

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1. NAME AND ADDRESS OF ISSUER

Santacruz Silver Mining Ltd. (the "Issuer")
880 – 580 Hornby Street, Vancouver, BC V6C 3B6
Telephone: 604-569-1609 / Fax: 604-684-0642

ITEM 2. DATE OF MATERIAL CHANGE

August 18, 2017

ITEM 3. NEWS RELEASE

Issued August 17, 2017

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Issuer announced on August 17, 2017 that the sale of the Issuer's Gavilanes Property in Durango State, Mexico to Marlin Gold Mining Ltd. ("Marlin") for a total consideration of US\$3.50 million plus applicable VAT has been completed.

US\$0.58 million from the Purchase Price was credited against the deposit advanced by Marlin to Santacruz on August 10, 2017 in connection with the payment of the outstanding balance owing to a property vendor on certain of the claims included in the Gavilanes Project.

In addition, US\$1.15 million from the Purchase Price was applied toward settling all remaining outstanding debt owing to JMET, LLC ("JMET") and JMET has released and discharged all of its security and registrations over Santacruz's assets and the 3,750,000 "cashless" warrants of Santacruz previously issued to JMET have been cancelled.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See the news release dated August 17, 2017, respectively, attached as Schedule "A".

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: Robert McMorran, Chief Financial Officer
Telephone: 604-569-1609

ITEM 9. DATE OF REPORT

August 18, 2017



TSX.V: SCZ
FSE: 1SZ

TSX.V: MLN

Santacruz Silver Completes Gavilanes Property Sale to Marlin Gold

August 17, 2017 – Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz”) and Marlin Gold Mining Ltd. (TSX.V:MLN) (“Marlin”) announce that, further to the companies’ joint press release dated August 8, 2017, the sale of Santacruz’s Gavilanes Property in Durango State, Mexico to Marlin (the “Gavilanes Transaction”) for total consideration of US\$3.50 million plus applicable VAT (the “Purchase Price”) has been completed.

US\$0.58 million from the Purchase Price was credited against the deposit advanced by Marlin to Santacruz on August 10, 2017 in connection with the payment of the outstanding balance owing to a property vendor on certain of the claims included in the Gavilanes Project (see Santacruz’s press release dated August 10, 2017).

In addition, US\$1.15 million from the Purchase Price was applied toward settling all remaining outstanding debt owing to JMET, LLC (“JMET”) and JMET has released and discharged all of its security and registrations over Santacruz’s assets and the 3,750,000 “cashless” warrants of Santacruz previously issued to JMET have been cancelled.

Akiba Leisman, Executive Chairman and Interim CEO of Marlin states that “we are excited to have completed the purchase of an extraordinary exploration asset in one of the world’s most prolific silver mining districts. To have bought this project at an attractive price is a testament to Marlin’s ability to grow on an accretive basis.”

Arturo Prestamo, CEO of Santacruz, noted that “Management has executed on our plan to divest of non-core assets in order to focus on our existing producing assets with a view to scaling up production levels”.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario Project, including the Rosario Mine, Cinco Estrellas Property and Membrillo Vein, and the right to operate the Veta Grande Project and milling facility); and two exploration properties, the Minillas Property and Zacatecas properties. Santacruz is managed by a technical team of professionals with proven track records in developing, operating and discovering silver mines in Mexico with a corporate objective to become a mid-tier silver producer.

About Marlin Gold Mining Ltd.

Marlin is a growth-oriented gold and silver mining company focused on the Americas. The company owns two properties located in Sinaloa, Mexico and Arizona, USA and a portfolio of royalties. Marlin’s priority is to advance its properties toward commercial production and enhance shareholder value through the growth of its wholly owned subsidiary, Sailfish Royalty Corp. Marlin is backed by a well-funded investor with a successful track record in the resources sector. The La Trinidad Mine in Sinaloa, Mexico declared commercial production on November 1, 2014 and is one of the highest-grade open pit heap leach gold mines in Mexico. A NI 43-101 mineral resource estimate and preliminary economic assessment for the La Trinidad Mine can be found at www.sedar.com or at www.marlingold.com.

For further information please contact:

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



-and-

Akiba Leisman, Executive Chairman and Interim CEO
Marlin Gold Mining Ltd.
E-mail: aleisman@marlingold.com
Telephone: 203-862-7059

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.