



Amarillo reports first quarter results

This news release should be read in conjunction with Amarillo Gold Corporation's condensed interim consolidated financial statements and management's discussion and analysis for the three months ended March 31, 2020. Both are available at www.amarillogold.com, and under the Company's profile on SEDAR at www.sedar.com.

All monetary amounts are expressed in Canadian dollars unless otherwise specified.

Toronto, Ontario – May 29, 2020 – Amarillo Gold Corporation (Amarillo or the Company) (**TSX.V: AGC, OTCQB: AGCBF**) today announced its financial results for the three months ended March 31, 2020.

Amarillo **achieved** several key corporate **milestones** in the first quarter of 2020.

The Feasibility Study (FS) for the Posse Gold Project in Brazil is nearly complete

- SRK Consulting Pty Ltd (SRK), the lead author, is close to finalizing the study, which will include a resource update, mine plan, and financial model
- Ausenco Limited has completed detailed engineering
- GeoHydroTech Engenharia (GHT) has completed its study of tailings engineering, which are now dry stacking
- Auramet International, LLC, is actively engaged in seeking construction financing, and interested parties are waiting for the results of the FS to be published

Project development at Mara Rosa

- *permitting* – the License to Install for Posse was submitted in December 2019, and the water and deforestation permit applications were submitted in Q1 2020
- *land acquisition* – 573 hectares have been purchased or are under contract to purchase. Negotiations to purchase remaining 538 hectares are continuing with landowners
- *exploration* – completed 3,000-metre drill program on northeastern extension of Posse Gold Deposit. Results showed potential to find near-surface gold deposits along its Posse North Gold Trend

Exploration at Lavras do Sul

- 3,000-metre drill program has been completed, and results are still pending

“Completing the feasibility study for our Posse Gold Project at Mara Rosa is our immediate priority,” said Mike Mutchler, Amarillo’s Chief Executive Officer. “We look forward to releasing that in the coming week.

“We’re continuing to push ahead with project development, even as we prepare to launch the feasibility study. After submitting the License to Install in December, we applied for water and deforestation permits during the quarter.

“In the meantime, we’ve completed a diamond drill program at Mara Rosa that confirmed mineralization up to four kilometres northeast of the Posse Gold Deposit. With Posse remaining open at depth to the southwest, these mineralized targets to the northeast give us additional opportunities to expand the resources at Mara Rosa.”

Financial results

The following table summarizes the Company's major operating expense categories for the first quarter of 2020 (Q1 2020) and 2019 (Q1 2019).

	Three months ended March 31,	
	2020	2019
	(\$)	(\$)
General and administrative (G&A)		
Consulting	60,714	57,900
Professional	204,410	167,424
Salaries/benefits and management fees	185,507	177,647
Directors' fees	52,500	25,000
Marketing and promotion	32,459	70,282
Filing and transfer agent	27,850	11,055
Travel	9,625	7,706
Other G&A	70,539	73,884
Total G&A	643,604	585,898
Stock-based compensation	–	48,111
Financial advisory services	37,289	–
Foreign exchange gain	(166,311)	(15,864)
Interest and finance charges	21,550	1,724
Net loss and comprehensive loss	536,132	619,869

For the three months ended March 31, 2020, the Company recorded a loss of \$536,132 (2019: \$619,868).

Consulting fees of \$60,714 in Q1 2020 (Q1 2019: \$57,900) consisted of financial and technical advisory services paid to various consultants, marketing and investor relations consultants, and fees in Brazil.

Professional fees (including legal, audit, accounting and advisory) of \$204,410 in Q1 2020 (Q1 2019: \$167,424) consisted of \$80,002 (Q1 2019: \$49,393) in Canada and \$124,408 (Q1 2019: \$113,031) in Brazil. Professional fees in Canada increased by \$30,609 mostly due to an increase in audit fees.

Marketing and promotion of \$32,459 in Q1 2020 (Q1 2019: \$70,282) declined due to less trade shows and travel mostly related to the Covid-19 restrictions.

Filing and transfer agent fees of \$27,850 in Q1 2020 (Q1 2019: \$11,050) increased due to the increase in filing fees related to the increase in outstanding shares and market capitalization.

Other general and administrative expenses of \$70,539 in Q1 2020 (Q1 2019: \$73,883) include \$44,662 (Q1 2019: \$61,873) related to operations in Brazil, and \$25,877 (Q1 2019: \$12,010) related to operations in Canada.

Stock-based compensation of \$nil in Q1 2020 (Q1 2019: \$48,111). There were no stock options granted in Q1 2020. The Q1 2019 stock compensation relates to unvested options granted in 2018.

Foreign exchange gain of \$166,311 (Q1 2019: \$15,864) was due mostly to the DNPM liability that is recorded in Brazilian reals. The decline in the value of the Brazilian reals relative to the Canadian dollar in Q1 2020 accounted for most of this foreign exchange gain.

Interest and finance charges of \$21,550 (Q1 2019: \$1,724) relate mostly to the accrual of interest on the DNPM liability.

About Amarillo

Amarillo Gold Corporation (www.amarillogold.com) is advancing two gold projects in Brazil. Both are in mining-friendly states and have excellent nearby infrastructure.

The development stage Posse Gold Project on its Mara Rosa Property in Goiás State has received the main permit that provides social and environmental permission for mining. Work is underway on receiving the installation permit.

The advanced exploration stage Lavras do Sul Project in Rio Grande do Sul State has more than 22 prospects centered on historic gold workings.

Amarillo Gold Corporation trades on the TSXV under the symbol **AGC**, and on the OTCQB under the symbol **AGCBF**.

For further information, please contact

Mike Mutchler

President & CEO

416-294-0736

mike.mutchler@amarillogold.com

Annemarie Brissenden

Investor Relations

416-844-6284

annemarie.brissenden@amarillogold.com

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

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.