

# Otis Gold Corp. Releases Kilgore NI 43-101 Resource Estimate

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VANCOUVER, July 31, 2012 - [Otis Gold Corp.](#) (TSX VENTURE:OOO) (OTCQX:OGLDF) ("Otis" or the "Company") is pleased to announce the release of an updated National Instrument 43-101 Resource Estimate, effective July 31, 2012, for its 100%-owned Kilgore Gold Deposit ("Kilgore") located in Clark County, Idaho. This is the first resource estimate prepared by Otis since acquiring the property in the fall of 2008. The updated resource estimate includes all historical drilling, plus an additional 92 HQ core holes (totaling 19,630 m) drilled by Otis between 2008 through 2011. This updated resource estimate supersedes the original NI 43-101 Resource Estimate prepared by Rayner and Associates and Van Brunt in 2002 ("2002 Estimate"; see Otis Gold March 2, 2009 news release for details of estimate).

## Highlights

- An Indicated Resource of 520,000 oz Au in 27.35 million tonnes at a grade of 0.59 g/t Au; this new Indicated Resource represents an increase of 138% in the number of ounces and 328% in the number of tonnes over the 2002 Estimate.
- An Inferred Resource of 300,000 oz Au in 20.23 million tonnes at a grade of 0.46 g/t Au; this new Inferred Resource represents an increase of 12% in the number of ounces and 131% in the number of tonnes over the 2002 Estimate.

The results from Otis' drilling programs have moved previously defined Inferred resources into the Indicated category and have added new resources to both the Indicated and Inferred categories.

**Table 1. Kilgore Project - Kilgore Gold Deposit Resource Statement\***

Resource Category	Tonnes (000's)	Gold Grade (g/tonne)	Gold Troy Ounces
Indicated	27,352	0.59	520,000
Inferred	20,230	0.46	300,000

## Notes\*

1. Mineral Resources are at a gold cut-off grade of 0.24 g/t.
2. Mineral Resource tonnage and contained metal are rounded off to reflect the precision of the estimate, thus metal quantity varies slightly from the product of tonnes and grade.
3. Contained gold ounces are in-situ, and include metallurgical recovery losses.

Otis' President and CEO Craig Lindsay states, "The significantly expanded Kilgore resource estimate is an endorsement of the hard work of Otis' geologic staff and careful geologic modeling. The markedly increased size of this resource provides Otis with a solid foundation upon which to build additional resources through planned drilling in areas where open-ended mineralization of significant thickness exists. Further, the newly expanded size of the deposit, its overall shallow depth and excellent potential for further growth, coupled with its extremely attractive metallurgy, are all positive attributes that support the potential economic viability of the deposit."

Mr. Lindsay adds, "The Kilgore Gold Deposit is the foundation of a very strong gold company. Our geologic team has already begun designing programs to both expand the Deposit and test several additional high priority targets on the property. Otis plans to increase the number of targets under evaluation and aggressively search for new deposits with the ultimate goal of developing the property into a large-scale gold district."

## Resource Modeling

Mineral Resources are estimated by ordinary kriging and inverse distance methods using 3-D Micromine block modeling software in 6-by-6-by-3 m (20-by-20-by-10 ft) blocks. Grade estimates are based on capped,

3 m (10 ft) composited assay data. Gold capping levels range between 0 g/t Au and 25 g/t Au in five different estimation domains. Blocks are considered for Indicated Mineral Resources if at least two drill holes and three composites in at least two quadrants are found within first-pass search ellipses with dimensions up to a maximum of 75 m for the kriged domains and 135 m for the inverse distance-estimated domains, and if they fall within an optimized pit shell. All other interpolated blocks are classified as Inferred Mineral Resource.

The Company is preparing a National Instrument 43-101 technical report in respect to the updated resource estimate discussed in this news release and will file the report on SEDAR within 45 days of the date this news release is disseminated.

Donald E. Cameron M.S., is an independent Qualified Person as defined by National Instrument Policy 43-101, and has prepared, verified, and reviewed the information that forms the basis of this press release. Mr. Cameron is a Registered Member (#4018521RM) of the Society of Mining Engineers and a QP Member (#01434QP) of the Mining and Metallurgical Society of America, and is responsible for the technical information contained in this news release. Verification included a review and validation of the applicable assay databases, reviews of assay certificates, duplicate core sampling, and a site visit.

Mineral resources are not mineral reserves and do not have a demonstrated economic viability. Environmental, permitting, legal, taxation, socio-political or other relevant issues may materially affect the estimate of mineral resources. The quantity and grade of reported Inferred Resources in this estimation is uncertain in nature. There has been insufficient exploration to define these Inferred Resources as Indicated or Measured Mineral Resources, and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category. The mineral resources reported in this news release were estimated using current Canadian Institute of Mining Metallurgy and Petroleum ("CIM") standards, definitions and guidelines.

### **Operational Update**

The U.S. Forest Service, Caribou-Targhee National Forest, issued a permit to the Company on May 30, 2012 to conduct a 14- to 20-hole program consisting of 4,000 metres of HQ core drilling. Furthermore, Otis is in the process of performing a Cultural Survey and preparing a Plan of Operation to build 1,350 metres of new roads into the "North Area." This area is defined by seven significant gold-in-soil anomalies and several open-ended mineralized holes with +100-metre-thick intercepts averaging up to 0.89 g/t Au (see Otis news release dated October 6, 2011).

Otis has also received permits to drill on six sites at the Gold Ridge target located 1 km northwest of, and on strike with, the Kilgore Gold Deposit. The target's dimensions are roughly 1 km x 1.2 km, with the area underlain by a rhyolite dome in contact with lithic tuff host rock and dike material, the same setting as that of the Kilgore Gold Deposit. The target is defined by the intersection and overlap of numerous important regional and local structures, soils anomalous in arsenic, antimony and gold, and significantly large IP and resistivity low geophysical anomalies. This target has never been drilled and will require helicopter support, as no drill access roads are currently available in the area.

Exploration and drill programs will be initiated based on market conditions and the Company's ability to raise additional capital at a reasonable price.

### **About the Kilgore Gold Deposit**

The caldera-related Kilgore Gold Deposit is located within the Company's Kilgore Gold Project, Clark County, Idaho. The Kilgore Gold Project is 5,130 acres in size, is 100% owned by Otis and is subject to no underlying royalties.

The Kilgore Gold Deposit constitutes the continuous and contiguous Prospect Ridge, Mine Ridge and North Target areas, all referred to in prior Company news releases. The Kilgore Gold Deposit is a zoned low-sulfidation quartz-adularia epithermal hot-spring system hosted in volcanic rocks of Late Miocene age. Gold mineralization is of the classic disseminated, bulk-tonnage type similar to that comprising the classic and world-class size volcanic-hosted gold deposits at Round Mountain, Nevada and McDonald Meadows, Montana. K-Ar age determination on hydrothermal adularia tentatively dates mineralization at 5.3 Ma (Late Miocene). Gold mineralization is mostly controlled by a major northwest-trending structural zone and is closely associated with a series or set of northwest-trending, high-angle, en echelon rhyolitic to intermediate dikes and dike swarms. Additional host rock enclosing the dikes and sills and serving to contain a major portion of the deposit mineralization is a porous and permeable, ashy and rhyolitic lithic tuff unit. Further, material containing a portion of the mineralization comprises basement sandstone and siltstone of the Aspen Formation of Cretaceous age.

## Conference Call

A conference call to discuss Kilgore and the resource estimate will be held at 11:00 AM PDT (2:00 pm EST) on July 31, 2012. Investors are invited to participate by connecting to the call using one of the following dial-in numbers.

Dial-in number:

North American Toll- Free: 1-866-782-8903

Local / International: 647-426-1845

## About the Company

[Otis](#) is a resource company focused on the acquisition, exploration, and development of precious metal deposits in Idaho, USA. Otis is currently developing its flagship property, the Kilgore Gold Project, located in Clark County, Idaho.

## Forward Looking Statement

*This release and related documents may include "forward-looking statements" including, but not limited to, statements related to the interpretation of drilling results and potential mineralization, future exploration work at the Kilgore Gold Project and the expected results of this work. Forward-looking statements are statements that are not historical fact and are subject to a variety of risks and uncertainties which could cause actual events to differ materially from those reflected in the forward-looking statements including fluctuations in the price of gold, cost of mining, inability to complete drill programs on time and on budget, and future financing ability. Words such as "believes", "plans", "anticipates", "expects", "estimates" and similar expressions should also be considered to be forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including, but not limited to: uncertainties involving interpretation of drilling results, environmental matters, lack of ability to obtain required permitting, equipment breakdown or disruptions, and the other factors described in Otis' most recent Annual Report.*

## ON BEHALF OF THE BOARD

Craig T. Lindsay  
President and CEO

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