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Pampa Metals Mobilises Drill Rig to Copper Projects in Northern Chile

(CSE: PM) (FSE: FIRA) (OTCPK: PMMCF) **For Immediate Release**

Vancouver – June 16, 2021 – Pampa Metals Corp. ("Pampa Metals" or the "Company") (CSE: PM / FSE: FIRA / OTCQB: PMMCF) is pleased to announce that it has mobilised a reverse circulation ("RC") drill rig to its 100% owned Redondo-Veronica project in northern Chile. The Company plans to drill approximately 2,000 metres out of a total planned program of 4,000 metres, with the balance to be drilled at its Cerro Buenos Aires project. Drilling is expected to start later this week.

The Company plans to complete an initial drill test totalling 5 or 6 RC holes at the Redondo Extremo Norte, Cerro Redondo Norte, and Redondo SurOeste targets at its 6,600-hectare Redondo-Veronica project. These targets are characterised by a combination of geological, hydrothermal alteration, and geophysical features that have been interpreted to be representative of porphyry copper systems. The Cerro Redondo Norte target has been the subject of an historic drilling program with unknown results.

Drilling Program

As previously reported (see news releases dated February 25, 2021; March 23, 2021; and June 2, 2021), Pampa Metals has been advancing rapidly with its exploration program on several of its projects, with detailed geological mapping, geophysical surveying, and incorporation of historic data where available.

Five centers of phyllic hydrothermal alteration, which are potentially indicative of porphyry copper style mineralisation, have been identified at Redondo-Veronica, all of which are spatially associated with the Pampa Elvira Fault (PEF) of the Domeyko Fault System, and that traverses the project area from northwest to southeast. Three of the five targets have been selected for an initial drill test to investigate the hydrothermal alteration in the third dimension at depth, which have favourable geophysical features including magnetotelluric resistive, 3D vector IP phase, and magnetic anomalies.

- **Redondo Extremo Norte** occurs in the extreme north of the property and to the east of the PEF, and is characterised by "D"-type quartz veinlets associated with phyllic alteration over an area of approximately 1.5 km by 1.5 km. This is considered to be indicative of a well-preserved porphyry copper system, and includes 1 peripheral historic RC drill hole of unknown provenance and result, and remains open.
- **Cerro Redondo Norte** contains an area of historical exploration interest, with several drill platforms and evidence of completed RC drill holes of unknown provenance and results over an area of approximately 800m x 800m, within a larger area of hydrothermal alteration some 2 km NE-SW by 1.5 km NW-SE in size. This area is located to the west of the PEF and although outcrop is poor, contains evidence indicative of porphyry copper systems including widespread phyllic alteration with spaced "D" type quartz veinlets, NW and NE trending quartz-sericite-pyrite structures, tourmaline flooding, and some evidence for the

presence of “A” type quartz veinlets. Historic drill cuttings left at surface reveal the presence of pyrite and copper oxides.

- **Redondo SurOeste** corresponds to sericite-chlorite veinlets identified to the southwest of Cerro Redondo Norte, which have a spatial relationship with a poorly exposed zone of quartz “A” type veinlets with the presence of copper oxides oriented on a NE-SW trend. This area is provisionally interpreted as a northeast oriented porphyry system, approximately 1.8 km long by 1.2 km wide, located between two N-S branches of the Pampa Elvira Fault. The area of interest shows no evidence of historical drilling.

Once drill testing at Redondo-Veronica has been completed, estimated at around 1 month, the drill rig and support crews will be mobilised to the Company’s Cerro Buenos Aires project, and specifically the Cerro Chiquitin target area in the north of the property, where a further 2,000 metres of drilling will be completed. Assay results are expected to be available some 3 weeks after the drill program is completed at each project area.

Pampa Metals continues to advance exploration on other projects within its portfolio, and a drone-flown magnetics survey is currently in progress at the Company’s Block 3 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 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 significant disruptions to the Company’s business to date, with field activities being conducted by Chile-based specialists and consultants, although international travel to Chile for management is currently not practical. Important business communication is largely reliant on digital media. However, the COVID-19 outbreak 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 STATEMENTS

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.

Location of Redondo-Veronica and Cerro Buenos Aires Projects