



Amarillo Announces Non-Brokered Private Placement

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TORONTO, May 15, 2019 (GLOBE NEWSWIRE) -- **Amarillo Gold Corporation (“Amarillo” or the “Company”) (TSX.V:AGC; OTCQB:AGCBF)**, is pleased to announce that it is proposing to complete a non-brokered private placement (the **“Private Placement”**) of units (**“Units”**) at a subscription price of \$0.20 per Unit for aggregate gross proceeds to the Company of up to \$5,000,000. Each Unit is comprised of one common share (each, a **“Common Share”**) and one Common Share purchase warrant (each, a **“Warrant”**). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.30 for a period of 24 months following the date of issue, subject to customary adjustment provisions.

As at the date hereof, the Company has received commitments from arm’s length and non-arm’s length lead investors in respect of part of the Private Placement.

The Company intends to use the net proceeds from the Private Placement for advancing the Company’s Mara Rosa Project by continuing the Feasibility Study, and applying for the Licence to Install; and for general corporate purposes.

In connection with the Private Placement, the Company may pay a maximum 6% finder’s fee in cash on a portion of the funds to be raised, subject to all necessary regulatory approvals.

The Company intends to close the Private Placement on or about May 27, 2019, subject to receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange (the **“TSX-V”**). All securities issued pursuant to the Private Placement will be subject to, among other things, a hold period of four months and one day in accordance with applicable securities laws.

ABOUT AMARILLO

Amarillo is developing an open pit gold resource at its Mara Rosa Project in the mining friendly jurisdiction of Goias State in Brazil. The Mara Rosa Project, also known as the Posse deposit, was awarded its main (LP) permit which provides the social and environment permission to mine. Amarillo is progressing toward obtaining an installation permit (LI). Based on the NI 43-101 Pre-Feasibility Study 2018 (PFS 2018) update filed on SEDAR on November 21, 2018, the Mara Rosa Project contains estimated 513,000 ounces of gold in the Proven category from 9.6 Mt at 1.65 g/t Au, and 574,000 ounces gold in the Probable category from 14.2 Mt at 1.26 g/t Au, for total estimated Reserves of 1,087,000 ounces from 23.8 Mt at 1.42 g/t Au. In addition to the Mara Rosa Project, Amarillo has an advanced exploration project with excellent grades at Lavras do Sul, Brazil. A Mineral Resource Estimate Study (NI 43-101 technical report) for Lavras do Sul was filed on SEDAR on October 4, 2010. The Lavras do Sul Project is an advanced exploration stage property (190 sq. km.) comprising of more than 22 prospects centered on historic gold workings. The initial resource estimate at the Butia prospect reported 215,000 ounces of gold in the Indicated category from 6.4 Mt at 1.05 g/t Au, and 308,000 ounces of gold in the Inferred category from 12.9 Mt at 0.74 g/t Au using a 0.3 g/t cut-off grade. Both projects have excellent nearby infrastructure.

Mike Mutchler, President and Chief Executive Officer of the Company, is a Qualified Person as defined by NI 43-101 guidelines, and has reviewed and approved the scientific and technical disclosure relating to the PFS 2018 in this section of the news release.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FORWARD LOOKING STATEMENTS:

This news release contains Forward Looking Statements regarding the Company’s current expectations regarding future events, including with respect to the Company’s 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, the ability of the Company to obtain approvals from the TSX-V in respect of the transactions contemplated hereby, contractor availability and performance, weather, access, mineral 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.