Toronto, ON, September 28, 2021 **Trading Symbol: TSX-V: OTSO**

OTSO GOLD PROVIDES AN UPDATE TO SHAREHOLDERS AND ANNOUNCES THE RAMP-UP TO PRODUCTION

Toronto, ON. – Otso Gold Corp. ("**Otso**" or the "**Company**"), (TSX-V:OTSO) is pleased to release the following shareholder update.

Dear Shareholders,

The Company is pleased to announce that the Company restarted the process plant and began ramping-up production at the Otso Gold Mine on September 20, 2021. Accordingly, it is expected that the first gold pour will occur in October 2021.

The move back towards production represents the culmination of the considerable work completed by management to date to ensure that operations are long term, sustainable and profitable. It also marks the conclusion of the Company's preparatory works phase and the beginning of the Company's ramp-up to production phase before moving to full commercial production.

Overview

The Company's focus since February 2021 has been to ensure that all elements for the ramp-up and production phases are in place and the completion of all necessary preparatory works, including:

1. completing the initial financing, and subsequent warrant exercise, by Brunswick Gold Limited ("**BGL**") which enabled the Company to complete all critical preparatory works leading to the Company's ramp-up to production;
2. expansion and upgrade of tailings and waste dump areas;
3. upgrade of the water reservoir;
4. completing 10,000 metres of an infill diamond drilling campaign, with drilling continuing;
5. commissioning of an assay laboratory on site complete with Atomic Absorption Spectroscopy and Inductively Coupled Plasma capability. Such laboratory is

being managed on site by CRS Laboratories Oy, an accredited laboratory, which will train Otso staff and assist in the ramp-up of all testing on site;

6. receiving the initial results from an updated technical report and mine plan for production;
7. entering into a mining contract for operations, as well as other agreements for the ramp-up to production;
8. installing best practice health and safety practices;
9. upgrading and expanding Otso's environmental monitoring responsibilities to ensure compliance with mining best practices and the requirements of the Finnish regulatory authorities;
10. hiring approximately 130 personnel representing the workforce for ramp-up and production;
11. retaining Orica Finland Oy as the Company's explosives supplier;
12. completing all testing and maintenance of equipment required for production; and
13. upgrading equipment and systems on site.

In-Depth Operations Update

To recap, the Company finalized an investment agreement dated December 13, 2020 with BGL which resulted in an aggregate investment of approximately US$22 million (including the funds received from BGL's recent warrant exercise – see the Company's press release dated July 21, 2021). The funds were allocated to completing all preparatory work at the Otso Gold Mine site, ramping-up to production and ensuring that all elements were in place for full commercial production.

The drill program which commenced in 2019 is now complete with a cumulative 10,000 metres of drilling completed, infilling the resources in and around (up to 40 metres from the current pit footprints) the north and south pits. The drilling was undertaken on the advice of John T Boyd Company ("**Boyd**") and supported by both internal reviews and the advice of various consultants in previously published reports, including the Boyd Preliminary Economic Assessment (the "**PEA**") published in 2018. The updated technical report released by Boyd (noting the Technical Report did not include the final ~4,000 metres of drilling completed as part of the original drilling campaign) and announced on August 19, 2021, illustrated the following improvements in the final mine plan for production (as compared to the PEA):

- an increase in measured and indicated ounces of ~290%; and
- an increase in measured and indicated "high grade" of ~20%;

The drilling campaign has confirmed the mineralization continues on strike both east and west and has identified additional structures to the north and south, in addition to mineralization below the existing pits. The Company continues to drill for both grade control and expansion of the confidence and breadth of Otso's resources.

The Company expects to continue exploration and infill drilling for the foreseeable future with extensive geological targets identified by geophysics and previous drilling the focus once commercial production has stabilized. This drilling, it is expected, will ensure continued development and understanding of the mineralized area and will focus on continual replenishment, expansion and upgrading of the resources and reserves. Continued drilling will be carried out based on the detailed geophysical interpretation the Company has been undertaking to complement the initial drilling campaign. Furthermore, the Company plans to define new drilling targets across the 1,500 hectare mining lease area and 4,000 hectare exploration lease area.

Additionally, grade control reverse circulation drilling is being carried out as new areas are stripped to further infill the current 25 metre diamond drill spacing and will deploy a pattern of 6 x 8 metres for detailed mine planning.

Blasting operations begun on site in September 2021 to test patterns for production and move ore for the ramp-up. The initial mining will be focused on the South Pit and shallow targets identified around the pit edges of both the North and South Pit.

The Company is working closely with Boyd to define the long-term mine plan. The Company expects to publish the previously announced Definitive Feasibility Study ("**DFS**") prepared by Boyd in October 2021, inclusive of the additional ~4,000 metres of drilling completed. The mine plan will see the area of mining increase by approximately 300% from the current foot print and the merging of the North and South pits. Boyd is also working closely with the Company to assess options in order to double production on site through the installation of a parallel low-grade circuit. Progress is encouraging and will continue with the results being expected after the publication of the previously announced feasibility study.

As announced on August 11, 2021, the Company has contracted E. Hartikainen ("**Hartikainen**") to provide mining services to the Company. The contract with Hartikainen sets the Company up with a highly competent mining contractor with significant experience mining in the region and having a fleet of world-class equipment.

The Company has employed a highly skilled health and safety team with experience in medical and emergency services. The team is also building an integrated health and safety framework and automated training system applied across all areas of operations.

Supported by global recruitment agency, Brunel Energy Inc., the Company has welcomed 133 new employees since May 2021. The Company is confident that the diverse skill set and significant expertise of its workforce will fully support its operations.

As highlighted above, all preparatory work onsite for the ramp-up to production is now complete, including substantial upgrades to the water reservoir, residue storage and waste rock facilities.

Orica will be working with the Company and Hartikainen onsite to supply and test explosives for mining.

All processing equipment has been tested and maintained and, where necessary, upgraded for production. Metso Outotec Corporation has spent considerable time onsite testing the mills and crushers.

The Company is expanding its high-grade sulphide circuit capacity from 6 tonnes per hour to 12 tonnes initially at a ~97% percent recovery. To optimize recovery and enhance monitoring, the Company has upgraded and modernized its process automation system Valmet DNA DCS.

The Company is further installing a portable jaw and cone crusher onsite to decrease the size fraction of the ore feed to the milling circuit providing the Company with the flexibility to optimize grind size - which we expect will ultimately improve recovery and throughput.

The Company expects to announce a results update from the drilling program shortly as well as the results of the feasibility study by Boyd.

Further Financing to Full Commercial Production

The Board of Director's has decided to secure up to $5 million through a stand by facility to ensure the Company has a sufficient working capital buffer as we continue the ramp-up and move to full commercial production.

The Company is investigating options in this regard; however, BGL has agreed to provide such funding (the "**Working Capital Financing**") by subscribing for units ("**Units**") of the Company at a price to be determined at a later date at a discount of 25% to the share price of the day per Unit. Each Unit will consist of one common share (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price equivalent to the share price of the day for a period of five years from the date of issuance. The Working Capital Financing is subject to TSXV approval.

BGL currently holds an aggregate of 569,888,880 Common Shares representing approximately 63.05% of the issued and outstanding Common Shares. The Working Capital Financing is considered a 'related party transaction' within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company intends to rely on exemptions from the formal valuation and majority of minority approval requirements in sections 5.5(b) and 5.7(a) of MI 61-101 in respect to completing the Working Capital Financing, as the fair market value of BGL's participation will not be more than 25% of the Company's market capitalization.

Refinancing update

The Company has engaged with a number of commercial banks regarding refinancing of borrowings including the secured debt due in December 2021.

Finally, the Company has recently updated its website and invites shareholders to follow its progress in this exciting time as the Company ramps-up to commercial production.

Sincerely,

Brian Wesson

Chief Executive Officer

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The technical disclosure in this news release has been reviewed and approved by Gregory B. Sparks, P. Eng., of John T. Boyd Company, a Qualified Person as defined by National Instrument 43-101.

Caution

The Company cautions that it has not defined or delineated any proven or probable reserves for the Otso Mine Project and mineralization estimates may therefore require adjustment or downward revision based upon further exploration or development work or actual production experience. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Company also cautions that the decision by the Company to proceed to develop the Osto Mine Project and extract mineralization proceeded without the Company first establishing reserves supported by a technical report and completing a pre-feasibility or feasibility study. Accordingly, there is a higher risk of technical and economic failure at Osto because development proceeded without first establishing reserves supported by a technical report and completing a feasibility study. This is particularly relevant as the Company has proceeded with development at Osto on indicated and inferred resources without first completing a preliminary economic report.

Forward-looking Statements

This press release contains forward-looking statements regarding the Company based on current expectations and assumptions of management, which involve known and unknown risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are forward-looking statements under applicable Canadian securities legislation. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution our readers of this press release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR (www.sedar.com) under the Company's issuer profile. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

About the Company

Otso Gold Corp. wholly owns the Otso Gold Mine near the town of Raahe in Finland. The Otso Gold Mine is developed, fully permitted, has all infrastructure in place, two open pits and is progressing towards production in October 2021 to ramp up towards processing ore at 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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