

Amarillo files NI 43-101 report for LDS Butiá Gold Prospect

TORONTO, ONTARIO – February 4, 2022 – Amarillo Gold Corporation (TSXV: AGC, OTCQB: AGCBF) announces the filing of an independent technical report according to *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* (NI 43-101) on the Butiá Gold Prospect.

The report, called *NI 43-101 Technical Report Mineral Resource for Butiá Gold Prospect*, is dated and effective January 25, 2022. It was prepared by VMG Consultoria e Soluções Ltda. for Lavras Gold Corp. and is available on SEDAR (www.sedar.com) under Amarillo Gold's issuer profile.

Butiá is one of 23 gold prospects on the Lavras do Sul Property and located 4 kilometres west of the town of Lavras do Sul, in the state of Rio Grande do Sul, southern Brazil. In general, the main characteristics of gold mineralization in the Butiá Prospect are:

- Structurally controlled gold mineralization hosted within hydrothermally altered micro-brecciated sericite granite.
- The gold mineralization is disseminated occurring over large thicknesses and associated with fluids of alkaline affinity. Mineralogical associations include sericite, albite, chlorite, jarosite, calcite, pyrite, galena, and sphalerite.
- Mineralization begins at surface and extends to a depth of up to 300 metres. The width of the gold mineralized zones typically varies from 15 to 20 metres.

Mineral Resource Estimate for the Butiá Gold Prospect

The gold resources for the Butiá Prospect are based on a block model interpolated by the Ordinary Kriging method. A 0.3 grams per tonne (g/t) gold cutoff grade is assumed. This estimate should be read in conjunction with the full report.

TABLE: MINERAL RESOURCE ESTIMATE FOR BUTIA GOLD PROSPECT

Class	Type	Tonnes	Gold (grams per tonne)	Gold ounces
Measured	Saprolite	138,210	0.65	2,906
	Hard rock	4,504,865	0.89	128,623
Indicated	Saprolite	248,219	0.95	7,568
	Hard rock	8,025,529	0.92	238,207
Inferred	Saprolite	59,663	1.32	2,526
	Hard rock	3,616,339	0.96	112,115

Notes

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves
- Assumes a gold cut-off grade of 0.3 g/t
- Numbers may not sum due to rounding
- The qualified person for the resource estimate is Volodymyr Myadzel of VMG Consultoria e Soluções Ltda.

About the estimate

Dr. Volodymyr Myadzel, who is independent of Amarillo, is responsible for the resource estimation. The data for the Mineral Resource estimate were generated using the Micromine software.

Modelling

The block model was generated from the discretization of the three-dimensional solids into blocks of defined dimensions. The process of discretization of the solid included the sub-blocking process. Initially, the model was filled with blocks measuring 10 (X) by 10 (Y) by 10 (Z) metres, which were divided into subunits of smaller size, with a factor for size subdivision of 10 by 10 by 10 in contact with the surrounding three-dimensional solids.

As a result, at the limit with solids, the size of the blocks became 1.0 (X) by 1.0 (Y) by 1.0 (Z) metres. The initial size of the blocks was chosen based on the morphology of the orebodies and the size of the exploration grid at 1/2 of the main grid. This model contains 176,954 blocks.

The solid was used to create a block model within the mineralized geological body. This solid was used to encode the respective blocks. The digital model of the topographic surface was used to limit the block models by the vertical axis. The blocks were generated with faces parallel to the north/south and east/west axes.

Qualified person

Dr. Volodymyr Myadzel of VMG Consultoria e Soluções Ltda., a qualified person as defined by Canadian National Instrument 43-101, has reviewed and approved the scientific and technical information contained in this release.

ABOUT AMARILLO

Amarillo is advancing two gold projects located near excellent infrastructure in mining-friendly states in Brazil. The development stage Posse Gold Project is on the Company's Mara Rosa Property in Goiás State. It has a positive definitive feasibility study that shows it can be built into a profitable operation with low costs and a strong financial return. Mara Rosa also shows the potential for discovering additional near-surface deposits that will extend Posse's mine life beyond its initial 10 years. The exploration stage Lavras do Sul Project in Rio Grande do Sul State has more than 23 prospects centered on historic gold workings.

On November 29, 2021, [Amarillo announced a Plan of Arrangement with Hochschild Mining](#) whereby Hochschild will acquire all the outstanding shares of Amarillo by way of a plan of arrangement under the Business Corporations Act (British Columbia). Pursuant to the proposed Arrangement, each share of Amarillo will be exchanged for cash consideration of C\$0.40 and one share of a new Brazil-focused exploration company, Lavras Gold Corp., based in Toronto, Ontario. Learn more [about the transaction](#) at Amarillo's website, www.amarillogold.com.

Amarillo trades on the TSXV under the symbol AGC and the OTCQB under the symbol AGCBF. Follow Amarillo on [LinkedIn](#), [Twitter](#), and [YouTube](#).

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FORWARD-LOOKING STATEMENTS AND CAUTIONARY LANGUAGE

Certain information provided in this news release constitutes forward-looking statements. Specifically, this news release contains forward-looking statements relating to: (i) the anticipated timing of the Amarillo shareholder meeting to approve the Arrangement, (ii) the anticipated timing of the closing of the Arrangement, the exploration and development prospects of Lavras SpinCo, and (iv) planned exploration and development activities of Lavras SpinCo.

The forward-looking statements are based on certain key expectations and assumptions. With respect to the anticipated timing of the Amarillo shareholder meeting, these include expectations and assumptions concerning the time required to convene the meeting and complete and mail the related information circular. With respect to the anticipated timing of the closing of the Arrangement, these include expectations and assumptions with respect to the timely receipt of all required court, shareholder and regulatory approvals and the satisfaction of all other conditions to the closing of the Arrangement. With respect to the remaining forward-looking statements, these include expectations and assumptions concerning the availability of capital, the success of future drilling and development activities, Lavras SpinCo's contractual rights, prevailing commodity prices and economic conditions, the availability of labour and services, the ability to transport and market production, timing of completion of infrastructure and transportation projects, weather and access to drilling locations.

Although Amarillo believes that the expectations and assumptions on which the forward-looking statements are based are reasonable at the time of preparation, undue reliance should not be placed on the forward-looking statements as Amarillo can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. With respect to the timing of the completion of the Arrangement, these include risks that the required court, shareholder and regulatory approvals are not obtained on a timely basis, on terms acceptable to the parties or at all and risks that other conditions to the completion of the Arrangement are not satisfied. There is no guarantee that the Arrangement will close at the anticipated time or at all. With respect to the exploration and development prospects of Lavras SpinCo, the planned exploration and development activities of Lavras SpinCo and such factors and risks include, but are not limited to: general economic, market and business conditions; fluctuations in commodity prices; the test results and performance of exploration and development drilling; fluctuation in foreign currency exchange rates; the uncertainty of historic resource estimates and estimates of the value of undeveloped land; changes in environmental and other regulations; risks associated with mineral operations; and other factors, many of which are beyond the control of Amarillo. These and other risks are described further in Amarillo's most recently filed management discussion and analysis and its annual information form for the year ended December 31, 2019, which have been filed on SEDAR and may be reviewed under Amarillo's profile at www.sedar.com.

All mineral reserves and mineral resources for Amarillo have been estimated in accordance with the standards of the CIM and NI 43-101. All mineral resources are reported exclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Information on data verification performed on the mineral properties of Amarillo contained in or incorporated by reference in this news release that are considered to be material mineral properties to Amarillo are contained in Amarillo's most recently filed management discussion and analysis for the nine months ended September 30, 2021, and the current technical report for the property is filed by Amarillo under its profile on SEDAR at www.sedar.com.

The forward-looking statements contained in this news release are made as of the date hereof. Except as may be required by applicable securities laws, Amarillo assumes no obligation to publicly update or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise.

This news release shall not constitute an offer to sell or a solicitation of an offer to buy any securities and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities to be distributed pursuant to the Arrangement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. The securities to be distributed pursuant to the Arrangement will be offered and sold in the United States pursuant to the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act and similar exemptions under applicable state securities laws.