



NEWS RELEASE

Amarillo Gold Corporation and Lavras Gold Corp. complete arrangement and launch

Toronto – April 1, 2022 – Amarillo Gold Corporation (TSX: AGC) (“**Amarillo**”) and **Lavras Gold Corp.** (“**Lavras Gold**” or the “**Company**”) have completed the plan of arrangement (the “**Arrangement**”) transaction involving the acquisition of Amarillo by a subsidiary of Hochschild Mining PLC (“**Hochschild**”) and spinout of Lavras Gold. Pursuant to the Arrangement, each share of Amarillo has been 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.

Amarillo is now a wholly owned subsidiary of Hochschild. It is anticipated that Amarillo will be delisted from the TSX Venture Exchange (the “**TSXV**”) and will apply to cease to be a reporting issuer.

Lavras Gold Corp.

Concurrent with the closing of the Arrangement, Lavras Gold was launched as a standalone well-capitalized mineral exploration company owned entirely by former Amarillo shareholders. Lavras Gold holds all the Lavras do Sul gold project assets owned by Amarillo prior to closing of the Arrangement.

Conditional listing approval for the Lavras Gold Shares has been received from the TSXV. Upon satisfaction of the listing conditions of the TSXV, Lavras Gold Shares are expected to trade on the TSXV under the symbol “LGC”. Trading of the Lavras Gold Shares on the TSXV is anticipated to occur in approximately four to five trading days from today.

Highlights

- Capitalized with approximately C\$9.4 million cash
- Holds all of Amarillo’s former assets and rights with respect the advanced exploration stage Lavras do Sul gold project
- Recent estimated measured, indicated and inferred mineral resources for the Butiá Prospect, forming part of the Lavras do Sul gold project, together with other identified prospective exploration targets
- Close proximity to existing infrastructure, located in mining-friendly state
- Holds a 2.0% net smelter revenue royalty on certain exploration properties outside Amarillo’s current Posse resource at its Mara Rosa Project
- Continued proven leadership, with project operating experience and knowledge

Business

Lavras Gold is a junior exploration company engaged in the exploration and development of the Lavras do Sul gold project located in the state of Rio Grande do Sul, Brazil. The Lavras do Sul gold project is an advanced exploration stage property that is approximately 190 square km in size and comprised of more than 22 prospects centered on historic gold workings, including the Butiá prospect.

Lavras Gold’s vision is to be a leading independent exploration and production company in Brazil, maximizing shareholder value by bringing its disciplined exploration approach to the Lavras do Sul gold project and other potential opportunities.



It has the near-term objective of carrying out continuing exploration activities at the Lavras do Sul gold project, including the work program recommended in the technical report titled “*NI 43-101 Technical Report Mineral Resource for Butiá Gold Prospect*,” dated March 21, 2022, which is expected to be available under Lavras Gold’s profile on SEDAR at www.sedar.com.

Directors and management

As part of the completion of the Arrangement, the directors and executive officers of Amarillo resigned from their offices with Amarillo and now serve in the same positions at Lavras Gold.

“The Lavras Gold board and executive management believe that the prospective Lavras do Sul gold project has been under-valued within Amarillo,” said Mike Mutchler, President and Chief Executive Officer of Lavras Gold. “With the launch of Lavras Gold following the sale of Amarillo and the Mara Rosa Project, we can now devote our full attention on this exciting project. Lavras Gold’s management is dedicated to replicating its success at Mara Rosa and unlocking the value of the Lavras Gold Project.”

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.

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Disclaimer

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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 timing of the listing of the Lavras Gold Shares on the TSXV, exploration and development prospects of the Lavras do Sul gold project and Lavras Gold’s planned operational activities. The forward-looking statements are based on certain key expectations and assumptions made by Lavras Gold, including expectations and assumptions concerning the satisfaction of the listing requirements of the TSXV, the availability of capital, risks related to Lavras Gold’s limited business history; risks related to the nature of mineral exploration and development; discrepancies between actual and estimated mineral reserves and resources; risks caused by factors beyond Lavras Gold’s control, such as gold market price volatility, recovery rates of minerals from mined ore, general economic and business conditions, including as influenced by the war in Ukraine and the COVID-19 pandemic; risks related to competition in the mineral industry; risks related to regulatory requirements including environmental laws and regulations and liabilities; risks related to obtaining permits and licences and future changes to environmental laws and regulations; risks related to Lavras Gold’s inability to obtain insurance for certain potential losses; risk related to gold mining industry competition; environmental risks and hazards, including unknown environmental risks related to past activities; risks related to political developments and policy shifts; risks related to costs of land reclamation; risks related to Lavras Gold’s title to mineral properties; risks related to dependence on key personnel; risks related to amendments to laws and other risks. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect.

These forward-looking statements are based on certain key expectations and assumptions. Although Lavras Gold 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 Lavras Gold 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. There is no guarantee that the Lavras Gold Shares will be listed on the TSXV. These and other risks are described further 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.

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, Lavras Gold 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.