

Santacruz Silver Reports 2018 Annual Production Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports its operating results from the Veta Grande Project in Zacatecas, Mexico and Rosario Project in Charcas, San Luis Potosi, Mexico for the fourth quarter (“Q4”) and year ended December 31, 2018 and provides an operations update.

The Company produced a total of 815,323 silver equivalent ounces in fiscal 2018 (2017 - 865,458) including fourth quarter production of 237,542 silver equivalent ounces (2017 – 139,670).

Carlos Silva, Santacruz’s COO stated, “Production at Veta Grande is steadily improving as a result of increased mine development during the year leading to additional stopes coming online and less reliance on previously mined mineralized material (Chorros) as feed to the mill. The ongoing mine development at the Armados, Navidad and Garcia mines has positioned our Veta Grande operations for continued improvements in 2019.” Mr. Silva continued, “At Rosario a mine plan has been developed and implemented to deal with the narrow vein system. The focus is to transition to being a lower tonnage producer with less dilution which is expected to translate into a more efficient operation. In conjunction with implementing the new mine plan an evaluation of the future operations of Rosario is taking place.”

CONSOLIDATED PRODUCTION RESULTS – 2018 Q4 AND 2018 ANNUAL

| | 2018 Q4 | 2017 Q4 | 2018 Yr | 2017 Yr |
|------------------------------------|----------------|----------------|----------------|----------------|
| Material Processed (tonnes milled) | 53,395 | 30,975 | 211,465 | 181,077 |
| Silver eqv. ounce production | 237,542 | 139,670 | 815,323 | 865,458 |
| Silver production (ounces) | 42,017 | 44,316 | 262,683 | 313,946 |
| Gold production (ounces) | 170 | 239 | 746 | 1,431 |
| Lead production (tonnes) | 40 | 94 | 912 | 623 |
| Zinc production (tonnes) | 160 | 412 | 2,158 | 2,292 |
| Average Head Grade (g/t Ag Eqv.) | 210 | 194 | 193 | 161 |

VETA GRANDE PROJECT PRODUCTION RESULTS – 2018 Q4 AND 2018 ANNUAL

| | 2018 Q4 | 2017 Q4 | 2018 Yr | 2017 Yr |
|------------------------------------|----------------|----------------|----------------|----------------|
| Material Processed (tonnes milled) | 36,719 | 17,657 | 150,281 | 102,111 |
| Silver eqv. ounce production | 175,488 | 64,987 | 514,367 | 423,130 |
| Silver production (ounces) | 58,921 | 25,665 | 190,325 | 201,284 |
| Silver head grade (g/t) | 81 | 78 | 73 | 100 |
| Silver recovery (%) | 62 | 58 | 54 | 61 |
| Gold production (ounces) | 113 | 53 | 367 | 424 |
| Lead production (tonnes) | 295 | 70 | 784 | 466 |
| Zinc production (tonnes) | 398 | 163 | 1,112 | 803 |
| Average Head Grade (g/t Ag Eqv.) | 237 | 183 | 196 | 196 |
| Development (metres) | 1,113 | 471 | 4,118 | 2,400 |

ROSARIO PROJECT PRODUCTION RESULTS – 2018 Q4 AND 2018 ANNUAL

| | 2018 Q4 | 2017 Q4 | 2018 Yr | 2017 Yr |
|------------------------------------|---------|---------|---------|---------|
| Material Processed (tonnes milled) | 16,676 | 13,317 | 61,184 | 78,964 |
| Silver eqv. ounce production | 62,054 | 74,683 | 300,956 | 442,328 |
| Silver production (ounces) | 18,927 | 18,652 | 72,358 | 112,662 |
| Silver head grade (g/t) | 42 | 53 | 43 | 52 |
| Silver recovery (%) | 83 | 82 | 86 | 85 |
| Gold production (ounces) | 131 | 186 | 379 | 1,007 |
| Lead production (tonnes) | 40 | 23 | 128 | 157 |
| Zinc production (tonnes) | 160 | 249 | 1,047 | 1,489 |
| Average Head Grade (g/t Ag Eqv.) | 149 | 209 | 185 | 205 |

* In the above tables Ag Eq has been calculated as follows:

2018 Ag Eq was calculated using metal prices of: Ag \$17.00/oz, Au \$1,295/oz, Pb \$1.00/lb and Zn \$1.35/lb.

2017 Ag Eq was calculated using metal prices of: Ag \$16.00/oz, Au \$1,150/oz, Pb \$1.00/lb and Zn \$1.15/lb.

Project Review

Veta Grande Project

Silver equivalent production at the Veta Grande Project in the second half of 2018 more than doubled that from the first half. In large part this increased production reflects access to more *in situ* mineralized material as a consequence of increased development work completed (2018 – 4,118 m vs. 2017 – 2,400 m) and from improving metal recoveries which reflects better understanding of the metallurgy of the different sources of mineralized material.

A quarterly summary of production statistics by source of mineralized material processed at the Veta Grande mill during 2018 is as follows:

| Mineralized Material Source | | Q1 | Q2 | Q3 | Q4 |
|---------------------------------|--------------------------|--------|--------|--------|--------|
| In Situ Previously Unmined | tonnes | 5,182 | 5,115 | 15,936 | 16,315 |
| | Ag Eqv. Head Grade (g/t) | 245 | 252 | 208 | 283 |
| Previously Mined ("Chorros") | tonnes | 29,746 | 31,507 | 26,075 | 20,404 |
| | Ag Eqv. Head Grade (g/t) | 124 | 146 | 250 | 201 |
| Total All Sources | tonnes | 34,928 | 36,622 | 42,011 | 36,719 |
| | Ag Eqv. Head Grade (g/t) | 142 | 161 | 234 | 237 |
| | Silver recovery (%) | 47 | 45 | 60 | 62 |

*2018 Ag Eq head grade was calculated using metal prices of: Ag \$17.00/oz, Au \$1,295/oz, Pb \$1.00/lb and Zn \$1.35/lb.

During November and December production averaged approximately 450 tpd with an upward trend in the silver head grade which is expected to continue. During this period the operations team refurbished two of the four ball mills. A third ball mill is currently being refurbished and is expected to be online in approximately 60 days bringing the milling capacity to approximately 750 tpd.

Rosario Project

Production at the Rosario Project in the second half of the year decreased by 26% as compared to the first half primarily as the result of processing mineralized material with a significantly lower zinc grade. Management is implementing a new mine plan to improve the mining dilution currently being experienced.



Qualified Persons

The technical information included in this statement has been reviewed and approved by Van Phu Bui, P.Ge. of ARC Geoscience Group who is independent of the Company and is a qualified person, pursuant to the meaning of such terms in NI 43-101.

About Santacruz Silver Mining Ltd.

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

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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, including, but not limited to, assumptions as to the continuation of payments under the Agreement, the expansion of the Vita Grande Project, the Company's financial condition and development plans do not change as a result of unforeseen events, 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.