

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Apr 12, 2017) - [Otis Gold Corp.](#) ("Otis" or "the Company") (TSX VENTURE:OOO)(OTC PINK:OGLDF) is pleased to present an update and interpretation of extensive exploration activities conducted on the Kilgore Deposit and the emerging "Gold Ridge" exploration target at the Kilgore Gold Project, Clark County, Idaho. Specifically, a 34-line-kilometer ground magnetometer survey (see Ground Traverse map) was completed along with a program consisting of 213 surface and subsurface soil samples. The Company's ground magnetometer survey delineated many previously mapped faults in addition to numerous newly-identified structural features. The accompanying soil geochemistry displayed corresponding anomalies along defined structures and structural intersections demonstrating that mineralizing hydrothermal fluids traveled upward along these zones of structural weakness similar to what controls gold mineralization at the Kilgore Deposit, located approximately 1.0 km to the southeast of Gold Ridge.

Highlights of the 2016 Magnetic and Soil Survey

- Magnetic data confirm and extend known mineralized structures including the previously mapped Northwest, Mine Ridge, and Cabin faults (see Magnetic Data and Structure map).
- At least five (5) new concentric caldera-related ring faults have been identified that roughly parallel the Northwest fault, believed to be the primary controlling mineralizing feeder structures for the Kilgore Deposit.
- Five (5) new cross-cutting NE-SW radial faults have been identified paralleling the Mine Ridge and Cabin faults (which are the primary radial faults at the Kilgore Deposit).
- A broad magnetic shelf located north and northeast of the Kilgore Deposit is interpreted as the geophysical expression of the flat-lying sill occurring above and within the Aspen Formation. This previously unrecognized feature appears to potentially be the extension of the "Aspen Corridor" mineralization (see Otis News Release February 9, 2017).
- A gold-in-soil map has been prepared (see Gold in Soil map) revealing that a large (1.3 km x 0.9 km @ 26+ ppb) anomaly encompasses the current deposit and extends northeast along the Mine Ridge and Cabin faults toward the newly discovered magnetic shelf feature described above.
- A large and intense magnetic feature interpreted to be a buried intrusion has been identified northwest of the Kilgore Deposit in the Gold Ridge area.
- A new interpretation of the survey data has generated many high-priority drill targets focusing on mineralized structural intersections, dilation zones, mafic dike swarms and the Tertiary sill-Aspen contact.

Ground Magnetometer Survey

During the Fall of 2016, the Company completed a 34-line-km ground-based geophysical magnetometer survey in and around the Kilgore Deposit and extending over 1.0 km to the northwest to an area known as Gold Ridge. Line spacing for this study was at 100 meter spacing along lines with a 50° and 230° azimuth. The goal of this survey was to supplement the historic helicopter magnetometer survey completed in the mid-1990s (see Kilgore Historic Airborne Magnetic map), by providing a greater resolution of the magnetic signatures of the local geology surrounding the Kilgore deposit.

An advanced Euler 3D deconvolution reduction was performed on the data to help delineate geologic structures (see Euler Structure map). The ground magnetic survey revealed that the Kilgore Deposit and region was preferentially structurally prepared prior to the magmatic epithermal gold mineralizing event. The hydrothermal fluids and other intrusions utilized zones of weakness and dilation due to the pre-existing conjugate fault system (azimuth 300° and 10°) and extensional and relaxation faulting (azimuth 335° and 60°). These structural features are interpreted in the magnetic data and include the right-lateral and dip-slip Northwest 300° fault, and several new subordinate 300° faults like the Snotel, Vortex, and Sage. The magnetic data also delineate the known left-lateral (10°-60°) Bear Cat, Cabin, and Mine Ridge faults and identified several new subordinate (10°-60°) faults like the Antler and Dog Bone faults. Also, revealed by the magnetic data are mafic dike swarms following multiple 300°-striking structures, a rhyolite flow-dome, and the Tertiary mafic sill (covering an area approximately 1km x 1km).

The structural features and boundaries create a network of structural compartments, some of which could be favorable hosts for hydrothermal gold mineralization, similar to the newly discovered Aspen Corridor (see February 9, 2017 News Release). The existing Kilgore Deposit is interpreted to be located in and around one such mineralized compartment, roughly bound by the Northwest fault and the intersections of the Mine Ridge and Cabin Faults.

Soil Geochemistry Survey

During the 2016 field season, 213 soil samples were collected and added to the historical database that now totals a master dataset of 3,517 samples. These data show anomalous soil geochemistry along defined structures and demonstrate that they were conduits for mineralizing fluid flow. The gold (Au) in soil map (see Gold in Soil map) illustrates a sizeable anomaly that encompasses the current Kilgore Deposit and extends to the northeast where it is still open along the Cabin and Mine Ridge fault extension areas. The soil anomaly appears to increase in intensity as it approaches the Snotel 300° fault. The Snotel fault also has anomalous gold in soils where it intersects the Bear Cat fault structure. Another new soil anomaly is located at the intersection of the Vortex and Antler faults, both of which have limited soil geochemistry coverage.

The geochemical soil data have also revealed several pathfinder element anomalies. Selenium (Se), arsenic (As), and antimony (Sb) anomalies are also located along the defined structures and are more prominent to the northwest, indicating that area is higher up in the epithermal mineralizing system. Where trace elements occur at structural intersections, the juxtaposition denotes a target for future exploration drilling.

2017 Exploration Plans

Otis is currently permitting 27 drill stations at the Kilgore Deposit and 7 drill stations at Gold Ridge. Otis is working with the U.S. Forest Service to obtain approval for these sites to coincide with the planned commencement of drilling at Kilgore in late July. Approximately 8,000 meters of drilling is currently envisioned, which will be focused on expansion of the Kilgore Deposit in the emerging Aspen Corridor target. The program will also include two metallurgic test holes to enable metallurgical studies on the Aspen Corridor host rock. Additionally, based on the success of the ground magnetometer survey discussed herein, an important element of 2017 field operations will be a robust geophysics survey over the remainder of the Kilgore Gold Project, including Prospect Ridge and Dog Bone Ridge, and a comprehensive soil survey over all targets to assist with drill planning and targeting.

Qualified Person

The Qualified Person under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects for this News Release is Paul Gray, P. Geo, who has reviewed and approved its technical content.

About the Company

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

ON BEHALF OF THE BOARD

"Craig T. Lindsay"
President & CEO

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