

Pampa Metals Provides Update for Morros Blancos JV with Austral Gold

(CSE: PM) (FSE: FIRA) (OTCQX®: PMMCF)

For Immediate Release

Vancouver – April 28, 2022 – Pampa Metals Corp. (“Pampa Metals” or the “Company”) (CSE: PM / FSE: FIRA / OTCQX®: PMMCF) is pleased to provide an update on exploration activities being carried out by Austral Gold Ltd. (“Austral” – ASX: AGD / TSX-V: AGLD) at the Company’s 7,300-hectare Morros Blancos property in northern Chile, where Austral has an option to earn up to an 80% interest in the Morros Blancos property by completing a Bankable Feasibility Study.

Morros Blancos is located along one of the prime mineral belts of northern Chile that is host to major copper mines such as Spence and Sierra Gorda, as well as important gold-silver mining districts such as El Peñon, and is situated immediately adjacent and to the east of the producing Amancaya gold-silver mine operated by Austral.

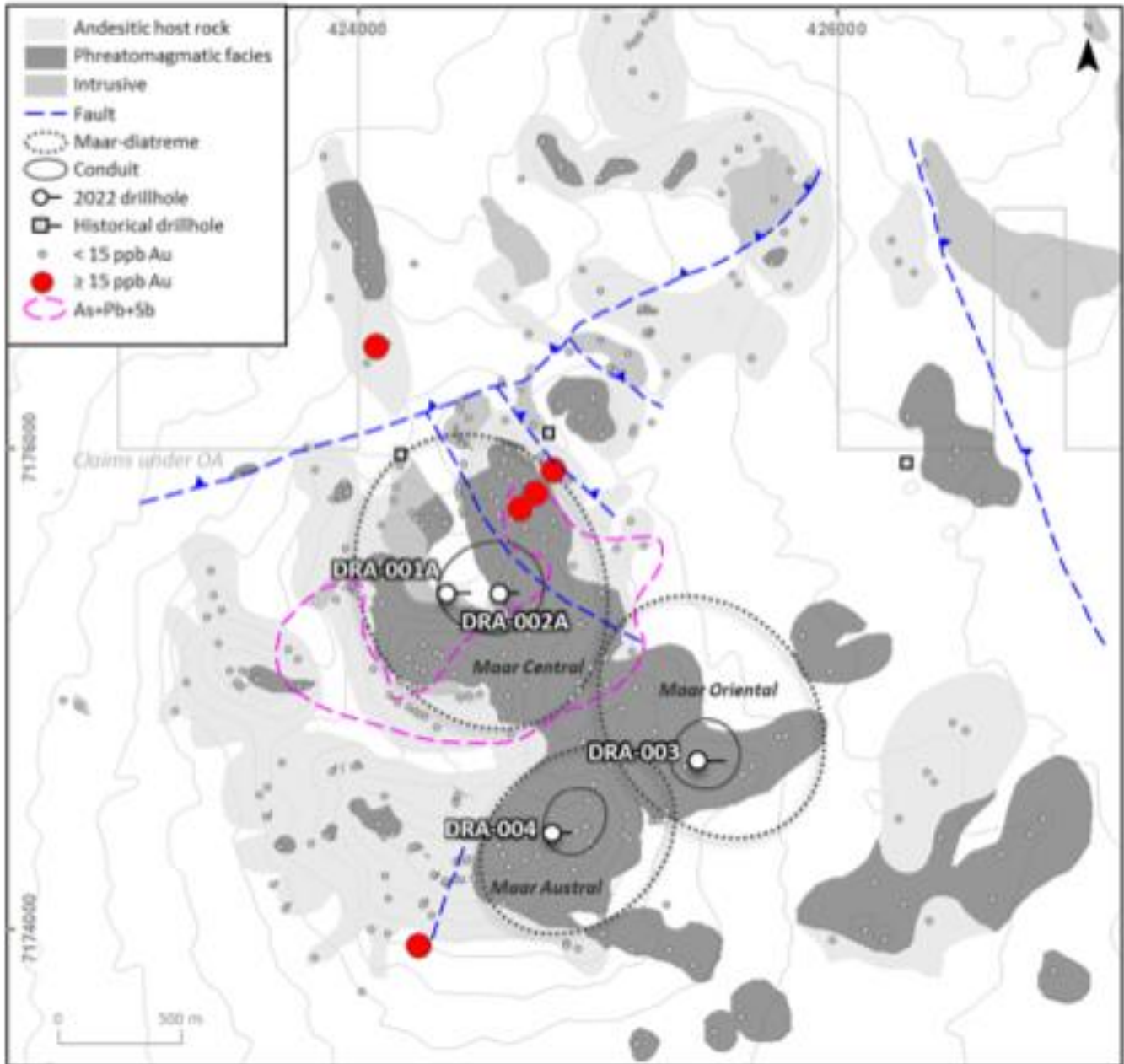
Highlights:

- Austral has announced preliminary results from its exploration programs at the Company’s Morros Blancos project in northern Chile (see Austral ASX news release dated April 28, 2022). Two targets are currently being investigated along a 15 km hydrothermal alteration corridor at Morros Blancos (see map at end of this release).
- Austral has completed four of the planned five diamond drill holes totalling 1,020m at the Rosario del Alto target in the north of the property, and continued surface exploration studies of the Morro Colorado target in the center of the property.
 - Additional detailed surface geological mapping, rock-chip sampling, geophysical surveys, spectrometry (alteration) studies, and petrographic studies have been completed at both targets.
- Extensive geological and hydrothermal alteration features of high-sulphidation gold-silver systems have been encountered and mapped at surface at both Rosario del Alto and Morro Colorado, and in drill holes at Rosario del Alto. Additionally, evidence for the juxtaposition of hydrothermal alteration with high-sulphidation features and porphyry-style characteristics, has been found at Morro Colorado.

Morros Blancos – Rosario del Alto Exploration

Four (out of a planned five) diamond drill holes totaling 1,020 meters were completed at Rosario del Alto in the north of the property, targeting three main phreatomagmatic complexes (Maar Austral, Maar Central, Maar Oriental) identified by geological mapping (see map below). All drill holes cut large columns of phreatomagmatic rocks, confirming a high degree of preservation and continuity of the systems at depth. No significant precious metals intervals were intercepted to date, but partial results from multi-element geochemical analyses show strong pathfinder anomalies, consistent with surface geochemical anomalies. The phreatomagmatic facies show a progression from polymictic crater-fill environments in the centers of the diatremes and at depth, towards monomictic environments at the edges of the complexes. Surficial tuffaceous maar sediments also occur.

All the recognized geological elements such as breccia rock type, hydrothermal alteration, and oxidation level, will allow vectoring towards mineralisation in the next phase of drilling, which is planned for later this year.



Morros Blancos – Rosario del Alto Target Summary Map

Morros Blancos – Morro Colorado Exploration

At the Morro Colorado target, Austral has delineated a ~2x1 km area with phreatomagmatic breccias affected by high-level, high-sulphidation alteration developed in volcanic sequences that include domes and block and ash deposits. This structural block is in contact to the west with a domain characterized by lavas and numerous intrusive bodies, some of them with evidence of porphyry-style alteration.

It is likely that Austral will drill test Morro Colorado later this year.

Pampa Metals / Austral Gold – Agreement

Pampa Metals and Austral Gold signed an option agreement (the “Agreement”) in July 2021 (see news release dated July 28, 2021) allowing Austral to earn up to an 80% interest in two of the Company’s properties – Morros Blancos and Cerro Blanco – by completing certain expenditures, returning to the Company’s treasury some shares of Pampa Metals held by Austral, and ultimately by completing a Bankable Feasibility Study (“BFS”) on one or both projects.

Expenses incurred on the Morros Blancos and Cerro Blanco properties pursuant to the Agreement to date are reported by Austral to be approximately US\$ 1.2 million, thus completing the first-year expenditure commitment. An additional US\$1.8 million is required to be expended on the properties prior to the end of Q3 2023 for Austral to obtain an initial 60% interest in the properties. Subsequently, Austral can earn an additional 5% interest in each property, to 65%, by completing a Preliminary Economic Assessment (“PEA”) on either or both properties within 5 years based on a minimum of 15,000m of drilling and related engineering studies. Any property that does not have a PEA completed within 5 years will be returned to the Company. Austral can further increase its interest to 80% by producing a Bankable Feasibility Study (“BFS”) to NI 43-101 standards with an additional 10,000m (minimum) of drilling on any one of the Properties.

Pampa Metals has a back-in right if the results of exploration or the BFS indicate that the value of mineralization is dominated by copper rather than gold, in which case the Company can earn an 80% interest in any such discovery by diluting Austral to 20% using the same expenditure formula by which Austral has earned its interest.

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 (OTCQB®: PMMCF) exchanges. Pampa Metals owns a highly prospective, wholly owned, 62,000-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 is actively progressing four of its projects, including completed and planned drill tests, and has two additional projects optioned to Austral Gold Ltd., with Austral drill testing its first target on Pampa Metals’ ground. The Company has also signed an agreement with VerAI Discoveries Inc. giving Pampa Metals access to the latest in artificial intelligence technologies in relation to mineral exploration, as well as a further 18,700 hectares of highly prospective terrain in the core of the highly productive mineral belts of northern Chile.

The Company has a vision to create value for shareholders and all other stakeholders by making a major copper or gold 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.

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.

Note: The reader is cautioned that Pampa Metals’ projects are early-stage exploration projects, and reference to existing mines and deposits, or mineralization hosted on adjacent or nearby properties, is not necessarily indicative of any mineralization on Pampa Metals’ properties.

ON BEHALF OF THE BOARD

Paul Gill | CEO & Director

www.pampametals.com

INVESTOR CONTACT

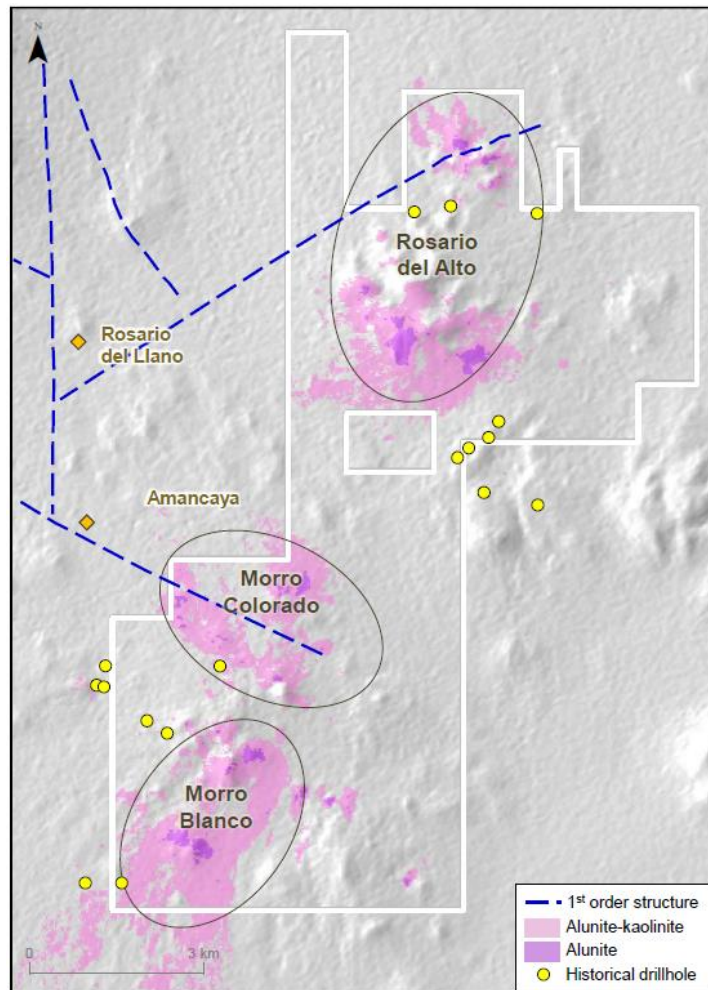
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FORWARD-LOOKING STATEMENTS

This news release contains certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical fact, which 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.



Morros Blancos Project – Target Locations Along 15 km Hydrothermal Alteration Corridor