

Peruvian Metals Generates a New High Grade Silver-Gold Project in Northern Peru

Edmonton, Alberta--(Newsfile Corp. - October 15, 2020) - **Peruvian Metals Corp. (TSXV: PER)** ("Peruvian Metals" or the "Company") is pleased to announce that the Company has assembled a number of contiguous prospective mineral concessions hosting the potential for a high grade silver-gold resource in Northern Peru called "Cerro La Cumbre" ("The Property"). Historic underground development on this new property exposed a high grade silver-gold vein returning values up to 1,535 g/t Ag and 5.13 g/t Au. The Property is located about 3 hours by truck or approximately 90 kilometres by a combination of highway and dirt road from Peruvian Metals' 80% owned Aguila Norte Processing Plant (the "Plant").

The Property is located within the Tertiary aged Calipuy volcanic complex. This volcanic unit hosts several prolific gold producers in Northern Peru including Newmont's Yanacocha and Barrick's Laguna Norte and Pierina mines. The precious metal mineralization occurs in a series of quartz veins which are considered to be of low sulphidation type. The nearby historic Machacala Au-Ag and the Salpo Mines are also considered to be low sulphidation epithermal deposits. Three other notable low sulphidation Au-Ag systems hosted within Northern Peru's Calipuy volcanic complex are the 2.6 million Au ounces Tres Cruces deposit owned by Barrick and New Oropu Resources, the privately owned Urumalqui Ag-Au deposit and SSR Mining's high grade Au-Ag San Luis deposit. Figure 1 shows the location of the property in Northern Peru.

The Property is comprised of three concessions covering an area of 1,027 hectares. The main concession where the underground workings are located is subject to a purchase option agreement requiring the Company to pay US\$200,000 over 6 months, with no royalties payable to the previous owner. The Company had a lease to extract mineral on this concession in 2018 but allowed the lease to expire. Due to new circumstances and the recent increase in the prices of silver and gold, the Company will re-acquire this concession under more favourable terms.

The underground development on the property consists of both shafts and drifts exposing a well-defined N-S trending structure showing typical low sulphidation type Ag-Au mineralization. Geological observation and interpretation suggest that the adits and shafts were driven into the higher level of a low sulphidation system. The bladed textures observed in the adits are now filled with quartz suggesting the "High Grade Precious Metal Intervals" are below the workings. Figure 2 below depicts the conceptual geological model which shows the approximate vertical position within the epithermal system where the Company's geologists believe that the precious metal mineralization is located on the property.

The main Ag-Au mineralized structure outcrops on a large silicified mound and is observed to have a strike length of at least 700 metres. Eight samples were taken by the Company from the quartz vein exposed in the underground workings with an average width of 0.70 metres. Gold assays range from 0.99 g/t Au to 5.13 g/t Au averaging 2.24 g/t Au and silver assays range from 90 g/t Ag to 1,535 g/t Ag with an average of 326 g/t Ag or a silver equivalent of 16 oz/t Ag using a 77:1 gold to silver ratio. Historic sampling reports ten non-systematic samples were taken in 2003 at various mined underground sites with vein widths ranging between 0.30 and 0.80 meters. Gold results reported in the report range between 4.16 g/t Au to 16.78 g/t Au averaging 8.8 g/t Au over a weighted average width of 0.66 meters. Silver results over the same average width range between 111 g/t Ag to 1,038 g/t Ag averaging 412 g/t Ag or a silver equivalent of 35 oz/t Ag. Please take caution as these results are historical in nature and should not be relied upon.

Peruvian Metals plans to conduct property wide exploration consisting of soil and rock sampling with geological mapping followed by a geophysical survey. Underground workings will be extended for the extraction of mineralized material for bulk samples and subsequent metallurgical testing. The Company will also plan a diamond drilling program in 2021 consisting of both surface and underground programs.

Jeffrey Reeder, CEO and President of Peruvian Metals states "The Cerro La Cumbre project exhibits all the geological characteristics typical of a high grade low sulphidation system and is ideally located in Northern Peru with very good infrastructure and power at site. The Company's objective is to explore and define a high grade gold-silver minable resource at Cerro La Cumbre by conducting both underground and surface exploration programs along with metallurgical studies which will show what types of modifications and additions are needed to treat this type of mineralized material at our Aguila Norte Processing Plant."

Peruvian Metals is a uniquely positioned junior resource company. The Aguila Norte Processing Plant is capable of toll milling local ores that generate revenues to the Company to sustain its exploration and acquisitions of strategic mineral properties without perpetual shareholder dilution via repetitive share issuances. Over 25 years of exploring throughout Peru gives the Company's management team exceptional insight into mineral projects of merit. The Company has assembled a portfolio of properties throughout Peru that it continuously options, assigns and sells to 3rd parties to offset its working capital requirements.

Jeffrey Reeder, P.Geo. and 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.

About Peruvian Metals Corp.

Peruvian Metals Corp. is a Canadian exploration company focused on mineral processing and the exploration and development of precious and base metal properties in Peru.

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

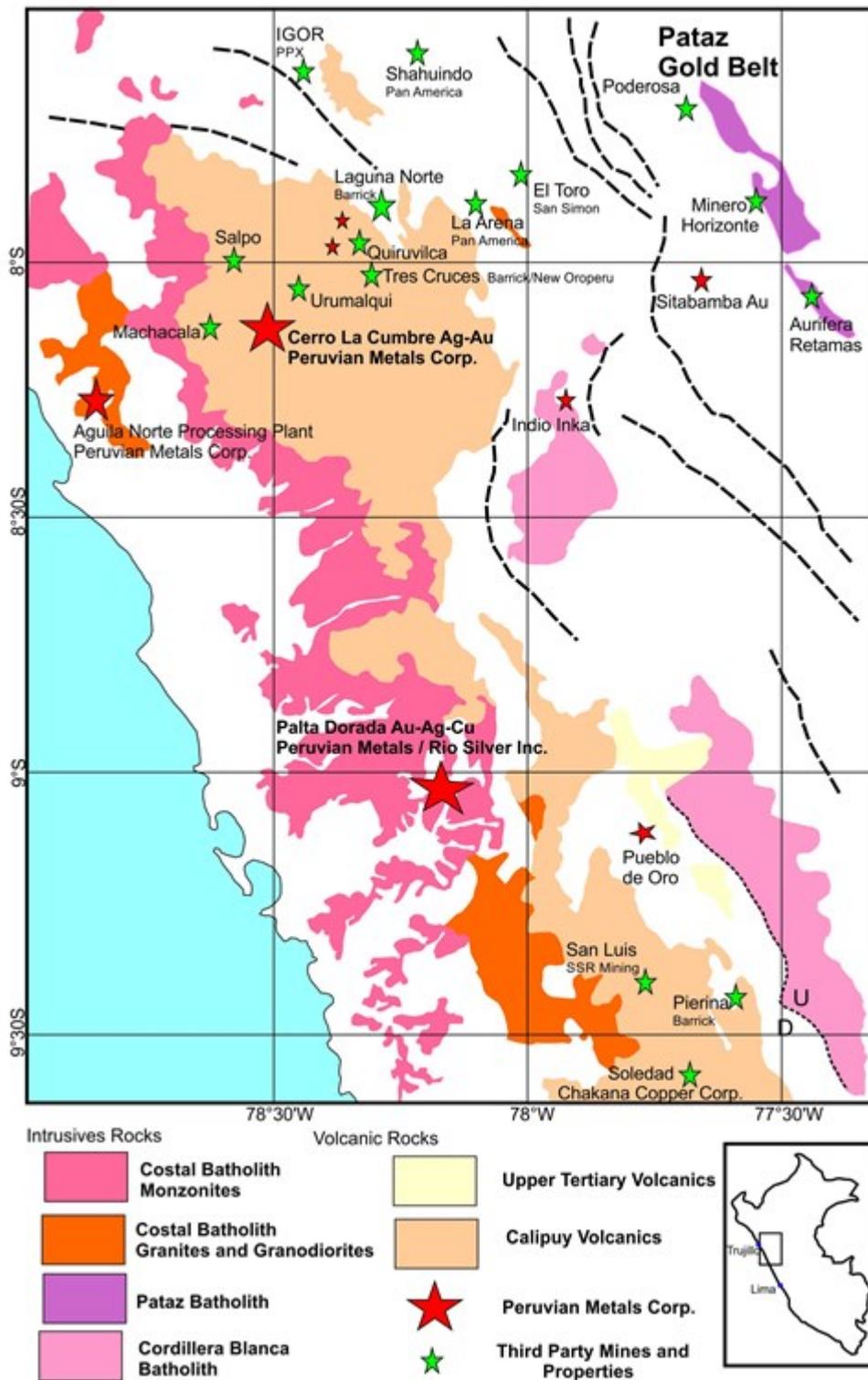
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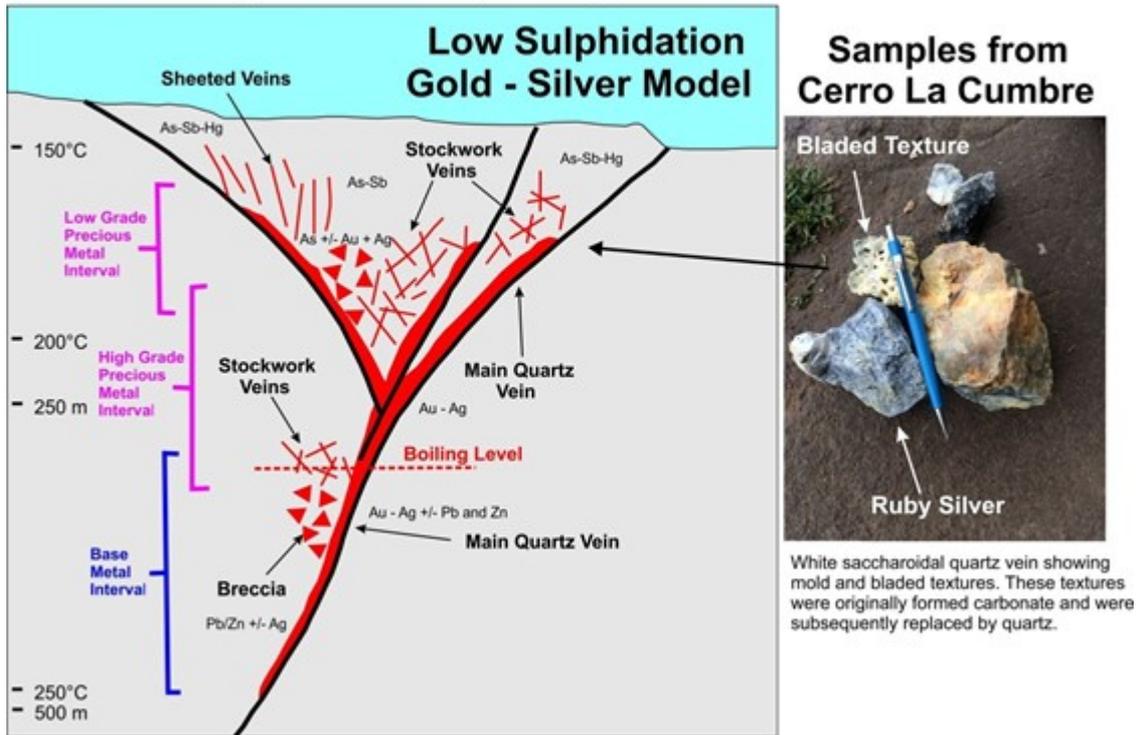
Figure 1: Location of Cerro La Cumbre Property and other Precious Metals Projects and Mines in Northern Peru



To view an enhanced version of Figure 1, please visit:

https://orders.newsfilecorp.com/files/3210/65949_1a8367fa94146b90_001full.jpg

Figure 2: Conceptual Epithermal Model



To view an enhanced version of Figure 2, please visit:

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