

Santacruz Silver Discovers Three High Grade Veins During Initial Holes of Phase 1 Drilling of Veta Grande Property, Zacatecas

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports initial Phase I drill results from ongoing drill program at the Garcia and Armados mines that form part of the Company’s Veta Grande Project located in the Zacatecas mining district, Zacatecas, Mexico. The objective of the drill program is to better define the down dip extension of the Veta Grande and Armados veins through surface and underground core drilling. To date ten drill holes totaling 3,323 meters of core drilling has been completed on the property and the Company has received results for the first six drill holes.

Seven drill holes (AR18-001 to AR18-007) were collared from underground drill stations at the Armados mine where core drilling has led to the discovery of three on echelon high grade veins (named San Abraham, San Patricio and Sistema Santacruz) that are located in the footwall of the Armados vein. The mineral tenure of the three new veins demonstrates much higher lead (up to 11.5%), zinc (up to 19.6%), copper (up to 0.43%), and gold (up to 1.91 g/t) than is seen in the Armados vein where lead and zinc grades are typically less than 0.5% and where gold is typically absent. Additional core drilling is required to adequately characterize these new veins. With the present information, management believes the new veins may represent a separate mineralizing event than that associated with the Armados vein. With the discovery of the new veins, together with the Armados and Veta Grande veins, eight epithermal veins have so far been explored by core drilling on the Veta Grande Project by the Company (Veta Grande, Armados, San Jose, La Flor, Esperanza, San Abraham, San Patricio and Sistema Santacruz).

At the Garcia mine, three drill holes (VG18-001, VG18-002 and VG18-003) were collared from surface and intersected the mineralized down dip extension of the Veta Grande, La Esperanza and La Flor veins. The Company elected to initially target the Veta Grande vein near the southern border of the property based upon its proximity to historic underground workings and published drill results from the adjoining property that indicated potential for high grade material. The three holes completed in this area intersected the targeted structures including wide intervals of quartz vein material. Unfortunately the assay results associated with these wide quartz vein intercepts did not carry high grade mineralization.

All exploration work to date at both the Garcia and Armados mines has been focused on the southernmost 500 metres strike length of the Veta Grande vein system with no systematic exploration having been undertaken on the northern extension of the vein systems.

Carlos Silva, COO of Santacruz, commented; “The Company is excited about the discovery of the three high grade veins at the Armados mine which appear to be within about 20 meters of each other and approximately parallel to the Armados vein. This discovery supports our view of the strong mineral potential of this historical mining district of Zacatecas.” Mr. Silva continued; “Our exploration thesis is that higher grade mineralization occurs at depth. In addition, the Company intends to begin exploration on the northern portions of the Veta Grande property which has seen limited historic work. Drilling to the north will begin in proximity to a 1940’s era shaft in the general area where initial surface chip sampling has encountered higher silver grades over greater true widths than results from the southern portions of the Veta Grande vein system. Drilling will test the Veta Grande vein structure to depths of up to 600 metres.”

VETA GRANDE PROJECT ASSAY RESULTS

VEIN	DDH	From m	To m	Length m	True Width m	Au g/t	Ag g/t	Pb %	Zn %	Cu %	AgEq g/t
ARMADOS	AR18-001	30.8	31.9	1.1	1	0.05	209	0.08	0.34	0.01	239.06
SAN ABRAHAM	AR18-001	169.5	169.85	0.35	0.32	0.37	312	0	0.61	0.03	383.48
ARMADOS	AR18-002	34.3	36	1.7	1.4	0.06	168	0.06	0.17	0	185.65
SAN ABRAHAM	AR18-002	196.85	198	1.15	0.95	1.36	235	7.52	8.75	0.19	1261.59
	including	197.25	198	0.75	0.62	1.91	307	11.5	13.3	0.28	1857.72
SAN PATRICIO	AR18-002	204.4	205.1	0.7	0.58	0.22	84	6.06	10.6	0.34	1088.09
SAN JOSE	AR18-003	79.35	79.5	0.15	0.1	0.52	843	0.06	0.07	0.09	903.13
SAN ABRAHAM	AR18-003	150.8	151.6	0.8	0.65	0	292	0.04	0.05	0.01	298.26
ARMADOS	AR18-004	52.2	52.55	0.35	0.25	0	292	0.04	0.05	0.01	298.26
SAN JOSE	AR18-005	123.1	123.65	0.55	0.4	0.01	8	0.07	0.18	0.01	24.43
SAN ABRAHAM	AR18-005	178.95	179.65	0.7	0.5	0.02	5	0	0	0.01	7.98
SAN PATRICIO	AR18-005	191.4	192.3	0.9	0.65	0.01	4	0	0	0.01	6.41
SISTEMA SANTACRUZ	AR18-005	217.75	218.35	0.6	0.43	0.65	124	6.33	19.6	0.43	1748.77
SISTEMA SANTACRUZ	AR18-005	226.8	227.3	0.5	0.36	0.71	80	1.81	9.19	0.18	818.13
LA ESPERANZA	VG18-001	409	410.5	1.5	1.1	0.78	27	0.36	0.38	0.09	141.1
VETAGRANDE	VG18-001	490.8	492	1.2	0.88	1.73	34	0.15	0.33	0.01	200.63

No significant results are reported for VG18-002 and VG18-003. Assay results for AR18-006 and AR18-007 are pending.

Silver Equivalent (AgEq) in the drill results assumes \$1,331 per ounce Au (Pau), \$16.73 per ounce Ag (Pag), \$1.13 per pound Pb (Ppb), \$1.53 per pound Zn (Pzn), and \$3.14 per pound Cu (Pcu) with 100-per-cent metallurgical recovery. The formula used in the calculation is as follows:

$$\text{EqAg (g/t)} = \frac{(\text{Au} * \text{Pau} / 31.1035) + (\text{Ag} * \text{Pag} / 31.1035) + (\text{Pb} * \text{Ppb} * 22.05) + (\text{Zn} * \text{Pzn} * 22.05) + (\text{Cu} * \text{Pcu} * 22.05)}{(\text{Pag})}$$

Quality control/quality assurance program

All drill core was logged, photographed and cut in half with a diamond saw. Half-core samples were sent to SGS Minerals Services in Durango, Mexico (17025 accredited), for preparation and analyses. Drill core samples were analysed for 33-elements by four-acid digestion of a 0.5-gram sample followed by an ICP-AES (inductively coupled plasma atomic emission spectroscopy) finish. Over limit for Pb, Zn and Cu were further analysed by sodium peroxide fusion of a 0.5-gram sample followed by ICP-AES finish. Au and Ag was also analysed by fire assay of a 30 g sample followed by AAS (atomic absorption spectroscopy) finish for Au and gravimetric finish for Ag.

As part of the Company's quality assurance quality control (QA/QC) program, independently certified control samples (standard and blank pulp samples) were inserted in each analytical batch. The control sample results were then checked to ensure proper QA/QC.

Qualified persons

The technical information contained in this news release has been reviewed and approved by Van Phu Bui, B.Sc., P. Geo., who is independent of the Company and a "qualified person" under National Instrument 43-101.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Veta Grande Project and Rosario Project) and two exploration properties (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:

Arturo Prestamo
Santacruz Silver Mining Ltd.
Email: info@santacruzsilver.com
Telephone: (011) (52) 81 8378 5707

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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 Prospect 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.