

Peruvian Metals Achieves Record Throughput During the First Half of 2021 at Its Aguila Norte Processing Plant in Northern Peru and Positive Adjusted-EBITDA During the First Quarter of 2021

Edmonton, Alberta--(Newsfile Corp. - July 12, 2021) - **Peruvian Metals Corp. (TSXV: PER) (OTC: DUVNF)** ("Peruvian Metals" or the "Company") is pleased to provide an update regarding the mineral processing at its 80-per-cent-owned fully permitted Aguila Norte processing plant ("Aguila Norte" or the "Plant") located in Northern Peru.

During the first six months of 2021 the Plant processed a record 11,890 tonnes of third-party mineral, compared with 2212 tonnes in 2020 and 9,615 tonnes in 2019. The 2021 year-to-date production represents an increase of 437 % compared to the same period for 2020, and a 24 % increase in the first half compared to the same period for 2019. Processing during the first half of 2020 was severely affected due to COVID-19 pandemic restrictions, whereby the Plant was closed from mid-March 2020 to the end of July 2020. The Company anticipates a further increase in production during the remainder of 2021 and expects to report a record year of production.

During the second quarter of 2021, the Plant processed 5,956 tonnes of mineralized material in six batches compared to nil for 2020 because of governmental imposed restrictions due to COVID-19, and 7,509 tonnes in 2019.

During the first quarter of 2021, the Company also reported positive adjusted-EBITDA (*see table below*), representing its first quarterly positive EBITDA since inception. Second quarter EBITDA performance is expected to reflect similar performance.

As a result of its previous divestiture of certain mineral assets to Mines and Metal Trading (Peru) PLC ("MMTP"), the Company now holds 1,297,490 shares of Silver X, which successfully merged with MMTP. These shares represent a potential additional, non-dilutive source of liquidity to expand the Company's more profitable mineral processing activities.

With respect to its goal of generating more profitable mineral processing the Company has, as of June 30, 2021, invested USD \$250,000 towards the bulk sampling program at the Au-Ag-Cu Palta Dorada project. In March 2020, the Company entered into a Memorandum of Understanding with Rio Silver Inc. to jointly explore and develop this property. Full camp facilities are now complete, and the underground access/development is continuing in order to extract a bulk sample of sulphide material. Oxide gold material that has been extracted from underground workings will be stockpiled. Once there is sufficient oxide gold material it will be shipped for processing.

Jeffrey Reeder, Chief Executive Officer of Peruvian Metals, commented: "We are pleased that we are on track for a record processing year in 2021 at Aguila Norte. We are continuing to explore and develop the Palta Dorada property with our partner Rio Silver, which we believe will provide even greater profitability for our overall operations. We are advancing on the main level and will start a second upper level to access mineral during July. We are continuing to apply for new areas and will update our shareholders once titles have been received."

The Aguila Norte processing plant has an environmental permit ("IGAC") from the Peruvian government which provides the Plant with the ability to expand operations past the current 100 tonnes per day level. Jeffrey Reeder, P Geo, a qualified person as defined in National Instrument 43-101, has prepared, supervised the preparation, or approved the scientific and technical disclosure contained in this news

release.

Adjusted EBITDA - UNAUDITED

	Three Months Ended March 31,		
	2021	2020	2019
Net (loss) income	\$ (63,177)	\$ 769,113	\$ (774,242)
Add			
Interest expense	\$ 3,713	\$ 3,927	\$ 6,632
Share-based compensation	\$ 28,541	\$ 28,961	\$ -
Non-operating loss (gain) on investments	\$ 83,409	\$ (2,370)	\$ 16,530
Gain on disposal of exploration subsidiary	\$ -	\$ (1,033,689)	\$ -
Non-operating property impairment charge	\$ -	\$ -	\$ 582,051
Amortization	\$ 58,800	\$ 58,118	\$ 59,221
Accretion expense	\$ 3,093	\$ 2,945	\$ 2,058
Adjusted EBITDA*	\$ 114,379	\$ (172,995)	\$ (107,750)

* adjusted to also include non-cash share-based compensation and non-cash loss/(gain) on investments and exploration subsidiary

Adjusted EBITDA - UNAUDITED

To view an enhanced version of this graphic, please visit:
https://orders.newsfilecorp.com/files/3210/89936_pertable.jpg

About Peruvian Metals Corp.

Peruvian Metals Corp. is a Canadian Exploration and Mineral Processing company. Our business model is to provide toll milling services for clients and to produce high grade concentrates from mineral purchases. The Company continues to acquire and develop precious and base metal properties in Peru.

For further information on Peruvian Metals Corp. please visit www.peruvianmetals.com.

Peruvian Metals Corp. is a Canadian resource company listed on the TSX Venture Exchange : Symbol "PER"

For additional information, contact: Jeffrey Reeder Tel: (647) 302-3290

Website: www.peruvianmetals.com Email: jeffrey.reeder@peruvianmetals.com

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underlying such expectations are reasonable, there can be no assurance that they will prove to be correct. In evaluating forward-looking statements and information, readers should carefully consider the various factors which could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements and forward-looking information.

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