

Santacruz Silver Provides Update on Veta Grande Mine Commissioning

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports on the processing plant commissioning status at the Veta Grande Mine in Zacatecas, Mexico.

Highlights:

- Refurbishment of the processing plant to produce both lead and zinc concentrates has been completed.
- Commissioning of the plant circuits began in early January 2016.
- Mine preparation and development was initiated in November 2015 by focusing efforts on the La Flor, Armados, El Cigarrero and Veta Grande veins.
- First concentrates deliveries to off-taker were successfully completed in early February.
- Initial production target is 350 tpd by the end of Q1 2016.
- Commissioning and production ramp up will continue throughout February with focus on increasing recoveries and head grade of mill-feed.

“The first phase of commissioning of the refurbished Veta Grande processing plant has gone according to plan. Going forward the mill-feed for the plant is expected to be sourced solely from newly developed underground mine workings, which should result in a steady increase of the silver grades and improved recoveries,” stated Arturo Préstamo, CEO of Santacruz. “We have been very pleased with the progress achieved both in the mine and at the Veta Grande plant. The operations team has done an excellent job refurbishing this asset and making improvements that will benefit us as we progress through the year. In addition we are assessing the opportunity to deliver Veta Grande mill-feed to the Rosario Mine in order to leverage the available capacity at the Rosario milling facility. Any such decision will not impact the primary objective of maximizing production at the Veta Grande Mine.”

Operational Plan for 2016

Santacruz’s near-term production plan for the Veta Grande Mine is to achieve a throughput rate of 350 tpd at the processing plant by the end of Q1 2016 and then steadily ramp up production throughout the rest of 2016. The mine preparation has progressed well with works developed in the La Flor, Armados, El Cigarrero and Veta Grande veins.

Qualified Person

All technical information which is included in this statement has been reviewed and approved by Leonel López, PG of Cardno Inc. Mr. López is independent of the Company and a qualified person, pursuant to the meaning of such terms in National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 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 processing plant facility at 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

For further information please contact:

Neil MacRae
Santacruz Silver Mining Ltd.
Email: info@santacruzsilver.com
Telephone: (604) 569-1609

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, grades, and mine and mill development, 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 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, 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.