

VANCOUVER, June 19, 2017 /CNW/ - Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the "Company" or "Santacruz") reports that further to the Company's press release of May 29, 2017 wherein it announced that it had acquired an exclusive five year right to explore, develop and mine the Membrillo silver-zinc-lead-gold vein structure (the "Membrillo Prospect") located approximately four km from the Company's Rosario Project mill facility located near Charcas, San Luis Potosi, Mexico, Santacruz provides the following update.

Santacruz's mining activities at the Membrillo Prospect have been focused on drifting to access the Membrillo vein that generally strikes NW-SE and dips approximately 45 to 60 degrees to the southwest. This underground development has intersected a previously unknown E-W striking vein structure that dips approximately 50 to 52 degrees to the Southwest and is infilled by quartz, carbonate and sulfide minerals. This previously unknown vein is now known as the San Rafael vein. To date the Company has completed approximately 68 meters of drifting on Level 1 along the San Rafael vein where the true width of the vein is approximately 0.50 to 1.6 meters wide.

To date the Company has received assay results for 41 chip samples completed across the San Rafael vein on Level 1. Within the first 33 meters of Level 1, 26 chip samples returned assay results of trace-0.64 grams per tonne gold, trace-154.29 grams per tonne silver, 0.03-0.94 percent lead, and 0.28-24.65 percent zinc over sampling widths of 0.5-4.20 meters. This is followed by 35 meters of higher grade mineralization where 15 chip samples returned assay results of 0.28-1.44 grams per tonne gold, 55.26-770.54 grams per tonne silver, 0.12-15.92 percent lead and 4.23-20.09 percent zinc over sampling widths of 0.5-1.60 meters.

A review of available exploration data indicates no record of historical drill holes completed at the Membrillo Prospect that have intersected the San Rafael vein, or other previous exploration activities on the San Rafael vein. Currently, the vertical and horizontal continuity of the San Rafael vein and the extent of mineralization hosted by the vein structure is unknown. Given that the San Rafael vein was intersected at a vertical depth of only 25 meters below surface, Santacruz undertook a stripping and trenching program to trace the surface expression of the San Rafael vein. Results are pending.

Ground conditions while drifting along the San Rafael vein are favourable with no rock bolting or other structural support required. The dilution while mining the San Rafael vein is expected to be 25% on drifts and 15% on stopes.

"This is a very exciting development for Santacruz," stated President and CEO Arturo Prestamo. "Not only does the San Rafael vein potentially provide a new source of feed for our Rosario mill facility, at some of the highest grades that the Company has ever assayed in the area, but there are three other areas on the Rosario property where similar E-W post mineralized structures have been identified, but have never been systematically evaluated. The NW-SE veins have been the predominant focus of most historic exploration but with the discovery of the San Rafael vein, Santacruz will broaden its exploration focus to evaluate the E-W structures on both the Rosario and Membrillo veins."

In addition to development work on the San Rafael vein, the drift to intersect the Membrillo vein proximate to where historic drilling indicates higher grade mineralization is expected to be completed within the coming weeks. Development plans at the Membrillo Prospect include the completion of a ramp to access the San Rafael vein and the Membrillo vein from a sub-level 12 meters below Level 1. Feed from the San Rafael vein is now being transported to the Rosario Project mill facility.

Sampling and laboratory

Chips samples are collected across the back of the underground workings at 1.5 meter sample intervals and are oriented perpendicular to the vein structure. Blanks, standards and duplicate control samples were not utilized in the sampling procedure.

Samples are analyzed at the Rosario laboratory, which is owned and operated by Santacruz. The Rosario laboratory is designed to serve the mining operations at the Rosario project. It is not independent of the Company and is not ISO certified. Samples are prepared by drying, crushing, rifle splitting and pulverizing 80% to less than 75 microns passing 200 mesh. Samples are analyzed by three-acid digestion and atomic absorption spectrometry. Gold and silver are further analyzed by fire assay with gravimetric finish.

Qualified persons

The technical information contained in this news release has been reviewed and approved by Van Phu Bui, B.Sc., P. Geo., who is independent of the Company and a "qualified person" under National Instrument 43-101.

Santacruz is a Mexican focused silver company with two producing silver projects (Rosario, including the Cinco Estrellas property and Membrillo Vein, and the right to operate the Veta Grande silver 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

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, including but not limited to, 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.

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Contact
Neil MacRae, [Santacruz Silver Mining Ltd.](http://SantacruzSilverMiningLtd.com), Email: info@santacruzsilver.com, Telephone: (604) 569-1609