

- Closed C\$9.7 million strategic financing with Agnico Eagle
- Environmental Application redrafted and submitted to SERMARNAT
- Drill mobilized for 2,000 meter infill drill program at La Paila zone
- 7,500 meter phase 1 drill program of several high priority targets identified outside of La Paila resource area to commence 4Q17

July 27, 2017, Vancouver, British Columbia – Candelaria Mining Corp. (“Candelaria” or the “Company”) is pleased to provide the following update on the Company’s Caballo Blanco gold project located 65 kilometers northwest of the city of Veracruz, Mexico. The project is district scale consisting of fourteen contiguous mining claims and covering 19,815 hectares (198 sq. km), with easy access to infrastructure, labour and supplies.

Financing

Candelaria announced a strategic investment by Agnico Eagle Mines Limited (“Agnico”) of C\$9.7 million on June 6, 2017. The transaction closed on June 9, 2017 and Agnico currently owns 9.95% of the Company’s issued and outstanding shares. Net proceeds of the investment were used for the final payment of US\$2.5 million to Alio Gold Inc. (formerly known as Timmins Gold Corp.), closing the acquisition and securing 100% ownership of the Caballo Blanco gold project. Proceeds will also be used for infill and definition drilling to enhance the classification and extension of Caballo Blanco’s current mineral resource, exploration of highly prospective targets within the Caballo Blanco claim area, further technical and optimization studies, and for general working capital.

Environmental and Permitting

Since acquiring the project, Candelaria has prepared a new Environmental Impact Assessment (“MIA”) and worked closely with the communities and local, state and federal governments. The Company submitted the MIA to SERMARNAT (Mexican Environmental Authority) on July 14, 2017. The permitting process will now follow federally mandated guidelines and timelines necessary for approval.

Candelaria received an exploration permit for a 2,000 meter infill drill program at the La Paila zone, which covers the northern extent of the property and the project’s currently defined NI 43-101 gold and silver resources. For more details, see news release dated May 8, 2017.

Exploration permits for a 7,500 meter Phase I drilling program of new targets at the Highway, Las Cuevas and Las Banderas zones are being prepared and will be submitted in the near future, which will enable the Company to carry out its phase I drill program as described below.

Exploration

Candelaria has mobilized a drill rig and initiated drilling on a 2,000 meter program of infill drilling at La Paila zone. A total of seven (7) holes are planned in this area which will seek to confirm the resource model and provide tighter drill spacing in some areas of the resource.

Upon permitting success for its 7,500 meter Phase I drill program, the Company will mobilize

rigs to commence exploration of the Highway, Las Cuevas, Bandera Norte and Bandera Sur targets. The Company identified these targets as high priority following a detailed sampling program based on results from extensive geochemical, IP resistivity and geophysical studies. The results of these studies show very similar characteristics and correlations to those of the La Paila resource. A map of priority targets can be viewed at the following link:

http://candelariamining.com/images/projects/Caballo/CAND-Caballo-Blanco-Targets-Map-26Jul17_L.jpg

Technical Studies

Numerous technical studies will be undertaken to advance the Caballo Blanco gold project. These include, but are not limited to, additional metallurgical test work, re-design of the conceptual pit, resource update, water supply studies and ore and waste rock characteristic studies.

Corporate Matters

Candelaria recently strengthened its senior management team with the appointment of Curtis Turner to the position of Chief Executive Officer (“CEO”) and a member of the Board of Directors. Mr. Turner has significant experience in Mexico having previously held a senior management position at Argonaut Gold Inc., where he was a key member of the team that successfully completed four acquisitions totaling over \$700 million and oversaw permitting processes and technical work.

Mr. Turner commented, “I am familiar with the mining, legal, social and environmental aspects of operating in Mexico and I’m excited by the opportunities that are ahead for Candelaria. I have been working with the Company for several months as an advisor prior to accepting the position of CEO and have been impressed by the quality of the Caballo Blanco project and numerous exploration targets on the property. A good core group of people exist in the Company to provide a solid foundation. In addition, the key elements and supports are in place to bring this project forward for permitting as well as advancement on the technical front. I look forward to working with the team as we continue to grow this company and provide benefits to the local communities in the region and the shareholders of Candelaria.”

Upcoming Catalysts for 2017

1. Environmental Permitting
2. Exploration results from the 2,000 meter infill drill program
3. Exploration permits for the 7,500 meter Phase I drill program
4. Initial exploration results from the 7,500 meter Phase I drill program of the new Highway, Las Cuevas, Bandera Norte and Bandera Sur zones.

About Candelaria

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's 100% owned Caballo Blanco Project hosts NI 43-101 Indicated Resources of 521,000 ounces of gold and 2,170,000 ounces of silver (31,220,000 tonnes grading 0.52 g/t gold and 2.16 g/t silver) and Inferred Resources of 95,000 ounces of gold and 590,000 ounces of silver (8,630,000 tonnes grading 0.34 g/t gold and 2.14 g/t silver). Potential exists to increase these estimated resources through continued drilling and exploration. For more information on resource estimates, please see the Company's news release dated 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.

ON BEHALF OF THE BOARD

"Curtis Turner"

Curtis Turner
Chief Executive Officer

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