

# Amarillo Announces \$5 Million Bought Deal Private Placement Financing

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TORONTO, Aug. 08, 2019 - [Amarillo Gold Corp.](#) ("Amarillo" or the "Company") (TSXV: AGC) (OTCQB:AGCBF), is pleased to announce that it has entered into an agreement with Mackie Research Capital Corporation as sole underwriter and sole bookrunner (the "Underwriter"), whereby the Underwriter will purchase, on a bought-deal basis, 25,000,000 units (the "Units") of Amarillo at a price of \$0.20 per Unit (the "Offering Price") for gross proceeds to the Company of \$5,000,000 (the "Offering"). The lead order (the "Lead Order") for the Offering is from Mr. Eric Sprott, who intends to subscribe for \$5 million of the Offering.

Mike Mutchler, President and Chief Executive Officer commented "We are very excited to welcome Eric Sprott as a significant shareholder in Amarillo. We are pleased that he has recognized the tremendous opportunity offered by Amarillo and Brazil in this exciting gold market. The proceeds of this private placement will help Amarillo to complete the Feasibility Study and the application for the License to Install (LI) for the Mara Rosa project before the end of this year."

Each Unit will be comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (the "Warrants"). Each Warrant shall be exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.30 per Warrant Share for a period of 24 months from the closing of the Offering.

The Company has granted the Underwriter the option to upsize the Offering to purchase, as principal on a bought-deal private placement basis an additional 10,000,000 Units at the Offering Price, for additional gross proceeds to the Company of \$2,000,000 (the "Upsized Offering"). The Offering and the Upsized Offering shall herein collectively be referred to as the Offering.

The Company has also granted the Underwriter an option (the "Underwriter's Option") to increase the size of the Offering by up to an additional 15% of the total number of Units to be issued under the Offering, including in respect of any exercise of the Upsized Offering, at any time on or before 48 hours prior to Closing.

The Offering is scheduled to close on or about the week of August 29, 2019 (the "Closing Date" or "Closing") and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange. The Units to be issued under the Offering will have a hold period of four months and one day from Closing.

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

The Underwriter will receive an aggregate cash fee equal to 6% of the gross proceeds from the Offering (the "Commission"), including in respect of any exercise of the Upsized Offering and the Underwriter's Option. In addition, the Company will grant the Underwriter, on date of Closing, non-transferable options (the "Compensation Options") equal to 6% of the total number of Units sold under the Offering (including in respect of any exercise of the Underwriter's Options and the Upsized Offering). Each Compensation Option will entitle the holder thereof to purchase one Unit (a "Compensation Option Unit") at the same price of the Units and Warrants issued pursuant to the Offering, for a period of 24 months after the Closing Date. Notwithstanding the foregoing, the Lead Order by Eric Sprott or any affiliate will have a reduced cash commission of 4.0% of the gross proceeds arising from the Lead Order and the Underwriter will not receive any Compensation Options on the Lead Order.

The securities described herein have not been, and will not be, registered under the United States Securities

Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

#### 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 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 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 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 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.

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