

Santacruz Silver Reports First Quarter 2019 Production Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports on the operating results from the Veta Grande Project in Zacatecas, Mexico and the Rosario Project in San Luis Potosi, Mexico for the first quarter of 2019.

Highlights:

- Consolidated silver equivalent production increases by 67% as compared to Q1 2018 and 8% as compared to Q4 2018
- Veta Grande silver equivalent production increases by 184% as compared to Q1 2018 and 16% as compared to Q4 2018
- Veta Grande zinc recovery increases to 80% as compared to 36% in Q1 2018 and 57% in Q4 2018

Mr. Carlos Silva, Chief Operating Officer, stated “The first quarter production results continue to reflect operational improvements that were undertaken in 2018 including increased mine development at both mines and a metallurgical review of the mill processing flowsheet at Veta Grande. In particular, we are very pleased with the significant improvement in zinc recovery at Veta Grande.” He continued, “The preliminary April production results from both mines show strong improvement over the Q1 numbers and are an indication of improved operating results for the rest of 2019.”

During Q1 2019 the Company’s consolidated silver equivalent production was 257,138 ounces, a 67% increase over Q1 2018 production (154,175 ounces) and an 8% increase over Q4 2018 production (237,542 ounces). The Q1 2019 Veta Grande mill throughput tonnage was lower than in Q4 2018 because one of the four ball mills in the plant was taken offline during Q4 2018 and was refurbished during Q1 and placed back in service early in April. The last remaining ball mill to be refurbished was taken offline late in Q1 2019 and is expected to be put back in service in Q3.

Work at the Rosario Project in Q1 2019 involved making final infrastructure changes and completing stope development to allow for a systematic improvement in mill throughput tonnage and head grade of material processed during Q2 and beyond.

Preliminary production estimates for April indicate that the consolidated production for the Company was 20,300 tonnes processed resulting in 125,600 silver equivalent ounces being produced, sourced as to 13,600 tonnes and 82,170 silver equivalent ounces from Veta Grande and 6,700 tonnes and 43,430 silver equivalent ounces from Rosario.

2019 First Quarter Consolidated Production Results

Summary of Production Results	2019 Q1	2018 Q4	2018 Q1
Material Processed (tonnes milled)	42,904	53,396	48,068
Silver eqv. ounce production ⁽¹⁾	257,138	237,542	166,442
Silver production (ounces)	93,573	77,848	48,102
Gold production (ounces)	158	244	135
Lead production (tonnes)	245	335	134
Zinc production (tonnes)	674	558	449
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	252	180	210
Development (metres)	1,547	1,811	982

2019 First Quarter Veta Grande Project Production Results

Summary of Production Results	2019 Q1	2018 Q4	2018 Q1
Material Processed (tonnes milled)	32,625	36,719	34,928
Silver eqv. ounce production ⁽¹⁾	202,787	175,488	75,919
Silver production (ounces)	79,582	58,921	32,413
Silver head grade (g/t)	119	81	62
Gold head grade (g/t)	0.19	0.19	0.15
Lead had grade (%/t)	0.77	0.95	0.46
Zinc head grade (%/t)	1.89	1.90	0.94
Silver recovery (%)	64	62	47
Gold production (ounces)	97	113	56
Lead production (tonnes)	218	295	109
Zinc production (tonnes)	492	398	118
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	269	237	152
Development (metres)	1,025	1,113	531

2019 First Quarter Rosario Project Production Results

Summary of Production Results	2019 Q1	2018 Q4	2018 Q1
Material Processed (tonnes milled)	10,279	16,676	13,140
Silver eqv. ounce production ⁽¹⁾	54,351	62,084	90,523
Silver production (ounces)	13,991	18,927	15,689
Silver head grade (g/t)	47	42	43
Gold head grade (g/t)	0.29	0.36	0.28
Lead head grade (%/t)	0.29	0.26	0.22
Zinc head grade (%/t)	2.09	1.26	2.91
Silver recovery (%)	90	84	85
Gold production (ounces)	61	131	79
Lead production (tonnes)	27	40	25
Zinc production (tonnes)	182	160	331
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	196	149	254
Development (metres)	522	698	451

⁽¹⁾
$$\text{AgEqvOz} = \frac{(\text{Au} \cdot \text{Pau}) + (\text{Ag} \cdot \text{Pag}) + (\text{Pb} \cdot \text{Ppb} \cdot 2205) + (\text{Zn} \cdot \text{Pzn} \cdot 2205)}{(\text{Pag})}$$

Metal Prices 2019: Ag \$15.25, Au \$1,281, Pb \$0.94, Zn \$1.20
 Metal Prices 2018: Ag \$17.00, Au \$1,295, Pb \$1.00, Zn \$1.35

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects, Veta Grande and Rosario, 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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Forward looking information

Certain statements contained in this news release 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. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, including, but not limited to, assumptions as to the continuation of payments under the Agreement, the expansion of the Vita Grande Project, the Company's financial condition and development plans do not change as a result of unforeseen events, third party mineralized material to be milled by the Company will have properties consistent with management's expectations, that the Company will receive all required regulatory approvals, and that future metal prices and the demand and market outlook for metals will remain stable or improve. 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, or lower production levels; delays and/or cessation in planned work; changes in the Company's financial condition and development plans; delays in regulatory approval; risks associated with the interpretation of data (including in respect of the third party mineralized material) regarding 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.

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.

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.