

TSX-V: CUG and CUG.DB

MONTREAL, March 23, 2016 /CNW/ - [Cyprium Mining Corp.](#) (TSXV: CUG) ("Cyprium" or the "Company") is pleased to announce that it intends to complete, on or about April 1st, 2016, a private placement which will help fund the continued activities at the Potosi Mine located in Northern Mexico.

The private placement will consists of up to 8,000,000 units (the "Units") at a price of \$0.065 per Unit for gross proceeds of up to \$520,000 (the "Offering"). Each Unit will be comprised of one (1) common share in the capital of the Company ("Common Share") and one (1) share purchase warrant of the Company ("Warrant"). Each Warrant will be exercisable into one Common Share at an exercise price of \$0.10, expiring two (2) years from the date of issuance.

Mr. Alain Lambert, Chairman and CEO of Cyprium stated: "The rehabilitation of shaft #3 of the Potosi mine and the exploration at level 2, 3 and 4 of the mine continue to progress on budget and according to schedule. The main activities over the last two months consisted in the overhaul of the rail system for the extraction of mineralized material, the repair of the hoist and implementation of various measures for improved safety in the mine. Over the next six weeks we expect to proceed with the installation of the necessary drilling and mining equipment infrastructure at level 3 and 4 of the mine, including the installation of a new air compressor."

The net proceeds made available through the sale of the Units will be used by the Company to pay for the continued development of the Company's Potosi mining project in Mexico, the costs of the Offering, for working capital and general corporate purposes.

As part of the Offering a director of the Company (the "Insiders") has arranged for the sale of 977,000 Common Shares of his personal holdings at a price of \$0.065 per Common Share through the facilities of the TSX Venture Exchange (the "Swap"). The proceeds from the Swap will be used by such director to subscribe in the Offering.

Cyprium may engage finders or agents to act as agents of Cyprium in connection with the Offering and the Swap, and in connection therewith may pay finders and agents a cash commission of up to 8% of the proceeds of the Offering or the Swap that result from such parties efforts, subject to compliance with applicable securities laws. The finders and agents may also be granted warrants ("Placement Finder Warrants") to purchase up to 8% of the number of Units sold under the Offering or the Swap, with each Finder Warrant entitling the holder to purchase one Unit at \$0.065 per Unit for a period of eighteen months from the closing of the Offering.

Closing of the Offering and issuance of the Units, the Warrants and the Placement Finder Warrants is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Exchange. Pursuant to applicable securities laws, all securities issued pursuant to the Offering will be subject to a hold period of four months plus one day following the closing of the Offering.

The Company announces that, concurrently with the closing of the Private Placement, it will complete a second closing of the Bond Financing (as defined below) in a minimum amount of US \$141,000 (the "Second Tranche Disbursement"). In connection with the Second Tranche Disbursement, the Corporation will issue three year bonds (the "Bonds") in the aggregate amount of US \$141,000. The Bonds will bear interest at a rate of 12.5% per annum, calculated and payable quarterly in arrears commencing on June 30, 2016. In March 2015, the Corporation announced a bond financing for a total amount of US \$4.5 million to be received by the Company in three disbursements before the end of 2015 (the "Bond Financing"). In April 2015, the Company completed the closing of the first disbursement in an amount of US\$1.0 million with expected additional disbursements in 2015 for the remainder of the Bond Financing. As previously announced, Cyprium has been informed by the fund manager subscribing to the Bond Financing that, while the subsequent 2015 disbursements have been delayed, the fund remains committed to the disbursement of the remainder of the Bond Financing. The delay in the disbursement of the Bond Financing is solely related to the liquidity situation of the fund subscribing to this financing and not as a result of any conditions not met by Cyprium. Cyprium also continues to evaluate other financing alternatives to supplement the Bond Financing.

A finder's fee of 8% of the gross proceeds of the Second Tranche Disbursement will be payable in cash by the Corporation to SC Strategy Consult AG (the "Finder"). The Corporation will also issue to the Finder share purchase warrants ("Bond Finder Warrants") to purchase Common Shares with an exercise price of \$0.13 per share for a period of three years from the date of issuance.

Closing of the Second Tranche Disbursement and issuance of the Bonds and the Bond Finder Warrants is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Exchange. Pursuant to applicable securities laws, all securities issued pursuant to the Second Tranche Disbursement will be subject to a hold period of four months plus one day following the closing of the Second Tranche Disbursement.

The Company wishes to update its previously disclosed conversion of certain secured and unsecured debt into either Common Shares of the Company or convertible debentures of the Company (the "Debt Conversion") (please refer to the Company's July 28th, 2015 news release). The Company announces that it has come to terms to complete the conversion by arm's length holders of \$90,000 of secured debt into convertible unsecured debentures of the Company (the "Convertible Debentures"). The Convertible Debentures will mature three (3) years from the date of issuance, will bear interest at a rate of 8% per annum payable quarterly in cash. The principal amount of the Convertible Debentures shall be convertible at any time at the option of the holder into Common Shares of the Company at a price of \$0.08 per Common Share, and upon giving effect to such conversion, all accrued and unpaid interest will be paid in full within 60 days.

Closing of the Debt Conversion and the issuance of the Common Shares and the Convertible Debentures pursuant to the same is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Exchange. Pursuant to applicable securities laws, all securities issued pursuant to the Debt Conversion will be subject to a hold period of four months plus one day following the closing of the Debt Conversion.

The Company has also entered into various debt settlement agreements. The Company has entered into a debt settlement agreement with eight creditors who are not insiders of the Company to settle \$246,025 by the issuance of 3,785,000 Units of the Company (the "Units for Debt"). Among those creditors the Company will settle \$53,625 in compensation with three of its senior employees in Mexico by issuing a total of 825,000 Units. Mr. Carlos Arzola, a director of Cyprium who resides in Mexico, has requested the Company to pay outstanding director fees in the amount of \$32,500 through the issuance of Common Shares (the "Arzola Shares"). As a result, the Company plans to issue 500,000 Common Shares at an issue price of \$0.065 per Common Share to Mr. Arzola.

Mr. Arzola commented on the conversion: "I believe the conversion of compensation by our senior employees in Mexico demonstrate their confidence in the Company and the development of the Potosi mine. I was more than happy to take the initiative and take the lead in converting my directors' fees in shares of Cyprium."

The Company's Chairman and C.E.O., Mr. Alain Lambert, requested that the Company pay outstanding fees in the amount of \$48,000 through the issuance of Common Shares. As a result, the Company plans to issue 738,461 Common Shares (the "Lambert Shares") at an issue price of \$0.065 per Common Share. Finally, a company wholly owned and controlled by Alain Lambert, the Chairman and CEO of Cyprium, is a holder of US\$21,000 of unsecured debt of the Company. In connection with the abovementioned Debt Conversion, that company has agreed to convert the said US\$21,000 of the debt into Convertible Debentures.

The issuance of the Units for Debt and the Lambert Shares and Arzola Shares are subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Exchange. Pursuant to applicable securities laws, all securities issued pursuant to the Units for Debt and the Lambert Shares and Arzola Shares will be subject to a hold period of four months plus one day following their issuance.

About Cyprium Mining Corporation

For the description of Cyprium Mining's business and the Company's Forward Looking Statement Disclaimer which form an integral part of this news release please visit our website at: <http://www.cypriummining.com/en/investors/disclaimers>

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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 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 Company's anticipated projects by 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 Chínche 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.

SOURCE [Cyprum Mining Corp.](#)

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