



Amarillo Applies for Installation License at Mara Rosa

TORONTO, Dec. 16, 2019 (GLOBE NEWSWIRE) -- Amarillo Gold Corp. (“Amarillo” or the “Company”) (TSXV: AGC) (OTCQB:AGCBF), is pleased to announce that it has submitted an application for the Installation License (Licence de Instalação or “LI”) for the Mara Rosa Project.

The application was made with SEMAD (Environmental Secretary), Goiás State, Brazil. The LI authorizes the installation of the project or activity according to the specifications contained in the plans, approved programs, designs, and control measures under the previously granted Pre-License (Licença Prévia or “LP”), which approved the Environmental Impact Assessment for Mara Rosa. This LI is the only major outstanding permit required to commence mine construction at Mara Rosa.

This application has been made following the Mine Plan, Process Plant and Dry Stacking designs completed by SRK, Ausenco and GeoHydroTech Engenharia, respectively. The Company is continuing with the preparation by SRK of the Feasibility Study (FS) which is expected in Q1 2020.

Amarillo’s President & CEO Mike Mutchler commented “With this application we expect to receive the LI by mid-2020 and commence construction of the Mara Rosa Project shortly thereafter. We have already engaged Auramet to assist us in sourcing project financing, and with the completion of the FS in Q1 2020 we expect to be in a position to conclude definitive financing arrangements in conjunction with the receipt of the LI. I would like to thank our employees and engineering firms in completing this important milestone on our path to develop the Mara Rosa Mine.”

About Amarillo

Amarillo 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 was awarded its main (LP) permit which provides the social and environment permission to mine. Amarillo is progressing toward obtaining an installation permit (LI). Based on the NI 43-101 Pre-Feasibility Study 2018 (PFS 2018) update filed on SEDAR on September 13, 2018, the Posse Deposit at the Mara Rosa Project contains estimated 513,000 ounces of gold in the Proven category from 9.6 Mt at 1.65 g/t Au, and 574,000 ounces gold in the Probable category from 14.2 Mt at 1.26 g/t Au, for total estimated Reserves of 1,087,000 ounces from 23.8 Mt at 1.42 g/t Au. In addition to the Mara Rosa Project, Amarillo has an advanced exploration project with excellent grades at Lavras do Sul, Brazil. A Mineral Resource Estimate Study (NI 43-101 technical report) for Lavras do Sul was filed on SEDAR on October 4, 2010. The Lavras do Sul Project is an advanced exploration stage property (190 sq. km.) comprising of more than 22 prospects centered on historic gold workings. The initial resource estimate at the Butia prospect reported 215,000 ounces of gold in the Indicated category from 6.4 Mt at 1.05 g/t Au, and 308,000 ounces of gold in the Inferred category from 12.9 Mt at 0.74 g/t Au using a 0.3 g/t cut-off grade. Both projects have excellent nearby infrastructure.

Mike Mutchler, President and Chief Executive Officer of the Company, is a Qualified Person as defined by NI 43-101 guidelines, and has reviewed and approved the scientific and technical disclosure relating to the PFS 2018 in this section of the 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 with respect to the Company’s proposed issuance of Common Shares to settle outstanding debt, the approval of the Shares for Debt Transactions by the TSXV and 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, 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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