



**SANTACRUZ**  
silver mine

November 2016

TSXV: S

## DISCLAIMER AND CAUTIONARY NOTES

Information provided in this presentation is not intended to be a comprehensive review of all matters and developments concerning Santacruz Silver Mining Ltd. (the "Company") in conjunction with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis. No securities analyst or other person has reviewed the accuracy or adequacy of the information presented.

## FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of Canadian securities legislation and the United States Securities Litigation Reform Act of 1995, but is not limited to, statements with respect to the future price of silver, gold and other metals and the effects thereof on the Company's mineral resources, the potential mineralization and geological merits of the Company's Rosario mine (the "Rosario Mine"), San Felipe project (the "San Felipe Project"), Gavilanes project (the "Gavilanes Project"), El Gachi property (the "El Gachi Property"), as well as the Contracuña Properties, which include the Veta Grande property (the "Veta Grande Property") and the Minillas Property (the "Minillas Property") and the Zacatecas District Claims; the Company's expected production and recoveries for its Rosario Mine and the Veta Grande Property; the Company's assumptions regarding the continuity of mineral deposits; the Company's goals regarding raising capital and developing its projects; the Company's proposed development of the Rosario Mine, the San Felipe Project, the Gavilanes Property and the Veta Grande Property; plans for drilling; expectations regarding environmental issues that may affect the exploration and development of the Rosario Mine, the San Felipe Project, the Gavilanes Property and the Veta Grande Property; and the Company's other plans for development of its projects. Often, but not always, forward-looking information can be identified by the use of words such as "expects", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases. Forward-looking statements or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information is based on certain assumptions that the Company believes are reasonable, including that: the Company is able to obtain any required governmental approvals and adequate financing to complete its current and future exploration and development programs; current gold, silver and base metal prices will not materially decline; the development of the Company's mineral projects will be viable operationally and economically and proceed as expected; the Company will not experience any major increases in the cost of plant or equipment; any additional financing needed by the Company will be available on reasonable terms; that planned drilling at its mineral properties will be sufficient to expand the existing resources at the Gavilanes Property consistent with management's expectations; that general business conditions will not change in a material adverse manner; that the Company's exploration of its properties is not adversely affected by unexpected adverse weather conditions; that the mineral resources at the Rosario Mine, the San Felipe Project and the Gavilanes Project obtained by the Company are within reasonable bounds of accuracy (including recoverability); that the Company's current exploration and development programs and objectives can be achieved, the assumptions set out in the technical reports and the assumptions set out in this presentation and the Company's public disclosure, including the Annual Information Form filed under the Company's profile at [www.santacruzsilver.com](http://www.santacruzsilver.com). 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 stated in the forward-looking information, including, but not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those mentioned above result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with exploration 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 availability of financing available to mineral exploration and development activities and to the Company as set forth in the AIF and the Company's other public disclosure. The Company does not intend to update the forward-looking information, other than as required by applicable law.

The information contained herein, as defined by applicable securities legislation, is provided for the purpose of providing information about management's current expectations and is not intended to be a comprehensive review of all matters and developments concerning Santacruz Silver Mining Ltd. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

## FORMATION

for the Rosario titled "NI 43-101 Technical Report on Resources, Rosario Project, San Luis Potosi, Mexico" with an effective date of December 1, 2012 and 2013 (the "**Rosario Report**") was prepared by Gustavson Associates, LLC in Lakewood Colorado, independent consultants to the Company. The qualified persons under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects, are Donald E. Hulse P.E., SME-RM, and, Patrick F. Daniels, SME-PM.

Report, titled "2014 Mineral Resource Estimate and Preliminary Economic Assessment San Felipe Project, Sonora Mexico," dated effective September 4, 2014 prepared by Gary Giroux, P.Eng., Gregory Blaylock, P.Eng., P.E. of JDS Energy & Mining Inc., Deepak Malhotra, SME Registered Member, Fletcher Bourke, P.Eng., P.E. are all independent of the Company and each of whom is a qualified person, pursuant to the meaning of such terms in NI 43-101.

Project resource estimation was completed by Gary Giroux, P.Eng. of Giroux Consultants and utilized a geological model completed by Hans Smit, P.Geo and Fletcher Bourke, P.Eng., P.E. both independent of the Company and a qualified person, pursuant to the meaning of such terms in NI 43-101. Their report, titled "2013 Mineral Resource Estimate for Gavilanes Project, Sonora Mexico" (the "**Gavilanes Report**") has an effective date of effective November 13, 2013 and was filed on SEDAR on January 23, 2014.

Technical report, titled "Technical Report, Veta Grande Project, Zacatecas State, Mexico", dated effective May 17, 2016 (the "Veta Grande Report") was prepared by

Dessureau, P.Geo. of Arc Geoscience Group, who are all independent of the Company and each of whom is a qualified person, pursuant to the meaning of such terms in NI 43-101.

The qualified persons who prepared these reports are approved QP's under National Instrument (NI 43-101) Standards of Disclosure for Mineral Projects.

The Qualified Person who reviewed and approved the scientific and technical information in this presentation is Mr. Donald Hulse, who is an independent Qualified Person for the Rosario Report. Gary Giroux, P.Eng., Gregory Blaylock, P.Eng., P.E. of JDS Energy & Mining Inc., Deepak Malhotra, SME Registered Member, Fletcher Bourke, P.Eng., P.E. are all independent of the Company and a qualified person, pursuant to the meaning of such terms in NI 43-101 for the San Felipe Report. The qualified persons who prepared the Gavilanes Report, Mr. Gary Giroux, P.Eng, Mr. Hans Smit, P.Geo. and Mr. Fletcher Bourke, P.Eng., P.E. are all independent of the Company and a qualified person, pursuant to the meaning of such terms in NI 43-101. They have all approved the scientific and technical information in this presentation as it relates to the Gavilanes project. For the Veta Grande report the qualified persons are

Dessureau, P.Geo. of Arc Geoscience Group.

# on Mexico



# any Overview

ted Mexican silver producer,  
V Exchange, under “SCZ”.

management team with respect  
erating mines and making  
discoveries in Mexico.

ge project portfolio focused on  
d low capex.

de polymetallic properties in  
h significant exploration

Mine  
nde Mine\*  
be Property  
s Property

Project	District / State	Project
Rosario Mine	Charcas, San Luis Potosí	Currently producing 35
Veta Grande Mine*	Veta Grande, Zacatecas	Currently in pre-feasibility study, approximately 2
San Felipe Project	San Felipe de Jesus, Sonora	PEA results 2
Gavilanes Property	San Dimas, Durango	Maiden Reserves 2

\* Operated under a 30-year lease on a 60/40 NPI, 55/45 if the price of silver is greater than \$22/ounce.

# Board of Directors & Management

## **Estamo - President, CEO and Director**

President and CEO of the Company since April 2012; Country Manager in Mexico for Starcore International Mines Ltd. from 2007 to October 2011; Director of Planning and Investor Relations for Grupo Famsa, SAB from March 2007 to October 2011.

## **Donado - COO**

Donado has more than 30 year experience in the mining industry. He previously worked with First Majestic Silver Corp. in Mexico. He has a Engineering degree in mining from the University of Chihuahua.

## **Robert) McMorran - CFO**

McMorran has worked in the mining industry for over 30 years. He is a Certified Professional Accountant, (CPA).

## **John) Bohner - Director**

Bohner is a Partner and Managing Director of The Boston Consulting Group for the last 20 years. During the last 5 years he has been Managing Director for Latin America.

## **Roberto) Villasenor - Director**

Villasenor has a BSc in mining and metallurgy and an MS of mineral economics and has 40 years of experience in the mining industry including roles with Peñoles, Grupo Mexico, Goldcorp and as director of Starcore International Mines Ltd.

## **John) da Silva - Director**

da Silva has 15 years of accounting experience, and currently a director of Revett Mining Company Inc., Eurasian Minerals, Inc. and Goldcorp.

# Capital Structure

## Share Capital (Oct 20 2016 Share price \$0.40)

Outstanding Shares	154,490,484
Warrants	22,737,500
Stock Options	5,201,667
Fully Diluted	182,429,651
Market Capitalization	\$62 million

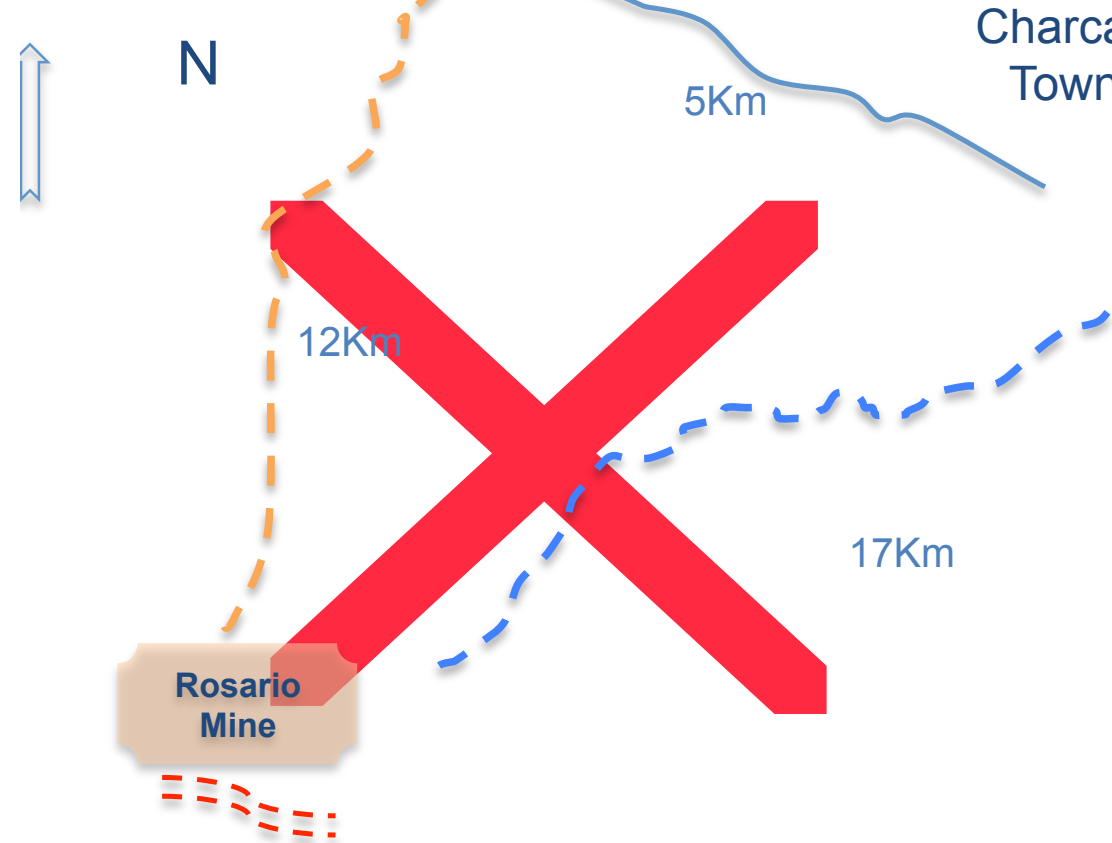
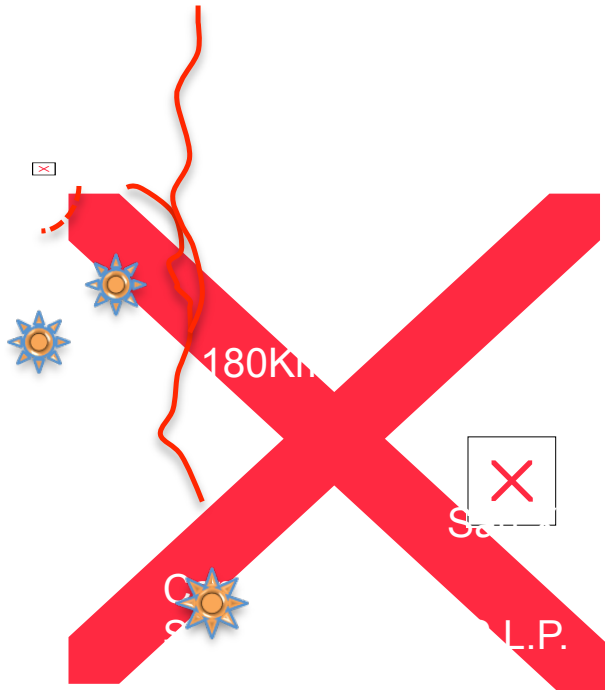
# Osario Mine

ect Review



# Property Location

100 km North of San Luis Potosí, State Capital of San Luis Potosí on Highway 57.



- Charcas municipality, one of Mexico's most recognized mining districts.
- Rosario Mine is near Grupo Mexico's (formerly Aerco) historic and current producing

# 2016 Financial Highlights

equivalent payable ounces sold of 251,189, Revenues of US\$ 3,375,000, gross income from mini

erating cost per AgEq ounce sold was \$11.57/oz

sustaining cash cost (AISC) per AgEq ounce sold was \$14.60

## 2016 Second Quarter Financial Highlights

Operations/Financial Summary	Q2 2016	Q1 2016	Percent change
Ore processed (tonnes milled)	26,419	24,053	10.0%
Silver eqv. ounce production <sup>1</sup>	271,985	290,569	-6.00%
Silver eqv ounce sold <sup>1</sup>	251,189	318,596	-21.00%
Cash Cost per Silver Equivalent Sold (\$/oz.)	11.57	10.93	6.00%
Production Cost (tonne)	79.26	103.28	-23.00%
All-in Sustaining Cost per Silver Equivalent Sold	14.60	14.10	4.00%

$(\text{Cu} \times \text{Pcu} \times 22.05) + (\text{Pb} \times \text{Ppb} \times 22.05) + (\text{Zn} \times \text{Pzn} \times 22.05) / (\text{Pag})$

\$14.50, Au \$1,100.00, Pb \$0.76, Zn \$0.71

\$14.50, Au \$1,110.00, Pb \$0.76, Zn \$0.71

# View & Resources

: Q2 2016 the company continues to focus on efficient ounces.

100% Owned

of the Rosario I and II veins are extended for more than 2.5 kilometers along strike.

tested both veins to at least 250 meters depth.

## Rosario Veins I and II Measured & Indicated Resources<sup>2</sup>

Cut-off	Tonnage	Thickness	Silver Equivalent		Gold		Silver		Lead	
Gpt	K tonne	M	Gpt	K-oz	Gpt	Oz	Gpt	K-oz	Pct	Lbsx1000
0.75	270	2.18	381	<b>3,305.5</b>	0.940	8,162	210.1	1,824.8	1.17	6,952
0.75	711	1.95	303	<b>6,930.7</b>	0.882	20,159	162.7	3,718.2	1.18	18,430

## Rosario Veins I and II Inferred Resources<sup>2</sup>

Tonnage	Thickness	Silver Equivalent		Gold		Silver		Lead	
K tonne	M	Gpt	K-oz	Gpt	Oz	Gpt	K-oz	Pct	Lbsx1000
386	1.72	203	<b>2,522.8</b>	0.810	10,053	90.6	1,125.5	0.73	6,206

used to calculate the cutoff. The silver equivalent was calculated with the following equation;

$$\frac{(0.35) + (Pb * P_{pb} * 22.05) + (Zn * P_{zn} * 22.05) + (Au * P_{au} / 31.1035)}{(P_{ag})}$$

0.28 \$/tOz, Gold 1,341.00 \$/tOz, Lead 0.9988 \$/lb, Zinc 0.9531 \$/lb

Decision was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic analysis is required for production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed analysis as would be included in a feasibility study. The economic variables used in this decision are set forth in the "Risk Factors" section of the Company's most recent Annual Information Form, filed on SEDAR.

Resources which are not mineral reserves do not have demonstrated economic viability. The quantity and grade of inferred resources reported herein are uncertain in nature and exploration is required to upgrade these mineral resources as indicated or measured. There is no guarantee that further exploration will result in the inferred mineral resources being upgraded to an indicated or measured resource.

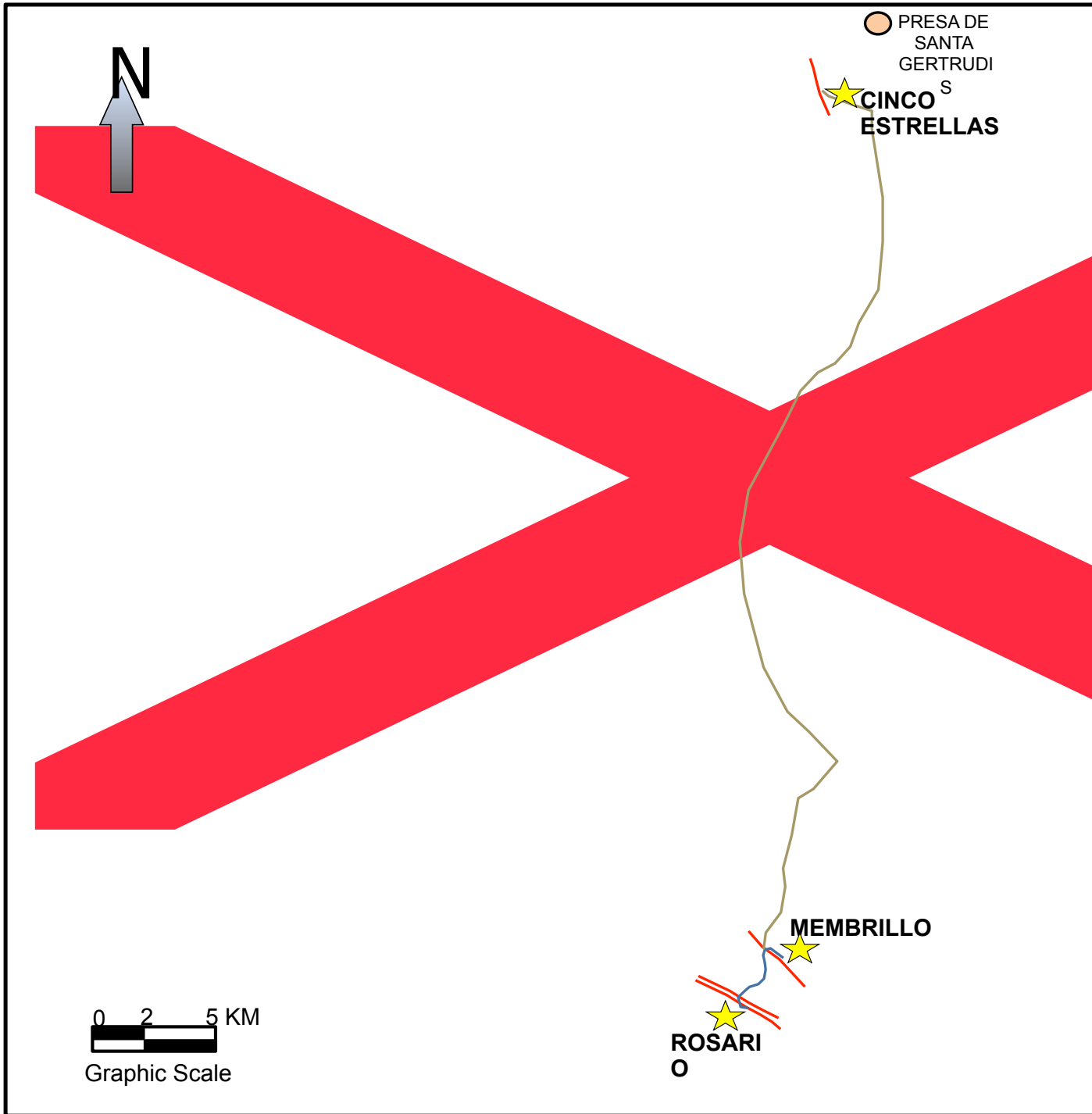
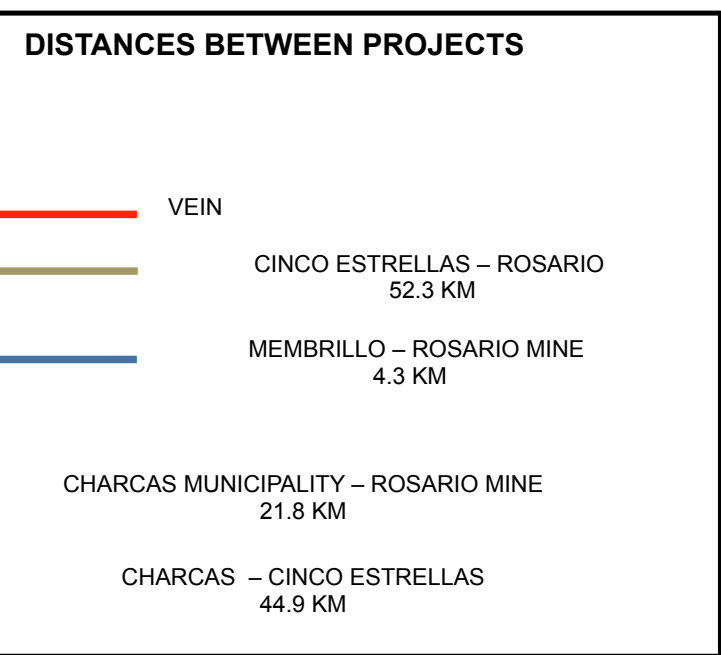
# Rosario – Cinco Estrella

Cinco Estrella located in close proximity to Rosario Mine/ Mill

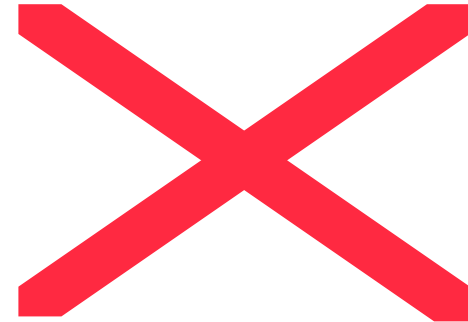
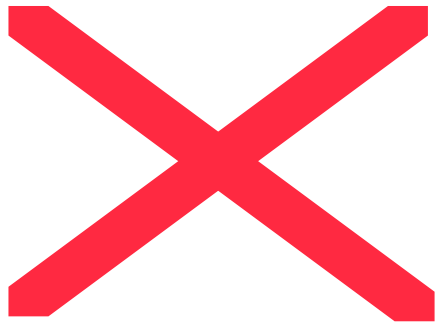
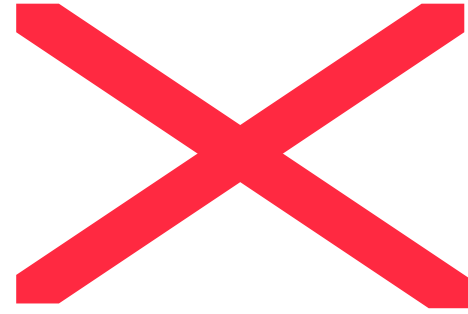
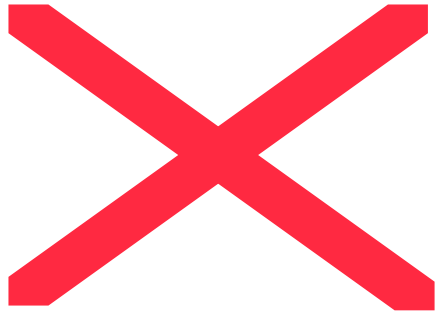
Material successfully milled at Rosario previously.

Project, will utilize excess mill capacity at Rosario to maximize throughput and reduce costs even further.

Agreement to mine at Cinco Estrella for 2.5% NSR.

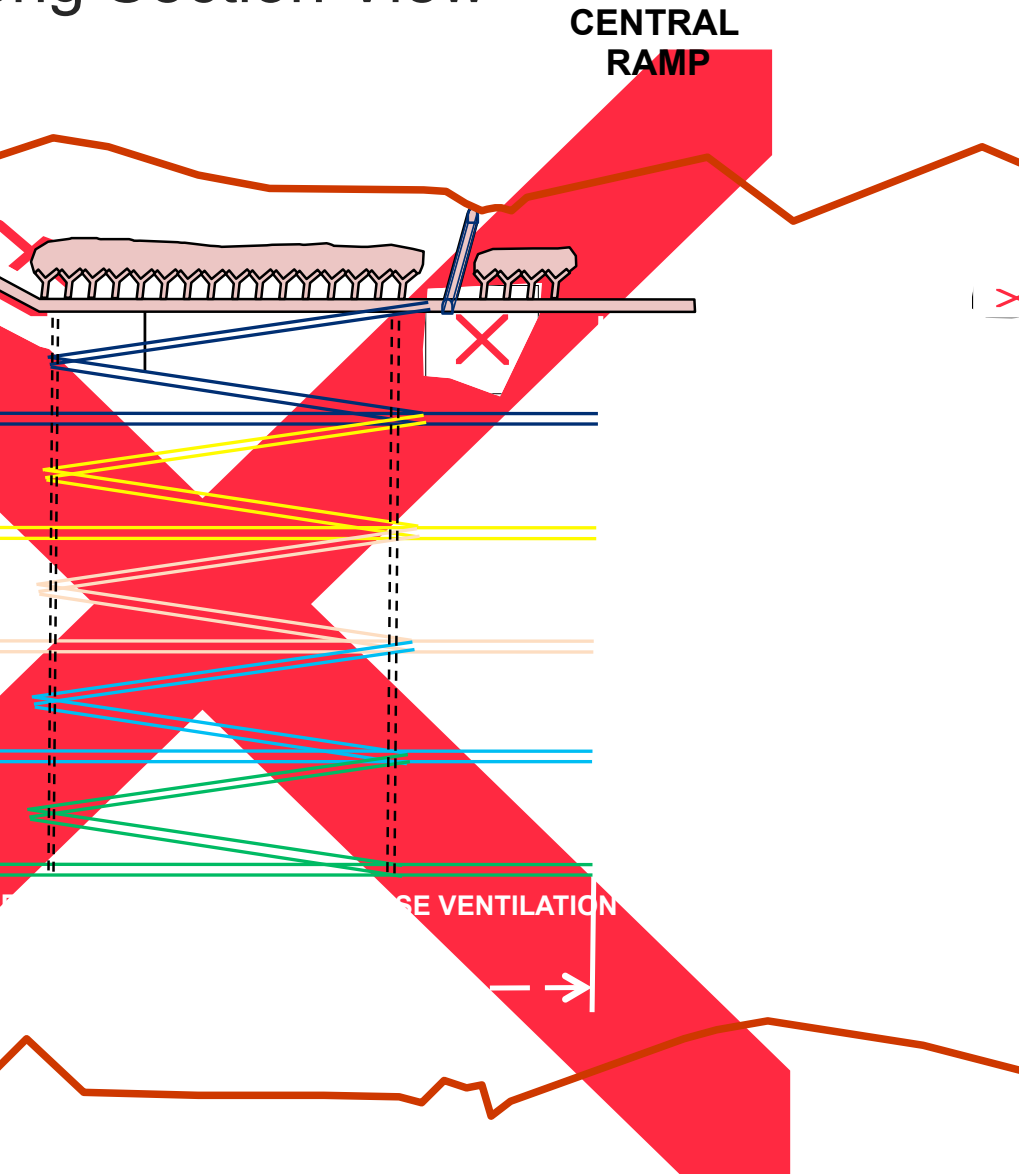


# n Production



# Section Views: Rosario Veins I & II

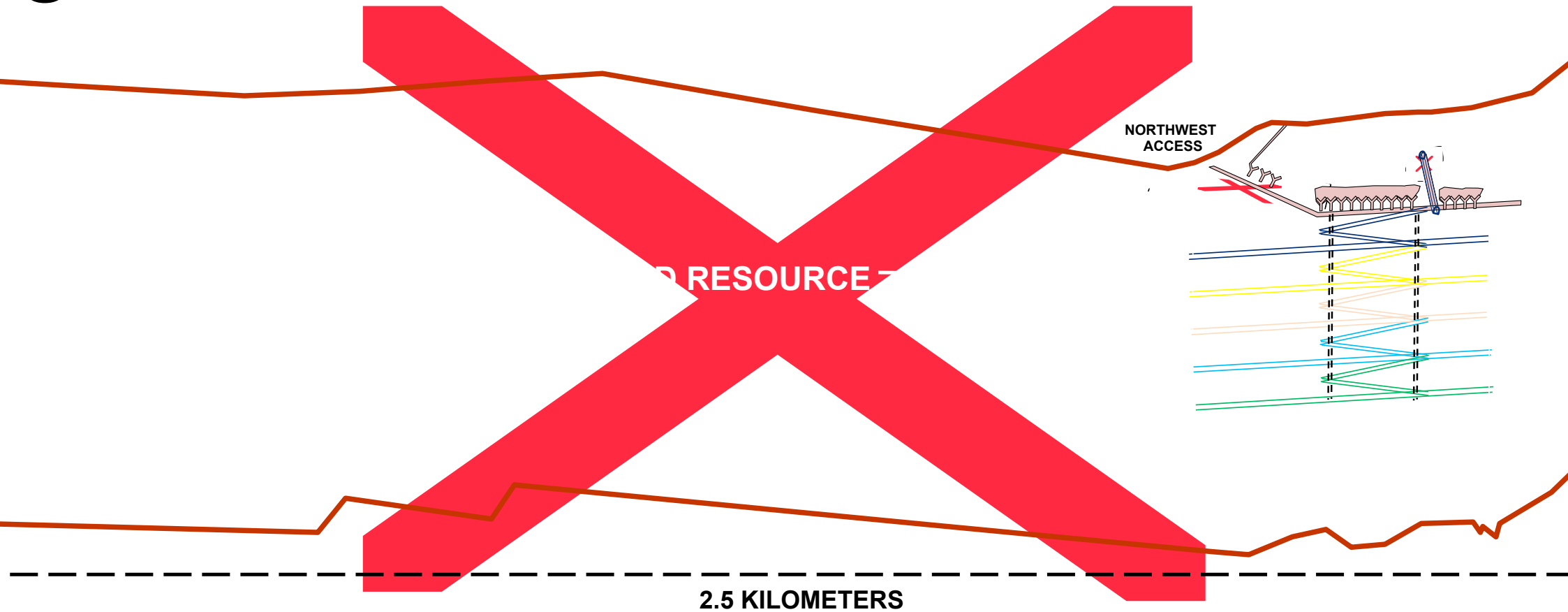
Long Section View



Transversal View



# ing Section Views: Vein I & II



Extensions of the Rosario I and II veins are extended for more than 2.5 Kilometers

Current resources represent approximately 500 meters of strike only, upside potential at depth.

Company has tested both veins to +200 meters depth.

Only the main veins (Rosario I and II) are included in the resource review; there is additional potential to increase resources and

# eta Grande Mine

ect Review



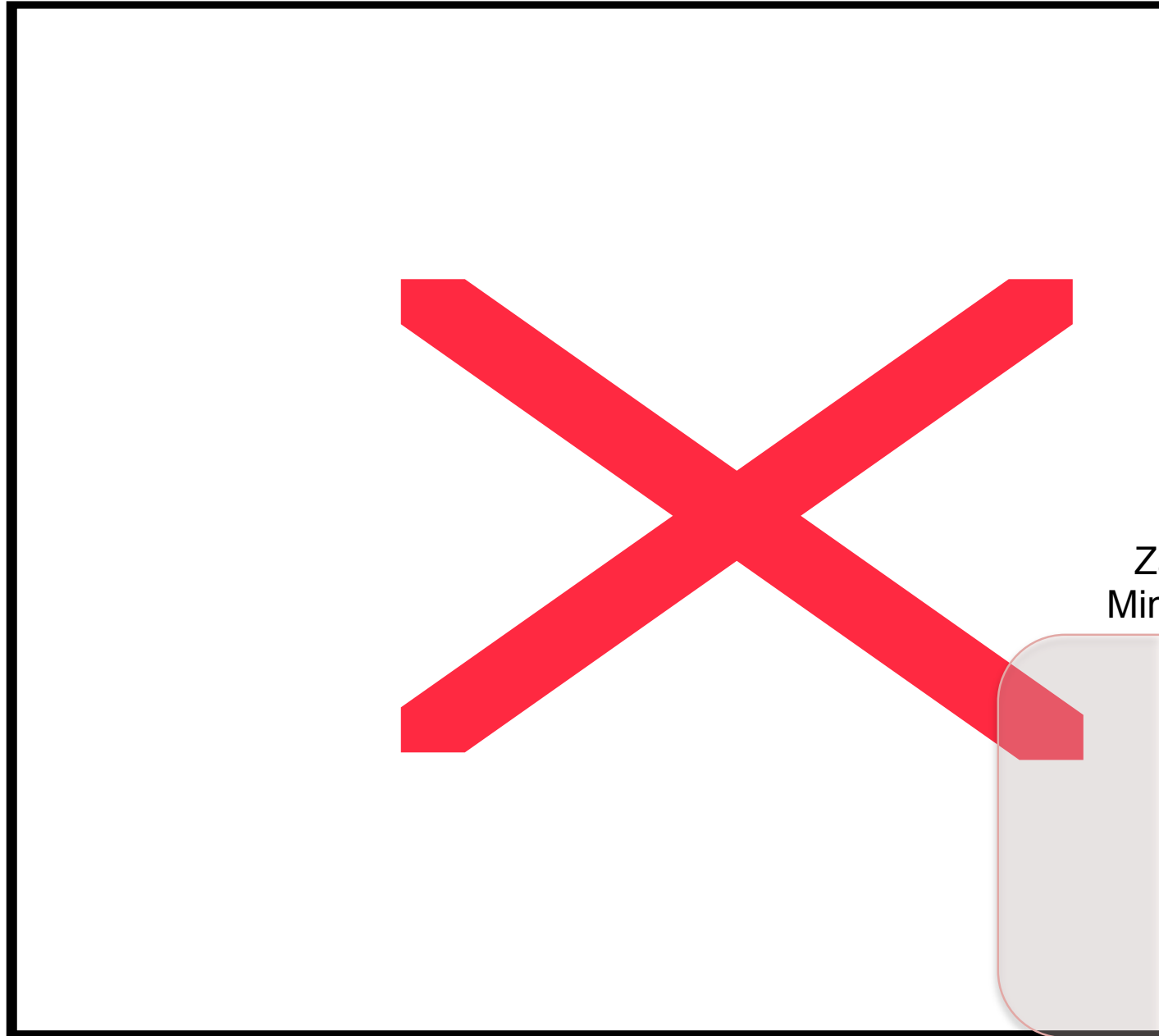
# o's Silver Belt

NPI joint venture\*  
Technical Report filed on  
2016.

one of Mexico's most  
er, lead, zinc and  
ions in Mexico, which  
e Fresnillo Silver Mine,  
ozamin Mine.

highway system, power,  
specialized mining

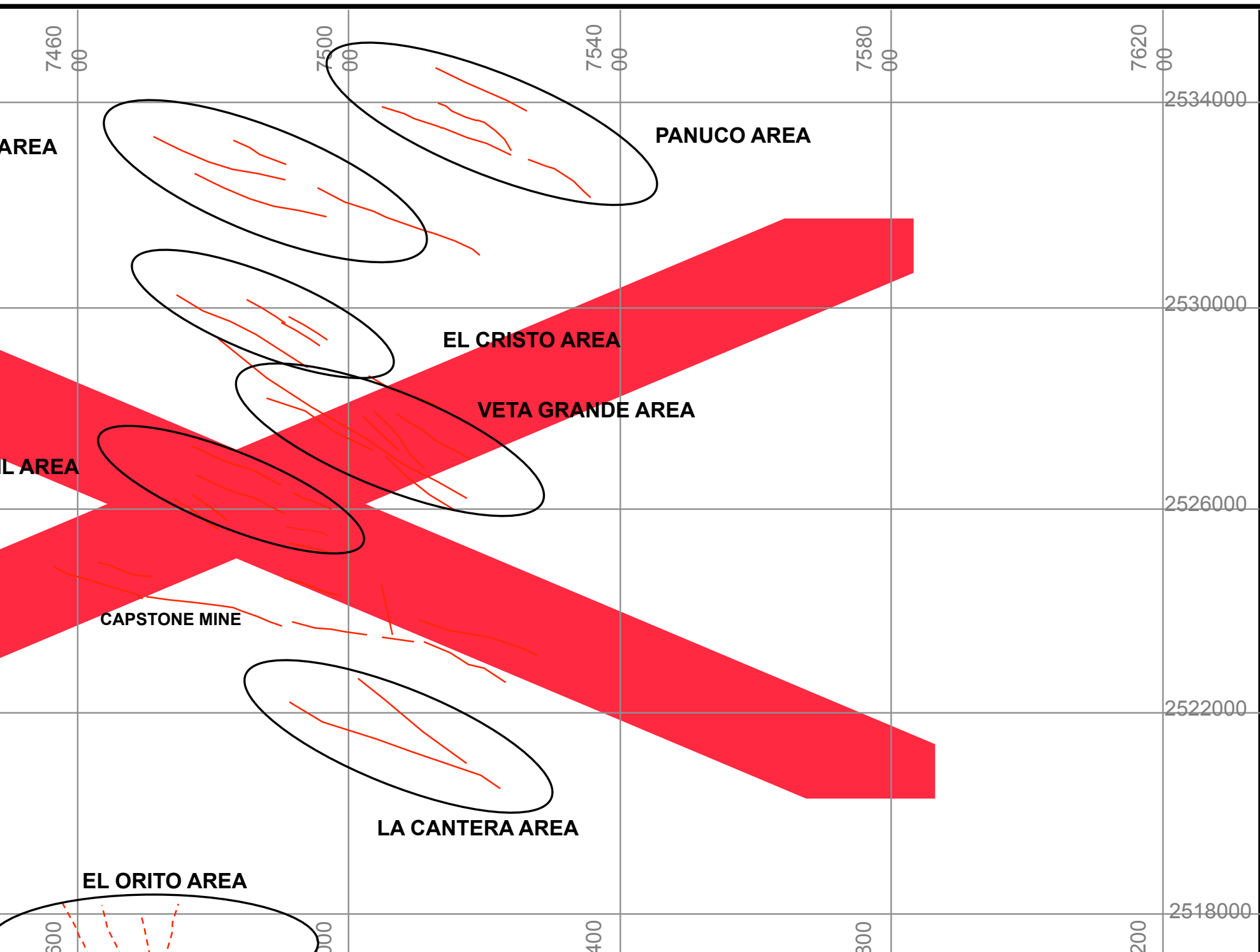
f 180 km between  
ine and Veta Grande  
allowing streamlining  
nal and management



Z  
Mir

\* Operated under a 30-year lease on a 60/40 NPI, 55/45 if the price of silver is greater than \$22/ounce.

# Las District Claims



**L E**

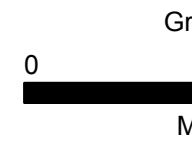
Santacruz - Contracruza  
Claims Under Agreement

Zacatecas District

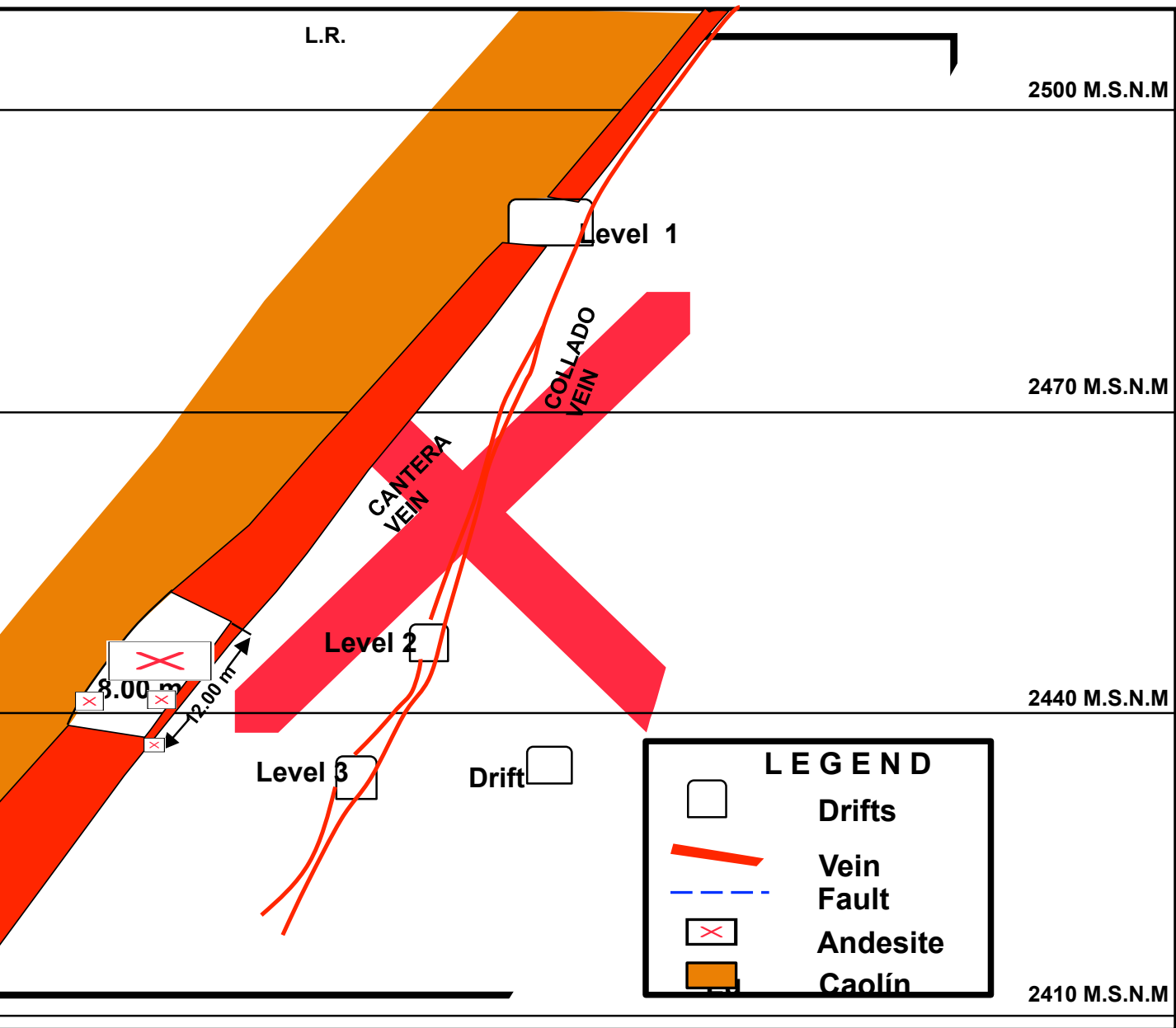
**VEINS**

**C L A I M S**

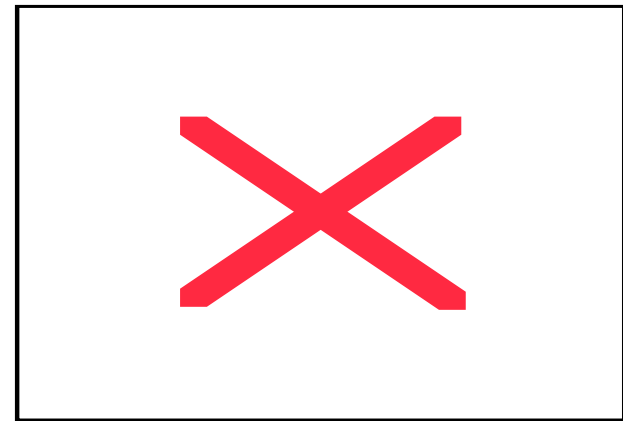
SANTACRUZ S.  
CONTRACUÑA



# La Cantera Vein Transversal Section



- Ag, Zn, Pb Rich Vein Syst
- +10Km along strike NW-S
- Wide Average 10m (areas meters), deeping between degrees.



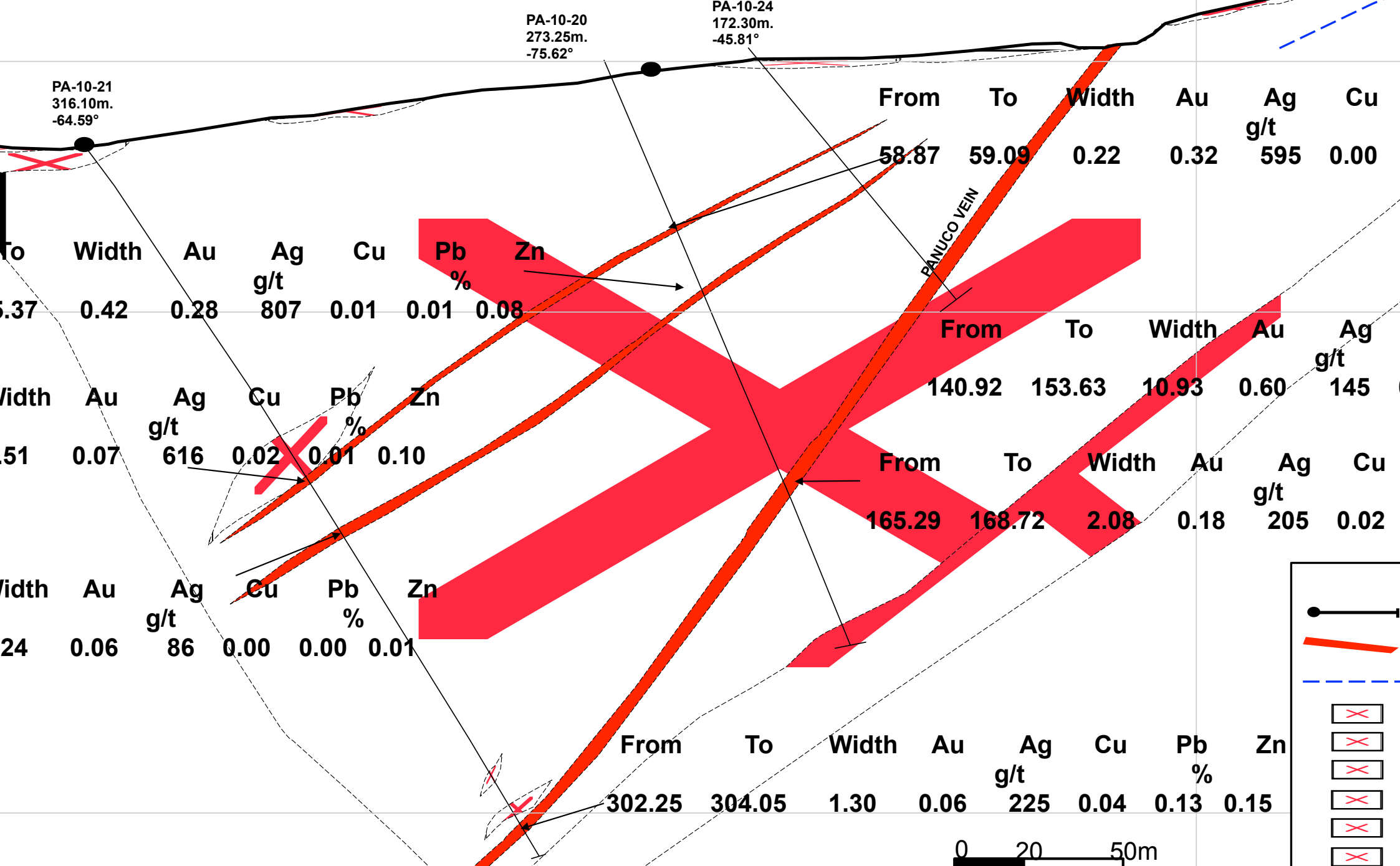
Mineralization at la Cantera V disseminated to massive sph and less contents py and chalcoppyrite.

Present colofom and crustifo abundant broccie

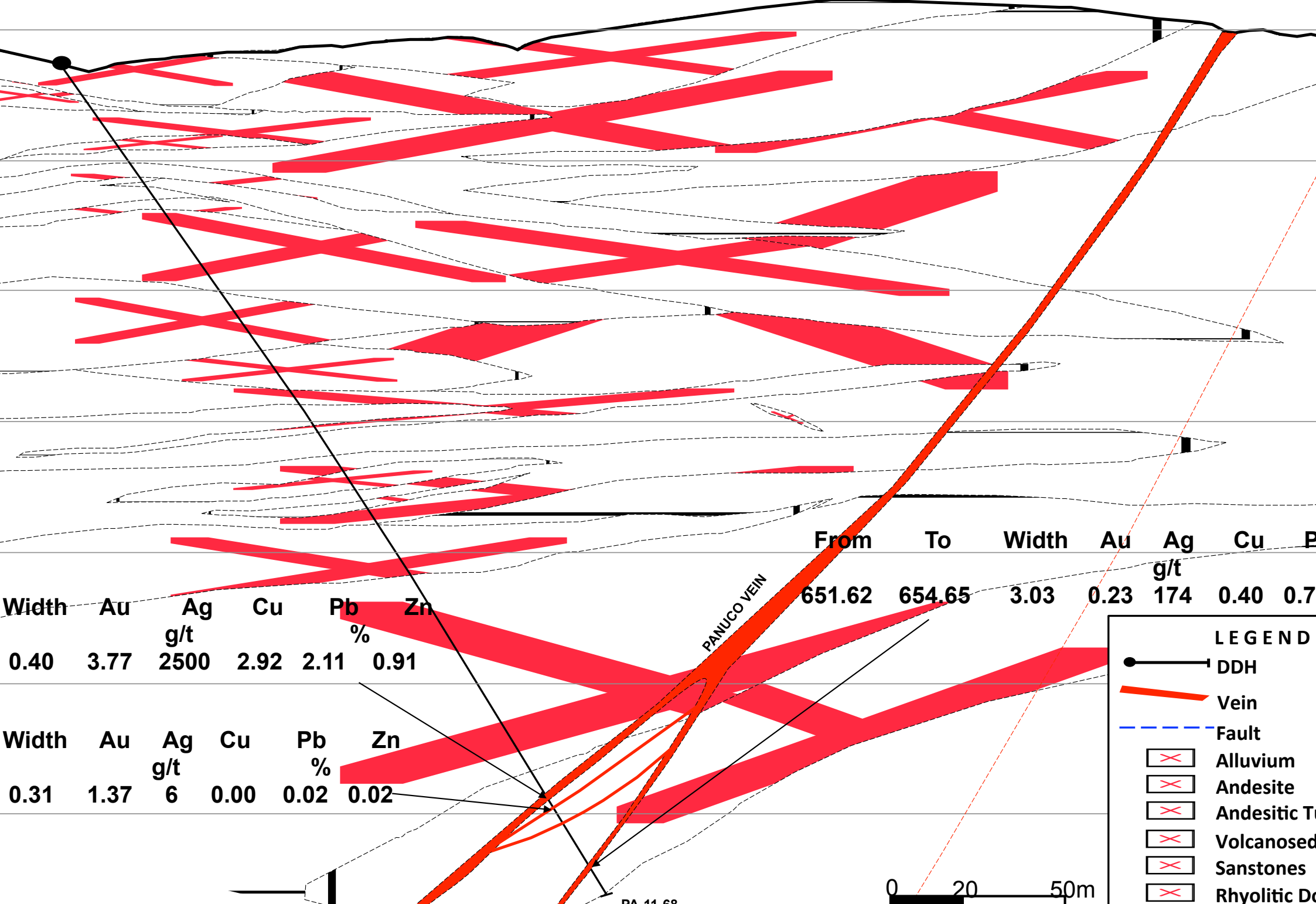
**GEOLOGICAL POTENTIAL OPEN AT DEPTH**

# PA-10-20, PA-10-21 and PA-10-24)

## PA-10-20, PA-10-21 and PA-10-24)



# Vertical Section DDH PA-11-00

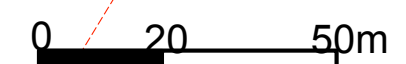


Width	Au	Ag	Cu	Pb	Zn	From	To	Width	Au	Ag	Cu	Pb
		g/t		%					g/t			
0.40	3.77	2500	2.92	2.11	0.91	651.62	654.65	3.03	0.23	174	0.40	0.7

Width	Au	Ag	Cu	Pb	Zn
		g/t		%	
0.31	1.37	6	0.00	0.02	0.02

**LEGEND**

- DDH
- Vein
- - - Fault
- ⊠ Alluvium
- ⊠ Andesite
- ⊠ Andesitic T
- ⊠ Volcanosed
- ⊠ Sanstones
- ⊠ Rhyolitic D



PANUCO VEIN

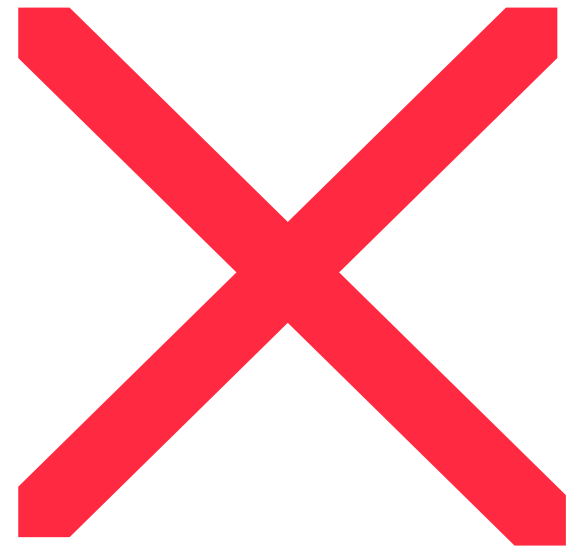
PA 11-00

# Veta Grande District – Multiple Veins

The Veta Grande district has multiple vein systems that average from 2 to 4.5 metres in width.

Initial Technical Report filed on May 7, 2016.

The Company has previously processed at its Rosario Mine over 10,000 tonnes of mill feed from Veta Grande.



# Grande Mill



- Mill operating at 400 tpd. Commercial production is imminent.
- Starting Q1 2017 at 800 tpd.
- 1,500 tpd additional ball mill delivered and commissioned
- 4,000 tpd crushing circuit to be delivered and installed early in 2017.
- Mine production to be 1,500 tpd in 2017.

# San Felipe Project

Project Review

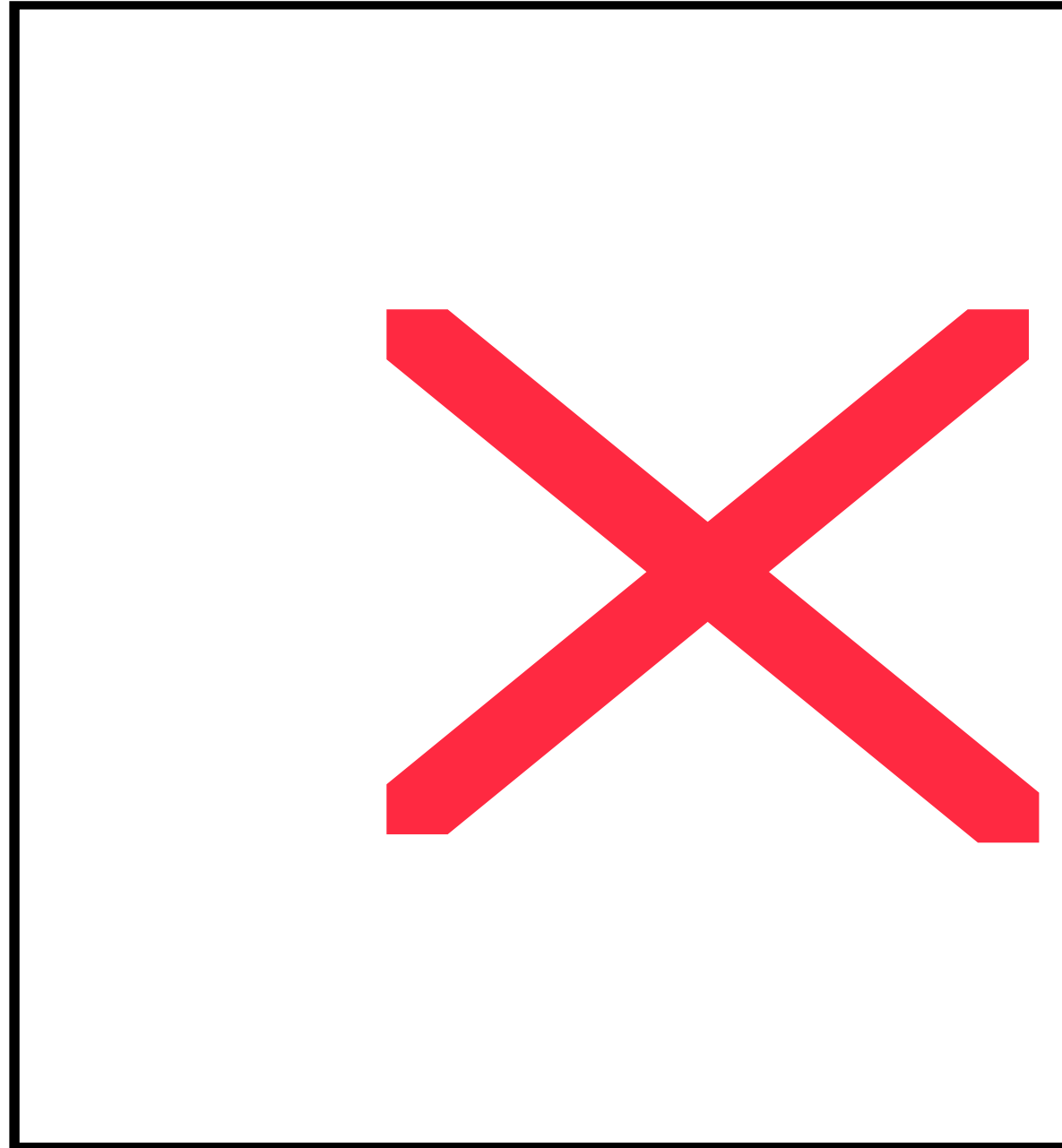


# Property Location

130 km northeast from Hermosillo  
the Capital of Sonora. Driving 80  
km west to Moctezuma town, turning  
left 1 km arriving at San Felipe de  
Carrizosa town. Access is paved to the  
project limit.

Hermosillo has an international airport,  
accessible from major Mexican and west  
US cities.

Estimated driving time from the airport to  
San Felipe Project is less than 2 hours.



# Highlights

Net Present Value ("NPV") at a 5% discount rate of US \$103.5 million and an Internal Rate of Return ("IRR") of 60.6%.

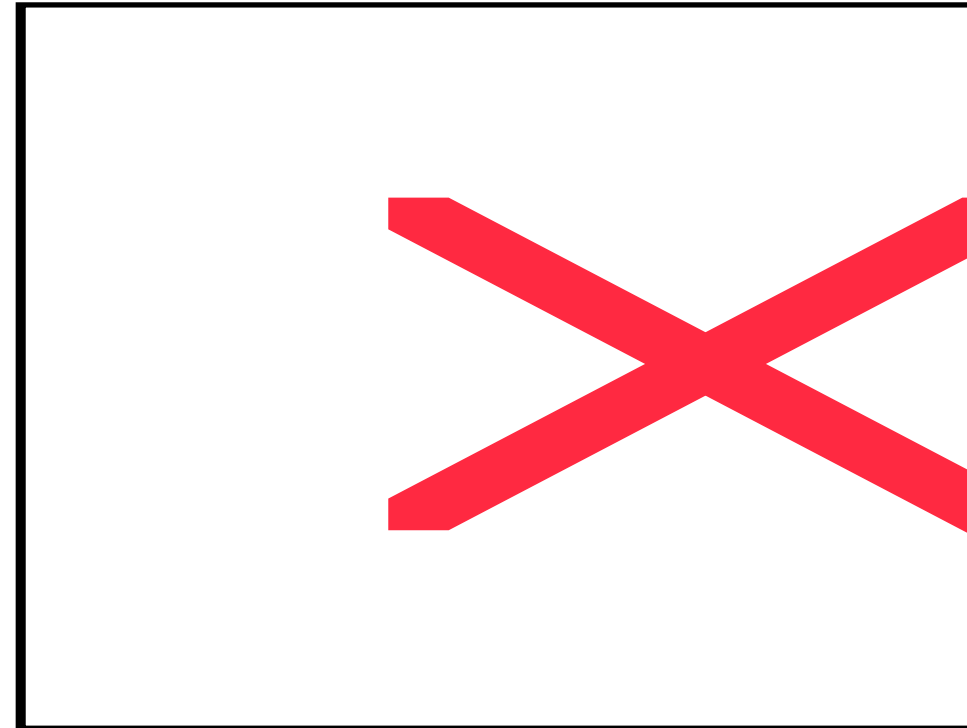
NPV at a 5% discount rate of US \$61.2 million and an IRR of 37.7%.

Annual production of 3.2 million ounces of silver equivalent over a 7.5 year mine life.

Initial capital cost ("CAPEX") of US \$36.3 million, plus US \$6 million of working capital.

All-in cash costs of US \$12.72/oz silver (including site operating costs, smelter treatment and refining capital and NSR payments).

Payback of 1.6 years after start-up, and 2.3 years after start-up before tax payback.



The PEA includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to the reserves. There can therefore be no certainty that the PEA will be realized. It is also important to note that mineral resources that are not mineral reserves are not mineral resources.

The NPV was calculated using prices of US\$19.91/oz., US\$0.99/lb. and US\$1.00/lb. for silver, lead and zinc, respectively.

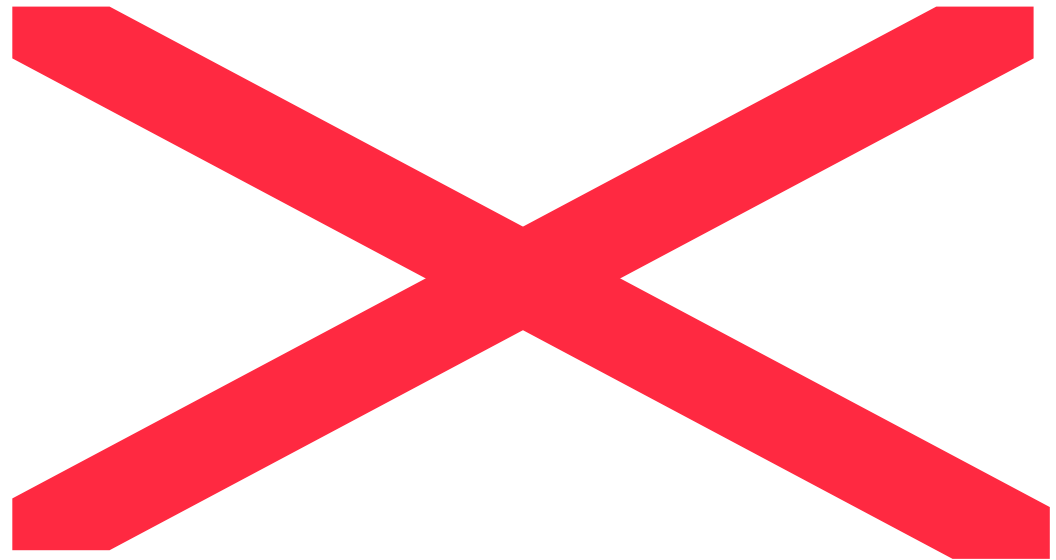
# Avilanes Property

ect Review

# Property Location

in the San  
Ango Mining  
0 Km west  
go City, and  
theast from  
e.

e property is  
0 Km south  
40, arriving  
n Coyotes,  
100 Km up  
Miguel de  
8km of dirt  
you to the  
roperty.



# Property Resources

ing claims covering a total area of 8,832 hectares

thermal low sulphidation polymetallic mineralization containing high grades of Ag and Au (surface samples >1 >4 g/t Au).\*

veins clearly identified with only 3 drilled to date (GSA, Descubridora, and San Nicolás).\*

ckwork area called 'El Hundido' has been clearly identified by diamond drilling.\*

## Resource classified as Indicated \*

Cut-off	Tonnes > Cut-off	Grade > Cut-off						
Ag (g/t)	(tonnes)	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	AgEq (g/t)	AgEq Oz
5	953,000	164.6	0.09	0.06	0.42	0.41	200.5	6,143,000

## Resource classified as Inferred \*

Cut-off	Tonnes > Cut-off	Grade > Cut-off						
Ag (g/t)	(tonnes)	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	AgEq (g/t)	AgEq Oz
5	5,399,000	124.6	0.12	0.09	0.40	0.34	163.0	28,294,000

$$= \frac{\text{Cu}\% * 71.65 + (\text{Pb}\% * 21.38) + (\text{Au g/t} * 42.37) + (\text{Ag g/t} * 0.69) + (\text{Zn}\% * 19.18)}{(0.69)}$$

Prices: Silver 21.55 \$/tOz, Gold 1318.00 \$/Oz, Copper 3.25 \$/lb, Lead 0.97 \$/lb, Zinc 0.87 \$/lb

For details, see the Gavilanes Report

Recovery has been assumed for all metals in this silver equivalent estimate. At this stage of the project no metallurgy has been completed and the reader is cautioned that 100% recoveries are never achieved.

# Corporate Goals

Project	Vision
* Estrellas	Continue to reduce costs and find efficiencies. Include Cir... Estrellas material to feed to mill to utilize the capacity at F... mill.
* Ande	Continue ramp-up to 800 tpd by early Q1 2017, 1,500 tpd... of 2017. Commercial Production to be achieved in near-te...
* Pipe Lines	Organic growth profile Focused on simple, high-grade assets in Mexico Minimal cost to advance, market permitting

... was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and...  
... failure associated with this production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed...  
... feasibility study. The risks associated with this decision are set forth in the "Risk Factors" section of the Company's most recent Annual Information Form,



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silver mining ltd.

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FSE: 1SZ

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Arturo Préstamo Elizondo: President  
CEO

Neil MacRae: Director, Investor Relations