

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

ITEM 1. NAME AND ADDRESS OF ISSUER

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

ITEM 2. DATE OF MATERIAL CHANGE

October 4, 2019

ITEM 3. NEWS RELEASE

Issued October 7, 2019 and disseminated through the facilities of Newsfile.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company completed the acquisition of the remaining 50% of the outstanding shares of PCG Mining, S.A. de C.V. from a non-arm's length party in consideration for the issue of 30 million common shares of the Company.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See the attached news release.

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: Arturo Prestamo Elizondo, President and Chief Executive Officer
Telephone: 604-569-1609

ITEM 9. DATE OF REPORT

October 8, 2019

SANTACRUZ SILVER REPORTS COMPLETION OF CARRIZAL MINING ACQUISITION AND EARLY WARNING REPORT DISCLOSURE OF C. SILVA

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports that effective October 4, 2019, the Company, having received requisite shareholder and stock exchange approvals, has acquired the remaining 50% of the outstanding shares of PCG Mining, S.A. de C.V. (“PCG”) from a non-arm's length party in consideration for the issue of 30,000,000 common shares of the Company (the “**Transaction**”), resulting in the Company owning 100% of PCG, which is the parent holding company of Carrizal Mining, S.A. de C.V.

Pursuant to the requirements of National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Mr. Carlos Alberto Silva Ramos, with an address at c/o Suite 880 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6, confirms that on October 4, 2019 he and three family members (collectively, the “**Silva Family**”) acquired ownership and control of an aggregate of 30,000,000 common shares of the Company (the “**Transaction Shares**”) pursuant to the Transaction at a deemed price of C\$0.05 per share for total deemed consideration of C\$1,500,000.

Immediately prior to the closing of the Transaction, the Silva Family did not own any common shares of the Company and Mr. Silva holds stock options exercisable to purchase 1,500,000 common shares of the Company.

Immediately after the closing of the Transaction, the Silva Family owns the Transaction Shares representing approximately 14.7% of the issued and outstanding common shares of the Company on a non-diluted basis and 15.3% on a partially-diluted basis assuming the exercise of the stock options owned by Mr. Silva.

The acquisition by the Silva Family of the Transaction Shares was primarily made for investment purposes. Each member of the Silva Family may increase or decrease his or her investment in the Company from time to time according to market conditions or other relevant factors.

The Transaction Shares were issued by the Company on a private placement basis and are subject to a hold period in Canada expiring on February 5, 2020.

A copy of the requisite early warning report (the “**Report**”) will be issued and filed by Mr. Silva on the SEDAR website at www.sedar.com under the Company's profile. The Company's head office in Canada is located at Suite 880 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6. To obtain a copy of the Report, contact Robert McMorran, the Chief Financial Officer of the Company, at 604-569-1609.

‘signed’

Arturo Préstamo Elizondo,
President and CEO

For further information please contact:

Arturo Prestamo
Santacruz Silver Mining Ltd.
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