

Santacruz Silver Amends San Felipe Agreement with Hochschild

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz”) announces that its subsidiary, Impulsora Minera Santacruz S.A. de C.V. (“Impulsora”), has renegotiated the terms of its agreement with Minera Hochschild Mexico S.A. de C.V. (“MHM” or “Hochschild”) regarding the acquisition of a 100% interest in the San Felipe property and adjacent El Gachi property located near Hermosillo, Sonora, Mexico.

Under the terms of the prior agreement (see news release dated June 16, 2015) Impulsora had the right to acquire 100% of the San Felipe property and the El Gachi property, including all assets related to the properties, by making staged payments totaling US\$19,000,000.

Under the amended terms of the agreement with MHM, the above payments will be restructured as follows:

To acquire the San Felipe Property:

- US\$2,000,000 payable on or before March 3, 2017; and
- US\$8,000,000 payable on or before December 15, 2017,

plus applicable value added taxes.

To acquire the El Gachi Property:

- US\$500,000 payable on or before March 31, 2017,

plus applicable value added taxes.

In addition, pursuant to the amended terms of the agreement with MHM, upon completion of the respective scheduled payments, plus applicable value added taxes, the Company will have acquired each of the properties free of all underlying net smelter return royalties.

In consideration for the restructured payment terms above pursuant to the amended acquisition agreement, Santacruz has agreed to issue 13,415,000 common shares to MHM, subject to TSX Venture Exchange approval.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario, including the Cinco Estrellas property, and the right to operate the Veta Grande silver project and milling facility); an advanced-stage development project (San Felipe); and three exploration properties including the Gavilanes property, 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.

Forward looking information

Certain statements contained in this news release, such as the issuance of common shares to MHM, constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including, that all required approvals will be received in a timely manner. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk of unforeseen delays in regulatory approval as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company's continuous disclosure filings filed under the Company's profile at www.sedar.com. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

Rosario Project

The decision to commence production at the Rosario Project was 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.

Veta Grande Project

The decision to commence production at the 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.

Cinco Estrellas Property

The decision to commence production at the Cinco Estrellas Property 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.