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VANCOUVER, Oct. 21, 2015 /CNW/ - [Santacruz Silver Mining Ltd.](#) (TSXV:SCZ) ("Santacruz Silver" or the "Company") announces a non-brokered private placement (the "Private Placement") of up to 10 million shares at a purchase price of \$0.13 per share, for gross proceeds to the Company of up to \$1,300,000.

The proceeds from the Private Placement are expected to be used by the Company for the purchase of new underground mining equipment, general working capital and corporate purposes. All shares issued will be subject to a four month hold period.

Closing of the Private Placement is anticipated to occur in one or more tranches on or before October 30, 2015 and is subject to the receipt of applicable regulatory approvals including approval of the TSX Venture Exchange.

A director of the Company arranged a sale of 2,668,500 shares of the Company through the facilities of the TSX Venture Exchange at a price of \$0.13 per share on October 20, 2015. The proceeds from this sale will be used to fund part of the Private Placement.

It is anticipated that insiders of the Company will acquire shares under the Private Placement. Such participation would be considered to be a "related party transaction" within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of any Insider Participation as neither the fair market value of any shares issued to nor the consideration paid by such persons will exceed 25% of the Company's market capitalization.

Other Corporate Matters

The Company advises that it is in discussions to further amend the terms of the pre-paid silver forward purchase agreement with JMET, LLC with a view to deferring the commencement of silver deliveries which are scheduled to begin this month.

In addition the Company wishes to announce that Mr. Marc Prefontaine has resigned as a member of the Board of Directors, effective immediately, to focus on other business interests.

Santacruz President and CEO Mr. Arturo Prestamo commented: "On behalf of the Board of Directors, I would like to thank Mr. Prefontaine for his devotion to the Company and years of service. We wish him well in his future business endeavours."

This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the Common Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. The common shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with a producing project (Rosario); two advanced-stage projects (San Felipe and Gavilanes) and an early-stage exploration project (El Gachi). 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 Prestamo Elizondo,
President, Chief Executive Officer and Director

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, such as statements regarding the anticipated use of proceeds from the

Private Placement, the anticipated closing date of the Private Placement, the price of the shares issued pursuant to the Private Placement, the potential amendment of the pre-paid silver forward purchase agreement and corporate objectives of the Company, constitute "forward-looking information" as such term is used in applicable Canadian securities laws. The forward-looking information herein is based on plans, expectations and estimates of management as at the date hereof and is subject to certain factors and assumptions, including: that the Company's financial condition and development plans will not change as a result of unforeseen events, that the Company will obtain required regulatory approvals in a timely manner and the Private Placement will proceed as planned, and that future metal prices and the demand and market outlook for metals will be consistent with management's forecasts and expectations. 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 outlined above prove not to be valid or reliable, that there are delays in regulatory approval, that the amendment to the pre-paid silver forward purchase agreement is not signed, that occurrences such as those referred to above are realized and result in delays, or cessation to planned work, that the Company's financial condition and development plans change, 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 Annual Information Form and other 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. There can be no assurance that the Company will be successful in negotiating a deferral of the delivery of silver under the pre-paid silver forward purchase agreement. 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.

SOURCE [Santacruz Silver Mining Ltd.](#)

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