



AMARILLO REPORTS ON KEY MILESTONES AND FINANCIAL RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2019

This news release should be read in conjunction with Amarillo Gold Corporation's consolidated financial statements and management's discussion & analysis for the year ended December 31, 2019. Both are available at www.amarillogold.com, and under the Company's profile on SEDAR at www.sedar.com.

All monetary amounts are expressed in Canadian dollars unless otherwise specified.

TORONTO, March 19, 2020 (GLOBE NEWSWIRE) -- **Amarillo Gold Corporation** (Amarillo or the Company) (**TSX.V: AGC, OTCQB: AGCBF**) today announced its financial results for the three months (Q4) and year ended December 31, 2019.

Amarillo **achieved** several key corporate **milestones** in 2019:

- ▮ **Financial** – completed two private placements for total gross proceeds of \$15.3 million and hired Auramet International, LLC to advise on construction financing for Amarillo's Mara Rosa Project in Brazil.
- ▮ **Feasibility study for Mara Rosa Project in Brazil** – SRK Consulting Pty Ltd., Ausenco, and GeoHydroTech Engenharia are finalizing the study. It will include a resource update, mine plan, financial model, and detailed engineering for dry stack tailings.
- ▮ **Project development at Mara Rosa** – purchased or contracted to purchase 406 hectares at Mara Rosa, and negotiations are underway with landowners to acquire remaining 695 hectares. Five-thousand metre drill program has begun at northeastern extension of the Mara Rosa Project.
- ▮ **Exploration Lavras do Sul** – initiated a 5,000-metre drill program.
- ▮ **Western Potash Corporation case** – In January 2020, the Supreme Court of British Columbia directed Western Potash Corporation to pay Amarillo approximately \$211,000 in legal costs relating to the issue of confidentiality in the ongoing case.
- ▮ **Strengthened management team** – hired seasoned mine builder as country manager in Brazil, and experienced corporate development and investor relations consultants.

"These achievements bring us closer to our goal of reaching commercial production at Mara Rosa, our flagship project," said Mike Mutchler, Chief Executive Officer of Amarillo. "Barring any negative effects from the coronavirus outbreak, we are close to completing the feasibility study, while Auramet continues its efforts to help us find the capital we need to build Mara Rosa.

"We have also completed the drilling of Mara Rosa's northern extension, with the aim of adding to the resource and extending the mine life.

"We are monitoring the impacts of the coronavirus outbreak on the capital markets as well as our operations, personnel, consultants and other providers, and will reassess our plans as the situation unfolds."

Financial results

The following table summarizes the Company's major operating expenses for the three and twelve months ended December 31, 2019.

	Three months ended December 31		Year ended December 31	
	2019	2018	2019	2018
	\$	\$	\$	\$
General and administrative				
Consulting	40,153	131,241	323,434	350,981
Professional	224,921	1,012	856,267	601,160
Salaries, benefits, and management fees	172,478	164,838	698,986	560,845
Directors' fees	52,500	25,000	172,500	244,167
Marketing and promotion	60,852	80,910	314,507	271,444
Filing and transfer agent	16,953	40,901	78,509	112,127
Travel	12,964	6,058	41,304	52,144
Other G&A	71,013	71,799	260,285	263,645
Total G&A	651,834	521,759	2,745,792	2,456,513
Stock-based compensation	18,168	206,860	1,004,270	1,480,249
Financial advisory services	36,000	-	36,000	-
Foreign exchange loss	107,701	37,903	153,489	65,999
Interest and finance charges	111,590	1,604	121,041	136,708
Write-off of accounts payable	-	20,645	-	(118,171)
Gain on debt settlements	(5,417)	(140,830)	(5,417)	(140,830)
Subtotal before other items	919,876	647,941	4,055,175	3,880,468
Items related to gold loans	-	(178,198)	-	709,148
Loss before tax	919,876	469,943	4,055,175	4,589,616
Deferred tax recovery	-	(1,064,495)	-	(719,495)

Net (loss) income (919,876) 594,752 (4,055,175) (3,870,121)

The Q4 2019 loss of \$919,876 includes foreign exchange loss of \$107,701 and \$111,590 in interest charges that relate mostly to the DNPM liability. The comparative Q4 2018 income of \$594,752 includes non-cash recoveries aggregating \$1,383,523 relating to gain on debt settlements, gold loans, and deferred tax. After adjusting for these recoveries, the Q4 2019 results are a loss of \$788,771.

Professional fees in Q4 2019 increased by \$223K relating mostly to the litigation against WPC. We expect to recover a substantial portion of these fees as a result of the Supreme Court of British Columbia's decision delivered in January 2020.

The annual 2019 loss of \$4,055,175 (2018: \$3,870,121) includes \$1,004,270 (2018: \$1,480,249) of non-cash stock compensation expense. The annual 2018 loss includes net non-cash recoveries aggregating \$269,348 relating to gain on debt settlements, write-off of accounts payable, gold loans and deferred tax. After adjusting for these recoveries, the annual 2018 results are an adjusted loss of \$4,139,469.

Although the loss in 2019 is comparable to the adjusted loss in 2018, professional fees increased in 2019 by \$255,107 due to the WPC litigation, approximately \$211,000 of which will be repaid to the Company by WPC. Salaries and benefits increased in 2019 by \$138,141, mostly due to the hiring of new Brazil Country manager.

Strengthening the management team

In July 2019, Arão Portugal joined the Company as Country Manager for Amarillo's Brazilian subsidiaries. Mr. Portugal is a seasoned mine builder in Brazil with over 40 years of diverse mining and mineral processing experience in South America.

Michael Durose, an accomplished Professional Geologist and mining analyst, joined the Amarillo team as an adviser on a part-time, consulting basis in November 2019. He is guiding the Company's exploration programs and advising on corporate development.

Annemarie Brissenden joined Amarillo in March 2020, providing investor relations services on a part-time, consulting basis. Ms. Brissenden is a Certified Professional in Investor Relations with almost 20 years of investor relations experience, largely in the resource sector.

About Amarillo

Amarillo Gold Corporation (www.amarillogold.com) is developing an open pit gold resource at its Mara Rosa Project in the mining-friendly jurisdiction of Goiás State in Brazil. The Mara Rosa Project has received the main permit giving it the social and environment permission to mine, and is working toward obtaining an installation permit.

An NI 43-101 Pre-Feasibility Study filed on SEDAR on September 13, 2018, estimates that Mara Rosa's Posse Deposit has total estimated reserves of 1,087,000 ounces of gold from 23.8 Mt at 1.42 g/t Au with:

- 513,000 ounces of gold in the Proven category from 9.6 Mt at 1.65 g/t Au
- 574,000 ounces of gold in the Probable category from 14.2 Mt at 1.26 g/t Au.

In addition to the Mara Rosa Project,

Amarillo also has the Lavras do Sul project, an advanced exploration stage property in Brazil with more than 22 prospects centered on historic gold workings. An NI 43-101 technical report filed on SEDAR on October 4, 2010, estimates an initial resource estimate at the Butia prospect of:

- 215,000 ounces of gold in the Indicated category from 6.4 Mt at 1.05 g/t Au
- 308,000 ounces of gold in the Inferred category from 12.9 Mt at 0.74 g/t Au.

Both Mara Rosa and Lavras do Sul are in mining friendly states and have excellent nearby infrastructure.

Amarillo Gold Corporation trades on the TSX.V under the symbol **AGC**, and on the OTCQB under the symbol **AGCBF**.

Qualified Person

Mike Mutchler, President and Chief Executive Officer of the Company, is a Qualified Person as defined by NI 43-101 guidelines. He has reviewed and approved the scientific and technical disclosure relating to the pre-feasibility study of 2018 in this news release.

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Forward-looking statements

This news release contains forward-looking statements regarding the Company's current expectations regarding future events, including its business, operations and condition, and management's objectives, strategies, beliefs and intentions.

Various factors may prevent or delay our plans, including but not limited to, the trading price of the common shares of the Company, capital market conditions, impacts from the coronavirus or other epidemics, counterparty risk, TSX.V approval(s), contractor availability and performance, weather, access, mineral and gold prices, and success and failure of the exploration and development carried out at various stages of the program.

Permission from the government and community is also required to proceed with future mining production. Readers should review the Company's ongoing quarterly and annual filings, as well as any other additional documentation comprising the Company's public disclosure record, for additional information on risks and uncertainties relating to these forward-looking statements.

Readers should also review the risk factors applicable to junior mining exploration companies generally to better understand the variety of risks that can affect the Company. The Company undertakes no obligation to update publicly or otherwise revise any Forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.