



Candelaria Announces Board and Management Changes, Signs Definitive Agreement to Acquire Interest in Bolnisi Gold and Copper Project

VANCOUVER, British Columbia, Oct. 26, 2020 -- Candelaria Mining Corp. (TSXV:CAND, OTC PINK:CDEL) (the “**Company**”) is pleased to announce that Mr. Mike Struthers has agreed to be appointed as Chief Executive Officer as part of a transaction to acquire the interests of Empire Metals Ltd. (AIM:EEE) (“**Empire**”) in the Bolnisi gold and copper project in the Republic of Georgia (“the **Transaction**”). In conjunction with his upcoming appointment as CEO, Mr. Struthers will join the Company's Board of Directors. Candelaria is also pleased to announce that Dr. Neil O'Brien will join the Candelaria board as a director. These appointments are subject to the closing of the Transaction planned for December 7, 2020.

Mr. Struthers is currently Chief Executive Officer with Empire, and is a seasoned professional and Chartered Engineer with 40 years of international mining experience which includes:

- Executive roles in a London listed junior mining company, and a private Russian mining company;
- Seven years as Project Manager and Projects Director with Lundin Mining Corporation (“Lundin”), responsible for developing and executing a range of strategic medium and long-term brownfield growth initiatives at Lundin's operations in Portugal and Chile.
- In addition to his time at Lundin Mining Corporation, Mr. Struthers was Chief Operating Officer and technical director for a Russian minerals development company with large base and precious metals assets in Siberia, and a director and principal geotechnical engineer for mining consultancy AMC Consultants (“AMC”) between 1994 and 2007. At AMC he led teams on a range of projects for major miners such as Rio Tinto Group and BHP Billiton, and a wide variety of other mid-tier and junior companies.
- His experience includes project management in feasibility and engineering studies, project development, technical reviews, project and financial evaluations, strategic planning, mine expansions construction management, and project due diligence over a wide range of commodities and jurisdictions including base-metals, gold, and diamonds; in jurisdiction such as Africa, Australia, North America, South America, Europe and Russia. Prior to his consulting career he held operational and management positions in mining operations in Africa and Australia.

Dr. O'Brien is a consulting economic geologist and former mining executive with the following experience:

- Over three decades of mining industry service including Board of Director roles in public and private mineral exploration companies;
- International experience on five continents in all stages of mineral exploration and development of economic mineral resource projects, mining project evaluation and strategic corporate development activities;
- Dr. O'Brien retired in 2018 from Lundin as Senior Vice President, Exploration & New Business Development after 13 years of service that saw Lundin grow from a small junior mining company into a leading international diversified mining company.

Mr. Ramon Perez, President of Candelaria, commented, “We are very pleased and looking forward to having Mr. Struthers and Dr. O'Brien join our team. They bring very valuable experience and expertise in exploration and development of precious metals assets on a global basis to our Company. We look forward to drawing upon this experience as we continue to build a portfolio of mining projects and step up the development & exploration activities even further. The acquisition of the interest in the Bolnisi Project provides Candelaria exposure to an emerging gold-copper district and under the continued leadership of Mr. Struthers and Dr. O'Brien the full potential of the Bolnisi Project can be realized.”

DEFINITIVE AGREEMENT TO ACQUIRE INTEREST IN BOLNISI GOLD AND COPPER PROJECT

Candelaria Mining Corp. is pleased to announce it has entered into a definitive agreement to acquire 100% of GMC Investments LTD (“**GMC**”), a wholly-owned subsidiary of Empire, which holds a 50% interest in the Bolnisi Gold and Copper Project in Georgia. As consideration for the purchase of GMC, Candelaria has agreed to pay a total of CAD 2 million via the issuance of 4 million shares (at a deemed price of \$0.50 per share) to Empire. Upon approval of a reserves report on the Kverno Bolnisi East project by the State Reserves Committee in Georgia (“**Milestone 1**”), an additional payment of \$1 million (“**Milestone 1 Price**”) to be satisfied via the issue of Candelaria common shares based on a previous 10-day average closing price. Furthermore, upon completion of a NI43-101 compliant technical report disclosing a Mineral Resource on the Dambludi project (“**Milestone 2**”), or one other project other than Kverno Bolnisi East, an additional payment of CAD 2 million (“**Milestone 2 Price**”) to be satisfied via the issue of Candelaria common shares based on a previous 10-day average closing price. And finally, upon completion of a positive feasibility study and final investment decision on the gold oxides at Kverno Bolnisi East (“**Milestone 3**”), an additional payment of \$2 million (“**Milestone 3 Price**”) to be satisfied via the issue of Candelaria common shares based on a previous 10-day average closing price.

The purchase is subject to a right-of-first-refusal (“ROFR”) in favour of Empire's Georgian joint venture partner, Caucasian Mining Group LTD (“**CMG**”), which must be exercised within 20 business days from Empire submitting an offer. This offer has been submitted to CMG concurrent with this announcement. Closing of the acquisition of GMC is also subject to stock

exchange approval.

About GMC Investments

GMC is the owner of a 50% interest in JSC Georgian Copper and Gold (“**GCG**”), a private Georgian company, which in turn holds the rights to mining projects under a 30-year mining concession in Georgia. The Bolnisi gold and copper project is located in Georgia and situated within a highly underexplored part of the prolific Tethyan Belt, a well-known geological belt and host to many high-grade gold, copper and polymetallic deposits and producing mines. The Bolnisi concession covers an area of over 860 sq km with a variety of gold-copper and gold-polymetallic exploration prospects and resource development projects including the resource PEA stage Kvemo Bolnisi East (“KBE”) gold-copper project that is located only 7 km from the Madneuli gold-copper mine.

Dambludi is a narrow-vein epithermal deposit with high Au grades in quartz-sulphide veins in the east, and high-grade polymetallic sulphide veins in the north and west. The project has extensive sampling of historical exploration adits, and historical drilling only extended down to around 100m below surface, leaving the deposit open at depth.

About Candelaria Mining

Candelaria Mining is a Canadian-based gold development and exploration company with a portfolio of highly prospective projects in Mexico, one of the world’s best mining jurisdictions. Candelaria currently owns 100% of Caballo Blanco Project and the Pinos Gold Project.

For more information on projects, please see the technical reports prepared pursuant to NI 43-101 which are available on the Company’s website at www.candelariamining.com.

ON BEHALF OF THE BOARD,

Ramon Perez
President

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Cautionary Note Regarding Forward-looking Statements: *This press release contains certain “forward-looking statements” and “forward-looking information” under applicable Canadian securities laws concerning the business, operations and financial performance and condition of Candelaria Mining Corp. (“Candelaria” or “Candelaria Mining”). Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to estimation of mineral resources at mineral projects of Candelaria; Forward-looking statements are based on the opinions and estimates as at the date the statements are made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of Candelaria and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include variations in metal grades, changes in market conditions, variations in recovery rates, risks relating to international operations, fluctuating metal prices and currency exchange rates, changes in project parameters, the possibility of project cost overruns or unanticipated costs and expenses, labor disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.*

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