

Amarillo receives regulatory approval for Posse power line

TORONTO, ONTARIO – OCTOBER 25, 2021 – Construction can begin on a power line that will deliver electricity to the Posse Gold Mine, said Amarillo Gold Corporation (TSXV: AGC, OTCQB: AGCBF) today, after receiving the License to Install for the line from the State Secretariat for the Environment and Sustainable Development of Goiás State (SEMAD).

It was the final regulatory approval needed for the 67-kilometre 138-kilovolt power line that will cross three municipalities and connect the Company's flagship Posse mine to a substation in Porangatu. Construction on the line is expected to start later this year and take about 14 months. An LI to expand the substation was previously received in February, and work on the expansion is now in its final phase.

Approximately BRL50 million (US\$9 million) is being invested in the overall energy supply for the project. The electrical power infrastructure includes this 138-kilovolt power line, the Porangatu substation expansion, diversion of the existing 69-kilovolt power line that traverses the Posse Mine, and a 34.5-kilovolt temporary line for power supply during construction.

The power line and Porangatu substation expansion are being built through a partnership between Amarillo's subsidiary Amarillo Mineração do Brasil and Enel Brasil, the state power utility. Enel has granted its approval of the overall project, and all the land for the power line has been acquired.

"Our goal from the beginning has been to build a power infrastructure that will meet the needs of the Posse Gold Mine and leave a valuable legacy to the community long after we're gone," said Paulo Serpa, Amarillo's Country Manager. "Our partnership with Enel and these approvals show that we are making steady progress towards achieving this goal."

In addition, Amarillo has received approval from SEMAD to divert an existing power line that otherwise would run through the planned pit area for the Posse Mine. The 69-kilovolt line provides power for the municipality.

A temporary power line will meet Amarillo's energy needs during construction. The existing 34.5- and 13.8-kilovolt overhead power lines that serve small loads on land close to the Posse Project will be relocated. This work is expected to begin in November.

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.

Amarillo trades on the TSXV under the symbol AGC and the OTCQB under the symbol AGCBF. Visit www.amarillogold.com to learn more about the Company's focus on becoming a mid-tier Brazilian gold producer.

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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.