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Santacruz Announces Increase to Equity Financing

Vancouver, B.C. - Santacruz Silver Mining Ltd. ("Santacruz" or the "Company") (TSX.V:SCZ) reports that, in connection with its previously announced short form prospectus offering of units ("Units") at a price of C\$0.40 per Unit (the "Offering"), it has amended its agreement with Haywood Securities Inc. ("Haywood"), on behalf of a syndicate including M Partners Inc. (collectively, the "Agents"), to increase the amount of the Offering from 26,500,000 Units to up to 32,500,000 Units for aggregate gross proceeds of up to \$13,000,000.

The number of additional Units that may be acquired under the option granted to the Agents (the "Agents' Option") has also been increased from 3,975,000 Units to 4,875,000 Units for aggregate proceeds of up to \$1,950,000. The Agents' Option is exercisable, in whole or in part by Haywood, on behalf of the Agents, giving notice to the Company at any time up to 48 hours prior to the closing date.

As previously disclosed, each Unit will consist of one common share of Santacruz (a "Common Share") and one-half of one transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at a price per Warrant Share of C\$0.55 for a period of 30 months from the date of issuance.

The net proceeds of the Offering will be used by the Company to restructure the obligations owing by the Company under its current Pre-Paid Forward Silver Purchase Agreement with JMETS LLC (the "Silver Prepayment Agreement") and for general working capital purposes.

Completion of the Offering is subject to certain conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange, and the closing by the Company of the proposed Silver Prepayment Agreement restructuring.

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); one exploration stage project (the Gavilanes property) and three early stage exploration properties including the El Gachi property, the Minillas property and the 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.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in any jurisdiction. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the "United States" or to "U.S. persons" (as such terms are defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act, and any applicable state securities laws, or the availability of an exemption therefrom.

Forward looking information

Certain statements contained in this news release, including information concerning the Offering, the use of proceeds thereof and the Silver Pre-Payment Agreement restructuring, 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, the assumption that regulatory approval of the Offering and the Silver Pre-Payment Agreement restructuring will be obtained and satisfaction of all conditions precedent for the completion of the Offering and the Silver Pre-Payment Agreement restructuring in a timely manner; that the Company will be able to raise additional capital that the proposed exploration and development will proceed as planned; and that market fundamentals will result in sustained silver, lead and zinc demand and prices. 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, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, 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.