

# Otis Gold: The Year in Review

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VANCOUVER, British Columbia, Dec. 15, 2017 (GLOBE NEWSWIRE) -- Otis Gold Corp. ("Otis" or the "Company") (TSX-V:OOO) (OTC:OGLDF) is pleased to provide the following review of its activities and accomplishments over the past year. Strength in the gold price early in 2017 drove interest in the junior exploration sector and allowed Otis to fund active exploration and development programs at both its Kilgore and Oakley Gold Projects. The close of the year saw a challenging trading environment as the price of gold weakened, with the result being a softening in gold company valuations, particularly at the junior end of the market. That said, Otis remains very optimistic about 2018 for gold prices and company valuations and is excited about the exploration year ahead.

## Development Work at Kilgore

In July, Otis commenced an 8,000-meter, 25-hole drill program targeting gold mineralization in the Aspen Formation (the sedimentary unit underlying the main known lithic tuff and intrusive sill host rocks at Kilgore). Included in the 25 hole program were 3 large diameter PQ-sized holes to be used for certain gold and metallurgical studies. To date, the Company has announced drill results from its first nine holes (see Otis News Releases dated October 3, 2017 and November 20, 2017). Holes with noteworthy intercepts include:

- 129.4m grading 1.66 g/t Au in hole 17 OKC-356 (includes 24.4m grading 3.45 g/t Au)
- 22.9m grading 0.74 g/t Au in hole 17 OKC-355
- 73.1m grading 1.13 g/t Au in hole 17 OKC-358
- 110.6m grading 0.90 g/t Au in hole 17 OKC-361
- 65.5m grading 1.21 g/t Au in hole 17 OKC-362
- 62.5m grading 1.11 g/t Au in hole 17-OKC 364

While these results should be read in conjunction with the news releases noted above, the primary take-away from drilling results received to date is that the Aspen Formation continues to demonstrate meaningful potential to host additional mineralization and increase size and grade of the Kilgore Deposit. Assay results from the remaining holes drilled in the 2017 campaign will be released as soon as they become available. It should be noted that results from the lab have been very slow and have been out of the control of the Company.

Other work at Kilgore included the development of a 3D geological model in Leapfrog, the collection of over 2,500 soil, rock chip and stream sediment samples (results pending) and a 464 line kilometer ground magnetic survey (results pending). The sampling and ground magnetic work covered areas both within and external to the existing Kilgore project area. Additionally, a significant amount of historical paper-based data has been entered into an online database and a GIS system. This field and desktop work is being used to develop a drill program for 2018 and beyond; specific information on this planned program will be issued as it becomes available. The development of the 3D geological model is being used as a tool to assist in the completion of an updated NI 43-101 resource estimate that will include drilling conducted in 2015, 2016 and 2017. Finally, Otis will be conducting metallurgical testing in 2018 on a PQ-sized hole drilled this year to test gold recoveries in the underlying Aspen host rock.

Just as importantly, a Plan of Operation has been filed with the US Forest Service to permit 140 new drill sites to conduct step-out drilling at the existing Kilgore Deposit and to test new targets in 2018 and beyond (see News Release dated October 23, 2017). An Environmental Assessment (or "EA") will be completed as part of the agency review process, which is currently ongoing. Otis personnel and consultants are actively supporting the USFS in their review process.

## Development Work at Oakley

In July, Otis consolidated its ownership interest at the Oakley Project to 100%. Specifically, it increased its interest in the Blue Hill Creek and Matrix Creek claim blocks from 80% to 100% and reduced its royalty burden from 2.5% to 2.0% in exchange for the issuance of 380,000 common shares. 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. The Oakley Project also includes a claim block known as Cold Creek, in which Otis already maintained a royalty-free 100% ownership interest.

While work in 2017 was focused at Kilgore, Otis did complete a sampling program at the highly prospective Matrix Creek discovery consisting of over 1,300 soil and rock chip samples. This work was subsequent to a program consisting of 14 surface grab samples collected by Otis at Blue Hill Creek in 2014 that 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 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).

Otis continues to be very excited about the potential for delineating a gold/silver discovery at Matrix Creek as well as the potential for the expansion of mineralization at Blue Hill Creek (where a joint venture partner intercepted gold mineralization in three holes 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).

#### New Strategic Investor

In February, Otis announced that Agnico Eagles Mines Limited ("Agnico") purchased a 9.95% ownership interest in Otis via a private placement priced at \$.35 per common share, for a total investment of \$5,047,000 (see News Release dated February 28, 2017). This investment was a major development for Otis, as it represented a strong endorsement of our project portfolio. Agnico has been a strong partner throughout the year, and in addition to providing capital have delivered valuable informal technical insights and market exposure to the Company.

#### Other Financings

In June, existing core shareholders, including Directors of the Company, invested a further \$1,950,000 in the Company via the exercise of 13,000,000 warrants at a price of \$.15 per share. This continued support from a loyal shareholder base was critical in providing capital to fund operations.

#### Sale of Non-Core Assets

In June, Otis announced the sale of two non-core mineral properties in Lemhi County, Idaho (referred to as the Hai and Goldbug projects and also known collectively as "Arnett Creek") to a subsidiary of Strata Minerals Inc. in exchange for 2,750,000 common shares of Strata, \$100,000 in cash and 1% royalty. Subsequent to the transaction, Strata was renamed [Revival Gold Inc.](#) and additionally acquired the past-producing Beartrack Mine (located in close proximity to the Hai and Gold Bug claims). Revival is well-financed and is actively conducting exploration on its projects. While this investment is being held as a strategic asset, it can be a source of cash as required.

#### People

In July, Mr. Don Poirier joined the Company's Board of Directors. Mr. Poirier, a geologist, was previously the Vice President of Corporate Development at [Hecla Mining Company](#) and was an integral part of the team responsible for Hecla's acquisition of [Aurizon Mines Ltd.](#) in 2013. Prior to that, he enjoyed a 20 year career as a sell-side mining analyst at several Canadian investment firms and also has experience as a field geologist. The Company also announced the appointments of Mr. Michael Vint (mining engineer) and Dr. Roger Morton (geologist) to its growing Advisory Board.

#### Going Forward

Otis will be releasing results from the remaining 13 exploration holes of the 2017 drill program as soon as they are received. The results from the ongoing compilation of soil and ground magnetic surveys will also be communicated to the market upon completion. Upon review and assessment of all drill and other results, Otis will be issuing guidance on exploration programs planned for 2018 which will include drilling at Kilgore and, potentially, the Oakley Project. Final details will be conditional on permitting and capital. Just as importantly, Otis will be updating its Kilgore NI 43-101 Resource Estimate upon receipt of drill assays.

Otis President and CEO Craig Lindsay states: "As the year closes, I'd like to take this opportunity to thank our shareholders for their continued support and confidence in the Company. As with many of our competitors, current valuations in our sector are not reflective of underlying project development

and potential. We continue to believe that valuations will return to more normal trading ranges in the medium to long term, and investors will be rewarded for their patience. Otis will close the year with a strong cash balance projected at \$2.2 million net of all 2017 exploration expenses plus our shareholding in Revival Gold. Just as importantly, I want to recognize and thank my exploration team, led by Dr. John Carden and Mr. Mitch Bernardi, for their continued success at Kilgore and Oakley.&rdquo;

#### About the Kilgore Gold Project

The Kilgore Project contains a current NI 43-101 (dated September 12, 2012) Indicated Resource of 520,000 ounces (oz.) Au in 27.4 million tonnes at a grade of 0.59 g/t Au and an Inferred Resource of 300,000 oz. Au in 20.2 million tonnes at a grade of 0.46 g/t Au (the &ldquo;Deposit&rdquo;). The Deposit is part of an extensive low-sulfidation quartz-adularia epithermal hydrothermal system hosted in Tertiary volcanic rocks and basement Aspen Formation calcareous siltstone, shale, and sandstone of Late Cretaceous age. Gold mineralization is of the traditional disseminated, bulk-tonnage type similar to that comprising the classic volcanic-hosted gold deposits at Round Mountain, Nevada and McDonald Meadows, Montana. The preparation of an updated NI 43-101 compliant resource calculation is ongoing and will include drilling completed in 2015, 2016 and 2017. This resource update will be released when available.

The Qualified Person under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects for this News Release is Bruno Barde, 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

*&ldquo;Craig T. Lindsay&rdquo;*

President and CEO Tel: 604.683.2507

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