TSX.V: SCZ May 2, 2016
FSE: 1SZ

Santacruz Silver Reports Fourth Quarter / Year-End 2015 Financial Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the "Company" or "Santacruz") reports on its financial and operating results for the fourth quarter of 2015 ("Q4") and for the 2015 fiscal year. The full version of the financial statements and accompanying management discussion and analysis can be viewed on the Company's website at www.santacruzsilver.com or on SEDAR at www.sedar.com. All financial information is prepared in accordance with IFRS and all dollar amounts are expressed in thousands of US dollars, except per unit amounts, unless otherwise indicated.

HIGHLIGHTS:

- Annual silver equivalent ounces produced for fiscal 2015 of 832,283 represents an 8.72% increase compared to fiscal 2014 notwithstanding that the Rosario Mine was only in production for the last three quarters of 2015;
- Fourth quarter 2015 cash cost per payable silver equivalent ounce sold of $12.62 maintains continuous reduction year on year, representing a 16.31% reduction when compared to the fourth quarter of 2014.
- Fourth quarter 2015 all-in sustaining cost of $15.85 per payable silver equivalent ounce sold maintains continuous reduction year on year. The 2015 results represent a 23.36% reduction compared to the fourth quarter of 2014 and the trend lower is expected to continue as further cost reducing initiatives are completed.

"Despite some challenges in early 2015, we exited the calendar year of 2015 with very good operational results. We have seen significant improvement in costs at the Rosario Mine and our intention is to continue that improvement into 2016," said Arturo Préstamo, President and CEO. "Our focus at both the Rosario Mine and now the Veta Grande Mine is to produce cost effective silver equivalent ounces. This will continue to be a priority for our operational team as we move forward."

2015 Highlights

- Selected operating and financial information for the three months and years ended December 31, 2015 and 2014 is presented below:

	Three months ended December 31,		Year ended December 31,	
	2015	**2014**	**2015**	**2014**
Operating Results for the Rosario Mine				
Ore Processed (tonnes milled) (1)	25,927	25,099	79,249	91,835
Silver Equivalent Produced (ounces) (2)	268,319	244,200	832,283	765,500
Silver Equivalent Sold (payable ounces) (3)	233,225	263,300	742,623	722,000
Production Cost per Tonne (4)	88.14	116.50	92.95	113.46
Cash Cost per Silver Equivalent ($/oz.) (4)	12.62	15.08	13.24	19.02
All-in Sustaining Cost per Silver Equivalent ($/oz.) (4)	15.85	20.68	16.98	25.82
Average Realized Silver Price per Ounce ($/oz.) (4) (5)	17.00	16.15	17.02	18.52
Financial				
Revenue	2,502	3,226	8,643	10,626
Mine Operations Income (Loss)	(402)	(292)	(2,039)	(2,021)
Net Loss (6)	(18,035)	(4,498)	(24,232)	(8,706)
Net Loss Per Share – Basic ($/share)	(0.17)	(0.05)	(0.23)	(0.09)
Adjusted EBITDA(5)	(19,614)	(595)	(21,598)	(3,120)

(1) Ore processed includes 37,078 tonnes in the year ended December 31, 2014 arising from third party ore purchased by the Company and processed through the Rosario Mine milling facility.

(2) Silver equivalent ounces produced in 2015 are calculated using prices of US$17.75/oz., US$1,250/oz., US$0.83/lb and US$1.09/lb for silver, gold, lead and zinc respectively applied to the metal content of the lead and zinc concentrates produced by the Rosario

Mine. Silver equivalent ounces produced in 2014 are calculated using prices of US$20.00/oz., US$1,250/oz., US$0.96/lb and US$0.90/lb for silver, gold, lead and zinc respectively applied to the metal content of the lead and zinc concentrates produced by the Rosario Mine.

(3) Silver equivalent sold ounces in the fourth quarter of 2015 and for the 2015 fiscal year were calculated using a realized silver price of US$17.00/oz., after giving effect to price protection program put in place in connection with the Company's senior debt facility, applied to the payable metal content of the lead and zinc concentrates sold from the Rosario Mine. Silver equivalent sold ounces in the fourth quarter of 2014 and for the 2014 fiscal year were calculated using realized silver prices of US$16.15/oz. and US$18.52/oz. respectively, applied to the payable metal content of the lead and zinc concentrates sold from the Rosario Mine.

(4) The Company reports non-IFRS measures which include Production Cost per Tonne, Cash Cost per Silver Equivalent, All-in Sustaining Cost per Silver Equivalent and Average Realized Silver Price per Ounce. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions.

(5) Average realized silver price per ounce is prior to all treatment, smelting and refining charges.

(6) The net loss reported in Q4 and for the 2015 fiscal year includes a $19.4 million impairment charge to the carrying value of the San Felipe Project.

Summary

The silver equivalent ounces produced in 2015 amounted to 832,283 notwithstanding that in the first quarter of 2015 the Rosario Mine was not operating. After taking this matter into account the Company exited the year at an annualized production rate of 1,100,000 silver equivalent ounces. The main access ramp has now been completed to Level 4 and is being driven to Level 5.

Cash cost of production per tonne during the fourth quarter of $88.14 was realized in part because of the savings from moving to in-house mining personnel from contractor mining. The Company has identified other opportunities to further to reduce operating costs at the Rosario Mine and will take the appropriate steps to capitalize on these initiatives during 2016.

During Q4 after taking into account the on-going depressed metals prices and their impact on the economics of the San Felipe Project, management took the decision in accordance with the Company's accounting policies to record an impairment charge of $19.4 million against the Project. In the Company's view the San Felipe Project remains a valuable asset and it will continue to examine opportunities to advance it.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with a producing silver mine (Rosario); the right to operate a silver mine and mill facility (Veta Grande); an advanced-stage project (San Felipe) and an exploration project (Gavilanes). 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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Forward looking information

Certain statements contained in this news release, such as planned production and milling levels, costs, sales prices and efficiencies, 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 the Company's financial condition and development plans do not change as a result of unforeseen events, that third party ore to be milled by the Company has properties consistent with management's expectations, that the Company obtains all required regulatory approvals, and that future metal prices and the demand and market outlook for metals remains stable or improves. 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 that any of the assumptions referred to prove not to be valid or reliable, which could result in lower revenue, higher cost, lower production levels, delays, and/or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data (including in respect of the third party ore), the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, 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.*

Financial outlook information contained herein about the Company's prospective costs of production and sales prices is based on assumptions about future events, as described above, based on management's assessment of the relevant information currently available. The purpose of such financial outlook is to provide information about management's current expectations as to the anticipated results of its proposed business activities for the coming quarters. Readers are cautioned that any such financial outlook information contained herein should not be used for purposes other than for which it is disclosed herein.

Rosario Mine

The decision to commence production at the Rosario Mine 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 Mine

The decision to commence production at the Veta Grande Mine 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.