



News release

Amarillo receives Water Use Permit for Posse Gold Project

July 16, 2020

Toronto – Amarillo Gold Corporation (Amarillo or the Company) (TSXV: AGC, OTCQB: AGCBF) has achieved another major milestone on its project development schedule for its flagship Posse Gold Project in Goiás State, Brazil. The Company has received a Water Use Permit for its proposed mine from the country's National Water Agency. Receiving this permit is a precondition to receiving the License to Install, expected in the third quarter of 2020.

“This is the next step on our path to construction,” said Mike Mutchler, Amarillo’s Chief Executive Officer. “We are working with Auramet International on construction financing and are on track to starting detailed engineering and execution planning in the third quarter. We are also targeting procurement for long lead items to start in the fourth quarter of this year.”

Brazil has a clear mining regime that includes a transparent, three-stage permitting process:

1 – *Preliminary License* – this is the most important part of the process, and requires environmental baseline studies, community engagement, and public hearings. Amarillo received this license in May 2016.

2 – *License to Install* – this license authorizes the Company to build and commission the mine. Amarillo submitted its application for the License to Install in December 2019 and expects to receive it in the third quarter of 2020.

3 – *Operating License* – this license is submitted once a mine has been commissioned and requires an inspection of the mine and plant to ensure compliance with codes and provisions of previous licenses. Amarillo expects to submit that in the third quarter of 2022.

About Amarillo

Amarillo Gold Corporation 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 centred on historic gold workings.

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

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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.