

Santacruz Silver Files Technical Report for the Veta Grande Project on SEDAR

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) announces that it has filed on SEDAR an independent Technical Report titled “ Technical Report, Veta Grande Project, Zacatecas State, Mexico” (the “Report”), for the Veta Grande Project located in Zacatecas, Mexico. The Veta Grande Project includes: the Veta Grande Properties and Mine, and Minillas property, held under the agreement with Contracuña (see press release dated November 2, 2015), and the Zacatecas Properties held under option from Golden Minerals Company (see press release dated May 4, 2016).

The Report, with an effective date of May 17, 2016, was prepared in accordance with CIM Standards, by independent qualified persons. The report was completed by Van Phu Bui, P.Geol. and Gilles R. Dessureau, P.Geol. of Arc Geoscience Group. The Report is available on www.sedar.com and the Company’s website www.santacruzsilver.com.

Arturo Préstamo, President and CEO, remarked, “This initial report is a first step in the Company’s planned systematic review of its mineral prospects located in Zacatecas, Mexico and forms a basis for further exploration and development work.”

The Veta Grande Project mineral prospects located in the Mexican Silver Belt cover an area of 8,944 hectares (22,101 acres) in the Zacatecas Mining District, Zacatecas, Mexico, including two significant vein systems known for silver mineralization in the district: La Cantera and Veta Grande, both of which have extensive artisanal and small scale mining histories.

Oxide and sulphide bearing quartz veins within the La Cantera and Veta Grande vein systems strike northwest-southeast, generally dip southwest, and are characterized as low-sulphidation epithermal silver (+lead+zinc+gold) veins. They range in thickness from less than 1 m to over 30 m, average between 2-10 m, and in some instances have been traced along surface for several kilometres.

The Veta Grande Mine is an intermediate stage mineral exploration project for the following reasons: access to past underground workings for continued exploration, a permitted mineral processing facility for 500 tpd with current operating capacity of approximately 750 tpd, and good infrastructure being situated between the municipality of Veta Grande and the state capital of Zacatecas. The project has access to electric power, highways and paved roads, civil amenities, and a local skilled labor force.

Qualified Persons

All scientific and technical information included in this press release has been reviewed and approved by Van Phu Bui, P.Geol., and Gilles R. Dessureau, P.Geol. of Arc Geoscience Group. who are independent of the Company and each of whom is a qualified person, pursuant to the meaning of such terms in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

Disclosure Correction

In its press release of April 14, 2016 the Company announced its first quarter 2016 production results and indicated that technical information in the press release had been reviewed and approved by Donald E. Hulse P.E. of Gustavson Associates LLC. The Company wishes to clarify that the press release contained production information (and not technical information) which was not reviewed by Mr. Hulse.



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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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 statements regarding the exploration and development of the Veta Grande Project, 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 the results of the Company's exploration and development activities are consistent with management's expectations, that the Company obtains all required funding and regulatory approvals, 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 delays, and/or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, inability to obtain required funds, 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.

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.