IMPORTANT CAUTIONARY NOTES

The information provided in this presentation is not intended to be a comprehensive review of all matters and developments concerning Santacruz Silver Mining Ltd. (the “Company”). It should be read in conjunction with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of Canadian securities legislation and the United States Securities Litigation Reform Act of 1995. Forward-looking information includes, but is not limited to, statements with respect to the future price of silver, gold and other metals and the effects thereof on the Company's mineral resources; statements relating to the potential mineralization and geological merits of the Company's Rosario mine (the "Rosario Mine"), San Felipe project (the "San Felipe Project"), Gavilanes property (the "Gavilanes Property" or "Gavilanes Project"), El Gachi property (the "El Gachi Property"), as well as the Contracuña Properties, which include the Veta Grande property (the "Veta Grande Mine") and the Minillas mineral property (the "Minillas Property") and the Zacatecas District Claims; the Company's expected production and recoveries for its Rosario Mine and the Veta Grande Mine; expectations regarding the continuity of mineral deposits; the Company's goals regarding raising capital and developing its projects; the Company's proposed development and exploration plans for the San Felipe Project, the Gavilanes Property and the Veta Grande Property, plans for drilling; expectations regarding environmental issues that may affect the exploration progress; project capital cost estimates; and the Company's other plans for development of its projects. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

This forward-looking information is based on certain assumptions that the Company believes are reasonable, including that: the Company is able to obtain any required government or other regulatory approvals and adequate financing to complete its current and future exploration and development programs; current gold, silver and base metal prices will not materially decrease; the proposed development of the Company's mineral projects will be viable operationally and economically and proceed as expected; the Company will not experience any material accident, labour dispute or failure of plant or equipment; any additional financing needed by the Company will be available on reasonable terms; that planned drilling at its mineral properties will be completed and that the results of such drilling will be sufficient to expand the existing resources at the Gavilanes Property consistent with management's expectations; that general business, economic, and political conditions will not change in a material adverse manner; that the Company's exploration of its properties is not adversely affected by unexpected adverse weather conditions; that the estimates of the resources at the Rosario Mine, the San Felipe Project and the Gavilanes Project obtained by the Company are within reasonable bounds of accuracy (including with respect to size, grade and recovery); that the Company's current exploration and development programs and objectives can be achieved, the assumptions set out in the technical reports described below and the other assumptions set out in this presentation and the Company's public disclosure, including the Annual Information Form filed under the Company's profile on www.sedar.com (the "AIF"), the 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, including, but not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, 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 AIF and the Company's other public disclosure. The Company undertakes no obligation to update the forward-looking information, other than as required by applicable law.

Any financial outlook contained herein, as defined by applicable securities legislation, is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.
TECHNICAL INFORMATION

Technical Report for the Rosario titled "NI 43-101 Technical Report on Resources, Rosario Project, San Luis Potosi, Mexico" with an effective date of December 1, 2012 and filed on SEDAR on December 28, 2012 (the "Rosario Report") was prepared by Gustavson Associates, LLC in Lakewood Colorado, independent consultants to the Company. The qualified persons who prepared these reports under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects, are Donald E. Hulse P.E., SME-RM, and, Patrick F. Daniels, SME-PM.


The Gavilanes project resource estimation was completed by Gary Giroux, P.Eng. of Giroux Consultants and utilized a geological model completed by Hans Smit, P.Geo and Fletcher Bourke, P.Geo, who are both independent of the Company and a qualified person, pursuant to the meaning of such terms in NI 43-101. Their report, titled "2013 Mineral Resource Estimate, Gavilanes Project, Durango, Mexico" (the "Gavilanes Report") has an effective date of effective November 13, 2013 and was filed on SEDAR on January 23, 2014.

The Veta Grande technical report, titled "Technical Report, Veta Grande Project, Zacatecas State, Mexico," dated effective May 17, 2016 (the "Veta Grande Report") was prepared by Van Phu Bui, P. Geo. and Gilles Dessureau, P.Geo. of Arc Geoscience Group, who are all independent of the Company and each of whom is a qualified person, pursuant to the meaning of such terms in NI 43-101.

All of the mentioned qualified persons who prepared these reports are approved QP’s under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects.

Under NI 43-101 the Qualified Person who reviewed and approved the scientific and technical information in this presentation is Mr. Donald Hulse, who is an independent consultant for the Company for the Rosario Report. Gary Giroux, P.Eng., Gregory Blaylock, P.Eng., P.E. of JDS Energy & Mining Inc., Deepak Malhotra, SME Registered Member, Fletcher Bourke, P.Geo., and Hans Smit, P.Geo, for the San Felipe Report. The qualified persons who prepared the Gavilanes Report, Mr. Gary Giroux, P.Eng. Mr. Hans Smit, P.Geo. and Mr. Fletcher Bourke, P.Geo., have reviewed and approved the scientific and technical information in this presentation as it relates to the Gavilanes project. For the Veta Grande report the qualified persons are Van Phu Bui, P. Geo. and Gilles Dessureau, P.Geo. of Arc Geoscience Group.
**Company Overview**

- Growth-oriented Mexican silver producer, listed on TSX.V Exchange, under “SCZ”.
- Experienced management team with respect to both operating mines and making exploration discoveries in Mexico.
- Advanced-stage project portfolio focused on high-grade and low capex.
- Four high-grade polymetallic properties in Mexico, all with significant exploration potential:
  - Rosario Mine
  - Veta Grande Mine*
  - San Felipe Property
  - Gavilanes Property

<table>
<thead>
<tr>
<th>Project</th>
<th>District / State</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosario Mine</td>
<td>Charcas, San Luis Potosí</td>
<td>Currently producing at approx. 350 tpd.</td>
</tr>
<tr>
<td>Veta Grande Mine*</td>
<td>Veta Grande, Zacatecas</td>
<td>Currently in pre-production at approximately 400tpd</td>
</tr>
<tr>
<td>San Felipe Project</td>
<td>San Felipe de Jesus, Sonora</td>
<td>PEA results released in late 2014.</td>
</tr>
</tbody>
</table>

* Operated under a 30-year lease on a 60/40 NPI, 55/45 if the price of silver is greater than $22/ounce.
Board of Directors & Management

• Arturo Préstamo - President, CEO and Director
  President and CEO of the Company since April 2012; Country Manager in Mexico for Starcore International Mines Ltd. from September 2007 to October 2011; Director of Planning and Investor Relations for Grupo Famsa, SAB from March 2005 to August 2007.

• Cesar Maldonado - COO
  Mr. Maldonado has more than 30 year experience in the mining industry. He previously worked with First Majestic Silver Corp and Minera Frisco. He has a Engineering degree in mining from the University of Chihuahua.

• Robert (Rob) McMorran - CFO
  Mr. McMorran has worked in the mining industry for over 30 years. He is a Certified Professional Accountant, (CA).

• Roland Löhner - Director
  Senior partner and Managing Director of The Boston Consulting Group for the last 20 years. During the last 5 years he has held the position of Managing Director for Latin America.

• Federico Villasenor - Director
  Graduated with a BSc in mining and metallurgy and an MS of mineral economics and has 40 years of experience in the mining industry, including roles with Peñoles, Grupo Mexico, Goldcorp and as director of Starcore International Mines Ltd.

• Larry Okada - Director
  35 years of accounting experience, and currently a director of Revett Mining Company Inc., Eurasian Minerals, Inc. and Forum Uranium Corp.
## Capital Structure

### Share Capital

(Oct 20 2016 Share price $0.40)

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding Shares</td>
<td>154,400,484</td>
</tr>
<tr>
<td>Warrants</td>
<td>22,737,500</td>
</tr>
<tr>
<td>Stock Options</td>
<td>5,201,667</td>
</tr>
<tr>
<td>Fully Diluted</td>
<td>182,429,651</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>$62 million</td>
</tr>
</tbody>
</table>
Rosario Mine
Project Review
Property Location

- Charcas municipality, one of Mexico’s most recognized mining districts.
- Rosario Mine is near Grupo Mexico's (formerly Asarco) historic and current producing mine.
Q2 2016 Financial Highlights

- Silver equivalent payable ounces sold of 251,189, Revenues of US$ 3,375,000, gross income from mining ops $597,000
- Cash operating cost per AgEq ounce sold was $11.57/oz
- All-in sustaining cash cost (AISC) per AgEq ounce sold was $14.60

2016 Second Quarter Financial Highlights

<table>
<thead>
<tr>
<th>Operations/Financial Summary</th>
<th>Q2 2016</th>
<th>Q1 2016</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore processed (tonnes milled)</td>
<td>26,419</td>
<td>24,053</td>
<td>10.0%</td>
</tr>
<tr>
<td>Silver eqv. ounce production</td>
<td>271,985</td>
<td>290,569</td>
<td>-6.00%</td>
</tr>
<tr>
<td>Silver eqv ounce sold</td>
<td>251,189</td>
<td>318,596</td>
<td>-21.00%</td>
</tr>
<tr>
<td>Cash Cost per Silver Equivalent Sold ($/oz.)</td>
<td>11.57</td>
<td>10.93</td>
<td>6.00%</td>
</tr>
<tr>
<td>Production Cost (tonne)</td>
<td>79.26</td>
<td>103.28</td>
<td>-23.00%</td>
</tr>
<tr>
<td>All-in Sustaining Cost per Silver Equivalent Sold</td>
<td>14.60</td>
<td>14.10</td>
<td>4.00%</td>
</tr>
</tbody>
</table>

Note 1  EqAgOz=(Au*Pau/31.1035)+(Ag*Pag/31.1035)+((Cu*Pcu*22.05)+(Pb*Ppb*22.05)+(Zn*Pzn*22.05))/(Pag)
Metal Prices Q2 2016: Ag $14.50, Au $1,100.00, Pb $0.76, Zn $0.71
Metal Prices Q1 2016: Ag $14.50, Au $1,110.00, Pb $0.76, Zn $0.71
Overview & Resources

- In Production\(^1\): Q2 2016 the company continues to focus on efficient ounces.
- Ownership: 100% Owned
- Expressions of the Rosario I and II veins are extended for more than 2.5 kilometers along strike.
- Drilling has tested both veins to at least 250 meters depth.

### Rosario Veins I and II Measured & Indicated Resources\(^2\)

<table>
<thead>
<tr>
<th>Cut-off</th>
<th>Tonnage</th>
<th>Thickness</th>
<th>Silver Equivalent</th>
<th>Gold</th>
<th>Silver</th>
<th>Lead</th>
<th>Zinc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>75</td>
<td>270</td>
<td>2.18</td>
<td>381</td>
<td>3,305.5</td>
<td>0.940</td>
<td>8,162</td>
</tr>
<tr>
<td>Indicated</td>
<td>75</td>
<td>711</td>
<td>1.95</td>
<td>303</td>
<td>6,930.7</td>
<td>0.882</td>
<td>20,159</td>
</tr>
</tbody>
</table>

### Rosario Veins I and II Inferred Resources\(^2\)

<table>
<thead>
<tr>
<th>Cut-off</th>
<th>Tonnage</th>
<th>Thickness</th>
<th>Silver Equivalent</th>
<th>Gold</th>
<th>Silver</th>
<th>Lead</th>
<th>Zinc</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>386</td>
<td>1.72</td>
<td>203</td>
<td>2,522.8</td>
<td>0.810</td>
<td>10,053</td>
<td>90.6</td>
</tr>
</tbody>
</table>

Silver Equivalent is used to calculate the cutoff. The silver equivalent was calculated with the following equation:

\[
\text{AgEq} = \left( \frac{\text{Ag} \times 26.28}{31.1035} + \left( \frac{\text{Pb} \times 0.9988}{32} \right) + \left( \frac{\text{Zn} \times 0.9531}{32} \right) + \left( \frac{\text{Au} \times 1,341.00}{31.1035} \right) \right) \times \left( \frac{1}{\text{P}} \right)
\]

Metal Prices: Silver 26.28 $/Oz, Gold 1,341.00 $/Oz, Lead 0.9988 $/lb, Zinc 0.9531 $/lb

1. The production decision was not based on a feasibility study of 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 analysis as would be included in a feasibility study. The risks associated with this decision are set forth in the “Risk Factors” section of the Company’s most recent Annual Information Form, filed on SEDAR.
2. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The quantity and grade of inferred resources reported herein are uncertain in nature and exploration completed to date is insufficient to define these mineral resources as indicated or measured. There is no guarantee that further exploration will result in the inferred mineral resources being upgraded to an indicated or measured resource category.
Rosario – Cinco Estrella

- Cinco Estrella located in close proximity to Rosario Mine/ Mill
- Successfully milled Cinco Estrella mineralized material at Rosario previously.
- Low capex, will utilize excess mill capacity at Rosario to maximize throughput and reduce costs even further.
- 15 year agreement to mine at Cinco Estrella for 2.5% NSR.
Mill in Production
Long Section Views: Rosario Veins I & II

- Mining today levels, 2, 3 and 4
- Mining Method: Mainly Cut and Fill
• Expressions of the Rosario I and II veins are extended for more than 2.5 Kilometers along strike.
• The current resources represent approximately 500 meters of strike only, upside potential is open at depth.
• Drilling has tested both veins to +200 meters depth.

NOTE: Only the main veins (Rosario I and II) are included in the resource review; there is additional potential to increase resources and to confirm other zones.
Veta Grande Mine

Project Review
Mexico’s Silver Belt

- 60%/40% NPI joint venture*
- Located in one of Mexico's most prolific silver, lead, zinc and copper regions in Mexico, which includes the Fresnillo Silver Mine, and the Cozamin Mine.
- Excellent highway system, power, water, and specialized mining workforce.
- Distance of 180 km between Rosario Mine and Veta Grande properties allowing streamlining of operational and management functions.

* Operated under a 30-year lease on a 60/40 NPI, 55/45 if the price of silver is greater than $22/ounce.
Zacatecas District Claims

CLAIMS
SANTACRUZ SILVER 7,812.4037 Has.
CONTRA CUÑA – SCZ 1,118.2271 Has.
TOTAL 8,930.6308 Has.

CAPSTONE MINE

Graphic Escala

2,000
4,000

Meters

LEGEND
Santacruz - Contra cuña Claims Under Agreement
Zacatecas District Claims
VEINS
Cantera Vein Transversal Section

- Ag, Zn, Pb Rich Vein System
- +10Km along strike NW-SE
- Wide Average 10m (areas from 1-20 meters), deeping between 60-90 degrees.

Mineralization at la Cantera Vein consists of disseminated to massive sphalerite, galena and less contents pyrite and chalcopyrite. Present coloform and crustiform textures and abundant brecciation.
Panuco Vein DDH
(PA-10-20, PA-10-21 and PA-10-24)

Note; Data is historic in nature and that Santacruz has not completed sufficient work to verify the results.
Transversal Section DDH PA-11-68

From  To Width  Au  Ag  Cu  Pb  Zn
625.80  626.20  0.40  3.77  2500  2.92  2.11  0.91

630.18  630.49  0.31  1.37  6  0.00  0.02  0.02

Note; Data is historic in nature and that Santacruz has not completed sufficient work to verify the results.
Veta Grande District – Multiple Veins

- The Veta Grande district has multiple vein systems that average from 2 to 4.5 metres in width.
- The Company has previously processed at its Rosario Mine over 20,000 tonnes of mill feed from Veta Grande.
Veta Grande Mill

- Mill operating at 400 tpd. Commercial production is imminent.
- Starting Q1 2017 at 800 tpd.
- 1,500 tpd additional ball mill to be delivered and commissioned in Q4 2017.
- 4,000 tpd crushing circuit to be delivered and installed early in 2017.
- Mine production to be 1,500 tpd by end of 2017.

* The production decision was not based on a feasibility study of 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 analysis as would be included in a feasibility study. The risks associated with this decision are set forth in the “Risk Factors” section of the Company’s most recent Annual Information Form, filed on SEDAR.
San Felipe Project
Project Review
Property Location

- Located 130 km northeast from Hermosillo City, State Capital of Sonora. Driving 80 Km north west to Moctezuma town, turning north 60 Km arriving at San Felipe de Jesus Town. Access is paved to the property limit.

- Hermosillo has an international airport, with flights from major Mexican and west coast US cities.

- Estimated driving time from the airport to the San Felipe Project is less than 2 hours.
PEA Highlights

- Pre-tax Net Present Value ("NPV") at a 5% discount rate of US $103.5 million and an Internal Rate of Return ("IRR") of 60.6%.
- After-tax NPV at a 5% discount rate of US $61.2 million and IRR of 37.7%.
- Average annual production of 3.2 million ounces of silver equivalent over a 7.5 year mine life.
- Initial capital cost ("CAPEX") of US $36.3 million, including $6 million of working capital.
- Estimated all-in cash costs of US $12.72/oz silver equivalent (including site operating costs, smelter costs, sustaining capital and NSR payments).
- Pre-tax payback of 1.6 years after start-up, and 2.3 years after-tax payback.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There can therefore be no certainty that the PEA will be realized. It is also important to note that mineral resources that are not mineral reserves do not have demonstrated economic viability.

*For the PEA, Silver Equivalent was calculated using prices of US$19.91/oz., US$0.99/lb. and US$1.00/lb. for silver, lead and zinc, respectively.
Gavilanes Property
Project Review
Property Location

- Located in the San Dimas, Durango Mining District. 110 Km west from Durango City, and 23 Km northeast from Tayoltita mine.

- Access to the property is by driving 90 Km south on highway 40, arriving at Estación Coyotes, turning west 100 Km up to San Miguel de Cruces, 23km of dirt road takes you to the Gavilanes Property.
Mining claims covering a total area of 8,832 hectares
Epithermal low sulphidation polymetallic mineralization containing high grades of Ag and Au (surface samples >1100 g/t Ag and >4 g/t Au).*
7 veins clearly identified with only 3 drilled to date (GSA, Descubridora, and San Nicolás).*
Stockwork area called ‘El Hundido’ has been clearly identified by diamond drilling.*

### Property Resources

<table>
<thead>
<tr>
<th>Cut-off</th>
<th>Tonnes &gt; Cut-off</th>
<th>Grade &gt; Cut-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgEq (g/t)</td>
<td>(tonnes)</td>
<td>Ag (g/t)</td>
</tr>
<tr>
<td>75</td>
<td>953,000</td>
<td>164.6</td>
</tr>
</tbody>
</table>

**Resource classified as Indicated** *

<table>
<thead>
<tr>
<th>Cut-off</th>
<th>Tonnes &gt; Cut-off</th>
<th>Grade &gt; Cut-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>AgEq (g/t)</td>
<td>(tonnes)</td>
<td>Ag (g/t)</td>
</tr>
<tr>
<td>75</td>
<td>5,399,000</td>
<td>124.6</td>
</tr>
</tbody>
</table>

**Resource classified as Inferred** *

\[
\text{AgEq} = \left( \frac{\text{Cu} \times 71.65}{0.69} \right) + \left( \frac{\text{Pb} \times 21.38}{0.69} \right) + \left( \frac{\text{Au g/t} \times 42.37}{0.69} \right) + \left( \frac{\text{Ag g/t} \times 0.69}{0.69} \right) + \left( \frac{\text{Zn} \times 19.18}{0.69} \right)
\]

Metal Prices: Silver $21.55 /tOz, Gold $1318.00 /Oz, Copper $3.25 /lb, Lead $0.97 /lb, Zinc $0.87 /lb

*For full details, see the Gavilanes Report
**100% recovery has been assumed for all metals in this silver equivalent estimate. At this stage of the project no metallurgy has been completed and the reader is cautioned that 100% recoveries are never achieved.*
<table>
<thead>
<tr>
<th>Project</th>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosario*</td>
<td>Continue to reduce costs and find efficiencies. Include Cinco Estrellas material to feed to mill to utilize the capacity at Rosario mill.</td>
</tr>
<tr>
<td>Veta Grande*</td>
<td>Continue ramp-up to 800 tpd by early Q1 2017, 1,500 tpd by end of 2017. Commercial Production to be achieved in near-term.</td>
</tr>
</tbody>
</table>
| San Felipe & Gavilanes  | Organic growth profile  
Focused on simple, high-grade assets in Mexico  
Minimal cost to advance, market permitting |

* The production decision was not based on a feasibility study of 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 analysis as would be included in a feasibility study. The risks associated with this decision are set forth in the "Risk Factors" section of the Company's most recent Annual Information Form, filed on SEDAR.