

Otso Gold Announces an \$8 Million Investment Agreement with Alumina Partners and the Appointment of a New CFO

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Toronto, May 12, 2020 - [Otso Gold Corp.](#) (TSXV:OTSO) (the "Company" or "Otso"), is pleased to announce that the Company has executed a draw-down equity financing facility of up to \$8,000,000 CDN (the "Draw-Down Facility"), with Alumina Partners (Ontario) Ltd. ("Alumina"), an affiliate of Alumina Partners, LLC, a New York-based private equity firm that has made substantial investments in a broad range of publicly traded securities. The terms of the Draw-Down Facility are set out in an investment agreement dated May 11, 2020 (the "Investment Agreement") between Alumina and the Company.

The proceeds from the Draw-Down Facility will allow the Company to continue the development of the 100% owned Otso Gold Mine back to production. The Draw-Down Facility is subject to Alumina and the Company agreeing mutually to the pricing terms of each tranche of financing. The detailed terms of the Investment Agreement are described below.

Brian Wesson stated "We look forward to working with Alumina as we progress the Otso Gold Mine. The facility will provide working capital to the Company on an as needed basis. The execution of the Investment Agreement with Alumina is a significant step towards the restart of the mine and demonstrates confidence in the project and the management team".

"Alumina is excited to support Otso as they progress towards reopening the Otso Gold Mine," said Adi Nahmani, Alumina's Managing Member. "For a number of reasons, including the attractiveness of gold as a currency hedge and an inflation hedge, we have been allocating more capital to gold for the past year. We find the value proposition of Otso, with a veteran hands-on management team and a fully-built, fully-permitted mine, to be very compelling in this environment."

Details of the Alumina Facility

The Investment Agreement details the purchase of up to \$8,000,000 of units of the Company (the "Units"), consisting of one common share (the "Shares") and one common share purchase warrant (the "Warrants"), at discounts ranging from 15% to 25% of the market price of the Shares, with tranche of the Draw-Down Facility occurring at the mutual consent of the Company and Alumina, throughout the 24 month term of the Investment Agreement. The exercise price of the Warrants will be at a 20% premium over the market price of the Shares. There are no upfront fees or interest associated with the use of the Draw-Down Facility.

Appointment of Mark Gelmon as CFO

The Company is also pleased to announce that it has appointed Mark Gelmon as its new Chief Financial Officer.

Mr. Gelmon obtained his Bachelor of Arts degree at the University of British Columbia and subsequently attained his Chartered Accountant designation in 1995 and is a member of the Chartered Professional Accountants of B.C. Mr. Gelmon has provided his expertise to several TSX and TSX Venture Exchange listed companies in the capacity of director, chief financial officer and consultant. His background as a CPA, CA, provides the Company with the necessary skills required for financial management, reporting operating results to the Company's board of directors, liaison with financial institutions, and compliance with today's complex regulatory reporting requirements.

Brian Wesson stated "we welcome Mark Gelmon onto the team and look forward to working with him to

progress Otso. Mark's significant experience with listed issuers and mining companies in Canada will provide further depth and expertise to the Otso Gold team. We thank Daryl Midgley for his contribution to the Company".

Correction to March 27, 2020 Press Release

The Company also announces a correction to its press release issued on March 27, 2020 in connection with the closing of an offering of 10% convertible unsecured debentures of the Company (the "Debenture Financing"). The proceeds raised under the Debenture Financing should have read as \$3,737,000 rather than \$3,705,032.

For further information, please contact:

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About the Company

[Otso Gold Corp.](#) wholly owns the Otso Gold Mine near the town of Raahe in Finland. The Otso Gold Mine is fully built, fully permitted, has all infrastructure in place, two open pits and is progressing towards production at a name plate capacity of 2 million tonnes per annum.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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