Amarillo's new gold deposit at least 200 metres deep

TORONTO, ONTARIO – OCTOBER 13, 2021 – The latest assay results from a regional exploration program confirm the continuity and down dip extensions of the Pastinho Gold Deposit, said Amarillo Gold Corporation (TSXV: AGC, OTCQB: AGCBF) today.

"We expect Pastinho to develop into another source of future ore feed for the Posse mill once the Posse Gold Mine is built," said Mike Mutchler, Amarillo's President and Chief Executive Officer. "We believe Pastinho will eventually not only extend Posse's overall mine life, but significantly increase its average annual gold production as well."

Pastinho is Amarillo's second primary gold deposit on Amarillo's Mara Rosa Property in Goiás State, Brazil. It is located 3.5 kilometres northeast of the Company's flagship Posse Gold Deposit along the Posse north gold trend.

The assay results are from nine holes representing 1,564 metres of the 4,000 metres originally budgeted for the 2021 exploration program at Mara Rosa. These results are in addition to the positive assay results from the 15 holes released in September, after which Amarillo expanded its diamond drill program by 3,000 metres.

Highlights

- Drillhole 21PTN021 on section line 14 intersected 11.00 metres grading 1.20 g/t gold from 222.0 metres, including 7.00 metres grading 1.81 g/t gold from 220.0 metres. This extends Pastinho to **a vertical depth** of approximately 200 metres. The deposit remains open at depth.
- Drillhole 21PTN025 on section line 14 intersected four intervals of elevated gold interpreted to represent parallel gold structures. Highlights include 9.00 metres grading 1.39 g/t gold from 81.00 metres including 4.00 metres grading 2.42 g/t gold from 81.00 metres. There is another one-metre interval from 113.00 metres of greater than 10.0 g/t gold, and 3.00 metres grading 0.52 g/t gold from 145 metres.
- Drillhole 21PTN012 on section line 26 returned three intervals of prominent gold values including 8.00 metres of 0.78 g/t gold from 44.00 metres, 2.50 metres grading 0.308 g/t gold from 72.50 metres, and 7.50 metres grading 0.731 g/t gold from 90.00 metres. These results are interpreted to represent parallel gold structures.

Discussion of results

Pastinho is located approximately 3.5 kilometres northeast of the flagship Posse Gold Project along the Posse north gold trend.

Drilling to date has defined a near surface northeast-southwest trending tabular-shape gold deposit over a strike length of 1,700 metres that dips approximately 60 degrees northwest. The apparent thickness ranges from 5 to 20 metres. Several parallel gold structures have been observed in some places.

Pastinho is interpreted to be a mesothermal orogenic gold deposit. The gold is typically associated with highly sheared mylonitic metatonalite and amphibolite rocks. The mylonite has been hydrothermally altered characterized by intense silicification, biotite, carbonate, and 3-5% disseminated pyrite occurring within the foliation of the mylonite. The gold-bearing rocks are like the flagship Posse Gold Deposit (see photos in Appendix 1).

The Pastinho drilling program is designed to expand the strike length and depth potential of the Pastinho discovery and confirm the continuity of gold mineralization. Eight of the nine holes disclosed in this press release returned elevated gold values from section line 10 through section line 26 confirming good gold

continuity over 800 metres of strike length (see Table 1, Figure 1, and Figure 2). Overall, gold continuity is observed over 1,700 metres of strike length including results from previous drill programs.

Drill hole 21PTN019 was drilled off the Pastinho gold trend to the east on section line 39 and therefore is excluded from this interpretation – although anomalous gold values were encountered.

Each of the nine drill holes disclosed in this news release intersected multiple gold intervals (between three and five) suggesting several parallel gold structures exist at Pastinho. Importantly, many of these parallel gold structures are wide. For example, 21PTN012 on section line 26 returned 8.00 metres grading 0.77 g/t gold, followed by 2.50 metres grading 0.31 g/t gold, and 7.50 metres grading 0.73 g/t gold. Further work is required to better understand the nature of these parallel gold structures.

In addition to lateral continuity, good vertical continuity is developing. For example, on section line 14 drill hole 21PTN021 returned three intervals of gold mineralization highlighted by 11.00 metres grading 1.201 g/t gold at a vertical depth of approximately 200 metres followed by 4.00 metres grading 1.10 g/t gold. Drill hole 21PTN025 was drilled up dip from hole 21PTNH021 and intersected 9.00 metres grading 1.39 g/t gold at vertical depth of about 70 metres, followed by an interval of 3.00 metres grading 0.52 g/t gold. Hole 21PTN001 intersected 12 metres grading 0.78 g/t gold from 23 metres.

Summary

Recent drilling results are confirming good continuity and depth potential at Pastinho. The deposit has been defined over 1,700 metres of strike length to depths of 200 metres and widths of up to 20 metres. The deposit remains open.

The 2021 drilling program has been increased by an additional 3,000 metres based on positive results generated to date.

Two drills are currently operating, and further updates will be provided when results are received.

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 (gold – AA23 method). For assays above 10 ppm gold, a cut of the original pulp was re-assayed with a gravimetric finish (gold – GRA21 method).

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.

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. Follow us on LinkedIn, Twitter, and YouTube.

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

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.

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)
21PTN006	110	-60	94.00	101.00	7.00	0.565	19.00
			106.00	109.00	3.00	1.205	19.00
			112.00	113.00	1.00	0.153	19.00
21PTN012	110	-60	44.00	52.00	8.00	0.767	26.00
		including	44.00	49.00	5.00	1.140	26.00
			72.50	75.00	2.50	0.308	26.00
			90.00	97.50	7.50	0.731	26.00
21PTN015	110	-60	51.00	59.00	8.00	0.689	21.00
		including	51.00	57.00	6.00	0.800	21.00
			64.00	67.00	3.00	0.267	21.00
			70.00	72.50	2.50	0.161	21.00
21PTN019	110	-60	76.00	77.00	1.00	0.265	39.00
			109.00	110.00	1.00	0.197	39.00
			112.00	113.00	1.00	0.155	39.00
21PTN020	110	-60	157.00	164.00	7.00	0.648	12.00
			168.00	169.00	1.00	1.290	12.00
			176.00	177.00	1.00	0.168	12.00
			178.00	179.00	1.00	0.192	12.00
21PTN021	110	-60	222.00	232.00	11.00	1.201	14.00
		including	222.00	229.00	7.00	1.812	14.00
			237.00	241.00	4.00	1.067	14.00
		including	237.00	239.00	2.00	2.000	14.00
			276.00	277.81	1.81	0.282	14.00
21PTN022	110	-60	162.00	164.00	2.00	0.235	10.00
			171.00	172.00	1.00	1.485	10.00
			185.00	190.00	5.00	0.269	10.00
21PTN023	110	-60	77.00	85.00	9.00	0.571	15.00
			240.00	241.00	1.00	0.174	15.00
			136.00	137.00	1.00	0.627	15.00
			159.00	160.00	1.00	0.281	15.00
			186.00	187.00	1.00	0.232	15.00
21PTN025	110	-60	81.00	90.00	9.00	1.385	14.00
		including	81.00	85.00	4.00	2.423	14.00
			113.00	114.00	1.00	>10.000	14.00
			129.00	134.00	5.00	0.1796	14.00
			145.00	148.00	3.00	0.517	14.00

Notes

[1] *Assumes 0.2 g/t gold cut-off*

[2] *True widths have not been determined at this time*

FIGURE 1: PASTINHO GEOLOGICAL MAP

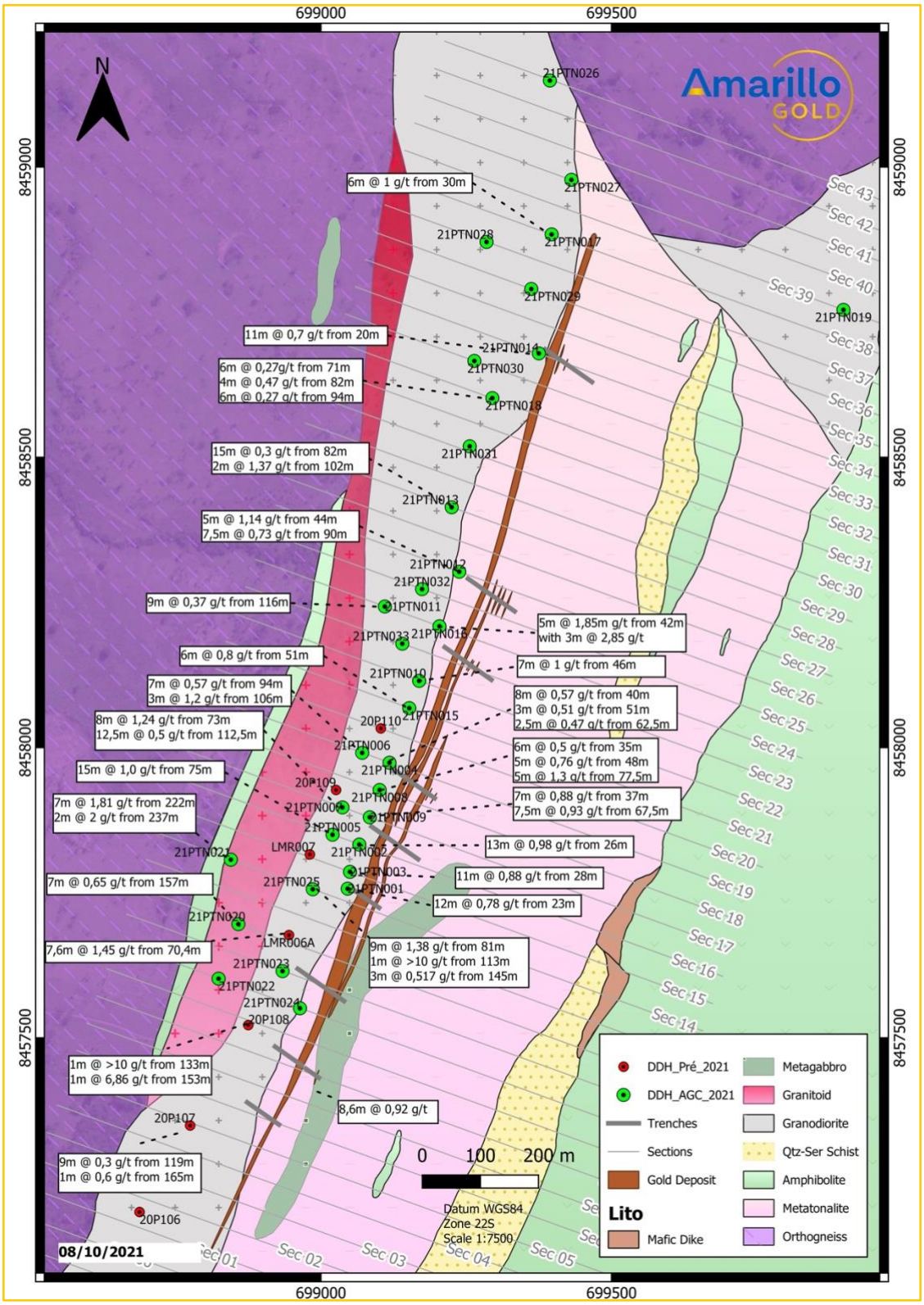


FIGURE 2: PASTINHO – PLAN MAP OF DRILLHOLES

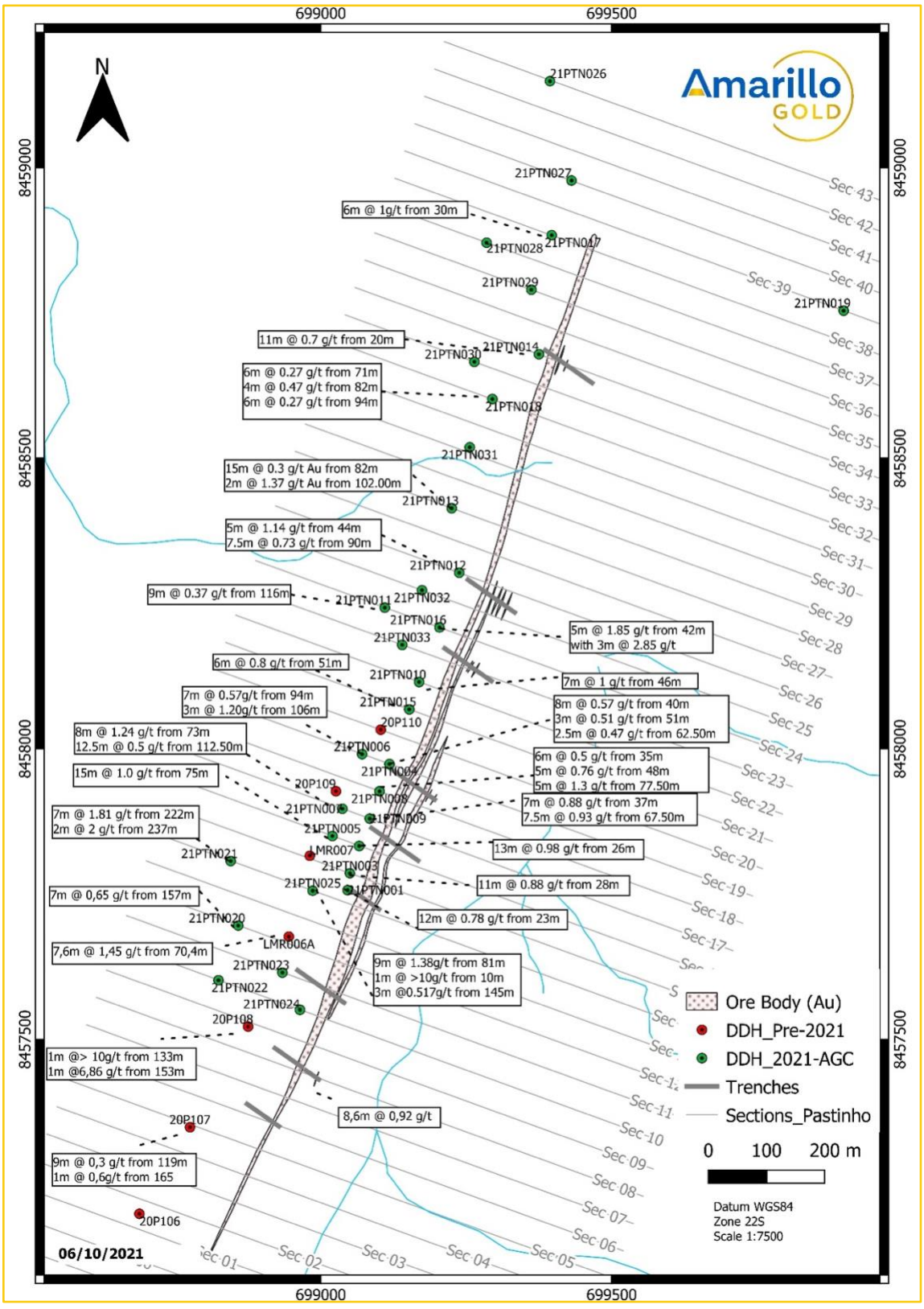
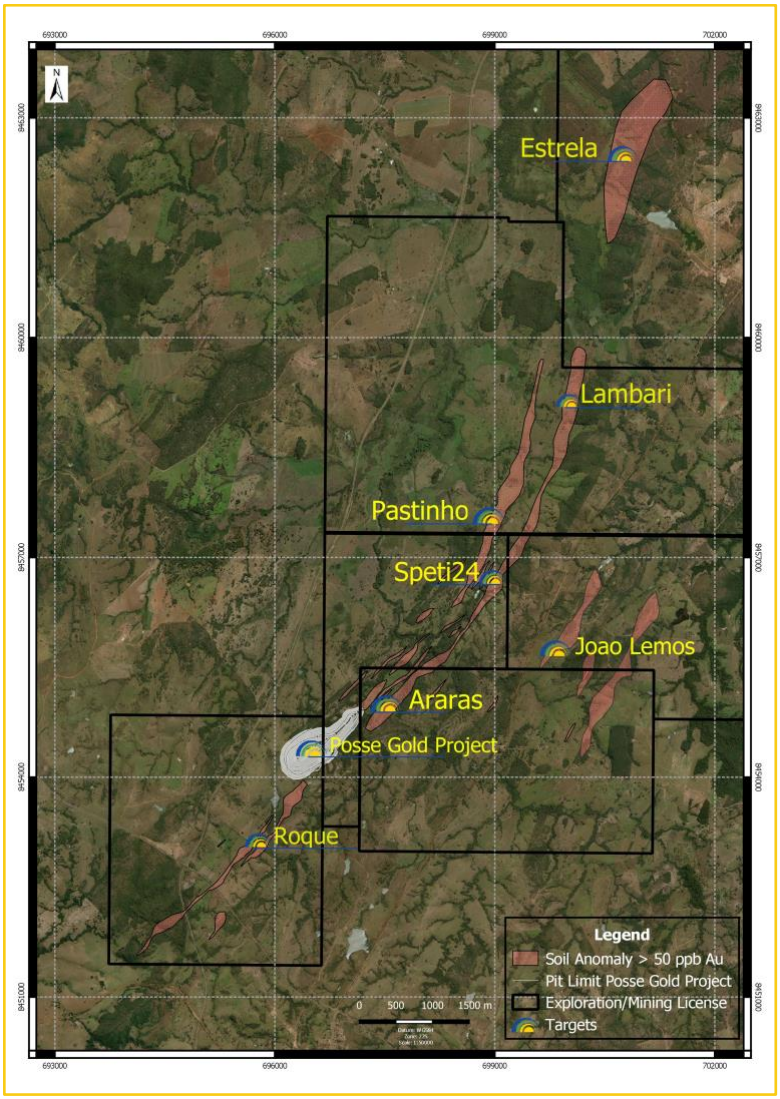


FIGURE 3: LOCATION OF PASTINHO RELATIVE TO POSSE GOLD DEPOSIT

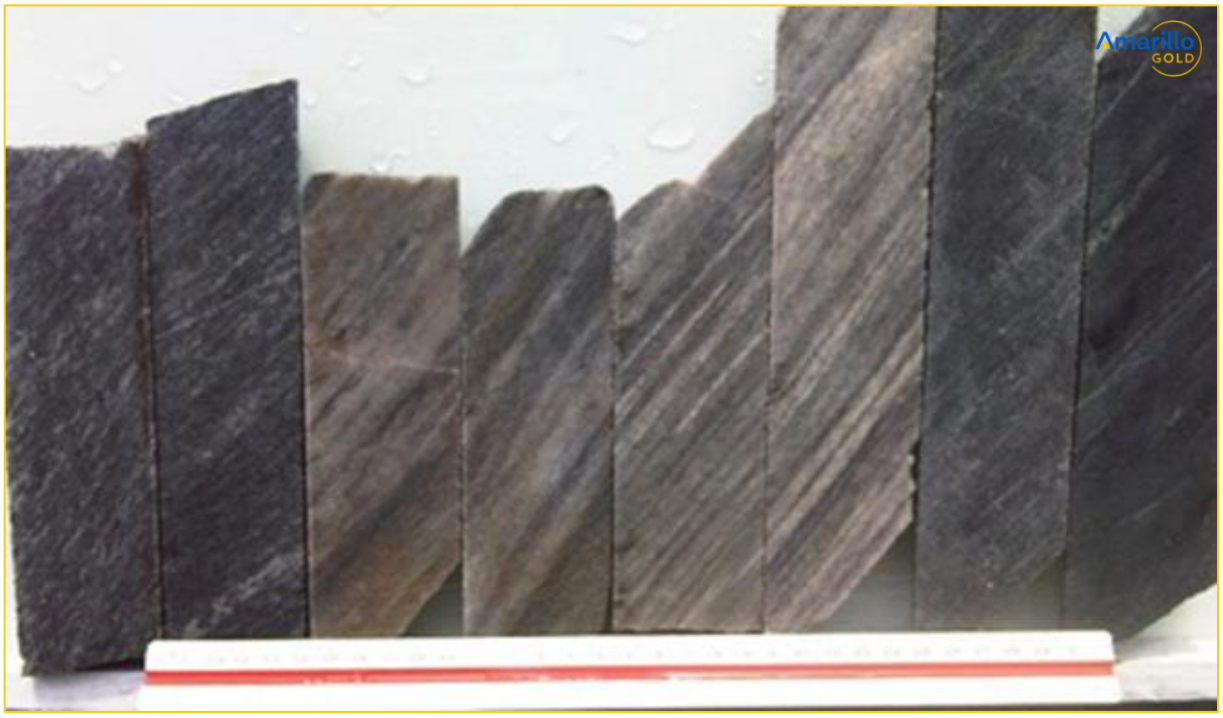


Appendix: Photos comparing gold mineralization at Pastinho and Posse

PASTINHO GOLD DEPOSIT

Mylontized, silicified, and carbonated metatonalite with 2-5% disseminated pyrite in foliation (from drillhole 21PTN025 from 81 metres to 90 metres (9 metres grading 1.38 g/t gold).

IMAGE OF TYPICAL CORE FROM POSSE GOLD DEPOSIT



Core to the left is from the hanging wall, the middle lighter coloured rock represents the orebody, and right darker rocks are from the footwall.