

## Candelaria Announces Results of 33-Hole, 4,700-metre Diamond Drill Program, Pinos Gold Project, Zacatecas, Mexico; Grant of Options

**October 31, 2016 – Vancouver, British Columbia – Candelaria Mining Corp.** (the “Company”) is pleased to announce the results of its recently completed diamond-drilling program at its Pinos Gold Project in southeastern Zacatecas state, Mexico. (Fig. A)

**Drill intersections include 1.95 m grading 5.88 g/t gold equivalent (Au eq), including 0.80 m grading 14.75 g/t Au eq.; 6.40 m @ 1.90 Au eq., including 0.75 m @ 5.25 g/t Au eq; 2.58 m grading 6.77 g/t Au eq., including 1.50 m @ 9.02 g/t Au eq.; 6.90 m grading 2.64 g/t Au eq., including 0.50 m @ 5.43 g/t Au eq.; and 4.25 m grading 4.42 g/t Au eq, including 2.45 m @ 6.67 g/t Au eq.**

The recently completed drilling campaign began in May 2016 and was carried out on one of the principal vein structures in the district, the Cinco Estrellas vein, over a strike length of 2.2 km. Drilling tested down-dip extensions of known vein mineralization, below existing workings, as well as the possibility of previously unknown veins parallel to the principal vein.

Highlights of the 2016 Pinos drilling program. Gold equivalent values are calculated on the basis of prices of US\$1,266 per troy ounce gold and US\$17.50 per troy ounce silver.

Hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Au g/t equiv
<b>CA16PI001</b>	<b>37.65</b>	<b>38.60</b>	<b>1.95</b>	<b>5.88</b>	<b>28</b>	<b>6.27</b>
<i>including</i>	<b>37.03</b>	<b>37.83</b>	<b>0.80</b>	<b>14.20</b>	<b>40</b>	<b>14.75</b>
CA16PI005	47.20	47.85	0.65	1.17	15	1.38
CA16PI008	102.65	104.30	1.65	1.00	12	1.17
CA16PI011	107.79	108.38	0.59	1.16	22	1.46
CA16PI012	128.20	129.10	0.90	4.84	6	4.92
	172.81	173.16	0.35	2.67	37	3.18
CA16PI013	121.40	122.20	0.80	1.27	3	1.31
CA16PI014	78.54	79.20	0.66	0.94	1	0.95
	96.70	97.90	1.20	0.75	2	0.78
	148.60	150.00	1.40	0.60	121	2.27
CA16PI015	71.10	72.20	1.10	1.33	20	1.61
<b>CA16PI016</b> <i>including</i> <b>(Fig. 1) and</b>	<b>96.55</b>	<b>102.95</b>	<b>6.40</b>	<b>1.65</b>	<b>18</b>	<b>1.90</b>
	<b>98.80</b>	<b>100.15</b>	<b>1.35</b>	<b>3.73</b>	<b>24</b>	<b>4.06</b>
	<b>99.40</b>	<b>100.15</b>	<b>0.75</b>	<b>5.02</b>	<b>17</b>	<b>5.25</b>
CA16PI017	123.32	124.02	0.70	0.71	94	2.01
<b>CA16PI018</b> <i>including</i>	<b>92.31</b>	<b>94.11</b>	<b>1.80</b>	<b>2.87</b>	<b>71</b>	<b>3.85</b>
	<b>93.18</b>	<b>93.50</b>	<b>0.32</b>	<b>11.05</b>	<b>275</b>	<b>14.85</b>
<b>CA16PI021</b> <b>(Fig. 2) including</b>	<b>121.00</b>	<b>123.58</b>	<b>2.58</b>	<b>6.31</b>	<b>33</b>	<b>6.77</b>
	<b>121.00</b>	<b>122.50</b>	<b>1.50</b>	<b>8.37</b>	<b>47</b>	<b>9.02</b>
CA16PI022 <i>including</i>	93.81	96.19	2.38	2.60	12	2.77
	<b>95.19</b>	<b>96.19</b>	<b>1.00</b>	<b>5.14</b>	<b>20</b>	<b>5.42</b>
CA16PI023	88.17	88.45	0.28	0.67	227	3.81
	88.80	89.15	0.35	0.56	168	2.88
	107.85	109.80	1.95	2.10	14	2.29
<b>CA16PI025</b> <i>including</i>	<b>106.50</b>	<b>113.40</b>	<b>6.90</b>	<b>2.52</b>	<b>9</b>	<b>2.64</b>
	<b>108.20</b>	<b>112.85</b>	<b>4.65</b>	<b>3.10</b>	<b>9</b>	<b>3.22</b>

	<i>and</i>	<b>110.40</b>	<b>112.85</b>	<b>2.45</b>	<b>3.32</b>	<b>8</b>	<b>3.43</b>
	<i>and</i>	<b>106.50</b>	<b>107.00</b>	<b>0.50</b>	<b>5.20</b>	<b>17</b>	<b>5.43</b>
	<i>and</i>	<b>110.40</b>	<b>110.80</b>	<b>0.40</b>	<b>4.13</b>	<b>10</b>	<b>4.27</b>
(Fig. 3)							
CA16PI026		36.68	37.04	0.36	3.13	3	3.17
CA16PI027		42.24	42.60	0.36	1.01	5	1.08
CA16PI029		91.99	93.50	1.51	1.02	9	1.14
		106.56	111.56	5.00	1.79	16	2.01
	<i>Including</i>	<b>108.65</b>	<b>110.47</b>	<b>1.82</b>	<b>2.17</b>	<b>14</b>	<b>2.36</b>
	<i>and</i>	<b>108.65</b>	<b>109.10</b>	<b>0.45</b>	<b>3.14</b>	<b>26</b>	<b>3.50</b>
	<i>and</i>	<b>110.17</b>	<b>110.47</b>	<b>0.30</b>	<b>3.88</b>	<b>22</b>	<b>4.18</b>
CA16PI031		36.60	40.85	4.25	4.32	7	4.42
	<i>Including</i>	<b>38.40</b>	<b>40.85</b>	<b>2.45</b>	<b>6.53</b>	<b>10</b>	<b>6.67</b>
	<i>(Fig. 3) and</i>	<b>40.25</b>	<b>40.85</b>	<b>0.60</b>	<b>8.48</b>	<b>10</b>	<b>8.62</b>

The Pinos property consists of 29 concessions covering 3,516.14 hectares situated in eastern Zacatecas state, Mexico. Numerous veins hosting gold-silver low-sulphidation epithermal mineralization occur within strongly folded and locally overturned Cretaceous sedimentary rocks. Veins thicknesses average between 1.2 metres and 1.5 metres. Veins exceed 10 metres in thickness in some locations.

The Pinos District produced more than 5 Moz of gold and 25 Moz of silver during the period 1860 until the Mexican Revolution (1910-1920).

“Our geological team at the Pinos Project has demonstrated continuity of gold mineralization below the known workings on the Cinco Estrellas Vein structure,” stated Ramon Perez, CEO of Candelaria Mining, “The Company plans to continue exploring in areas of high-grade mineralization on the Cinco Estrellas vein and other veins in the district.”

Company personnel logged and prepared the drill samples for shipment at a warehouse facility at the project site. Samples were bagged and sent, along with regularly inserted blanks and standards, to the ALS-Chemex preparation facility in Zacatecas, Mexico for preparation. Prepared sample pulps were then sent to ALS-Chemex’s analytical facility in Vancouver, B.C., Canada.

Stephen R. Maynard, a Qualified Person as defined by National Instrument 43-101, has reviewed and verified the technical data in this release, including the QA/QC procedures and results.

### Grant of Options

The Company also announces the grant of 300,000 stock options to its recently appointed CFO. The options are exercisable at a price of \$0.30 per share.

Candelaria Mining Corp is an exploration and development mining company focused on high-grade gold and silver projects in Mexico. For more information, please visit our website at [www.candelariamining.com](http://www.candelariamining.com).

ON BEHALF OF THE BOARD

“*Ramon Perez*”

Ramon Perez  
CEO

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