CANDELARIA MINING CORP.

News Release
TSX-V: CXX

Candelaria Mining Corporation Announces Confirmation of High-Grade Gold in Underground Sampling and Commencement of Drilling Program at its Pinos Gold Project, Zacatecas, Mexico

July 11, 2016 – Vancouver, British Columbia - Candelaria Mining Corporation ("Candelaria" or the "Company") is pleased to announce the completion of a mapping and sampling program of historic underground workings at its gold-silver Pinos Project located in Zacatecas, Mexico (the "Project"). The Company also announces the commencement of a 30-hole, 4,500-metre core drilling campaign on the Cinco Estrellas portion of the Project to test the down-dip potential of the Cinco Estrellas vein below historical workings.

Underground Sampling Program

The underground sampling and mapping program was undertaken to provide a detailed understanding of vein geometry and to confirm gold and silver values from previous sampling and historical mining.

More than 900 underground rock-chip channel samples were collected. Of the 97 underground samples that the Company sent to ALS for gold and silver analyses, 28 samples assayed > 5 ppm Au and 13 samples assayed > 100 ppm Ag. The highest values reported by ALS were 91.9 ppm Au and 561 ppm Ag. ALS's gold and silver assay results for the 65 samples that assayed more than 5 ppm Au are presented in Table 1. The areas of underground sampling are shown in Figure 1. The rest of the underground samples were analyzed by the Company's in-house laboratory, which showed results consistent with those returned by ALS.

"The underground sampling program confirms continuity of high-grade gold-silver vein mineralization along the Cinco Estrellas structure," stated Sokhie Puar, Candelaria's president and CEO, "the drilling program currently underway is testing the down-dip projections of vein mineralization in the historic Pinos gold camp."

A QA/QC system is in place to assure reliability of assay results. Standard pulps of known concentrations of gold and silver, blanks, and duplicate samples are inserted into the sample stream every 20 samples. Standards and blanks allow for control of quality of assaying and sample preparation. Duplicate samples (a second split of the drill-core assay interval) gives an indication of the homogeneity of the assayed sample.

All samples are placed into a plastic rock-sample bag and sealed with tape under the supervision of the project geologist. Each sample is labeled, catalogued, and delivered to ALS preparation laboratory in Zacatecas, Mexico. Pulps prepared at ALS C Zacatecas facility are sent to the ALS laboratory in North Vancouver, B.C. Canada. All samples are analyzed for gold using fire assay with an atomic absorption finish. Samples that assay more than 10 g/t Au are reanalyzed using fire assay with a gravimetric finish. All samples are analyzed for silver using fire assay. Select samples are analyzed for a multi-element package using a multi acid digestion ICP AES (Plasma

Emission Spectroscopy). ALS is an internationally recognized independent laboratory operating to ISO 17025 quality assurance standards.

Table 1. Highlights of ALS gold and silver results from underground samples, Cinco Estrellas vein.

Sample	Sample Line	Mine/Area	Level	UTM E	UTM N	Sample Length (m)	Au g/t	Ag g/t
1089	SJ-05	San Jose	5	233159	2469717	0.3	8.31	84
1099	SJ-08	San Jose	5	233158	2469714	0.32	5.56	100
1105	SJ-09	San Jose	5	233156	2469712	0.4	12.50	77.2
1118	SJ-12	San Jose	5	233148	2469709	0.28	8.05	68.6
1132	SJ-15	San Jose	15	233138	2469703	0.6	5.22	63.5
1139	SJ-16	San Jose	15	233138	2469702	0.5	6.49	34.5
1150	SJ-19	San Jose	15	233122	2469667	0.3	6.82	
1155	SF-02	SFrancisco	35	233122	2469667	0.45	7.07	18.6
1179	SF-07	SFrancisco	35	233113	2469658	0.3	5.26	29.8
1188	SF-09	SFrancisco	35	233113	2469656	0.3	5.36	27.8
1266	SF-13	SFrancisco	35	233110	2469653	0.3	6.78	33.8
1276	SF-15	SFrancisco	35	233109	2469651	0.46	16.10	77.2
1299	SF-19	SFrancisco	35	233102	2469643	0.4	39.90	73.3
1352	SF-20	SFrancisco	35	233101	2469643	0.45	9.28	36.9
1523	P-8A	SJ Peñitas	20	232270	2468257	0.6	10.45	173
1528	P-9	SJ Peñitas	20	232270	2468256	0.3	6.53	154
1552	P-16	SJ Peñitas	20	232264	2468252	0.3	7.12	263
1568	P-18	SJ Peñitas	20	232265	2468249	0.6	5.93	48.5
1587	P-21	SJ Peñitas	20	232263	2468246	0.4	9.94	65.8
111263	NA-03	Natividad	12	233026	2469520	0.4	21.90	22.3
111267	NA-04	Natividad	12	233027	2469523	0.4	7.20	28.1
111287	NA-09	Natividad	12	233036	2469536	0.4	91.90	535
111301	NA-12	Natividad	12	233045	2469539	0.4	39.40	91.3
111312	NA-15	Natividad	12	233054	2469541	0.3	23.30	51.9
111337	NA-21	Natividad	12	233071	2469547	0.4	7.06	93.9
111421	CE-01	5 Estrellas	22	232779	2469265	1.1	10.75	19.5
111428	CE-02	5 Estrellas	22	232809	2469280	1.05	7.20	8.5

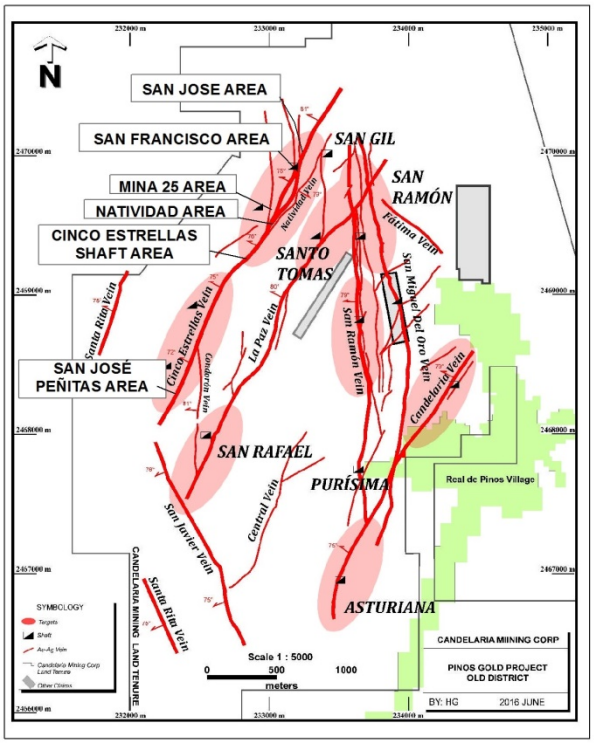

Figure 1. Pinos district, showing areas of underground sampling along Cinco Estrellas vein. Areas are labeled in boxes.

The Pinos vein system, of which the Cinco Estrellas vein structure is the most extensive portion, consists of NNE-striking, steeply dipping, low-sulphidation gold-silver veins that are emplaced in Cretaceous sedimentary rocks adjacent to a mid-Tertiary rhyolite-dome complex. Gold and silver are contained in “ginguro” bands containing fine-grained electrum and silver sulphide. Worldwide, low sulphidation gold-silver vein systems (e.g. Waihi and Golden Cross, Pajingo, Hishikari, Lampung, Cerro Vanguardia, Esquel, El Peñón) are known to have vertical extents of several hundred metres.

The Pinos district is part of a regional trend of precious-metal systems in Zacatecas and the neighboring states of San Luis Potosí and Guanajuato that include the Fresnillo, Real de Angeles, Guanajuato, and Cerro de San Pedro districts. The region enjoys a long history of mining and mineral development and the mining industry is recognized as being integral to its economy.

Historical records indicate that Spanish prospectors discovered gold and silver in the Pinos area in 1575, and that mining was sporadic until the late 1800s, when British interests produced an estimated 5 Moz of gold and 25 Moz of silver from the district. Most of the extensive British underground workings stopped at the water table around 100 metres from the surface, with some workings reaching 290 metres depth. Mining activities at Pinos stopped during the 1910-1920 Mexican Revolution. Since the Revolution, exploration and development has been intermittent, with increased activity since 1975 including exploration programs conducted by Bethlehem Steel, Peñoles, Minera Apolo, Hecla Mining, Romarco Minerals.

Qualified Person: Mr. Stephen R Maynard, M.S., C.P.G., has acted as the qualified person as defined in National Instrument 43-101 for this disclosure and supervised the preparation of the technical information in this release.

ON BEHALF OF THE BOARD

"Sokhie S. Puar"

Sokhie S. Puar
President and CEO

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

Forward Looking Statement: Some of the statements contained in this press release are forward-looking statements. Forward-looking statements are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control, including, but not exclusively, statements regarding potential mineralization, exploration results, completion of work program and studies, and future plans and objectives of the Company. Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production.