

MONTREAL, QUEBEC--(Marketwired - Oct 29, 2015) - [Cyprium Mining Corp.](#) ("Cyprium" or the "Company") (TSX VENTURE:CUG)(TSX VENTURE:CUG.DB) is pleased to announce that it has closed the acquisition of a 53% controlling interest in a joint venture (the "Joint Venture") which owns: (i) the exclusive exploitation and exploration rights of the Potosi silver mine located in the historic silver rich mining district of Santa Eulalia in Mexico; (ii) the exclusive rights of possession, usage and operations to the San Guillermo processing facility which is located seven kilometers from the Potosi silver mine; as well as (iii) all of the exclusive exploration and exploitation rights to a property adjacent to the south of the Potosi silver mine known as La Chinche (collectively the "Joint Venture Assets"). Cyprium's partners in the Joint Venture are entities controlled by members of Mr. Daniel Valenzuela's immediate family. Mr. Valenzuela is a third generation miner located in Chihuahua, Mexico whose family has owned the Joint Venture Assets for over sixty years.

The Joint Venture, which will have a term of twenty-years, will be carried out through JV CYPVAL Mining SAPI de CV, ("CYPVAL") a Mexico based private company. Cyprium acquired its 53% interest in CYPVAL in return for a US\$2.5 million financial commitment to be completed by December 31, 2016. The financial commitment will consist of a US\$1.9 million equity investment in CYPVAL and a three-year, 12% loan to CYPVAL in the amount of US\$600,000. In consideration for the loan, Cyprium will be entitled to a 0.75% ten year royalty on sales of concentrates from CYPVAL. If Cyprium fails to invest the US\$1.9 million by December 31, 2016, Cyprium's percentage ownership in CYPVAL will be reduced proportionally. Cyprium will exercise operational and financial control of the Joint Venture. As part of its commitment to the Joint Venture, Cyprium has also issued 1,000,000 common shares of Cyprium (the "Common Shares") with a deemed value of \$0.14 per share and 100,000 share purchase warrants exercisable to purchase Common Shares at a price of \$0.17 per share for five years.

CYPVAL also has entered into a renewable multi-year commercial agreement pursuant to which Trafigura Mexico SA de CV ("Trafigura") has agreed to purchase the concentrates from the Potosi silver mine in accordance with the terms contained in the said commercial agreement.

Juan Antonio Moran, Commercial Manager - Mexico at Trafigura said: "Trafigura is pleased to start working with Cyprium Mining in order to restart the Potosi silver mine. Our relationship with the mine goes back several years and we believe the mine still has good production and exploration potential. We also look forward to evaluating other opportunities to work with Cyprium in Northern Mexico."

In addition, CYPVAL also acquired from an arms' length third party certain rights with respect to the Potosi silver mine and San Guillermo plant, including the rights to mine at the Potosi silver mine and the rights of possession, usage and temporary operation of the San Guillermo facilities (the "Rights"). The total purchase price for the Rights to be paid by CYPVAL is US\$746,846 (the "Purchase Price") which is payable as to US\$400,000 in cash at closing and US\$346,846 to be paid in monthly installments starting eight months after the date of the closing.

The Joint Venture intends to initially carry out two principal projects. The first project is the rehabilitation of shaft #3 of the Potosi silver mine. The goal of this project is to gain access to mine levels 3, 4 and 6 where the Potosi Partners last mined between 2010 and 2012. Once production resumes, Cyprium intends to send the mineralized material extracted through shaft #3 of the Potosi silver mine to the Aldama plant. The second project of the Joint Venture involves the rehabilitation of the larger and deeper shaft #5 of the Potosi silver mine which will provide access to all levels of the mine down to level 11. The rehabilitation of shaft #5 is expected to take about ten months. Once shaft #5 is rehabilitated, the initial exploration and production will focus on levels 9 and 10 where the most recent exploration activities have taken place.

Rehabilitation of the San Guillermo processing plant is not planned until 2016. The timing and final technical plans for this rehabilitation will be dependent on expected production at that time, and the capacity available at the Aldama plant.

Cyprium has engaged Dr. Craig Gibson to complete a National Instrument 43-101 report with respect to the initial mine levels 2, 3 and 4 of the Potosi silver mine. It is expected the report will take two months to complete. The report to be prepared by Dr. Gibson shall not contain a resource or reserve calculation.

Santa Eulalia is a world class polymetallic mining district located in the central part of the State of Chihuahua, Mexico, approximately twenty-two kilometers east of the City of Chihuahua. Mineralization in the area was originally discovered during the Spanish colonial period in the 1500's, and recorded production has occurred over more than 300 years. Santa Eulalia ranks as one of Mexico's primary silver and base metal producing districts with nearly 450 million ounces of silver and substantial amounts of lead and zinc mined. The nature of the deposit in the Santa Eulalia district is a carbonate replacement deposit and is the historically largest of its type in Mexico. Mineralization occurs in an area about 10 km in length and 5 km in width. Production and reserves for the district have been estimated to be about 50 million metric tons ⁽¹⁾ with grades of 125-350 g/t Ag, 2-8% Pb and 3-12% Zn ⁽¹⁾ ⁽²⁾, along with appreciable quantities of tin and vanadium.

The Santa Eulalia district covers approximately forty-eight square kilometers and is divided into three areas, the West Camp, the Central Camp and the East Camp. The Potosi silver mine is located in the West Camp. The West Camp has produced most of the minerals from the district from an area 4 km long in a north-south direction and 2 km wide in an east-west direction, with the Potosi silver mine being one of the primary producers.

Grupo Mexico, through its subsidiary [Southern Copper Corp.](#) owns the Buena Tierra mine in the West Camp and the San

Antonio mine in the East Camp. [MAG Silver Corp.](#) controls all of the ground to the immediate south, except for La Chinche, and between the West Camp and East Camp.

Mr. Carlos Arzola, a director of Cyprium, was involved in identifying the Joint Venture opportunity and played an essential role in bringing the parties together. Cyprium has paid a finder's fee to Mr. Arzola of US\$25,000 in cash and, subject to Cyprium shareholders' approval, the Company will also issue to Mr. Arzola 500,000 Common Shares (the "Finder's Shares") with a deemed value of \$0.14 per share. The Finder's Shares will be subject to a four-month and one day hold period, in accordance with the applicable securities laws.

The Company is also pleased to announce that, subject to final TSX Venture Exchange approval, it has closed its previously announced non-brokered private placement of 4,545,454 Common Shares at a price of \$0.11 per Common Share for gross proceeds of \$500,000 (the "Offering"). Pursuant to the Offering the Company will issue 4,545,454 Common Shares. It is expected that the proceeds from the Offering will be used to pay the costs of the Offering, make the initial payment on the Purchase Price and for general working capital purposes.

Cyprium has paid finders a cash commission of 8% of the proceeds of the Offering that result from such parties' efforts. The finders may also be granted warrants to purchase up to 8% of the number of Common Shares sold under the Offering, with each warrant entitling the holder to purchase one (1) Common Share at a price of \$0.11 per Common Share for a period of two (2) years from the closing of the Offering. Pursuant to applicable securities laws, all securities issued pursuant to the Offering will be subject to a hold period of four months and one day following the date of issuance of such securities. Cyprium also announces the resignation of Mr. Robert Ayotte as a director of the Company effective immediately.

About Cyprium Mining Corporation

Cyprium Mining acquires, operates and develops past producing mines located in Mexico. When selecting projects, Cyprium has as key criteria the possibility of the mine being brought back into production in the short-term and the mine having significant exploration potential. Cyprium utilizes traditional, proven small-scale production techniques in the short-term to generate cash flow. This cash flow will in great part fund the systematic development and exploration of the mine through modern equipment and techniques. Cyprium is committed to maximizing the potential of these projects by funding exploration programs mainly through cash flows generated by production instead of funding such programs strictly through equity offering thus limiting shareholder dilution. Cyprium prioritizes projects which are easily accessible and close to large urban centers.

Cyprium also has the exclusive use of a 100 metric tons per day flotation plant located twenty kilometers outside the City of Chihuahua in Northern Mexico (the "Aldama Plant"). Cyprium has the exclusive use of the Aldama Plant under a five year agreement with its owner during which Cyprium will use the Aldama Plant on a variable cost basis. Cyprium will purchase mill feed for its own account and will be responsible for the supervision of all metallurgic processes, including quantitative chemical analysis, assaying of samples, determining feed grades and the sale of concentrates (see October 1st, 2014 news release). Cyprium recently announced its plans to double the capacity of the Aldama plant before the end of 2015.

Cyprium also owns 51% of Coyame Copper SA de CV ("Coyame Copper"), a Chihuahua, Mexico based mining exploration company and has an option to increase its stake in Coyame Copper to 70% for a consideration of US\$1.2 million payable over a period of eighteen months following the exercise of the option. Coyame Copper's Las Cristinas Project consist of four adjacent exploration concessions (Las Cristinas, La Parrita, La Verde and La Lagrimosa) covering 684 hectares.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Qualified Person: Dr. Craig Gibson, Certified Professional Geologist, prepared the summary of public historical information on the Santa Eulalia district, and has reviewed the appropriate portions of this news release and approved the contents thereof. Public information included in this release are based on work by from a PhD dissertation by Peter K. M. Megaw and information from the Mexican Geological Survey (Servicio Geologico Mexicano).

References:

(1) Megaw, P.K.M., 1990, Geology and geochemistry of the Santa Eulalia mining district, Chihuahua, Mexico, unpublished PhD dissertation, University of Arizona, 461 pp.

(2) Bustos-Diaz, J.L. and Arzabala-Molina, J., 2007, Monografia Geologico-Minera del Estado de Chihuahua, Servicio Geologico Mexicano, 640pp.

This news release contains "forward-looking information" (within the meaning of applicable Canadian securities laws) and "forward-looking statements" (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995). Such statements or information are identified with words such as "anticipate", "believe", "expect", "plan", "intend", "potential", "estimate",

"propose", "project", "outlook", "foresee" or similar words suggesting future outcomes or statements regarding an outlook. Such statements include, among others, those concerning the Company's anticipated plans for developments of the Company and its mining projects.

Such forward-looking information or statements are based on a number of risks, uncertainties and assumptions which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. Assumptions have been made regarding, among other things, management's expectations regarding future growth, plans for and completion of projects by the Company's third party relationships, availability of capital, and the necessity to incur capital and other expenditures. Actual results could differ materially due to a number of factors, including, without limitation, operational risks in the completion of Company's anticipated projects, delays or changes in plans with respect to the development of the Company's anticipated projects by the Company's third party relationships, risks affecting the ability to develop projects, risks inherent in operating in foreign jurisdictions, the ability to attract key personnel, and the inability to raise additional capital. No assurances can be given that the efforts by the Company will be successful. Additional assumptions and risks are set out in detail in the Company's MD&A, available on SEDAR at www.sedar.com.

Although the Company believes that the expectations reflected in the forward-looking information or statements are reasonable, prospective investors in the Company's securities should not place undue reliance on forward-looking statements because the Company can provide no assurance that such expectations will prove to be correct. Forward-looking information and statements contained in this news release are as of the date of this news release and the Company assumes no obligation to update or revise this forward-looking information and statements except as required by law. Investors should note that, while the mineralized material being processed by the Company is assayed, there is no certainty that the proposed operations will be economically or technically viable. Investors should also note that the Potosi silver mine and La Chinche property have no established mineral resources or mineral reserves as defined by NI 43-101. Although Cyprum Mining has made a production decision regarding the Potosi silver mine based on historical production records, historical results of sampling and drilling, a feasibility study of its projects has not been completed and there is no certainty that the proposed operations will be economically or technically viable.

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