

Santacruz Extends Due Date Short-Term US\$2.3 Million Loan and Agrees to Increased Issuance of Loan Bonus Warrants

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz”) reports that it has reached an agreement to amend the repayment terms of the US\$ 2.3 million short-term loan (the “Loan”) that it has borrowed from a private Bolivian mining company (the “Lender”), as previously announced in the Company’s press releases dated March 7, 2018 and August 29, 2018. Pursuant to the amended terms, the principal balance of US\$2.3 million is now to be repaid by January 30, 2020 (previously extended to October 1, 2018).

As partial consideration for the extension of the Loan due date, subject to TSX Venture Exchange approval, the Company has agreed to: (i) increase the number of common share purchase warrants (“Warrants”) issuable to the Lender from 2,000,000 Warrants to 2,500,000 Warrants; and (ii) extend the expiry date of the Warrants from March 6, 2019 to March 6, 2020, subject to acceleration in certain circumstances. The exercise price of the warrants remains unchanged at \$0.16 per share. In order to give effect to the issuance of the increased number of Warrants, the TSX Venture Exchange requires that the Company cancel the original Warrants and complete a new issuance of the increased number of Warrants. The Warrants will be subject to a hold period expiring four months and one day from their date of issuance.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario, including the Cinco Estrellas property and Membrillo Prospect, and Veta Grande) and two exploration properties, the Minillas property and Zacatecas properties. The Company is managed by a technical team of professionals with proven track records in developing, operating and discovering silver mines in Mexico. Our corporate objective is to become a mid-tier silver producer.

‘signed’

Arturo Préstamo Elizondo,
President, Chief Executive Officer and Director

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

Cautionary Note Regarding Rosario Project

The decisions to commence production at the Rosario Mine, Cinco Estrellas Property and Membrillo Prospect were not based on a feasibility study of mineral reserves demonstrating economic and technical viability, but rather on a more preliminary estimate of inferred mineral resources. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101.



Cautionary Note Regarding Veta Grande Project

The decision to commence production at Veta Grande Project was not based on a feasibility study on mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101.