

TSX.V: SCZ
FSE: 1SZ

VANCOUVER, Dec. 23, 2016 /CNW/ - Santacruz Silver Mining Ltd. (TSX.V:SCZ) ("Santacruz" or the "Company") reports that it has terminated the previously announced agreement in connection with the Company's sale of the San Felipe Project (the "Transaction") (see press release dated December 7, 2016) to the Hermosillo Group. No payments pursuant to the Transaction have been made to date. Discussions have been on-going with respect to revised payment terms however this process has not led to a payment schedule acceptable to the Company and therefore the agreement has been terminated by the Company.

The Company is in discussions with Minera Hochschild Mexico, S.A. de C.V. the underlying property vendor with respect to the continued deferral of the payment terms for the San Felipe Project.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company with two producing silver (Rosario and Veta Grande), and five exploration properties including the San Felipe Project, Gavilanes property, El Gachi property, Minillas property and Zacatecas properties, including the Panuco Deposit. 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, including information concerning the continued deferral of the payment terms for the San Felipe Project 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, the assumption that the Company will be able to negotiate continued deferral of the payment terms for the San Felipe Project, 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 has properties consistent with management's expectations, that the Company obtains all required regulatory approvals, and that future metal prices and the demand and market outlook for metals remains stable or improves. 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 (including in respect of the third party ore), 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 Mine

The decision to commence production at the Rosario Mine 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.

SOURCE [Santacruz Silver Mining Ltd.](#)

Contact

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