

Santacruz Silver Announces Agreement to Consolidate 100% Ownership of the Veta Grande and Minillas Mineral Properties

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports that it has signed an agreement (the “Option Agreement”) with certain private Mexican companies (together “Contracuña”) pursuant to which Contracuña has granted Santacruz an option to purchase a 100% interest in the Veta Grande and Minillas properties, for aggregate cash consideration of US\$15,500,000. The Company currently operates the properties on a 60%/40% net profits interest (“NPI”) basis pursuant to an exclusive thirty-year right granted by Contracuña (see news release dated November 2, 2015).

“The Veta Grande and Minillas properties together with our Zacatecas properties represent one of the largest and most historically important land packages within the Zacatecas mining region, and we are very pleased to have this agreement in place which gives us the opportunity to consolidate our mineral interests in the area.” stated Arturo Préstamo, President and CEO of Santacruz. “This is another important step in our plan to expand our Zacatecas operations into a larger district play, and we look forward to its continued development as part of Santacruz’s transition into a mid-tier Mexican silver producer.”

Details of the payment schedule per the Option Agreement are as follows:

1. US\$2,500,000 on or before December 14, 2017 (payment date denoted as the “Initial Payment Date”);
2. US\$2,500,000 on the 12 month anniversary of the Initial Payment Date;
3. US\$3,000,000 on the 24 month anniversary of the Initial Payment Date;
4. US\$4,000,000 on the 36 month anniversary of the Initial Payment Date; and
5. US\$3,500,000 on the 48 month anniversary of the Initial Payment Date.

Starting on the Initial Payment Date, the Company will be entitled to 100% of the cash flows generated from mining operations conducted on the Veta Grande and Minillas properties. In the event that the Option agreement is terminated, the 40% NPI will revert to Contracuña from the date of termination.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario, including the Cinco Estrellas property and Membrillo vein, and the Veta Grande silver project and milling facility); and three exploration properties including the Gavilanes property, Minillas property and Zacatecas properties. 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

Forward looking information

Certain statements contained in this news release 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. In making the forward-looking statements included in this news release, the Company has applied several material assumptions, that the Company's financial condition and development plans do not change as a result of unforeseen events, that third party mineralized material to be milled by the Company will have properties consistent with management's expectations, that the Company will receive all required regulatory approvals, and that future metal prices and the demand and market outlook for metals will remain stable or improve. 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, or lower production levels; delays and/or cessation in planned work; changes in the Company's financial condition and development plans; delays in regulatory approval; risks associated with the interpretation of data (including in respect of the third party mineralized material) regarding 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.

Rosario Project

The decisions to commence production at the Rosario Mine, Cinco Estrellas Property and Membrillo vein were 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.

Veta Grande Project

The decision to commence production at Veta Grande Project 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.