

Otis Gold Corp. Options Oakley Project to Centerra Gold

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VANCOUVER, March 09, 2020 - [Otis Gold Corp.](#) ("Otis" or the "Company") (TSX-V: OOO) (OTC: OGLDF) is pleased to announce that a definitive option agreement (the "Oakley Agreement") has been executed by [Centerra Gold Inc.](#) ("Centerra") to earn up to a 70% interest in the Oakley Property (the "Oakley Project") in exchange for total exploration expenditures of US\$7,000,000 and cash payments to Otis of US\$550,000 over a 6 year period.

Highlights

- Centerra can earn a 51% interest in Oakley (the "First Option") by incurring US\$4,500,000 in exploration expenditures and by making cash payments of US\$250,000 over a three-year period as follows:
 - Cash payment of US\$75,000 (received) on signing and commitment to spend a minimum of US\$500,000 on exploration expenditures in Year One;
 - Cash payment of US\$75,000 and US\$1,500,000 in exploration expenditures in Year Two; and
 - Cash payment of US\$100,000 and US\$2,500,000 in exploration expenditures in Year Three.
- Centerra will then have an option to acquire a further 19% of the Oakley Project, for a total of 70% (the "Second Option"), by incurring an additional US\$3,000,000 in exploration expenditures and making a cash payment of US\$300,000 over three years.
- During the term of the Oakley Agreement, Centerra will be the Operator of the project. Otis will act as Project Manager and will be paid 10% of the approved exploration expenditures for technical oversight and project management.
- Subsequent to either the First Option or the Second Option, at Centerra's option, the parties shall form a joint venture and fund expenditures going forward on a pro rata basis.
- Should Otis's interest fall below 10% during the joint venture, that interest will automatically convert to a 2% net smelter return royalty that is not subject to a buyback provision.

Craig Lindsay, President and CEO of Otis stated: "We are very pleased to announce this partnership with Centerra Gold. While our focus remains on the growth and development of our Kilgore Project, we are excited to partner with Centerra to move this project forward and realize further value on Oakley. Furthermore, the committed expenditure in the first year of the option agreement will likely see a drill program undertaken at Oakley in 2020. Just as importantly, this transaction has the full support of [Excellon Resources Inc.](#), which is in the process of acquiring Otis."

Brendan Cahill, President and CEO of Excellon stated: "We are pleased to see this option agreement on Oakley and look forward to working with Centerra following the closing of our proposed acquisition of Otis."

On February 24, 2020, Otis announced that it had entered into a definitive agreement with [Excellon Resources Inc.](#) (TSX:EXN) whereby Excellon proposes to acquire all the issued and outstanding shares of Otis pursuant to a plan of arrangement under the *Business Corporations Act* (British Columbia).

About the Oakley Project

The Oakley Project hosts gold-silver, epithermal hot spring-type mineralization at two targets: Blue Hill Creek and Cold Creek, and detachment-related gold-silver mineralization at Matrix Creek. Blue Hill Creek (Technical Report dated August 8, 2016) contains an Inferred Resource of 163,000 ounces Au in 9.97 million tonnes at a grade of 0.51 g/t Au. The Blue Hill Creek resource is hosted in rocks of the Tertiary Salt Lake Formation within a northwest-trending Tertiary graben that is part of a north trending, five-mile-long by one-mile-wide zone of low-sulphidation, hot spring-type gold occurrences along the western margin of the Albion Mountains.

Matrix Creek is located 1.5 km southeast of the Blue Hill Creek resource. The black matrix breccia ("BMB") mineralization at Matrix Creek is distinctive from the epithermal mineralization at Blue

Hill Creek in terms of style, host rock lithology and structural controls, however, both occur within the Tertiary graben setting. The BMB from outcrop section observations is at least 12 metres thick and consists of quartzite fragments in a black to dark-grey matrix of fine-grained quartz and pyrite. The host rocks are part of a lower Paleozoic package of quartzite and limestone that occurs throughout eastern Nevada, western Utah, and southern Idaho.

Qualified Person

Alan Roberts, MSc, CPG, Vice President of Exploration, serves as the Qualified Person for this news release and has reviewed and approved the technical content contained herein.

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 Project, located in Clark County, Idaho and the Oakley Project, located in Cassia County, Idaho.

ON BEHALF OF THE BOARD

“Craig T. Lindsay”
President & CEO

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