



NEWS RELEASE

TSX.V PPX; BVL PPX

Peruvian and RIVI Capital LLC Enter into Financing Agreement

Vancouver, British Columbia – February 15, 2016 – Peruvian Precious Metals Corp. (the "Company" or "Peruvian") is pleased to announce that the Company has entered into a non-binding agreement ("the Agreement") with RIVI Capital LLC ("RIVI") to provide the Company with an investment of US\$5,000,000 in return for a Metal Purchase Agreement ("MPA or Gold Streaming Agreement") on future precious metal production from the Company's Igor 4 concession, at its Igor Project in northern Peru. The Agreement is subject to normal due diligence by RIVI, completion of definitive documents by RIVI and the Company, and obtaining appropriate regulatory approvals. Peruvian expects this transaction to close within 60 days.

As previously announced, Peruvian, with mining partner Proyectos La Patagonia S.A.C. ("PLP"), has received approval of the key permit to begin initial work on the underground bulk sampling and test mining project at its Igor project. Although the Company does not intend this press release to be interpreted as a decision to commence commercial production, it should be noted that a production decision in the absence of a feasibility study of mineral reserves that demonstrates economic and technical viability has increased uncertainty and higher risk of economic and technical failure associated with any production decision.

Key Terms of the Gold Streaming Agreement:

- RIVI will purchase the Gold Streaming Agreement by making a first tranche payment of US\$2,500,000 upon execution of definitive documents by RVI and Peruvian. The second tranche of an additional US\$2,500,000 shall be payable upon meeting future production milestones, subject to the successful completion of the test mining program.
- RIVI shall be entitled to receive 23.5% of Peruvian's portion of the combined production of gold and silver ounces from the Igor 4 concession on a Gold Equivalent Ounce ("GEO") basis, as defined by the Company's mining contract with PLP (please see Peruvian press release dated September 2, 2014 for a summary of the PLP contract). In addition to the initial tranches described above, the Company will also receive a payment of US\$400 per GEO delivered under the Gold Streaming Agreement.
- Seventy-two (72) months after receiving the second tranche of the financing, and when 20,000 GEOs have been delivered under the Gold Streaming Agreement, the company shall have the option to reduce the delivery schedule to 12.5% of the GEOs produced on the Igor 4 concession by making a one-time payment of US\$5,000,000 to RIVI. The spot price of gold must be greater than US\$1,200 per ounce in order to exercise this option.

Kimberly Ann Arntson, Company CFO and Vice President – Corporate Development commented: "Reaching this Agreement with RIVI is an important step for the Company. Conventional capital markets are essentially closed to the junior resource segment and our ability to fund our operations by partnering with RIVI is a testament to the quality of our Igor project and our perseverance in the face of challenging market conditions. We are pleased that the Igor project has received such a clear vote of confidence from a strong financial partner like RIVI. In addition, because the MPA is limited to the Igor 4 concession, the

agreement leaves the balance of our holdings at the IGOR project unencumbered by the Gold Streaming Agreement, preserving exploration upside for our shareholders”.

Brian J. Maher, President and CEO of Peruvian commented: “The funding by RIVI will enable the Company to focus on a number of short term objectives. First and foremost is the start-up of our bulk sampling and test mining program at Igor. Data acquired in this program, including mining costs, production rates, ground conditions, resource validation and metallurgical recoveries, will be used by the Company to complete a Preliminary Economic Assessment (“PEA”) or Pre-Feasibility Study (“PFS”) in accordance with Canadian National Instrument 43-101 for the project. Simultaneously, we will be further evaluating our options for treating mineralized material utilizing heap leach precious metal recovery. As previously announced, our conventional milling processing plant is entering into its detailed design phase and we expect permitting to begin shortly. With this commitment by RIVI, we can advance all phases of the project and minimize shareholder dilution”.

About Peruvian Precious Metals Inc.: Peruvian Precious Metals (PPX: TSX.V; BVL) is currently exploring and evaluating mine development opportunities at its Igor Mine Project in Northern Peru. The Igor project explores several high grade, gold and silver mineralized high-angle structures that host significant gold and silver resources. The Callanquitas Structure at the Igor Project contains Inferred gold and silver resources of 7,189,000 tonnes grading 1.94 gpt gold and 71.8 gpt silver containing 448,500 ounces of gold and 16,600,000 ounces of silver at a cutoff grade of 1.5 gpt gold equivalent. Included within this resource estimate is a higher grade zone consisting of 2,730,000 tonnes grading 2.73 gpt gold and 119.1 gpt silver containing 239,400 ounces of gold and 10,500,000 ounces of silver using a 3.0 gpt gold equivalent cutoff grade (Please see Technical Report as amended on September 27, 2013 entitled “Technical Report on the Callanquitas Structure, Igor Mine Project, Northern Peru, South America”, available on the Company’s web site or SEDAR). Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. The Company is continuing its exploration and development of the Igor Project including an underground test mining and bulk sampling program designed to generate data to evaluate future mine development options at Igor. Permits for the test program have been received and initial operations at Igor are expected to commence in Q1 2016.

All scientific and technical information in this press release has been reviewed and approved by Quentin J. Browne, P.Geol., Independent Consulting Geologist to Peruvian Precious Metals, who is a qualified person under the definitions established by Canadian National Instrument 43-101.

**On behalf of the Board of Directors
Brian J. Maher
President and Chief Executive Officer**

**FOR FURTHER INFORMATION, PLEASE CONTACT:
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Cautionary Statement:

This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release, including, without limitation, statements relating to the potential mineralization and geological merits of the Igor Mine Project and other future plans, objectives or expectations of Peruvian Precious Metals Inc. (the "Company") are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of current exploration and development activities, fluctuating gold prices, possibility of equipment breakdowns and delays, exploration cost overruns, availability of capital and financing, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company 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 otherwise required by applicable securities legislation. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.