News release

Trenching results show gold anomalies up to 8 kilometres northeast of Posse

September 14, 2020

Toronto, September 14, 2020 – Results from a surface exploration program support the theory that there are additional near-surface gold deposits along the Posse North Gold Trend, said Amarillo Gold Corporation (TSXV: AGC) (OTCQB: AGCBF) today.

Since February 2020, surface work at the Company's Mara Rosa Property in Brazil has focused on trenching and auger drilling to delineate the higher-grade zones of anomalous gold on surface along the trend. The ongoing aim is to identify potentially economic gold deposits that could add to existing resources and reserves, which could enhance the production profile of the Posse Gold Project.

"We are starting to realize the district scale potential of the Posse trend," said Mike Mutchler, Amarillo's Chief Executive Officer. "These exciting results are consistent with the results of our successful November 2019-February 2020 drill program, which showed the potential for satellite gold deposits at Mara Rosa.

"A new resource would give us the option to extend the planned life of the Posse Mine, expand the plant throughput, or some combination of both. This would significantly increase the project's expected returns."

The surface exploration program focused on three targets. Pastinho, Lambari, and Estrela are located 3.5 kilometres, 4.5 kilometres, and 8.0 kilometres northeast of the Posse Gold Deposit along the Posse North Trend (see Figure 1).

Posse North is a northeast trending potassium-radiometric anomaly with coincident gold in soil anomalies greater than 50 parts per billion defined by previous work. Structural features found by airborne magnetics were also useful guides for targeting.

A mechanical back-hoe loader dug three-metre-deep trenches generally at every 200 metres. Chip channel samples were taken at one-metre intervals for each trench, which were oriented in a northwest-southeast direction and perpendicular to the main trend of the gold deposits.

The key findings of the surface exploration program are:

- surface trenching and auger drilling confirm the up-dip extension of the Pastinho gold target
- the surface soil anomaly at Pastinho has been defined over a strike length of 1.5 kilometre and remains open along strike to the northeast
- there appear to be subparallel gold structures with up to five mineralized gold zones trending northeast along the Pastinho target.
- Lambari and Estrela have defined gold anomalies that require follow-up work.

Each target is discussed in detail on page 2. Trenching results are tabulated on page 4, and Figures begin on page 4.

The Pastinho target
Pastinho is 3.5 kilometres northeast of the Posse Deposit on 6,000 hectares of new exploration tenements that Amarillo gained access to in December 2019. It is a gold mineralized structure approximately 800-900 metres long oriented in a northeast-southwest direction along the same structural trend as the Posse Gold Deposit. The apparent thickness varies from 10-20 metres and dips about 60 degrees northwest.

Geologically, Pastinho is similar to Posse. It is characterized by a hydrothermally altered thrusted shear zone developed along the contact between a biotite microcline gneiss (granodiorite composition) and metagabbo and/or amphibolite mafic rocks. There are structural fabrics including mylonites together with hydrothermal alteration minerals like silicification (quartz), biotite, sericite, and carbonate with associated disseminated sulphides that are typically 1-3% pyrite.

The results of Amarillo's most recent diamond drilling are interpreted to have increased the strike extent to 900 metres (see Figure 2) from the 150 metre long zone of near-surface gold mineralization defined by a previous operator. Examples from these drill results include:

- hole LMR007A – 18.7 metres grading 0.84 g/t gold. It was oriented with an azimuth of 109.1 degrees and a dip of -50 degrees.
- hole 20P109 – 11 metres grading 0.74 g/t gold. It was oriented with an azimuth of 125 degrees and a dip of -59 degrees.

Nine trenches (see Figures 3 and 4) were dug totalling 791.6 metres, and 850 samples were tested over a strike length of 1.5 kilometres (see Table 1). Highlights of the results include:

- trench 20TCH001 – 20 metres grading 1.034 g/t Au
- trench 20TCH002 – 11 metres grading 0.95 g/t Au
- trench 20TCH003 – 10 metres grading 1.22 g/t Au
- trench 20TCH004 – 5.1 metres grading 3.27 g/t Au
- trench 20TCH009 – 17 metres grading 1.46 g/t Au.

Significantly, the surface trench work has extended the strike length of the Pastinho gold target to 1.5 kilometres. The current interpretation is that the surface trenching program has outlined the up-dip extension of Pastinho. There appear to be up to five subparallel gold structures dipping northwest approximately 50-60 degrees. Pastinho, which has been drill-tested to a depth of approximately 100 metres, remains open at depth.

Lambari
Lambari is located approximately 1.0 kilometre northeast of Pastinho, and 4.5 kilometres north of Posse. The geological setting of Lambari is similar to the Posse Gold Deposit and Pastinho.

Surface work consisted primarily of shallow auger drilling, which defined two gold in soil anomalies. The first anomaly is located along strike and parallel to Pastinho and has a strike length of approximately 1.0 kilometre. The second gold in soil anomaly occurs to the northeast and is parallel to the first anomaly. It has been defined over a distance 1.5 kilometres.

Estrela
Estrela is located about 3.5 km northeast and along trend from Pastinho, and approximately 8.0 kilometres northeast of Posse. Estrela is interpreted to occur along the same structural corridor as Posse and Lambari and shares similar geology. Work consisted primarily of shallow surface auger drilling and defined a northeast trending gold in soil anomaly over a strike length of 900 metres.

Future exploration program

The surface exploration work at Mara Rosa has been successful in better defining the Pastinho, Lombari, and Estrela gold exploration targets.

In addition to on-going surface trenching and auger drilling of selected targets, next steps will also include completing a detailed induced polarization ground geophysical survey over each of the targets and a diamond drill program.

Ground geophysics is expected to begin in late September or early October, with a diamond drilling program planned to begin in late 2020 or early 2021. Approximately C$1.75 million has been budgeted for exploration at Mara Rosa to the end of 2021.

Table 1: Trenching results

Trench number	Number of samples	Gold structure	From (metres)	To (metres)	Length (metres)	Gold grade (g/t)
20TCH001	96	1	23.00	43.00	20.00	1.034
		2	55.00	59.00	4.00	0.320
20TCH002	92	1	23.00	34.00	11.00	0.950
		2	54.00	58.00	4.00	0.222
20TCH003	98	1	31.00	41.00	10.00	1.220
		2	44.00	55.00	11.00	0.341
		3	72.00	80.00	8.00	0.196
		4	83.00	84.00	1.00	0.705
		5	94.00	95.00	1.00	0.246
20TCH004	89	1	20.90	26.00	5.10	3.265
		2	39.00	43.00	4.00	0.271
		3	52.00	53.00	1.00	0.491
		4	55.00	56.00	1.00	5.435
		5	65.00	66.00	1.00	7.275
20TCH005	99	1	31.20	39.10	7.90	1.524
		2	50.00	52.00	2.00	0.242
		3	60.00	63.00	3.00	0.544
		4	68.00	71.00	3.00	0.388
		5	80.00	82.00	2.00	1.070
20TCH006	76	1	53.30	56.00	2.70	0.919
20TCH007	66	1	58.00	59.80	1.80	0.393
20TCH007A	32	1	0.00	19.00	19.00	1.431
20TCH008	62	1	47.00	55.65	8.65	0.918
20TCH008A	30	1	22.00	23.00	1.00	1.642
20TCH009	110	1	7.00	24.00	17.00	1.461
		2	29.00	31.00	2.00	0.280
		3	43.10	43.90	0.80	0.686

Figures

The following figures illustrate the Pastinho drill target and the Company's interpretation of the work done to date:

- Figure 1 – Posse North Trend
- Figure 2 – Location of Pastinho drill holes
- Figure 3 – Location of Pastinho trenches
- Figure 4 – Plan view of trenches and drill holes along section lines
- Figure 5 – Cross-section through Pastinho on section line 12
- Figure 6 – Cross-section through Pastinho on section line 15

Figure 1: Posse North Trend

This figure shows the potassium radiometric and surface soil anomalies along Posse North Trend. It also shows the location of the Pastinho, Lambari, and Estrela targets, and distance from Posse Gold Deposit.

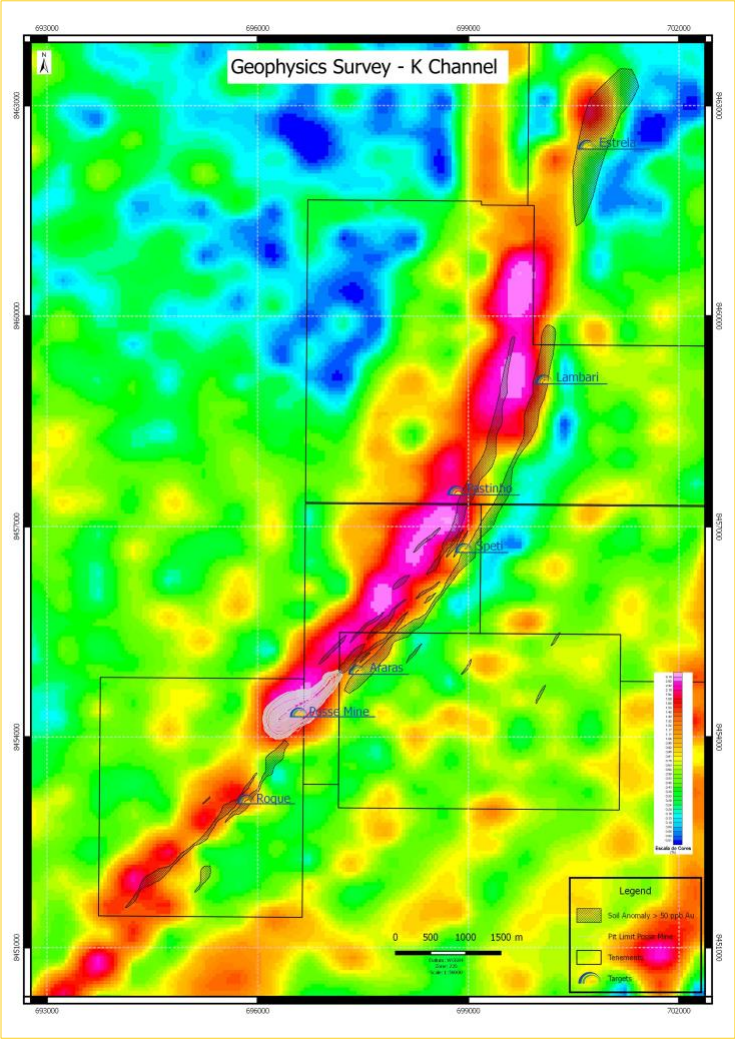


Figure 2: Location of Pastinho drill holes

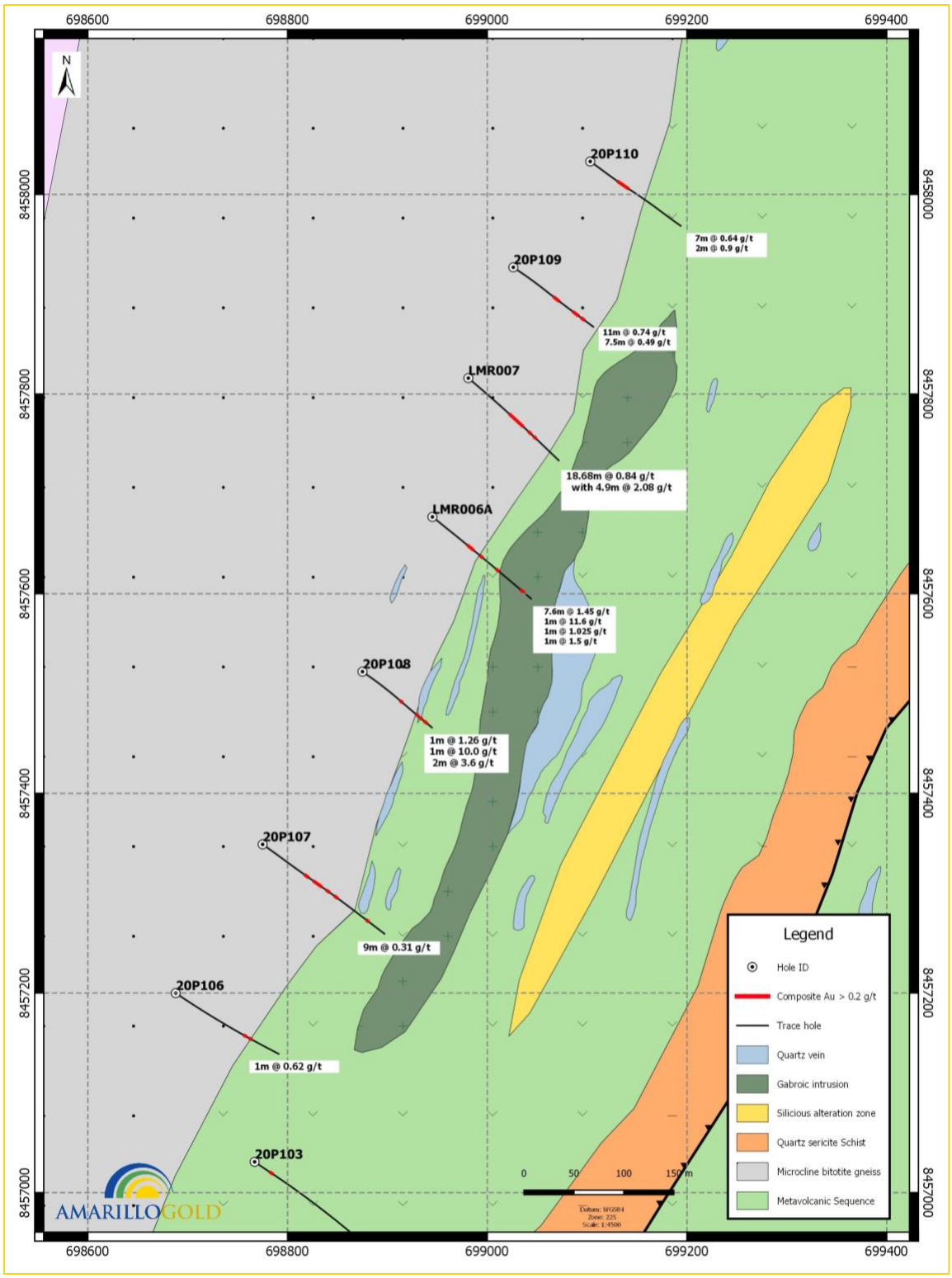


Figure 3: Location of Pastinho trenches

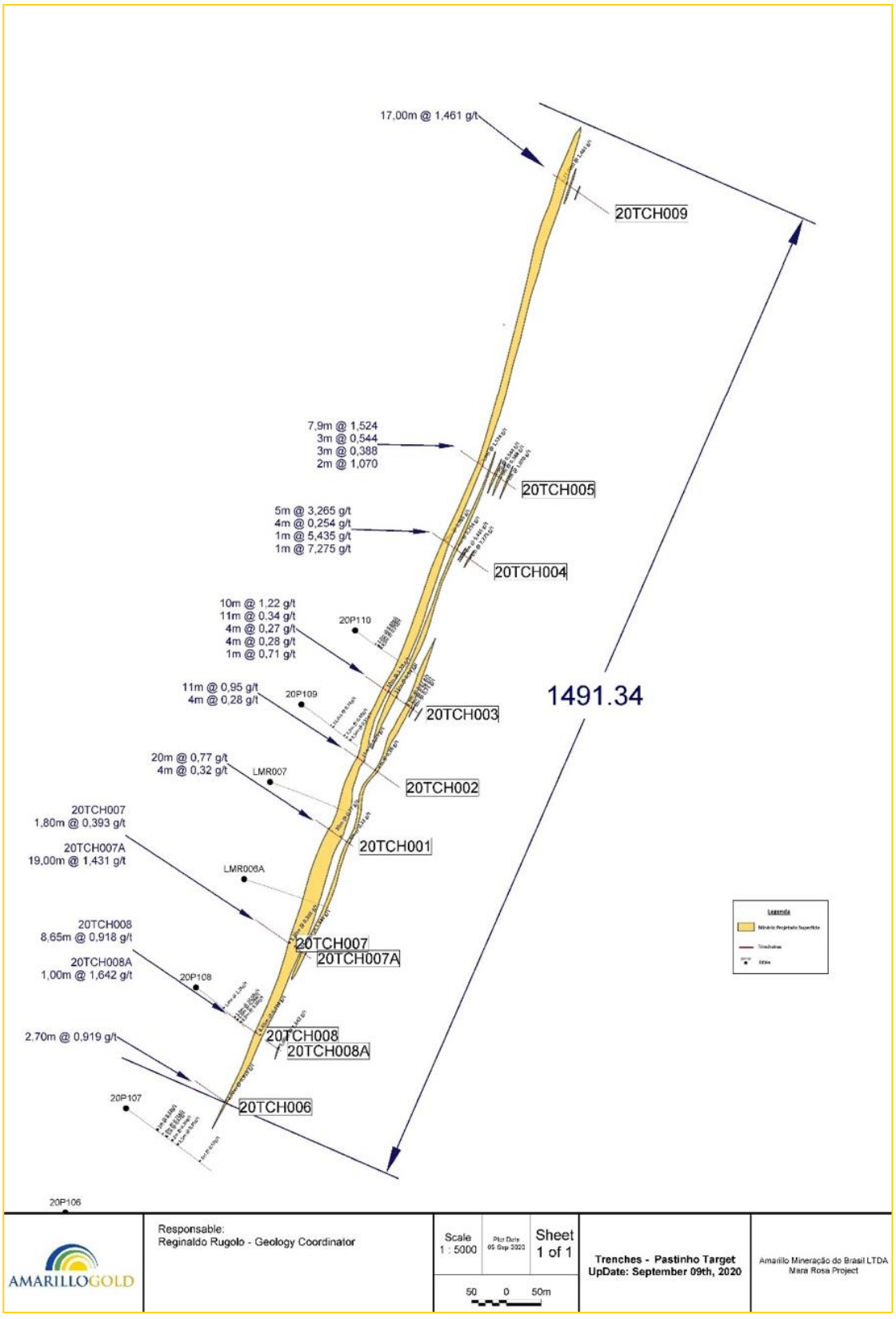


Figure 4 – Plan view of trenches and drill holes along section lines

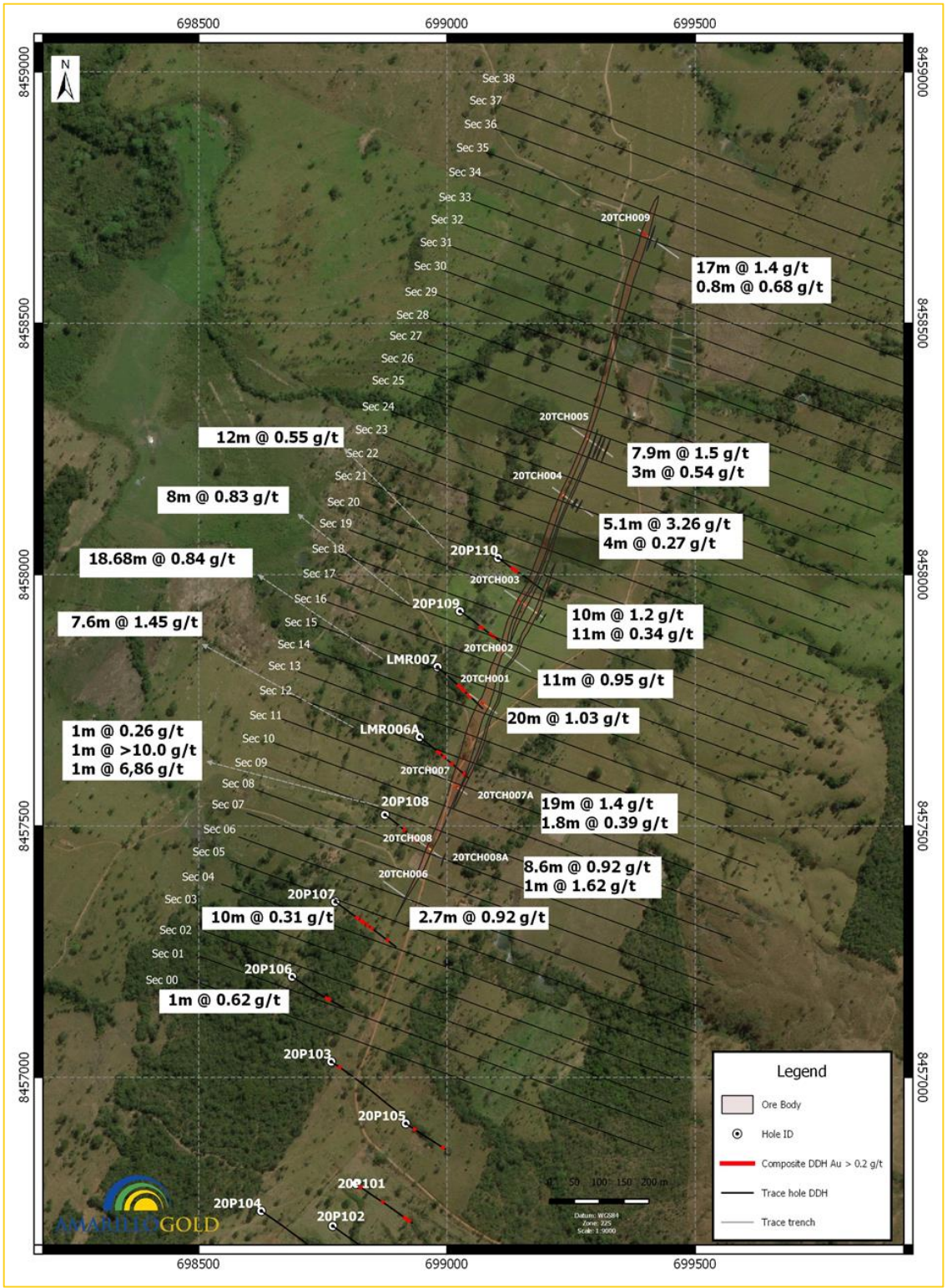


Figure 5 – Cross-section of Pastinho through section line 12

This figure is a northeast facing cross-section through Pastinho on section line 12 based on trench 20TCH007A and diamond drill hole LMR006A.

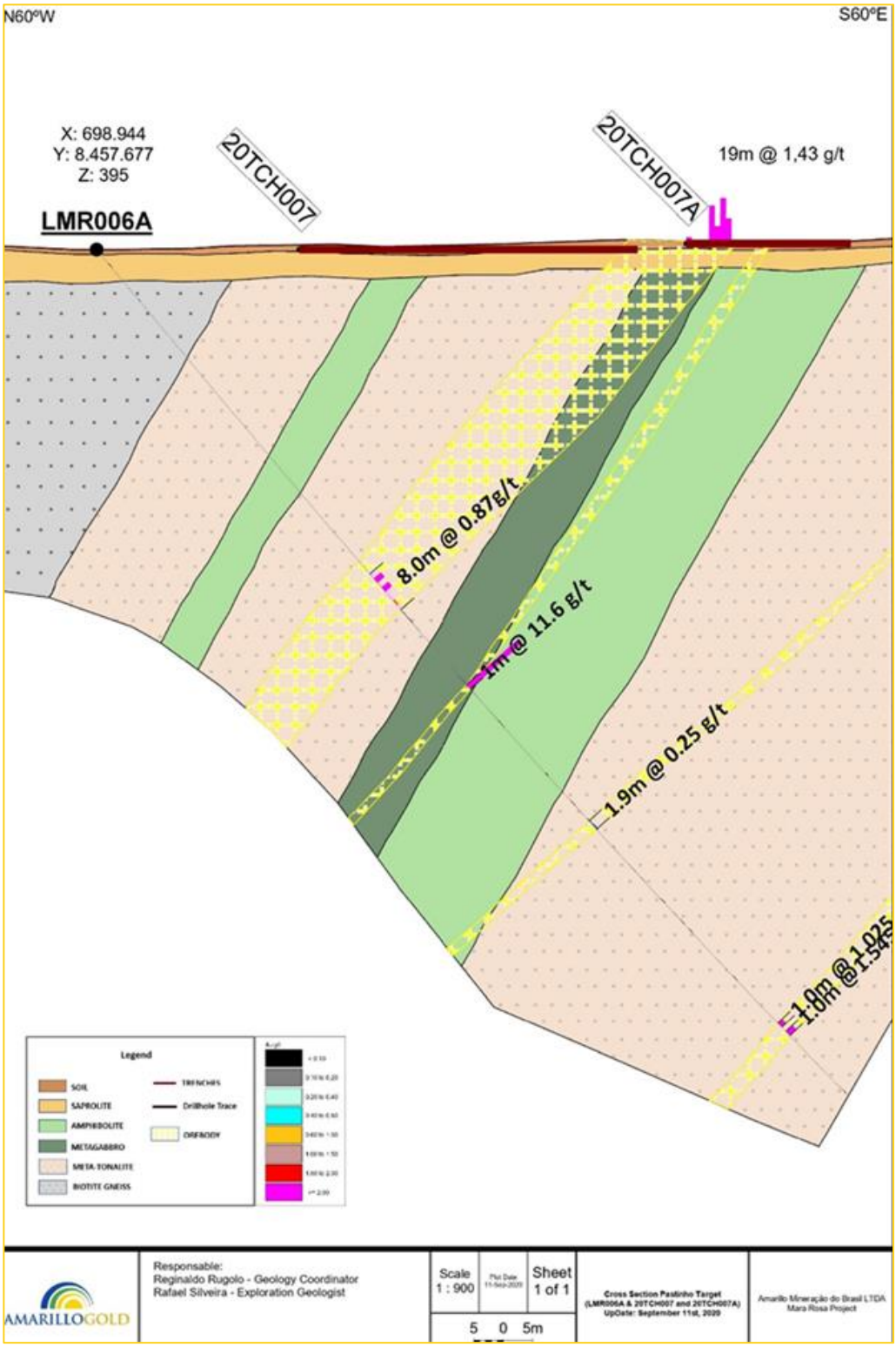
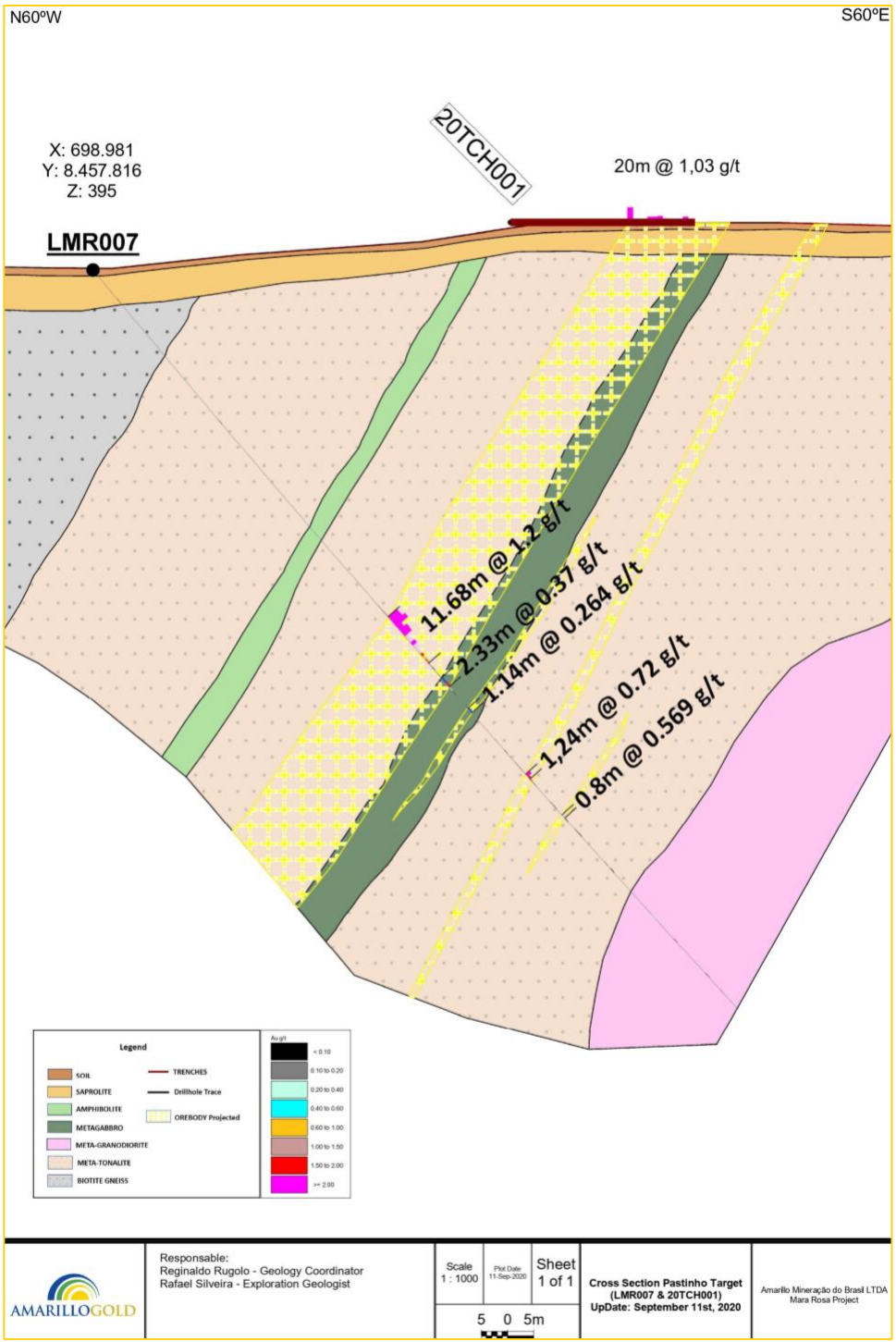


Figure 6 – Cross-section through Pastinho on section line 15

This figure is a cross-section through Pastinho on section line 15, which is approximately 150 metres northeast of section line 12. The surface trenching results again confirm the up-dip extension of Pastinho. In this case, four subparallel gold structures have been defined.



About Amarillo

Amarillo Gold Corporation is advancing two gold projects in Brazil. Both are in mining-friendly states and have excellent nearby infrastructure. The development stage Posse Gold Project on its Mara Rosa Property in Goiás State has received the main permit that provides social and environmental permission for mining. Work is underway on receiving the installation permit. The exploration stage Lavras do Sul Project in Rio Grande do Sul State has more than 22 prospects centered on historic gold workings.

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

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Qualified Person

Michael Durose, P.Geo., Consulting Geologist for Amarillo Gold Corp. and a qualified person (QP) as defined by Canadian National Instrument 43-101, has reviewed and approved the scientific and technical information contained in this release.

Quality assurance and quality control

Sample handling, preparation and analysis are monitored through the implementation of formal chain-of-custody procedures and quality assurance/quality control programs designed to follow industry best practices.

Trench channel samples were taken at 1 m intervals and placed in a secure sample bag and submitted to ALS Laboratories Inc. in Goiania, Goiás State, Brazil for preparation by crushing to 70% passing 2.0 mm, riffle splitting to obtain 500 g aliquots, and pulverizing to 85% passing 75 microns.

Pulps are shipped to ALS Laboratories in Lima, Peru and analyzed by a 30 g fire assay and AAS finish. For assays above 10 ppm Au, a cut of the original pulp was re-assayed with a gravimetric finish.

Certified standards, non-certified blanks and field duplicates are inserted into the sample stream at regular intervals, so that QA/QC accounted for about 10% of the total samples. Results are routinely evaluated for accuracy, precision and contamination.

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, TSXV 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.

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