

## Santacruz Silver Reports First Quarter Financial Results

**Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSXV:SCZ)** (“the Company” or “Santacruz”) reports on its financial and operating results for the first quarter (“Q1”) of 2022. The full version of the financial statements and accompanying management discussion and analysis can be viewed on the Company’s website at [www.santacruzsilver.com](http://www.santacruzsilver.com) or on SEDAR at [www.sedar.com](http://www.sedar.com). 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.

- Revenue increased by 284% to \$42.9 million during Q1 2022 (Q1 2021: \$11.1 million);
- Gross profit improved by \$17.2 million to \$19.4 million during Q1 2022 (Q1 2021: \$2.2 million);
- Cash and marketable securities increased by 186% to \$14.4 million as at March 31, 2022 (March 31, 2021: \$5.0 million);
- On March 18, 2022, the Company closed the Glencore Transaction that included the acquisition of the Bolivar and Porco mines that are held in partnership with Corporación Minera de Bolivia (“COMIBOL”), a Bolivian state-owned entity, the Caballo Blanco mining complex that includes the Tres Amigos, Reserva and Colquechaquita mines, the Soracaya development project and the San Lucas ore sourcing and trading business in addition to certain related properties and assets (collectively, the “Sinchi Wayra and Illapa Businesses”).

Carlos Silva, CEO of Santacruz, stated; “During this first quarter we started to see the contribution of our recently acquired Bolivian assets with record revenue and profits. At our Mexican operations we expect increased production from new stopes and less lower grade mineralized material from development work. this should reduce our AISC at Zimapan beginning in the third quarter.”

Mr. Silva continued; “Q1 marked a strong start to the year for Santacruz Silver and we look forward for a full quarter of results from our Bolivian operations rather than just a few days (13) of operations as occurred in the first quarter. The transition and integration process are going smoothly, and we are very optimistic about the future.

Selected consolidated financial and operating information for the three months ended March 31, 2022 and 2021 is presented below. The Company is not including production and unit cost results from the Veta Grande Project below as operations were suspended during Q1 2020 and to date have not recommenced. The Sinchi Wayra and Illapa Businesses results have been consolidated for the period March 18 to 31, 2022.

(Expressed in thousands of US Dollars, except where noted)	<b>Three months ended Mar 31,</b>		<b>Variance %</b>
	<b>2022</b>	<b>2021</b>	
<b>Financial</b>			
Revenue	42,911	11,168	284%
Gross Profit	19,351	2,181	787%
Net Income	7,109	6,518	9%
Net Income per Share - Basic (\$/share)	0.02	0.02	-
Adjusted EBITDA <sup>(1)</sup>	14,030	1,649	751%
<b>Operating</b>			
Material Processed (tonnes milled)	227,570	176,239	29%
Silver Equivalent Produced (ounces) <sup>(1)(2)</sup>	1,391,589	706,978	97%
Silver Equivalent Sold (payable ounces) <sup>(1)(3)</sup>	2,300,312	605,970	280%
Cash Cost of Production per Tonne (\$/t) <sup>(1)</sup>	60.90	50.03	22%
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) <sup>(1)</sup>	15.05	20.54	(27%)
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) <sup>(1)</sup>	17.95	23.76	(24%)
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) <sup>(1)(4)</sup>	24.39	25.07	(3%)

<sup>(1)</sup> The Company reports non-IFRS measures, which include Adjusted EBITDA, 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. These measures are widely used in the mining industry as a benchmark for performance, but does not have a standardized meaning and may differ from methods used by other companies with similar descriptions. Refer to the “Non-IFRS Measures” section in Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) for definitions and a reconciliation of Adjusted EBITDA to the annual and quarterly financial statements.

<sup>(2)</sup> Silver Equivalent Produced (ounces) in 2022 have been calculated using prices of \$25.60/oz., \$0.94/lb., \$1.20/lb. and \$4.01/lb. for silver, lead, zinc and copper respectively applied to the metal production divided by the silver price plus the respective concentrate produced by the Zimapan Mine, Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines multiplied by the respective silver content. Silver Equivalent Produced (ounces) in 2021 have been calculated using prices of \$25.00/oz, \$0.85/lb, \$1.05/lb and \$3.00/lb for silver, lead, zinc and copper respectively applied to the metal production divided by the silver price plus the respective concentrate produced by the Zimapan Mine and the Rosario Project, multiplied by the respective silver content.

<sup>(3)</sup> 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 the Zimapan Mine, the Bolivaor, Porco, Tres Amigos, Reserva and Colquechaquita Mines in 2022 and the Zimapan Mine and Rosario Project in 2021.

<sup>(4)</sup> Average Realized Price per Ounce of Silver Equivalent Sold is prior to all treatment, smelting and refining charges.

## Discussion of Consolidated Financial Results

The Company recorded a net profit of \$7,109 for the three months ended March 31, 2021 (Q1 2021: \$6,518).

Revenue and gross profit increased to \$42,911 (Q1 2021: \$11,168) and \$19,351 (Q1 2021: \$2,181) respectively. These positive results were due primarily to the inclusion of the Bolivian operations that were acquired during the period.

## Operating Results

Selected operating results for the Zimapan Mine and Rosario Project for the three months ended March 31, 2022 and 2021 and the Sinchi Wayra and Illapa Businesses, for the period March 18 to 31, 2022, is presented below:

	Q1 2022	Q1 2021	Variance %
Material Processed (tonnes milled) <sup>(4)</sup>			
Zimapan Mine (Mexico)	191,413	156,433	22%
Rosario Project (Mexico) <sup>(6)</sup>	-	19,806	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	36,157	-	0%
Consolidated	<b>227,570</b>	<b>176,239</b>	<b>29%</b>
Silver Equivalent Produced (ounces) <sup>(1)(4)</sup>			
Zimapan Mine (Mexico)	901,184	646,085	39%
Rosario Project (Mexico) <sup>(6)</sup>	-	60,893	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	490,405	-	0%
Consolidated	<b>1,391,589</b>	<b>706,978</b>	<b>97%</b>
Silver Equivalent Sold (payable ounces) <sup>(2)(4)</sup>			
Zimapan Mine (Mexico)	872,745	553,450	58%
Rosario Project (Mexico) <sup>(6)</sup>	-	52,520	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	1,427,567	-	0%
Consolidated	<b>2,300,312</b>	<b>605,970</b>	<b>280%</b>
Cash Cost of Production per Tonne <sup>(3)(4)</sup>			
Zimapan Mine (Mexico)	48.19	49.04	(2%)
Rosario Project (Mexico) <sup>(6)</sup>	-	57.86	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	128.19	-	0%
Consolidated	<b>60.90</b>	<b>50.03</b>	<b>22%</b>
Cash Cost per Silver Equivalent Ounce Sold <sup>(3)(4)</sup>			
Zimapan Mine (Mexico)	17.04	19.91	(14%)
Rosario Project (Mexico) <sup>(6)</sup>	-	27.19	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	13.83	-	0%
Consolidated	<b>15.05</b>	<b>20.54</b>	<b>(27%)</b>
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold <sup>(3)(4)</sup>			
Zimapan Mine (Mexico)	23.38	21.03	11%
Rosario Project (Mexico) <sup>(6)</sup>	-	52.57	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	14.63	-	0%
Consolidated	<b>17.95</b>	<b>23.76</b>	<b>(24%)</b>
Average Realized Price per Ounce of Silver Equivalent Sold <sup>(3)(4)(5)</sup>			
Zimapan Mine (Mexico)	23.81	25.07	(5%)
Rosario Project (Mexico) <sup>(6)</sup>	-	25.00	(100%)
Sinchi Wayra and Illapa Businesses (Bolivia) <sup>(7)</sup>	24.74	-	0%
Consolidated	<b>24.39</b>	<b>25.07</b>	<b>(3%)</b>

<sup>(1)</sup> Silver Equivalent Produced (ounces) in 2022 have been calculated using prices of \$25.60/oz, \$0.94/lb, \$1.20/lb and \$4.01/lb for silver, lead, zinc and copper respectively applied to the metal production divided by the silver price plus the respective concentrate produced by the Zimapan Mine, the Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines multiplied by the respective silver content. Silver Equivalent Produced (ounces) in 2021 have been calculated using prices of \$25.00/oz, \$1,925.00/oz, \$0.85/lb, \$1.05/lb and \$3.00/lb for silver, gold, lead, zinc and copper respectively applied to the metal production divided by the silver price plus the respective concentrate produced by the Zimapan Mine and the Rosario Project, multiplied by the respective silver content.

<sup>(2)</sup> 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 the Zimapan Mine the Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines in 2022 and the Zimapan Mine and Rosario Project in 2021.

<sup>(3)</sup> The Company reports non-IFRS 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 and Average Realized Price per Ounce of Silver Equivalent Sold. 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. See "Non-IFRS Measures" section below for definitions.

<sup>(4)</sup> The Company is not including production and unit cost results from the Veta Grande Project in this MD&A as operations at Veta Grande were suspended during Q1 2020 and to date have not recommenced.

<sup>(5)</sup> Average Realized Price per Ounce of Silver Equivalent Sold is prior to all treatment, smelting and refining charges.

<sup>(6)</sup> Operations at the Rosario Project were suspended with no production from August 2021. The net assets of the Rosario Project were disposed of in December 2021, hence the variance is of limited value.

<sup>(7)</sup> On March 18, 2022, the Company acquired the Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines, hence the variance is of limited value.

## Discussion of Operating Results and Costs

Consolidated silver equivalent ounce production in Q1 2022 increased 97% to 1,391,589 ounces as compared to 706,978 ounces during Q1 2021. This increase is largely due to production from Bolivian operations acquired in March 2022, a 39% increase in production from the Zimapan Mine offset by no production from the Rosario Project following its sale in December 2021.

The increase in silver equivalent production at the Zimapan Mine in Q1 2022 as compared to Q1 2021 is primarily due to a 22% increase in mineralized material processed at the Zimapan milling facility.

Consolidated cash cost of production per tonne of mineralized material processed increased 22% in Q1 2022 to \$60.90/t as compared to \$50.03/t in Q1 2021. This change is due to higher unit costs at Bolivian operations offset by a decrease of 2% in unit costs at the Zimapan Mine and no unit costs for the Rosario Project in Q1 2022 following its sale in December 2021. The Zimapan Mine cash cost of production increased 20% to \$9,224, which was offset in part by a 22% increase in tonnes milled.

Consolidated cash cost per silver equivalent ounce sold decreased 27% in Q1 2022 to \$15.05/oz as compared to \$20.54/oz in Q1 2021. This change reflects the lower unit costs at Bolivian operations (\$13.83/oz) compared to the Q1 2021 consolidated unit costs, a 14% decrease in the unit costs at the Zimapan Mine and no unit costs for the Rosario Project in Q1 2022 following its sale in December 2021. Consolidated cash cost increased 178% to \$34,617, reflecting a 35% increase in cash cost of silver equivalent ounces sold at the Zimapan Mine, cash costs at the Bolivian operations of \$19,742 offset by no cash costs for the Rosario Project in Q1 2022 following its sale in December 2021. Increased costs were offset by a 58% increase in silver equivalent ounces sold at the Zimapan Mine.

Consolidated AISC per silver equivalent ounce sold decreased 24% in Q1 2022 to \$17.95/oz as compared to \$23.76/oz in Q1 2021. This change in unit costs reflects the lower unit costs at Bolivian operations (\$14.63/oz) compared to the Q1 2021 consolidated unit costs, an 11% increase in the unit costs at the Zimapan Mine, offset by no unit costs for the Rosario Project in Q1 2022 following its sale in December 2021. Consolidated AISC increased 187% to \$41,293, whilst consolidated silver equivalent ounces sold increased 280% to 2,300,312 ounces. The AISC increase at the Zimapan Mine of 75% was offset by the aforementioned 58% increase in silver equivalent ounces sold at the Zimapan Mine.

#### Zimapan Mine (Mexico)

Silver equivalent ounce production in Q1 2022 increased 39% to 901,184 ounces as compared to 646,085 ounces in Q1 2021. This increase is largely due to a 22% increase in mineralized material processed at the Zimapan milling facility and the impact of using different metal price decks for the 2022 and 2021 fiscal years. The Q1 2022 silver equivalent ounce production increased 27% (after adjusting for the metal price deck) as compared to Q1 2021.

Cash cost of production per tonne of mineralized material processed decreased 2% in Q1 2022 to \$48.19/t as compared to \$49.04/t in Q1 2021 reflecting a 20% increase in cash costs of production offset by the aforementioned 22% increase in mineralized material processed.

AISC per silver equivalent ounce sold increased 11% in Q1 2022 to \$23.38/oz as compared to \$21.03/oz in Q1 2021. AISC increased 75%, which was offset by the aforementioned 58% increase in silver equivalent ounces sold.

Production at the Zimapan Mine is not supported by a feasibility study on mineral reserves demonstrating economic and technical viability or any other independent economic study under NI 43-101. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with production operations at the Zimapan Mine. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis in accordance with NI 43-101.

#### Rosario Project (Mexico)

Operations at the Rosario Project were suspended in August 2021 and the net assets were disposed of in December 2021. As a result, no comparative analysis of Q1 2022 to Q1 2021 is provided.

#### Sinchi Wayra and Illapa Businesses (Bolivia)

As noted earlier, on March 18, 2022, the Company acquired the Sinchi Wayra and Illapa Businesses from Glencore. As a result, no comparative analysis of Q1 2022 to Q1 2021 is provided.

Production at the Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines are supported by NI 43-101 technical reports.

## About Santacruz Silver Mining Ltd.

The Company is engaged in the operation, acquisition, exploration and development of mineral properties in Latin America, with a primary focus on silver and zinc, but also including lead and copper. The Company currently has six producing projects, the Zimapan Mine, the Bolivar, Porco, Tres Amigos, Reserva and Colquechaquita Mines, holds two exploration properties in its mineral property portfolio, the La Pechuga Property and the Santa Gorgonia Prospect, and one development project, the Soracaya Project in addition to the San Lucas ore sourcing and trading business.

'signed'

Arturo Préstamo Elizondo,  
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### Forward looking information

Certain statements contained in this news release constitute "forward-looking information" as such term is used in applicable Canadian securities laws, including statements relating to production at the Zimapan Mine and the Company's plans to grow it.

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 that the Company's financial condition and development plans do not change as a result of unforeseen events 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 above prove not to be valid or reliable; market conditions and volatility and global economic conditions, including increased volatility and potentially negative capital raising conditions resulting from the continued, or escalation of the COVID-19 pandemic and risks relating to the extent and duration of such pandemic and its impact on global markets; controls or regulations and political or economic developments in Mexico and Bolivia; risk of delay and/or cessation in planned work or changes in the Company's financial condition and development plans; risks associated with the Company's plan to undertake certain post-closing reorganization steps in respect of the target entities; the uncertainty of the geology, grade and continuity of mineral deposits and the risk of unexpected variations in mineral resources, grade and/or recovery rates; risks related to gold, silver, base metal and other commodity price fluctuations; employee relations; relationships with and claims by local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the speculative nature of mineral exploration and development, including the risks of obtaining necessary licences and permits and the presence of laws and regulations that may impose restrictions on mining; risks relating to environmental regulation and liability; 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](http://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.