

Santacruz Silver Acquires 15 Year Right to Explore, Develop and Mine the Cinco Estrellas Gold-Silver Property Located 40 km from the Rosario Mine

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz”) announced today that its wholly-owned subsidiary, Impulsora Minera Santacruz S.A. de C.V. (together with Santacruz the “Company”), has entered into an agreement (the “Agreement”) pursuant to which the Company has acquired the exclusive right for 15 years (the “Exclusive Mining Right”) to explore, develop and mine the Cinco Estrellas gold-silver property (the “Property”) situated approximately 40 km from the Company’s Rosario Mine located near Charcas, San Luis Potosi, Mexico. The Property covers approximately 400 hectares in total and includes vein systems that have had prior mining activity conducted on them.

As consideration for being granted the Exclusive Mining Right, the Company has agreed to pay the Property vendor a 2.5% net smelter returns royalty on any mineralized material from the Property that is mined and milled or otherwise treated for the eventual sale of the contained metal. In addition, the Company has agreed to make the following cash payments: US\$50,000 on signing (paid), US\$5,000 per month for the first six months, and US\$50,000 on the 90th day after entering into the Agreement.

The Company plans to immediately begin mining activities on the Property with the expectation that it will begin shipping mineralized material from the Property to its Rosario Mine milling facility in the fourth quarter in order to utilize some of the available capacity. Management expects that this will allow the Company to realize economies of scale at the Rosario Mine operations, as well as provide a more flexible operations plan by virtue of having multiple diversified sources of mineralized material for the milling facility.

“The Property is located in very close proximity to the Rosario Mine and the Company has successfully milled mineralized material from the Property at the Rosario Mine milling facility in prior years,” said Arturo Préstamo, President and CEO of Santacruz. “Entering the Agreement was a logical strategic step for the Company to take as the initial capital expenditures required to produce mineralized material from the Property are anticipated to be modest, while simultaneously making use of excess capacity at the Rosario Mine milling facility.”

The technical information contained in this news release has been reviewed and approved by Van Phu Bui, B.Sc., P. Geo., who is independent of the Company and a "qualified person" under National Instrument 43-101.

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 four exploration properties including the Gavilanes property, El Gachi 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 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.

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.