



News Release  
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**Candelaria Mining Announces  
 Updated NI 43-101 Technical Report and Resource Estimate For Caballo Blanco**

**May 8, 2017, Vancouver, British Columbia – Candelaria Mining Corp.** (“Candelaria” or the “Company”) announces that it has received an updated NI 43-101 technical report for the Caballo Blanco property entitled “*Technical Report-Caballo Blanco Project, Resource Update, La Paila Zone, Veracruz State, Mexico*” dated April 20, 2017. The technical report provides an update of the La Paila Zone which covers the northern extent of the property and incorporates 55 additional drill holes that were not included in the previous March 2012 resource estimate (see April 24, 2017 press release). The additional drill holes were from drilling which occurred between January and May of 2012. The resource estimate is contained within a conceptual pit.

**Mineral Resource Estimate**

- Indicated resource estimate – 31,220,000 tonnes grading 0.52 g/t gold, 2.16 g/t silver (521,000 ounces of gold and 2,170,000 ounces of silver respectively).
- Inferred resource estimate – 8,630,000 tonnes, grading 0.34 g/t gold, 2.14 g/t silver (95,000 ounces of gold and 590,000 of ounces silver respectively).
- Mineralization remains open to the north and south along trend and at depth and will be the focus of future exploration campaigns.

<b>Indicated and Inferred Resources</b> <sup>(1)(2)(3)(4)</sup>					
<b>Category</b>	<b>Tonnes</b>	<b>Au Grade (g/t)</b>	<b>AG Grade (g/t)</b>	<b>Contained Au ounces</b>	<b>Contained Ag Ounces</b>
Indicated	31,220,000	0.52	2.16	521,000	2,170,000
Inferred	8,630,000	0.34	2.14	95,000	590,000

1. The resource estimate is based on 200 diamond drill holes completed since the discovery of the La Paila mineralized zone. The resource available for blocks contained within a conceptual open pit using metal prices of \$1150 US / oz Au and \$21 US / oz Ag, using a cut-off of 0.11 grams per tonne (g/t) gold.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that all or any part of the Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.
3. Gary Giroux, of Giroux Consulting, along with Jim Cuttle B.Sc. P.Geo. are qualified persons as defined in NI 43-101 are authors of the technical report and responsible for the resource estimate.
4. The effective date of the resource estimate is March 20, 2017.

Ramon Perez, CEO of Candelaria commented, “We are pleased to have these new drill holes incorporated into an updated resource estimate for the La Paila Zone. While the ounces in the resource are lower as compared to the previous 2012 report due to the introduction of a pit constraint, the overall in-pit resource did not change materially. The tighter drill hole spacing gives us more confidence in the deposit. We have also identified important drill targets going forward. As we advance the technical work on the project and perform additional drilling beyond the current pit constraint area, we expect to see an increase to the resource at La Paila. We are encouraged by the multiple drill ready targets located within the bigger Caballo Blanco project area.”

A copy of the technical report will be filed and available on SEDAR on May 8, 2017.

Mr. Jim Cuttle, B.Sc, P.Geo. a qualified person as defined in National Instrument 43-101, has reviewed, and approved the technical information in this news release.

### **CABALLO BLANCO OVERVIEW**

Two large areas of epithermal gold mineralization have been discovered within the current Caballo Blanco property, referred to as the Northern Zone and Highway Zone. Both are prominent high-sulphidation and low-sulphidation epithermal gold prospects respectively, that occur within extensive areas of clay and silica alteration. The discovery of gold mineralization at La Paila in the Northern Zone is relatively new for this region of Mexico. The gold is very fine and occurs in a vuggy and brecciated silica alteration of an original andesite host rock in the upper levels of the surrounding epithermal systems.

The elongate and silicified gold rich mineralization at La Paila likely formed from fluid rising along a north trending fault structure well above a deeper intrusive 'heat source'. Similar silica and clay alteration zones have been recognized on the Property at other areas in the Northern Zone and the Highway Zone that lie along a north-south linear trend over a distance greater than nine kilometres.

La Paila is located on the north end of this trend and contains significant gold mineralization with drill intercepts of 2.194 grams per tonne gold over 89.91 metres (08CDN-04), 0.584 grams per tonne gold over 216.41 metres (07CBN-02) and 1.078 grams per tonne gold over 59.7 metres (11CBN-183). True widths are unknown.

Previous metallurgical work on mineralized core and surface samples from La Paila by previous owners has been favourable. Initial bottle roll testing indicate that the ore is highly amenable to leaching. The gold ore is totally oxidised to at least 300 metres depth and is benign in leaching since there appears to be no other minerals or deleterious materials present.

### **ON BEHALF OF THE BOARD**

*"Ramon Perez"*

Ramon Perez, Chief Executive Officer

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### **Cautionary Note Regarding Forward-looking Information**

*This news release contains certain information that may constitute forward-looking information or forward-looking statements under applicable Canadian securities legislation (collectively, "forward-looking information"), including but not limited to the exploration potential at the Caballo Blanco Project, expansion of the current resource estimate through further drilling, and future exploration and production plans of Candelaria. This forward-looking information entails various risks and uncertainties that are based on current expectations, and actual results may differ materially from those contained in such information. These uncertainties and risks include, but are not limited to, the price of gold and silver; the results of future exploration drilling, and the ability of Candelaria to fund exploration and development activities. Risks and uncertainties about the Company's business are more fully discussed in the Company's disclosure materials filed with the securities regulatory authorities in Canada and United States available at [www.sedar.com](http://www.sedar.com). Readers are urged to read these materials. Candelaria assumes no obligation to update any forward-looking information or to update the reasons why actual results could differ from such information unless required by law.*