



NEWS RELEASE

TSX.V PPX; BVL PPX

Peruvian Precious Metals Corp. Announces Closing of Non-Brokered Private Placement of Shares, Begins Permitting at Igor

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DISSEMINATION IN THE UNITED STATES.

Vancouver, British Columbia – October 7, 2014 – Peruvian Precious Metals Corp. (the "Company"), announces that it has closed a non-brokered private placement of common shares (a "Common Share") under the terms previously disclosed on September 2, 2014. 5,317,644 Common Shares were issued to one subscriber at a price of \$0.09 per Common Share for gross proceeds of \$478,587.96.

Securities issued under the private placement will be subject to a four-month hold expiring on February 8, 2015, in accordance with applicable Canadian securities laws. The Company intends to use the proceeds from the private placement to fund its share of the working capital required for an underground test mining and bulk sampling program at its Igor gold and silver project in northern Peru (please see Press Release dated September 2, 2014).

The Company is also pleased to announce that Proyectos Patagonia SAC ("Patagonia") has initiated the permitting process for the Igor underground test mining and bulk sampling program. After permits are received, Patagonia anticipates that it will take between seven and ten months to develop underground mining infrastructure sufficient to allow collection of appropriate bulk samples and conduct test mining along the Callanquitas Structure. Patagonia plans to develop mine workings on three levels over a vertical range of approximately 150 metres to access different areas within the Callanquitas Structure where previous drilling has defined Inferred gold and silver resources (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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws, unless an exemption from such registration is available.

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.

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 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.