

CANDELARIA MINING CORP.

News Release
TSX-V: CXX

CANDELARIA MINING SETTLES CONTINGENT PAYMENT UNDER CABALLO BLANCO PURCHASE AGREEMENT, ANNOUNCES SHARE CONSOLIDATION

November 14, 2016 – Vancouver, British Columbia – Candelaria Mining Corp. (the “**Company**”) announces it has settled a US\$5 million contingent payment to Goldgroup Mining Inc. in exchange for up to US\$3.1 million in payments. The contingent payment was part of the terms of the purchase agreement for the Caballo Blanco Gold Project entered into between the Company and Molimentales Del Noroeste, SA de CV, a subsidiary of Timmins Gold Corp. The Company was required to make a US\$5 million payment to Goldgroup upon receipt of approval of the Caballo Blanco project’s environmental impact statement from SEMARNAT. Pursuant to the settlement the Company has paid US\$2,500,000, with an additional US\$600,000 to be paid upon SEMARNAT approval.

Credipresto negotiated the settlement with Goldgroup and retains US\$600,000 of the settlement amount. Javier Reyes is a shareholder of Credipresto and a director of the Company. The role of Credipresto in negotiating the settlement and related compensation for that role constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) and TSXV Policy 5.9 *Protection of Minority Security Holders in Special Transactions*. The Company is relying on the exemptions from the formal valuation and minority approval requirements contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, on the basis that the fair market value of the transaction does not exceed 25% of the Company’s market capitalization.

Share Consolidation

The Company further announces that it proposes to consolidate its issued and outstanding common shares on the basis of every three (3) pre-consolidation common shares into one (1) post-consolidation common share (the “**Consolidation**”). The Company currently has 243,954,415 common shares issued and outstanding. Upon the Consolidation becoming effective, the Company will have approximately 81,318,138 common shares issued and outstanding on a non-diluted basis, prior to rounding down for fractional shares. The Company’s outstanding incentive stock options and warrants will be adjusted on the same ratio (3:1) in accordance with their respective terms, with proportionate adjustments being made to exercise prices.

The Consolidation is subject to regulatory approval, including the approval of the TSX Venture Exchange.

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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.