

Amarillo discovers new primary gold deposit at Mara Rosa

TORONTO, ONTARIO – SEPTEMBER 8, 2021 – Pastinho is no longer a drill target but a full-fledged satellite deposit, said Amarillo Gold Corporation (TSXV: AGC, OTCQB: AGCBF) today, as it announced results from 15 new drill holes on the Company’s Mara Rosa Property in Goiás State, Brazil.

Located 3.5 kilometres northeast of Amarillo’s flagship Posse Gold Deposit, the Pastinho Deposit is a near-surface tabular shaped deposit striking 1,700 metres in a northeast-southwest direction that dips approximately 60 degrees northwest.

Amarillo is expanding its overall diamond drill program at Mara Rosa by 3,000 metres to follow up on the gold mineralization at Pastinho, which remains open along strike and down dip.

“We are very pleased with the drill results coming out of the 2021 exploration program at Pastinho,” said Mike Mutchler, Amarillo’s President and Chief Executive Officer.

“We have defined near surface gold mineralization over potentially mineable widths for a strike length of 1.7 kilometres and to depths of more than 100 metres. We are optimistic that with further work Pastinho will develop into a source of future ore feed for the Posse mill.”

Pastinho drilling highlights

- 3,767 metres of diamond drilling consisting of 23 holes has been completed at Pastinho
- Remarkably, **all 15 drill holes received to date intersected elevated gold values, demonstrating the notable consistency of the Pastinho Gold Deposit**
- Assay results have been received for 15 holes spanning a strike length of 1,200 metres from section line 14.00 to section line 38.00 (see Figure 1)
- Partial drilling results from drillhole 21PTN017 collared on section 38.00 returned 7.00 metre grading 0.9 g/t gold. This hole was the most north-easterly collared hole of the program and extends known gold mineralization by 250 metres of strike length to the northeast where the deposit remains open
- Drillhole 21PTN016 returned 6 metres grading 1.57 g/t gold from 42.00 metres on Section Line 24.00, demonstrating that higher relative gold grades over good thickness exist within the Pastinho Deposit
- Several drill holes have encountered multiple parallel gold zones and more work is required to better understand the nature and extent of these parallel gold-bearing structures:
 - 21PTN009 intersected 7.00 metres grading 0.89 g/t gold from 35.00 metres
 - 1.00 metres grading 3.430 g/t gold from 51.00 metres
 - 7.50 metres grading 0.93 g/t gold from 67.50 metres
- Pastinho remains open along strike and at depth
- A follow-up 3,000 metres drilling program will continue testing the downdip and strike extension of Pastinho

Background

The Pastinho Deposit is located approximately 3.5 kilometres northeast of Posse on 6,000 hectares of exploration tenements that Amarillo gained access to in December 2019.

The geological setting and style of mineralization observed at Pastinho is like what is seen at the flagship Posse Gold Deposit. The gold mineralization typically occurs within sheared mylonitic rocks that occur between hanging wall biotite gneiss and/or metatonalite and footwall gabbro and/or metatonalite (see Figure 2).

Gold is normally associated with 3-5% fine grained disseminated pyrite in silicified and carbonated mylonitic (highly sheared) rocks composed of quartz, plagioclase, biotite, sericite, and epidote. The foliation in the hanging wall biotite gneiss strikes northeast with a shallow northwest dip of 45-50 degrees in the southwest, with the dip steepening to 70-80 degrees to the northeast suggesting a wrenching affect.

Limited drilling in 2020 defined a tabular-shaped gold-mineralized structure approximately 800 to 900 metres long oriented in a northeast-southwest direction along the same structural trend as the Posse Gold Deposit. The apparent thickness varies from 5 to 20 metres and dips about 60 degrees northwest.

Follow up surface trenching and shallow auger drilling in late 2020 extended the strike length of mineralization to about 1.5 kilometres. As previously disclosed, selected near surface drill hole intercepts include 18.7 metres grading 0.84 g/t gold, 11.0 metres grading 0.74 g/t gold, and 7.6 metres grading 1.45 g/t gold (assuming a cut-off of 0.2 g/t gold).

Highlights of previously released surface trenching results include Trench 20TCH009 that returned 17 metres grading 1.46 g/t gold at the farthest northeast extent of the Pastinho Deposit.

As discussed in more detail below, results of the 2021 drilling program are confirming and enhancing the geological model of Pastinho.

About the 2021 drilling program

The goal of the 2021 drilling program is to:

- confirm that primary gold mineralization occurs below the surface trace of the gold-bearing surface trenches.
- test the strike extent of the deposit to the northeast
- look for a higher-grade and potentially thicker zone of mineralization.

Drill holes were collared in the hanging wall of the deposit and drilled perpendicular to the interpreted northwest dip plane of the tabular structure. The azimuths of the drill holes were oriented southeast and inclined usually at an angle of 60 degrees. Generally, holes were collared every 50 metres targeting vertical depths of 50 to 100 metres along the strike length of the gold deposit.

About drilling at Pastinho

Results have been received for 15 holes representing 2,228.9 metres drilled into Pastinho (see Table 1 and Figure 1). Overall 23 holes totalling 3,787 metres were completed. The holes tested a strike length of 1,200 metres from section line 14.00 to 38.00, and each section line is spaced 50 metres. Remarkably, all 15 drill holes intersected elevated gold values, demonstrating the notable consistency of the Pastinho gold deposit.

Assay results show elevated gold values over wide thicknesses. Furthermore, mineralization begins at surface and has been confirmed to vertical depths of more than 100 metres and widths of 5 to 20 metres. The deposit remains open along strike and down dip.

Key takeaways from the drilling are:

- primary gold mineralization has been defined below the surface trenches along and beyond the strike length of the surface trenches to the northeast
- gold mineralization was encountered in drill hole 21PTN017, 200 metres northeast of trench 20TCH009 confirming that the gold deposit remains open to the northeast
- wider and higher grades zones are beginning to develop within the south-central portion of the deposit. Furthermore, multiple parallel gold structures have been observed. Much more work needs to be completed to better understand the nature of the deposit here.

Pastinho drill results: notable details

Pastinho is demonstrating remarkable consistency and is dipping approximately 60 degrees to the north west.

For example, drill hole 21PTN001 intersected 12.00 metres grading 0.79 g/t gold on section line 14.00 in the central southwestern portion of Pastinho. Drill hole 21PTN002 was collared 100 metres northeast on Section line 16.00 and returned 13.00 metres grading 0.98 g/t gold at a vertical depth of 30 metres. Drill hole 21PT005 was a step out hole also collared on Section line 16.00 and intersected 15.00 metres grading 1.00 g/t gold (including 4.00 metres grading 2.67 g/t gold) at a vertical depth of 80 metres.

Multiple parallel gold structures have been observed at Pastinho. For instance, on section 17.00 (see Figure 3) a further 50 metres to the northeast, drill hole 21PT007 returned multiple gold intercepts including:

- 7.00 metres grading 1.37 g.t gold from 73.00 metres
- 12.50 metres grading 0.55 g/t gold from 112.50 metres.

Also on section 17.00, hole 21PTN009 likewise intersected three intervals of gold mineralization including:

- 7.00 metres grading 0.89 g/t gold from 37.00 metres
- 1.00 metres grading 3.430 g/t gold from 51.00 metres
- 7.50 metres grading 0.931 g/t gold from 67.50 metres.

Drill hole 21PTN008 on section 18.00 intersected three intervals of gold including:

- 7.00 metres grading 0.80 g/t gold
- 6.00 metres grading 0.67 g/t gold
- 10.00 metres grading 0.71 g/t gold.

These results demonstrate that at least three parallel gold-bearing structures exist in this portion of the deposit.

Pastinho is demonstrating that higher grade “sweet spots” exist. For instance, on section 22.00 drill hole 21PTN010 intersected 7.00 metres grading 1.02 g/t gold from 46 metres. One hundred metres to the northeast on section 24.00, drill hole 21PTN016 returned 6.00 metres grading 1.573 g/t gold. These results suggest a potential corridor of relatively higher-grade gold mineralization.

Pastinho is wide open along strike to the northeast. The drilling program tested the northeast strike extension of the deposit by collaring one hole 200 metres northeast of the most northeasterly surface trench (20T009). Hole 21PTN017 returned 7.00 metres grading 0.88 g/t gold on section line 38.00. This hole extends known gold mineralization to the northeast by 200 metres and remains open along strike to the northeast.

Summary

Including results for the 2020 drilling program, the strike length of Pastinho has been extended to 1,700 metres where primary gold mineralization has been encountered from section line 01 to section line 38 (see Figure 1). The central portion of the deposit appears to host three or more parallel gold bearing structures. Further work is required to better understand the nature and extent of these parallel structures.

The drilling results from Pastinho confirm a new primary gold discovery on the Mara Rosa property. At this stage, the gold deposit is interpreted to be a near-surface northeast-striking tabular structure dipping approximately 60 degrees to the northwest. Pastinho remains open along strike and at depth. This upside potential will be tested with the 3,000 metres drilling program that begins imminently.

Qualified person

Michael Durose, P.Geo., Consulting Geologist for Amarillo Gold Corporation 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 metre 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.

All drillhole samples in this drilling program consist of split NQ diamond drill core.

Drillcore is logged and sampled in a secure facility located in Mara Rosa, Goiás State, Brazil. Drillcore samples for gold assay are cut in half using a diamond saw 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 gold, 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.

TABLE 1: SUMMARY OF ASSAY RESULTS^{1,2}

Hole	Azimuth (degrees)	Dip (degrees)	From (metres)	To (metres)	Gold interval (metres)	Gold grade (grams/tonne)	Section (line)
21PTN001	110	-60	23.00	35.00	12.00	0.794	14.00
21PTN002	111	-60	26.00	39.00	13.00	0.983	16.00
		<i>including</i>	27.00	31.00	4.00	1.185	16.00
21PTN003	110	-59	28.00	39.00	11.00	0.887	15.00
			65.00	67.50	2.50	0.458	15.00
			75.00	76.00	1.00	0.310	15.00
21PTN004	110	-58	40.00	48.00	8.00	0.575	19.00
			51.00	54.00	3.00	0.513	19.00
			62.50	65.00	2.50	0.473	19.00
21PTN005	110	-60	75.00	90.00	15.00	1.003	16.00
		<i>including</i>	76.00	80.00	4.00	2.666	16.00
			94.00	96.00	2.00	0.128	16.00
			125.00	127.50	2.50	0.101	16.00
			150.00	152.50	2.50	0.102	16.00
21PTN007	109	-59	73.00	80.00	7.00	1.369	17.00
		<i>including</i>	73.00	77.00	4.00	1.891	17.00
			112.50	125.00	12.50	0.547	17.00
		<i>including</i>	112.50	120.00	7.50	0.770	17.00
21PTN008	110	-59	35.00	42.00	7.00	0.795	18.00
			47.00	53.00	6.00	0.670	18.00
			75.00	85.00	10.00	0.711	18.00
21PTN009	110	-61	37.00	44.00	7.00	0.886	17.00
			51.00	52.00	1.00	3.430	17.00
			67.50	75.00	7.50	0.931	17.00
		<i>including</i>	72.50	75.00	2.50	1.860	17.00
21PTN010	110	-59	46.00	53.00	7.00	1.017	22.00
21PTN011	110	-59	114.00	125.00	9.00	0.386	24.00
			137.00	138.00	1.00	0.210	24.00
21PTN013	110	-60	82.00	96.00	15.00	0.291	28.00
			101.00	104.00	2.00	1.378	28.00
			170.00	172.50	2.50	0.113	28.00
21PTN014	110	-61	1.00	2.00	1.00	0.345	34.00
			20.00	31.00	11.00	0.700	34.00
			34.00	35.00	1.00	1.240	34.00
			287.50	290.00	2.50	0.364	34.00
21PTN016	110	-60	42.00	48.00	6.00	1.573	24.00
21PTN017 ³	110	-65	29.00	36.00	7.00	0.880	38.00
21PTN018	110	-60	71.00	77.00	6.00	0.270	32.00
			80.00	89.00	9.00	0.280	32.00
			93.00	100.00	7.00	0.250	32.00
			207.00	208.00	1.00	0.234	32.00
			238.00	239.00	1.00	0.325	32.00

Notes

¹ Assumes 0.2 g/t gold cut-off

² True widths have not been determined at this time

³ Partial results

FIGURE 1: PLAN MAP SHOWING DRILL HOLE LOCATIONS AND ASSAY RESULTS FOR PASTINHO GOLD DEPOSIT

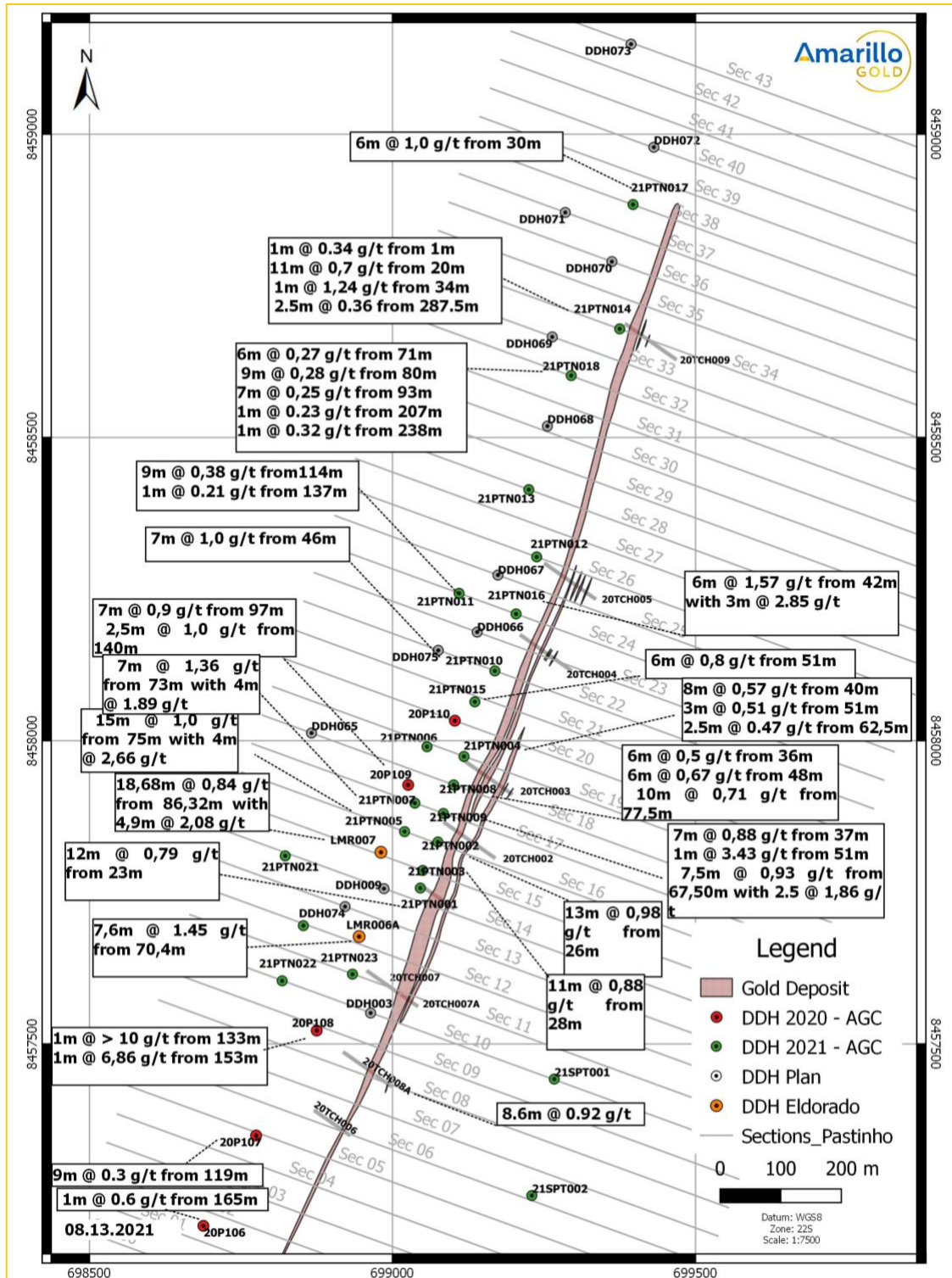


FIGURE 2: GEOLOGY OF THE PASTINHO GOLD DEPOSIT

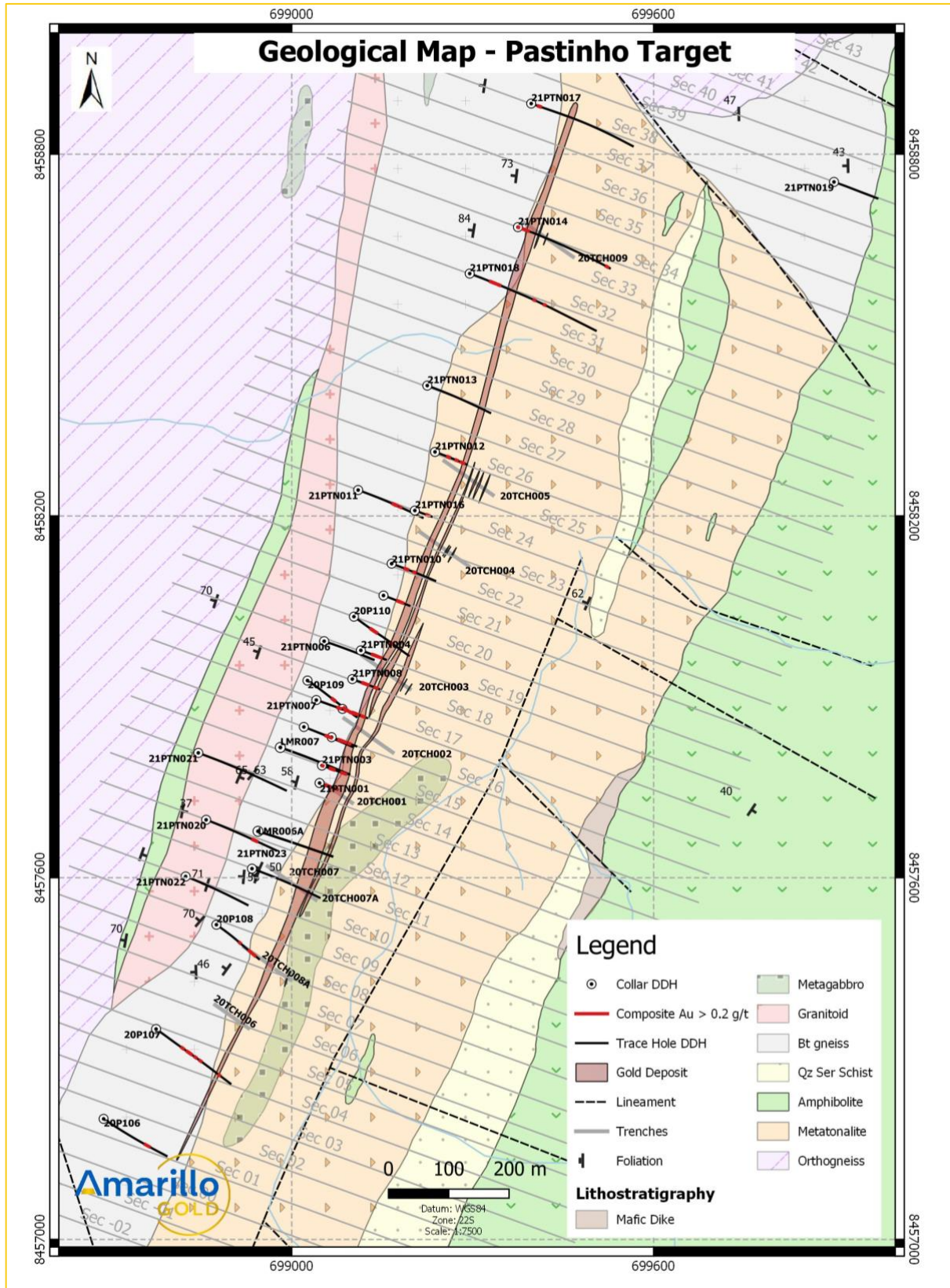
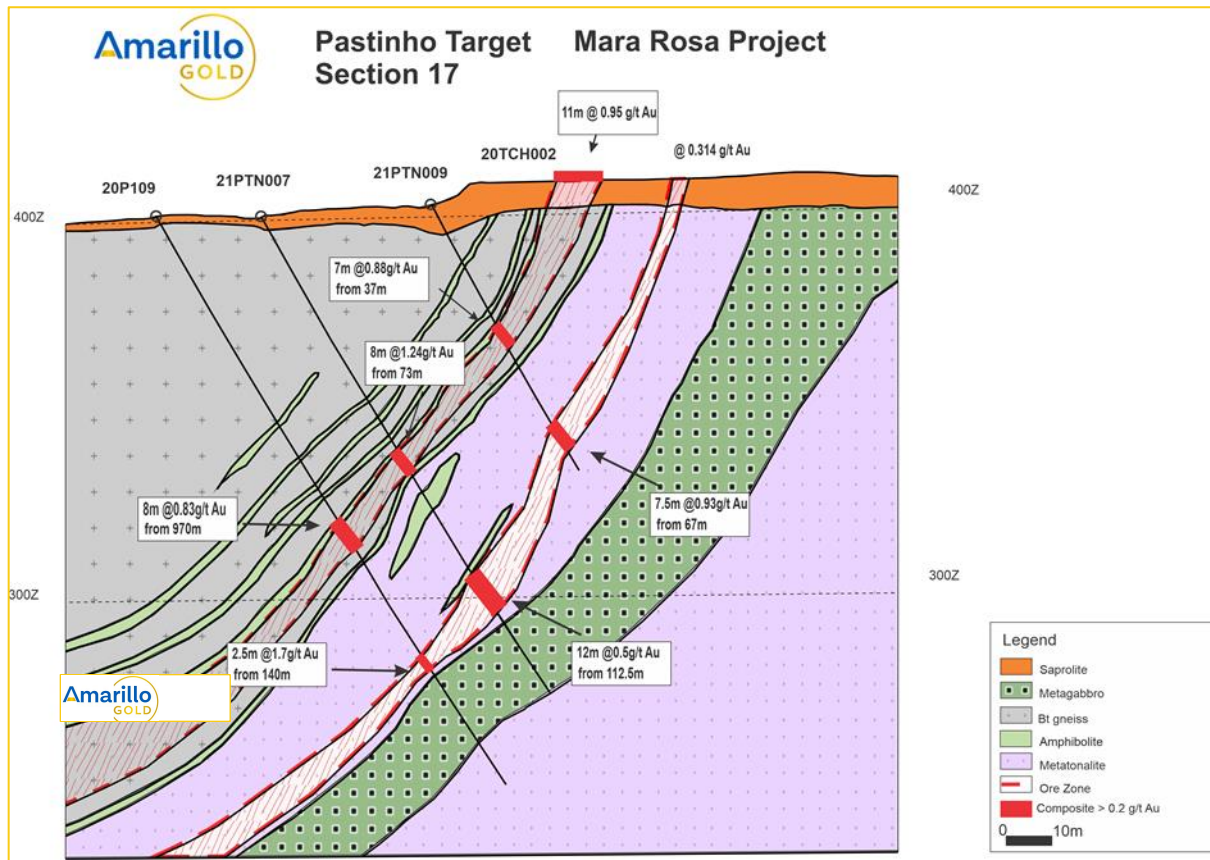


FIGURE 3: PASTINHO DEPOSIT – SECTION 17.00 – NORTHEAST FACING CROSS SECTION



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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Contact information

Mike Mutchler

President & CEO

416-294-0736

mike.mutchler@amarillogold.com

Annemarie Brissenden

Investor Relations

416-844-6284

annemarie.brissenden@amarillogold.com

NOTES

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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.