



TSX.V: SCZ
FSE: 1SZ

Santacruz Silver Completes Gavilanes Project Payment

August 10, 2017 – Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz”) announces, further to its news release of August 8, 2017, that it has settled the outstanding balance owing on certain of the claims included in the Gavilanes Project (the “Gavilanes Outstanding Balance”) by making a cash payment of US\$500,000 and issuing 1,250,000 common shares of Santacruz, plus applicable value added taxes (“VAT”), to the property vendor. The shares are subject to a hold period and may not be traded until December 11, 2017 except as permitted by applicable securities legislation and the rules and policies of the TSX Venture Exchange.

Marlin Gold Mining Ltd. (“Marlin”) provided US\$580,000 as a refundable deposit (the “Deposit”) to fund the cash portion of the Gavilanes Outstanding Balance in accordance with the terms of the definitive agreement between Marlin, Santacruz and their respective subsidiaries (see news release dated August 8, 2017). Pursuant to such agreement, Marlin, through its wholly-owned subsidiary, will acquire 100% of Santacruz’s interest in the Gavilanes Project in Durango, Mexico (the “Gavilanes Transaction”), for total cash consideration of US\$3.5 million, plus applicable VAT.

On closing of the Gavilanes Transaction, the Deposit will be deducted from the purchase price otherwise payable by Marlin. The Gavilanes Transaction is expected to close in August 2017.

Completion of the Gavilanes Transaction is conditional upon, among other things, the approval of the TSX Venture Exchange, the release of the security interest of JMET, LLC (“JMET”) over the Gavilanes Project and additional customary closing conditions. Concurrently with completion of the Gavilanes Transaction, Santacruz will use a portion of the proceeds therefrom to settle the remaining outstanding debt owing to JMET.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario Project, including the Rosario Mine, Cinco Estrellas Property and Membrillo Vein, and the right to operate the Veta Grande Project and milling facility); and two exploration properties, the Minillas Property and Zacatecas properties. Santacruz is managed by a technical team of professionals with proven track records in developing, operating and discovering silver mines in Mexico with a corporate objective to become a mid-tier silver producer.

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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, including information concerning the the payment to settle outstanding debt owing to JMET, the closing of the Gavilanes Transaction and the anticipated results of the

Gavilanes Transaction constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information includes, but is not limited to, 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, Santacruz has applied several material assumptions, including, but not limited to, the assumptions that regulatory approval will be obtained; satisfaction of all conditions precedent for the completion of the Gavilanes Transaction in a timely manner; Santacruz's financial condition and development plans do not change as a result of unforeseen events; 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; delays in regulatory approval, receipt of third party consents and/or satisfaction of conditions precedent to completion of the Gavilanes Transaction, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to each company as set forth in Santacruz and Marlin's respective continuous disclosure filings filed under their respective profiles 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. Santacruz undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.