

Pampa Metals Reports Progress on its Chile Exploration Program And Informs of Change in Largest Shareholder of the Company

(CSE: PM) (FSE: FIRA)

For Immediate Release

Vancouver – February 16, 2021 – Pampa Metals Corp. (“Pampa Metals” or the “Company”) is pleased to report that the geophysical surveying program at its 14,000-hectare Arrieros project in northern Chile is nearing completion. In addition, the Company informs that, because of the successful conclusion of the business combination between Austral Gold Ltd (“Austral”) and Revelo Resources Corp. (“Revelo”) on February 4, 2021, Revelo has become a wholly-owned subsidiary of Austral, a precious metals producer in Chile. Austral, through its ownership of Revelo, is now the largest shareholder of Pampa Metals with a holding of 19.9% of the issued shares of Pampa Metals.

Update on Exploration Activities at the 100% Owned Arrieros and Redondo-Veronica Projects

As previously reported in the Company’s December 23, 2021 news release, Pampa Metals is acquiring Resistivity and 3D Vector Induced Polarization (“VIP”) data, together with Magneto-Telluric (“MT”) and ground magnetic measurements over the Arrieros property. VIP and MT surveying is almost complete and magnetics surveying will start very shortly.

The only geological rock outcrops on the property occur as a narrow fringe along the northern border of Arrieros, and sporadically along the western border, the rest of the property being covered and obscured by young, post-mineral gravels and other unconsolidated sedimentary sequences. A 1:5,000 scale geological mapping survey of lithology, hydrothermal alteration, structure, and mineralisation of the available outcropping rocks has been completed by an experienced geological consultant, together with limited indicative rock sampling of certain altered outcrops. Assay results are pending.

Most of the outcropping rocks in the project area, dominated by basement Paleozoic granitic rocks, are affected by intermediate argillic alteration, often associated with quartz-carbonate veinlets. In the far northeast corner of the project area, quartz-tourmaline veins and veinlets, with or without carbonate, and sometimes accompanied by copper oxides, occur. Additionally, small artisanal workings with copper oxides occur within basement Mesozoic calcareous rocks in the northeast. Some phyllic-altered ledges were identified at the southern border of the outcropping granitic rocks, along a north-northeast Incaic structural corridor. Coarse monzodioritic and quartz-monzodioritic porphyry rocks from the important Middle Eocene magmatic arc, affected by porphyry-type alteration and mineralization, have been described at surface and in drill holes within the neighbouring Montezuma project area, to the immediate west of the Arrieros property.

Historical wide-spaced magnetic data coverage over Arrieros reveals a series of geophysical anomalies possibly related to magmatic / porphyry copper systems obscured by the post-mineral gravel sequences. The results of the current ground geophysical surveys in combination with historical data and updated geological information will help define potential targets for drill testing.

Once the geophysical survey crew has completed its work at Arrieros, it will be mobilised to Pampa Metals' Redondo-Veronica project located approximately 40 km NNE of the giant La Escondida copper mine and other related copper deposits in the district. Geological mapping at Redondo-Veronica has already been initiated. Once surface works at both Arrieros and Redondo-Veronica have been completed, likely in mid- to end-March, and once all results have been processed and interpreted, Pampa Metals will consider initiating drill testing of the best targets.

Austral has Become the Largest Shareholder of Pampa Metals

Pampa Metals was created in 2020 via a business combination together with the acquisition of a high-quality project portfolio – eight (8) projects covering 59,000 hectares – from Revelo for a combination of cash and 19.9% of the issued and outstanding shares of the Company.

On February 4, 2021, Austral and Revelo completed their previously announced business combination, pursuant to which Austral has acquired all the issued and outstanding common shares of Revelo by way of a statutory plan of arrangement under the provisions of the Business Corporations Act (British Columbia). This has resulted in Austral now indirectly holding 7,798,747 common shares of Pampa Metals, representing a 19.9% holding in the Company.

Austral (TSX-V: AGLD / ASX: AGD) is a growing gold and silver mining, development and exploration company building a portfolio of quality assets in Chile, the United States and Argentina.

COVID-19

The global outbreak of COVID-19 has led governments worldwide to enact emergency measures to combat the spread of the virus. Such measures may result in a period of business disruption including reduced operations, which could have a material adverse impact on the Company's results of operations, financial condition and the market and trading price of the Company's securities.

As of the date of this news release, the duration and immediate and eventual impact of the COVID-19 pandemic remains unknown. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. The outbreak of COVID-19 has not caused disruptions to the Company's business to date, with field activities being conducted by Chile-based specialists and consultants, although international travel to Chile is currently not practical. However, the COVID-19 outbreak may yet cause disruptions to the Company's business and operational plans.

Technical information in this news release has been approved by Mario Orrego G., geologist and a registered member of the Chilean Mining Commission and a qualified person as defined by National Instrument 43-101. Mr. Orrego is a consultant to the company.

ABOUT PAMPA METALS

Pampa Metals is a Canadian company listed on the Canadian Stock Exchange (CSE: PM). Pampa Metals has interests in an outstanding 59,000-hectare portfolio of projects prospective for copper and gold located along proven mineral belts in Chile, one of the world's top mining jurisdictions. See attached map for the locations of the Company's projects. The Company has a vision to create value for shareholders and all other stakeholders by making a major copper discovery along the prime mineral belts of Chile, using the best geological and technological methods. For more information, please visit Pampa Metals' website here www.pampametals.com.

ON BEHALF OF THE BOARD

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Neither the CSE nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Reference to existing or historic mines and projects is for reference purposes only. The reader is cautioned that there is no evidence to date that a comparable mineral resource could be found at Pampa Metals' projects.

FORWARD-LOOKING STATEMENT

This news release contains certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, that address events or developments that Pampa Metals expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "indicate" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. These include statements regarding our future exploration plans and results of existing plans. These statements are subject to various risks, including that results will not be as anticipated, or that timing may be impacted by restrictions on travel and work imposed due to the Covid-19 pandemic. Although Pampa Metals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guaranteeing of future performance and actual results may differ materially from those in forward-looking statements.

Pampa Metals Projects – Locations in Relation to the Principal Mineral Belts of Northern Chile

