

Santacruz Silver Reports Second Quarter 2019 Production Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports on the operating results from the Veta Grande Project in Zacatecas, Mexico and the Rosario Project in San Luis Potosi, Mexico for the second quarter of 2019.

Highlights:

- Consolidated silver equivalent production increases by 114% as compared to Q2 2018 and 45% as compared to Q1 2019
- Veta Grande silver equivalent production increases by 185% as compared to Q2 2018 and 18% as compared to Q1 2019
- Rosario silver equivalent production increases by 48% as compared to Q2 2018 and 145% as compared to Q1 2019

Mr. Carlos Silva, Chief Operating Officer, stated “The second quarter production results again reflect operational improvements at both mines.” He continued, “We expect a further production increase at Veta Grande in the third quarter as second quarter production was impacted by an unforeseen mechanical problem with the largest ball mill that required a major repair over the last half of the quarter. This work was completed in early July.”

During Q2 2019 the Company’s consolidated silver equivalent production was 373,318 ounces, a 114% increase over Q2 2018 production (174,175 ounces) and a 45% increase over Q1 2019 production (257,138 ounces).

At Veta Grande an unexpected mechanical issue with the largest ball mill resulted in an estimated 25% decrease to production for the second quarter. The ball mill was back online in early July. As a result of this matter the refurbishment and recommissioning of a fourth and smaller ball mill was delayed until Q4.

At Rosario production in the second quarter was in line with the operations plan and is expected to continue to increase throughout the rest of 2019.

2019 Second Quarter Consolidated Production Results

Summary of Production Results	2019 Q2	2019 Q1	2018 Q2
Material Processed (tonnes milled)	47,435	42,904	52,025
Silver eqv. ounce production ⁽¹⁾	373,318	257,138	174,175
Silver production (ounces)	119,131	93,573	56,122
Gold production (ounces)	254	158	143
Lead production (tonnes)	456	245	142
Zinc production (tonnes)	985	674	507
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	270	252	176
Development (metres)	1,687	1,547	1,581

2019 Second Quarter Veta Grande Project Production Results

Summary of Production Results	2019 Q2	2019 Q1	2018 Q2
Material Processed (tonnes milled)	37,156	32,625	36,622
Silver eqv. ounce production ⁽¹⁾	240,208	202,787	84,271
Silver production (ounces)	73,004	79,582	36,741
Silver head grade (g/t)	101	119	70
Gold head grade (g/t)	0.21	0.19	.17
Lead had grade (%/t)	1.11	0.77	1.14
Zinc head grade (%/t)	2.12	1.89	.41
Silver recovery (%)	60	64	45
Gold production (ounces)	138	97	59
Lead production (tonnes)	369	218	111
Zinc production (tonnes)	608	492	164
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	280	269	161
Development (metres)	830	1,025	1,070

2019 Second Quarter Rosario Project Production Results

Summary of Production Results	2019 Q2	2019 Q1	2018 Q2
Material Processed (tonnes milled)	20,789	10,279	15,403
Silver eqv. ounce production ⁽¹⁾	133,111	54,351	89,904
Silver production (ounces)	46,126	13,991	19,381
Silver head grade (g/t)	74	47	44
Gold head grade (g/t)	0.28	0.29	0.26
Lead head grade (%/t)	0.44	0.29	0.23
Zinc head grade (%/t)	2.13	2.09	2.54
Silver recovery (%)	93	90	89
Gold production (ounces)	116	61	84
Lead production (tonnes)	87	27	31
Zinc production (tonnes)	377	182	344
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	231	196	212
Development (metres)	857	522	511

⁽¹⁾
$$\text{AgEqvOz} = \frac{(\text{Au} \cdot \text{Pau}) + (\text{Ag} \cdot \text{Pag}) + (\text{Pb} \cdot \text{Ppb} \cdot 2205) + (\text{Zn} \cdot \text{Pzn} \cdot 2205)}{(\text{Pag})}$$

Metal Prices 2019: Ag \$15.25, Au \$1,281, Pb \$0.94, Zn \$1.20
Metal Prices 2018: Ag \$17.00, Au \$1,295, Pb \$1.00, Zn \$1.35

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver projects, Veta Grande and Rosario, 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.