

Amarillo to Complete First Tranche of Non-Brokered Private Placement for Gross Proceeds of Approximately \$5.1 Million

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TORONTO, May 31, 2019 - [Amarillo Gold Corp.](#) ("Amarillo" or the "Company") (TSX.V: AGC) (OTCQB: AGCBF) is pleased to announce that further to its news release dated May 15, 2019, the Company has accepted subscriptions and is in the process of closing the first tranche of its previously-announced non-brokered private placement (the "Private Placement") through the issuance of 25,424,435 units ("Units") at a subscription price of \$0.20 per Unit for aggregate gross proceeds to the Company of \$5,084,887.

The Company is also pleased to announce that it has upsized the Offering to a maximum of 30,000,000 Units for gross proceeds of up to \$6,000,000. With several additional orders in process and continued interest in the Private Placement, the Company anticipates closing the second tranche in June 2019.

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.

The Company intends to use the net proceeds from the Private Placement for advancing the Company's mineral exploration and development projects, and for general corporate purposes.

Certain insiders of the Company are participating in the first tranche of the Private Placement. Such participation represents a related-party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceed 25% of the Company's market capitalization. The Private Placement was approved by all of the independent directors of the Company. Pursuant to the first tranche of the Private Placement, members of the management team of the Company subscribed for Units in an aggregate amount of \$1.1 million. Of this amount, \$1.0 million worth of Units were subscribed for by Rosedale Transport Limited, a corporation controlled by Amarillo's Executive Chairman, Mr. Rowland Uloth.

Prior to the closing of the first tranche of the Private Placement, the Company had 114,455,208 Common Shares issued and outstanding and Mr. Uloth held or controlled, directly or indirectly, 3,822,357 Common Shares, 571,428 warrants from previous financings and 1,200,000 executive stock options. Mr. Uloth's holdings of Common Shares therefore represented 3.3% of the basic outstanding Common Shares and potentially represented 4.9% of the outstanding Common Shares if all of his warrants and options were exercised. Following the closing of the first tranche of the Private Placement, the Company will have 139,879,643 Common Shares issued and outstanding and Mr. Uloth will hold or control, directly or indirectly, 8,822,357 Common Shares, 5,000,000 Warrants, 571,428 warrants from previous financings and 1,200,000 executive stock options. Mr. Uloth's direct and indirect holdings of Common Shares therefore will represent 6.3% of the basic outstanding Common Shares and potentially represent 10.4% of the outstanding Common Shares if all of his warrants and options are exercised. In accordance with subsection 5.2(1) of National Instrument 62-104, Mr. Uloth will issue a press release and an early warning report regarding his purchase will be filed under the Company's profile on SEDAR. He will also file an insider report on the System for Electronic Disclosure by Insiders, known as SEDI.

Pursuant to applicable Canadian securities laws, all securities issued pursuant to the first tranche of the Private Placement are subject to, among other things, a statutory hold period of four months and one day, which will expire on October 1, 2019. The Private Placement remains subject to the final approval of the TSX

Venture Exchange (the "TSX-V").

ABOUT AMARILLO

Amarillo is developing an open pit [Gold Resource Corp.](#) at its Mara Rosa Project in the mining friendly jurisdiction of Goiás State in Brazil. The Mara Rosa Project 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 September 13, 2018, the Posse Deposit at 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 scientific and technical disclosures in the "About Amarillo" section of this news release.

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FORWARD LOOKING STATEMENTS:

This news release contains Forward Looking Statements regarding the Company's current expectations regarding future events, including with respect to the completion of the Private Placement and 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 of the Company, capital market conditions, 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.

PDF available: <http://ml.globenewswire.com/Resource/Download/f351ccaf-bf79-4475-9cb5-47e473bcf9f2>

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