

Amarillo acquisition closing and Lavras Gold spinout expected on April 1

TORONTO, ONTARIO – March 30, 2022 – Amarillo Gold Corporation (“Amarillo” or the “Company”) (TSXV: AGC, OTCQB: AGCBF) is pleased to announce that the acquisition of Amarillo by a subsidiary of Hochschild Mining PLC pursuant to a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (British Columbia) and the spin-out to Amarillo shareholders of all of the shares of Lavras Gold Corp. (“Lavras Gold”), is expected to occur on April 1, 2022.

Under the terms of the Arrangement, each share of Amarillo will be exchanged for cash consideration of C\$0.40 and one common share (each, a “Lavras Gold Share”) of Lavras Gold, a new Brazil-focused exploration company, based in Toronto, Ontario. Lavras Gold will be capitalized with approximately C\$10 million in cash and will hold all of Amarillo’s assets and rights with respect to the Lavras do Sul gold project located in southern Brazil in the state of Rio Grande do Sul, and a 2.0% net smelter revenue royalty on certain exploration properties outside Amarillo’s current Posse resource at its Mara Rosa Project.

The TSX Venture Exchange (the “TSXV”) is expected to halt the trading of the common shares of Amarillo on the TSXV pre-market on March 30, 2022.

Lavras Gold listing

Lavras Gold has received conditional approval to list the Lavras Gold Shares on the TSXV. Final listing approval will be subject to Lavras Gold satisfying all of the listing conditions of the TSXV. The trading symbol for the Lavras Gold Shares will be “LGC” and the ISIN and CUSIP numbers for the Lavras Gold Shares, respectively, will be as follows: ISIN CA51949L1004 and CUSIP 51949L100.

Further details regarding Lavras Gold are contained in Lavras Gold’s TSXV Form 2B Listing Application, which is expected to be available under Lavras Gold’s profile on SEDAR at www.sedar.com.

Exchanging Amarillo shares for the Arrangement consideration

Information regarding the procedure for exchanging Amarillo shares for the Arrangement consideration is provided in the Company’s management information circular dated January 27, 2022.

The management information circular and the form of letter of transmittal for the exchange of Amarillo shares for the cash consideration and Lavras Gold Shares are available under the Company’s SEDAR profile at www.sedar.com and on the Company’s website at www.amarillogold.com/investors/amarillo-hochschild-transaction.

Registered Amarillo shareholders must complete and sign a letter of transmittal and return it, together with the certificates/DRS advices representing their Amarillo shares and any other required documents, to the address specified in the letter of transmittal, in order to receive the cash consideration and Lavras Gold Shares following the effective date of the Arrangement.

Non-registered Amarillo shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee, or other intermediary or depository should contact their intermediary for instructions and assistance in receiving the Arrangement consideration.

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DISCLAIMER

Neither the TSX Venture Exchange nor its Regulation Services Provider (as defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the content of this news release.

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 the closing of the Arrangement, the anticipated timing thereof, the proposed listing of the Lavras Gold Shares on the TSXV and the capitalization of Lavras Gold. These forward-looking statements are based on certain key expectations and assumptions with respect to the timely satisfaction of all conditions to the closing of the Arrangement and the listing requirements of the TSXV with respect to Lavras Gold.

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, including risks that the conditions to the completion of the Arrangement and the listing are not satisfied. There is no guarantee that the Arrangement will close at the anticipated time or at all, that the Lavras Gold Shares will be listed on the TSXV or that Lavras Gold will be capitalized with funds that are contingent on the consummation of the Arrangement. These and other risks are described further in Amarillo's most recently filed management information circular and its management's discussion and analysis for the year ended December 31, 2021, which have been filed on SEDAR and may be viewed under Amarillo's profile 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.