Pampa Metals Reports Drilling Results Indicative of a Porphyry System at Its Cerro Buenos Aires Project in Chile

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VANCOUVER, September 15, 2021 - Pampa Metals Corp. ("Pampa Metals" or the "Company") (CSE:PM)(FSE:FIRA)(OTCQX:PMMCF) is pleased to provide an exploration update regarding its 7,600-hectare Cerro Buenos Aires Project in northern Chile, where the Company has completed the drilling of nine reverse circulation ("RC") holes totaling 2,738m focused on the Cerro Chiquitin area in the north of the property. Analytical results are pending. See previous news releases dated April 28, May 12, July 7, July 29 and August 3, 2021 for further technical information and updates.

Julian Bavin, CEO of Pampa Metals commented: "The area around Cerro Chiquitin, and to the south, currently shows highly encouraging indications of a porphyry system, with quartz veinlets in drill holes CBA-RC-07 and CBA-RC-08, quartz-sulfide veinlets and phyllic alteration in CBA-RC-02, together with the presence of a significant series of tourmaline breccia bodies and a hydrothermally altered dioritic-magmatic center. Drill hole evidence suggests that the drilling to the north of Cerro Chiquitin is at the periphery of the principal area of interest and reveals quartz veinlets in the pyritic, propylitic halo to the alteration system. Most of the area of interest to the south of Cerro Chiquitin is covered by 40m to 85m of post-mineral gravel cover where the underlying geology is not exposed. The core of the porphyry-related system may not have a footprint of more than 500m x 500m beneath the gravels, and further work is required to focus in on this target area, where sufficient space for a significant system remains untested."

Technical Summary

Three drill holes are located on the east flank of the small outcropping hill at Cerro Chiquitin (see maps at the end of this release), all of which were drilled with an inclination of 60 ° to the west to cut the base of the previously reported tourmaline breccia body exposed at Cerro Chiquitin.

- Hole CBA-RC-01 cut discrete magmatic-hydrothermal breccia structures with a tourmaline matrix, which in turn cut a magnetite-rich metasomatic alteration in andesitic tuffs. The hole cut 56m of gravel cover and was abandoned at 386m due to technical problems with the drilling.
- Holes CBA-RC-07 (384m) and CBA-RC-08 (470m) cut important sections of magmatic-hydrothermal breccia with a combination of tourmaline and quartz-tourmaline matrices, as well as segments of wide-spaced quartz veinlets in a fine grained dioritic porphyry, which is interpreted to be similar to a possible porphyry gold system. The host rocks comprise andesitic tuffs with contact metasomatism including pervasive fine biotite alteration, silicification and disseminated magnetite.

Two other holes were drilled south of the exposed breccias body.

- Hole CBA-RC-02 (244m) cut phyllic alteration and a series of quartz-sulfide veinlets indicative of the epithermal-porphyry transition. This hole cut 64m of gravel cover and was abandoned due to technical problems with the drilling.
- Hole CBA-RC-06 (324m) was drilled a little further south, and cut advanced argillic alteration, with evidence of an epithermal system, after penetrating 84m of gravel cover.

Four further holes were drilled to the north of Cerro Chiquitin, including CBA-RC-03 (240m), CBA-RC-04 (234m), CBA-RC-05 (240m) and CBA-RC-09 (216m), all of which cut peripheral hydrothermal alteration with quartz veinlets, pyrite and a transition to propylitic alteration with the presence of epidote.

The principal area of interest is located to the south of holes CBA-RC-07 and 08, and to the north and east of CBA-RC-02, where considerable space for a mineralised porphyry system exists. Detailed interpretations of magnetics data support this interpretation, with magnetic susceptibility depth slices showing a clear transition

from near surface magnetite-destructive alteration (advanced argillic and phyllic) to deeper magnetite stable alteration (potassic), which may represent the mineralised porphyry core, and the focus of follow-up exploration work.

Pampa Metals is now awaiting the results of the chemical analyses of the RC drill hole chips to further help vector towards potential ore and to help decide the next steps for the project. Further work may include detailed IP survey lines to penetrate deeper than the current gradient array IP survey and to give better definition of IP features at depth, combined with further drill follow-up. 1,279 samples, most of which represent 2m intervals from the drilling, have been sent to the laboratory for analysis. This number includes control samples (blanks, duplicates, standards) that will allow for QA/QC control of the sampling, preparation, and analytical processes.

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.

Cerro Buenos Aires - General Geology Map Showing Historic Drilling and New Drill Holes

Cerro Buenos Aires - Cerro Chiquitin Area - Showing Simplified Geology and Drill Holes

Cerro Buenos Aires - Cerro Chiquitin Area - Gradient Array IP Chargeability and Drill Holes

SOURCE: Pampa Metals Corp.

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