

November 29, 2023

Santacruz Silver Reports Third Quarter Financial Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) ("Santacruz" or "the Company") reports its financial and operating results for the third quarter ("Q3") of 2023. The full version of the financial statements and accompanying Management's Discussion and Analysis (the "MD&A") can be viewed on the Company's website at www.santacruzsilver.com or on SEDAR+ at www.sedarplus.ca.

Q3 2023 Highlights

- Processed 467,563 tonnes of material in the quarter: 1,394,029 tonnes in the first nine months of 2023;
- Produced of 5,669,905 silver equivalent ounces in the quarter: 16,883,823 silver equivalent ounces in the first nine months of 2023;
- Cash cost per silver ounce sold of \$21.68 in the quarter: \$19.34 in the first nine months of 2023;
- AISC per silver ounce sold of \$25.98 in the quarter: \$23.10 in the first nine months of 2023;
- Revenue of \$64,408,000 in the quarter: \$193,640,000 in the first nine month of 2023; and
- Adjusted EBITDA of \$4,628,000 in the quarter: \$26,368,000 in the first nine months of 2023.

Arturo Préstamo, Executive Chairman and Interim CEO of Santacruz, commented, "The Company had a solid quarter in the face of a challenging commodity price environment." Mr. Préstamo continued, "While we continue to identify and implement efficiencies at all our assets, it is important to highlight the significant changes that were made at the Zimapan mine in Mexico during the quarter. By streamlining the management team and shifting to more owner-operated mining, we were able to increase productivity and decrease costs, and expect to continue to see the benefits from these changes in the next quarter."

Selected consolidated financial and operating information for the quarter ended September 30, 2023 are presented below. All financial information is prepared in accordance with International Financial Reporting Standards ("IFRS"), and all dollar amounts are expressed in thousands of US dollars, except per unit amounts, unless otherwise indicated.

2023 Third Quarter Highlights

	2023-Q3	2023-Q2 ⁽⁸⁾	Change Q3 vs Q2	2022-Q3	Change Q3 vs Q2	2023-YTD	2022-YTD ⁽¹⁾⁽²⁾	Change '23 vs '22
Operational								
Material Processed (tonnes milled)	467,563	443,969	5%	500,956	(7%)	1,394,029	1,163,645	20%
Silver Equivalent Produced (ounces) ⁽³⁾	5,669,905	5,569,535	2%	5,832,822	(3%)	16,883,823	12,368,597	37%
Silver Ounces Produced	1,728,863	1,786,461	(3%)	1,924,973	(10%)	5,284,845	3,805,287	39%
Lead Tonnes Produced	3,370	2,824	19%	2,996	12%	9,237	7,165	29%
Zinc Tonnes Produced	23,095	22,281	4%	22,831	1%	67,839	49,422	37%
Copper Tonnes Produced	252	297	(15%)	364	(31%)	964	901	7%
Silver Equivalent Sold (payable ounces) ⁽⁴⁾	3,822,782	4,087,787	(6%)	4,383,872	(13%)	12,291,464	14,854,519	(17%)
Cash Cost of Production per Tonne ⁽⁵⁾	93.73	100.25	(7%)	148.51	(37%)	92.48	119.72	(23%)
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽⁵⁾	21.68	19.34	12%	20.79	4%	19.34	17.26	12%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽⁵⁾	25.98	22.89	13%	24.90	4%	23.10	19.80	17%
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) ^{(5) (6)}	25.31	22.00	15%	19.63	29%	23.04	20.98	10%
Financial								
Revenues	64,408	63,854	1%	53,516	20%	193,640	214,285	(10%)
Gross Profit	7,394	10,976	(33%)	(19,338)	(138%)	33,050	16,635	99%
Net Income (loss)	(4,298)	4,351	(199%)	(18,788)	(77%)	(123)	(14,192)	99%
Net Earnings (Loss) Per Share - Basic (\$/share)	(0.01)	0.01	(199%)	(0.06)	(78%)	(0.00)	(0.04)	99%
Adjusted EBITDA ⁽⁵⁾	4,628	9,138	(49%)	(14,785)	(131%)	26,368	16,758	57%
Cash and Cash Equivalent	3,014	7,720	(61%)	4,494	(33%)	3,014	4,494	(33%)
Working Capital (Deficiency)	(27,354)	(22,293)	(23%)	(91,184)	(70%)	(27,354)	(91,184)	70%

Third Quarter 2023 Production Summary – By Mine

	Bolivar ⁽⁷⁾	Porco ⁽⁷⁾	Caballo Blanco Group	San Lucas	Zimapan	Consolidated
Material Processed (tonnes milled)	77,298	47,786	76,864	73,456	192,158	467,563
Silver Equivalent Produced (ounces) ⁽³⁾	1,343,000	625,401	1,118,711	1,399,187	1,183,606	5,669,905
Silver Ounces Produced	502,931	165,066	319,674	362,443	378,748	1,728,863
Lead Tonnes Produced	449	190	684	522	1,526	3,370
Zinc Tonnes Produced	5,214	2,891	4,805	6,454	3,731	23,095
Copper Tonnes Produced	N/A	N/A	N/A	N/A	252	252
Average head grades per mine:						
Silver (g/t)	221	119	144	183	80	156
Lead (%)	0.79	0.52	1.22	1.06	0.97	0.95
Zinc (%)	7.41	6.40	6.80	9.55	2.49	6.68
Copper (%)	N/A	N/A	N/A	N/A	0.29	0.29
Silver Equivalent Sold (payable ounces) ⁽⁴⁾	784,713	285,286	609,415	1,285,739	857,628	3,822,782

Notes for both tables above:

- (1) On March 18, 2022 the Company closed the acquisition of all Bolivian assets from Glencore and the results of the Bolivian Operations are included in the consolidated results of the Company from that date.
- (2) Bolivian production from March 18, 2022 to September 30, 2022.
- (3) Silver Equivalent Produced (ounces) have been calculated using prices of \$21.86/oz, \$0.91/lb, \$1.52/lb and \$3.67/lb for silver, lead, zinc and copper respectively applied to the metal production divided by the silver price as stated here.
- (4) Silver Equivalent Sold (payable ounces) have been calculated using the Average Realized Price per Ounce of Silver Equivalent Sold stated in the table above, applied to the payable metal content of the concentrates sold from Zimapan, Bolivar, Porco, the Caballo Blanco Group, and San Lucas.
- (5) The Company reports non-GAAP measures, which include Cash Cost of Production per Tonne, Cash Cost per Silver Equivalent Ounce Sold, All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold, Average Realized Price per Ounce of Silver Equivalent Sold, and Adjusted EBITDA. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions.
- (6) Average Realized Price per Ounce of Silver Equivalent Sold is prior to all treatment, smelting and refining charges.
- (7) Bolivar and Porco are presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.
- (8) The net loss (income), net loss (income) per share, Adjusted EBITDA, and working capital deficiency were amended as a result of the restatement related to the Sinchi Wayra and Illapa Acquisition.

YTD 2022 numbers are affected by the partial quarter of Bolivian production in Q1 2022. On March 18, 2022, the Company closed the acquisition of the Bolivian Assets from Glencore and the results of the operations of the Bolivian Assets are included in the consolidated operational and financial results of the Company from that date. However, combined Q2 and Q3 results show a 5% increase in silver equivalent ounces produced from 2022 to 2023, despite lower tonnages processed. This is a reflection of the Company starting to benefit from its efforts to increase mined grades and metallurgical recoveries at all operations.

Production

In Q3 2022, 500,956 tonnes of material was processed, and 5,832,882 silver equivalent ounces was produced, and in Q3 2023 467,563 tonnes of material was produced and 5,669,905 silver equivalent ounces was produced. While total material processed in Q3 2023 was 7% less compared to Q3 2022, total silver equivalent ounce production was down only 3%. This was a result of higher grades mined and an increase in metal recoveries at Bolivar and Zimapan.

In Q3 2023, the Company processed 467,563 tonnes of material, a slight increase from the previous quarter. Silver equivalent ounces produced of 5,669,905 included 1,728,863 ounces of silver, 3,370 tonnes of lead, 23,095 tonnes of zinc and 252 tonnes of copper. The positive impact of a slight increase in material processed combined with an increase in metal production from the Zimapan and Bolivar mines resulted in stable silver equivalent ounce production overall.

Cash Cost of Production per Tonne

Consolidated cash cost of production per tonne of mineralized material processed was \$93.73 in Q3 2023 compared to \$148.51 for the same period last year. Since acquiring the Bolivian assets, the steady increase in unit production costs at Zimapan have been offset by significant decreases in unit production costs at the Bolivian operations for a net reduction in cash costs of 37% per tonne.

When compared to the previous quarter, consolidated cash cost of production per tonne of mineralized material processed decreased by 7% as a result of several factors including the increase in production at Zimapan after recovering from a two-week haulage stoppage that took place last quarter, incremental decreases in unit costs from our Bolivian mining operations and less mineralized material purchased by San Lucas feed sourcing.

Cash Cost per Silver Equivalent Ounce Sold

Cash cost per silver equivalent ounce sold was \$21.68 in Q3 2023 compared to \$20.79 for the same period last year. This 4% increase in unit cost was due primarily to a 13% decrease in silver equivalent ounces sold, which is a function of realized metal prices. While the metal production only decreased 3% for the same period, the silver equivalent conversion ratio of base metals to silver was higher due to the changes in realized metal prices quarter over quarter, which resulted in the additional 10% reduction in silver equivalent ounces sold.

Consolidated results for Q3 2023 show a 12% increase in cash costs per silver equivalent ounce sold compared to Q2 2023. This increase is primarily a result of 6% lower silver equivalent ounces sold based on realized pricing for metals which decreased silver equivalents sold for Q3 2023. Total costs were comparable to Q2 2023 and silver equivalent ounce production actually increased 2% vs Q2 2023.

All-In Sustaining Cash Cost ("AISC") per Silver Equivalent Ounce Sold

Q3 2023 AISC per silver equivalent ounce sold was \$25.98, compared to Q3 2022 of \$24.90. This 4% increase in unit cost was due primarily to a 13% decrease in silver equivalents sold which is a function of realized metal prices. While the metal production only decreased 3% for the same period, the silver equivalent conversion ratio of base metals to silver was higher due to the changes in realized metal prices quarter over quarter, which resulted in the additional 10% reduction in silver equivalent sold.

Consolidated AISC per silver equivalent ounce sold increased 13% quarter-on-quarter to \$25.98, mainly a result of the 6% decrease in silver equivalent ounces sold based on changes in the silver equivalent conversion ratio as described above, coupled with higher sustaining capital expenditures and higher sustaining general and administrative costs. Bolivian consolidated AISC per silver equivalent ounce sold increased 21% versus Q2 2023 due to the lower silver equivalent ounces sold, however this was partially offset by a 21% decrease at Zimapan resulting from lower capital expenditures and sustaining general and administrative expenditures.

About Santacruz Silver Mining Ltd.

Santacruz Silver is engaged in the operation, acquisition, exploration, and development of mineral properties in Latin America. The Bolivian operations are comprised of the Bolivar, Porco and the Caballo Blanco Group, which consists of the Tres Amigos, Reserva and Colquechaquita mines. The Soracaya exploration project and San Lucas ore sourcing and trading business are also in Bolivia. The Zimapan mine is in Mexico.

‘signed’

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This news release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future events or future performance and reflect the expectations or beliefs of management of the Company regarding future events. Generally, forward-looking statements and information can be identified by the use of forward-looking terminology such as “intends”, “expects” or “anticipates”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would” or will “potentially” or “likely” occur. This information and these statements, referred to herein as “forward-looking statements”, are not historical facts, are made as of the date of this news release and include without limitation, statements regarding the Company’s goal of identifying and implementing efficiencies at all of its assets, and the benefits the Company expects to realize for the changes made at the Zimapan mine. These forward-looking statements involve numerous risks and uncertainties and actual results might differ materially from results suggested in any forward-looking statements. These risks and uncertainties include, among other things, risks that the Company will be unable to identify and implement further efficiencies at its assets, that the Company will not derive the expected benefits from streamlining the management team and shifting to more owner-operated mining at the Zimapan mine, risks related to changes in general economic, business and political conditions, including changes in the financial markets, changes in applicable laws, and compliance with extensive government regulation, as well as those risk factors discussed or referred to in the Company’s disclosure

documents filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.ca.

In making the forward-looking statements in this news release, the Company has applied several material assumptions, including without limitation, the assumption that there are further inefficiencies at the Company's assets which can be identified and improved upon, and that the Company will realize the expected benefits from the changes it has made at the Zimapan mine.

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.