

Santacruz Silver Reports Fourth Quarter / 2015 Annual Production Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports its operating results from the Rosario Mine in Charcas, San Luis Potosi, Mexico for the fourth quarter (“Q4”) and year ended December 31, 2015.

Q4 HIGHLIGHTS:

- Silver equivalent produced ounces of 268,319 in Q4, 832,284 ounces in 2015;
- Head grade of 341 g/t Ag Eqv.in Q4, 352 g/t Ag Eqv. in 2015;
- Completed transition to in-house mining team focused on cost effective produced ounces.

“Santacruz has focused on producing cost-effective ounces in Q4 and will continue to do so in 2016,” stated Arturo Préstamo, CEO of Santacruz. “Our previous initiatives have provided the base from which we can continue to produce cost-effective ounces while at the same time increasing production as the opportunity arises. In the current market environment it is vital to the viability of the Company that we continue to operate in this fashion. In addition we are making significant strides at the Veta Grande Mine and anticipate bolstering our production performance once the Veta Grande milling facility is fully operational.”

Q4 OPERATIONAL RESULTS

Operations Summary	Q3 2015	Q4 2015	2015 Annual¹	2014 Annual²
Ore processed (tonnes milled)	25,007	25,927	79,249	95,063
Silver eqv. ounce production	277,487	268,319	832,284 ¹	776,787 ²
Silver production (ounces)	164,467	143,937	471,893	469,629
Gold production (ounces)	109	103	336	449
Lead production (tonnes)	278	254	780	782
Zinc production (tonnes)	567	673	1,895	1,968
Average Head Grade (g/t Ag Eqv.) ¹	369	341	352	306

Note 1 2015 production includes only nine months of the year, since during Q1 operations were suspended due to a tailings pipe malfunction.

$$\text{AgEqvOz} = \frac{(\text{Au} * \text{Pau} / 31.1035) + (\text{Ag} * \text{Pag} / 31.1035) + (\text{Pb} * \text{Ppb} * 22.05) + (\text{Zn} * \text{Pzn} * 22.05)}{(\text{Pag})}$$

Metal Prices: Ag \$17.75, Au \$1,250.00, Pb \$0.83, Zn \$1.09

Note 2

$$\text{AgEqvOz} = \frac{(\text{Au} * \text{Pau} / 31.1035) + (\text{Ag} * \text{Pag} / 31.1035) + (\text{Pb} * \text{Ppb} * 22.05) + (\text{Zn} * \text{Pzn} * 22.05)}{(\text{Pag})}$$

Metal Prices: Ag \$20, Au \$1,250 Pb \$0.96, Zn \$0.92

Q4 GRADE AND RECOVERY TABLE

	Q3 2015	Q4 2015	2015 Annual	2014 Annual
Head Grades				
Gold (g/t)	0.18	0.15	0.17	0.31
Silver (g/t)	213	178	194	175
Lead (%)	1.18	1.04	1.08	0.96
Zinc (%)	2.50	2.81	2.66	2.54
Recoveries (%)				
Gold	76.0	80.5	77.8	83.3
Silver	96.0	97.0	95.5	90.8
Lead	94.3	93.8	91.0	88.7
Zinc	90.9	92.2	90.0	82.8

OPERATIONS PLAN FOR 2016

The Company plans to expand its operations in 2016 with the addition of the Veta Grande Mine. Refurbishing of the Veta Grande milling facility is largely complete and testing of the mill circuits commenced in early January. Importantly, completion of the conversion from a single bulk concentrate production facility to a facility that now produces a lead concentrate and a zinc concentrate has been completed. Underground development work on the La Flor, El Cigarrero and Veta Grande veins has been underway for several weeks and the mine is now capable of providing ore feed to the milling facility at test milling levels.

Operations at the Rosario Mine are running smoothly with continued improvement in the silver and zinc recoveries being realized in Q4 and projected to continue at these improved levels on an ongoing basis. The Main Access Ramp has been completed to Level 4 with stope development underway and the continuation of the Main Access Ramp to Level 5 ongoing.

CORPORATE MATTERS

The TSX Venture Exchange has accepted for filing Santacruz Silver Mining Ltd.'s proposal to issue three million warrants to a director of the Company in consideration for guaranteeing a \$725,000 (U.S.) loan bearing interest at a rate of LIBOR (London interbank offered rate) plus 10 per cent, which is repayable in six monthly instalments ending June 30, 2016. The warrants are exercisable at a price of 15 cents per share and have a one-year term.

The Company advises that due to budgetary cuts its common shares will no longer trade on the OTCQX in the United States. The common shares of the Company continue to trade on the TSX Venture Exchange under the symbol "SCZ".

Qualified Person

All technical information which is included in this statement has been reviewed and approved by Donald E. Hulse P.E. of Gustavson Associates LLC. Mr. Hulse 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*.



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 planned production and milling levels, grades, mine and mill development, and cost 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