargite assemblage and associated silicification and advanced argillic alteration. The mineralized zone trends W-NW/ E-SE and is bounded by steeply dipping faults to the west and east. Au-Cu mineralization in the main zone is associated with hydrothermal breccias. Ag-rich, relatively strata-bound zone extends to the NE margin of the mineralization with polymict grading to crackle breccias. A total of 43 diamond drill holes totalling 8,610.3 m were drilled at Küçükdağ in late 2010 and 2011. The discovery hole, KCD-2, returned 136.2 m grading 4.3 g/t Au, 0.68% Cu and 15.8 ppm Ag from a silica-sulphide-cemented breccia zone.

### 1.4.2 KAYALI/NACAK TARGETS

At Kayalı, structure-related silicification and brecciation host Au vuggy silica and advanced argillic alteration characteristic of a HS Au system. The mineralized zone is interpreted as a N-W-S-E trending steep structural zone or rib cutting silicified volcaniclastic and other units (ledge). Au-bearing intervals mainly coincide with highly oxidized, intensely silicified and either fractured or locally brecciated intervals in lithic tuffs outcropping on the main ridge of the TV Tower property. In addition to Au mineralization, a supergene chalcocite enrichment zone exists at some 150 to 200-m depth in the eastern portion of main silicified zone. A total of 37 diamond drill holes totalling 7,977 m were drilled at Kayalı and Nacak in 2010 and 2011. The discovery hole, KYD-1, returned 114.5 m averaging 0.87 g/t Au from a silicified, brecciated and oxidized volcaniclastic unit.

### 1.4.3 SARP/COLUMBAZ TARGET

The Sarp/Columbaz target was defined by extensive silicification, advanced argillic alteration, anomalous surface geochemistry and a strong IP chargeability high. 11 diamond drill holes totalling 2,112.1 m were drilled at Sarp in 2010 and 2011. Pilot Gold has recognized the presence of high grade Au and Ag in LS epithermal quartz veins at this target and will be testing this alternative model in 2012.

### 1.4.4 OTHER TARGETS

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

## 1.5 EXPLORATION

TMST and Pilot Gold's predecessor, Fronteer Gold Inc. (formerly, Fronteer Development Group Inc. ("Fronteer")) undertook surface exploration programs from 2007 through 2011, including:

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

The results of these investigations showed the presence of widespread Au and Cu geochemical anomalies and geophysical anomalies on the Property, produced the first geological map of the Property, and led to designation of at least seven high-priority targets, of which four have been tested by drilling.

TMST and Pilot Gold have continued this program in 2012, with an emphasis on target identification and definition. As of the effective date of this report, Pilot Gold has collected over 444 rock and 1,089 soil samples, and has identified or refined several new or existing targets.

## 1.6 DRILLING

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

Between August 2010 and early January 2011, a total of 19 diamond core holes were drilled (including two abandoned) for a total of 4,183.60 m.

From March 2011 through the effective date of this Report, 83 diamond core holes were drilled of which 74 were completed for 15,446.6 m.

Drill results to date on the Küçükdağ target have been very encouraging. KCD-02 and KCD-19, drilled into the sub-vertical breccia zone, returned 4.26 g/t Au over 136.20 m (drilled), including 12.76 g/t Au over 15.90 m, and 3.80 g/t Au over 131.80 m (drilled), including 9.54 g/t Au over 45.00 m respectively. KCD-16, drilled into the stratiform Ag zone, returned 51.94 g/t Ag over 74.5 m (drilled).

At the Kayalı target, drilling has supported Au grades returned from surface channel sampling, with KYD-01 returning 15.4 m (drilled) at 2.85 g/t Au, and KYD-02 returning 22.5 m (drilled) at 1.98 g/t Au. Other holes have returned shorter lengths at grades exceeding 1 g/t Au.

## 1.7 SAMPLING AND DATA VERIFICATION

All drill samples collected were subjected to quality control procedures that ensured best practice in the handling, sampling, analysis and storage of the drill core. The author considers the adequacy of sampling, security and analytical procedures carried out by TMST to be satisfactory.

## 1.8 METALLURGICAL TESTING

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

## 1.9 CONCLUSIONS AND RECOMMENDATIONS

The TV Tower hosts significant epithermal mineralization and alteration in a highly prospective geographic region. The most advanced target is Küçükdağ. Tetra Tech recommends increasing the drill density at this target to increase confidence in the geological model and continuity and distribution of mineralization pursuant to producing a Mineral Resource Estimate at the end of 2012. The Kayalı and Sarp targets both merit further drilling, as preliminary drilling, surface sampling, geophysics and recent geological mapping and interpretations are encouraging. Further drilling, infill soil sampling, structural mapping and IP will aid in consolidating understanding of the current targets. Additional detailed mapping should be continued to evaluate the other targets and assess the potential of the licence area.

The following recommendations for Year One have been proposed by Pilot Gold, the 2012 project operator; these have been reviewed and are supported by Tetra Tech:

- Detailed geological and structural mapping.
- Geochemical sampling including infill soil geochemistry, detailed rock sampling and channel sampling over selected targets.
- IP surveying on 125 m-spaced lines over high priority targets (total 30 line-km).
- Airborne magnetic surveying over the entire property (total 791 line-km).
- Commencement of Environmental Impact Assessment Report ("EIA") on the operation-stage and pending operation-stage licences.
- Commence environmental baseline study work.
- 16,000 m of diamond core drilling, distributed thus:
  - Küçükdağ: 10,000 m
  - Kayalı: 2,250 m
  - Sarp: 2,250 m
  - Other Targets: 1,000 m

The total budget for the above program is estimated at US$5,340,000 (inclusive of approximately 3% contingency) as detailed in Table 1.1. In accordance with the TV Tower Share Purchase Agreement, Pilot Gold's share of the 2012 budget will be 100% of the proposed budget to comply with the earn-in agreement.

**Table 1.1 Proposed TV Tower budget for 2012**

| **Item** | **Estimated Cost (US$)** |
|---|---:|
| Wages | 410,000 |
| Environmental | 20,000 |
| Metallurgy | 50,000 |
| Geology | 300,000 |
| Drilling | 2,700,000 |
| Field Support | 310,000 |
| Reclamation, Community relations & Land Acquisitions | 185,000 |
| Geophysics | 425,000 |
| Assaying & Geochemistry | 655,000 |
| Resource Estimation | 30,000 |
| Administrative | 105,000 |
| *Subtotal* | *5,190,000* |
| Contingency (~3%) | 150,000 |
| **Total** | **5,340,000** |

The TV Tower licences offer further potential for Au-bearing epithermal mineralization with limited drilling to date at Sarp and Naçak. The Property also hosts additional early-stage targets such as Kestanecik.

# 2.0 INTRODUCTION

Pilot Gold Inc. ("Pilot Gold"; PLG on the Toronto Stock Exchange) have retained Tetra Tech Wardrop ("Tetra Tech") to produce a Technical Report (the "Report") in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101, *"Standards of Disclosure for Mineral Projects",* Companion Policy 43-101CP and form 43-101F1 (collectively, "("NI 43-101") for the TV Tower Exploration Property ("TV Tower" or the "Property") in Çanakkale Province of North-Western Turkey.

TV Tower is a 60%-40%-60% joint venture between Pilot Gold and TMST. The licences relating to TV Tower are held by Orta Truva.

On June 21, 2012, Pilot Gold announced having entered into a share-purchase and joint venture agreement with Teck Resources Limited (**Teck**), the parent company to TMST, pursuant to which, Pilot Gold would have the right to acquire a further 20% of Orta Truva, and thus indirectly, a further 20% ownership in TV Tower by funding exploration over a three year period ("the earn in period"). After this point, Pilot Gold will become the 60% majority owner of Orta Truva, and would continue to be operator of the Property.

TV Tower contains significant evidence for the presence of widespread HS and LS epithermal Au-Ag mineralization. Three defined targets have been tested by a total of 91 diamond drill holes by the current operators. There are no previous resource estimates for the Property.

This Technical Report supports Pilot Gold's change in joint venture ownership in TV Tower from a 40% minority partner to a 60% majority partner subject to the three year earn-in period. This Report is based on data and observations made during the site visit together with data, professional opinions and unpublished material submitted by the professional staff of Pilot Gold, or its consultants. Much of the data was prepared and provided by Pilot Gold. The Property was previously described in a technical report prepared for Pilot Gold (and subsequently amended) by Ian Cunningham-Dunlop (Cunningham-Dunlop, 2011).

## 2.1 PROJECT SCOPE AND TERMS OF REFERENCE

The purpose of this Report is to provide an updated technical summary of the Property. The scope of this Report includes updates on the general setting, geology, exploration activities and drilling activity since the previous technical report was published. The Report is required due to a material change in ownership of the Property.

The QP responsible for this Technical Report is Paul Gribble, C.Eng., FIMMM, a senior geologist with Tetra Tech in Swindon, UK. Mr. Gribble is a QP for the purposes of NI 43-101 and has no affiliation with Pilot Gold except that of independent consultant/client relationship. Mr. Gribble visited the TV Tower site between February 25 and 26, 2012, and was accompanied by Nicholas Mitchell and M. Ender Özaydın (Country Manager) of Pilot Gold with their colleagues and also personnel of TMST.

Public and private sources of information and data contained in this report, other than the author's direct observations, are referenced in Section 20. All photos are the author's unless otherwise credited.

The Effective Date of this technical report is July 15, 2012 unless otherwise stated.

# 3.0 RELIANCE ON OTHER EXPERTS

A substantial amount of technical data on the exploration work performed on the TV Tower has been provided by TMST, the 60% owner of the project and project operator prior to Pilot Gold assuming this role. This material has been distributed to Pilot Gold in the form of quarterly PowerPoint presentations, Excel spreadsheets, e-mail and personal correspondence and has been used extensively throughout this Report to document the ongoing exploration work. This material was prepared by in-house geological staff employed by TMST and also by in-house geological staff employed by TMST's parent company, Teck, under the supervision of a QP employed by Teck. Given the reputation of TMST/Teck, and the long standing relationship between Fronteer (Pilot Gold's predecessor) and TMST/Teck and now Pilot Gold, the author has no reason to doubt the validity of the work and has accepted it at face value.

Where the author has relied on non-QPs relating to other issues relevant to this Report, a statement in the relevant section is made giving the author's opinion on the validity of the data used and interpretations made.

The author is not an expert in legal matters, such as the assessment of the validity of the licences, and property agreements in Turkey, nor in environmental or other related matters. The author has relied on Pilot Gold to provide full information concerning the legal status of Pilot Gold and its affiliates, as well as current legal title, material terms of all agreements, and material environmental and permitting information pertaining to the Project.

# 4.0 PROPERTY DESCRIPTION AND LOCATION

## 4.1 LAND AREA

The TV Tower is located in Çanakkale Province on the Biga Peninsula of North-Western Turkey. It is situated 27 km SE of the city of Çanakkale and 2.6 km N of the village of Kuşçayırı at 465,870E 4,423,580N UTM Central meridian 27 (ED50 datum).

The Property consists of 7,108.96 ha of mineral tenure in eight contiguous licences, as illustrated in Figure 4.1 and detailed in Table 4.1. One of the licences is at the operation stage, one is pending conversion to the operation stage, and the remaining six licences are in the exploration stage.

**Figure 4.1: Pilot Gold's TV Tower Licence Holdings**

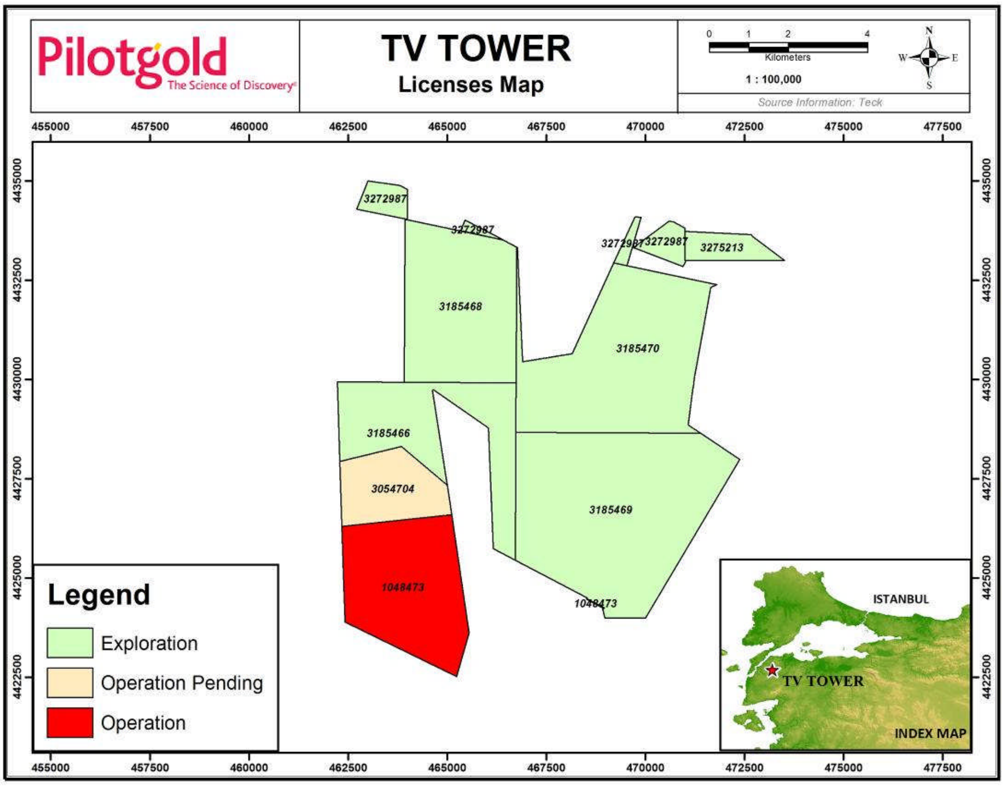



*Figure courtesy Pilot Gold, April 2012*

**Table 4.1: Details of Pilot Gold Licence Holdings**

| Province | Name of Property | ACQ. Date | Licence Area (ha) | Access No. | Registration No. | Exploration Licence No. | Licence Status | Owner Name | APP. Date /Valid Untill/ Conversion Payment Date |
|---|---|---|---|---|---|---|---|---|---|
| Çanakkale | Merkez-Yenikoy | 18-Apr-05 | 422.43 | 3054704 | 20050783 | | Operation Pending | Teck | 18-Apr-10 |
| Çanakkale | Bayarmic-Kayacikobasi | 2-Mar-04 | 972.36 | 1048473 | 69050 | AR-91855 | Operation | Orta Truva | 15-Nov-21 |
| Çanakkale | Merkez | 6-Nov-08 | 847.24 | 3185466 | 200810224 | | Exploration | Orta Truva | 6-Nov-13 |
| Çanakkale | Merkez | 6-Nov-08 | 1,490.24 | 3185470 | 200810226 | | Exploration | Orta Truva | 6-Nov-13 |
| Çanakkale | Merkez | 06-Nov-08 | 1,076.14 | 3185468 | 200810227 | | Exploration | Orta Truva | 6-Nov-13 |
| Çanakkale | Merkez | 06-Nov-08 | 1,935.85 | 3185469 | 200810225 | | Exploration | Orta Truva | 6-Nov-13 |
| Çanakkale | Bayramiç | | 222.85 | 3272987 | N/A | | Exploration Pending | Orta Truva-Auction | N/A |
| Çanakkale | Merkez | | 141.85 | 3275213 | N/A | | Exploration Pending | Orta Truva-Auction | N/A |
| **TV Tower Total** | | | **7,108.96** | | | | | | |

According to Turkish mining law, the Property boundaries are defined by the coordinate descriptions on the original licence application and awarded to the applicant by the government. The licences that define TV Tower are expressed according to the UTM northern Zone 35 coordinate system and European Datum 1950.

## 4.2 AGREEMENTS AND ENCUMBRANCES

Pilot Gold's interest in the Property beginning with the assignment of Fronteer's interest in Orta Truva to Pilot Gold, is as follows:

Fronteer's interest in TV Tower was initiated in 2004 when Fronteer signed a letter of intent with TMST (formerly Teck Cominco Arama ve Madencilik Şanayi Ticaret Anonim Sirketi) to acquire a 100% interest in all of properties in the Biga region (excluding the Aği Dağı and Kirazlı properties which were covered by separate agreements). Fronteer completed its technical due diligence and on October 19, 2004, signed Letters of Agreement on the Biga Properties (individually, and collectively "Letter Agreements").

To earn a 100% interest, Fronteer was required to spend US$2,000,000 from the date of the agreement to November 1, 2008 as follows:

- A total of US$200,000 before November 1, 2005.
- A further US$300,000 before November 1, 2006.
- A further US$500,000 before November 1, 2007.
- And a further US$1,000,000 before November 1, 2008, for a cumulative total of US$2,000,000.

Fronteer also issued $105,000 worth of shares, an amount equal to 111,930 shares.

TMST retained the right to earn-back a 60% interest in any project that the two parties designated as a "Designated Property" by spending 3.5 times Fronteer's expenditures on the Designated Property. Halilağa, TV Tower, Dede Dağı and Pirentepe were all projects that ultimately became designated properties under the respective Letter Agreements.

Fronteer began spending its funds on the broad property package, eventually discovering Cu-Au porphyry mineralization at Halilağa (Gray and Kirkham, 2012). Pilot Gold has recently filed a NI 43-101 technical report on the Halilağa deposit, entitled *"Resource Estimate for the Halilağa Copper-Gold Property NI 43-101 Technical Report",* dated March 23, 2012. The Report can be found under Pilot Gold's issuer profile on SEDAR at http://www.sedar.com. The bulk of Fronteer's expenditures were made at Halilağa, followed by Pirentepe. Very little was expended on TV Tower or Dede Dağı.

Based on positive news from Halilağa, TMST exercised its back-in right on all four of the designated properties (including TV Tower) on November 30, 2006, prior to Fronteer completing its US$2,000,000 earn-in. Fronteer was thus deemed to hold a 100% interest in each and gave TMST the ability to regain a 60% interest in each by spending an amount equal to 3.5 times Fronteer's aggregate expenditures on the Biga Properties. As Fronteer had spent its funds exploring a number of the Biga properties, the deemed expenditure for TV Tower was approximately US$33,704. Therefore, TMST had to spend only US$117,964 at TV Tower to earn a 60% interest. TMST accomplished this in 2007 and the Property became a 60/40% joint venture between TMST and Fronteer. TMST also waived any rights to take their interest to 70%. Further to the earn-back, and the incorporation of a Turkish Joint Stock Company, the licences relating to TV Tower are held by Orta Truva. Fronteer was determined to hold 40% of the share capital of Orta Truva, with the remaining 60% held by TMST.

From this point, and through until the sale of Fronteer to Newmont Mining Corporation ("Newmont"), TV Tower was a 60%-40% joint venture between TMST and Fronteer, with TMST as the operator.

Pursuant to the sale of Fronteer to Newmont dated April 6, 2011, Fronteer's 40% interest in Orta Truva was transferred in its entirety to Pilot Gold, giving Pilot Gold a 40% ownership in TV Tower, as well as a 40% interest in other individual licences and groups of licences as part of the Biga agreement with TMST within the Biga Peninsula area of North-Western Turkey.

## 4.3 PILOT GOLD-TECK SHARE PURCHASE AND JOINT VENTURE AGREEMENT

On June 21, 2012, Pilot Gold announced having entered into a share-purchase and joint venture agreement with Teck, pursuant to which, Pilot Gold would have the right to acquire a further 20% of Orta Truva, and thus indirectly, a further 20% into TV Tower (the “TV Tower Share Purchase Agreement”), upon:

a) Incurring $US21,000,000 in exploration expenditures over three years (the “TV Tower Expenditure Requirement”), with a minimum commitment of $US5,000,000 in the first year.

b) Issuing 3,275,000 Common Shares and 3,000,000 Common Share purchase warrants (“Pilot Warrants”) to Teck within five business days of signing the TV Tower Share Purchase Agreement. Each Pilot Warrant is exercisable for a period of three years from the date of issue and shall be exercisable for one common share of Pilot Gold at an exercise price of C$3.00 per share.

c) Issuing 1,637,500 shares to Teck on the first and second anniversaries of the date the TV Tower Share Purchase Agreement was signed.

d) Making a one-time cash payment to Teck equal to US$20.00 per Oz. Au applicable to only 20% of the Oz. of Au delineated at TV Tower in excess of 750,000 Oz. Au defined as compliant Measured, Indicated or Inferred resources in a NI 43-101 technical report prepared generally concurrent with the completion of the TV Tower Expenditure Requirement.

Through the three year period over which Pilot Gold will have the right to earn-in to the additional 20%, Pilot Gold will be the operator of TV Tower.

At the date of this report, Pilot Gold has commenced undertaking the Expenditure Requirement.

## 4.4 STATE ROYALTIES

According to the General Directorate of Mining Affairs, the State will receive 4% of Net Smelter Royalty (known as the *State’s rights*) for precious metals in the fourth Group minerals (in other words, non-ferrous minerals, excluding gems). The State’s rights, paid by the licence holder, will be distributed as follows: 50% to the local administration (the city where the licence is located); 30% to the account of the Treasury; and 20% towards special revenue in the government budget and special appropriation to the Ministry budget. The Council of Ministers can apply a maximum 25% discount in the State’s rights rates depending on the type of mineral, the region of production, and other criteria. Each year the licence holder pays the royalty on the last day of June.

## 4.5 ENVIRONMENTAL PERMITS AND LICENCES

The author is not aware that the Property is subject to environmental liabilities other than those attached to drill site permits that have been, or may be issued in the future. There has been no active mining or extensive bulk sampling conducted at TV Tower and thus there are limited workings and no existing tailing ponds, waste deposits or other disturbances which could be classified as environmental liabilities on the current TV Tower licences.

As background, Pilot Gold has provided the following information on the requirements to provide an EIA. Under Turkish law, an EIA must be filed for mining operations at Exploitation Stage Licences within the following classes of land; forestry areas, hunting areas, special protection areas, national parks, agricultural areas, cultural protection areas, coastal areas, and tourism areas. The TV Tower does not lie within any of these special permit areas. However, at the time of writing this report AR-91855 has been converted to an operation licence and licence 20050783 is pending conversion to an operation licence the processing of the paperwork currently submitted to the Turkish mining authority. Conversion of an exploration licence to an operation licence triggers the need for an EIA to be completed within 3 years on that licence. Pilot Gold is planning to begin an environmental baseline study and initial EIA process.

Other than standard drilling and forestry permits and the impending EIA for Licence No. 20050783, the author is not aware of any other permits that must be acquired to conduct work proposed on the Property. All permits are in place to carry out the 2012 exploration program.

# 5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

## 5.1 ACCESS

The TV Tower is located 27 km SE of the city of Çanakkale and 2.6 km N of the village of Kuşçayırı on the Biga Peninsula in N-W Turkey (Figure 5.1). Access to the Property and the defined targets is afforded by a series of local improved and unimproved gravel and dirt forestry roads.

**Figure 5.1: Location of TV Tower project in NW Turkey**

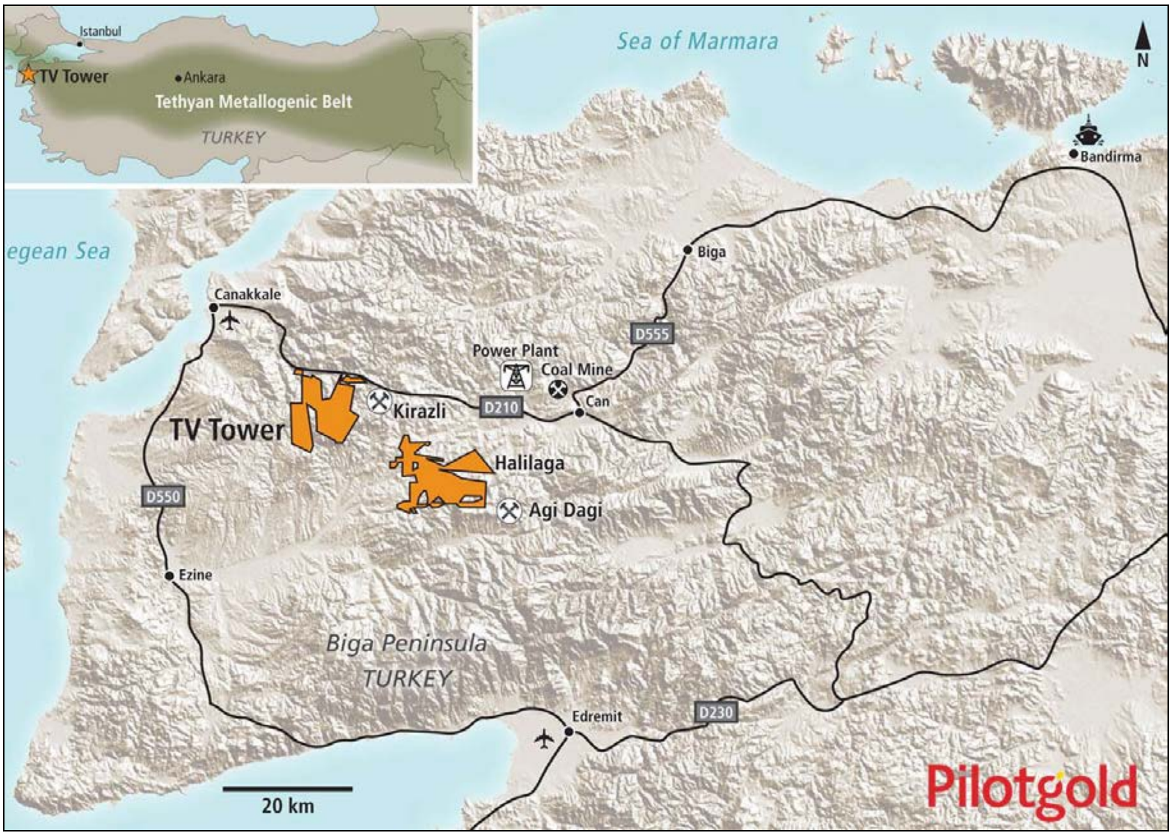



*Figure courtesy Pilot Gold*

## 5.2 PHYSIOGRAPHY

The Property is located in an area of steep-sided hills and ridges. The highest elevations on the Property are ~ 700 m. A general view of the topography is shown in Figure 5.2. Exploration areas require significant road construction for drilling.

**Figure 5.2: TV Tower licences – Looking north from Kayalı towards Küçükdağ**


*Photo courtesy Pilot Gold*

Most of the Property has been logged in the past, such that vegetation includes immature pine trees and heavy brush, particularly on north-facing slopes. Deciduous trees are present in areas with year-round streams.

## 5.3 CLIMATE

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

## 5.4 LOCAL RESOURCES AND INFRASTRUCTURE

The region is well-serviced with electricity, transmission lines and generating facilities, the most significant being a large coal-fired power plant outside the Town of Çan (37 km to the E). Population and agricultural activity is concentrated in the valleys, while most areas of active exploration are located in highlands which are predominantly forested.

Local labour is employed from nearby villages, although no villages lie within the exploration licences. There is no exploration infrastructure located on the properties, with the exception of dirt roads used for logging. There are a number of streams and water springs located at the base of many of the hills that would be suitable sources of water for drilling.

No assessment of the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas and potential processing plant sites has been undertaken as part of this report.

# 6.0 HISTORY

Limited historical exploration work has been completed within the TV Tower licence areas.

There are numerous small, ancient, possibly Roman workings, located throughout the Property. These workings include prospect pits, small stopes and ore piles and are widespread in and around mineralized areas of the Biga Peninsula (Figure 6.1).

**Figure 6.1: Small stope in the Sarp target area believed to be of Roman vintage.**

*Photo courtesy Pilot Gold*

A previous operator drilled a series of holes in the Sarp target area in the NE part of the Property, but further details of this exploration work, the company that carried out the work and the results from the drilling, are not known.

The government General Directorate of Mineral Research and Exploration of Turkey (MTA) conducted a regional scale exploration programme over the Biga Peninsula between 1988 and 1991. Results from this work were not available to the author.

In 1996 and 1997, TMST collected 36 rock samples from silicified and argillic altered outcrops along with 6 silt samples. The highest-grade rock samples returned 1900 ppb and 510 ppb Au at Sarp. The highest value returned from the silt samples was 241ppb Au from the SE portion of the Property. These anomalous results highlighted the potential of the area.

The author is not aware of any previous mineral resource or reserve estimates or mineral production from the Property.

# 7.0 GEOLOGICAL SETTING AND MINERALIZATION

## 7.1 REGIONAL GEOLOGY

The TV Tower is located in the central part of the Biga Peninsula in Western Turkey. The geology of the peninsula is complex and characterized by various lithological associations made up of:

1. Paleozoic basement metamorphic rocks.
2. Permian and Mesozoic rock units.
3. Tertiary volcanic and intrusive rocks.
4. Neogene sedimentary rocks.

The regional geology is shown in Figures 7.1 and 7.2.

Paleozoic and early Mesozoic basement metamorphic rocks occur in three distinct associations, as summarized by Yigit (in press). These include the Çamlıca metamorphics, Kazdağ Massif, and Permo-Triassic Karakaya Complex. The latter comprises two distinct lithologic associations:

1. A strongly deformed greenschist facies metamorphic sequence of metabasites intercalated with phyllite and marble accompanied by minor amounts of metachert, meta-gabbro and serpentinite.
2. A thick series of low grade metamorphic rocks. Metamorphic rocks variably record Carboniferous, Late Triassic and Oligo-Miocene metamorphic events.

Pre-Cenozoic sedimentary rocks in the Biga Peninsula include:

1. Triassic terrigenous to shallow marine clastic sedimentary rocks.
2. Middle to Upper Jurassic platform-type neritic limestones.
3. Lower Cretaceous pelagic limestones.
4. Upper Cretaceous–Paleocene volcanic and sedimentary rocks comprising accretionary melange and ophiolitic rocks.

Cenozoic sedimentary rocks in the Biga Peninsula can be evaluated in four time-intervals, separated by disconformities: Maastrichtian–Early Eocene, Middle Eocene–Oligocene, Miocene and Pliocene–Holocene. Early-Middle Miocene times are characterized by coeval volcanism and sedimentation. Lacustrine sediments like shale, siltstone and tuffs were deposited in small basins including economic coal deposits, such as Can lignite.

Cenozoic volcano-plutonic rocks dominate the geology of the Biga Peninsula and therefore disguise older rocks (Figure 7.2). Cenozoic volcanism in the Biga Peninsula started in the Eocene in extensive areas with mainly andesitic and dacitic, calc-alkaline character and continued to basaltic alkaline volcanism through Late Miocene. Broadly, volcanism in the Biga Peninsula initiates with Middle Eocene medium-K calc-alkaline and continues through the Oligocene with high-K calc-alkaline character. Early Miocene volcanism is characterized by high-K to shoshonitic lavas. In the Middle Miocene to Late Miocene, volcanism shifted to mildly-alkaline and alkaline characters respectively. Geochemistry of the volcanic rocks suggests increasing amounts of crustal contamination with decreasing subduction signature during the evolution of magmas from the Eocene through the Early Miocene. Middle to Late Miocene volcanism gives geochemical signatures indicating decreasing crustal component with an enriched asthenospheric mantle-derived melt. Cenozoic calc-alkaline volcanism hosts many important economic deposits of metallic and industrial minerals.

Small intrusive bodies are exposed in the Biga Peninsula. Most of these intrusions trend either NE, following the major tectonic grain of the peninsula, or E-NE, cutting the major tectonic grain. The main Cenozoic intrusions in the Biga Peninsula show calc-alkaline character with compositions ranging from granite to quartz diorite. Young granitoids in the Biga Peninsula generally are the products of Eocene to Oligo-Miocene plutonism. The oldest radiometric age from Cenozoic intrusions of 52.7 ± 1.9 Ma comes from Karabiga Pluton and the youngest radiometric age of 18.8 ± 1.3 Ma comes from Yenice Pluton. All dated samples from plutonic rocks suggest a younging age from N to S for plutonism in the Biga Peninsula, from Late Cretaceous to Early Miocene.

Structural geology of the Biga Peninsula is intricate. Pre-Cenozoic structures are dominated by thrust faults associated with ophiolitic rocks. The oldest thrust faults are related to metaophiolites in the Kazdağ Group and melanges in Hodul unit of the Karakaya Complex. Cenozoic structural features are characterized by detachment faulting related to exhumation and core-complex development of Kazdağ Massif in Oligo-Miocene, and strike-slip faulting started in Early Miocene related to development of the NAFZ.

Neotectonic activity is dominated by dextral-strike slip faulting as well as N-S extension. Based on interpretation of the geological maps, LANDSAT and ASTER images incorporated with field observations, NE-, E- and NW trending faults form three major groups in the Biga Peninsula (Yigit, in press). The NE- and NW-trending faults are conjugate Riedel shears. The most prominent faults are NE-trending dextral-strike slip systems (~060) related to the western extension of the NAFZ, which create pull-apart basins that control Oligo-Miocene sedimentation and volcanic activity. This current tectonic regime forms NE-trending basins and ranges, and forms the NW-boundary of the volcanic rocks in the Biga Peninsula.

**Figure 7.1: Regional distribution of basement metamorphic rocks in the Biga Peninsula (Yigit, in press)**

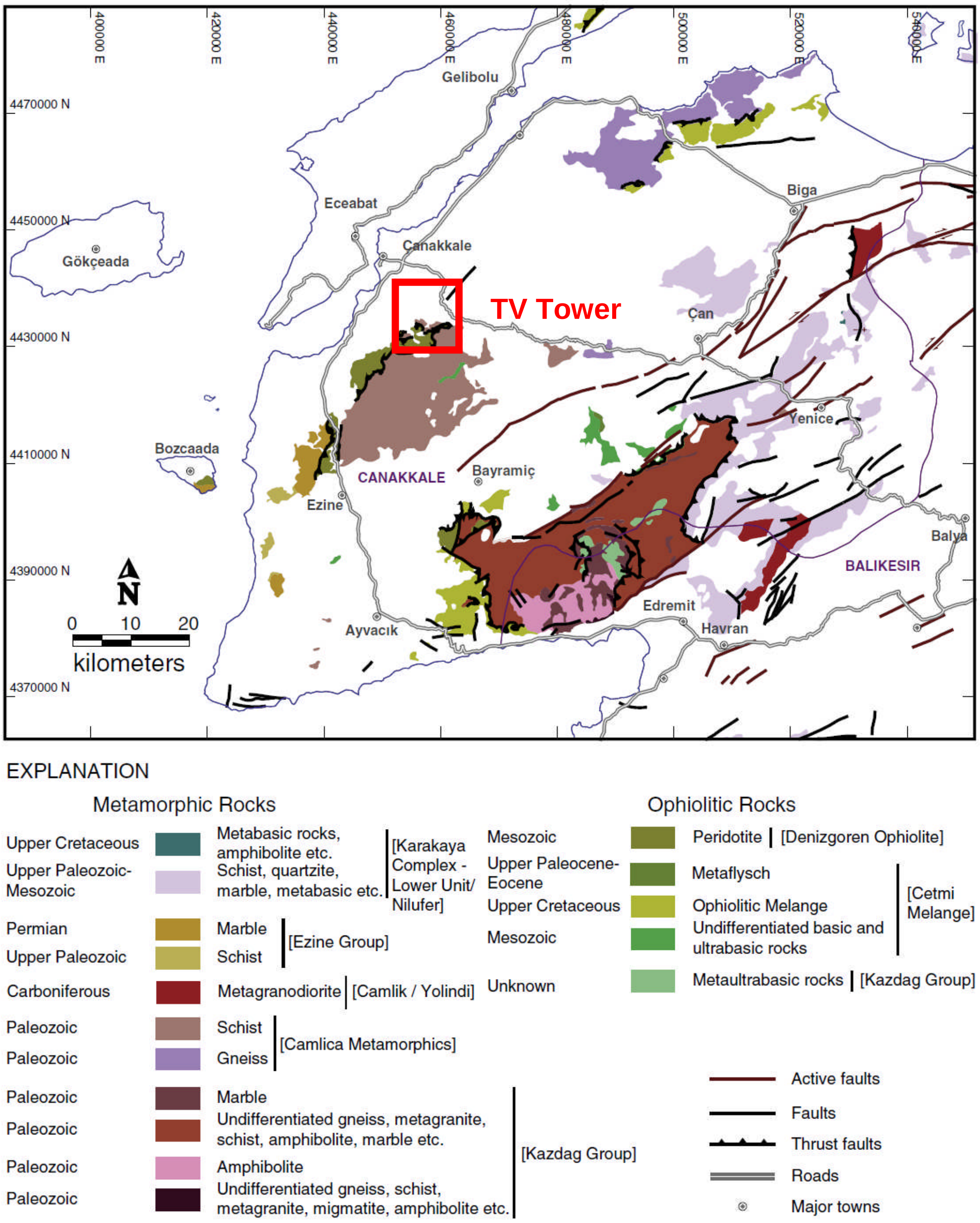
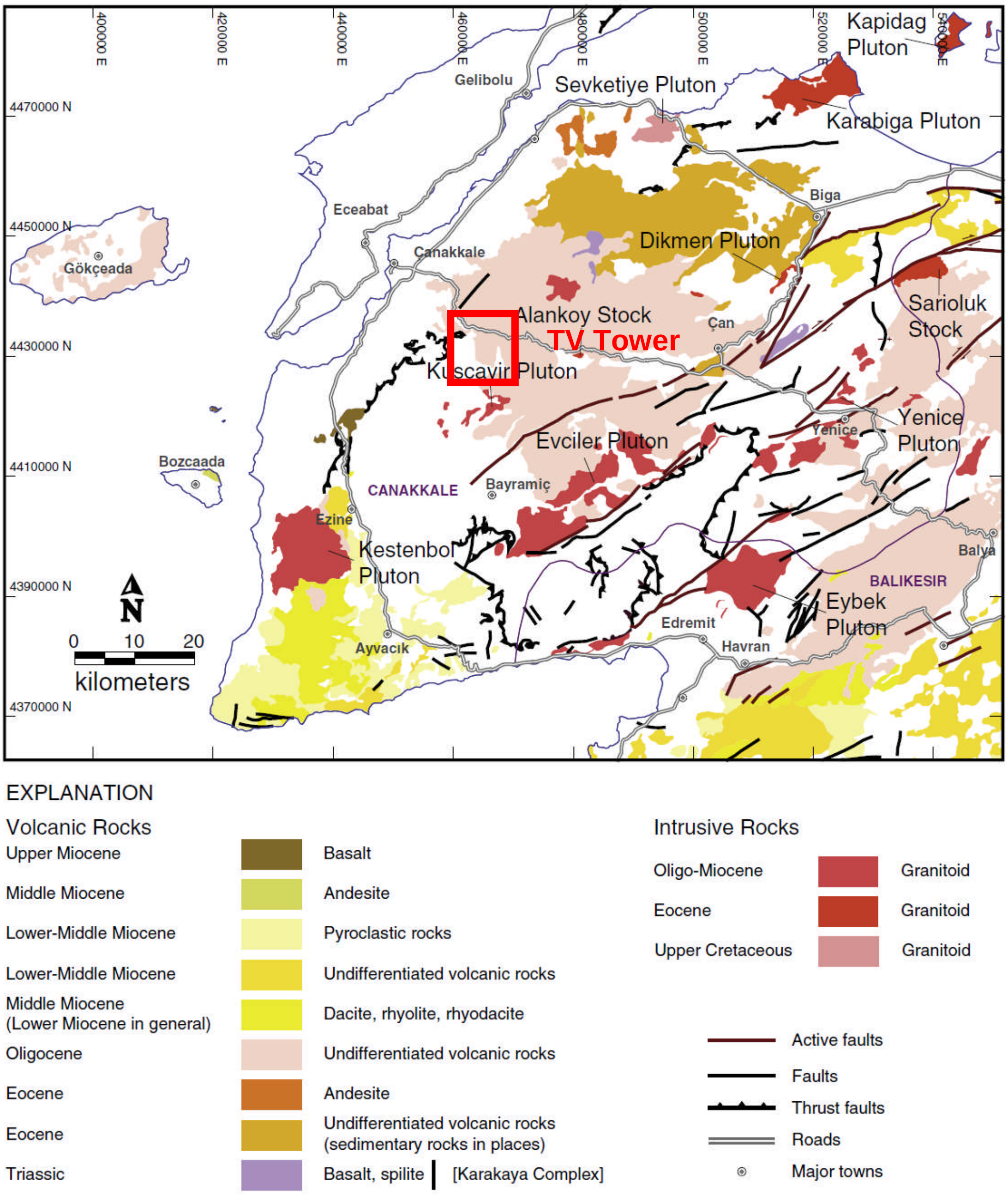


**Figure 7.2: Regional distribution of Cenozoic volcanic and igneous rocks in the Biga Peninsula (Yigit, 2012)**



## 7.2 LOCAL GEOLOGY

### 7.2.1 LITHOLOGIC UNITS

The western portion of the TV Tower is underlain by Cretaceous-aged metamorphic basement rocks, overlain in the central part of the by Tertiary volcanic and volcaniclastic rocks (Figure 7.3). Both sequences are intruded by at least two phases of intermediate intrusive rocks. They are variably altered, brecciated, mineralized and display a range of intensities of brittle deformation. Outcrop is relatively poor on slopes, with most areas covered by a mantle of colluvium. Exceptions are silicified rocks, which often form resistant ribs, valley bottoms, where water often scours creek beds down to bedrock, and road-cuts.

Metamorphic basement rocks are primarily comprised of grey, strongly deformed quartz-mica schist and phyllite. These rocks are widespread at lower elevations in the central and western parts of the Property, and are unconformably overlain by Tertiary volcanic rocks. The schist locally contains thin lenses of medium to coarse, pale grey to white marble. A significant area of the western part of the Property is underlain by mafic to ultramafic schist, including dark green serpentinite. Metamorphic basement rocks have not been mapped in any detail on the Property.

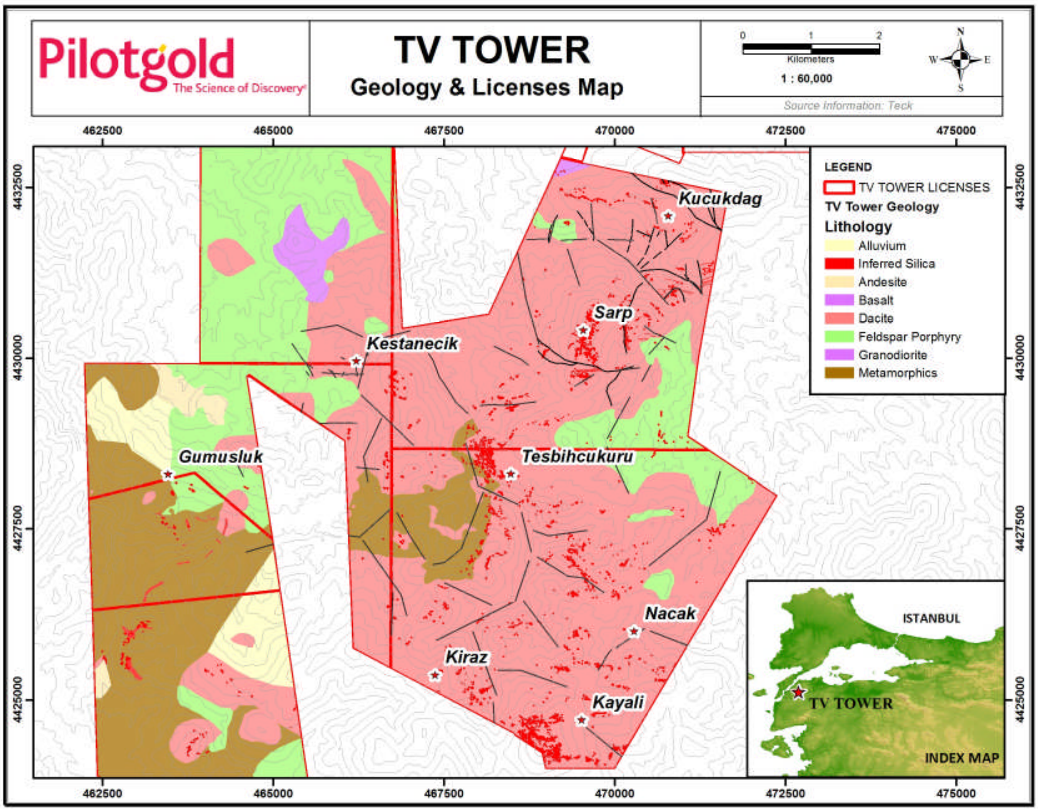
Tertiary volcanic rocks cover most of the Property, including virtually all higher-elevation areas. They are mostly flat-lying to gently dipping, except locally where affected by faulting. Volcanic rocks comprise flows, tuffs and related volcaniclastic rocks, as well as rare breccia. The stratigraphy and age range of the volcanic sequence has not been deciphered as of the effective date of this report and only general comments are given here.

Flows are generally massive, and range from basaltic andesite to rhyodacite in composition, with dacite the most common. Flows are generally feldspar>>quartz porphyritic. Rocks in most areas are generally too altered to accurately decipher the mafic content, but less altered rocks generally contain biotite and rare hornblende.

Volcaniclastic rocks vary widely in texture and genesis, from coarse lahar breccias to finely laminated ash and crystal tuff, and from welded tuff through reworked volcanilithic sandstones. They are interbedded with flows and may also form distinct basins in some areas of the Property. Intense alteration often obscures primary textures, making mapping of these rock types difficult. Volumetrically, variably bedded, coarse sand-sized lithic lapilli tuff and volcanilithic sandstone appear to be the most abundant rock types. In the Küçükdağ target area, thinly bedded to laminated ash and lapilli tuff are present and are important host rocks for mineralization. Mapping of volcaniclastic rocks should be a priority in subsequent programs, as alteration and mineralization preferentially occur in these rocks.

Intrusive rocks are noted in a few areas of the Property, primarily at lower elevations. They appear to intrude both metamorphic basement rocks and volcanic rocks. At least two phases have been noted. One phase consists of hornblende-feldspar porphyry, consisting of relatively coarse, dark green, elongate hornblende phenocrysts, white plagioclase phenocrysts and fine grained biotite in a grey to greenish matrix. This phase is similar in appearance to the Kestane stock, which hosts the nearby Halilağa Cu-Au porphyry deposit, and locally contains disseminated pyrite and weak, fracture controlled sericite and silica alteration. A second phase has been noted locally, consisting of propylitic-altered feldspar-hornblende-biotite porphyry.

**Figure 7.3: TV Tower geology and licences outlined in red.**




*Source Pilot Gold, March 2012*

### 7.2.2 Structure

Until recently, structural geology has not been a focus of previous mapping and exploration programs on the TV Tower, with an emphasis on the presence of silica, surface geochemical anomalies and IP chargeability anomalies as the primary criteria for locating drill holes. A structural map of the TV Tower does not currently exist. Recent detailed mapping and review of drill data by Pilot Gold have highlighted the importance of structural geology, including identification of faults, breccias, joint fabrics and other brittle structures as ore hosts.

Metamorphic rocks in the western and central part of the Property have undergone significant ductile deformation and metamorphism associated with collision and stacking of basement terranes. An early foliation with superposed crenulation cleavage is visible in the schists and phyllites.

Tertiary rocks record brittle extension and strike slip faulting as detailed in the regional geology section, although these affects are not well-documented at the TV Tower.

Limited field evidence and air photo linear analysis suggests the presence of dominant NNW and NE structural grain on the Property, probably reflecting the presence of high angle faults. North-trending linears are also present. On a prospect scale, silica ribs and joint sets mapped from satellite photos and on the ground show a strong preference toward E-W orientations (locally ranging through NW or NE) throughout the Property (Figure 7.4). Silica ribs, in turn, generally reflect the presence of faults or breccia zones. Identification and mapping of brittle structures on all scales will need to be carried out in future field programs.

**Figure 7.4: Quickbird images showing silica ribs with strong N80E orientation and secondary NW orientation at the Kayalı target.**

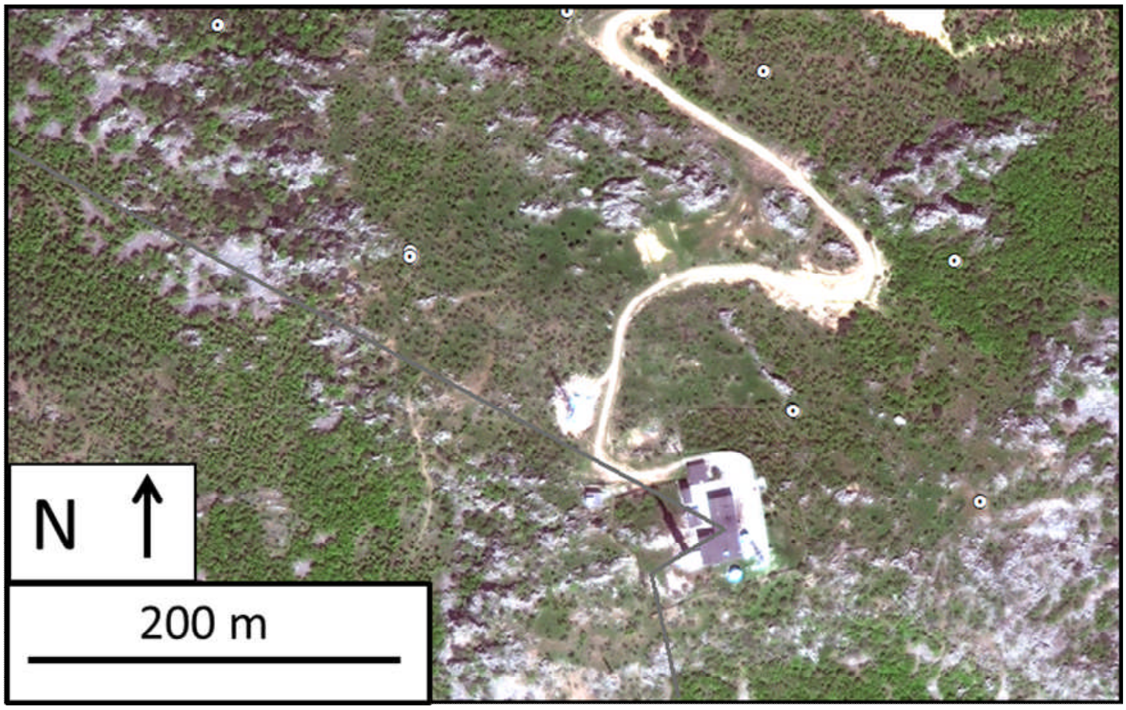



*Figure courtesy Pilot Gold*

### 7.2.3 ALTERATION AND MINERALIZATION

All rock types at TV Tower show signs of extensive hydrothermal alteration and local Au-Co ± Cu mineralization. Alteration has been mapped both on a property-wide scale using a Portable Infrared Mineral Analyzer (PIMA) on rock and soil samples and by visual inspection. A surface alteration map for the central and eastern portion of the TV Tower property is shown in Figure 7.5. This section provides a general statement; individual prospects are discussed in more detail below.

In general, alteration minerals associated with a HS epithermal environment dominate the Property, including widespread argillic, advanced argillic and silicic alteration and distal propylitic alteration.

Argillic altered zones include pervasive white kaolinite alteration with variable disseminated pyrite, variably altered to orange-brown iron oxides. Some smectite and illite have also been noted.

Zones of advanced argillic alteration contain patchy to pervasive to veinlet-hosted alunite, pyrophyllite, diaspore and dickite, with variable disseminated pyrite, generally altered to orange-brown iron oxides.

Silicification ranges from massive to vuggy, and is generally pale grey in colour. Vuggy silica zones can replace feldspar porphyritic volcanic rocks, tuffs or breccias, and be accompanied by advanced argillic minerals such as alunite and pyrophyllite lining the vugs. Silica zones are often brecciated, with specular or earthy hematite, limonite or jarosite in the fractures and as cement.

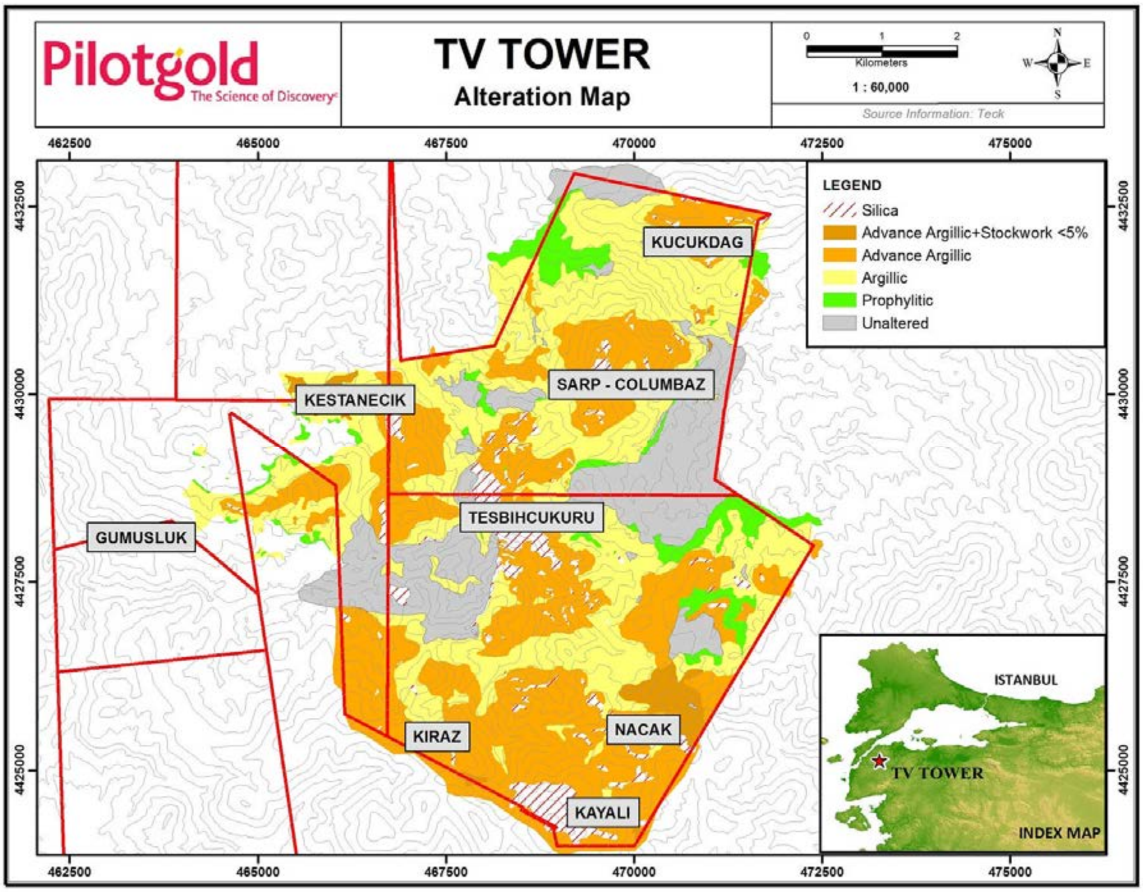
With the exception of the Küçükdağ prospect, Au is fine-grained and associated with zones of vuggy silica. These rocks are generally oxidized but by analogy to other systems, the Au was likely associated with pyrite. Where drill tested, zones of oxidation give way at depth to unoxidized zones, generally in areas of advanced argillic or argillic alteration. In these areas, supergene chalcocite and green Cu oxides are present at the oxidation boundary. The presence of Cu oxides in these areas may reflect the original presence of the sulphide mineral enargite in the vuggy silica zones, which has since been leached and redeposited at the oxidation-reduction boundary.

The Küçükdağ prospect hosts high-grade Au-Ag-Cu mineralization in a breccia body. This mineralization will be described in more detail below. In general, mineralization is present as zoned pyrite-enargite and other Ag and Cu minerals alternating with kaolinite, dickite and silica as breccia cement. Ag-only zone is also present, but has not been characterized in terms of mineral assemblage.

Local zones of alteration more consistent with a LS epithermal environment have been noted locally on the Property, including areas of the Sarp and Kestanecik targets. LS alteration and veining consists of linear arrays of quartz veins with variable textures in ranging from banded and colloform chalcedonic quartz to sugary quartz and quartz-after-calcite. Veins are flanked by white clay alteration, probably illite.

The presence or absence of Cu-Au porphyry alteration and mineralization on the TV Tower is not well documented but is believed to exist in at least two low-elevation areas of the Property including the Nacak prospect and an unnamed prospect in the extreme SW part of the Property. Observed porphyry-style alteration on the Property includes phyllic alteration and stockwork/sheeted quartz veins with axial lines.

**Figure 7.5: Alteration Map of the TV Tower Property**




*Source Pilot Gold, March 2012*

### 7.2.4 BRECCIA

A variety of breccias are present at TV Tower, and are interpreted to be important Au hosts and fluid conduits. Breccias can be divided into those of volcanic or sedimentary origin, with high primary porosity, breccias of tectonic origin, reflecting brittle faulting, and breccias of hydrothermal origin.

Tectonic breccias are widespread on the Property, particularly in silicified zones, where their presence is accentuated by the presence of Fe oxides as earthy or specular hematite, geothite, limonite or jarosite. Types include crackle, mosaic and milled breccias, reflecting varying degrees of strain. On a larger scale, they are associated with silica ribs and elevated Au grades.

The most significant example of a hydrothermal breccia on the Property is the high-grade Au-Ag-Cu, silica-sulphide cemented breccia body at Küçükdağ, as described below.

### 7.2.5 DESCRIPTIONS OF TARGET AREAS

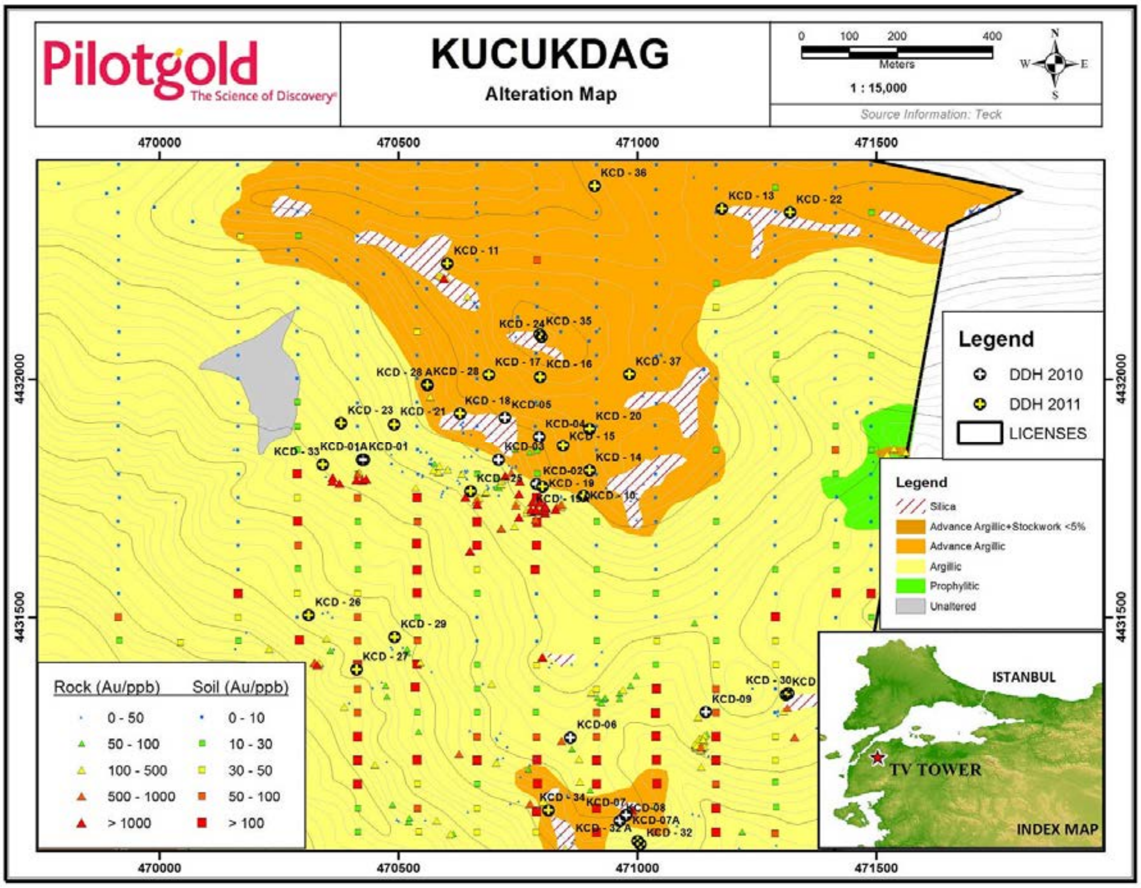
To date, approximately seven targets have been defined by a combination of geophysical, geochemical and geological methods. Of the seven targets, four are HS epithermal (Küçükdağ, Kayalı, Gümüşlük and Tesbihçukuru), one displays characteristics of both HS epithermal and porphyry mineralization (Naçak), one displays both high and LS characteristics (Sarp/Columbaz), and one is primarily a LS epithermal target (Kestanecik). Target locations are shown in Figure 7.5. Idealized genetic models are outlined in section 8.0. Additional targets have been identified but are at a relatively early stage of investigation.

The targets are described below, with additional details in Sections 9 and 10 (Exploration and Drilling respectively).

**Küçükdağ Target:** The Küçükdağ target is located in the NE part of the TV Tower, and is the most advanced of the targets investigated to date (Figure 7.6). Mineralization is hosted in a sequence of gently north-dipping agglomerate to fine-grained volcaniclastic rocks that are overlain by intensely silicified felsic ash tuff and ash-lapilli tuff, with ignimbritic volcanic rocks mapped at higher elevations and feldspar porphyritic dacite flows at lower elevations.

A 750-m by 100-m zone of strong silicification brecciation is present on surface at the Küçükdağ target (Figure 7.7) in association with laminated to thin-bedded ash tuff. Surface rock sampling returned a high of ~ 50 g/t Au and up to 100 ppm Ag. Samples are also anomalous in Ba, Sb, As, and Ga. Grid soil sampling outlined three areas of anomalous Au in soil. Quartz-alunite ± dickite ± kaolinite is closely associated with Au mineralization on surface.

**Figure 7.6: Küçükdağ target showing alteration, surface drilling and geochemistry.**




*Source Pilot Gold, March 2012*

**Figure 7.7: Brecciated and mineralized ash tuff at the Küçükdağ target.**

*Figure courtesy Pilot Gold*

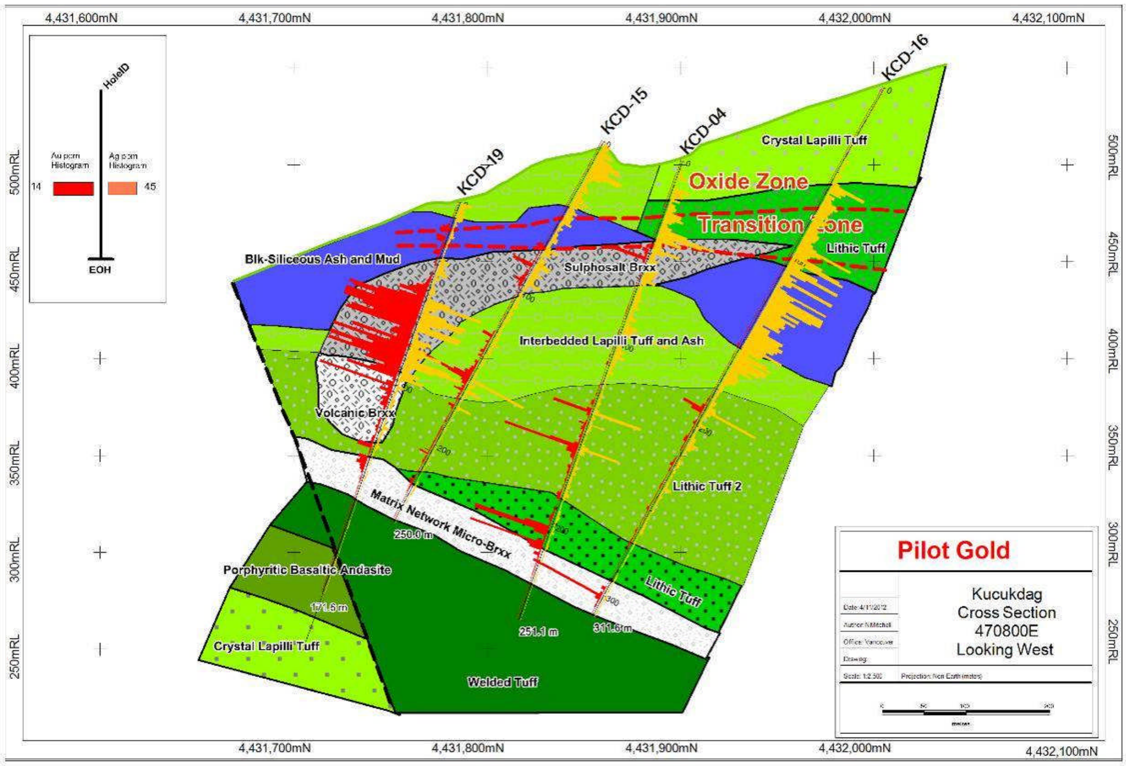
Additional evidence for mineralization came from an IP survey which showed a moderate IP chargeability high more or less coincident with the silicified zone on surface.

The second drill hole into the zone, KCD-2, drilled in late 2010, resulted in discovery of a sulphide-cemented, hydrothermal breccia pipe with high Au, Cu and Ag content. This discovery hole returned 136.2 m grading 4.3 g/t Au, 0.68% Cu and 15.8 ppm Ag. Subsequent widely-spaced drilling suggests that the pipe is relatively steep and may flare into a sub-horizontal zone at the top. Additional mineralization in the form of a tabular, Ag-rich zone above and to the N of the breccia body was also discovered in the course of drilling. A cross-section through the breccia zone is presented in Figure 7.8. Core photos from hole KCD-19, a near-twin of the discovery hole, are presented in Figure 7.9.

As the cross-section and photos show, the Küçükdağ breccia and related mineralization are generally confined to intervals of relatively fine-grained tuffs, which are silicified and brecciated. The tuffs may represent ash fall into an aqueous environment in a relatively restricted basin adjacent to a volcanic vent or vents. Silicification may have preferentially affected the tuffs due to increased permeability. In turn, the silicified rocks may have been more susceptible to brittle failure and brecciation during late hydrothermal alteration and mineralization.

The Küçükdağ breccia zone is characterized by the presence of relatively angular clasts and clast-supported character. Clast composition is monomict within the tuff sequence, reflecting the character of the wall rocks, and polymict below it where the enclosing rocks are volcanic in nature, reflecting a mix of the tuffs and the wall rocks. These observations suggest that the breccia is not a phreatomagmatic or other breccia characterized by rapid upwelling and venting of clasts or fluids, rounding of clasts and evidence of streaming in the matrix, but formed in a more passive environment. This interpretation is further supported by an almost total lack of matrix material, and the presence of zoned cement types. Zoned cement types include multiple rims of silica, followed by pyrite, advanced argillic minerals, and coarse pyrite-enargite. Rims are present primarily on the upper surfaces of clasts, also suggesting a relatively passive environment of formation.

**Figure 7.8: Interpretive cross section through the central Küçükdağ zone, looking west on line 470800E (TMST, 2011).**




*Source Pilot Gold, March 2012*

Thin section analysis of the breccia shows the sulphide/sulphosalt assemblage present in the breccia cement to contain pyrite (with minor bravoite), enargite, tetrahedrite-tennantite, chalcopyrite and chalcocite, the latter of which is intergrown with tetrahedrite. This zoning represents the evolution and fluctuating chemistry of the mineralizing fluids.

The Ag-rich zone is hosted in crystal, lithic and lapilli tuff, and may be roughly bedding parallel. Some of the zone is hosted in breccia. The breccia is polymict, with a sulphide ± sulphosalt ± clay matrix. The clasts are dominantly subrounded to subangular. The central portion of the Ag zone grades from matrix supported, to clast supported, to in-situ crackle into jigsaw-fit breccia at the margins of the mineralized zone.

At present, the extent of the breccia zone in KCD-19 is not well known due to the widely-spaced nature of drill holes. This zone may be open laterally to the E and W. The Ag-rich zone is open both down-dip and laterally. Additional drilling in 2012 will focus on delineation of the high-grade breccia zone through tightly-spaced infill drilling, as well as determination of the total extent of the mineralized system through step-out drilling.

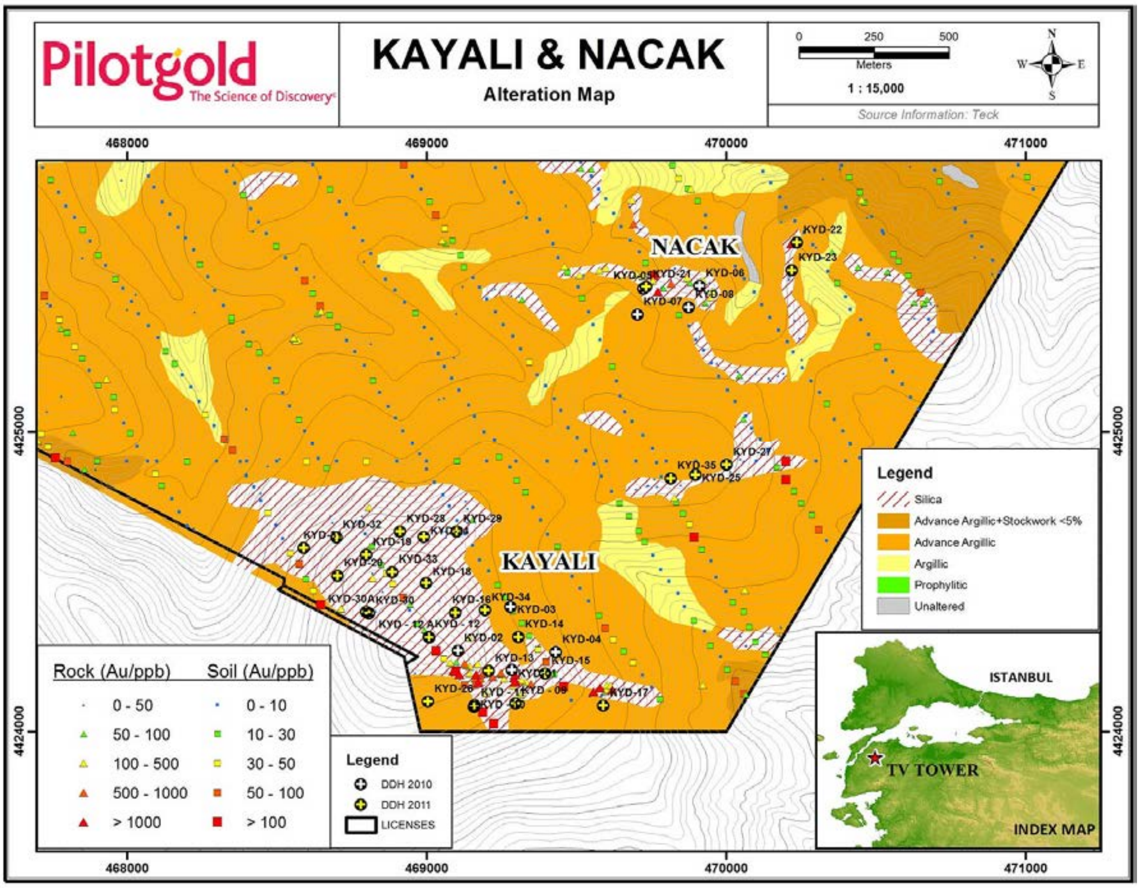
**Figure 7.9: Representative core photos, hole KCD-19, through the Küçükdağ breccia zone**


*Figure courtesy Pilot Gold*

**Kayalı Target:** The Kayalı target includes extensive outcropping silicification and strong advanced argillic alteration over a 2-km by 1.5-km area at the top of “TV Tower Hill”, representing the highest elevations on the Property. Silicification is characterized by the presence of extensive silica ledges, hosted primarily in volcaniclastic rocks, Silica-alunite ledges developed in overlying volcanic flows, and east-west- to NW-SE-trending vuggy silica ribs developed along fault/breccia zones. The faults may have acted as conduits and traps for the mineralizing fluids.

Drilling initially focused on an area of elevated Au in rock samples marking a prominent silica rib. Drill hole KYD-1 returned 114.5 m grading 0.87 g/t Au, apparently by drilling obliquely through the rib. The mineralized zone is characterized by the presence of weakly brecciated vuggy silica after relatively fine-grained, crudely-bedded tuff (Figure 7.11). Grade is generally correlated with degree of brecciation. The silicified interval is strongly oxidized. Below the silicified zone, the hole passes into advanced argillic altered, feldspar porphyritic flows, and eventually into unoxidized rocks. At this boundary, a weak supergene chalcocite zone is developed. Cu likely was present as enargite in the silicified zone but was subsequently leached and redeposited at the oxidation-reduction boundary. Hole KYD-02, which returned 88.6 m grading 0.78 g/t Au also tested this rib. However, subsequent drilling moved primarily into an area of quartz-alunite altered flows that did not yield significant results in drilling.

**Figure 7.10: Kayalı target area showing alteration, surface geochemistry and drill holes (Nacak target area encompasses the three clusters of drill holes located to the NE of the main drilled area)**




*Source Pilot Gold, March 2012*

The Kayalı target is currently the focus of a detailed mapping effort to better understand the structural and stratigraphic controls on the distribution of Au mineralization at the Kayalı target. More than 2,000 m of diamond drilling is planned for 2012 to follow up on this mapping effort and the 2011 drilling. The total extent of mineralization at Kayalı is not known.

**Figure 7.11: Representative core photos from KYD-2, Kayalı Target.**

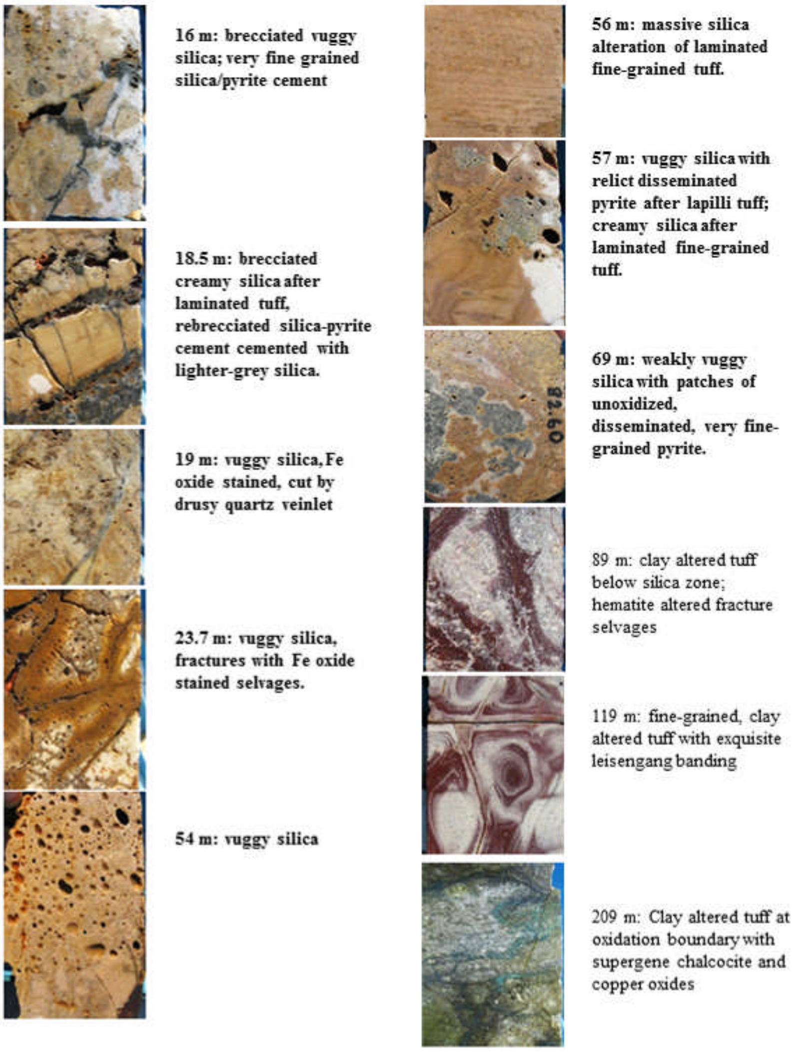



*Figure courtesy Pilot Gold*

**Nacak Target:** The Nacak target is located to the NE of the Kayalı target (Figure 7.10). It consists of a HS epithermal target and a porphyry target. The HS target is defined primarily by a gently-dipping silica ledge and related advanced argillic alteration with sporadic high Au values in rocks that crop out over a wide area. The ledge was targeted with 10 drill holes by TMST with limited success. It is possible that a detailed mapping program tasked with identification of silica ribs and related structures in this area might increase the odds of discovering Au mineralization.

The Nacak porphyry target consists of an area of coincident Au and Cu in soil present a lower elevations below the silica ledge. In this area, volcanic rocks contain areas of patchy silicification, locally with finely disseminated grey sulphide. Quartz stockwork veining representing possible “A” veins, cut by “B” veins with axial lines and locally cut by limonite veinlets (oxidized “D” veins?) was noted (Figure 7.12).

Possible phyllic alteration was noted in association with veining. These observations suggest the possibility of porphyry-style mineralization at depth. Elsewhere in this area, rare float of potassic altered monzonite with disseminated chalcopyrite and malachite was noted.

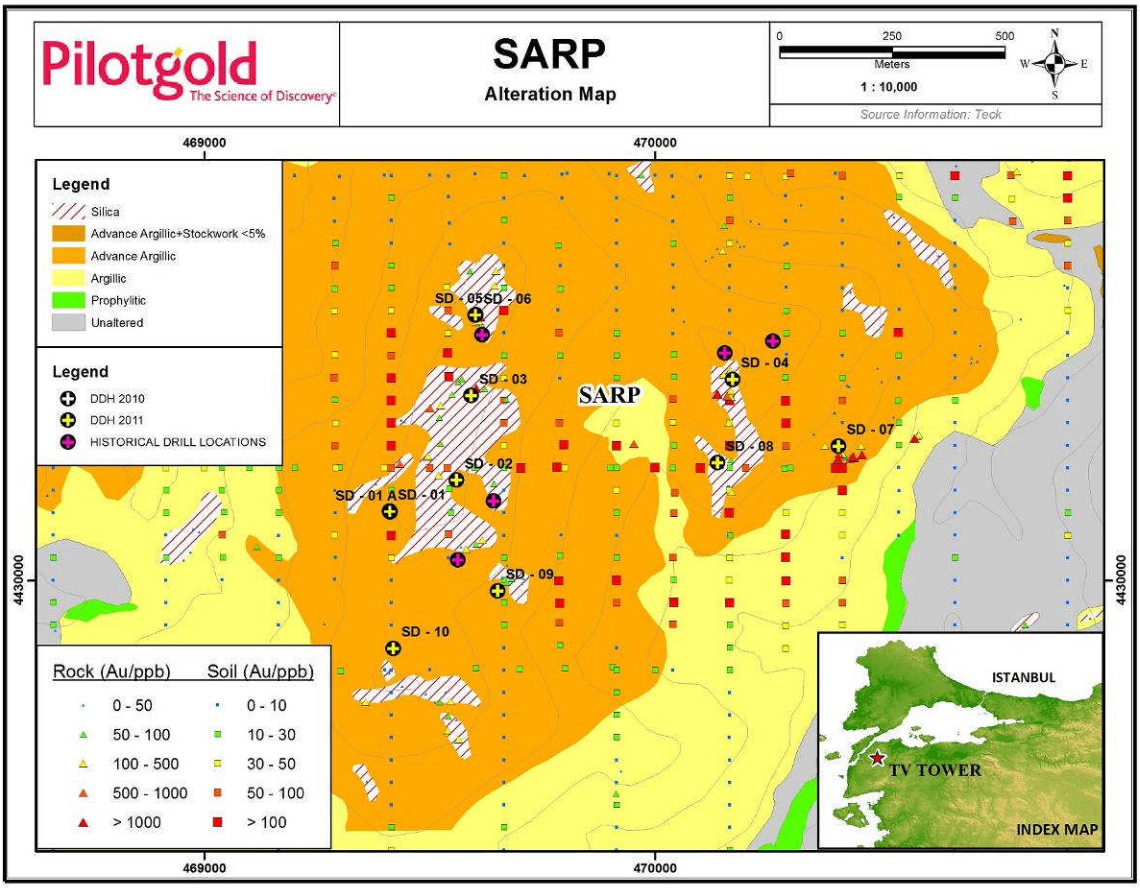
**Figure 7.12: Interpreted A and B veins in variably sericitized and silicified volcanic rocks, Nacak porphyry target.**

*Source Pilot Gold, March 2012*

**Sarp/Columbaz Target:** The Sarp/Columbaz area, located in the east-central part of the Property was explored by TMST as a HS epithermal target (Figure 7.13). The area was targeted on the basis of an extensive cap of grey silica alteration with associated advanced argillic alteration assemblage, a large area of highly anomalous soil and rock samples, and a large IP chargeability high. It was noted that the ridge was cut by a series of steeply dipping E- to ESE-striking faults. Some of these faults contain breccia zones between 30 and 50 m wide.

Surface rock saw sampling of some of the breccia returned up to 2.2 g/t Au. TMST drilled 10 holes through the silica cap, which returned generally disappointing results, with the best results in three separate, ~ 7 m intervals, ranging from 0.27-0.50 g/t Au. Pilot Gold believes that a number of these holes may not have tested the intended breccia targets due to alignment of the drill holes entirely within the footwalls of the zones.

**Figure 7.13: Sarp/Columbaz area alteration, surface geochemistry and drill holes.**



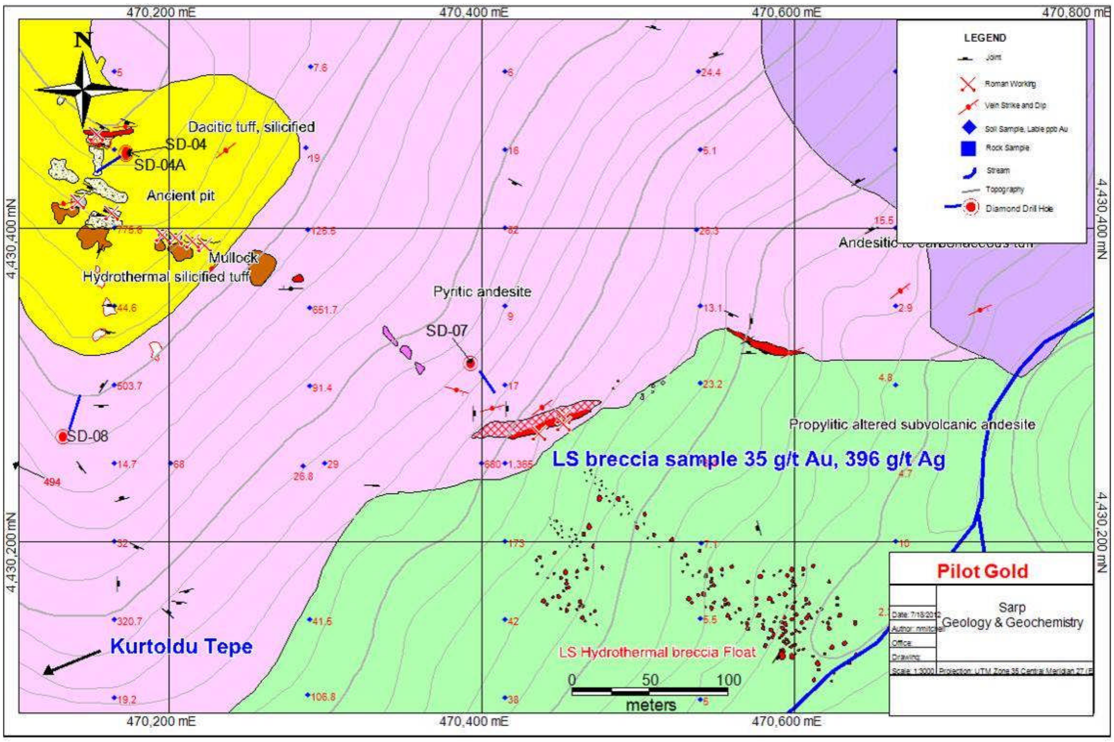

*Source Pilot Gold, March 2012*

Subsequent mapping and sampling by Pilot Gold in 2012 focused on an area of unusually high Au in rocks (up to 10 g/t Au and 39 g/t Ag) and soils in the eastern part of the target area, near hole SD-07 (Figure 7.14). This mapping effort identified three LS Au-Ag veins. The LS veins trend; ~ 240˚/60˚to 85˚ (below SD-04 and SD-04A), ~ 085˚/75˚ (below SD-07) and ~ 085˚/55˚. The veins are hosted at a contact between pyritic andesites and in a silicified dacitic tuff unit. A number of diagnostic LS textures were noted in the veins, including colloform and crustiform banding associated with brecciation. One sample displaying ginguro textures (Figure 7.15) returned bonanza Au-Ag grades with values of 35 g/t Au and 396 ppm Ag.

420 m to the SW of the LS veins, on the southern shoulder of Kurtoldu Tepe, several tree casts were identified. They are circular, 30 to 60 cm wide, sub horizontal, elongate “tubes”. They are hosted in fine chalcedonic silica with rare chalcedonic cemented breccia. The tree casts indicate this was the paleosurface at the time of mineralization.

Additional follow up mapping and prospecting will be conducted in this area, followed by drill testing. Despite the near proximity of at least two of TMST’s drill holes, it is not believed that the holes tested the veins at depth.

**Figure 7.14: Detail of the eastern Sarp (Columbaz) target showing newly identified and sampled LS veins.**




*Source Pilot Gold, March 2012*

**Figure 7.15: Ginguro-style banding with dark grey acanthite at the Columbaz LS target.**

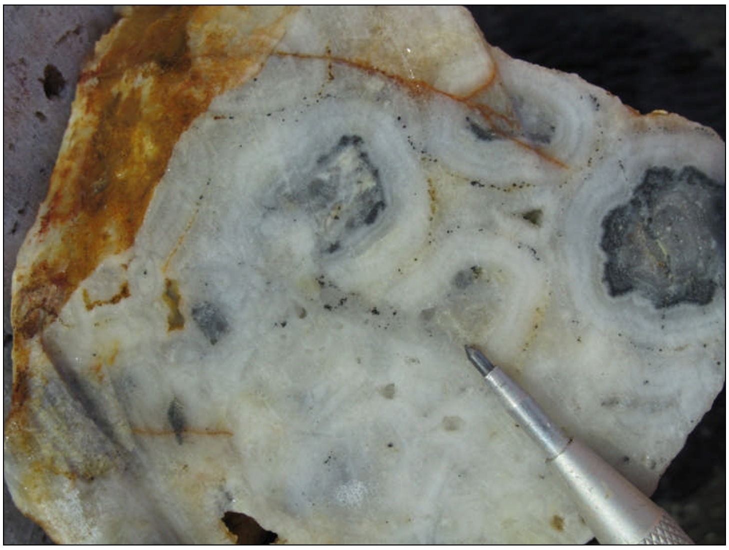


*Photo courtesy Pilot Gold*

**Kestanecik Target:** The Kestanecik target is located in the North-Western portion of the Property. It features a NE-trending, LS epithermal quartz vein system with associated argillic alteration zone and stockwork veining between the main veins. The vein system is approximately 200 m wide with an observed approximate strike length of 800 m. The veining is fissure-fill style with individual veins up to 6 m wide in zones up to 20 m wide (Fugre 7.16) Figure 7.17 shows the veining exposed in a road cut and associated clay alteration.

Silicification in the target area is extensive; the margins of the veins have an envelope of illite-montmorillonite, with some advanced argillic alteration in places with a target wide propylitic halo. The alteration, from early to late stage, consists of:

- Propylitic (chlorite) alteration – on a district scale as the background alteration facies
- Pyrite ± silica alteration of subvolcanic andesite (oxidises to limonitic, white leached outcrops often with limonitic boxwork). This style is normally texture preservative in unoxidized rock. The pyrite occurs as disseminations, replacement of mafic minerals, and minor veinlets.
- Massive silica replacement of dacitic tuffs.
- Weak quartz-alunite alteration.
- Wide (up to the width of the system ~ 300 m) argillic alteration related to LS veins and stockwork cutting the earlier pyrite alteration. This style is identified in the field by limonitic/jarositic staining over argillic alteration which is sometimes texture destructive.
- Narrow (< 1.0 m) zones of silicification adjacent to LS veins and stockworks; strongly texture preservative.

The initial interpretation, based on vein textures, is that the exposed portion of the vein system is below the boiling zone, but the rapid rise in topography away from the area indicates potential for preservation of shallower parts of the system.

Rock chip sampling has returned values up to 2.64 g/t Au and 294 g/t Ag. Pilot Gold plan follow up exploration work for 2012 prior to drill testing.

**Figure 7.16: Kestanecik quartz vein system, looking NE.**


*Photo courtesy Pilot Gold*

**Figure 7.17: Quartz veining and alteration zone, looking E.**

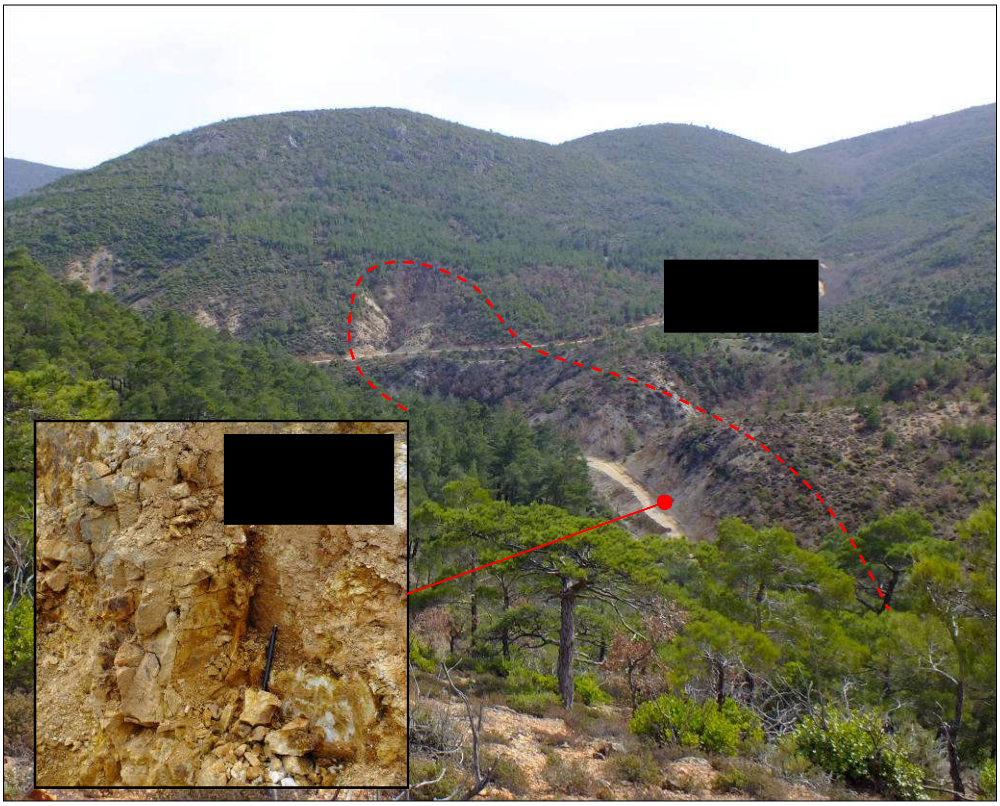


*Photo courtesy Pilot Gold*

**Gümüşlük Target:** The Gümüşlük target as originally defined by TMST appears to contain a number of potential targets of varying type. It was originally defined on the basis of strong coincident Au and Cu in soil anomalies on widely spaced lines.

*Kartaldag West subtarget*: The Kartaldag deposit (described in Adjacent Properties) is described as an IS epithermal deposit that returned bonanza grades from a NE-trending zone of silicification, quartz veining and sulphide mineralization. It is located a short distance to the south of the Kestanecik target. A resistant, E-W-trending rib of silica-alunite alteration continues westward for at least 200 m onto the TV Tower. This rib is cored by a steep, Fe oxide stained breccia zone. Within the breccia zone, clasts of epithermal quartz vein material were noted (Figure 7.18). Rock sampling has returned up to 0.9 g/t Au, with most samples returning at least anomalous values. The presence of quartz vein material in the breccia raises the possibility of a vein at depth. Strong argillic or advanced argillic alteration with LS epithermal vein material in float extends up to 1.0 km W of the rib.

Much of the rest of the target area is underlain by older metamorphic rocks, including phyllite, marble, and serpentinite. Zones of gossanous material and associated skarn alteration were noted in reconnaissance traverses through this area, which might explain the presence of the Cu and Au in soil anomalies.

Pilot Gold has initiated soil sampling over the target area, which was largely unsampled in previous programs. Initial results suggest the presence of strong Au in soil in at least one area, associated with silica ribs.

**Figure 7.18: Epithermal vein quartz clast in silica-alunite-Fe-oxide breccia, Kartaldag W.**

*Photo courtesy Pilot Gold*

**Tesbihçukuru Target:** The Tesbihçukuru target was defined largely on the basis of the presence of a very large area of silica alteration. The ledge is developed in dacite lying a few hundred metres above the contact with basement metamorphic rocks. Limited soil and rock sampling suggested that the silica cap was largely barren. TMST did identify an area on the southern boundary of the target below the silica cap that returned anomalous Au (200-400 ppb) in rock samples from quartz stockwork-altered andesite immediately above the contact with the metamorphic rocks (Figure 7.19). The stockwork veins are comby and contain axial lines typical of veins in porphyry systems, and are accompanied by clay, silica and iron oxides.

Within the silica cap, a number of NW-trending, brecciated ribs were noted by Pilot gold, as well as areas of Fe-oxide cemented crackle and mosaic breccia (Figure 7.20). Pilot gold intends to systematically sample these zones of breccias and Fe-oxide as the most likely Au hosts at this target, and to map and prospect lower elevation areas for porphyry mineralization.

**Figure 7.19: Stockwork quartz veining, Tesbihçukuru target.**

*Photo courtesy Pilot Gold*

**Figure 7.20: Hematite cemented mosaic breccia, Tesbihçukuru.**

*Photo courtesy Pilot Gold*

# 8.0 DEPOSIT TYPES

The TV Tower is interpreted to contain multiple zones of Au mineralization nested within what appears to be a large, highly-altered volcanic center or centers. Many of these target areas have wide-spread epithermal alteration with supporting geophysical and geochemical signatures typical of those seen at other high- and LS Au (Kirazlı, Ağı Dağı) and porphyry Cu-Au deposits (Halilağa) within the Biga Peninsula.

The targets defined to date on the TV Tower are classified as either LS epithermal Au-Ag, HS epithermal Au-Ag ± Cu or Cu-Au porphyry mineralization. An IS deposit immediately adjacent to the Property and examples of this type may be present within it. Descriptions of the deposit types found on the TV Tower are described below and illustrated schematically in Figure 8.1.

**Figure 8.1: Schematic illustration of the genetic relationship between the types of mineralization found at the TV Tower (Corbett, 2005).**

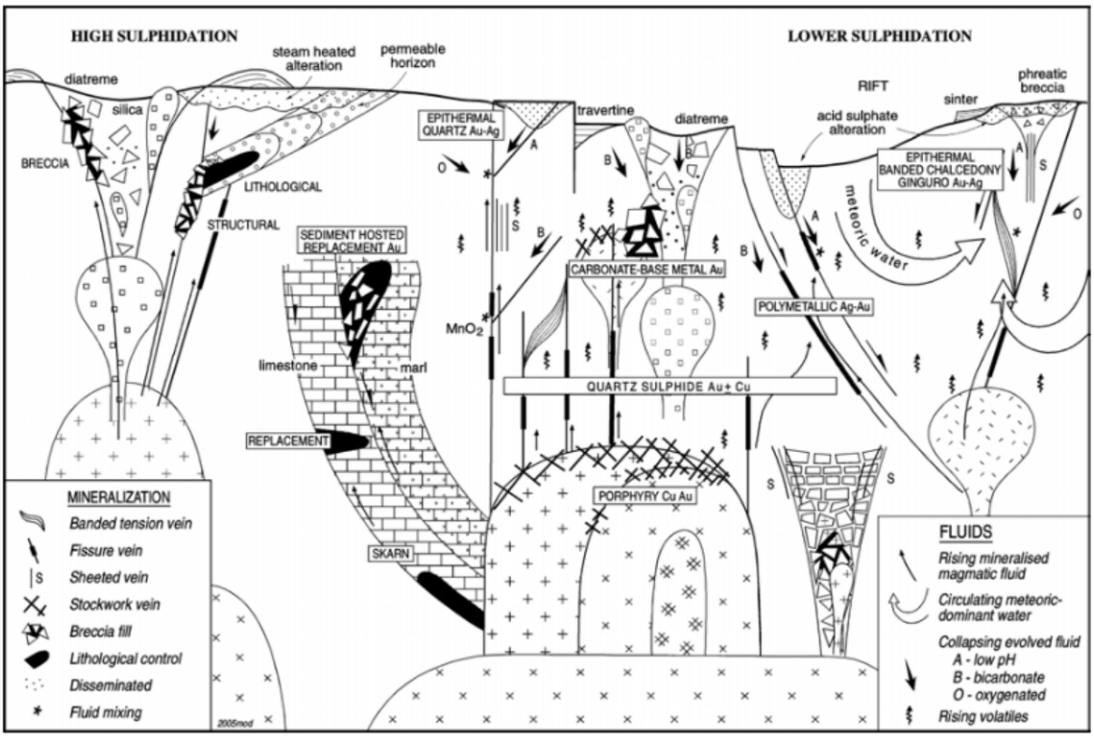



*Photo courtesy Pilot Gold*

## 8.1 High/Intermediate Sulphidation Epithermal

The terms high, low and intermediate sulphidation are based on the sulphidation state of the sulfide assemblage. High and intermediate epithermal Au-Ag (±) base metal deposits are typically located between the surface and a shallow degassing intrusion. These deposits are commonly associated with centers of magmatism and volcanism. Where preserved, HS systems have a large silica lithocap which can be many times larger than the potential mineralized body at depth. Fluid inclusion work indicates an emplacement depth of within 1.5 km of the paleosurface (Figure 8.1). Ore bodies are commonly located proximal to volcanic vents and are hosted by structural conduits and permeable rocks. The compositional range of rocks genetically related to HS deposits is relatively narrow, primarily intermediate calc-alkaline rocks. IS deposits span a broader range of rock types. Residual silica is the principal host of HS ore (Sillitoe, 1991; White and Hedenquist, 1990; Buchanan, 1981).

General high and IS features include:

- Depth of formation: 0.5 to 1.5 km.
- Setting, typical host rock: volcanic dome, diatreme, volcaniclastic and clastic sedimentary rocks.
- Deposit form: Disseminated, veinlet, breccia.
- Ore textures: Replacement, massive sulfide, breccia and veins.
- Alteration: Silica (vuggy), Advance argillic (alunite, pyrophyllite, diaspore, dickite, sericite), argillic (kaolinite), anhydrite, barite.
- Sulfides: Enargite/luzonite, chalcopyrite, tetrahedrite/tennantite, sphalerite, covellite, pyrite.
- Metals: Au, Ag, Cu, Bi, Te, Sn.
- Fluid: > 2 wt% NaCl to 4-5+ wt% NaCl to variable depending on depth of emplacement.

One of the most common characteristics of high-sulfidation deposits is the alteration zoning outward from the ore body (Figure 8.4). Ore is hosted in vuggy silica, with grades decreasing at the edge of the silicic core. Outward from the vuggy silica zone is a zone of advanced argillic alteration, grading from pyrophyllite in the core to kaolinite in more distal areas. An outermost zone of propylitic alteration is also normally present. The total thickness of the zone of advanced argillic alteration can be as narrow as 1.0 m but may be as wide as 100 m. This pattern of alteration zonation indicates progressively less acidic conditions outward from the pathway of acid fluid flow (Hemley et al., 1969, 1980; White, 1991). Alunite is commonly an early alteration and gangue mineral, whereas anhydrite and barite are relatively late.

Au mineralization is associated with silica, which in turn may be present as tabular bodies exploiting more permeable stratigraphic horizons (ledges) or fault zones (ribs). Breccia bodies are also common hosts. Au is associated with pyrite, as well as the As-Cu mineral enargite or its lower-temperature dimorph, luzonite.

As-Cu sulfides typically form early in the paragenetic sequence, followed by Au and associated pyrite, tennantite-tetrahedrite, chalcopyrite, and tellurides; these sulfides indicate a lower sulfidation state than enargite.

Intermediate epithermal systems are a blend of the above outlined HS model and that of the LS model described below.

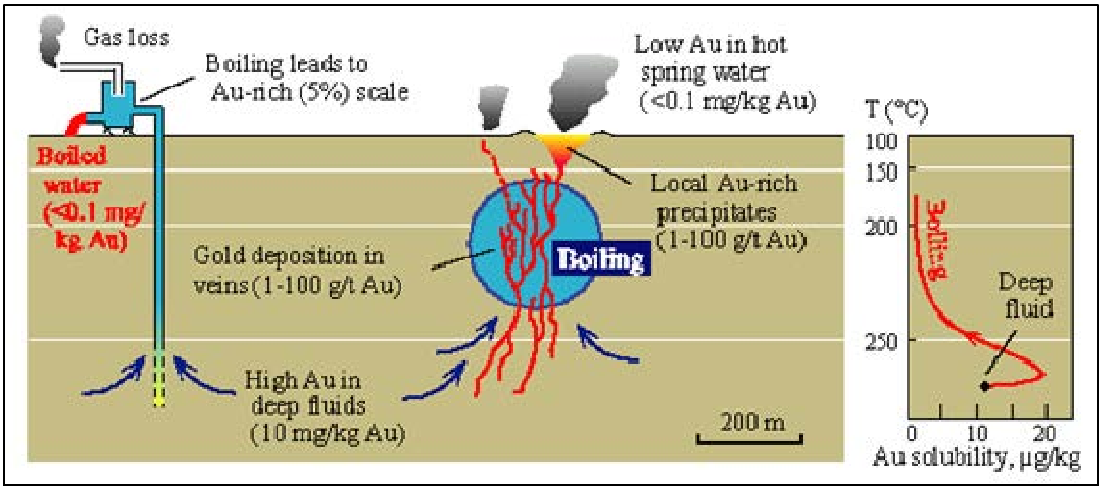
## 8.2 Low Sulphidation Epithermal

LS epithermal Au-Ag deposits are hosted primarily in volcanic rocks, and were first described as a separate deposit class by Lindgren (1933). LS epithermal deposits are formed at shallow depths from hydrothermal systems related to volcanic activity. LS deposits typically display all or most of the following characteristics (e.g., Sillitoe, 1991; White and Hedenquist, 1990; Buchanan, 1981):

- Hosted in volcanic rocks ranging from andesite to rhyolite in composition.
- Alteration consists of quartz, sericite, illite, adularia and silica. Barite and fluorite may also be present.
- Mineralization hosted in quartz and quartz-carbonate veins and silicified zones.
- Silica types range from opal through chalcedony to massive quartz. Textures include crustiform and colloform banding, drusy, massive and saccharoidal varieties. Calcite may form coarse blades, and is frequently replaced by quartz.
- Deposits of this type may be overlain by barren zones of opaline silica.
- Sulphides typically comprise < 5% by volume.
- Sulphides average up to several per cent and comprise very fine-grained pyrite, with lesser sphalerite, galena, tetrahedrite and chalcopyrite sometimes present.
- Au may be present as discreet, very fine grains or may be silica or sulphide refractory.
- Au and Ag grades are typically low, but may form extremely high grade “bonanza” ore shoots.
- Common associated elements include Hg, As, Sb, Te, Se and Mo.

LS Au-Ag epithermal systems commonly precipitate Au from hydrothermal fluids in near-surface hot spring environments. The mechanism most commonly evoked for Au precipitation is boiling. As pressure decreases in fluid rising to the surface, boiling occurs. The physical and chemical changes that accompany boiling cause breakdown of the Au-bearing chemical complexes and result in Au precipitation (Figure 8.2). Because pressure from the overlying fluid column or rock column constrains the level at which boiling occurs, the location of the boiling zone commonly lies within a particular vertical range. However, this depth can change significantly with changes in the water table, sealing of the system, burial of the system through deposition of volcanic rocks, or emergence due to tectonic uplift. The boiling zone is typically within 500 m, and rarely more than 1 km of the surface at the time of mineralization.

**Figure 8.2: Schematic model for precipitation of gold from boiling fluids (Hedenquist, et al., 1996).**




Epithermal mineralization usually occurs within volcanic or intrusive host rocks that are contemporaneous with or only slightly older than the mineralizing hydrothermal system. LS epithermal mineralization can occur as end-member styles ranging from disseminated, through stockwork veins and veinlets, to discrete high-grade bonanza veins.

A local Turkish example of a LS deposit is Koza's Ovacik Gold Mine which has produced over 1.2 M oz. Au. The Ovacik ore body consists of two epithermal quartz veins hosted in andesitic volcanic rocks. The Au occurs within fractures as free Au grains which are 5 µm wide. A lesser quantity of the Au and Ag values are found as electrum. Sulphide bearing mineralization is minimal. Typically the ore is non-acid generating with only trace amounts of Sb, Hg, Se, As and other heavy metals.

## 8.3 PORPHYRY

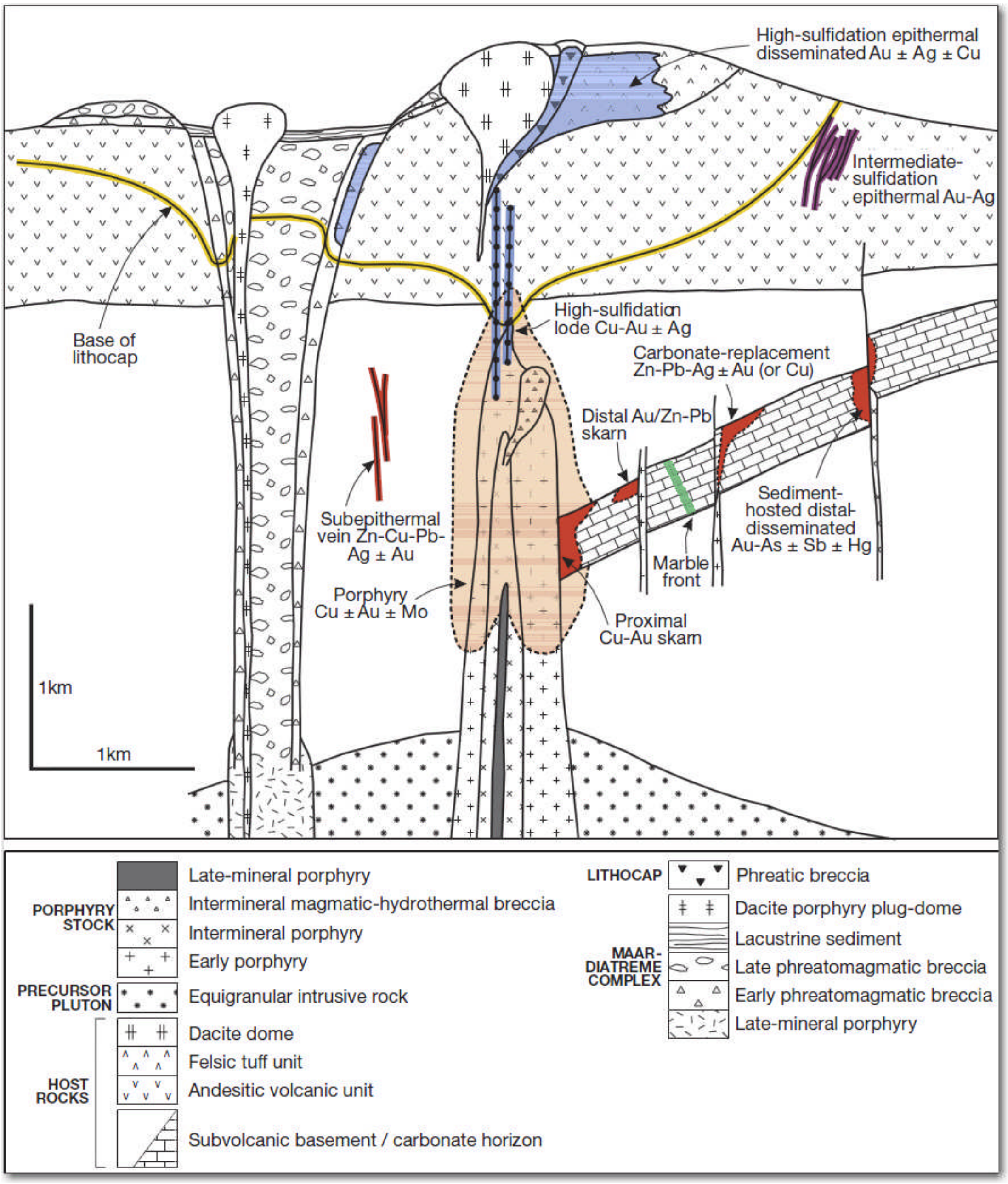
Porphyry Cu-Au deposits are widely distributed at convergent plate margins, in association with arc-related volcanic and intrusive rocks of intermediate composition. They typically occur in association with skarn and IS to HS epithermal base and precious metal deposits. They range in size from tens of millions of tonnes to billions of tonnes of mineralized material. Some of the largest Cu-Au porphyry systems include Grasberg (Indonesia), Oyu Tolgoi (Mongolia) and Bajo de Alumbrera (Argentina). A local Turkish example of a Cu-Au porphyry deposit is Pilot Gold and Teck's 40%-60% JV property, Halilağa. Halilağa has an indicated resource of 1.665 M oz. Au at 0.31 g/t Au, 1.112 B lbs. Cu at 0.30% Cu (168,167,000 tonnes); and an Inferred resource of 1.661 M oz. Au at 0.26 g/t Au, and 1.007 B lbs. Cu at 0.23% Cu (198,668,000 t) (Gray and Kirkham, 2012).

Worldwide, typical hypogene grades of porphyry deposits range from 0.2% to 0.8% Cu. Cu to Au ratios vary widely in Cu-Au porphyry deposits, but a Cu%:Au ppm ratio of 1:1 is not uncommon.

The following description of porphyry deposits is after Sillitoe (2010).

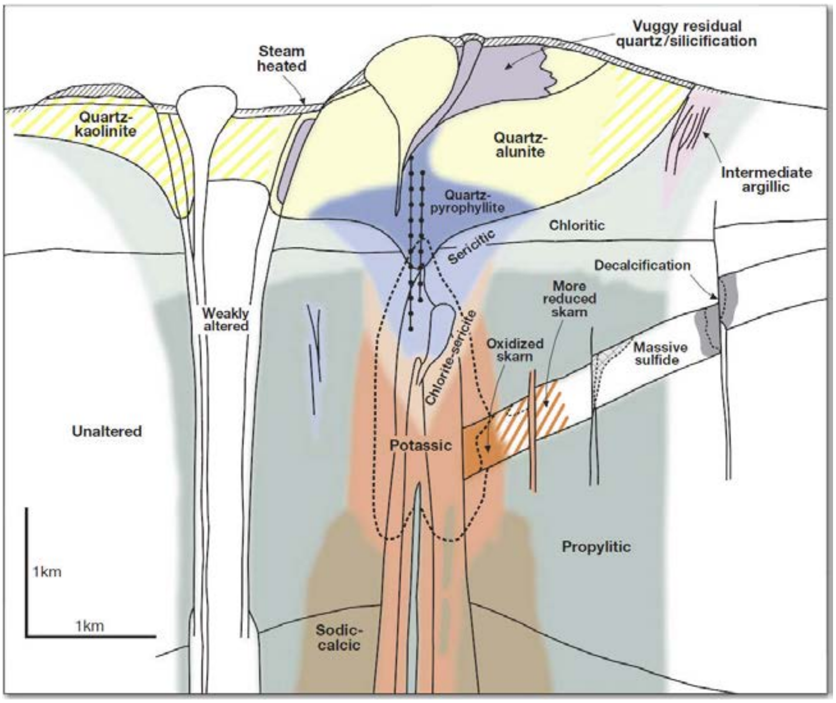
Porphyry deposits are typically centred on polyphase stocks and porphyry dyke swarms, with skarn deposits formed adjacent to and epithermal deposits above the porphyry mineralization (Figure 8.3). The metal endowment of a porphyry system is related to the geochemistry of the oxidized magmas that contribute to the formation of the stocks and dykes, with Au and/or Mo commonly found in association with Cu. Porphyry deposits typically occur in association with Mesozoic and Tertiary intrusions, probably as a result of poor preservation of older rocks.

**Figure 8.3: Schematic cross-section of a porphyry system (Sillitoe, 2010).**



Porphyry systems are typically zoned from a potassic altered (biotite-potassium feldspar) core overlying barren, calcic-sodic altered rock, upward through phyllic altered (sericite or chlorite-sericite) margins to propylitic altered (chlorite-epidote) rocks (Figure 8.4). Porphyry systems also grade upward into advanced argillic, argillic and silicic alteration related to epithermal mineralization. Alteration zoning may be complex and overlapping due to successive injections of magma into country rocks. The vertical distance between porphyry mineralization and overlying epithermal mineralization may range from one telescoped km to several un-telescoped km.

**Figure 8.4: Generalized alteration zoning pattern for porphyry copper deposits and related epithermal deposits.**




Hypogene Cu mineralization is disseminated and veinlet-hosted, and zoned from bornite-rich in the core through chalcopyrite to pyrite in distal areas. Magnetite (in Cu-Au porphyries) and molybdenite (in Cu-Mo porphyries) are common accessory minerals.

Quartz veins and veinlets as stockworks and sheeted arrays are ubiquitous in these systems, and typically occur in a sequence from early quartz-feldspar A-veins, through quartz-sulphide (mainly chalcopyrite-molybdenite) B-veins with potassic-altered margins to late, sulphide-dominant (primarily pyrite) D-veins with phyllic altered margins (Gustafson and Hunt, 1975). Veining in Cu-Au deposits may differ slightly, with quartz-magnetite-chalcopyrite and magnetite-dominant M-veins present or dominant (Arancibia and Clark, 1996).

Due to the large amount of disseminated pyrite in most porphyry systems, these systems are susceptible to supergene weathering and leaching. Cu is oxidized and leached from areas above the water table and deposited as chalcocite and other supergene Cu minerals at or near the water table, leading to enrichment in Cu grades. Supergene chalcocite enrichment can increase grades locally by 200% to 300% or more, with a significant impact on the overall economics of these deposits.

# 9.0 EXPLORATION

Initial assessment and target evaluation on the two original TV Tower licences was conducted by Fronteer in early 2008 prior to the acquisition of four additional licences from government auction in September 2008. An additional two contiguous licences were added in February 2012. The initial data collected by Fronteer is consistent with best practices.

The 2008-2012 exploration work was conducted by TMST and Fronteer/Pilot Gold and the author has relied on data and information relating to exploration work and results conducted during 2009, 2010, 2011 and 2012 supplied by TMST. Given Fronteer/Pilot Gold's long standing interaction and association with TMST, and their best practices protocols, the author is satisfied that the data and information were collected in a proper manner and collated into appropriate databases.

Exploration work includes reconnaissance and detailed geological mapping and prospecting, geochemical sampling (soil and PIMA), IP resistivity and chargeability surveys, a ground magnetic survey, and diamond drilling. The work completed between 2007 and 2012 is summarised in Table 9.1.

Eight targets were defined by TMST using geochemistry and mapping (Küçükdağ, Kayalı, Sarp/Columbaz, Kestanecik, Naçak, Tesbihçukuru, Kestanecik and Kiraz). In 2010, a ground magnetic survey and IP survey were conducted over Küçükdağ, Kayalı and Sarp. 19 diamond drill holes totalling 4,183 m were drilled at these three targets. In 2011, the IP and ground magnetic surveys continued. 72 holes totaling 14,785 m were drilled on the Küçükdağ, Kayalı, Nacak and Sarp targets.

At the time of this report, Pilot Gold had initiated grid-based soil sampling, geological mapping and prospecting programs in anticipation of the 2012 drill program.

**Table 9.1: Summary of TV Tower surface exploration work, 2007 to 2012 inclusive.**

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|
| **Rock/Soil samples** | 98/1156 | 263/418 | 450/1264 | 357/1264 | 616/358 | 444/1089 |
| **PIMA samples** | | | 1,300 | | 2,780 | |
| **IP/Resistivity (Line km)** | - | - | 25.2 | 39.2 | 13.0 | |
| **Ground Magnetic Survey (Line km)** | - | - | | 168.0 | 67.0 | |
| **Total Drill Holes** | - | - | | 19 | 72 | |
| **Drilling (m)** | - | - | | 4,183.6 | 14,758.8 | |

## 9.1 MAPPING

Regional and detailed mapping has been conducted over the Property by three primary sources including Harkan Bormen (consultant), Orta Truva staff geologists, and Anna Fonseca (consultant; 2010 and 2011). Pilot Gold is continuing this work in 2012. The 2012 Pilot Gold mapping has focus on detail mapping of Küçükdağ, Gümüşlük, Kayalı, Kestanecik and Sarp. The mapping has focused on the structural and lithological controls of the identified targets and the generation of new targets as follow-up to the soil and rock geochemistry. A database of all surface mapping data including alteration, structure and lithology and mineralization has been compiled. Currently, the mapping covers 75% of the Property.

## 9.2 SURFACE GEOCHEMISTRY

Grid-based soil sampling was carried out in 2007 by Fronteer, in 2008 - 2011 by TMST using Orta Truva staff, and in 2012 by Pilot Gold. All assaying was carried out by Acme Analytical Laboratories Ltd. Soil samples were sieved to -150 mesh, and 30 g samples were subject to aqua regia digest, followed by analysis by ICP-MS and Au by fire assay with AA finish. Rock samples were crushed and pulverized, followed by analysis of Au by fire assay with ICP-ES finish and 36 trace elements by ICP-MS.

Soil samples were generally collected on 250 m-spaced, NW-trending lines and 50 m-spaced stations. The soil and rock sampling at TV Tower highlighted a number of anomalous zones as shown in Figure 9.1 through 9.3.

The 2007 soil sampling program targeted the southwestern portion of the Property, with a total of 1,156 samples. This program generated intermittent anomalous Au, Cu and Mo soil values which correlate to the magnetic bodies that are now mapped as hornblende-feldspar porphyry intrusive rocks. This soil program ran concurrently with a prospecting program.

In 2008, 418 soil and 263 rock samples were collected. The soils were collected on 400-m lines with 100 m-spaced stations. Au in soil anomaly at the unconformity between basement metamorphic rocks and the overlying volcanic sequence indicted potential mineralization at Tesbihçukuru.

The 2009 sampling program was comprised of 1,264 soil and 450 rock samples. It outlined >100 ppb Au zones around Küçükdağ (0.7 x 1.3 km), Sarp (0.7 x 1.2 km) and Kayalı (1.2 x 0.5 km). Channel sampling defined significant outcropping Au mineralization including 74 m averaging 1.3 g/t Au at Kayalı and 1.9 m averaging 11 g/t Au at Naçak.

Infill soil sampling and further follow-up rock sampling of the targets identified in 2009 was conducted in 2010, as well as sampling over of Nacak and to a lesser extent Kiraz. Nacak and Kiraz returned sporadic Cu and Mo assays, up to 621 ppm Cu and 90 to 21 ppm Mo in soils.

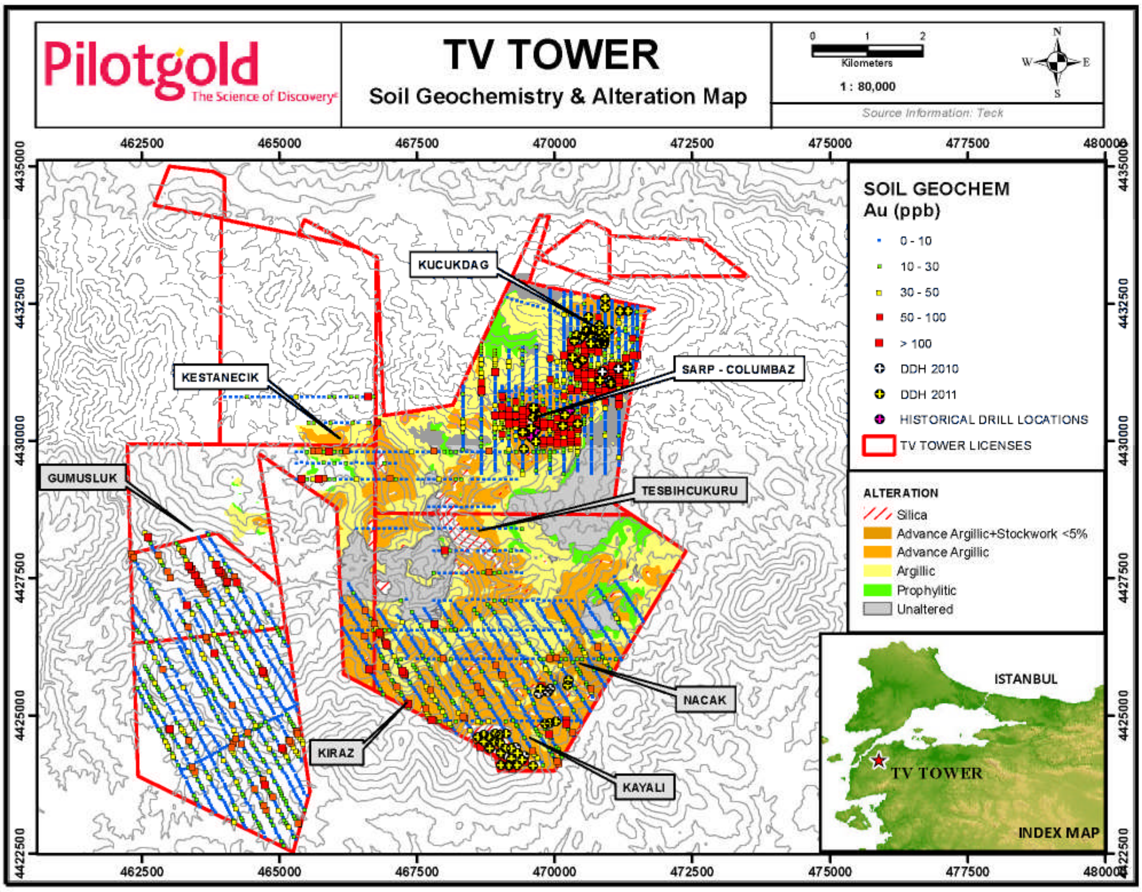
Infill soil (214) and rock (308) sampling continued during 2011 with soil sampling focused on Küçükdağ, specifically to close off the northern Au and Ag anomaly. Rock road cut sampling returned values of up to 20.0 ppm Ag. Samples from a newly discovered ancient Roman working returned 3.78 g/t Au and 24.00 g/t Ag to the N of the Main zone at Küçükdağ.

As of the effective date of this report, Pilot Gold has collected 1,089 soil samples and 409 rock samples. The soil sampling has focused on Kestanecik and Gümüşlük. The soil grids consist of 100 m-spaced N-S lines with 50-m stations. Kestanecik soil samples returned weakly anomalous E-W and a N-W Ag trends with soil values of 1-5 ppm. The highest rock values obtained at Kestanecik were 307 and 210 ppm Ag.

Soil sampling at Gümüşlük has defined an anomaly including values of 6100 and 770 ppb Au. These soil highs are found around a silica breccia zone. The highest values from rock sampling from this are 2.2 and 1.2 g/t Au with numerous +20 g/t Ag and very high As, Sb, Pb and moderately high Zn.

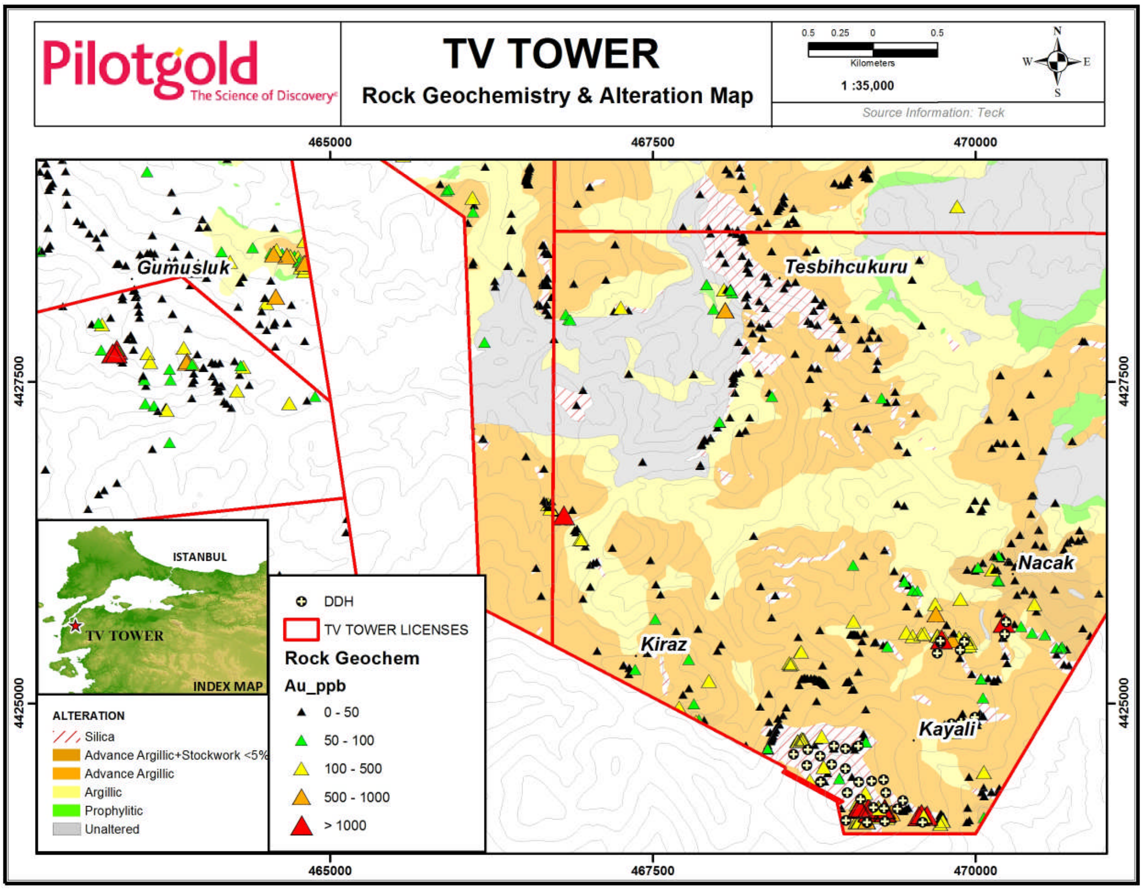
Follow-up detailed mapping at Sarp has revealed the presence of a LS vein system, with Au in rocks up to 35 g/t and Ag up to 396 ppm.

**Figure 9.1: Gold soil geochemistry and alteration (Pilot Gold 2012 sampling not shown)**



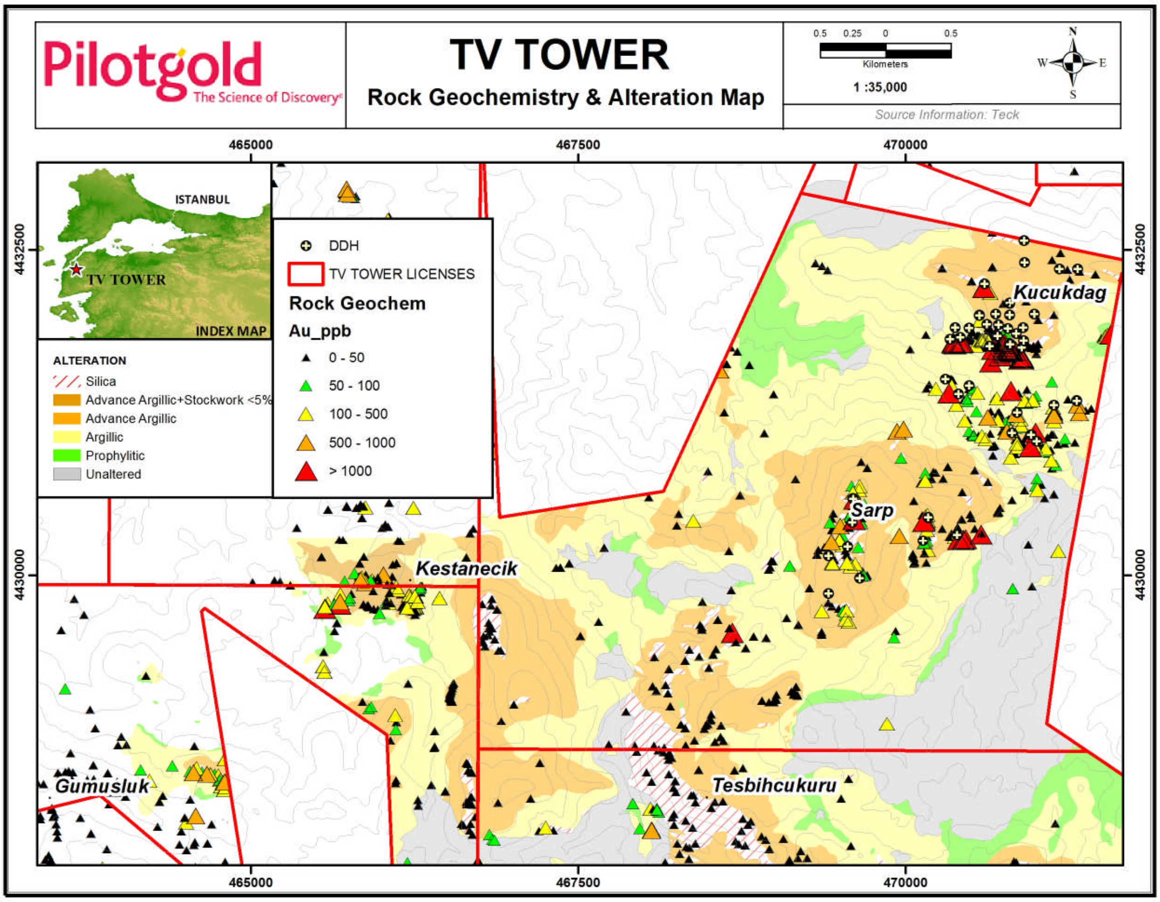

*Source Pilot Gold, March 2012*

**Figure 9.2: Rock geochemistry and alteration, NE portion of the TVT licence (2012 Pilot Gold sampling not shown)**




*Source Pilot Gold, March 2012*

**Figure 9.3: Rock geochemistry and alteration, SE TV Tower property. (2012 Pilot Gold sampling not shown)**




*Source Pilot Gold, March 2012*

The surface alteration map shown in the figures above was prepared using data obtained from a PIMA of rock and soil samples and by visual inspection. The PIMA instrument is a shoebox-sized, portable infrared spectrometer that can be used for qualitative identification of minerals. PIMA analysis works best on minerals that contain hydroxyls (OH groups) such as phyllosilicates (including clay, chlorite and serpentine minerals), hydroxylated silicates, sulphates (alunite, jarosite and gypsum). Approximately 2,780 core and over 1,300 reconnaissance rock and soil samples were analyzed by TMST to create the map.

## 9.3 Geophysical Surveys

### 9.3.1 IP/Chargeability

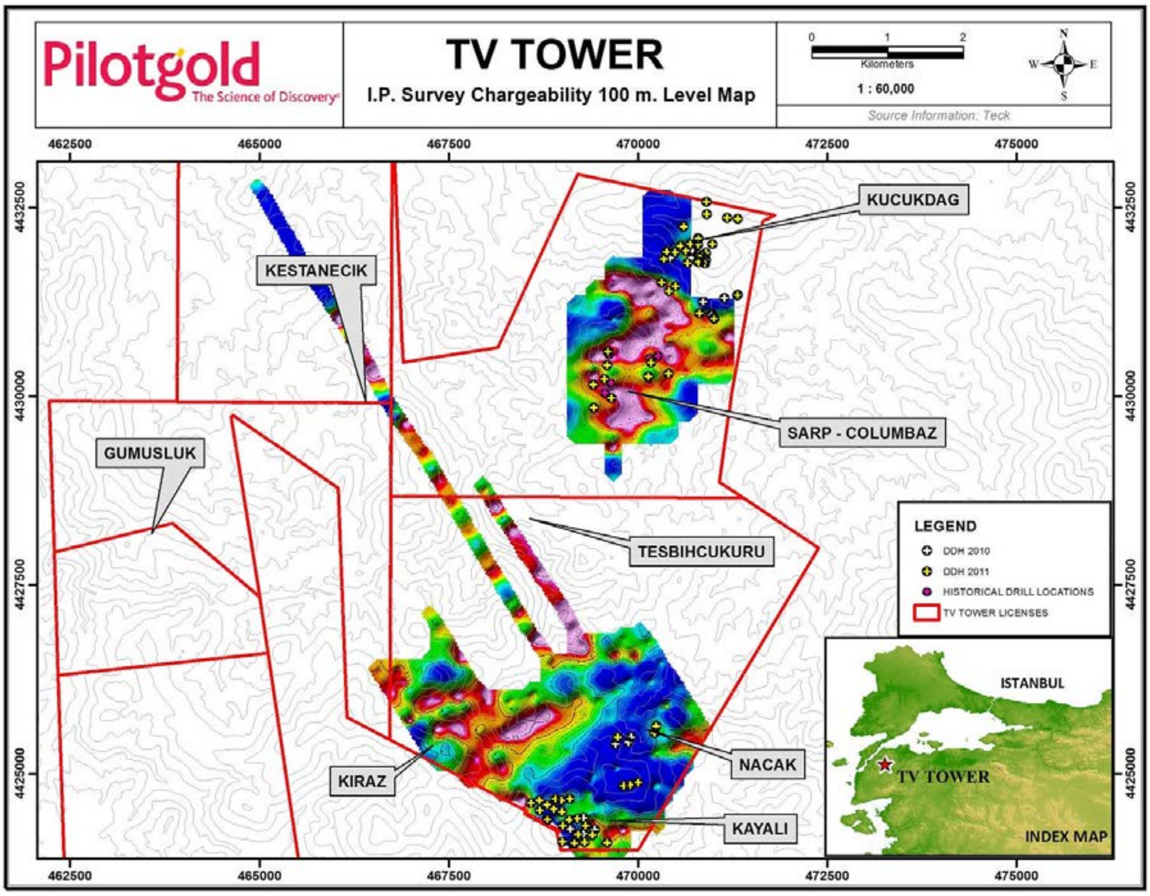
77 line-km of IP Chargeability/ Resistivity surveying were conducted at TV Tower from 2009 to 2011.

Relatively little is known about the specifics of the 2009-2010 survey. It was conducted by Zeta Proje Geophysical Services.

IP surveying over the Küçükdağ area was carried out in two phases in early 2011 by CFT Engineering Geophysical Services. The survey used two different configurations in a conventional 2-D pole-dipole array. The conventional n=6, a=100 m pole-dipole set up was used for L1000E as an extension a line originally surveyed in 2010. Eleven other N-S lines spaced 100 m apart were surveyed with a potential electrode spacing of 25 m for levels n=1, 2, 3 , 4 and 5, and a 50-m spacing for levels n=6, 7 and 8. The data were used to create complete chargeability and resistivity plan maps for the Küçükdağ area.

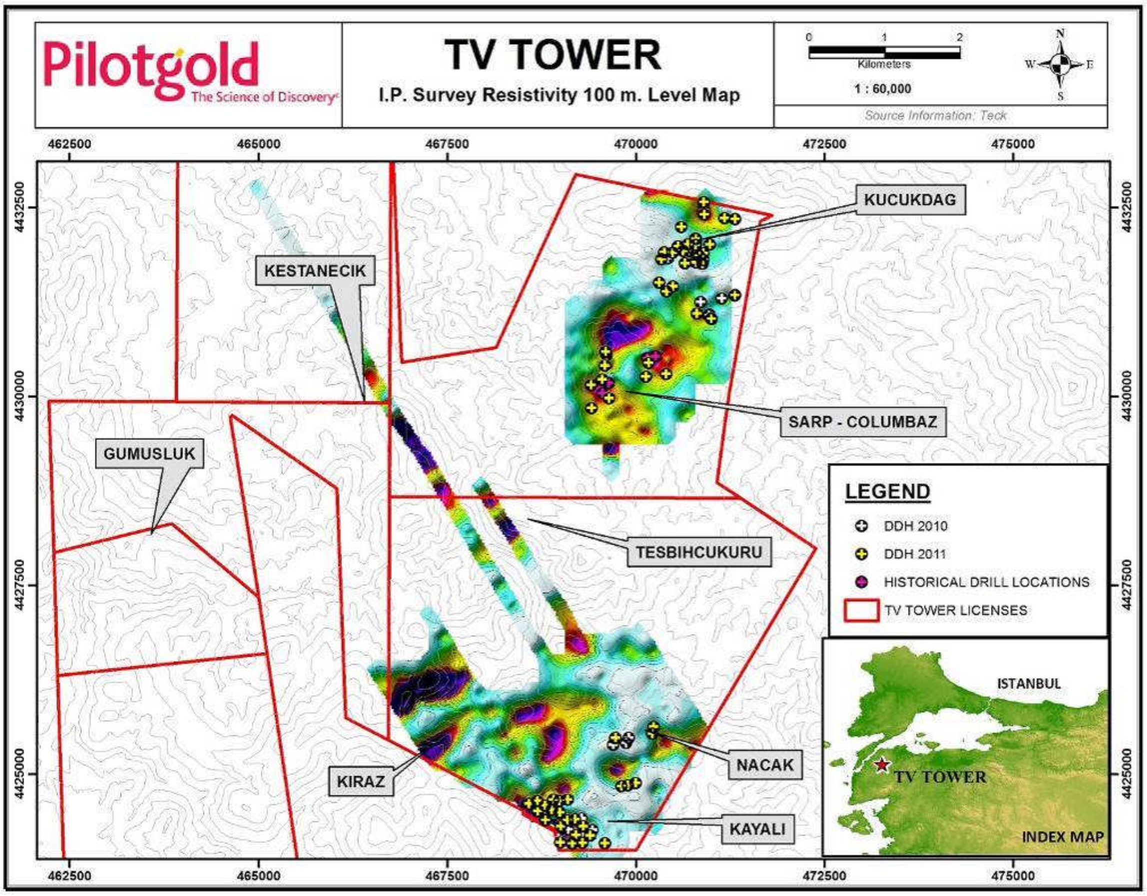
The IP survey highlights a number of pre-existing showings as shown in Figures 9.4 and 9.5. As, expected, areas with significant silica alteration are represented as resistivity highs. They are often associated with chargeability highs due to the presence of significant disseminated pyrite in underlying volcanic rocks. The Küçükdağ Target is present as a small, moderate chargeability high.

**Figure 9.4: IP Chargeability, 100-m level.**




*Source Pilot Gold, March 2012*

**Figure 9.5: IP resistivity, 100-m level.**




*Source Pilot Gold, March 2012*

### 9.3.2 MAGNETICS

An airborne magnetic survey was completed by New-Sense Geophysics in 2007. The survey utilized a Piper Navajo aircraft and a geophysical flight control system, designed and built by New-Sense Geophysics Limited. The aircraft was fitted with a cesium sensor magnetometer, with a sensitivity of better than 0.01 nT at a sampling interval of 0.1 s. The magnetometer has the capability to measure ambient magnetic fields in the range of about 100 to more than 1,000,000 nT.

235 line km of ground magnetic surveying were conducted at TV Tower from 2010 to 2011 (Figure 9.6). The survey was carried out by Teck staff using two Scintrex ENVI magnetometers as a base station and field unit and a handheld GPS for location information. The survey was primarily constrained to road networks on the licence. The stations were always located 12.5 m apart. GPS readings were taken every 50 m (or fourth reading). The survey recorded 4631 usable measurements which equates to approximately 67 line km. Several repeats were taken at each station and data was rigorously edited for outliers and cultural effects. Final maps of Residual Reduced to the Pole magnetic response have been created as a final product from this work.

The ground magnetic surveys highlight several "bulls-eye" magnetic highs, some of which have a general NE trend and seem to follow the regional structural fabric. Less prominent NW–SE-trending faults, such as the valley and break in the magnetic feature between Kiraz and Naçak, are also interpreted as faults. Each "bulls-eye" feature in conjunction with permissible surface geology and geochemistry constitutes a potential porphyry target.

**Figure 9.6: TV Tower ground magnetic survey results as reduced to pole total magnetic intensity with rock geochemistry**

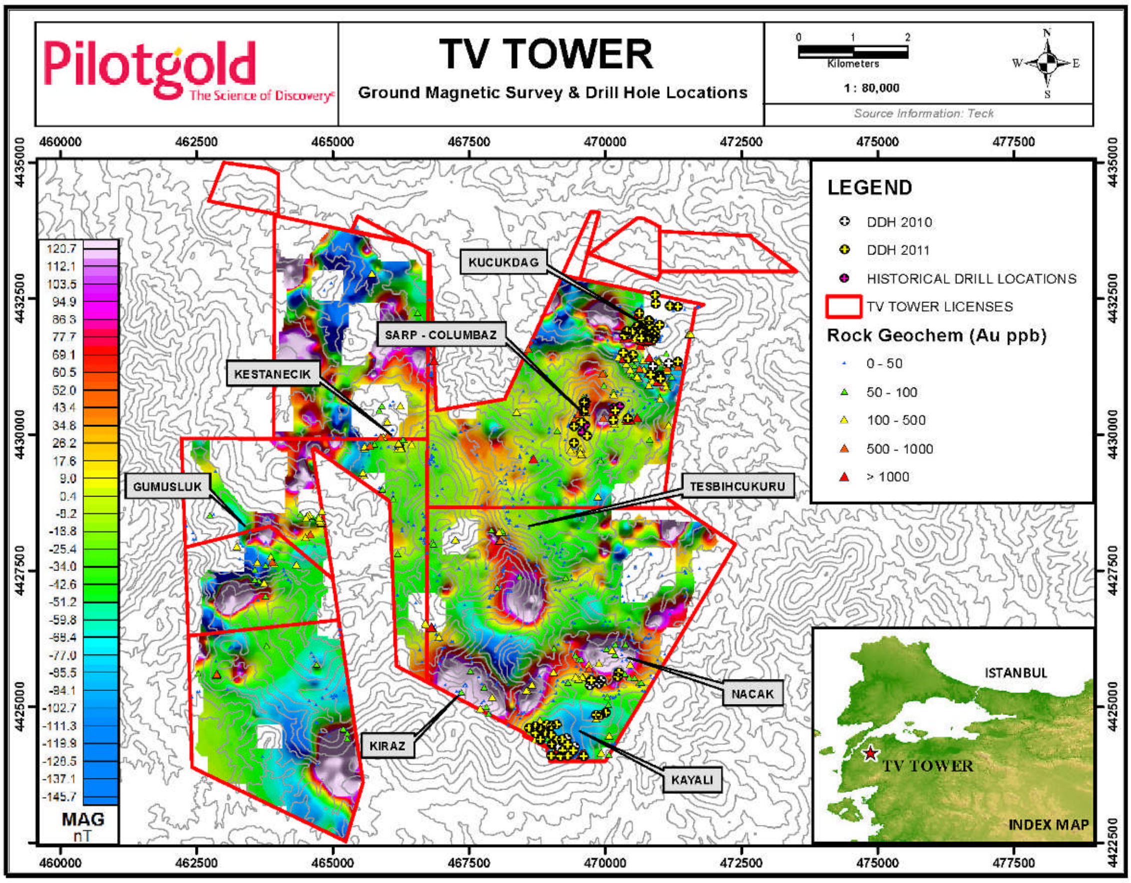



*Figure courtesy Pilot Gold March 2012*

# 10.0 DRILLING

All recent drilling on the TV Tower was carried out in two separate campaigns between August 2010 and December 2011. All drilling was carried out by TMST. The main objective of the 2010 and 2011 drilling programs was to test coincident IP/MAG geophysical anomalies and anomalous Au values in rock and soil samples at the Küçükdağ, Kayalı, Nacak and Sarp/Columbaz targets. These are described in the following sections.

Between August 2010 and early January 2011, a total of 19 diamond core holes were drilled (including two that were abandoned) for a total of 4,183.60 m. These were previously discussed in a technical report prepared by Cunningham-Dunlop, 2011, entitled “Technical Report on the TV Tower Exploration Property, Canakkale, Western Turkey”, dated February 15, 2011, and amended June 7, 2011.

From March 2011 to the effective date of this report, 72 additional diamond core holes were drilled (including five that were abandoned) for a total of 14,785.8 m. These holes will be addressed in the following pages.

Collar information for all holes is tabulated in Appendix B, along with significant results from 2010. Significant 2011 drill intersections are listed in Tables 10.1 through 10.4. Drill intersections are reported as drilled thicknesses. True widths of the mineralized intervals are interpreted to be between 60 to 100% of the reported lengths.

A Turkish drill contractor, Spektra Jeotek, was contracted to complete the diamond core drilling. The drill rigs included Delta Makina D150 and D220 rigs with depth capacities of 1,000 m and 1,500 m respectively. The majority of the holes were completed with HQ (63.5 mm) tools; KCD-19 was drilled with PQ (85 mm). Drill collars with an “A” suffix reflect abandonment of the previous hole on the same site due to poor ground conditions. Down-hole surveys were carried out using a Flexit HTMS reflex survey tool, with an accuracy of ± 0.35° on the azimuth and ± 0.25° on the inclination. Down-hole surveys were generally conducted at shift change, nominally every 50 to 100 m down-hole. The results were recorded on the Daily Drill Sheets and the recorder unit was given to the project geologist to download onto the database.

The collars locations were surveyed with a Trimble R3 GPS with an L1 receiver and antenna, with an accuracy of ± 10 mm +1 $ppm^2$ RMS in the horizontal and 20 mm +1 $ppm^2$ RMS in the vertical direction. The collars were marked with 1-m lengths of drill rod. TMST subsequently removed the collar markers, requiring Pilot Gold to relocate them. Collars are currently marked with a 1-m-long piece of casing; Drill hole identifiers are welded directly on the pipe although these had been removed from drill sites visited during the site visit.

Core was picked up by geologists in the field and transported directly to TMST’s secure core logging facility in the nearby town of Etili for logging and processing.

## 10.1 Küçükdağ Target

A total of 32 diamond drill holes totalling 6,527.7 m were drilled at Küçükdağ in 2011 (Figure 7.6). Drill recoveries averaged 84% including holes that were lost due to poor ground conditions. Drilling to date has been very encouraging; significant intersections are shown in Table 10.1. The Pilot Gold's current interpretation is that the main zone of high grade Au-Ag-Cu mineralization at Küçükdağ is hosted in sub-vertical, hydrothermal, near-surface breccias which crosscut silicified, gently N-dipping ash and lapilli tuffs. Ag-rich, relatively strata-bound zone extends to the N-E from the breccia pipe, and contains with polymict and crackle breccias. Additional details can be found in Section 7.

Drilling in 2012 will infill areas around the high grade breccia zone, as well as test for the limits of mineralization through step-out drilling.

**Table 10.1: Significant drill intercepts from 2011 drilling on the Küçükdağ target.**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KCD-10 | 68.70 | 75.20 | 6.50 | 0.50 | 0.23 | 23.76 |
| KCD-11 | 3.80 | 6.80 | 3.00 | 0.34 | NSV | NSV |
| and | 112.70 | 124.50 | 11.80 | NSV | NSV | 44.36 |
| KCD-12A | 7.30 | 8.70 | 1.40 | NSV | NSV | 55.50 |
| and | 123.70 | 127.10 | 3.40 | NSV | NSV | 41.73 |
| KCD-14 | 6.90 | 12.40 | 5.50 | NSV | NSV | 63.68 |
| and | 25.20 | 31.30 | 6.10 | NSV | NSV | 40.25 |
| and | 39.20 | 42.90 | 3.70 | 3.03 | 0.27 | 29.99 |
| and | 51.00 | 52.20 | 1.20 | NSV | 0.17 | 56.00 |
| KCD-15 | 10.50 | 21.50 | 11.00 | NSV | NSV | 42.16 |
| and | 69.20 | 71.60 | 2.40 | 0.76 | 0.23 | 16.05 |
| and | 77.10 | 82.90 | 5.80 | 0.24 | 0.37 | 16.89 |
| and | 82.20 | 97.00 | 14.80 | 0.67 | 0.11 | 11.61 |
| and | 128.90 | 176.90 | 48.00 | 1.87 | 0.19 | 7.26 |
| incl | 153.00 | 158.40 | 5.40 | 13.83 | 0.31 | 25.29 |
| and | 204.20 | 206.80 | 2.60 | 0.58 | NSV | NSV |
| KCD-16 | 91.00 | 165.50 | 74.50 | 0.01 | 0.09 | 51.94 |
| and | 190.40 | 193.00 | 2.60 | 2.06 | 0.98 | 46.03 |
| and | 295.70 | 302.90 | 7.20 | 2.67 | 0.09 | 1.43 |
| incl | 300.20 | 301.40 | 1.20 | 14.10 | 0.32 | 3.80 |
| KCD-17 | 59.30 | 173.10 | 113.80 | 0.02 | 0.16 | 45.15 |
| incl | 128.50 | 139.70 | 11.20 | 0.02 | 0.72 | 95.27 |
| and | 212.00 | 218.50 | 6.50 | 0.52 | 0.05 | 4.34 |
| KCD-18 | 3.00 | 50.50 | 47.50 | 0.03 | 0.01 | 171.00 |
| incl | 21.10 | 49.00 | 27.90 | NSV | 0.01 | 259.97 |
| and | 165.50 | 201.10 | 35.60 | 0.92 | 0.18 | 2.10 |
| KCD-19 | 14.80 | 146.60 | 131.80 | 3.80 | 0.82 | 20.06 |
| incl | 47.60 | 110.40 | 62.80 | 7.29 | 1.61 | 32.96 |
| and incl | 57.40 | 102.40 | 45.00 | 9.54 | 2.16 | 43.51 |

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KCD-20 | 18.30 | 88.20 | 69.90 | NSV | NSV | 34.97 |
| and | 57.00 | 59.70 | 2.70 | NSV | 0.08 | 146.44 |
| and | 149.40 | 167.90 | 18.50 | 0.70 | 0.53 | 12.70 |
| incl | 153.50 | 156.50 | 3.00 | 2.24 | 1.05 | 23.60 |
| and | 181.30 | 197.20 | 15.90 | 0.62 | 0.25 | 5.18 |
| incl | 194.20 | 195.70 | 1.50 | 3.19 | 0.09 | NSV |
| and | 249.60 | 256.00 | 6.40 | 0.88 | 0.11 | 1.11 |
| incl | 251.10 | 253.10 | 2.00 | 1.44 | 0.26 | 1.40 |
| KCD-21 | 24.00 | 29.80 | 5.80 | 0.05 | 0.01 | 61.56 |
| and | 28.40 | 29.80 | 1.40 | 0.05 | 0.04 | 109.00 |
| and | 60.60 | 62.00 | 1.40 | 0.80 | 0.11 | 6.30 |
| and | 72.50 | 75.50 | 3.00 | 1.88 | 0.07 | 5.15 |
| KCD-22 | 14.30 | 15.60 | 1.30 | 0.01 | 0.05 | 126.00 |
| KCD-23 | 11.80 | 16.20 | 4.40 | NSV | 0.04 | 93.86 |
| incl | 11.80 | 13.20 | 1.40 | 0.01 | 0.05 | 139.00 |
| and | 22.90 | 27.40 | 4.50 | NSV | 0.04 | 31.40 |
| KCD-26 | 242.10 | 243.60 | 1.50 | 0.32 | NSV | NSV |
| KCD-28 | 7.50 | 122.40 | 114.90 | 0.03 | 0.20 | 50.25 |
| incl | 7.50 | 36.10 | 28.60 | 0.01 | 0.02 | 88.12 |
| and incl | 27.10 | 34.60 | 7.50 | 0.01 | 0.02 | 132.60 |
| and incl | 65.30 | 83.20 | 17.90 | 0.11 | 0.52 | 48.28 |
| and incl | 74.10 | 80.40 | 6.30 | 0.14 | 0.82 | 54.75 |
| KCD-29 | 121.00 | 122.50 | 1.50 | 0.43 | NSV | NSV |
| and | 209.00 | 210.00 | 1.00 | 0.46 | 0.05 | NSV |
| KCD-30 | 210.00 | 226.50 | 16.50 | 0.48 | NSV | NSV |
| and | 213.00 | 219.00 | 6.00 | 0.81 | NSV | NSV |
| incl | 217.50 | 219.00 | 1.50 | 1.02 | NSV | NSV |
| KCD-32 | 62.30 | 66.80 | 4.50 | 2.45 | 0.17 | 33.70 |
| and | 73.20 | 77.70 | 4.50 | 0.42 | 0.01 | 1.57 |
| and | 79.70 | 80.70 | 1.00 | 0.52 | 0.03 | 1.90 |
| and | 175.50 | 176.80 | 1.30 | 1.04 | 0.02 | 27.20 |
| and | 203.00 | 204.50 | 1.50 | 0.90 | NSV | NSV |
| and | 210.30 | 214.80 | 4.50 | 0.90 | NSV | NSV |
| incl | 210.30 | 211.80 | 1.50 | 1.69 | 0.00 | 0.40 |
| KCD-36 | 17.00 | 19.80 | 2.80 | 0.00 | 0.01 | 50.55 |
| and | 227.10 | 228.60 | 1.50 | 0.00 | 0.09 | 137.00 |

*NSV = No Significant Values*

## 10.2 KAYALI TARGET

A total of 26 diamond drill holes totalling 5,598.6 m were drilled at Kayalı in 2011 (Figure 7.10). Drill recoveries averaged 89% including holes that were terminated due to poor ground conditions.

Drill results are encouraging and significant intersections are shown in Table 10.2. Au-bearing intervals mainly coincide with highly oxidized, intensely silicified and either fractured or locally brecciated intervals in lithic tuffs outcropping on the main ridge of the TV Tower massif. Brecciation and formation of silica ribs appears to be controlled by E-W trending steep faults. In addition to Au mineralization, a zone of supergene chalcocite exists at 150 to 200-m depth in the eastern portion of main silicified zone.

**Table 10.2: Significant Intersections from Kayalı target drilling, 2011.**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KYD-11 | 0.00 | 12.60 | 12.60 | 0.42 | NSV | NSV |
| incl | 0.00 | 3.00 | 3.00 | 0.73 | NSV | NSV |
| KYD-12A | 20.80 | 52.00 | 31.20 | 0.60 | NSV | NSV |
| incl | 49.20 | 50.50 | 1.30 | 2.81 | NSV | NSV |
| and | 86.30 | 91.10 | 4.80 | 0.38 | NSV | NSV |
| and | 101.20 | 102.70 | 1.50 | 1.10 | NSV | NSV |
| and | 114.90 | 115.90 | 1.00 | 1.34 | NSV | NSV |
| and | 201.60 | 203.10 | 1.50 | NSV | 0.32 | NSV |
| KYD-13 | 8.10 | 24.70 | 16.60 | 0.33 | NSV | NSV |
| and | 39.70 | 54.60 | 14.90 | 0.49 | NSV | NSV |
| incl | 39.70 | 42.10 | 2.40 | 1.22 | NSV | NSV |
| and | 68.20 | 69.70 | 1.50 | 1.34 | NSV | NSV |
| KYD-14 | 75.70 | 82.90 | 7.20 | 0.32 | NSV | NSV |
| and | 106.00 | 120.40 | 14.40 | 0.34 | NSV | NSV |
| and | 141.80 | 145.90 | 4.10 | 0.02 | 0.78 | NSV |
| KYD-15 | 15.10 | 24.80 | 9.70 | 0.59 | NSV | NSV |
| incl | 20.70 | 23.70 | 3.00 | 1.14 | NSV | NSV |
| and | 45.50 | 47.00 | 1.50 | 1.25 | NSV | NSV |
| KYD-16 | 17.60 | 19.00 | 1.40 | 0.65 | NSV | NSV |
| and | 168.30 | 174.30 | 6.00 | 0.63 | NSV | NSV |
| incl | 172.80 | 174.30 | 1.50 | 1.23 | NSV | NSV |
| and | 226.40 | 229.00 | 2.60 | NSV | 0.92 | NSV |
| and | 249.10 | 251.40 | 2.30 | NSV | 0.58 | NSV |
| KYD-17 | 152.60 | 153.80 | 1.20 | 0.13 | 0.69 | 6.84 |
| KYD-18 | 251.00 | 252.50 | 1.50 | 0.74 | NSV | 2.1 |
| and | 299.40 | 306.20 | 6.80 | 0.05 | 1.41 | NSV |
| incl | 302.70 | 306.20 | 3.50 | 0.02 | 2.51 | NSV |

*NSV = No Significant Values*

## 10.3 NACAK TARGET

3 diamond drill holes totalling 547.4 m were drilled at Nacak in 2011 (Figure 7.10). Drill recoveries averaged 85% including holes that were lost due to poor ground conditions.

Significant intersections are shown in Table 10.3. Drilling to date was designed to test outcropping silicification and anomalous surface rock sampling. Au mineralization corresponds to zones of weakly brecciated vuggy silica.

**Table 10.3: Significant Intersections from Nacak target drilling.**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KYD-22 | 44.40 | 46.70 | 2.30 | 0.57 | NSV | NSV |
| KYD-24 | 163.50 | 165.00 | 1.50 | 0.23 | 0.55 | NSV |
| incl | 166.50 | 168.00 | 1.50 | 0.47 | NSV | NSV |

*NSV = No Significant Values*

## 10.4 SARP TARGET

11 diamond drill holes totalling 2,112.1 m were drilled at Sarp in 2011 (Figure 7.13). Drill recoveries averaged 89% including holes that were lost due to poor ground conditions.

Significant intersections are shown in Table 10.4. Drilling focused on zones of vuggy and massive brecciated silica.

**Table 10.4: Significant Intersections from Sarp Drilling.**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| SD-02 | 29.30 | 30.50 | 1.20 | 0.50 | 0.02 | 2.30 |
| SD-03 | 125.30 | 131.60 | 6.30 | 0.27 | 0.01 | 1.94 |
| SD-04 | 31.10 | 34.40 | 3.30 | 0.25 | NSV | 0.27 |
| SD-05 | 81.60 | 85.60 | 4.00 | 0.38 | 0.01 | 1.04 |
| and | 148.90 | 154.90 | 6.00 | 0.50 | NSV | 1.40 |
| SD-06 | 25.40 | 26.80 | 1.40 | 0.32 | NSV | NSV |
| SD-07 | 224.10 | 225.60 | 1.50 | 0.57 | NSV | NSV |

*NSV = No Significant Values*

# 11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

No active sampling or survey work was observed during the author's site visit, but the completed work matches the protocols provided by Pilot Gold that are reproduced here. Drill core storage and core cutting facilities were inspected and found to be satisfactory. Pilot Gold/TMST uses the Acme Analytical Laboratories Ltd. (Acme) preparation and analysis facilities. Acme is an international company, accredited facility to ISO 9001 level with specific reference to sample preparation and analysis. The author is satisfied that Acme provides sample preparation, analysis and sample quality control to acceptable industry standards.

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

The author considers the adequacy of sampling, security and analytical procedures carried out by TMST to be satisfactory.

General descriptions of drilling and sampling protocols are given in Appendix A and summarized below.

## 11.1 CORE DRILLING AND LOGGING

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

Boxes were securely sealed and brought to the core facility at Orta Truva''s Etili camp and secure core logging and storage facility once a day by the drilling company. Reflex survey tests were taken at 50 to 100 m intervals down-hole to provide measurements of drill hole deviation.

All samples collected were subjected to a quality control procedure that ensured best practice in the handling, sampling, analysis and storage of the drill core. All drill holes were sampled and assayed continuously by staff of TMST on behalf of Orta Truva, with the exception of obviously non-mineralized intervals in drill holes KCD-03, KCD-01 and KYD-07. Sample intervals were selected on a geological basis and generally average < 1.0 m in length and up to 1.5 m. Core was logged by TMST on behalf of Orta Truva using the Anaconda method, with data recorded with respect to lithologic type, alteration, structural elements and sulphide content. Samples were collected at regular intervals for specific gravity determinations. All core was photographed for archival purposes.

The core was cut with a diamond saw length-wise, half the core was submitted for assaying, with the other half retained in the core box for archiving. The core samples were placed in individual sealed cloth bags and packed for shipment. The retained half core is stored in the core boxes at the logging/camp facility in Etili. Samples were shipped to the Acme preparation laboratory in Ankara, Turkey for sample preparation.

The coarse reject material was bagged and stored. After these samples were processed, the pulps were sent by independent transport to Acme Canada. Rejects and pulps are stored at on-site at the Etili camp. Notification of receipt of sample shipments by the laboratory is confirmed by electronic mail. No problems were encountered during the transport throughout the program.

## 11.2 Sample Preparation

Sample preparation took place at the Acme facility in Ankara. Acme sample preparation method R200-1000 was used. The whole sample was coarse crushed and riffle split to approximately 1000 g. This material was then pulverization in a LM-2 disk mill to 200 µm particle size. A 100-g pulp packet was forwarded to Acme-Vancouver for analysis and assay, with the remaining 'master pulp' material for each sample remaining in Ankara and later transferred to the Etili camp for final storage.

## 11.3 Sample Analysis

Sample analysis takes place at the Acme facility in Vancouver, B.C., Canada. The assay packages used were: 1DX1 and G601/G613 for Au and Ag over limits, 3B01 and 7TD1-Cu.

<u>Assay analyses used in 2010-2011:</u>

**1DX1 and G601/G613:**

Prepared sample is digested with a modified Aqua Regia solution of equal parts concentrated HCl, $HNO_3$ and DI $H_2O$ for one hour in a heating block of hot water bath. Sample is made up to volume with dilute HCl. Sample splits of 0.5 g, 15 g or 30 g can be analyzed. This method uses ICP-MS and gives results for 36 elements.

G601/G613 refers to analysis for specific metals, i.e. Au and Ag. Au has an upper limit by ICP-MS is 10 g/t with lower limit of detection 0.9 g/t and an upper limit of 1 t by gravity.

**3B01:**

Prepared sample is custom-blended with fire-assay fluxes, PbO litharge and Ag inquart. Firing the charge at 1050°C liberates Ag ± Au ± PGEs that report to the molten Pb-metal phase. After cooling the Pb button is recovered, placed in a cupel and fired at 950°C to render a Ag ± Au ± PGEs dore bead. The bead is digested for ICP analysis or weighed and parted in ACS grade $HNO_3$ to dissolve Ag leaving an Au sponge. Au is weighed for Gravimetric determination; ACS grade HCl is added dissolving the Au ± PGE sponge for Instrument determination.

**7TD1-Cu:**

0.5 g sample split is digested to complete dryness with an acid solution of $H_2O$-HF-$HClO_4$-$HNO_3$. 50% HCl is added to the residue and heated using a mixing hot block. After cooling the solutions are made up to volume with dilute HCl in class A volumetric flasks. Sample split of 0.1 g may be necessary for very high-grade samples to accommodate analysis up to 100% upper limit.

## 11.4 QUALITY ASSURANCE/QUALITY CONTROL

The author has relied on data and information relating to QA and QC that has been prepared by a person who is a QP as defined in NI 43-101. The data presented was prepared by in-house technical personnel for Teck in Vancouver, B.C., Canada and in Ankara, Turkey.

QC measures and data verification procedures applied to the acquisition of drill data including alteration, assay, collar, lithologic type, magnetics, mineralization, recovery, and surveying is described in Appendix A.

### 11.4.1 STANDARDS

Commercial standards were sourced from CDN Resource Laboratories Ltd (Table 11.1), and were used to test the precision and accuracy of the assays and to monitor the consistency of the laboratory performance. These standards were inserted into the sample sequences approximately every 20 samples.

A total of 717 standards for Au were analyzed during the 2011 drill program. The standards and the failure rate are shown in Table 11.1 and in Figures 11.1 to 11.10. A failure is defined by receipt of a value > 1.5 standard deviations from the expected value.

CDN-GS-1E (Figure 11.6, Table 11.1) had 26 failures in September and October 2011 alone. The high failure rate of is attributed to preparation of the standard from a bulk packaged (10 kg) sample on site. Gravity separation of the heavy sulphides in the bulk sample was thought to be the cause. This can happen during transport or if the bulk standard material is subjected to nearby vibration in the storage area. TMST has recommended that only CDN pre-packaged 100 gram standards be used. The author agrees with TMST that the particular standard was at fault, probably due to poor homogeneity. The use of this standard was discontinued. After this standard was discontinued the failure rate dropped dramatically.

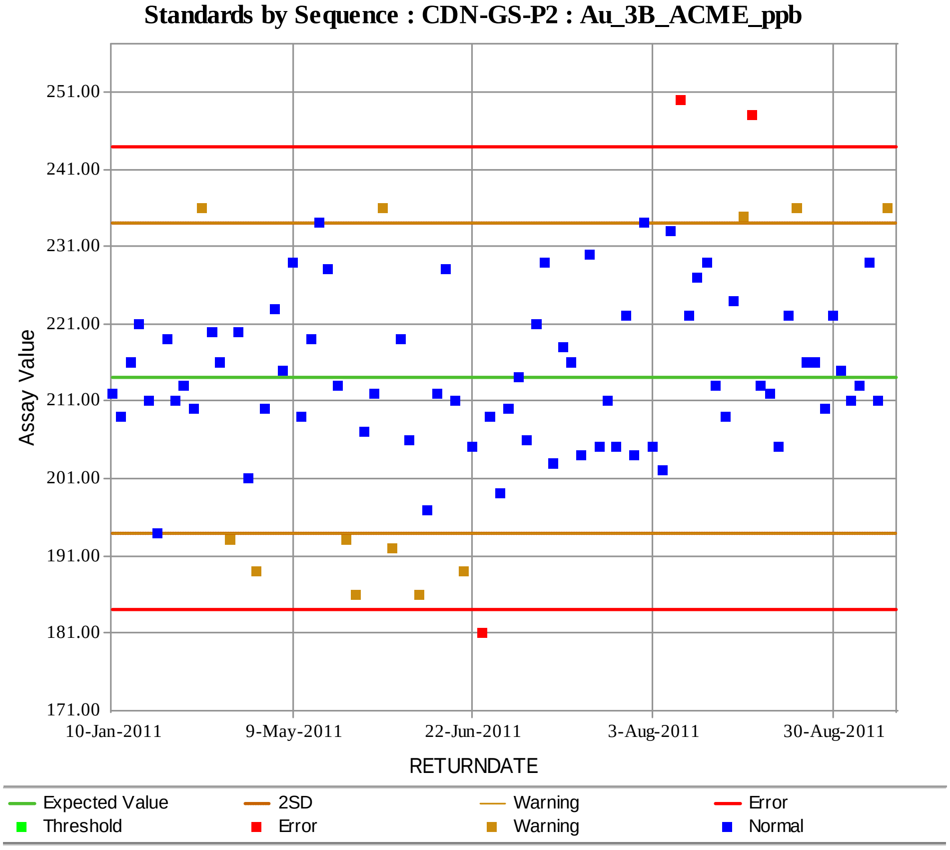
In the case of failed standards the database manager alerts the project geologist. The protocol for re-assay of standard and blank failures is that pulps within the range including the last passed standard to the next passed standard are re-analysed.

**Table 11.1: Standards expected values and failure rates for 2011 drilling program.**

| Standards | Au Standard Value ± standard deviation | Sent | Failure | |
|---|---|---|---|---|
| CDN-GS-P2 | 0.214 ± 0.020 g/t | 87 | 6 | 7% |
| CDN-GS-P2A | 0.229 ± 0.030 g/t | 170 | 11 | 6% |
| CDN-GS-P3A | 0.338 ± 0.022 g/t | 73 | 15 | 13% |
| CDN-GS-P7E | 0.766 ± 0.086 g/t | 60 | 8 | 6% |
| CDN-GS-P8 | 0.78 ± 0.06 g/t | 17 | 1 | 49% |
| CDN-GS-1E | 1.16 ± 0.06 g/t | 78 | 38 | 17% |
| CDN-GS-1P5A | 1.37 ± 0.12 g/t | 95 | 16 | 19% |
| CDN-GS-2B | 2.03 ± 0.12 g/t | 67 | 13 | 9% |
| CDN-CGS-5C | 4.74 ± 0.28 g/t | 55 | 5 | 0% |
| CDN-CGS-10 | 1.74 ± 0.15 g/t | 14 | 0 | 0% |

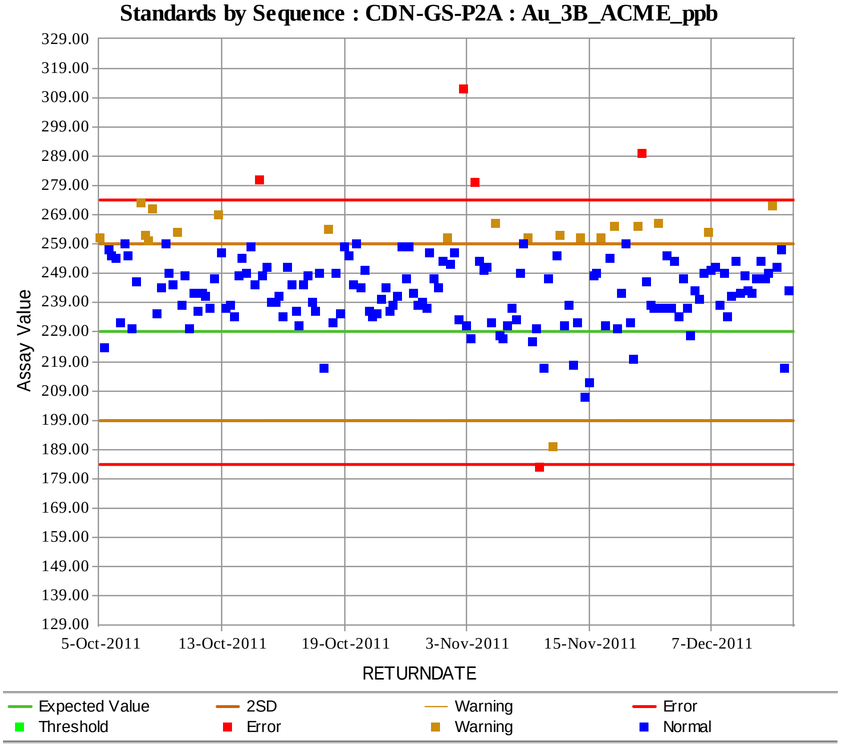
| Standards | Au Standard Value ± standard deviation | Sent | Failure | |
|---|---|---|---|---|
| CDN-CGS-15 | 0.57 ± 0.06 g/t | 1 | 0 | 0% |
| ***TOTAL*** | | ***717*** | ***113*** | ***16%*** |
| BLANK (Limestone) | | 725 | 3 | 0% |

**Figure 11.1: CDN-GS-P2 Performance for 2011**



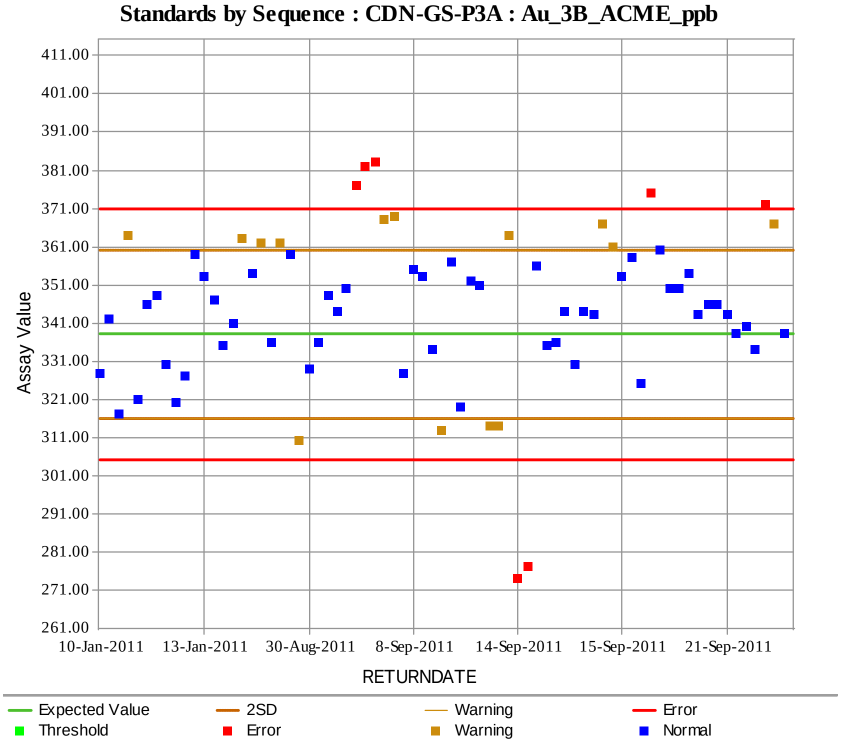

*Source TMST, 2011*

**Figure 11.2: CDN-GS-P2A Performance for 2011**



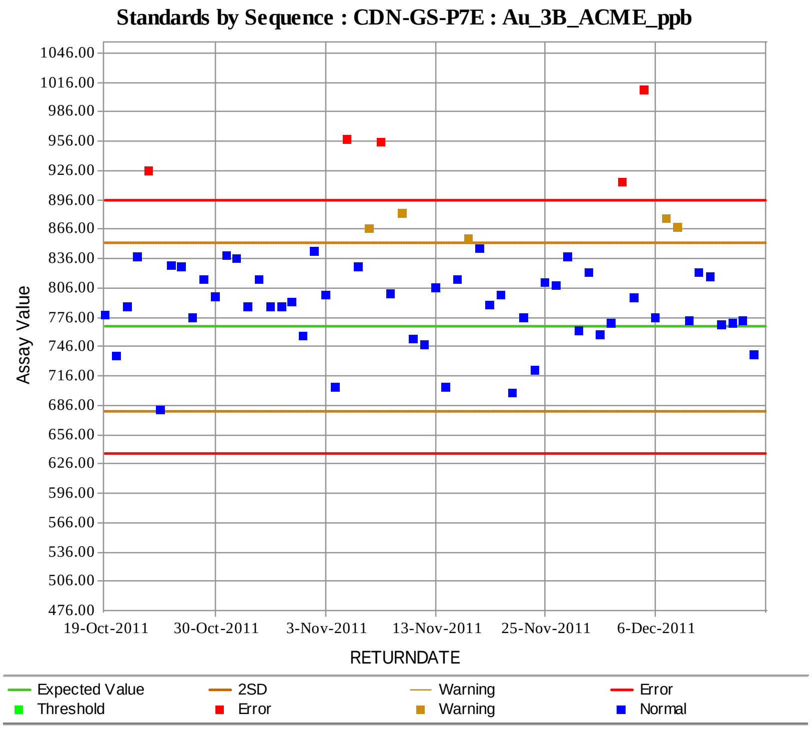

*Source TMST, 2011*

**Figure 11.3: CDN-GS-P2A Performance for 2011**



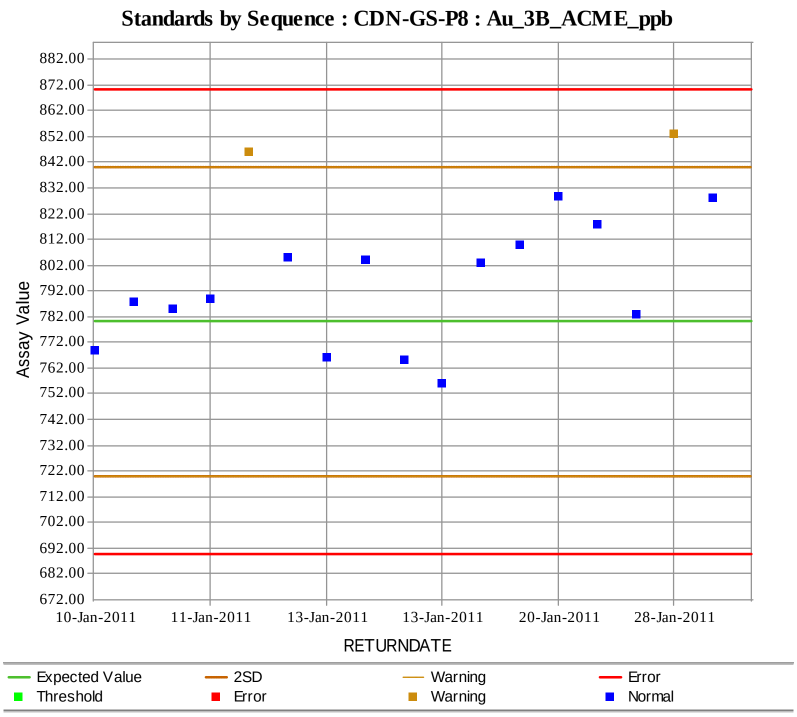

*Source TMST, 2011*

## Figure 11.4: CDN-GS-P2A Performance for 2011



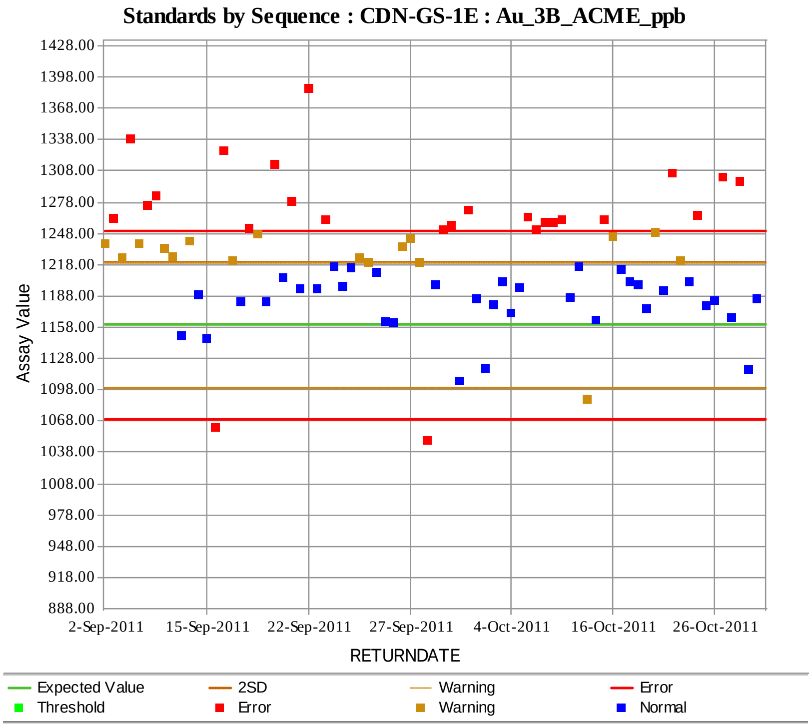

*Source TMST, 2011*

## Figure 11.5: CDN-GS-P8 Performance for 2011



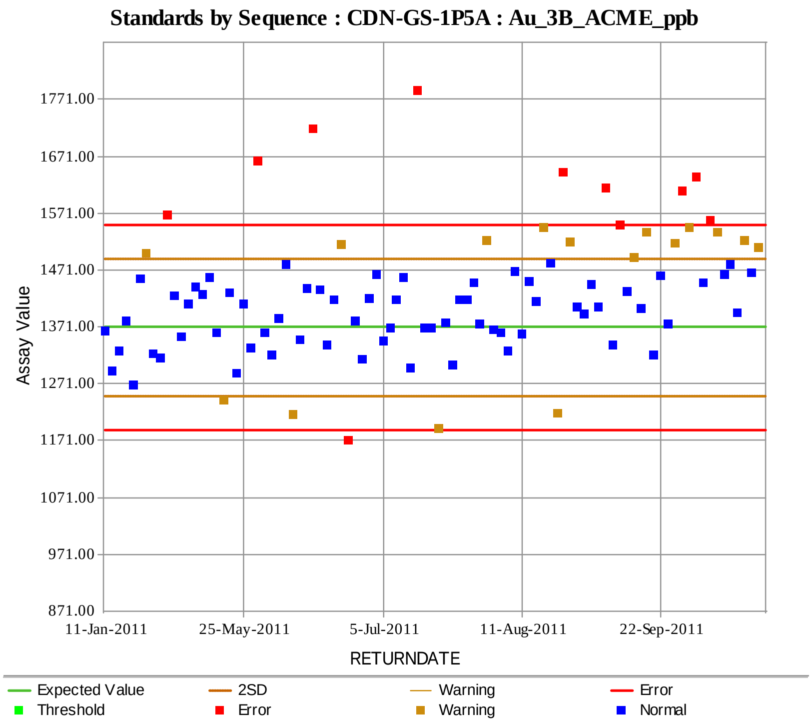

*Source TMST, 2011*

### Figure 11.6: CDN-GS-1E Performance for 2011



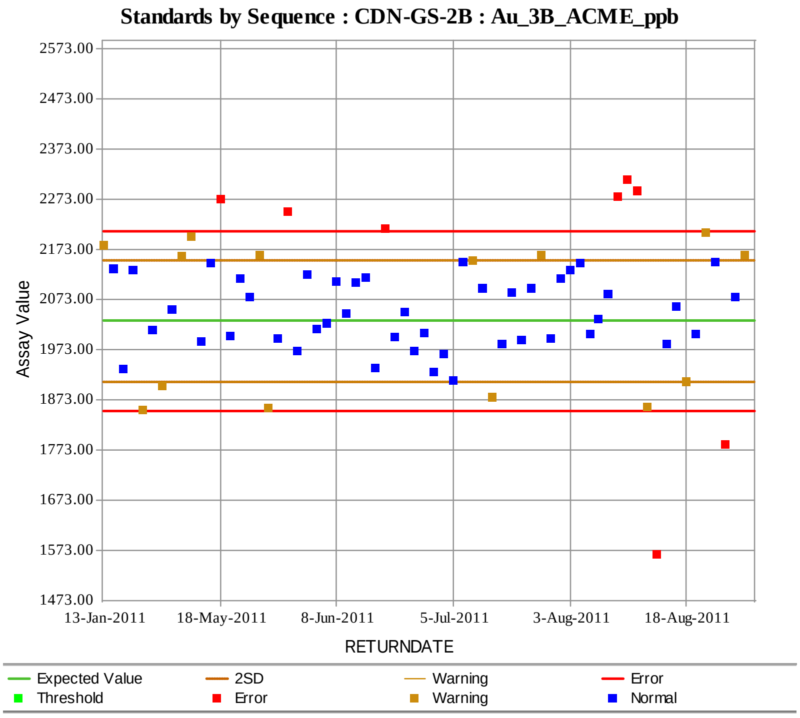

*Source TMST, 2011*

### Figure 11.7: CDN-GS-1P5A performance for 2011



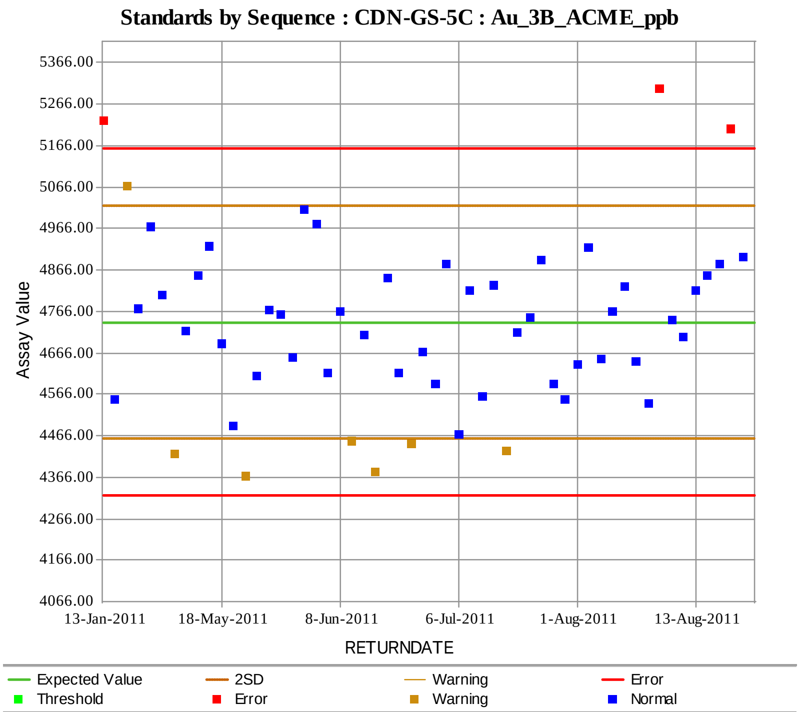

*Source TMST, 2011*

**Figure 11.8: CDN-GS-2B Performance for 2011**



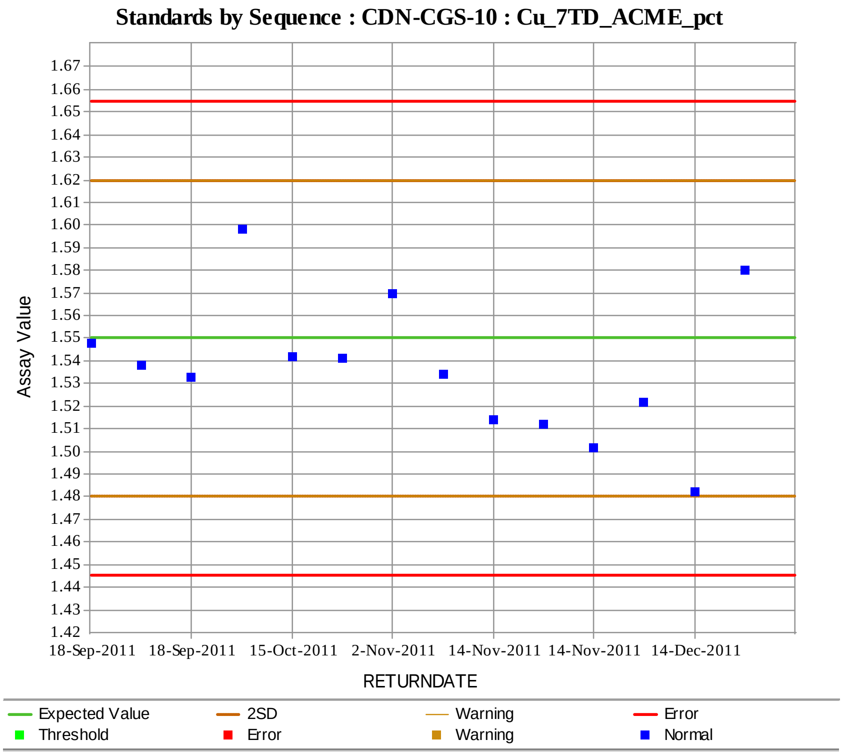

*Source TMST, 2011*

**Figure 11.9: CDN-GS-5C Performance for 2011**




*Source TMST, 2011*

**Figure 11.10: CDN-GS-10 performance for 2011**

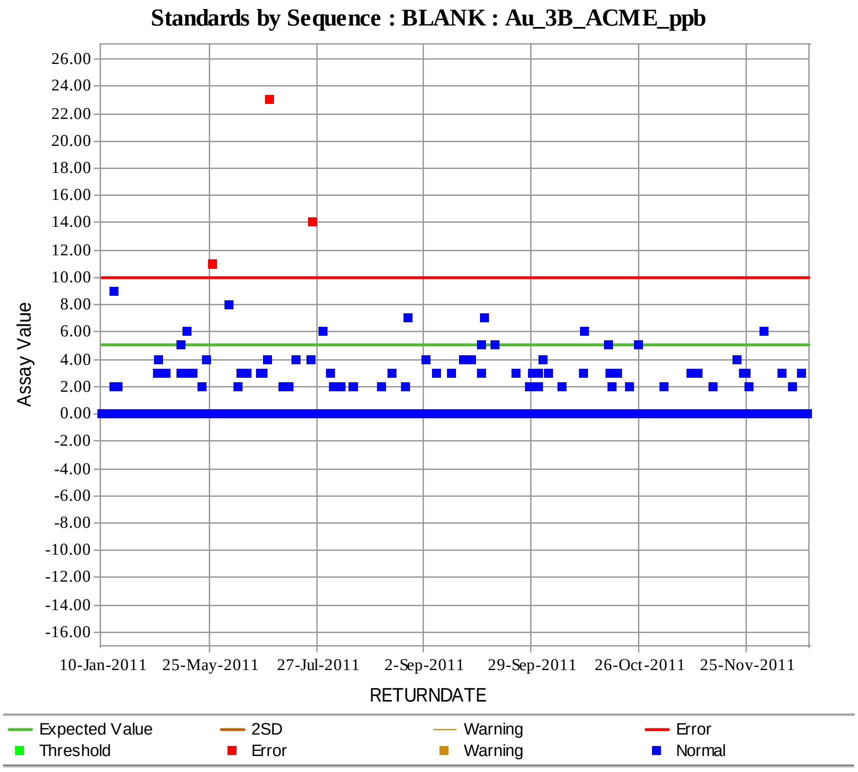



*Source TMST, 2011*

### 11.4.2 BLANKS

A commercially available limestone gravel and a blank purchased from CDN were inserted into the sample series every 20 samples. Three blanks failed and 725 passed. This failure rate is within acceptable limits. In the case of a failed blank, the database manager alerts the project geologist. The range including the last passed blank to the next passed blank is re-analysed. The assay results for the 2011 blanks are shown in Figure 11.11.

**Figure 11.11: Blank Performance for 2011**

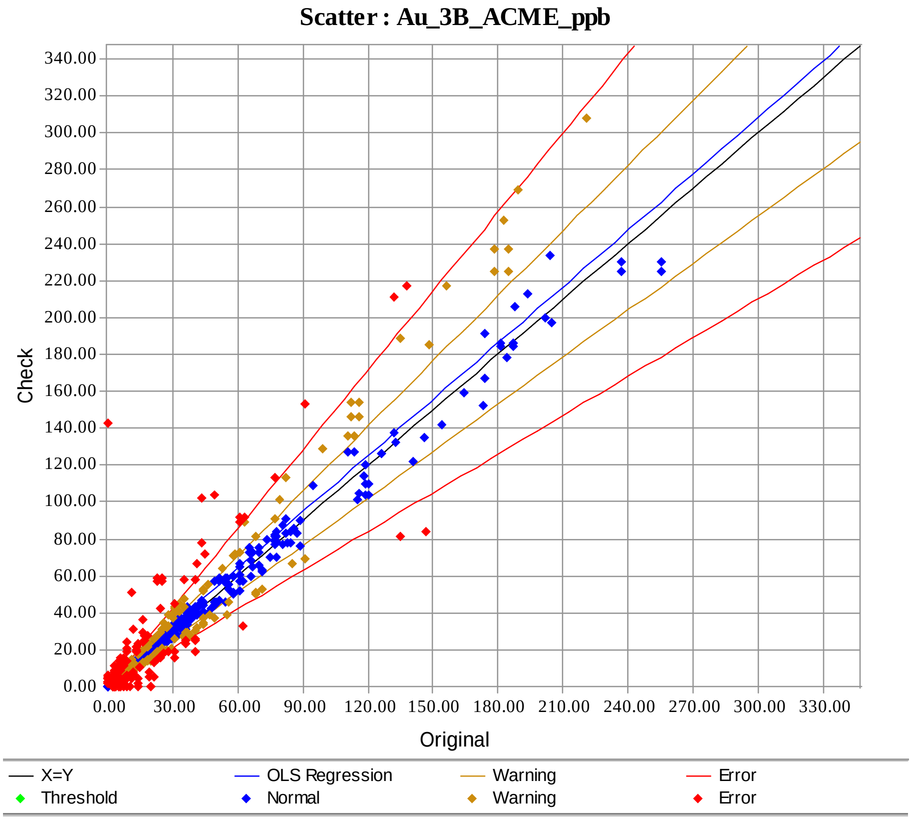



*Source TMST, 2011*

### 11.4.3 FIELD DUPLICATES

Field duplicate samples are used to monitor sample batches for potential mix-ups, and monitor the data variability as a function of both laboratory error and sample homogeneity. The duplicate samples are 1/4 spilt cores taken on site. One field duplicate was inserted in every 20 samples. The results are shown in Figure 11.12. Only a small number of samples returned results > 2 standard deviations, (i.e. as a failure and shown by the red lines in the chart). These failures are attributed to natural variation of the samples. In the case of failed field duplicates a quarter core sample is resubmitted for assay.

**Figure 11.12: Duplicate Sample Performance**




*Source TMST, 2011*

### 11.4.4 General

Given the early stage of exploration at TV Tower, TMST did not initiate a protocol to send 5% (i.e. 1 in 20 samples) of all assayed sample pulps to a second laboratory for check assaying. This protocol will be applied in future programs by Pilot Gold and will be made retroactive to include drill core from the 2010 and 2011 TMST programs.

Most of the diamond drill holes were completed using HQ-size core and the average recovery was 86%. The majority of the core loss was due to fault gouge zones. This is frequently a problem in most drill programs and can be partially remedied by reducing water flow and down-hole pressure in these zones, or by more aggressive use of drilling muds.

The large number of standard failures appears to be largely due to the practice of using bulk standards to produce the smaller samples that were inserted in the sample stream. The use of bulk standards should be discontinued in favour of using pre-packaged sachets. In addition, the use of standards and blanks with a matrix similar to that of the target samples (i.e., silica or volcanic rock rather than limestone) may also improve the standard pass rate.

QA-QC protocols generally conform to industry standards and no concerns were raised.

# 12.0 DATA VERIFICATION

Verification of the Teck and Pilot Gold data is based on a site visit February 24 - 27, 2012, a review of the database as this report was written, and during a visit to the Pilot Gold Vancouver office in March.

There was no drilling or mechanized surface work being conducted at the time of the site visit. All the drill rigs and road construction activity had stopped at the end of the 2011 field season.

The database was not formally reviewed or audited. Given the reputation of Teck and the company-wide Best Practices commitment, the author is satisfied with the reliability of the drill and surface data from the cursory review of the database conducted at the Pilot Gold office in February 2012.

Verification activities conducted by the author during the Tetra Tech site visit to the TV Tower property included the following:

- A site visit to the principle TV Tower targets; Küçükdağ, Kayalı, Sarp, and Kestanecik: inspection of rock exposure, rock-saw channel samples and drill hole locations.
- Checking of two drill hole collar and various outcrop locations positions by hand-held GPS. The results are given in Table 12.1. Good correlation was obtained between supplied and field check values for the drill hole collars. The outcrop and channel sample locations lie within the correct areas as indicated from the licence boundary and target location plans.
- Digital records of the core logging (lithology, mineralization) of selected diamond drill holes (KGD-19, KGD-28 (Küçükdağ) and KYD-01 (Kayalı)) at the Pilot Gold office in Vancouver.
- Observation of core storage at the Orta Truva Etili core facility.

**Table 12.1: Verification of Drill Hole Collars, Channel and Trench Locations.**

| Target/Hole No./ Sample Type | Database | | | Field check | | |
|---|---|---|---|---|---|---|
| | Easting | Northing | Elevation | Easting | Northing | Elevation |
| KCD-19 | 470798 | 4431784 | 481 | 470799 | 4431775 | 500 |
| SD-06 | 469598 | 4430595 | 562 | 469608 | 4430583 | 565 |
| Kayalı/Outcrop | 469296 | 4424190 | NA | 469290 | 4424203 | 777 |
| Kestanecik/Outcrop | 465876 | 442966 | NA | 465881 | 4429766 | 200 |
| Kestanecik/Channel sample | 465637 | 4429779 | NA | 465638 | 4429781 | 247 |
| East Naçak/Channel sample | 471522 | 4431840 | NA | 471520 | 4431835 | 395 |

Further verification of the type of work carried out is shown by the author's photographs from the site visit in Section 7 and in Figures 12.1 to 12.8 inclusive.

The author did not collect any rock, drill core or other check geochemical assays. The author is satisfied with the quality of the core sampling procedures, surface sampling work and assays.

In consideration of the above, Tetra Tech believes that the data provided is more than adequate for the purposes used in this report.

**Figure 12.1: Küçükdağ breccia styles in hole KCD-19**

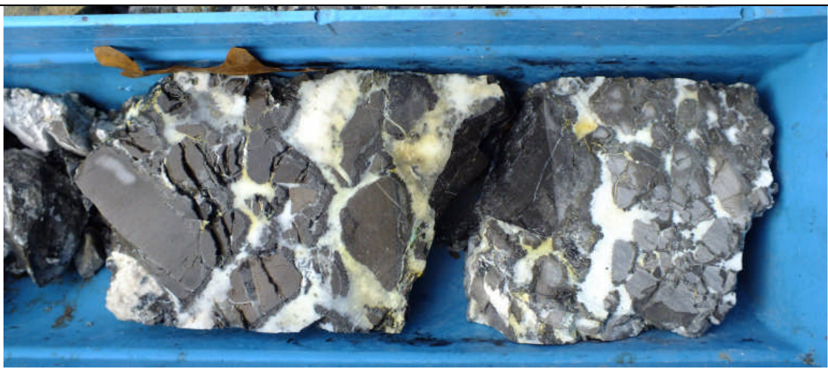
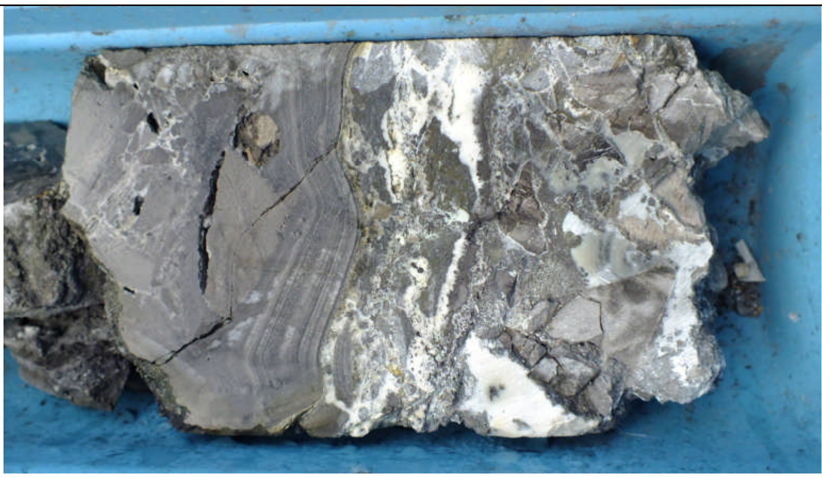
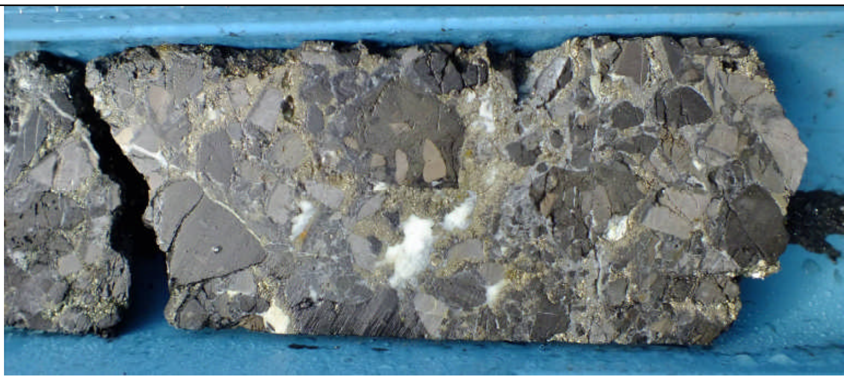
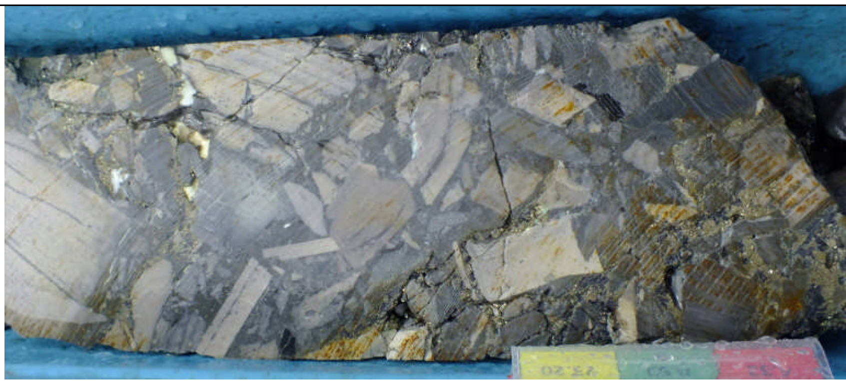
| | |
|---|---|
|  | KCD-19 ~ 60 m.<br><br>18 g/t Au, 5+% Cu, 100 g/t Ag over 0.8 m |
|  | KCD-19 ~ 63.2 m.<br><br>15+ g/t Au, 2.5+% Cu, 50+ g/t Ag over 1.2 m |
|  | KCD-19 ~ 66 m.<br><br>18+ g/t Au, 2+% Cu, 40+ g/t Ag over 1.4 m |
|  | KCD-19 ~ 81.8 m.<br><br>4+ g/t Au, 0.7+% Cu, 20+ g/t Ag over 1.5 m |

**Figure 12.2: Kayalı, mineralization in KYD-01 c. 21m; > 2 g/t gold**

**Figure 12.3: Kayalı mineralization in KYD-01 c. 37m; > 2 g/t gold**

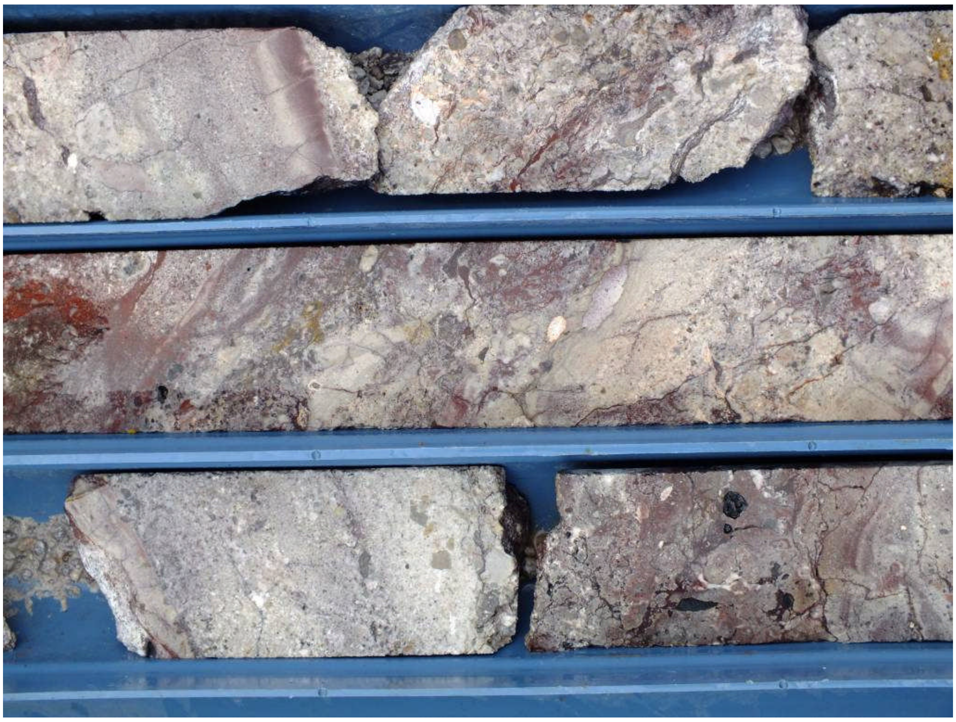


**Figure 12.4 Mineralization association, hole KCD19, 91.3m.**

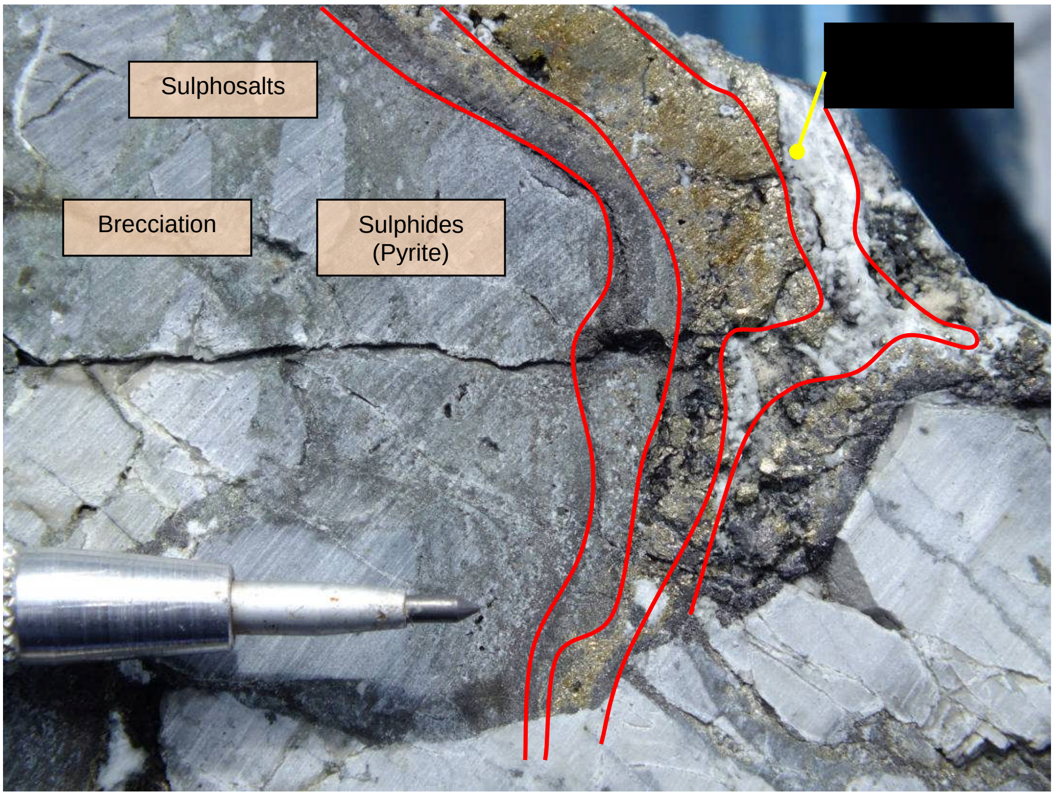



**Figure 12.5: Outcrop with brecciation and barite at Küçükdağ.**

**Figure 12.6: Drill roads of the Küçükdağ target.**

**Figure 12.7: Rock-saw channel sampling, eastern Naçak, 471520E 4431835N**

**Figure 12.8: Outcrop and rock saw channel sampling, Kestanecik area**

# 13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

In April, 2011 G&T Metallurgical Services Ltd. of Kamloops, B.C. were contracted to complete a “pre-scoping” metallurgical test work program on the Küçükdağ mineralized zone (G & T Metallurgical, 2011). The material used in both masters is dominantly from the Au-Cu-Ag zone and does not reflect the metallurgy of the Ag-only portion of Küçükdağ. The samples used in the test program were received in two shipments. The first consisted of 97 coarse crush reject samples from KCD-02. Half of each of the 97 samples was used to construct Master Composite 1. The other half of each sample has been stored separately for future work if required. A second sample shipment consisted of 12 samples from KCD-04, was received two months later and was already prepared to -6 mesh. The estimated combined weight was 40 kg. A second master composite, Master Composite 2, was constructed by taking half of each individual sample weights and combining them together. The other half of each sample has been saved in original form for future testing if required.

The two master composite samples from the TV Tower Project were subjected to mineralogical and metallurgical investigations. Master Composite 1 had significant Cu and As values in the feed at 0.59 and 0.14%, respectively (Table 13.1). The Cu and As levels in Master Composite 2 were about 10 times lower, at 0.05 and 0.014%. The Au contents in Master Composites 1 and 2 were 2.76 and 3.57 g/t, respectively (Table 13.1). A mineralogical analysis of Master Composite 1 revealed that about 80% of the feed Cu was present as enargite/ tennantite. The sample also contained 7.5% by weight pyrite. The pyrite in the sample was very poorly liberated.

**Table 13.1: Element values for metallurgical test work composites.**

| Sample Name | Element for Assay - % or g/t | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Cu | Fe | S | As | Ag | Au | Cu (ox) | Cu (CN) |
| Master Composite 1 | 0.59 | 4.03 | 6.61 | 0.14 | 14 | 2.76 | 0.032 | 0.42 |
| Master Composite 2 | 0.05 | 3.44 | 5.26 | 0.014 | 2 | 3.57 | <0.001 | 0.03 |

*Note: Au and Ag assays are reported in g/t. All others are reported in %.*

For Master Composite 1, about 80% of the feed Au was recovered into a cleaner concentrate grading about 30 g/t Au. The concentrate also assayed about 1.9% As and 7% Cu. The Au recovery to a bulk concentrate, for Master Composite 2, was about 90%. The Au grade in this concentrate was about 40 g/t. The As and Cu concentrations were relatively low in the final bulk concentrate due to lower concentrations of these elements in the feed. The feed mass recovery to the bulk cleaner concentrate was about 8% for both composites. At this feed mass recovery of a large volume of concentrate would be generated in the flotation process.

Au recoveries, for both composites, using a combined gravity plus cyanidation flow sheet resulted in about 50% overall Au extractions by this method. Au recoveries to the gravity concentrate were very low at between 2 to 5%. Results of the work are given in Table 13.2. Additional testing might be useful to see if the feed mass recovery to the concentrate could be reduced without significant Au recovery loss.

**Table 13.2: Gravity/Cyanidation Test Results**

| Test | Comp | Grav. Rec (%) | | Leach Rec (%) | | O'All Rec (%) | |
|---|---|---|---|---|---|---|---|
| | | Au | Ag | Au | Ag | Au | Ag |
| 3 | 1 | - | - | 40.6 | 42.7 | 40.6 | 42.7 |
| 10 | 1 | 2.5 | 2.3 | - | - | | |
| 11 | 1 | - | - | 54.7 | 38.4 | 55.8 | 39.8 |
| 12 | 1 | - | - | 48.8 | 37.9 | 50.1 | 39.3 |
| 16 | 2 | 5.3 | 2.3 | - | - | 5.3 | 2.3 |
| 17 | 2 | - | - | 51.1 | 23.7 | 53.7 | 25.5 |

# 14.0 MINERAL RESOURCE ESTIMATES

No mineral resource estimates have been completed at this early stage in the project.

# 15.0 MINERAL RESERVE ESTIMATES

No mineral reserve estimates have been completed at this early stage in the project.

# 16.0 ADJACENT PROPERTIES

Three adjacent properties contain significant mineralization of a similar style to that observed at targets within the TV Tower.

The Kirazlı Property, owned by Alamos Gold Inc. ("Alamos") is located to the immediate northeast of the TV Tower, and consists of HS epithermal Au and Ag mineralization. Alamos also controls the similar Aği Dağı Property, located 25 km SE of the TV Tower. Mineral Resources for these properties as published by Alamos are provided in Table 16.1.

**Table 16.1: Resources at the Aği Dağı and Kirazlı properties.**

| | Measured and Indicated Resources | | | Inferred Resources | | |
|---|---|---|---|---|---|---|
| **Project** | **Tonnes (000s)** | **Au (g/t)** | **Ag (g/t)** | **Tonnes (000s)** | **Au (g/t)** | **Ag (g/t)** |
| Aği Dağı | 66,323 | 0.61 | 3.59 | 22,341 | 0.53 | 2.71 |
| Kirazlı | 27,060 | 0.76 | 8.92 | 4,108 | 0.56 | 11.21 |
| **Total** | **93,383** | **0.65** | **5.13** | **26,449** | **0.53** | **4.03** |

*Source: Alamos website, accessed April 2012 (http://www.alamosgold.com/our-mines-projects/agi-dagi-Kirazlı-project/reserves-and-resources refers.)*

The Kartaldağ Mine and Property, owned by Çanakkale Madencilik A.Ş. and operated by Esan Eczacibasi, is located central to the TV Tower licences, and is presently the subject of active drilling. The principle Kartaldağ licence is in an embayment within the TV Tower tenure package. Initial discovery and mining of the Kartaldağ deposit was undertaken by Roman or pre-Roman cultures. Modern mining commenced in 1914 by Astyra Gold Mining, which lasted until 1918. Total historic Au production is unknown. The epithermal system and related alteration are hosted by a dacitic hornblende porphyry.

The deposit is a quartz vein associated with four main alteration types:

1. Propylitic
2. Quartz-kaolin
3. Quartz-alunite-pyrophyllite
4. Silicification

The latter is being characterized by two distinct quartz generations as early (vuggy) and late (banded, comb, coliform). Primary sulphide minerals are pyrite, covellite and sphalerite. Au and Ag assays are multi ounce with bonanza grades typical of this deposit type, (verbal communication, 2012). Alteration and mineralization extend westward from the mine onto the TV Tower.

Chesser Resources Ltd. Karaayi Property is located immediately S of and contiguous with the southern boundary of the TV Tower. Mineralization on the Property consists of HS silica alteration overlying one or more porphyry centers. The silica cap is oxidized to a depth of at least 50 m and has been tested by a number of drill holes, the best returning 0.7 g/t Au over the entire 50-m length of the hole. Alteration and host rocks are similar to the Kayalı prospect. Weak porphyry-style alteration was intersected in one deep drill holes; this style of mineralization has not been systematically tested.

The Halilağa Cu-Au porphyry deposit, a Joint Venture between Pilot Gold (40%) and Teck (60%), is located approximately 20 km SE of TV Tower. The resource for this project is given by Pilot Gold as given in Table 16.2.

**Table 16.2: Resources at the Halilağa property**

| Category | Tonnes (t) | Cu (%) | Au (g/t) | Mo (%) |
|---|---|---|---|---|
| **Sulphide Zone** | | | | |
| Indicated | 168,167,000 | 0.30 | 0.31 | 0.006 |
| Inferred | 198,668,000 | 0.23 | 0.26 | 0.007 |
| **Oxide Zone** | | | | |
| Inferred | 4,914,000 | 0.08 | 0.60 | 0.004 |

Tetra Tech has not verified the resource estimates given herein and they are not necessarily indicative of the tenor of mineralization at TV Tower.

# 17.0 OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any additional information, other than that presented below, that is necessary to make the Report more understandable, nor is he aware of any omissions or inclusions that could be misleading.

As background to the new Turkish mining laws enacted in 2011, the following includes the current land tenure holding laws which have remained the same since 2007.

**Mining rights and title in Turkey**

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

The licences for mining rights are granted to the Turkish citizens, legal entities established under Turkish laws and some authorized public bodies. Companies established under Turkish law according to the provisions of the Turkish Commercial Code are Turkish companies even if they are established by foreign persons with a 100% foreign capital. Consequently, there is not any distinction between the mining rights that may be acquired by local investors and those that may be acquired by foreign investors provided that the foreign investors establish a company in Turkey under Turkish law (Ozkan, 2007).

Under the Turkish Mining Law, mines have been divided into five (5) groups which are subject to different terms and conditions on licencing principals and procedures.

According to Article 6 of the Mining Law, mining rights can be defined as the licences and permits for prospecting and operating mines and can only be granted to the following real or legal person:

i. Turkish citizens.

ii. Legal entities incorporated under the laws of the Republic of Turkey, including legal entities having foreign shareholders, provided that the articles of association of such legal entities shall contain a mining operation clause.

iii. Authorized public entities and administrative bodies.

The three (3) types of licences granted for prospecting and operating the mines stated under the laws of the Republic of Turkey are as follows:

i. *Prospecting licence*: enabling its holder to carry out prospecting activities in a specific area.

ii. *Operation licence*: enabling its holder to carry out operational activities within the same area as stated in the prospecting licence.

iii. *Operation permit*: enabling its holder to operate a specific mine as specified in the operation licence.

Prospecting activities can be defined as all mining activities other than those carried out for production. As an exception, the prospecting licencee shall have a right to carry out production and sale activities in respect of maximum 10% of the proved mine reserves within the prospecting licence period in the event the prospecting licencee applies to the General Directorate of Mining Affairs (*Maden İsleri Genel Mudurlugu*) with the prospecting activity report.

*<u>Terms and Procedure for Prospecting Licence:</u>*

The application for prospecting licence shall be made to the General Directorate of Mining Affairs for the mining groups other than group I (a). For the group I (a) mines the application shall be made to the relevant Provincial Special Administration (Il Ozel Idaresi). Prospecting licencees are obliged to submit a prospecting activity report to the General Directorate of Mining Affairs within two (2) years upon the obtainment of such licence, as provided in Annex 5 of the Regulation on the Implementation of Mining Law. In case of non-compliance with such provision, the prospecting licence guarantee provided by the prospecting licencee shall be recorded as revenue. The term of the prospecting licence is three (3) years and may be extended for a period of two (2) years upon the demand and submission of the second prospecting activity report by the prospecting licencee.

*<u>Operation Licence:</u>*

*Terms:* Operation licence may only be obtained if the prospecting activities are carried initially. The operation licence shall be granted to the prospecting licencee for the proved, potential and feasible mine reserve area determined during the prospecting period for a period of at least ten (10) years upon the evaluation of the aforementioned documents by the General Directorate of Mining Affairs. The term of the operation licence may be extended for at least three (3) years upon the application of the holder of the prospecting Licence and operation licence with a new operation project however, such term cannot exceed sixty (60) years. The Council of Ministers is authorized to grant an extension more than sixty (60) years.

*Procedure:* The operation licencee must apply to the General Directorate of Mining Affairs to obtain necessary permits stipulated under Article seven (7) of the Mining Law within three (3) months commencing as of the issuance date of the operation licence. In case the operation licencee fails to apply to the General Directorate of Mining Affairs within the said period, the guarantee shall be recorded as revenue and a further period of three (3) months shall be provided to the operation licencee for application. If non-compliance continues within the additional three (3) months period, the operation licence shall be revoked.

Thereafter, within fifteen (15) days as of the issuance date of the permits required, the operation licencee is granted an operation permit. Such permit is granted only for the proved mine reserves area which is determined during the prospecting period.

Operation activities must be started to be carried out within one (1) year commencing as of the date of the operation permit. In case the operation activities do not commence within such one (1) year period, 10% of the production amount shall be paid as the state right for each year of inactivity. The terms of the aforementioned necessary permits and an operation permit shall be the same as the term of an operation licence and in case an extension is granted to an operation licence, the term of such permits too shall be extended accordingly.

The Law Regarding Amendments on Mining Law and other Certain Laws, numbered 5995 has been approved by the Grand National Assembly of Republic of Turkey on June 10, 2010 but has not been put into force yet. The effective date of such law has been stated as its publication date on the Official Gazette (Kayıkçı, 2010).

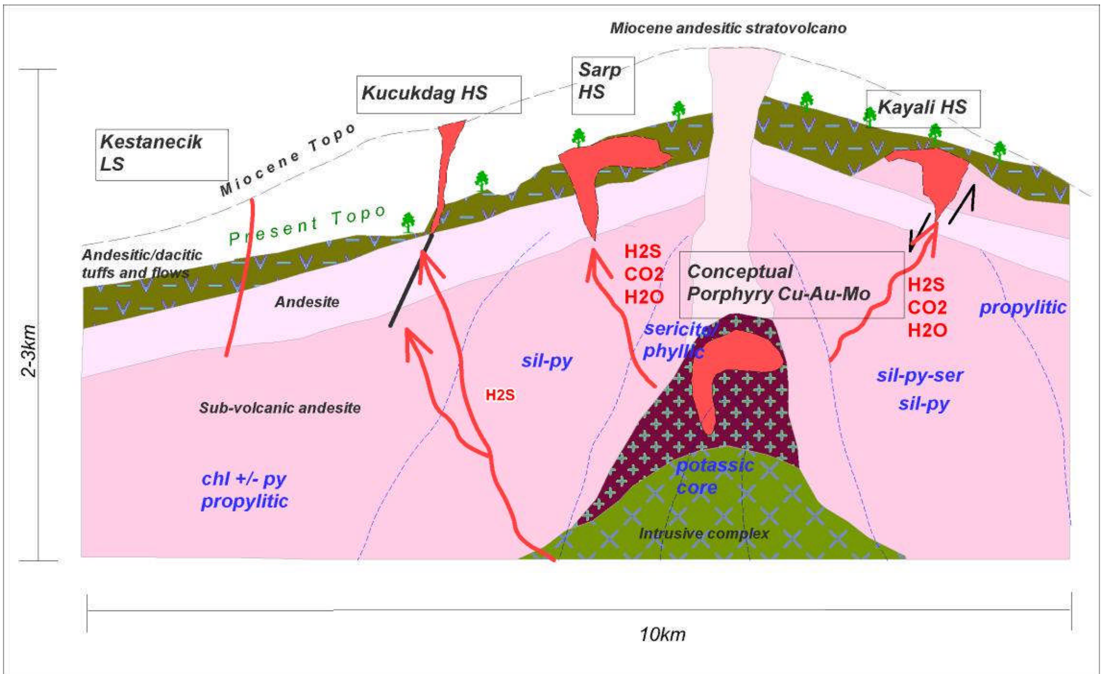
The author is not an expert on Turkish mining law; the information presented here a summary of the current mining law.

# 18.0 INTERPRETATION AND CONCLUSIONS

The TV Tower is roughly 8 by 10 km in extent. To date, seven targets have been defined by a combination of geophysical, geochemical and geological methods, including Küçükdağ, Kayalı, Sarp/Columbaz, Kestanecik, Naçak, Tesbihçukuru and Gümüşlük. The various targets include evidence for one or more of the following styles of mineralization: HS epithermal Au-Ag ± Cu; LS Au-Ag; and porphyry Cu-Au.

The results of the field exploration program carried out by TMST from 2008 through 2011 culminated in two phases of diamond drilling in 2010 and 2011. Results are very encouraging and point to the presence of at least two significant HS epithermal Au systems on the TV Tower Property at Küçükdağ and Kayalı. The conceptual deposit model is illustrated in Figure 18.1.

**Figure 18.1: Conceptual cross section of the TV Tower property showing indicative settings of HS and LS epithermal targets relative to the inferred volcanic setting. Conceptual porphyry targets are indicated at depth related to intrusive rocks mapped at surface.**




Surface and drill results from Küçükdağ, including 136.2 m averaging 4.3 g/t Au, 0.68% Cu and 15.8 ppm Ag in discovery hole KCD-2, demonstrate the potential for high-grade mineralization at TV Tower. Interpretation of exploration work to date has identified a "Main Zone" at Küçükdağ with a mineralization model of sub-vertical hydrothermal breccias hosting high Au-Cu grades. Mineralization extends outward from this zone into high porosity volcaniclastic rocks where mineralization is Ag-rich. The mineralized zone is some 750 m long by 100 m wide on surface.

Results from Kayalı are also encouraging. Mineralization here is also interpreted as HS epithermal in nature, but in contrast to Küçükdağ, Au-bearing intervals at Kayalı mainly coincide with highly oxidized, intensely silicified and either fractured or brecciated intervals hosted in lithic tuffs. Oxidation at Kayalı is deep, averaging 100 to 200 m, with supergene chalcocite zones at the transition into un-oxidized rocks. Drilling has supported Au grades returned from surface channel sampling, with discovery hole KYD-01 returning 114.5 m averaging 0.82 g/t Au. Other holes have returned shorter lengths at similar grades.

Recent work along the E side of the Sarp/Columbaz HS epithermal target has identified at least three LS quartz veins. Grab sampling of these veins has returned bonanza grades.

Mapping at Kestanecik has identified alteration and veining over a 700 m by 500 m area. Individual veins can be traced for up to 200 m in outcrop and subcrop. E-W trending coarse crystalline quartz veins (to 2.6 ppm Au and 241 ppm Ag in previous Teck sampling) dominate within a wide (+300 m) zone of stockwork and brecciation. Several vein textures are present with crystalline quartz the latest and most common in terms of number and volume. The area has significant potential to host a LS epithermal Au system. This area has seen minimal sampling and no drilling to date.

Other early stage targets such as Gümüşlük and Tesbihçukuru represent solid exploration targets. Further work on the TV Tower is likely to uncover further mineralization and generate additional targets.

Tetra Tech conclude that the TV Tower licences hosts a series of promising Au/Ag targets in a geographically prospective region that are worthy of additional exploration work. In particular, the Küçükdağ target contains a number of high grade Au-Ag-Cu intercepts that are worthy of aggressive infill and step-out drilling to form the basis for a resource estimate. The Kayalı and Sarp warrant further drilling to reflect additional potential through refinements to the geological model. Early stage targets such as Kestanecik may form the next targets for drilling.

# 19.0 RECOMMENDATIONS

The TV Tower licences host significant epithermal mineralization and alteration in a highly prospective geographic region.

The most advanced target is Küçükdağ. Tetra Tech recommends increasing the drill density at this deposit to increase confidence in the geological model and continuity and distribution of mineralization pursuant to producing a Mineral Resource Estimate at the end of 2012.

The Kayalı and Sarp deposits both merit further drilling, as preliminary drilling, surface sampling and geophysics are encouraging. Further drilling, infill soil sampling, structural mapping and IP will aid in consolidating understanding of the current targets. Additional detailed mapping should be continued to evaluate the other targets and assess the potential of the licence area.

The following recommendations for Year One have been proposed by Pilot Gold, the 2012 project operator; these have been reviewed and are supported by Tetra Tech:

- Detailed geological and structural mapping
- Geochemical sampling including infill soil geochemistry, detailed rock sampling and channel sampling over selected targets.
- IP surveying on 125 m-spaced lines over high priority targets (total 30 line-km).
- Airborne magnetic surveying on 100 m-spaced lines over the entire property
- Commencement of an EIA on the exploitation-stage and pending exploitation-stage licences.
- Commence environmental baseline study work for the exploration and pending exploration licences.
- 16,000 m of diamond drilling, distributed thus:
    - Küçükdağ: 10,000 m
    - Kayalı: 2,250 m
    - Sarp: 2,250 m
    - Other Targets: 1,000 m

The total budget for the above program is estimated at US$5,340,000 (inclusive of ~3% contingency) as detailed in Table 19.1. In accordance with the TV Tower agreement, Pilot Gold's share of the 2012 budget will be 100% of the proposed budget to comply with the TV Tower Share Purchase Agreement.

**Table 19.1: Proposed TV Tower budget for 2012.**

| Item | Estimated Cost (US$) |
|---|---|
| Wages | 410,000 |
| Environmental | 20,000 |
| Metallurgy | 50,000 |
| Geology | 300,000 |
| Drilling | 2,700,000 |
| Field Support | 310,000 |
| Reclamation, Community relations & Land Acquisitions | 185,000 |
| Geophysics | 425,000 |
| Assaying & Geochemistry | 655,000 |
| Resource Estimation | 30,000 |
| Administrative | 105,000 |
| **Subtotal** | **5,190,000** |
| Contingency (~3%) | 150,000 |
| **Total** | **5,340,000** |

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# 21.0 CERTIFICATE OF QUALIFIED PERSON

I, Paul Gribble, of Swindon, Wiltshire, United Kingdom, do hereby certify:

- I am a Senior Geologist with a Tetra Tech Wardrop (Tetra Tech WEI Inc.), with a business address at Ground Floor, Unit 2, Apple Walk, Kembrey Park, Swindon, Wiltshire, SN2 8BL, United Kingdom;
- This certificate applies to the technical report entitled "Updated Technical Report on the TV Tower Exploration Property Çanakkale, Western Turkey", dated effective July 15th, 2012 (the "Technical Report");
- I am a graduate of University College London, London University, UK, (B.Sc. Hons., 1977);
- I am a Fellow in good standing of the Institute of Minerals, Mining and Materials, membership number 50145 and Chartered Engineer with the Engineering Council, UK, registration number 518788;
- My relevant experience with respect to gold mineralisation derives from exploration and evaluation of base and precious metal occurrences in this and other geological environments over a period of 30 years;
- I am a "Qualified Person" for purposes of National Instrument 43-101 (the "Instrument");
- My most recent personal inspection of the Property was on 25th and 26th February 2012 (2 days);
- I am responsible for all Sections of the Technical Report;
- I am independent of Pilot Gold Inc. as defined by Section 1.5 of the Instrument;
- I have no prior involvement with the Property that is the subject of the Technical Report;
- I have read the Instrument and the Technical Report has been prepared in compliance with the Instrument;
- As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed and dated this 3rd August, 2012 at Swindon, Wiltshire, UK

"Original document, Revision *00* signed by
*Paul Gribble B.Sc., C.Eng., FIMMM*

*Paul Gribble B.Sc., C.Eng., FIMMM*
*Senior Geologist*
*Tetra Tech WEI Inc.*

# APPENDIX A

## DRILLING AND SAMPLING PROTOCOLS

TETRA TECH WARDROP Pilotgold

# DRILLING AND SAMPLING PROTOCOLS

**Surveying:**

- Surveying of the Property during the 2010 drill program was done in the UTM coordinate system (UTM Zone 35 in ED 50). All forestry drill roads and drill collar locations were surveyed electronically.

**Down Hole Survey:**

- Survey tests were taken for each diamond hole, generally at 50 to 100 m intervals down-hole. All data is stored in an access database.

**Digital Photographic Recording:**

- All cores were photographed digitally prior to logging. All data is stored in the database for future reference.

**Relative Density Measurement:**

- Relative density (density) measurements from drill cores were routinely carried out for both oxide and sulphide mineralization. Pieces (10-20 cm) of solid cores were used for SG measurements. Both mineralized and un-mineralized zones were measured. The solid core was cleaned and washed before being dried in an oven. Samples were dried at 105 degrees Celsius for 8-12 hours and then weighed in air (dry weight). They were then coated with paraffin, which was allowed to dry, and then the samples were re-weighed in water.

The density values were identified by the formula:

$$\text{Density} = \frac{\text{(Dry weight)}}{\text{(Dry weight)} - \text{(Weight in water)}}$$

**Pre-logging:**

- Inspection of core boxes, for missing boxes and footage errors.
- Digital photography of all boxes.
- RQD and core loss.

**Logging:**

- Engineering Comments on the competency of core are taken and recorded on the logs.
- Fracture analyses with quantitative measuring of all fractures is not being estimated at the moment, but fractures containing gouge material, veins and dominant fracture patterns are measured.
- The Anaconda method of geological logging was utilised.

**Sampling:**

- Standardized sample booklets will be utilized at all times. All booklets will be marked up, prior to use, with the standards, blanks and duplicates clearly defined.
- Standards and blanks will both be entered every 20th sample. Duplicate samples (1/4 core), will be entered into the sample flow, at the discretion of the geologist, every 20 samples.
- All holes are sampled from top to bottom of the hole, with most samples averaging 1 m or less, unless in un-mineralized core where samples are taken every 1.5 m.
- For each sample interval, all required parts ('From-To') of the standard sample card are filled in and half of the sample number tag is placed at the starting point of the sample interval in the core box.
- The second half of the tag is put into the sample bag (labelled on both sides with the sample number) by the splitter when he is taking the sample.

**Marking Core:**

- The beginning of a sample will be clearly marked with a black marker, by a line perpendicular to the core.
- The sample tag will be placed at the beginning of the sample.

**Double-Check:**

- It is the geologist's responsibility to double-check the samples once they are cut and verify that all of the samples collected are properly labelled, with the sample tags inside of the sample bags.

**Analysis QA/QC:**

- At the TV Tower property, inserting of "blind" quality control samples takes place in the core shack before samples are shipped to the lab. These samples inserted on a routine basis and are used to check laboratory quality and cleanliness. At the beginning of sampling, sample tags are pre-marked with locations for standards, duplicates and blanks before logging.
- Duplicate samples are taken every 20 samples within the sample series. Duplicate samples are used to monitor sample batches for potential mix-ups and monitor the data variability as a function of both laboratory error and sample homogeneity. The duplicate samples are 1/4 spilt cores done on site before the sample leaves camp.
- *Blanks:* non-mineralized limestone material was used as a blank, where material was collected from an outcrop in camp, broken with a hammer and inserted into the sample series every 20 samples.
- *Standards*: Standards are used to test the accuracy of the assays, and to monitor the consistency of the laboratory. They are needed for documentation at the time of ore reserve calculations. Standards were bought from CDN Resource Laboratories Ltd. These standards were randomly inserted into the sample sequences every 20 samples.

- *Check Samples:* 5% of all assayed sample pulps will be sent to a second laboratory for analysis. This approach identifies variations in analytical procedures between laboratories, possible sample mix-ups, and whether substantial bias has been introduced during the course of the project.

- *Analyzing Data:* Results of the standards and the blanks are checked and reviewed quickly after results are received. Control charts are used to monitor the data and decide immediately whether the results are acceptable.

# Appendix B

## 2010 Drill Data and
## 2011 Drill Hole collar data

# 2010 Drill Data and 2011 Drill Hole Collar Data

**Collar information, 2010 drilling.**

| Area | Holeid | East | North | RL | Depth | Azimuth | Dip | Year |
|---|---|---|---|---|---|---|---|---|
| Küçükdağ | KCD-01 | 470419 | 4431832 | 372.50 | 135 | 180 | -60 | 2010 |
| | KCD-01A | 470420 | 4431833 | 372.48 | 162 | 180 | -60 | 2010 |
| | KCD-02 | 470793 | 4431786 | 480.58 | 245 | 180 | -70 | 2010 |
| | KCD-03 | 470704 | 4431843 | 460.91 | 260.6 | 170 | -70 | 2010 |
| | KCD-04 | 470783 | 4431901 | 501.75 | 251.1 | 180 | -70 | 2010 |
| | KCD-05 | 470711 | 4431930 | 499.68 | 230.1 | 180 | -70 | 2010 |
| | KCD-06 | 470853 | 4431253 | 375.03 | 255.2 | 180 | -60 | 2010 |
| | KCD-07 | 470958 | 4431084 | 349.73 | 48.3 | 200 | -60 | 2010 |
| | KCD-07A | 470958 | 4431083 | 349.94 | 175 | 200 | -60 | 2010 |
| | KCD-08 | 470960 | 4431084 | 349.97 | 240 | 35 | -60 | 2010 |
| | KCD-09 | 471133 | 4431310 | 381.79 | 350.3 | 180 | -55 | 2010 |
| Kayalı, Naçak | KYD-01 | 469293 | 4424197 | 775.45 | 250 | 180 | -60 | 2010 |
| | KYD-02 | 469110 | 4424265 | 847.59 | 274.8 | 180 | -60 | 2010 |
| | KYD-03 | 469287 | 4424416 | 741.93 | 265.9 | 180 | -60 | 2010 |
| | KYD-04 | 469437 | 4424255 | 714.58 | 187.2 | 180 | -60 | 2010 |
| | KYD-05 | 469728 | 4425473 | 638.68 | 249 | 25 | -60 | 2010 |
| | KYD-06 | 469914 | 4425482 | 608.87 | 194.1 | 20 | -60 | 2010 |
| | KYD-07 | 469705 | 4425395 | 661.24 | 217.8 | 25 | -60 | 2010 |
| | KYD-08 | 469881 | 4425418 | 626.15 | 192.2 | 30 | -60 | 2010 |

**Significant Intersections from Küçükdağ Drilling, 2010**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KCD-01 | 19.90 | 22.80 | 2.90 | 2.23 | NSV | 2.01 |
| KCD-02 | 12.30 | 148.50 | 136.20 | 4.30 | 0.68 | 15.82 |
| incl | 46.70 | 104.50 | 57.80 | 9.54 | 1.51 | 34.54 |
| incl | 59.60 | 64.10 | 4.50 | 25.57 | 3.14 | 69.00 |
| and incl | 83.60 | 88.30 | 4.70 | 30.59 | 3.77 | 91.74 |
| and incl | 100.40 | 101.50 | 1.10 | 82.20 | 1.36 | 14.00 |
| KCD-03 | 44.40 | 51.70 | 7.30 | 0.52 | NSV | 31.58 |
| and | 78.20 | 102.40 | 24.20 | 16.62 | 2.49 | 55.21 |
| incl | 79.30 | 84.60 | 5.30 | 39.54 | 5.91 | 142.59 |
| and | 120.30 | 122.80 | 2.50 | 0.82 | 1.19 | 11.40 |
| and | 127.20 | 129.40 | 2.20 | 0.53 | 0.49 | 2.50 |
| KCD-04 | 48.50 | 56.00 | 7.50 | 1.28 | NSV | 11.40 |
| and | 135.90 | 163.20 | 27.30 | 1.63 | 1.00 | 8.77 |
| incl | 156.90 | 158.00 | 1.10 | 22.60 | 10.94 | 68.00 |

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| and | 200.60 | 213.60 | 13.00 | 4.54 | NSV | NSV |
| incl | 203.10 | 204.00 | 0.90 | 23.50 | 0.11 | 5.00 |
| and incl | 209.80 | 210.60 | 0.80 | 16.20 | NSV | NSV |
| KCD-05 | 43.80 | 50.30 | 6.50 | 0.53 | NSV | 115.26 |
| and | 65.50 | 67.60 | 2.10 | 2.01 | 0.63 | 39.14 |
| and | 128.70 | 134.70 | 6.00 | 0.61 | 0.41 | 18.75 |
| and | 151.90 | 204.90 | 53.00 | 2.03 | 0.33 | 4.99 |
| incl | 182.80 | 185.80 | 3.00 | 4.44 | 0.60 | 7.50 |
| incl | 192.60 | 194.10 | 1.50 | 9.90 | 0.22 | 9.00 |
| KCD-06 | 176.80 | 187.30 | 10.50 | 0.44 | NSV | 0.34 |
| incl | 178.40 | 179.10 | 0.70 | 2.03 | NSV | 1.40 |
| KCD-08 | 2.60 | 4.00 | 2.70 | 1.49 | NSV | NSV |
| and | 23.00 | 30.00 | 7.00 | 0.65 | NSV | NSV |
| incl | 26.20 | 26.80 | 0.60 | 3.59 | NSV | NSV |
| and | 49.50 | 50.50 | 1.00 | 2.68 | NSV | NSV |
| KCD-09 | 55.10 | 93.50 | 38.40 | 0.30 | NSV | NSV |
| and | 128.50 | 149.10 | 20.60 | 0.26 | NSV | NSV |
| and | 156.90 | 158.60 | 1.70 | 0.97 | NSV | NSV |

**Significant Intersections from Kayalı Drilling, 2010**

| Hole | From (m) | To (m) | Int (m) | Au (g/t) | Cu (%) | Ag (g/t) |
|---|---|---|---|---|---|---|
| KYD-01 | 4.50 | 119.00 | 114.50 | 0.87 | NSV | NSV |
| incl | 5.70 | 21.10 | 15.40 | 2.85 | NSV | NSV |
| incl | 38.70 | 43.60 | 4.90 | 2.04 | NSV | NSV |
| incl | 50.50 | 52.10 | 1.60 | 1.58 | NSV | NSV |
| incl | 103.60 | 113.70 | 10.10 | 1.41 | NSV | NSV |
| KYD-02 | 0.40 | 89.00 | 88.60 | 0.78 | NSV | NSV |
| incl | 7.90 | 30.40 | 22.50 | 1.98 | NSV | NSV |
| incl | 25.90 | 27.40 | 1.50 | 10.40 | NSV | NSV |
| and | 206.60 | 212.00 | 5.40 | NSV | 0.53 | NSV |
| KYD-03 | 96.70 | 99.70 | 3.00 | 0.36 | NSV | NSV |
| and | 105.80 | 161.80 | 56.00 | 0.06 | 0.66 | 0.13 |
| incl | 142.40 | 161.80 | 19.40 | NSV | 1.13 | NSV |
| KYD-04 | 47.30 | 62.10 | 14.80 | 0.40 | NSV | 0.30 |

Collar information, 2011 drilling

| Hole ID | Easting | Northing | Elevation | Azimuth | Dip | Depth (m) |
|---|---|---|---|---|---|---|
| KYD-09 | 469297 | 4424095 | 754.1 | 180 | -60 | 232.4 |
| KYD-10 | 469159 | 4424083 | 778.5 | 180 | -70 | 396.4 |
| KYD-11 | 469161 | 4424088 | 779.9 | 0 | -60 | 202.2 |
| KYD-12 | 469008 | 4424316 | 855.0 | 180 | -60 | 30.4 |
| KYD-12A | 469009 | 4424314 | 854.9 | 180 | -60 | 272.3 |
| KYD-13 | 469208 | 4424202 | 802.6 | 180 | -60 | 201.5 |
| KYD-14 | 469307 | 4424315 | 754.3 | 180 | -60 | 276.6 |
| KYD-15 | 469396 | 4424193 | 739.7 | 180 | -60 | 154.3 |
| KYD-16 | 469096 | 4424396 | 821.2 | 180 | -60 | 329.0 |
| KYD-17 | 469591 | 4424087 | 677.5 | 0 | -60 | 216.4 |
| KYD-18 | 468993 | 4424500 | 819.9 | 120 | -60 | 455.5 |
| KYD-19 | 468796 | 4424598 | 795.7 | 180 | -60 | 312.4 |
| KYD-20 | 468696 | 4424525 | 776.2 | 45 | -70 | 251.3 |
| KYD-21 | 469730 | 4425490 | 636.3 | 25 | -45 | 111.4 |
| KYD-22 | 470237 | 4425635 | 599.7 | 270 | -60 | 82.8 |
| KYD-23 | 470227 | 4425544 | 615.2 | 270 | -60 | 353.2 |
| KYD-24 | 468992 | 4424652 | 777.1 | 45 | -60 | 218.2 |
| KYD-25 | 469890 | 4424862 | 747.2 | 180 | -60 | 127.9 |
| KYD-26 | 468996 | 4424104 | 806.8 | 0 | -60 | 201.5 |
| KYD-27 | 469994 | 4424895 | 719.6 | 150 | -70 | 109.7 |
| KYD-28 | 468905 | 4424673 | 777.8 | 0 | -70 | 200.0 |
| KYD-29 | 469092 | 4424675 | 776.0 | 30 | -60 | 177.2 |
| KYD-30 | 468800 | 4424402 | 835.5 | 180 | -60 | 166.8 |
| KYD-30A | 468800 | 4424399 | 835.9 | 180 | -60 | 209.0 |
| KYD-31 | 468590 | 4424612 | 706.8 | 0 | -50 | 205.4 |
| KYD-32 | 468700 | 4424647 | 754.4 | 0 | -70 | 272.0 |
| KYD-33 | 468886 | 4424532 | 819.1 | 0 | -60 | 188.0 |
| KYD-34 | 469196 | 4424405 | 776.0 | 200 | -60 | 257.6 |
| KYD-35 | 469816 | 4424844 | 745.2 | 180 | -80 | 131.8 |
| KCD-10 | 470888 | 4431755 | 502.3 | 180 | -80 | 254.2 |
| KCD-11 | 470603 | 4432243 | 523.4 | 180 | -70 | 220.3 |
| KCD-12 | 470906 | 4432572 | 522.7 | 180 | -70 | 26.2 |
| KCD-12A | 470906 | 4432573 | 522.8 | 180 | -70 | 225.1 |
| KCD-13 | 471178 | 4432358 | 537.6 | 0 | -60 | 213.2 |
| KCD-14 | 470901 | 4431808 | 522.3 | 180 | -70 | 240.7 |
| KCD-15 | 470845 | 4431860 | 512.1 | 230 | -50 | 250.0 |
| KCD-16 | 470797 | 4432005 | 539.8 | 180 | -60 | 311.6 |
| KCD-17 | 470690 | 4432010 | 516.4 | 180 | -60 | 277.0 |
| KCD-18 | 470622 | 4431933 | 491.6 | 150 | -60 | 228.5 |
| KCD-19 | 470798 | 4431784 | 481.5 | 180 | -70 | 171.6 |
| KCD-19A | 470798 | 4431782 | 481.4 | 180 | -70 | 65.5 |
| KCD-20 | 470898 | 4431907 | 528.2 | 180 | -60 | 304.9 |

| Hole ID | Easting | Northing | Elevation | Azimuth | Dip | Depth (m) |
|---|---|---|---|---|---|---|
| KCD-21 | 470488 | 4431906 | 426.4 | 180 | -60 | 155.1 |
| KCD-22 | 471317 | 4432355 | 551.1 | 220 | -60 | 193.3 |
| KCD-23 | 470379 | 4431909 | 372.2 | 180 | -70 | 120.3 |
| KCD-24 | 470797 | 4432093 | 558.1 | 200 | -60 | 385.8 |
| KCD-25 | 470644 | 4431764 | 409.2 | 100 | -50 | 125.6 |
| KCD-26 | 470305 | 4431510 | 267.8 | 160 | -60 | 243.6 |
| KCD-27 | 470406 | 4431395 | 256.4 | 160 | -70 | 213.6 |
| KCD-28 | 470564 | 4432004 | 471.7 | 140 | -60 | 249.5 |
| KCD-28A | 470565 | 4432002 | 472.0 | 140 | -60 | 90.0 |
| KCD-29 | 470486 | 4431462 | 288.1 | 150 | -60 | 237.0 |
| KCD-30 | 471309 | 4431345 | 393.9 | 180 | -60 | 265.1 |
| KCD-31 | 471307 | 4431344 | 393.8 | 270 | -60 | 212.0 |
| KCD-32 | 471002 | 4431033 | 330.7 | 230 | -50 | 219.3 |
| KCD-32A | 471001 | 4431032 | 330.6 | 230 | -50 | 100.0 |
| KCD-33 | 470342 | 4431820 | 350.2 | 180 | -60 | 161.0 |
| KCD-34 | 470815 | 4431096 | 320.8 | 120 | -60 | 197.0 |
| KCD-35 | 470796 | 4432095 | 558.2 | 345 | -60 | 358.8 |
| KCD-36 | 470911 | 4432406 | 502.0 | 160 | -60 | 247.0 |
| KCD-37 | 470984 | 4432011 | 527.5 | 180 | -60 | 246.6 |
| SD-01 | 469412 | 4430155 | 544.0 | 0 | -60 | 114.9 |
| SD-01A | 469413 | 4430153 | 545.1 | 0 | -60 | 336.3 |
| SD-02 | 469560 | 4430224 | 553.9 | 180 | -60 | 237.3 |
| SD-03 | 469593 | 4430412 | 565.0 | 180 | -60 | 207.2 |
| SD-04 | 470173 | 4430448 | 489.2 | 230 | -60 | 237.0 |
| SD-04A | 470173 | 4430449 | 489.6 | 230 | -60 | 67.0 |
| SD-05 | 469598 | 4430595 | 562.6 | 150 | -60 | 209.0 |
| SD-06 | 469600 | 4430594 | 562.7 | 30 | -60 | 120.6 |
| SD-07 | 470393 | 4430314 | 377.7 | 150 | -60 | 229.9 |
| SD-08 | 470133 | 4430268 | 444.2 | 30 | -60 | 200.6 |
| SD-09 | 469651 | 4429983 | 491.3 | 0 | -60 | 125.0 |
| SD-10 | 469414 | 4429863 | 530.6 | 180 | -60 | 209.2 |
| | | | | | **TOTAL :** | **14,785.8** |
| | | | | | **Aban :** | **660.8** |