

Pan Global Resources Announces Commencement of Drilling at Escacena and Reports New Exploration Results

- Drilling commenced testing shallow IP targets at the Escacena Project
- Channel sampling in the Cañada Honda mine tunnel in the Escacena Project returned 26 meters @ 0.43 g/t Au and values up to 2.91 g/t Au and 0.39% Co
- Soil sampling shows a Au-Cu-Co anomaly (up to 0.35 g/t Au, 405ppm Cu and 95ppm Co) extending >500m, East and West of the Cañada Honda mine tunnel and a 700m long East-West Pb-Zn anomaly (up to 505ppm Pb and 400ppm Zn) in the volcanic sequence immediately to the South.
- At the Aguilas Project, new soil sampling on the Zumajo trend has extended the San Rafael-Dos Centimos Pb-Zn-Ag target a further 800m east of drill hole VAC-006 giving a total 2.4 km strike potential
- A new Pb-Zn-Ag target has been identified at Mataspuecas approximately 1 km North of the Zumajo trend, with soil sampling so-far highlighting a 700 x 150m anomaly with values up to 3090ppm Pb and 493ppm Zn (open)
- The Aguilas V mineral right was granted giving access to the high priority Northwest extension of the Zumajo Trend, with high sphalerite content indicated in historical mine dumps (grab samples up to 4.9% Pb, >30% Zn, 14.1% Cu and 34 g/t Ag)

Vancouver, British Columbia--(Newsfile Corp. - July 31, 2019) - Pan Global Resources Inc. (TSXV: PGZ) (OTC: PGNRF) (the "Company") is pleased to report drilling has commenced at the Escacena copper, zinc and gold Project in the Iberian Pyrite Belt, southern Spain. The company is also pleased to provide an exploration update following recent sampling at the Escacena and Aguilas Projects.

Commencement of drilling at Escacena

Following an initial IP and Gravity survey, the company confirmed the La Romana and Cañada Honda gravity anomalies and highlighted several high chargeability and low resistivity targets. The initial three diamond drill holes will test the shallow parts of the IP chargeability/resistivity anomalies, including 2 holes La Romana and 1 hole Cañada Honda. The drilling is expected to take approximately 3 weeks to complete. Additional geophysics is planned to further delineate the IP targets along strike and at depth prior to deeper drilling on the main gravity anomalies.

Cañada Honda mine tunnel channel sampling

An ancient mine tunnel, thought to be Roman age, was accessed near the south east margin of the Cañada Honda gravity target in the Escacena Project. Continuous channel samples were collected at 1 meter intervals over a horizontal distance of 26m commencing from the mine entrance. The tunnel cuts a folded and faulted section of the Devonian Phyllite-Quartzite (PQ) unit within a shallow North-dipping thrust zone. The thrust conceals the volcanic sequence that host massive sulphide to the east at Aznalcollar mine. The results show anomalous gold over much of the length of the tunnel, including narrow intervals with high Au, Ag and Co (peak values of 2.91 g/t Au, 1.9 g/t Ag and 0.39% Co) and ends in anomalous Cu (0.2% Cu from 25 to 26m).

Channel sample results include;

0 to 26m: 26m @ 0.43 g/t Au, 1.5 g/t Ag and 0.037% Co

including 1m @ 1.6 g/t Au, 27 g/t Ag and 0.7% Pb from 5 to 6m

including 1m @ 0.1 g/t Au, 4.8 g/t Ag, 0.19% Co and 0.15% Cu from 7 to 8m

including 2m @ 1.95 g/t Au, 1.6 g/t Ag and 0.26% Co from 19 to 21m (includes 1m @ 2.91 g/t Au, 1.9 g/t Ag and 0.39% Co)

including 5m @ 0.15g/t Au, 0.13% Cu and 194ppm Co from 21 to 26m

The results, represent the first report of a high cobalt plus gold association in the area and further highlights gold potential along the thrust zone.

Exxon and Boliden completed several shallow drill holes in a small area over approximately 500m of strike testing beneath the tunnel. Partial results are only available for Exxon drill hole PCH1 which confirmed narrow intervals of Cu and Au in thrust faults, up-dip from the Cañada Honda gravity target, including 2m @ 0.4 % Cu, 3.4 g/t Au, 37 g/t Ag and 3m @ 1.5% Cu, 1 g/t Au, 15 g/t Ag ¹). The results are a positive indication of potential for massive sulphide down-dip associated with the Cañada Honda gravity anomaly.

¹ The drill results have not been verified and are considered historic in nature.

Cañada Honda soil sampling results

Soil sampling is in progress over the Cañada Honda target with samples collected at 40m intervals on North-South oriented

lines, 100m apart. Results received for the first 95 samples highlights a 500m long Au, Cu and Co anomaly with values up to 0.35 g/t Au, 405ppm Cu and 95ppm Co extending East and West from the Cañada Honda mine tunnel. The results also show a separate Pb-Zn soil anomaly south of the Cañada Honda tunnel, extending over approximately 700m strike length with values up to 505ppm Pb and 400ppm Zn over the volcanic sequence.

Aguilas Project soil sampling results

New soil sample results on the Zumajo trend have extended the Pb-Zn target a further 800m along strike to the East of drill hole VAC-06 at Dos Centimos (66.6 to 75.2m: 8.6m @ 1.72% Pb, 0.94% Zn, 0.15% Cu 10.2g/t Ag, including 0.6m @ 16.85% Pb, 1.9% Zn, 85.1 g/t Ag and 1.6m @ 1.18% Pb, 2.04% Zn, 7.3 g/t Ag) with soil values up to 2630ppm Pb, 125 ppm Zn and 131ppm Cu. The results now highlight a 2.4km long target with highly anomalous soil Pb and Zn geochemistry along strike from the historical mine workings at San Juan, San Rafael and Dos Centimos.

A new East-West oriented Pb-Zn fault structure has been discovered approximately 1 km to the North of the Zumajo trend at Mataspuecas. The soil sample results at Mataspuecas so-far highlight a 700 x 150m anomaly with values from >50ppm to 3090ppm Pb and up to 493ppm Zn, open along-strike to the East and West.

Aguilas V mineral rights granted

The Aguilas V mineral right was granted over the northwestern extension of the Zumajo trend in the Aguilas Project area, adding approximately 2,245 hectares (75 mining squares) to the area already granted. Soil sampling and mapping has commenced in Aguilas V along-strike from the historical Chinchas and Pasqualin Pb-Ag mine workings. There is no previous drilling in the area and grab samples from the mine dumps indicates a high sphalerite content along with galena and local chalcopyrite. Rock grab samples from the mine Pasqualin and Chinchas mine dumps includes values up to 4.9% Pb, >30% Zn, 14.1% Cu and 34 g/t Ag.

QA/QC

Channel samples were collected on 1m intervals using an electric chain hammer chisel following the previous rock channel fillet. Samples weighed between 3 and 4kg. Over the 26m of sampling 1 duplicate was collected. Certified reference materials were inserted at a frequency of 1/25. All rock samples were prepared in ALS preparation in Seville using PREP 31Y fine crush entire sample -70% <2mm followed by pulverize 85% to < 75um (PUL31), then split SPL-22Y using a Boyd Rotary Splitter. Samples were analysed in Loughrea Ireland using ME-ICP61 4 acid digest ICP-AES for 33 elements and gold was analysed using Au-ICP22 50g FA with ICP AES finish.

Soil samples were collected from the B or BC horizon, approximately 15 to 20cm in depth. Nominal sample weight is approximately 700g. Field duplicates are collected every 25 samples. Samples are sent to ALS preparation lab in Seville and air dried and sieved to -180micron (Prep 41). The samples are analysed at the ALS facility in Loughrea in Ireland using Aqua regia digest and super trace ICP-MS (ME-MS41L) for 53 elements.

Qualified Person

Robert Baxter (FAusIMM), a Director of Pan Global Resources and a qualified person as defined by National Instrument 43-101, has reviewed the scientific and technical information that forms the basis for this news release. Mr. Baxter is not independent of the Company.

About Pan Global Resources

Pan Global Resources Inc. is actively engaged in base and precious metal exploration in Spain and is pursuing opportunities from exploration through to mine development. The company is committed to operating safely and with respect to the communities and environment where we operate.

On behalf of the Board of Directors

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FOR FURTHER INFORMATION PLEASE CONTACT:

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