



PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Pampa Metals Corporation (the "Company") for the three months ended March 31, 2024 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

PAMPA METALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian Dollars)

	March 31 2024	December 31 2023
ASSETS		
Current assets		
Cash	\$ 885,464	\$ 1,637,510
Receivables	36,145	30,307
Prepaid expenses and deposits	79,994	251,539
Total current assets	1,001,603	1,919,356
Non-current assets		
Equipment	21,030	23,748
Mineral property interests (Note 3)	3,236,919	254,143
Total non-current assets	3,257,949	277,891
TOTAL ASSETS	\$ 4,259,552	\$ 2,197,247
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 1,901,178	\$ 194,793
TOTAL LIABILITIES	1,901,178	194,793
EQUITY		
Share capital (Note 5)	17,425,690	16,926,789
Warrant reserves	1,369,802	1,379,814
Contributed surplus	1,596,023	1,548,091
Deficit	(18,033,141)	(17,852,240)
TOTAL EQUITY	2,358,374	2,002,454
TOTAL LIABILITIES AND EQUITY	\$ 4,259,552	\$ 2,197,247

Nature of operations and going concern (Note 1)**Events after reporting date** (Note 9)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on May 30, 2024.

Approved by the Board of Directors *"Joseph van den Elsen"* Director *"Adrian Manger"* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2024	Three months ended March 31 2023
Expenses		
Consulting fees	\$ 5,975	\$ -
Depreciation	2,592	2,832
Director and management fees (Note 6)	53,500	90,000
General and administration	65,035	81,095
Investor relations	51,625	50,030
Professional fees (Note 6)	57,212	75,229
Share-based compensation (Notes 5 and 6)	47,932	16,380
Transfer agent and shareholder information	13,597	13,971
	<u>297,468</u>	<u>329,537</u>
Loss before other items	(297,468)	(329,537)
Gain on debt settlement (Notes 4 and 5)	-	1,000
Interest income	6,791	-
Foreign exchange and other	109,776	(5,591)
LOSS AND COMPREHENSIVE LOSS	\$ (180,901)	\$ (334,128)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	58,973,526	23,603,305

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PAMPA METALS CORPORATION**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**
(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2024	Three months ended March 31 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (180,901)	\$ (334,128)
Items not affecting cash and cash equivalents:		
Depreciation	2,592	2,832
Share-based compensation	47,932	16,380
Unrealized foreign exchange	125	(5,166)
Changes in non-cash working capital items:		
Receivables	(5,838)	(8,241)
Prepaid expenses and deposits	171,545	15,905
Accounts payable and accrued liabilities	(140,757)	(126,083)
Net cash used in operating activities	(105,302)	(438,501)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties	(1,135,634)	(393,591)
Net cash used in investing activities	(1,135,634)	(393,591)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements, net	-	2,432,036
Exercise of warrants	488,890	-
Net cash provided by financing activities	488,890	2,432,036
Effect of exchange rate changes	-	3,521
Change during the period	(752,046)	1,603,465
Cash, beginning of period	1,637,510	404,633
Cash, end of period	\$ 885,464	\$ 2,008,098

Supplemental disclosure with respect to cash flows (Note 7)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PAMPA METALS CORPORATION

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Number of common shares	Share capital	Commitment to issue shares	Reserve	Contributed surplus	Deficit	Total
Balance, December 31, 2022	21,564,738	\$ 12,159,947	\$ 132,825	\$ 1,049,260	\$ 788,605	\$ (8,953,916)	\$ 5,176,721
Private placement units	6,817,734	2,508,649	-	48,001	-	-	2,556,650
Share issue costs	-	(124,614)	-	-	-	-	(124,614)
Finder's shares and units	137,657	(20,323)	20,323	-	-	-	-
Finder's warrants	-	(137,640)	-	137,640	-	-	-
Shares issued for commitment	322,000	132,825	(132,825)	-	-	-	-
Debt settlements	66,667	22,500	-	-	-	-	22,500
Share-based compensation	-	-	-	-	16,380	-	16,380
Loss for the period	-	-	-	-	-	(334,128)	(334,128)
Balance, March 31, 2023	28,908,796	\$ 14,541,344	\$ 20,323	\$ 1,234,901	\$ 804,985	\$ (9,288,044)	\$ 7,313,509
Balance, December 31, 2023	55,335,388	\$ 16,926,789	\$ -	\$ 1,379,814	\$ 1,548,091	\$ (17,852,240)	\$ 2,002,454
Exercise of warrants	4,997,399	498,901	-	(10,012)	-	-	488,889
Share-based compensation	-	-	-	-	47,932	-	47,932
Loss for the period	-	-	-	-	-	(108,901)	(108,901)
Balance, March 31, 2024	60,332,787	\$ 17,425,690	\$ -	\$ 1,369,802	\$ 1,596,023	\$ (18,033,141)	\$ 2,358,374

On September 5, 2023 (the "Effective Date"), the Company completed a share consolidation on a basis of 1 "new" common share for 2.5 "old" common shares, with no fractional shares issued. All references to share capital, common shares outstanding, and per share amounts in these condensed consolidated interim financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the share consolidation (Note 5).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PAMPA METALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

1. NATURE OF OPERATIONS AND GOING CONCERN

Pampa Metals Corporation (the "Company" or "Pampa") is a mining exploration company focused on exploration of base metals and precious metals projects in the Americas, with a primary focus on the Piuquenes Copper-Gold Porphyry Project in San Juan, Argentina. The Company was incorporated under the British Columbia Business Corporations Act in 1999. The Company's head office and records office is 501 - 543 Granville Street, Vancouver, British Columbia. The Company's registered office is 1200 - 750 West Pender Street, Vancouver, British Columbia. The Company trades on the Canadian Securities Exchange (the "CSE"; CSE: PM); the Frankfurt Stock Exchange (FSE: FIR); and on the OTCQB (OTCQB: PMMCF).

Going concern

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is in the process of exploring its mineral property interests and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

Several conditions cast doubt on the validity of the going concern assumption. The Company has incurred losses since inception and an accumulated deficit of \$18,033,141 as at the reporting date. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of mineral property interests, is dependent on the Company's ability to obtain necessary financing. Management is planning to raise additional capital to finance operations and exploration activities. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation and measurement

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), applicable to preparation of interim financial statements including International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments, which have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2023.

Certain new accounting standards have been amended effective January 1, 2024. The Company has evaluated these standards and determined that they are not expected to have a significant effect on its financial statements.

PAMPA METALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

3. MINERAL PROPERTY INTERESTS

Below is the continuity of mineral property interests capitalized to the statements of financial position for the three months ended March 31, 2024:

	Piuquenes Project
Acquisition costs, December 31, 2023	\$ 67,776
Acquisitions costs, cash	270,516
Acquisition costs, March 31, 2024	338,292
Exploration costs, December 31, 2023	186,367
Geochemistry, geophysics, and other	106,778
Drilling and field costs	2,480,166
Other exploration costs	125,316
Subtotal, exploration costs	2,712,260
Exploration costs, March 31, 2024	2,898,627
Mineral property interests, March 31, 2024	\$ 3,236,919

Piuquenes Project, Argentina

In November 2023, the Company entered into an option agreement to acquire an 80% interest in the Piuquenes porphyry copper-gold project located in the San Juan province, Argentina (the "Piuquenes Project"). Within the four years following November 30, 2023 (the "Commencement Date"), the Company has agreed to:

- a) complete at least 6,000 meters of mineral exploration drilling during the first 2 years;
- b) spend a minimum of \$6,000,000 in exploration of the property, in addition to expenditures made to satisfy (a) above;
- c) pay staged option payments totaling US\$1,250,000 as outlined below:
 - US\$50,000 on the Commencement Date (paid);
 - US\$200,000 upon commencement of first drill program on the project (paid);
 - US\$250,000 on 183 days following the commencement of the first drill program on the project;
 - US\$250,000 on the first anniversary of the Commencement Date;
 - US\$250,000 on the second anniversary of the Commencement Date; and
 - US\$250,000 on the third anniversary of the Commencement Date.
- d) pay and deliver to optionor the following:
 - a. payment of \$14,750,000, of which a maximum of \$2,500,000 can be settled through issuance of common shares of the Company at a price per share equal to the trailing 30-day VWAP as at the date of exercise of the option; and
 - b. grant a 1.25% net smelter return ("NSR") royalty on the project.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31 2024	December 31 2023
Accounts payable	\$ 45,258	\$ 112,614
Accrued liabilities	1,855,920	82,179
	\$ 1,901,178	\$ 194,793

As at December 31, 2022, there was \$75,600 recorded in accounts payable and accrued liabilities (paid in March 2023) and \$132,825 recorded as a commitment to issue shares (322,000 common shares issued in March 2023) related to the debt settlements.

In March 2023, the Company settled accounts payable of \$23,500 through the issuance of 66,667 units (Note 5).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Share Consolidation

On September 5, 2023 (the "Effective Date"), the Company completed a share consolidation on a basis of 1 new common share for 2.5 old common shares, with no fractional shares issued. On the Effective Date, the Company had 29,117,310 common shares outstanding and all outstanding stock options and share purchase warrants have been adjusted accordingly to reflect the share consolidation. All references for time periods prior to the share consolidation have been restated to reflect the share consolidation.

Issued and outstanding

Three months ended March 31, 2024

During the year ended December 31, 2023, the Company issued 4,997,400 common shares for exercise of warrants at \$0.105 and \$0.095 per share for gross proceeds of \$488,889.

Three months ended March 31, 2023

In March 2023, the Company closed a private placement offering of 960,000 units at a price of \$0.375 per unit for gross proceeds of \$360,000. Each unit is comprised of one common share and one purchase warrant with an exercise price of \$0.525 per share for a period of 36 months from the closing date of the offering. The residual value of the warrants issued was estimated as \$48,001 using the share price on the CSE on the closing date of \$0.325. For this offering, the Company paid \$1,750 and agreed to issue 62,533 common shares, valued at \$20,323, as finder's fees. The Company issued 129,733 finder's warrants with a fair value of \$26,297 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of \$0.325, risk-free rate of 3.28%, dividend rate of 0%, expected life of 3 years, and volatility of 116%. Each warrant is exercisable into one common share at an exercise price of \$0.525 for a period of 36 months from issuance.

In March 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment to issue shares of \$132,825.

In March 2023, the Company issued 66,667 units, valued at \$22,500, to settle accounts payable of \$23,500 resulting in a gain on settlement of \$1,000.

In March 2023, the Company closed a private placement offering of 5,857,734 units at a price of \$0.375 per unit for gross proceeds of \$2,196,650. Each unit is comprised of one common share and one warrant, where each warrant is exercisable into one common share at an exercise price of \$0.525 per share for a period of 36 months from the closing date of the offering. For this offering, the Company paid \$94,724 and issued 137,657 finder's units, valued at \$58,504, as finder's fees. The Company issued 390,254 finder's warrants with a fair value of \$111,343 estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price on issuance date of \$0.425, risk-free rate of 3.85%, dividend rate of 0%, expected life of 3 years, and volatility of 116%.

Warrants and finder warrants

The movements in warrants and finder warrants for the three months ended March 31, 2024 are summarized as follows:

	Outstanding	Weighted average exercise price
As at December 31, 2023	25,309,158	\$ 0.21
Exercised	(4,997,399)	0.10
Expired	(1,218,080)	0.82
As at March 31, 2024	19,093,679	\$ 0.20

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5. SHARE CAPITAL (cont'd...)**Warrants and finder warrants (cont'd...)**

As at March 31, 2024, the weighted average remaining life of the warrants and finder warrants outstanding was 2.45 (December 31, 2023 - 2.16) years and the Company's outstanding warrants and finder warrants are as follows:

	Outstanding		Exercise price
Warrants			
May 6, 2024 ⁽¹⁾	332,133	\$	1.250
November 10, 2025	69,185		0.475
March 2, 2026	137,657		0.525
March 27, 2026	66,667		0.525
March 31, 2026	960,000		0.525
September 11, 2026	8,300,000		0.075
September 27, 2026	3,000,000		0.075
December 20, 2026	3,875,000		0.300
December 28, 2026	1,125,000		0.300
Finder's warrants			
May 6, 2024 ⁽¹⁾	12,600		1.250
March 2, 2026	390,254		0.525
March 31, 2026	129,733		0.525
September 11, 2026	285,600		0.075
September 27, 2026	173,600		0.075
December 20, 2026	236,250	\$	0.300

⁽¹⁾ Expired subsequently unexercised

Restricted share units

There were no movements in restricted share units ("RSUs") for the three months ended March 31, 2024. During the three months ended March 31, 2024, the Company recorded share-based compensation of \$8,598 (2023 - \$Nil) in accordance with the vesting terms of the RSUs granted.

Stock options

The movements in stock options for the three months ended March 31, 2024 are summarized as follows:

	Outstanding		Weighted average exercise price
As at December 31, 2023	4,045,000	\$	0.38
Granted	300,000		0.30
Cancelled/expired	(2,160,000)		0.57
As at March 31, 2024	2,185,000	\$	0.17

As at March 31 2024, the weighted average remaining life of the stock options outstanding was 2.66 (December 31, 2023 - 3.53) years and the Company's outstanding warrants are as follows:

	Outstanding	Exercisable		Exercise price
September 28, 2026	500,000	500,000	\$	0.075
November 20, 2026	735,000	735,000		0.075
December 28, 2026	650,000	650,000		0.300
January 10, 2027	300,000	300,000	\$	0.300

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5. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

During the three months ended March 31, 2024, the Company granted stock options to employees, directors, and/or officers of the Company. Using the fair value method, the Company determined the fair value of the stock options granted to be \$39,334 or \$0.13 per option (2023 - \$Nil or \$Nil). The fair value of the stock options granted was estimated using the Black-Scholes option pricing model with weighted average assumptions as follows:

		March 31	March 31
		2024	2023
For the three months ended			
Share price on grant date	\$	0.17	n/a
Risk-free interest rate		4%	n/a
Dividend rate		0%	n/a
Expected life in years		3	n/a
Volatility		153%	n/a

During the three months ended March 31, 2024, the Company recorded share-based compensation of \$39,334 (2023 - \$16,380) in accordance with the vesting terms of the stock options granted.

6. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's CEO, CFO and members of the Company's Board of Directors. Compensation awarded to key directors and management personnel, included in director and management fees, professional fees and share-based compensation, is as follows:

		March 31	March 31
		2024	2023
For the three months ended			
Director and management fees	\$	53,500	\$ 75,000
Professional fees		37,500	30,000
Share-based compensation		44,632	10,920
	\$	135,633	\$ 115,920

As at March 31, 2024, there was \$9,128 (December 31, 2023 - \$Nil) owed to key management personnel recorded in accounts payable and accrued liabilities.

During the three months ended March 31, 2023, the Company issued 322,000 common shares to former and current management and directors to settle its commitment of \$132,825.

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three months ended March 31, 2024, the Company:

- reallocated \$10,012 (2023 - \$Nil) from warrant reserves to share capital for exercise of warrants and finder warrants;
- recorded of \$1,847,142 (2023 - \$Nil) of additions in mineral property interests in accounts payable and accrued liabilities;
- recorded \$Nil (2023 - \$216,467) of share issue costs for finder's shares and units issued;
- issued Nil (2023 - 66,667) units to settle accounts payable and accrued liabilities; and
- reallocated \$Nil (2023 - \$48,001) from share capital to warrant reserves for units issued in private placements.

PAMPA METALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company classified its financial instruments as follows:

	March 31 2024	December 31 2023
Financial assets - amortized costs		
Cash	\$ 885,464	\$ 1,637,510
Financial liabilities - amortized costs		
Accounts payable and accrued liabilities	\$ 1,901,178	\$ 194,793

Fair value

The three levels of the fair value hierarchy are:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data.

The Company enters into financial instrument contracts to finance its operations in the normal course of business. The fair values of cash and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments.

Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The mineral property interests in which the Company currently has an interest in are at the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk). Risk management is carried out by the Company's management team, with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance on overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash is largely held with Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities that require the use of cash. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at the reporting date, the Company had working capital deficit of \$899,575 (December 31, 2023 - working capital of \$1,724,563).

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8. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd...)

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and substantially all expenditures of the parent company are denominated in Canadian dollars and substantially all expenditures in Argentina are denominated in the Argentine Peso. A 10% appreciation (depreciation) of these currencies against the Canadian dollar, with all other variables held constant, would not result in any significant changes to the Company's loss and comprehensive loss for the year.

9. EVENTS AFTER REPORTING DATE

Subsequent to March 31, 2024, the Company:

- a) granted 800,000 stock options and 650,000 RSUs to key management personnel and consultants. The stock options are exercisable at \$0.40 until April 17, 2026 and the RSUs will vest upon the 10-day VWAP of the common shares being equal to \$0.40; and
- b) closed a private placement offering of 8,427,500 units at a price of \$0.24 per unit for gross proceeds of \$2,022,600. Each unit is comprised of one common share and one-half warrant with an exercise price of \$0.40 per share for a period of 36 months from the closing. The Company paid \$375,852 as finder's fees and issued 316,050 finder's warrants with an exercisable into one common share at an exercise price of \$0.40 for a period of 36 months from issuance.