

Santacruz Options Zacatecas District Claims from Golden Minerals Company

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports that it has entered into an option agreement to acquire from Golden Minerals Company (“Golden Minerals”) certain mineral claims located in the Zacatecas Mining District, Zacatecas, Mexico (the “Zacatecas Properties”). (Please refer to Figure 1 at end of the news release for location map)

The Zacatecas Mining District is located in the central part of Mexico, in the main Mexico Silver Belt. The Zacatecas Properties are located at the periphery of the Zacatecas, Veta Grande, Guadalupe, Pánuco, and Morelos municipalities in the state of Zacatecas, Mexico and consist of 149 concessions covering approximately 7,800 hectares.

In order to acquire the Zacatecas Properties Santacruz will be required to pay to Golden Minerals the sum of US\$1.5 million including an initial payment of \$200,000 on signing the agreement (paid) plus additional payments as follows: 6 months after signing \$200,000, 12 months after signing \$300,000, 18 months after signing \$300,000, and \$500,000 24 months after signing. A 1% net smelter royalty exists with the original property vendors on some of the claims included in the Zacatecas Properties.

When combined with the Company’s existing Zacatecas Mining District exploration and mining rights acquired under the agreement with Contracuña (see news release of November 2, 2015) the Company now controls approximately 8,900 hectares in this historic and prolific silver mining belt. The area includes such mines as the Fresnillo Silver Mine, the Madero Mine (operated by Peñoles) and the Cozamin Mine operated by Capstone Mining Corporation.

“This agreement with Golden Minerals cements our existing land position in the Zacatecas Mining District. With our work at the Veta Grande Mine progressing well management believes that this strategic acquisition agreement will allow the Company to systematically explore and develop the Veta Grande Mine and surrounding area for the foreseeable future” said Arturo Préstamo, President and CEO.

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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Forward looking information

Certain statements contained in this news release, such as statements regarding the acquisition of the Zacatecas Properties and exploration and development of the Veta Grande Mine and surrounding area, 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 the Company completes the acquisition of the Zacatecas Properties 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 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.

Figure 1.

