

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 15, 2017) - [Otis Gold Corp.](#) ("Otis" or "the Company") (TSX VENTURE:OOO)(OTC PINK:OGLDF) is pleased to announce that it has reached an agreement to (1) increase its interest in the Blue Hill Creek and Matrix Creek Gold-Silver Properties located in Cassia County, Idaho from 80% to 100% and (2) reduce the existing net smelter royalty on these projects from 2.5% to 2.0%. In consideration, 380,000 Otis Common Shares of Otis will be issued to the vendors, and these shares will be subject to a voluntary hold period ending July 31, 2017. The transaction is subject to the approval of the TSX Venture Exchange and other regulatory bodies. The transaction results in Otis increasing its interest to 100% in what is known as the Oakley Project, a land package that comprises Blue Hill Creek, Matrix Creek and what is known as Cold Creek.

About Blue Hill Creek and Matrix Creek

The Blue Hill Creek and Matrix Creek properties are located in Cassia County, Idaho approximately 24 kilometers south of Oakley, Idaho. Blue Hill Creek, which is host to a current NI 43-101 Inferred Resource Estimate of 163,000 ounces Au in 10,994,000 tons at a grade of 0.51 g/t Au (see Otis News Release dated September 23, 2016), consists of 36 federal lode mining claims covering 720 acres and an 80 acre Idaho State Mineral Lease. Matrix Creek, immediately adjacent and contiguous to Blue Hill Creek, consists of 41 federal lode mining claims covering 820 acres and a 320 acre Idaho State Mineral Lease.

Blue Hill Creek ("BHC") occurs within a north-trending, five-mile-long by one-mile-wide zone of low-sulfidation, hot spring-type gold occurrences along the western margin of the Albion Range metamorphic core complex. The BHC sinters and related gold-silver mineralization were discovered in 1985 during regional exploration by Meridian Minerals. The related epithermal mineralization is hosted in volcanic and sedimentary rocks of the Tertiary Salt Lake formation. Mineralization at BHC is open in multiple directions. In a 5-hole, 1,308m diamond drill program completed in 2014, 3 holes intercepted gold mineralization including 0.691 gpt Au over 123m (BHC14-01), 0.705 gpt Au over 41.1m (BHC14-03) and 0.405 gpt Au over 113.9m (BHC14-04) (see Otis Gold News Release dated February 5, 2015).

Matrix Creek ("MC") is distinctive from BHC in terms of mineralization, host lithology and structure. MC is located southeast and south of BHC and is named because it is characterized by a distinctive carapace of breccia up to 12 meters thick which consists of quartzite fragments separated by black to dark grey matrix of extremely fine-grained quartz and pyrite. The breccias are strongly anomalous for both gold and silver. Fourteen surface grab samples collected by Otis averaged 0.55 g/t Au and 70.4 g/t Ag, with the highest-grade sample returning 1.24 g/t Au and 306 g/t Ag. Preliminary 48-hour bottle-roll results performed by ALS Chemex Labs in Vancouver, B.C., suggest that the gold is up to 82% recoverable and that the silver is up to 93% recoverable (see Otis News Release dated September 18, 2014). While limited work has been completed by Otis on MC, it seems likely that the breccias formed along a detachment fault associated with the development of the metamorphic core complex that forms the core of the Albion Range immediately to the east.

The relationship between the mineralization at MC and BHC is ambiguous. The breccias cut through both properties and may be much thicker in the subsurface at BHC than is suggested by surface outcrop. The high-angle faults associated with the BHC graben cut and displace the low angle MC detachment structure. The high-angle faults therefore post-date the MC detachment system. Because these faults appear to cut through the mineralized detachment at MC, the detachment may have served as a source for the gold for the BHC hydrothermal system.

States Otis President & CEO Craig Lindsay: "We are very pleased to increase our ownership to 100% in the emerging district-scale Oakley Project. We see a significant amount of exploration potential at Oakley for both gold and silver, and having a 100% ownership interest increases our flexibility in how we approach the development of this exciting asset. We are planning fieldwork at Oakley this summer, and will be announcing a specific work program in due course."

Qualified Person

The Qualified Person under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects for this News Release is Paul D. 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. Otis 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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