

Pampa Metals Completes 4 holes at Redondo Veronica Prepares Drill Targets for its Cerro Buenos Aires Project

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

For Immediate Release

Vancouver – July 7, 2021 – Pampa Metals Corp. (“Pampa Metals” or the “Company”) (CSE: PM / FSE: FIRA / OTCQX: PMMCF) is pleased to report that it has now completed 1500 meters of drilling at its Redondo Veronica project with 4 holes completed to date and drilling of a fifth ongoing. At least one additional hole is planned and should be completed in 7 to 10 days.

The Company is also pleased to report that after careful interpretations of data from its Cerro Buenos Aires project, and in particular the Cerro Chiquitin target in the north of the project area, the Company is finalising its drilling plans in preparation for the arrival of a drill rig to the project site later this month.

Results from the gradient array IP survey (see news release dated May 12, 2021) at Cerro Buenos Aires were received and processed and are being incorporated into the interpretations and drill plans. Of particular interest are two principal anomalous areas, both of which are potential drill targets:

- A “donut”-shaped IP chargeability anomaly, some 1.5 km to 2.0 km in diameter, to the north of Cerro Chiquitin, in an area obscured by post-mineral gravel cover. The outer chargeability ring may be related to a pyritic halo to a central porphyry-related system.
- An approximately N-S trending chargeability anomaly more than 2 km long and up to 1 km wide, to the south of Cerro Chiquitin, also in an area obscured by post-mineral gravel cover. This anomaly is open to the south towards the epithermal alteration zone outcropping at Cerro Intermedio on the Company’s property.

Additionally, a pronounced approximately N-S oriented resistivity anomaly extends to the north of Cerro Chiquitin, and is partially coincident with the core of the “donut” chargeability anomaly. The anomaly is made of two sub-parallel branches at its northern and southern ends, one of which is the vicinity of Cerro Chiquitin. The resistivity signature from the gradient array IP corresponds in part to the resistivity signature obtained from previously available Heli-borne TEM (time-domain electro-magnetic) data at a modelled depth of about 150m.

The relatively small Cerro Chiquitín outcrop (+/- 500m across) 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, both of which are interpreted to indicate that a porphyry-related system is located in the vicinity. The results from the gradient array IP together with existing Heli-borne TEM and magnetics data, and surface soil geochemical data, are supportive of this interpretation.

As part of the data integration underway, the historic Heli-borne magnetics data from the project is being re-processed by the Company's geophysical contractors to produce improved products to assist in the interpretation process.

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).

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. Several IP chargeability, resistivity, and magnetic 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 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.

ON BEHALF OF THE BOARD

Julian Bavin | Chief Executive Officer

INVESTOR CONTACT

Ioannis (Yannis) Tsitos | Director

investors@pampametals.com

www.pampametals.com

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

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.