**PALAMINA SECURES DIA FOR INITIAL DRILL TESTING OF THE COASA GOLD DISCOVERY IN PERU**

FOR IMMEDIATE RELEASE:
Toronto – January 8, 2020

Palamina Corp. (PA: TSX.V) has secured a Declaración de Impacto Ambiental ("DIA") from the Peruvian Ministry of Energy and Mines for its Coasa Gold Project in the Puno region of Peru. The DIA allows for the construction of up to 40 drill pads at Coasa. With the DIA in hand, the Company has applied for the Authorization to Initiate Exploration Activities ("AIEA") which is required to commence initial drill testing of the Coasa gold system.

Andrew Thomson, President of Palamina stated, "Palamina is one of a few pure gold exploration companies active in Peru with clear mineral title and a DIA approving up to 40 drill pads to test targets on its flagship Coasa gold project. Plans for an initial 2,500 m drill program focussed on testing below high-grade surface mineralization in the Veta Zone are being finalized. The Veta and Cayos discoveries, which combine to extend along 1.6 kilometres (see Figure 1 below), have never been drill tested and remain open at surface to the NE and SW."

Based on recent favourable prospecting results and supporting surface assay results, Palamina may seek to modify and/or expand the DIA to provide for initial drill testing of the Cayos Zone as well.

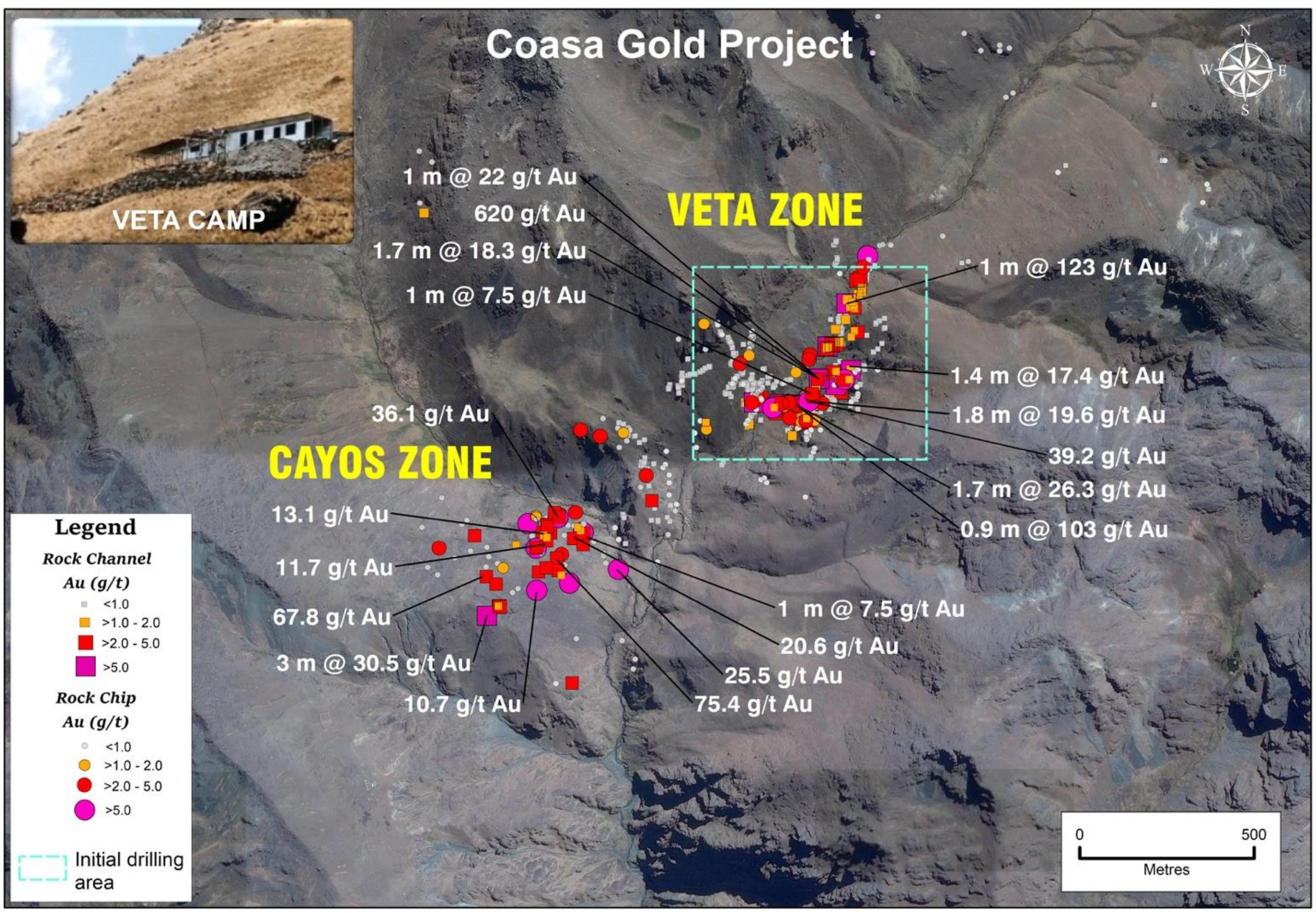


*Figure 1: Coasa select surface sampling map (Reported in Palamina's October 8, 2019 news release)*

Palamina began staking the Coasa Gold Project area in January of 2017 to obtain the mining rights to a 22 km long deformation corridor hosting numerous discrete shear zones. Within the deformation corridor, the same shear zone hosts GoldMining Inc.'s Crucero gold deposit located 16 km to the south east. Coasa is within an east-west structure on the southern perimeter of the Puno Orogenic Gold similar to structures associated with the Ollachea and La Rinconada gold deposits to the northeast and southwest (see Figure 2). The mineralized surface footprint at Coasa is second only to La Rinconada.

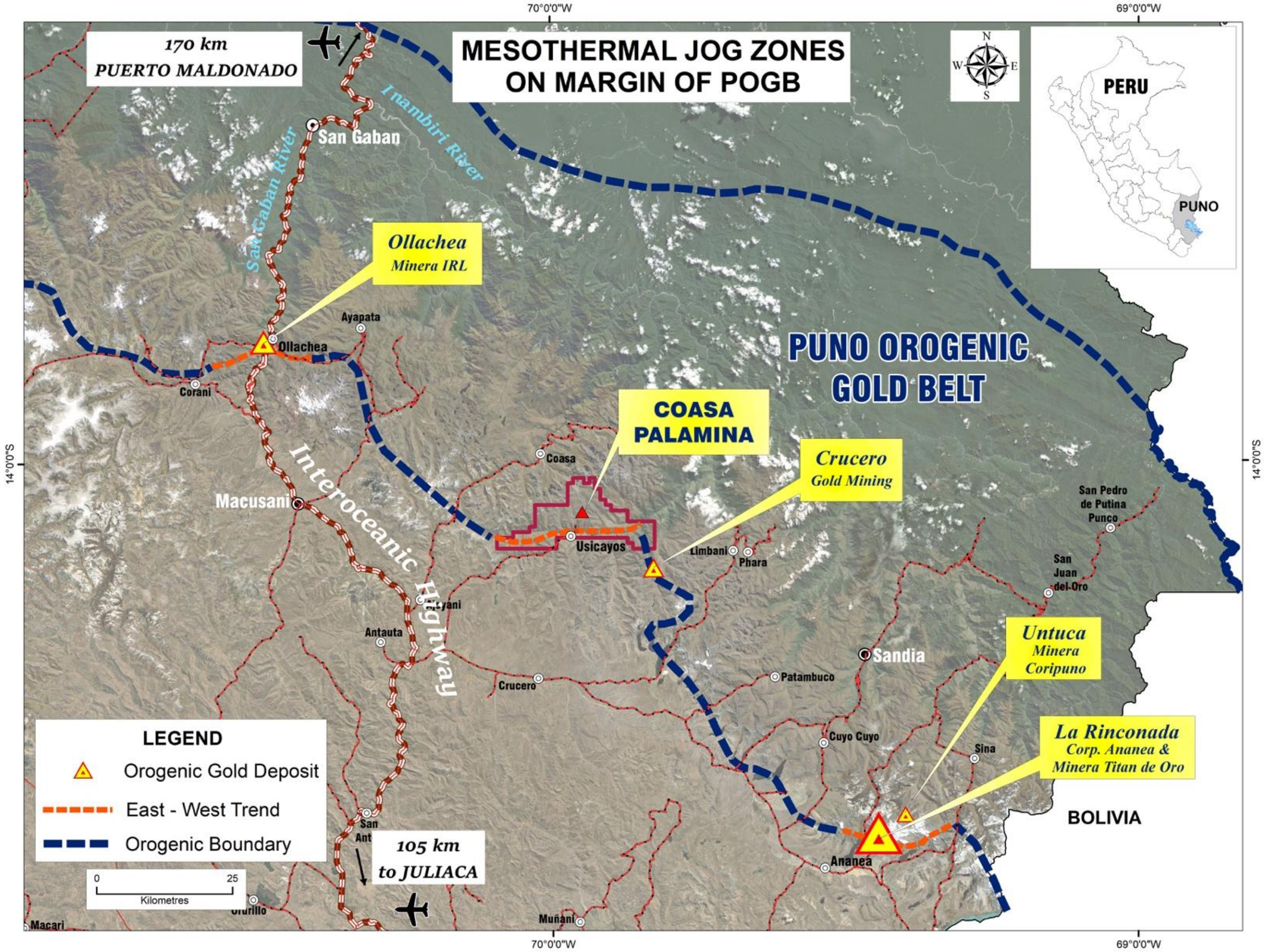

*Figure 2: Coasa Gold Project & Puno Orogenic Gold Belt location map*

Palamina Corp. quality assurance/quality control (QA/QC) protocols are administered on all its exploration projects. Prior to delivery of field exploration samples to the analytical laboratory and with the objective to provide an independent check on precision, accuracy and potential contamination in the sampling and analytical procedure, Palamina staff insert coarse blank samples, field duplicates and certified standards into the sample stream. To assure best practice compliance, assay results are only reported once the results of internal QA/QC samples have been reviewed.

This press release was compiled and reviewed Mr. William McGuinty, P. Geo., Palamina's VP Exploration. He is a Qualified Person as defined by National Instrument 43-101 and has supervised the preparation of the technical contents of this press release.

## ABOUT PALAMINA

Palamina holds applications and mineral rights to four gold projects in south eastern Peru in the Puno Orogenic Gold Belt (POGB), a silver-copper project in the Santa Lucia district and two copper-gold projects in Southern Peru. In September of 2019, Palamina concluded the sale of the Gaban gold and Tinka I.O.C.G Projects for 10,000,000 shares of Winshear Gold Corp. (formerly Helio Resource Corp.) and a 2% NSR per project. Palamina has 36,303,636 shares outstanding and trades on the TSX Venture Exchange under the symbol PA.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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*This news release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. A more complete discussion of the risks and uncertainties facing the Company appears in the Company's continuous disclosure filings, which are available at www.sedar.com.*