

Santacruz Initiates Veta Grande Mill Expansion and Receives Drilling Permit

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports that pursuant to the terms of the binding LOI (the “Carrizal LOI”) with Carrizal Mining, S.A. de C.V. (“Carrizal”) (see press release dated December 14th, 2017) Carrizal has commenced construction works to expand the Veta Grande mill to 750 tpd. The mill expansion program is expected to conclude early in the second quarter of this year.

In addition to this, Santacruz has received final permits from SEMARNAT (Mexico’s Environmental Agency) to conduct a surface diamond drill program at its Veta Grande Project. The first stage of the campaign is to drill 6000 metres in 15 drill holes. The initial campaign will be focussed on drilling the Veta Grande vein at depth below the current area being mined by the Company and will be funded by Carrizal as part of the Carrizal LOI.

Carlos Silva, COO of Santacruz, stated "The purpose of this diamond drilling campaign is to confirm the width and grade of the Veta Grande vein at depth which will allow us to properly develop a mine plan to deliver mineralized material to the expanded Veta Grande mill" Mr. Silva continued "These ongoing activities at Veta Grande will result in more reliable operations and provide a solid base for growing the Company."

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 Prospect, and the Veta Grande project and milling facility); and two exploration properties including 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.

About Carrizal Mining, S.A. de C.V.

Carrizal Mining is a Mexican privately owned Company which operates the Zimapan mine in Zimapan Hidalgo Mexico. The Company runs a 3,200 tpd mill and produces approximately 5.5 million silver equivalent ounces a year.

‘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: (604) 569-1609

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.

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.