

Peruvian Metals Corp. and Rio Silver Inc. Sign Memorandum of Understanding for the Joint Exploration and Development of the Palta Dorada Gold-Silver-Copper Project in Northern Peru

Edmonton, Alberta--(Newsfile Corp. - January 9, 2020) - Peruvian Metals Corp.(TSXV: PER) ("Peruvian Metals" or the "Company") has signed a Memorandum of Understanding ("MOU") with Rio Silver Inc. ("Rio Silver") to jointly explore the Palta Dorada Au-Ag-Cu Property ("Palta Dorada" or the "Property") by initially conducting a detailed sampling and mapping program along with a bulk sampling campaign and processing the mineral at Peruvian Metals' 80% owned Aguila Norte Processing Plant ("Aguila Norte or Plant").

The Palta Dorada Au-Ag-Cu Property is located in the Ancash Mining Department in Northern Peru and covers an area of approximately 1200 hectares. The Property is accessible from the Plant by approximately 180 kms of mainly paved roadway. The MOU establishes a joint effort to explore and develop the property. Any sales from metal concentrates produced from the bulk sampling activity will be shared between companies. In addition, all operational expenses related to the bulk sampling will also be shared between companies. Peruvian Metals' 80% owned Plant will charge the joint effort commercial mineral processing rates on a similar basis to its other clients for processing the bulk samples.

Peruvian Metals will also have the option to earn a 50% ownership in the property. Equal ownership will occur once Peruvian Metals has matched Rio Silver's acquisition price of the project of \$250,000 US by assuming all capital and exploration expenditures. Any shortfall of capital expense by Peruvian Metals will require a cash payment to the joint effort by December 31, 2021. Both companies will enter into a definitive shareholder agreement in Peru shortly.

Limited surface mapping and sampling has identified several oxide Au-Ag veins hosted in granodioritic rocks. The previous owner completed a number of workings allowing for access to several levels for exploration and bulk sampling. The main working is a 53 metre shaft where miners hoisted mineral to the surface. Eight chip samples have been taken from quartz veins containing sulphides in the shaft at various depths. Results from these samples range from 3.06 g/t Au to 24.1 g/t Au, 36 g/t Ag to 865 g/t Ag and 0.22% Cu to 4.94% Cu over an average width of 60 centimeters. The weighted average of the quartz-sulphide vein is 9.61 g/t Au, 256 g/t Ag and 1.42% Cu over the 60 centimeters. The mineralized NEE-SWW mesothermal vein exposed in this main working has been observed over an 800 metre strike length on surface. The oxide-sulphide transition occurs at approximately 25 metres below surface.

At the initial property visit by the QP, approximately 45 tonnes of mineral had been selectively extracted; hand sorted and sacked outside of the main working ready for shipment to toll mills in Southern Peru. Two composite samples were taken from various sacks and returned an average grade of 26.7 g/t Au, 23.76 oz/t Ag and 3.16% Cu. The samples taken were selected random grabs from hand sorted sacks and are not representative of the mineralization hosted on the property.

A third random composite sample of approximately 50 kilograms was taken from these sacks and used for metallurgical work. The work performed on this sample by Procesmin Ingenieros Laboratories had a head grade of 23.21 grams/MT Au, 29.04 oz/MT Ag and 4.95% Cu. Metallurgical work showed that two concentrates can be produced. The first and more valuable concentrate graded 125.59 grams Au/MT, 4,808 grams Ag/MT and 24.41% Cu. A second Au-pyrite concentrate was also produced graded 11.46 grams/MT Au, 565 grams Ag/MT and 2.90% Cu.

Artisanal workings on a second WNW-ESE structure north of the main working exposed strongly oxidized quartz veins ranging between 30 to 70 centimeters in width. Four composite samples taken from mineral sacks containing heavily oxidized material ready for shipment ranged from 8.65 g/t to 17.3 g/t averaging 12.4 g/t Au. The samples taken from the sacks were random grabs and are not representative of the mineralization hosted on the property. A bottle-roll metallurgical sample with a head grade of 13.0 g/t Au and 102 g/t Ag returned a 92.15% gold and 65% silver recoveries over 36 hours.

Peruvian Metals will act as the operator of the joint effort and will be responsible to obtain all the permits necessary to explore and extract a bulk sample. Peruvian Metals staff is experienced in obtaining these permits and expects no issues. An experienced contractor has agreed to start the mobilization of the compressors and mining equipment to the site to extract the bulk sample. The bulk sampling and exploration is expected to commence in the first quarter of 2020.

Jeffrey Reeder the CEO of Peruvian Metals states: "Our company is excited to jointly develop and explore the prospective Palta Dorada property with Rio Silver. The Property has several high grade Au-Ag-Cu veins ready to be explored. We will conduct underground exploration consisting of drifting along the high grade sulphide veins generating drill targets and bulk samples which will be processed at our Aguila Norte Plant."

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.

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"
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