



# The next generation of **GOLD PRODUCTION IN BRAZIL**

TSX-V  
AGC

INVESTOR PRESENTATION  
June 2021

# THIS PRESENTATION HAS FORWARD-LOOKING INFORMATION



## Disclaimer

Amarillo Gold Corporation has prepared this slide deck for information purposes only. When you accept this slide deck, you agree that it is provided for information purposes only. Amarillo, which owns this slide deck, has taken all reasonable care to ensure that the facts in the slide deck are true to the best of its knowledge, information, and belief. Without prejudice to the foregoing, neither Amarillo, its advisers, or its representatives accept any liability for any direct or indirect loss that arises from using this slide deck or the information it contains.

This slide deck is directed at someone who:

- has professional experience in investment matters because they are an investment professional, as defined in Article 19(5) of the *Financial Services and Markets Act 2000 (Financial Promotion) Order 2001* (FPO)
- high net worth companies, unincorporated associations, and others defined in Article 49 of the FO
- anyone else that may lawfully receive communications like this.

If you do not have professional experience in investment matters, do not act or rely on this slide deck or any of its contents. Do not rely on the information or opinions in this slide deck or assume that it is complete. No liability is accepted for any loss that comes from using this slide deck or its contents. We encourage prospective investors to do their own due diligence, and independently verify the information.

This slide deck is not a prospectus or part of a prospectus on Amarillo. It is not an invitation or offer to underwrite, subscribe for, acquire, or dispose of any shares in Amarillo. It does not advise any person in any jurisdiction, and should not form part of a contract, or be relied on in any connection to any contract. Distributing this slide deck may be restricted by law in certain jurisdictions. You should inform yourself about these restrictions and follow them. If you do not follow these restrictions, you may be breaking the law in those jurisdictions.

## Forward-looking statements

This slide deck contains forward-looking statements. The information in these statements has been based on a number of assumptions that may prove to be incorrect and the actual results may vary.

## Qualified persons

The Qualified Persons for Amarillo are Frank Baker, M. IOM3 and MAusIMM., and Mr. Mike Mutchler, FAusIMM.

## Non-IFRS financial measures

The Company has included certain non-IFRS financial measures in this presentation.

These measures, which include EBITDA, total cash cost, total cash cost per ounce, AISC, and AISC per ounce, are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other companies. Each of these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures in accordance with IFRS.

- **EBITDA**

Earnings before interest, taxes and depreciation and amortization (EBITDA) excludes the following items from net income: interest expense; income taxes and depreciation and amortization expenses.

- **Total cash cost and total cash cost per ounce**

Total cash cost reflects the cost of production. The total cash cost reported in the feasibility study includes costs related to mining, processing and water treatment, general and administration for the mine, off-site, refining, transportation, and royalties. Total cash cost per ounce is calculated as total cash cost divided by payable gold ounces.

- **AISC and AISC per ounce**

AISC reflects all the expenditures that are required to produce an ounce of gold from operations. The AISC reported in the feasibility study includes total cash cost, sustaining capital, and closure cost. AISC per ounce is calculated as AISC divided by payable gold ounces.

# OUR GOAL: TO BECOME A MID-TIER GOLD PRODUCER IN BRAZIL



## TWO KEY ASSETS IN BRAZIL, A MINING-FRIENDLY JURISDICTION

Mining is a significant part of the Brazilian economy

## A HISTORY OF SUCCESS AND A STRONG SOCIAL LICENSE

Amarillo's leadership team has experience in project management and business turnaround in Canada and Latin America



# STRONG BOARD WITH TIES TO BRAZIL



## Rolly Uloth

Chairman

- President and co-founder, Rosedale Transport
- Previously President and CEO, Wesdome Gold Mines (2007-2009, 2013-2016)

## David Birkett

Director

- President and CEO, Stratus Aeronautics
- Previously President, Alton Natural Gas Storage LP
- Previously Director, Moss Lake Gold Mines

## David Laing

Director

- Most recently COO of Equinox Gold, where he led the rebuilding of Aurizona District in Brazil
- Also director of Fortuna Silver Mines, Northern Dynasty Minerals, Aton Resources, Blackrock Gold

## Lawrence Lepard

Director

- Runs Equity Management Associates, investment partnership focused on investing in gold and silver
- Previously one of two managing partners at Geocapital Partners

## Mike Mutchler

President and CEO

- Fifth generation miner
- As COO of Largo Resources, built Vanadium mine and mill in Brazil
- Project Director, Kinross Gold's Paracatu Mine in Brazil

## Rosty Raykov

Director

- CEO and director, Fennec Pharma since 2009
- Previously director of Wesdome Gold Mines (2013-2016)
- Co-founder, Alchem Investment Partners

## Antenor Silva

Director

- Co-founder of Yamana Gold, serving as COO until retirement in 2009
- Co-founder, MBAC Fertilizer Corp., serving as CEO until July 2016
- Past director of Colossus Minerals, Oceana Gold, Valdiam Resources

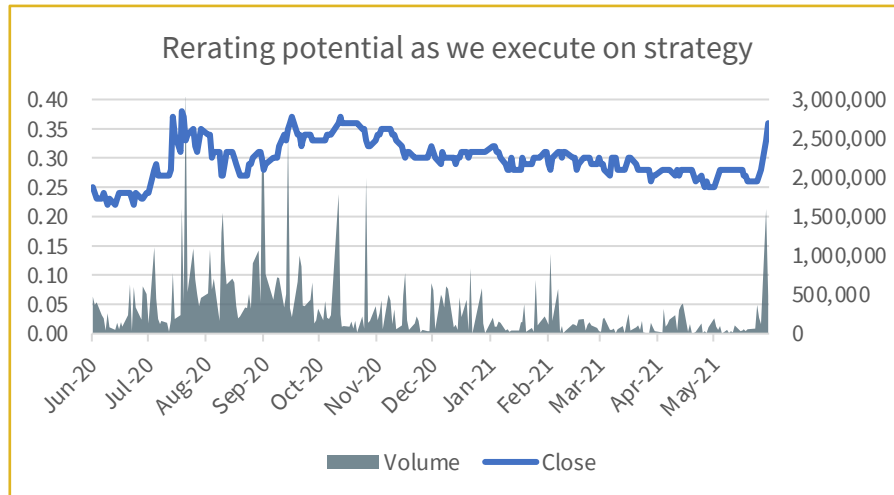


# STRONG CASH POSITION, SHAREHOLDER SUPPORT

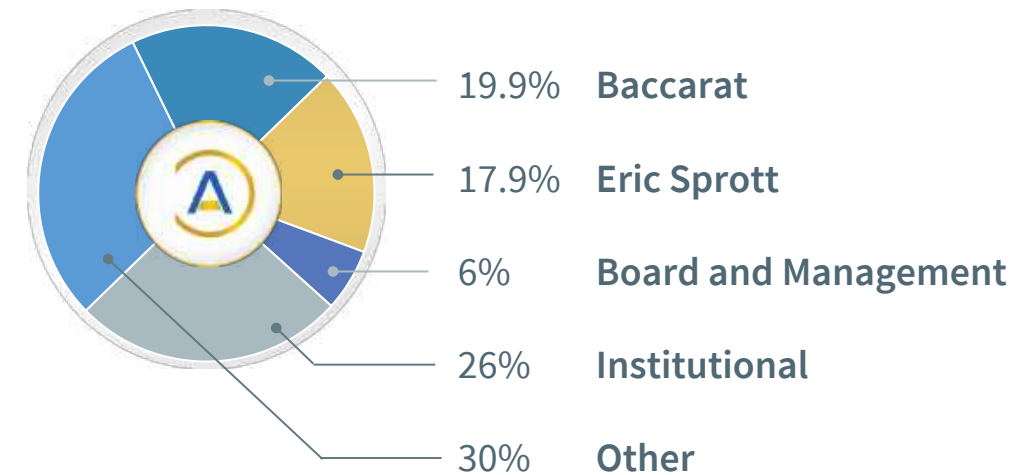


## STOCK LISTINGS | TSXV: **AGC** | OTCQB: **AGCBF** (at May 31, 2021)

|  |                |
|--|----------------|
| Share price                                  | C\$0.33        |
| Shares outstanding                           | 382.1 million  |
| Market capitalization                        | C\$126 million |
| Warrants at C\$0.30 (up to August 29, 2021)  | 50.9 million   |
| Options at weighted average price of C\$0.28 | 20 million     |
| Cash as at May 26, 2021                      | C\$41 million  |



Strong support from major shareholders including Baccarat Trade Investments, Eric Sprott, 683 Capital, Brigade, Solas, Ruffer, and Sun Valley Gold



## ANALYST COVERAGE

Research Capital Corporation – Stuart McDougall  
Sprott Equity Research – Justin Chan

# WHY INVEST IN AMARILLO?



## ROBUST PROJECT PIPELINE IN MINING-FRIENDLY BRAZIL

- Posse Gold Project – advanced development project that's almost construction ready
- Lavras do Sul – highly prospective exploration project that has potential to be multi-million-ounce district

## LED BY MINE-BUILDERS WITH A STRONG SOCIAL LICENSE IN BRAZIL

Management and directors have experience in project management in Canada and Latin America

## POSSE HIGHLY LEVERAGED TO GOLD

A 10% increase in the price of gold generates a 30% increase in the base case after-tax NPV 5%

## \$41 MILLION CASH AT MAY 26, 2021

Have enough funding to meet short term goals while raising balance of construction financing

## LOW VALUATION FOR A GOLD DEVELOPER

Offers investors a good entry point as project gets further de-risked

# OUR FLAGSHIP ASSET: THE POSSE GOLD PROJECT



**2,500 HECTARES** of mining concessions containing the Posse Gold Project

**6,000 HECTARES** of exploration concessions on Posse structural trend

**59,000 HECTARES** of regional exploration concessions

- 1980s: discovered by BHP  
1990s: mined by Western Mining  
1990s: sold to Metallica  
2004: purchased by Amarillo
- Excellent existing infrastructure, including access and service roads
- 67-kilometre 138-kilovolt transmission line to mine site will be built

# SIGNIFICANT PROGRESS AT POSSE, **FLAGSHIP GOLD PROJECT**



## **DELIVERED FEASIBILITY STUDY SHOWING POSSE SUPPORTS AN OPEN PIT MINE CARBON IN LEACH OPERATION WITH DRY STACK TAILINGS**

- Average annual gold production of 102,000 ounces (years 1 to 4)
- Initial mine life of 10 years, could be extended by satellite deposits

## **SECURED LARGE EQUITY STAKE FOR PORTION OF CONSTRUCTION FINANCING**

Currently in advanced negotiations with debt financiers

## **RECEIVED LICENSE TO INSTALL**

Regulatory approval to start construction

## **LOW CAPITAL AND OPERATING COSTS, STRONG FINANCIAL RETURN**

## **EXPLORATION PROGRAM SHOWS DISTRICT SCALE POTENTIAL**

Finding more satellite near-surface gold deposits could extend Posse mine life

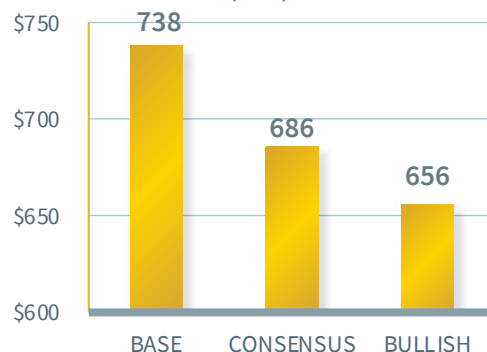


# POSITIVE FEASIBILITY STUDY RESULTS



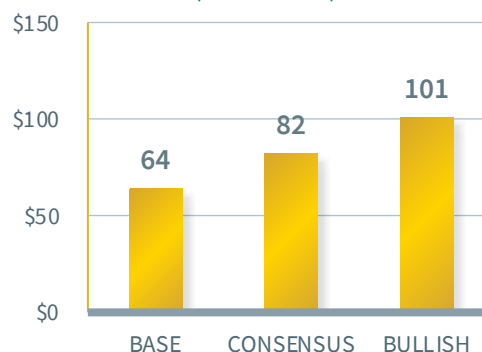
ALL-IN SUSTAINING COST PER OUNCE

(US\$)



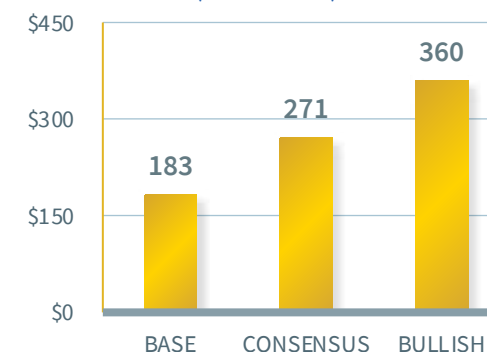
AVERAGE ANNUAL EBITDA, YEARS 1 TO 4

(US\$ million)



AFTER-TAX NPV 5%

(US\$ million)



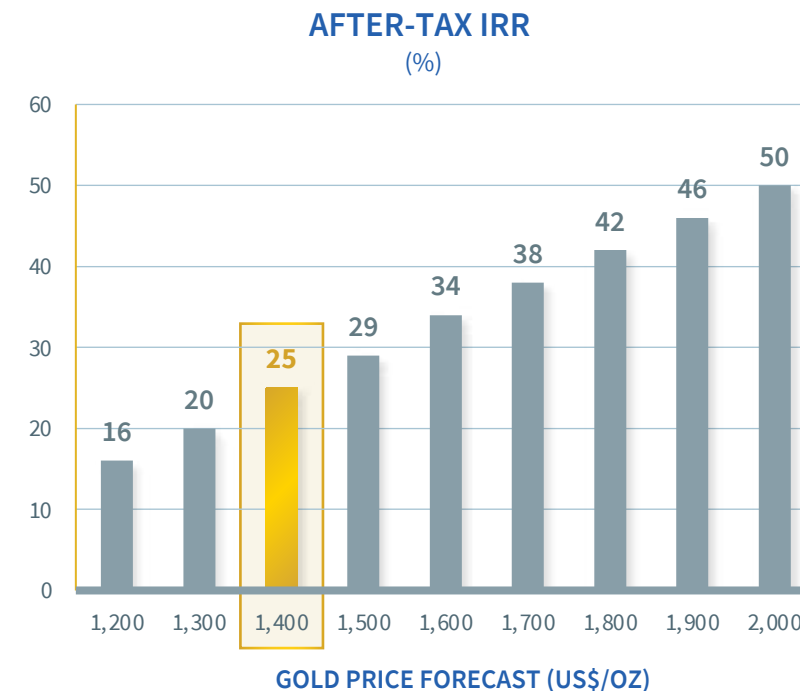
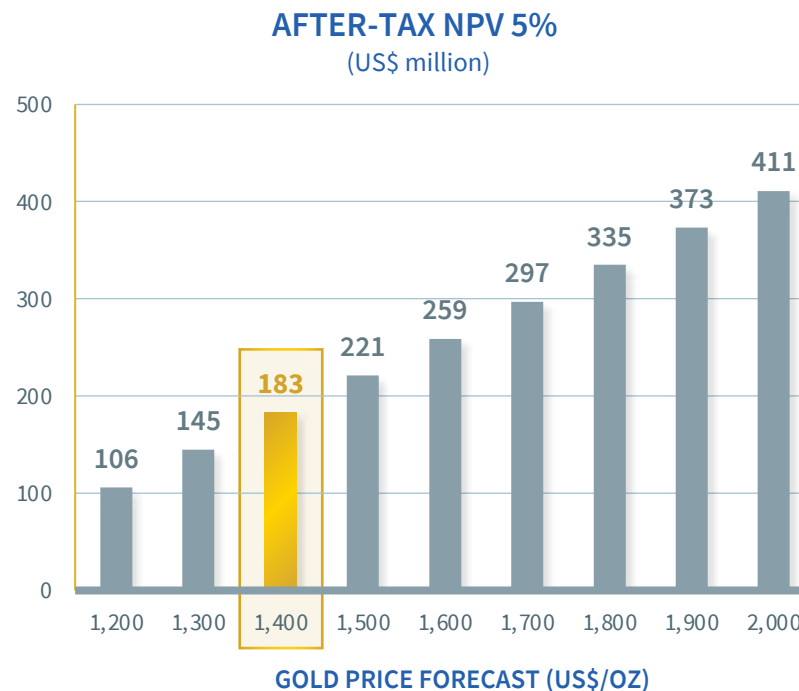
|  | BASE CASE      | CONSENSUS CASE | BULLISH CASE   |
|--|----------------|----------------|----------------|
| Gold price per ounce                   | \$1,400        | \$1,550        | \$1,730        |
| R\$ to US\$                            | 4.2            | 4.8            | 5.3            |
| Mine life                              | 9.6 years      | 9.6 years      | 9.6 years      |
| Gold production per year, years 1 to 4 | 102,200 ounces | 102,200 ounces | 102,200 ounces |
| Average annual gold production         | 84,482 ounces  | 84,482 ounces  | 84,482 ounces  |
| Cash cost per ounce                    | \$706          | \$658          | \$631          |
| Average annual EBITDA, life of mine    | \$51 million   | \$65 million   | \$81 million   |
| After-tax internal rate of return      | 25%            | 38%            | 50%            |
| After-tax payback                      | 2.6 years      | 1.9 years      | 1.5 years      |

Note: Dollar amounts in US\$.

# HIGHLY LEVERAGED TO GOLD PRICE



**A 10% INCREASE  
IN GOLD PRICE  
GENERATES A  
30% INCREASE**  
in the after-tax NPV 5%



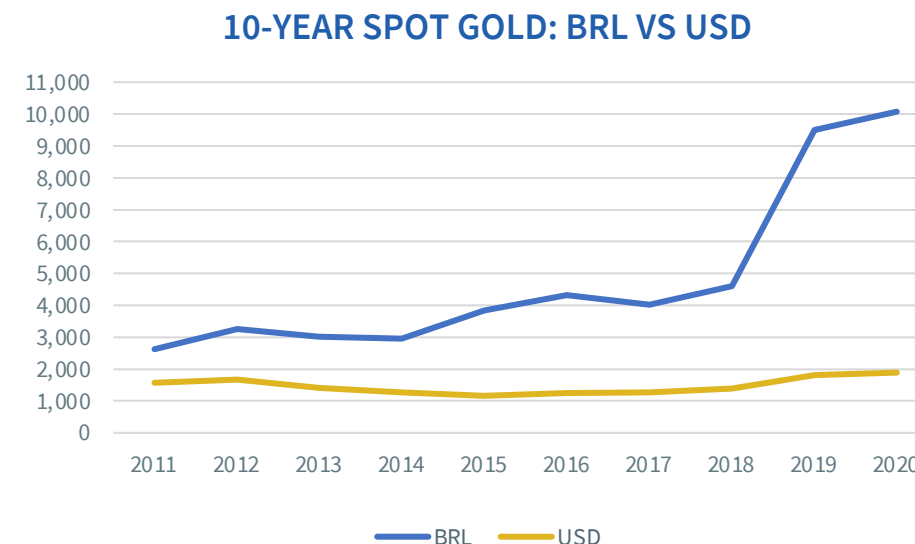
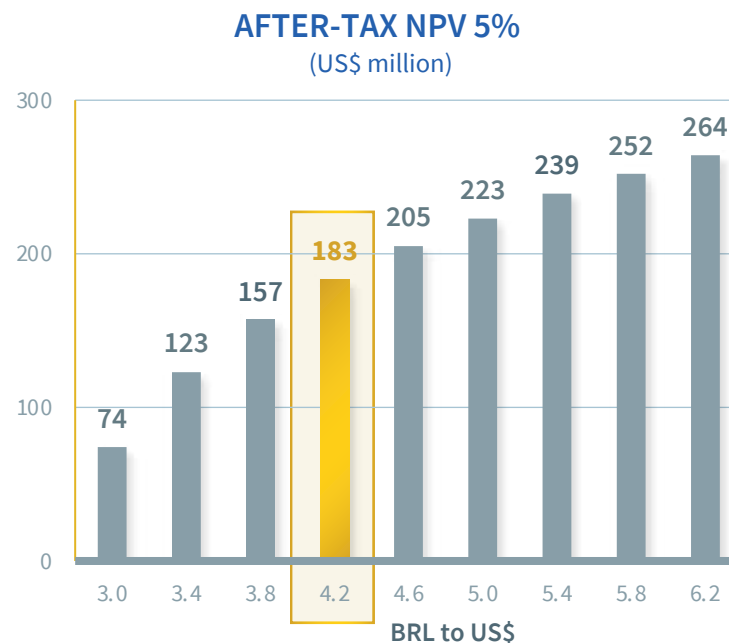
| GOLD PRICE PER OUNCE      | \$1,200 | \$1,300 | \$1,400 | \$1,500 | \$1,600 | \$1,700 | \$1,800 | \$1,900 | \$2,000 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| BRL to US\$               | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     | 4.2     |
| After-tax payback (years) | 3.4     | 3.0     | 2.6     | 2.3     | 2.1     | 1.9     | 1.8     | 1.6     | 1.5     |

Note: Dollar amounts in US\$.

# OVER 60% OF COSTS ARE LOCALLY BASED IN REAIS



A low Brazilian Real creates  
Real creates  
**AN OPPORTUNE  
MOMENT**



| BRL to US\$               | 3.0     | 3.4     | 3.8     | 4.2     | 4.6     | 5.0     | 5.4     | 5.8     | 6.2     |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Gold price per ounce      | \$1,400 | \$1,400 | \$1,400 | \$1,400 | \$1,400 | \$1,400 | \$1,400 | \$1,400 | \$1,400 |
| After-tax IRR             | 9%      | 15%     | 21%     | 25%     | 29%     | 33%     | 36%     | 39%     | 42%     |
| After-tax payback (years) | 4.5     | 3.5     | 3.0     | 2.6     | 2.4     | 2.1     | 2.0     | 1.8     | 1.7     |

Note: Dollar amounts in US\$.



# LOW CAPITAL AND OPERATING COSTS



| CAPITAL COSTS (US\$ in millions) |     |
|----------------------------------|-----|
| Initial capital cost             | 133 |
| Contingency                      | 12  |
| Life of mine sustaining capital  | 21  |
| Life of mine total capital       | 166 |
| Closure costs                    | 5   |

| OPERATING COSTS PER TONNE PROCESSED (US\$) |       |
|--|-------|
| Mining                                     | 8.71  |
| Processing                                 | 9.95  |
| G&A  | 0.75  |
| Tailings haulage and disposal              | 1.00  |
| Contingency                                | 0.54  |
| Total operating cost                       | 20.94 |

Initial mine life of 10 years before  
**POTENTIAL GROWTH  
FROM EXPLORATION**

*Note:*  
Calculated for a gold price of US \$1,400 per ounce and 4.2 BRL to US\$



# MOVING ALONG A CLEAR PERMITTING PROCESS



- Most important part of the permitting process
- Includes environmental baseline studies like EIAs, community engagement, and public hearings
- Awarded by the EPA and the Judicial Ministry



- Authorization to start building
- Allows for construction and commissioning
- Awarded by the state's environmental authority



- Requires inspection of the constructed mine and plant to ensure compliance with codes and provisions of previous licenses

# KEYS TO OUR SOCIAL LICENSE



## GOVERNMENT SUPPORT

Both state and municipal governments support the project and view mining as key to post Covid-19 recovery

## COMMUNICATION

Informational updates are delivered monthly to the community and published on our website

## TRAINING PROGRAMS

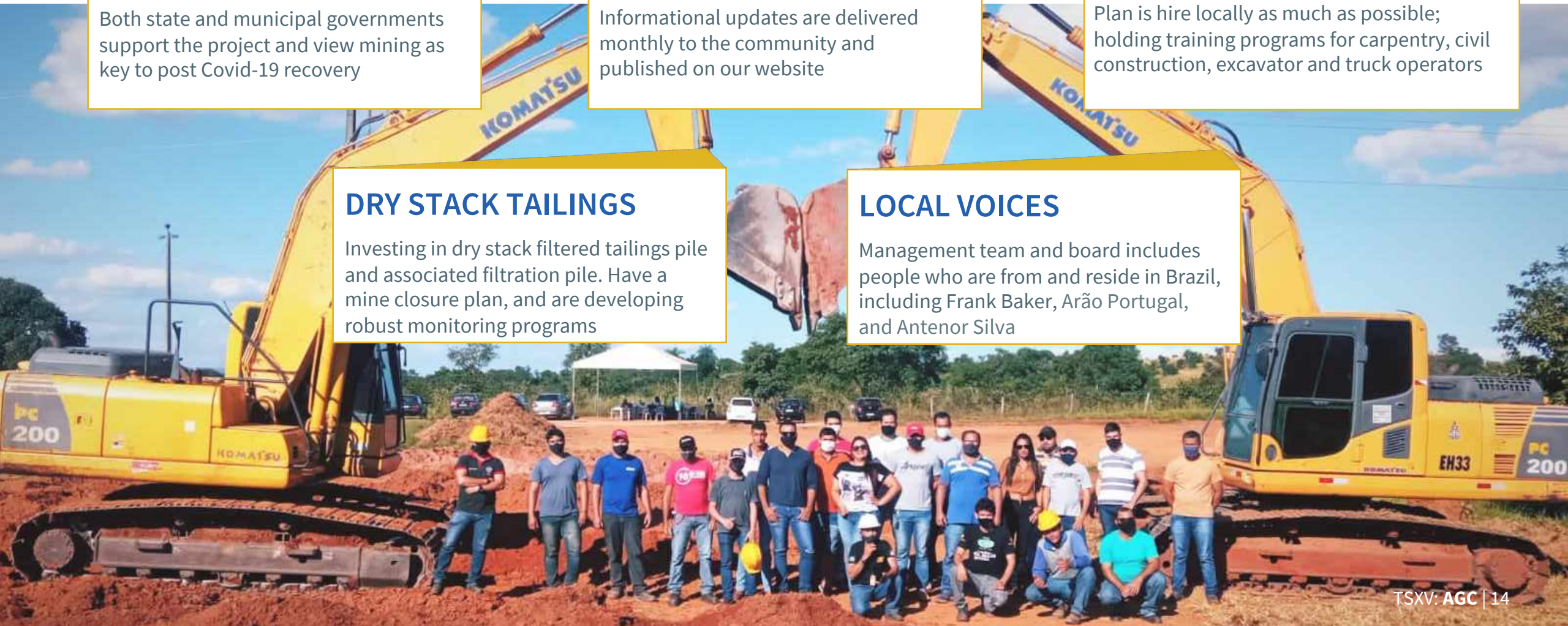
Plan is hire locally as much as possible; holding training programs for carpentry, civil construction, excavator and truck operators

## DRY STACK TAILINGS

Investing in dry stack filtered tailings pile and associated filtration pile. Have a mine closure plan, and are developing robust monitoring programs

## LOCAL VOICES

Management team and board includes people who are from and reside in Brazil, including Frank Baker, Arão Portugal, and Antenor Silva



# POSSE: KEY DEVELOPMENT MILESTONES



**DETAILED ENGINEERING  
AND EXECUTION PLANNING**

ONGOING

**PROCUREMENT OF  
LONG LEAD ITEMS**

ONGOING

**CONSTRUCTION FINANCING**

ONGOING

**CONSTRUCTION  
DECISION**

3-6 MONTHS FROM FINANCING

**CONSTRUCTION**

18 TO 21 MONTHS

**COMMISSIONING**

3 MONTHS

**COMMERCIAL  
PRODUCTION**



**EXPLORATION ALONG POSSE NORTH TREND** ONGOING



# POSSE NI 43-101 RESOURCES AND RESERVES (MAY 2020)



| RESOURCES                    | TONNES (millions) | GRADE (g/t gold) | CONTAINED GOLD (000 ounces) |
|------------------------------|-------------------|------------------|-----------------------------|
| Measured                     | 14                | 1.2              | 510                         |
| Indicated                    | 19                | 1.1              | 640                         |
| Total Measured and Indicated | 32                | 1.1              | 1,200                       |
| Inferred                     | 0.1               | 0.6              | 1.7                         |
| RESERVES                     | TONNES (millions) | GRADE (g/t gold) | CONTAINED GOLD (000 ounces) |
| Proven                       | 11.8              | 1.20             | 456                         |
| Probable                     | 12.0              | 1.16             | 446                         |
| Total Proven and Probable    | 23.8              | 1.18             | 902                         |

## Notes

Assumes exchange of R\$4.2 to US\$1.00

Resources assume gold price of \$1,500 per ounce and reserves assume gold price of \$1,400 per ounces

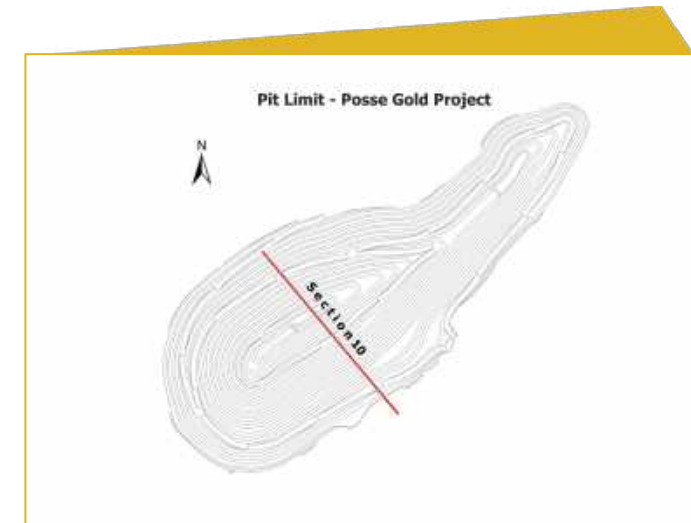
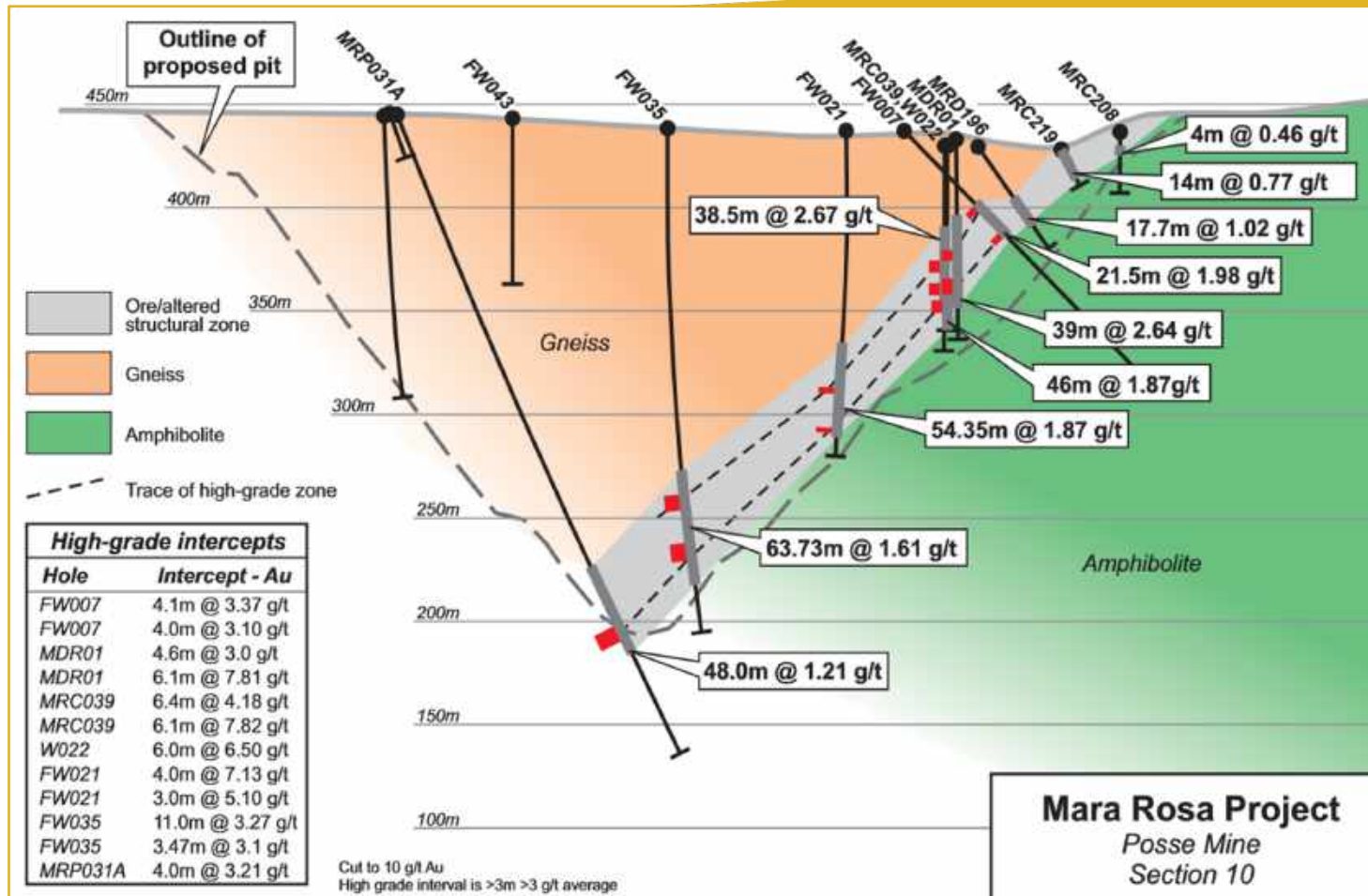
Cut-off grade of 0.35 g/t used for resources; reserves are above an economic cut-off grade of 0.37 g/t gold

Mineral reserves are based on measured and indicated resources only

Reported to two significant figures and columns may not sum due to rounding

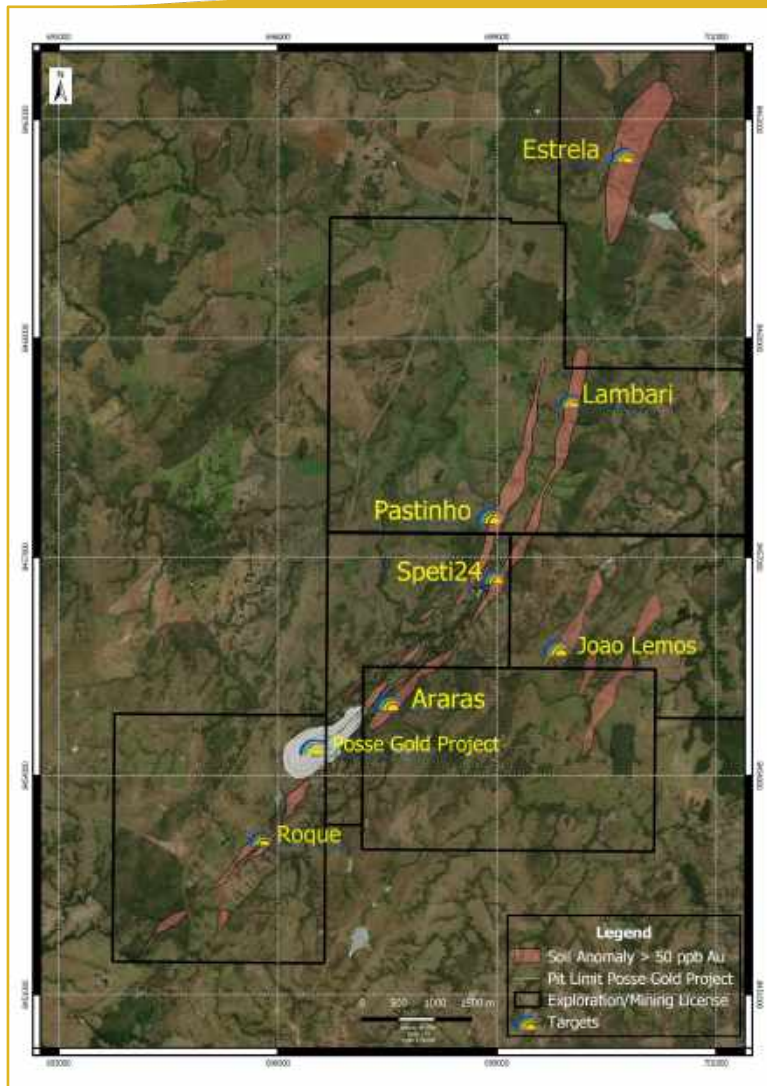


# EXTENDING THE MINE LIFE AT THE PIT



**OPEN DOWN PLUNGE  
TO THE SOUTHWEST**

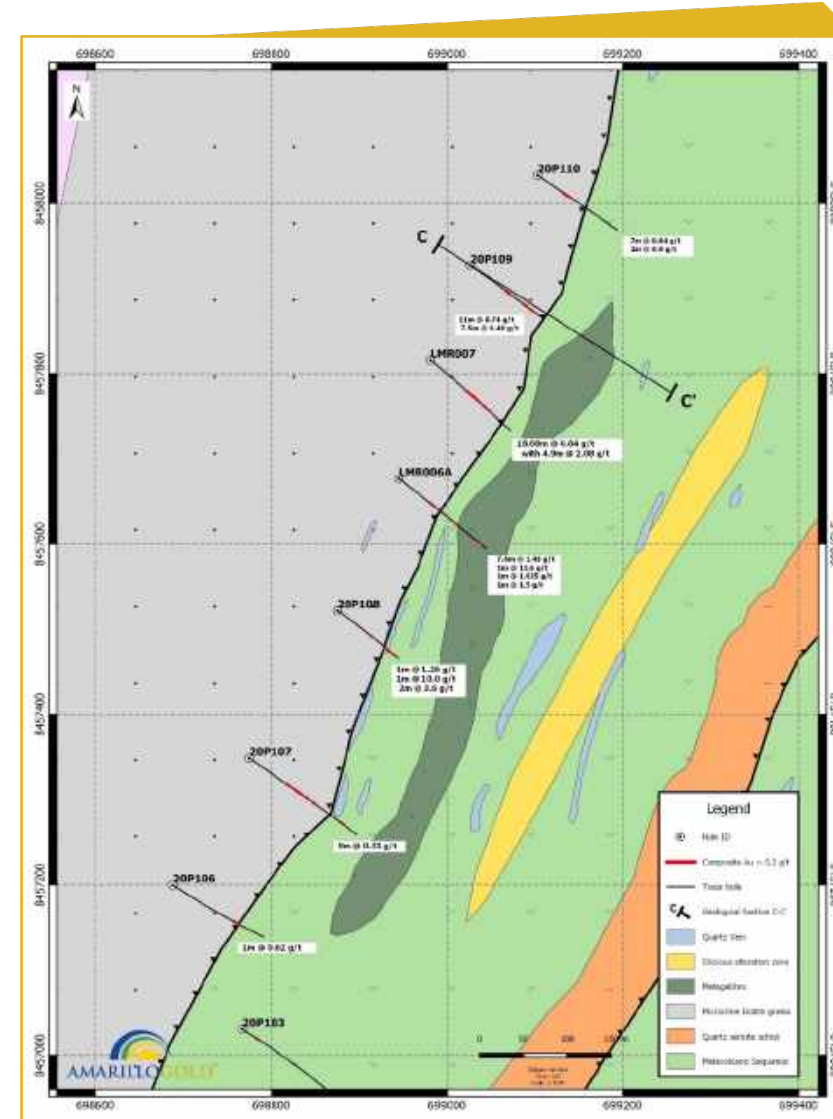
# EXTENDING THE MINE LIFE ALONG POSSE NORTH TREND



Goal: to identify potentially  
**ECONOMIC SATELLITE GOLD  
DEPOSITS THAT COULD ADD TO  
MINE LIFE**

- Focused on 10-kilometre Posse North Trend, where gold anomalies have been found up to 8 kilometres northeast of Posse Deposit
- Three priority targets – Araras, Speti 24, Pastinho – intersected elevated gold values in multiple intervals, implying that the gold system that hosts the Posse Gold Deposit is regional in scope
- Two drills turning on property as of early May 2021

- Style and nature of gold mineralization is extensive, similar in style to the gold mineralization found at Posse Gold Deposit
- Hole 20P108: 1 m grading 10 g/t gold
- Hole 20P109: 8 m grading 0.83 g/t gold, including 4 m at 1.15 g/t gold
- Recently completed surface trenching and augur drilling confirms up-dip extension. Key trenching results include:
  - 18.7 m grading 0.84 g/t gold
  - 11.0 m grading 0.74 g/t gold
  - 7.6 m grading 1.45 g/t gold



# LAVRAS DO SUL HAS POTENTIAL FOR DISTRICT SCALE



**22,000 HECTARES**

of exploration concessions

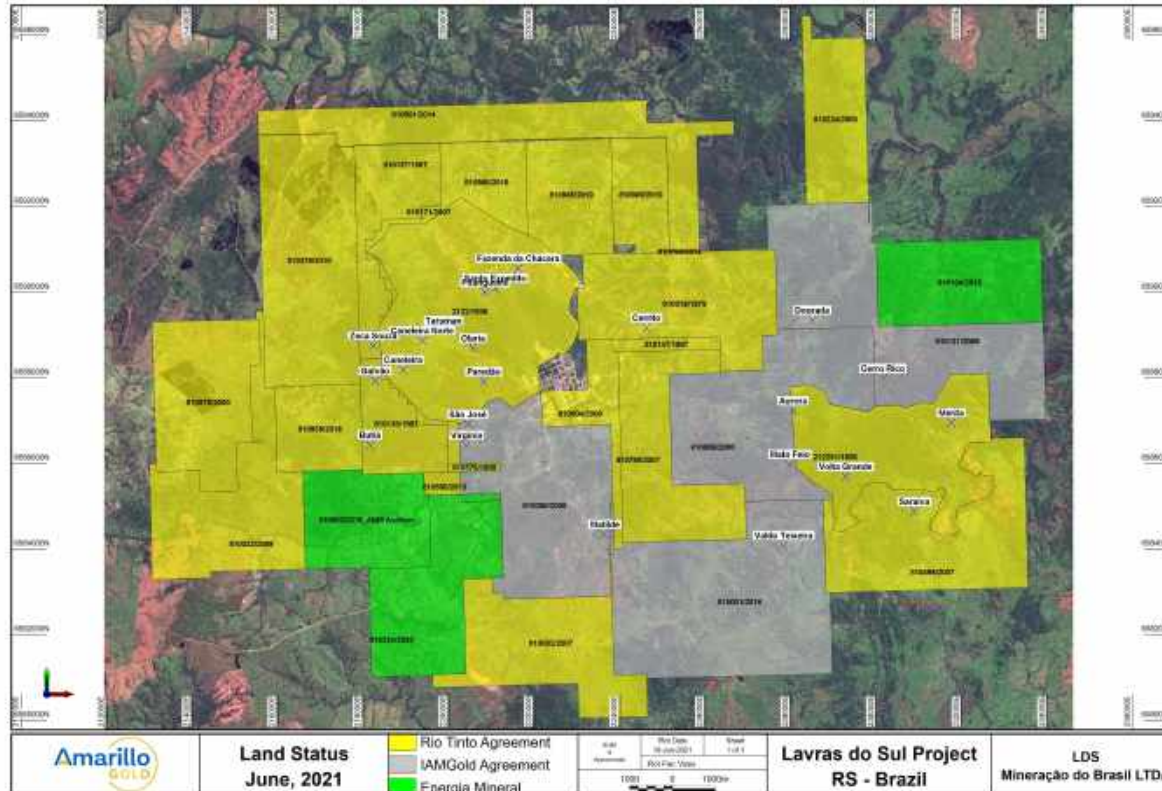
**EXCELLENT INFRASTRUCTURE**

**HISTORIC GOLD WORKINGS**

dating to 1700s



# MULTIPLE ANOMALIES OVER MULTIPLE KILOMETRES



- **GOAL: OPEN A SECOND DEVELOPMENT FRONT**
- **23 DEFINED TARGETS**
- **BUTIA MOST ADVANCED**
- **INITIAL NI 43-101 GOLD RESOURCE OF 523,000 OUNCES (SEPTEMBER 2010)**

# THE RIGHT TIME TO INVEST: **AMARILLO IS POISED FOR GROWTH**



## **COMPELLING VALUATION**

Trading at 30% NPV

## **LED BY MINE-BUILDERS WITH A STRONG SOCIAL LICENSE IN BRAZIL**

Management and directors have experience in project management in Canada and Latin America

## **CATALYSTS TO WATCH FOR**

- Construction financing for Posse Gold Project
- Construction decision on Posse
- Breaking ground at Posse
- Exploration results from Mara Rosa – finding more near surface satellite gold deposits could extend mine life
- Exploration results from Lavras do Sul, where goal is to open a second development front

## **\$41 MILLION CASH**

Have enough funding to meet short term goals while raising balance of construction financing

## **FOCUSED ON VALUE CREATION**

Through exploration and development activities



# CONTACTS



## MIKE MUTCHLER

President and CEO

1-416-294-0736

mike.mutchler@amarillogold.com

## HEMDAT SAWH

CFO

Tel: 1-416-671-4966

hemdat.sawh@amarillogold.com

## ANNEMARIE BRISSENDEN

Investor Relations

1-416-844-6284

annemarie.brissenden@amarillogold.com





# APPENDIX





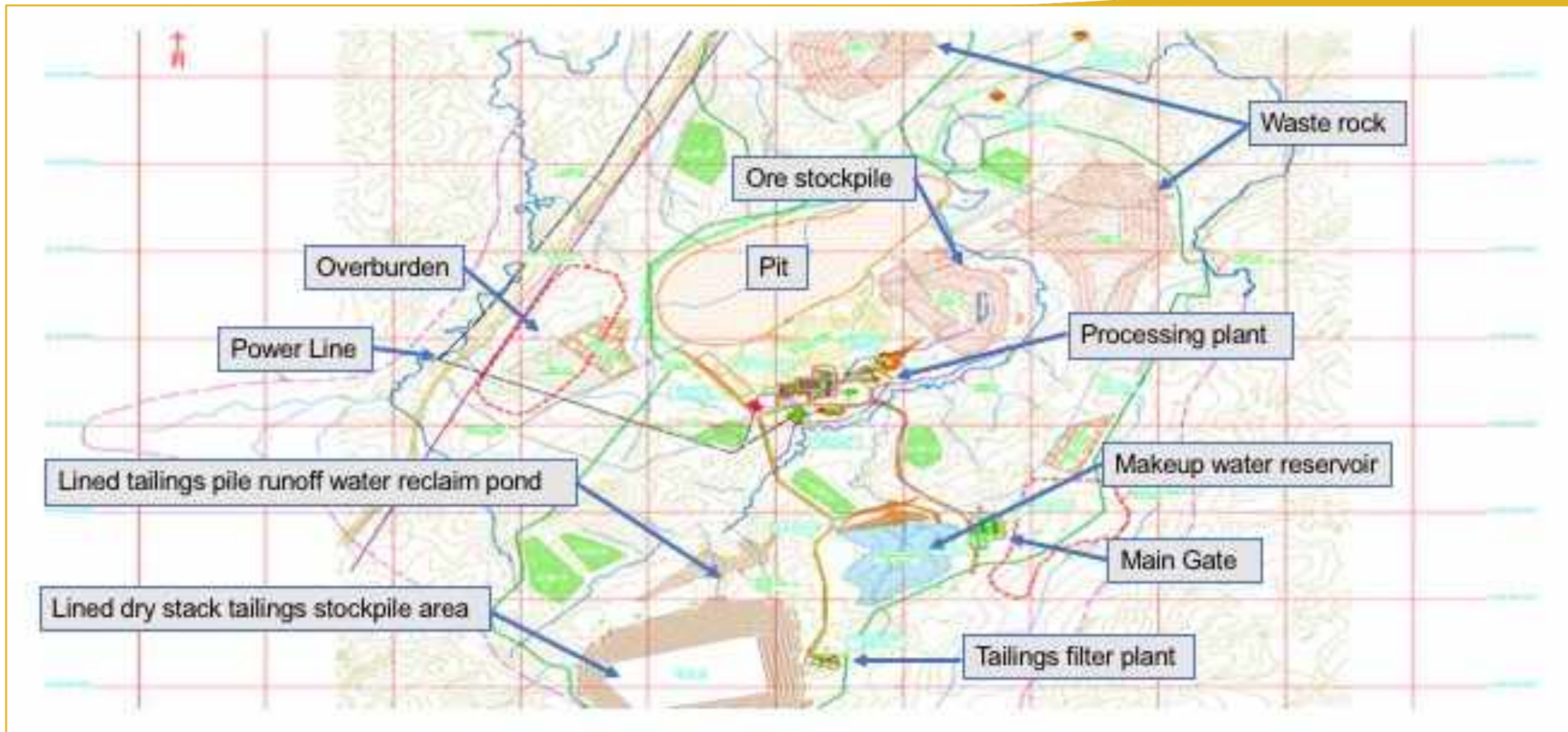
## MINE SITE AND FEASIBILITY STUDY RESULTS

|   |    |
|---|----|
| Overview of Posse showing historic pits     | 25 |
| Open pit mine and carbon-in-leach operation | 26 |
| Focus on high grade in first four years     | 27 |
| Plant to process 7,000 tonnes per day       | 28 |
| 2.5 million tonnes processed per year       | 29 |

# OVERVIEW OF POSSE SHOWING **HISTORIC PITS**



# OPEN PIT MINE AND CARBON-IN-LEACH OPERATION





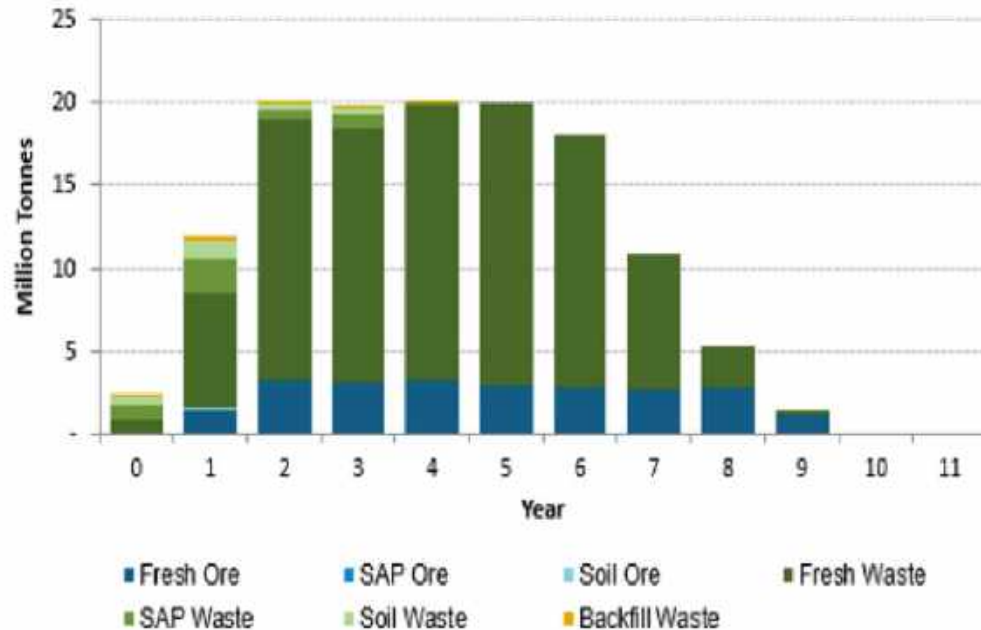
# FOCUS ON HIGH GRADE IN FIRST FOUR YEARS



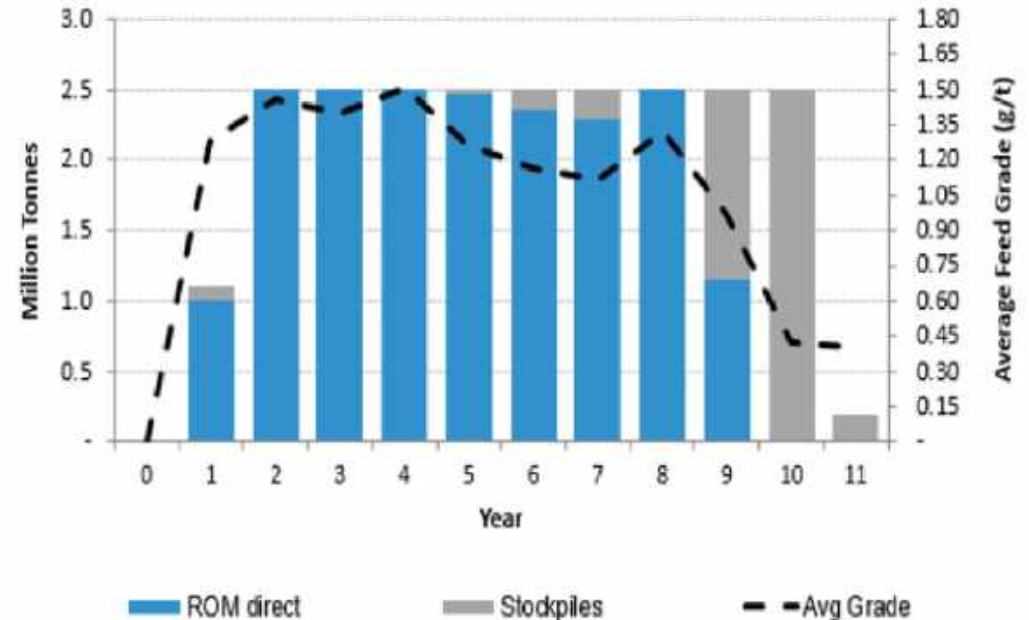
**AVERAGE GRADE OF 1.43 g/t**  
in years 1-4, 1.18 g/t over life of mine

**4.3 AVERAGE STRIP RATIO**  
over life of mine

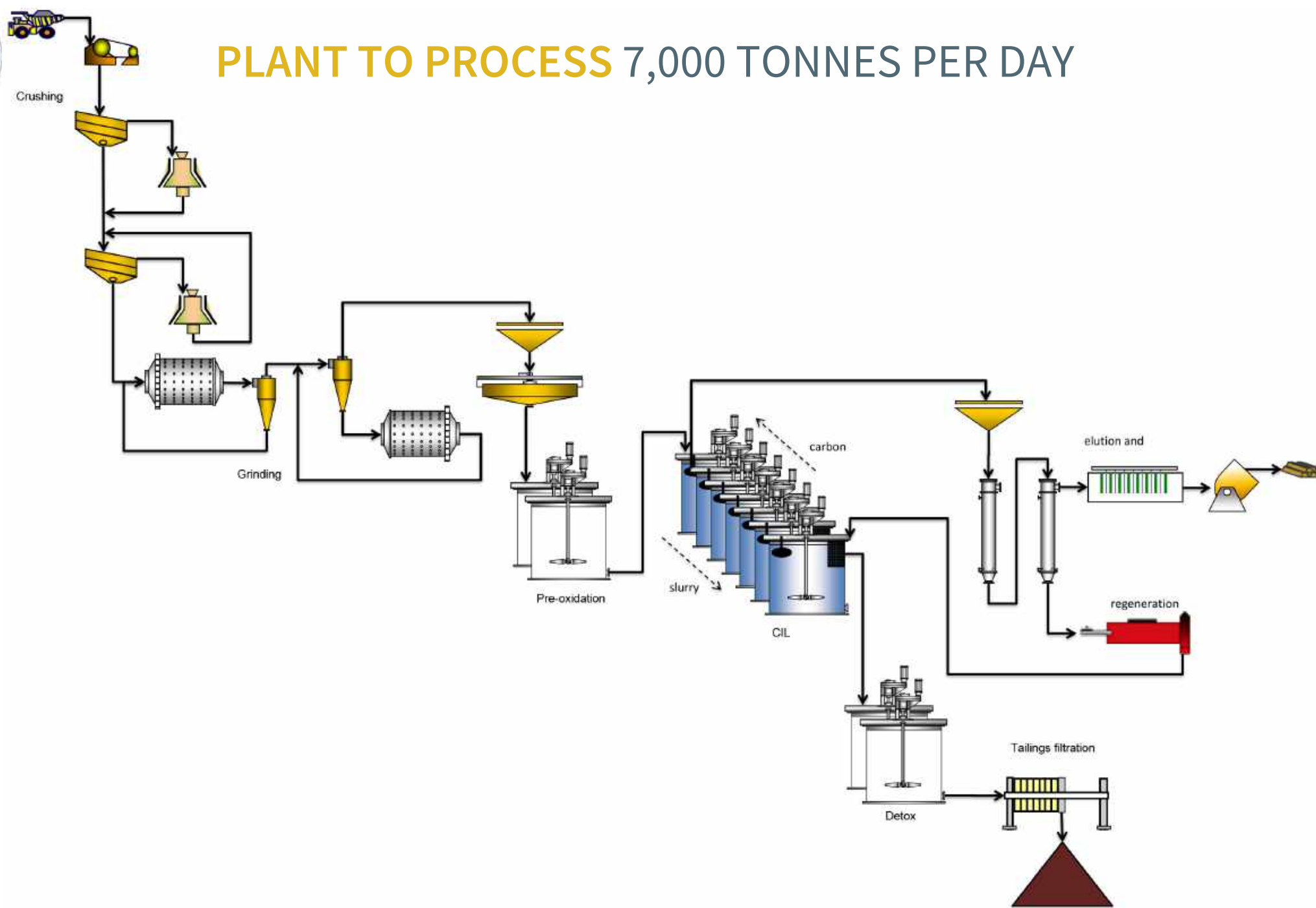
**Total Tonnes Movement**



**Processing Feed by Source**



# PLANT TO PROCESS 7,000 TONNES PER DAY







## 2.5 MILLION TONNES PROCESSED PER YEAR



**102,200**

Average annual gold production  
Years 1 to 4 (ounces)

**84,482**

Average annual gold production  
Life of mine (ounces)

**811,023**

Total gold produced  
(ounces)

**902,434**

Contained ounces

**23,804,804**

Total tonnes to crusher

**89.9%**

Average recovery