

Pampa Metals Initiates Geophysical Survey at its Cerro Buenos Aires Copper & Precious Metals Project in Chile

(CSE: PM) (FSE: FIRA) (OTCPK: PMMCF)

For Immediate Release

Vancouver – May 12, 2021 – Pampa Metals Corp. (“Pampa Metals” or the “Company”) (CSE: PM) is pleased to provide an update on its exploration programs as well as announcing that the company has initiated a gradient array induced polarisation (IP) geophysical survey at its Cerro Buenos Aires copper and precious metals project in northern Chile.

Pampa Metals is pleased to be advancing its exploration program in a rapid and efficient manner since inception less than 6 months ago, with 3 projects already subject to detailed surface mapping and geophysical surveying, and 2 projects subject to a Letter Agreement with Austral Gold Ltd. that will allow for a rapid advance of their exploration. An additional project, Block 3, is currently undergoing detailed geological mapping, with results to be reported in due course. An initial drilling program is being planned for implementation around mid-June, with the highest priority targets delineated to date to be tested.

As previously reported (see news release dated April 28, 2021), the Company completed a comprehensive geological mapping exercise with the identification of two porphyry-related target areas, and the potential to host yet more, at its Cerro Buenos Aires project located along the highly prospective Paleocene Belt (or Central Depression) of northern Chile. The Company can now report that a gradient array IP survey, with combined resistivity and magnetotelluric (MT) measurements, has been initiated with Southern Rock Geophysics in the northern target area around Cerro Chiquitín.

Gradient array datasets provide imaging to large depths and good mapping of the lateral distribution of chargeable and resistive features, but do not usually provide much discrimination about the depth to targets. However, the incorporation of MT with this style of IP acquisition can alleviate this limitation by providing high resolution models of the vertical distribution of resistivity.

The total area to be covered by the survey is approximately 5.5 Km north-south by 4 Km east-west, approximately centred on the Cerro Chiquitín outcrop that exposes portions of a tourmaline breccia body as well as a diorite porphyry complex. The tourmaline breccia shows weak phyllic alteration with some porphyry-style D-type quartz veinlets, and a fine-grained diorite has sub-parallel porphyry-style A-type quartz veinlets on its eastern flank. The relatively small outcrop at Cerro Chiquitín (+/- 500m across) shows hydrothermal alteration assemblages that suggest the area is part of an uplifted block that could be related to a possible porphyry copper style system.

Existing geophysical data, comprising historic heli-borne magnetics and resistivity measurements, show a series of anomalies covered by post-mineral gravel areas (“pampas”) around the Cerro Chiquitín outcrop that may be related to porphyry copper centres or mineralised breccia bodies. However, it is hoped that the IP surveying will

help discriminate between these anomalies and help prioritise drill holes currently being planned. The new geophysical surveying work is expected to be completed by around the end of May.

Cerro Chiquitín's exploration potential is also supported by historical geochemical data, where a combination of pathfinder elements that form part of the MDRU geochemical porphyry index indicate a high concentration of positive-index anomalies in the northern part of the Cerro Buenos Aires project around Cerro Chiquitín.

About Cerro Buenos Aires

Cerro Buenos Aires is a 7,600-hectare property prospective for porphyry copper (+/- gold +/- moly) and possibly epithermal gold-silver deposits, located in the heart of the Paleocene mineral belt of northern Chile. The Paleocene belt (also known as the Central Depression) is host to important copper and several gold-silver deposits and mines. The property is located along a prolific segment of the prospective belt, along trend from important copper mines such as Spence (BHP), Sierra Gorda (KGHM and Sumitomo), and Lomas Bayas (Glencore), and immediately southwest of the El Peñon gold-silver mining district (Yamana Gold) (see Figure 1).

Hydrothermal alteration typical of the epithermal / porphyry transition extends over approximately 12 Km north-south centred on 3 principal outcrops, with the largest at Cerro Buenos Aires hill to the south being the least exhumed, and the smallest at Cerro Chiquitín to the north representing a porphyry-type level of exposure. Extensive post-mineral covered “pampas” surround the outcrops, where geophysical exploration is the prime exploration tool prior to drill testing (see Figures 2 & 3). Multiple magnetic and resistive anomalies of potential interest for exploration extend under the large pampas.

The project has excellent access and infrastructure, being located directly alongside the Pan American Highway of northern Chile, and with the main north-south high-tension power line of the Chilean interconnected system running alongside the highway. The project is also located just 80 Km in a straight line from the coast.

Note: The reader is cautioned that the Cerro Buenos Aires Project is an early-stage exploration property and reference to existing mines and deposits, or mineralization hosted on adjacent and nearby properties, is not necessarily indicative of any mineralization hosted on the Cerro Buenos Aires Project.

Qualified Person

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.

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, and in reduced operations, any of which could have a material adverse impact on the Company's result 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. While the outbreak of COVID-19 has not caused significant disruptions to the Company's business, it may yet cause disruptions to the Company's business and operational plans.

ABOUT PAMPA METALS

Pampa Metals is a Canadian company listed on the Canadian Stock Exchange (CSE: PM) as well as the Frankfurt (FSE: FIRA) and OTC (OTCPK: PMMCF) exchanges. Pampa Metals owns a highly prospective 59,000-hectare portfolio of eight projects for copper and gold located along proven mineral belts in Chile, one of the world's top mining jurisdictions. 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 www.pampametals.com.

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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. 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.

Figure 1. Location of Cerro Buenos Aires Project in Relation to Key Mineral Deposits & Structures

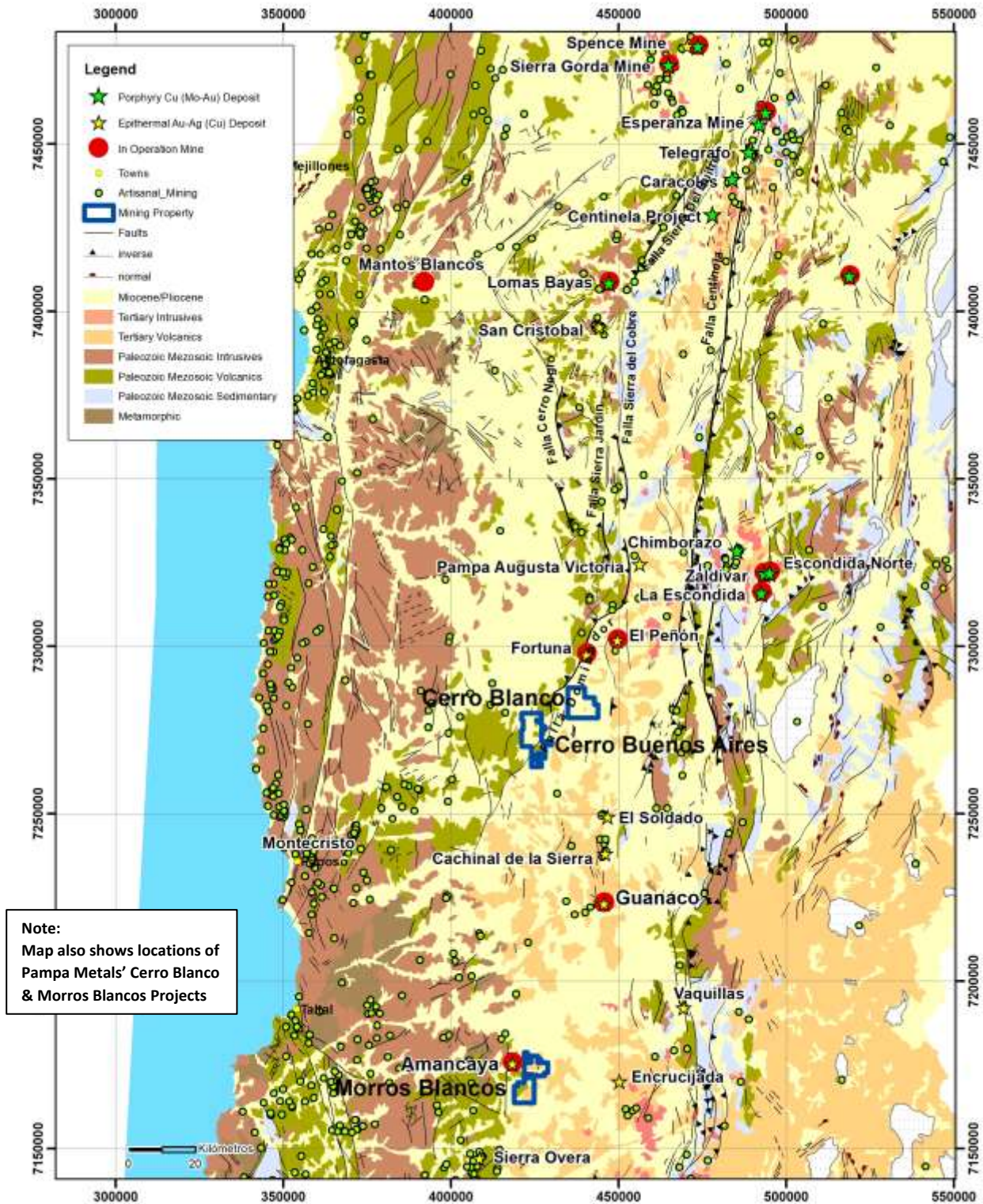


Figure 2: Cerro Buenos Aires – Lithology

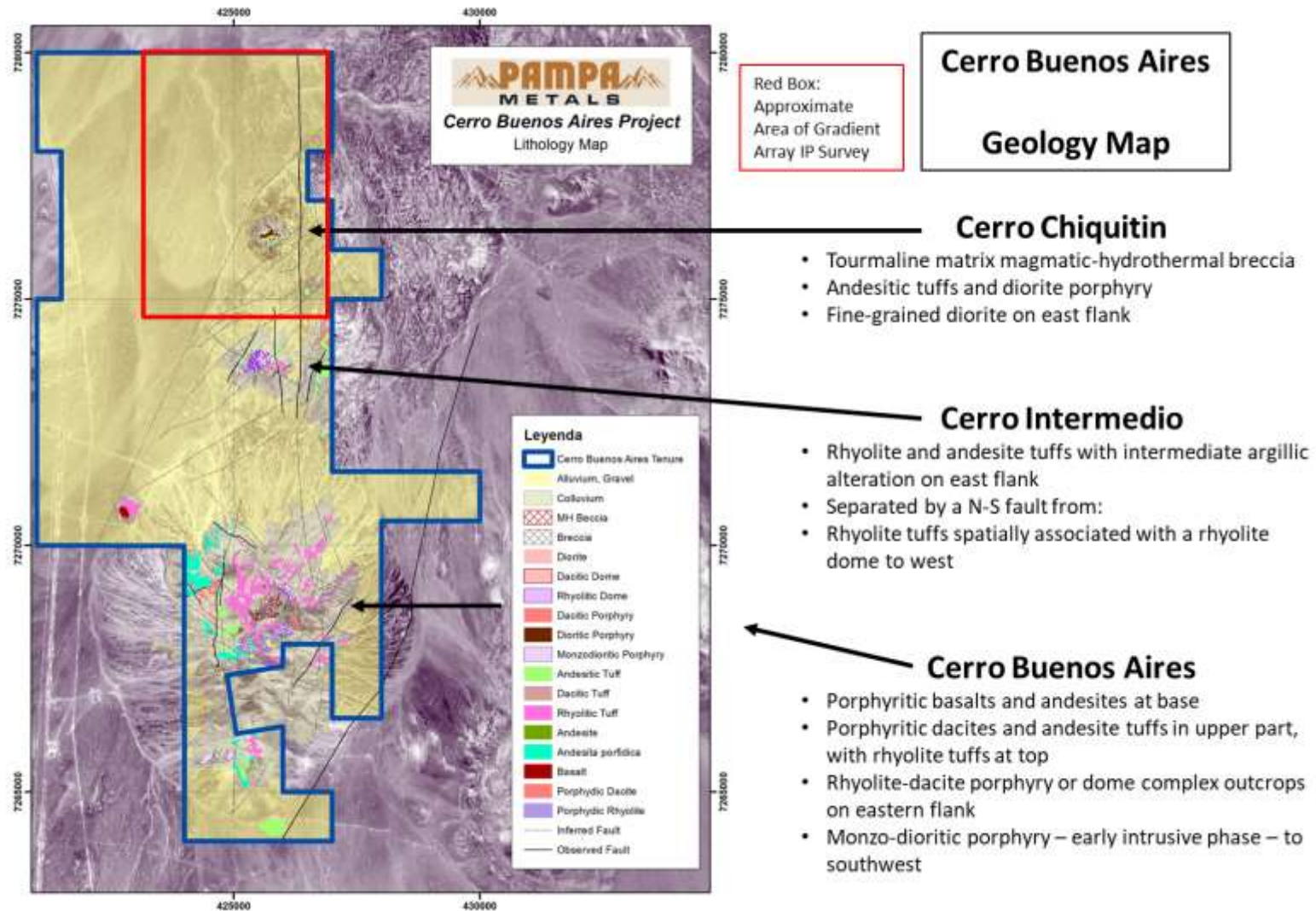


Figure 3: Cerro Buenos Aires – Hydrothermal Alteration

