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NEWS RELEASE

TSX.V PPX; BVL PPX

## Peruvian Precious Metals Corp. Announces Convertible Debenture Financing

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DISSEMINATION IN THE UNITED STATES.

**Vancouver, British Columbia – February 19, 2014 – Peruvian Precious Metals Corp.** (the "**Company**"), is pleased to announce a non-brokered private placement of convertible debentures in the principal amount of \$5,814,008.14 (the "**Debentures**") to one subscriber (the "**Investor**") with the following material attributes:

**Term:** 2 years from closing

**Interest Rate:** 10% per annum, payable quarterly

**Conversion Price:** \$0.18 per share

The principal amount owing under the Debentures will be due and payable on the second anniversary of the closing date (the "**Maturity Date**"), unless earlier redeemed or converted pursuant to the terms of the Debentures. The Investor may convert all or part of the outstanding principal amount of the Debentures into common shares of the Company (the "**Conversion Shares**") at the conversion price of \$0.18 per share (the "**Conversion Price**") at any time during the term of the Debentures.

In the event that at any time prior to the Maturity Date the volume weighted average trading price of the common shares of the Company on the TSX Venture Exchange (or any other stock exchange or quotation system on which the Company's common shares are then listed or quoted) is equal to or greater than \$0.22 for 30 consecutive trading days, the Company will thereafter be entitled to convert all or a portion of the outstanding principal amount of the Debentures into Conversion Shares at the Conversion Price, on giving 10 days' notice to the Investor.

At any time after the first anniversary of closing, the Company will be entitled to give notice (the "**Election Notice**") to the Investor that the Company wishes to pay or convert all or a portion of the outstanding principal amount of the Investor's Debentures, in the amount (the "**Election Limit**") specified by the Company in the Election Notice. The Election Notice will require the Investor to elect as follows:

- (1) to have the Company pay all or a portion of the Election Limit, as specified by the Investor, and any accrued but unpaid interest thereon; or
- (2) to have the Company convert all or a portion of the Election Limit, as specified by the Investor, into Conversion Shares at the Conversion Price; or
- (3) to have the Company pay a portion of the Election Limit and convert a portion of the Election Limit, in the amounts specified by the Investor, in each case in accordance with paragraphs (1) and (2) above.

In the event that the Investor does not make an election within 20 days of delivery of the Election Notice by the Company to the Investor (the "**Election Deadline**"), the Company is required to

pay the Election Limit together with any accrued but unpaid interest thereon in accordance with paragraph (1) above.

The Election Notice will specify that the redemption or conversion, as the case may be, will occur on a closing date or dates to be publicly announced by the Company after the Election Deadline and in any event such closing date or dates will occur within 30 days after the Election Deadline.

The Debentures are non-transferable unless otherwise agreed to by the Company.

In consideration for introducing the Investor to the Company, Westmount Capital will receive on closing a cash fee in the amount of \$290,700.41 and \$290,700 principal amount of convertible debentures (the "**Finder's Debentures**"). The Finder's Debentures will have the same terms as the Debentures.

The Investor will be entitled to appoint one director to the board of the Company for so long as the Debentures are outstanding. The issuance of the Debentures is conditional upon, among other things, the receipt of final documentation and TSX Venture Exchange approval. The proceeds of the Debentures would be used to fund current and proposed financial commitments and for general working capital purposes.

The Company also announces changes to its board of directors with the resignation of Charles Littlejohn. The Company would like to thank Mr. Littlejohn for his services as a director of the Company.

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.

**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:**

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.