

Santacruz Finalizes El Gachi Property Sale to First Majestic

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (“Santacruz” or the “Company”) announces that the sale of its interest in the El Gachi Property in Sonora State, Mexico to First Majestic Silver Corp. (“First Majestic”) for total consideration of US\$2.5 million plus applicable VAT (see press release dated February 24, 2017) has been completed.

From the proceeds of US\$2.5 million plus VAT received by the Company, US\$0.75 million has been paid to JMET, LLC (“JMET”) to eliminate the residual balance of the interest bearing component of its indebtedness to JMET, leaving a non-interest balance of US\$1.5 million owing to JMET related to previous restructuring fees. In addition, the Company paid US\$0.50 million plus VAT to Minera Hochschild Mexico, S.A. de C.V. (“MHM”). With this payment to MHM the Company has no further obligations to MHM with respect to the San Felipe or El Gachi properties.

“The finalization of this deal with First Majestic on El Gachi and our preceding San Felipe deal with Americas Silver are the culmination of management’s strategic initiative to divest non-core assets from our mineral property portfolio and focus on our producing assets, those being the Rosario Project and the Veta Grande Project respectively”, stated Arturo Préstamo, President and CEO of Santacruz. “With an improved balance sheet and no further property payments to MHM we are now better able to maximize the return on capital from our silver production. “

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario, including the Cinco Estrellas property, and the right to operate the Veta Grande project and milling facility; and three exploration properties including the Gavilanes property, 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:

Neil MacRae
Santacruz Silver Mining Ltd.
Email: info@santacruzsilver.com
Telephone: (604) 569-1609

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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, including, that the Company's financial condition and development plans do not change as a result of unforeseen events. 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, lower production levels, delays, and/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 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 decision to commence production at the Rosario Project was 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 the 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.

Cinco Estrellas Property

The decision to commence production at the Cinco Estrellas Property 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.