

Santacruz Silver Reports Second 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 second quarter (“Q2”) 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 or on SEDAR at 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 1,538% to \$225.1 million during Q2 2022 (Q2 2021: \$13.7 million);
- Gross profit increased 914% to \$38.9 million during Q2 2022 (Q2 2021: \$3.8 million);
- Adjusted EBITDA increased 1,290% to \$31.6 million during Q2 2022 (Q2 2021: \$2.3 million);
- Net income increased 273% to \$6.5 million during Q2 2022 (Q2 2021: net loss \$3.8 million).

Carlos Silva, CEO of Santacruz, stated; “Our second quarter financial results include the first full quarter of contributions from our Bolivian operations. The transition process is advancing well as Santacruz has strong and committed management teams in both Bolivia and México.” Mr. Silva continued; “With the recent addition of Wayne Corso as COO, we are reviewing all production operations with a view to identifying potential cost reductions and operational efficiencies to be implemented in the near term with the objective of further improving our production metrics.

Selected consolidated financial and operating information for the three and six months ended June 30, 2022 and 2021 is presented below. The Sinchi Wayra and Illapa Business results have been consolidated from March 18, 2022.

(Expressed in thousands of US Dollars, except where noted)	Three months ended June 30,		Variance %	Six months ended June 30,		Variance %
	2022	2021		2022	2021	
Financial						
Revenue ⁽¹⁾	225,128	13,744	1,538%	268,039	24,912	976%
Gross Profit	38,933	3,840	914%	57,828	6,021	860%
Net Income	6,547	(3,784)	(273%)	13,656	2,734	399%
Net Income per Share - Basic (\$/share)	0.02	(0.01)	(293%)	0.04	0.01	308%
Adjusted EBITDA ⁽²⁾	31,554	2,270	1,290%	45,584	3,919	1,063%
Operating						
Material Processed (tonnes milled)	435,119	172,324	153%	662,689	348,563	90%
Silver Equivalent Produced (ounces) ⁽²⁾⁽³⁾	4,046,328	799,057	406%	5,437,917	1,506,035	261%
Silver Equivalent Sold (payable ounces) ⁽²⁾⁽⁴⁾	11,017,329	678,918	1,523%	13,317,640	1,284,888	936%
Cash Cost of Production per Tonne (\$/t) ⁽²⁾	197.15	55.48	255%	150.36	52.72	185%
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽²⁾	17.78	19.87	(11%)	17.31	20.19	(14%)
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽²⁾	19.55	23.74	(18%)	19.27	23.75	(19%)
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) ⁽²⁾⁽⁵⁾	22.15	25.67	(14%)	22.54	25.39	(11%)

⁽¹⁾ Q2 2022 revenue includes \$86.8 million as a result of new offtake agreement terms (effective April 1, 2022), for zinc concentrate delivery on a DPU (Delivered at Place Unloaded) basis.

⁽²⁾ 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.

⁽³⁾ 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.

⁽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 the Zimapan Mine, the Bolivaor, Porco, Tres Amigos, Reserva and Colquechaquita Mines in 2022 and the Zimapan Mine and Rosario Project in 2021.

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

Discussion of Consolidated Financial Results

As compared to the three months ended June 30, 2021, the Company recorded a net profit of \$6,547 (net loss: \$3,784) and as compared to the six months ended June 30, 2021, a net profit of \$13,656 (\$2,734). Net profit for the three months ended June 30, 2022, was positively impacted by the first full quarter results from Bolivian operations and negatively impacted by unrealized loss on marketable securities (\$1,999).

As compared to the three months ended June 30, 2021, revenues were \$225,128 (\$13,744), mining operation cash costs of sales were \$177,003 (\$9,498) and depletion and amortization expenses were \$9,192 (\$406) resulting in a gross profit of \$38,933 (\$3,840).

Operating Results

Selected operating results for the Sinchi Wayra and Illapa Business, Zimapan Mine and Rosario Project for the three and six months ended June 30, 2022 and 2021 is presented below:

	Three months ended June 30,		Variance %	Six months ended June 30,		Variance %
	2022	2021		2022	2021	
Material Processed (tonnes milled)						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	235,105	-	0%	271,262	-	0%
Zimapan Mine (Mexico)	200,014	155,407	29%	391,427	311,840	26%
Rosario Project (Mexico) ⁽⁵⁾	-	16,917	(100%)	-	36,723	(100%)
Consolidated	435,119	172,324	153%	662,689	348,563	90%
Silver Equivalent Produced (ounces) ⁽¹⁾						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	3,131,804	-	0%	3,622,209	-	0%
Zimapan Mine (Mexico)	914,524	757,937	21%	1,815,708	1,404,022	29%
Rosario Project (Mexico) ⁽⁵⁾	-	41,120	(100%)	-	102,013	(100%)
Consolidated	4,046,328	799,057	406%	5,437,917	1,506,035	261%
Silver Equivalent Sold (payable ounces) ⁽²⁾						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	10,148,247	-	0%	11,575,814	-	0%
Zimapan Mine (Mexico)	869,082	658,590	32%	1,741,827	1,212,040	44%
Rosario Project (Mexico) ⁽⁵⁾	-	20,328	(100%)	-	72,848	(100%)
Consolidated	11,017,329	678,918	1,523%	13,317,640	1,284,888	936%
Cash Cost of Production per Tonne ⁽³⁾						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	322.33	-	0%	296.45	-	0%
Zimapan Mine (Mexico)	50.14	53.92	(7%)	49.18	51.47	(4%)
Rosario Project (Mexico) ⁽⁵⁾	-	69.81	(100%)	-	63.37	(100%)
Consolidated	197.15	55.48	255%	150.36	52.72	185%
Cash Cost per Silver Equivalent Ounce Sold ⁽³⁾						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	17.88	-	0%	17.38	-	0%
Zimapan Mine (Mexico)	16.71	18.37	(9%)	16.87	19.07	(12%)
Rosario Project (Mexico) ⁽⁵⁾	-	68.58	(100%)	-	38.74	0%
Consolidated	17.78	19.87	(11%)	17.31	20.19	(14%)
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold ⁽³⁾						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	19.31	-	0%	19.03	-	0%
Zimapan Mine (Mexico)	20.64	21.35	(3%)	19.91	21.20	(6%)
Rosario Project (Mexico) ⁽⁵⁾	-	96.21	(100%)	-	66.14	0%
Consolidated	19.55	23.74	(18%)	19.27	23.75	(19%)
Average Realized Price per Ounce of Silver Equivalent Sold ^{(3) (4)}						
Sinchi Wayra and Illapa Business (Bolivia) ⁽⁶⁾	22.26	-	0%	22.57	-	0%
Zimapan Mine (Mexico)	20.89	25.67	(19%)	22.35	25.40	(12%)
Rosario Project (Mexico) ⁽⁵⁾	-	25.63	(100%)	-	25.28	0%
Consolidated	22.15	25.67	(14%)	22.54	25.39	(11%)

⁽¹⁾ 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.

⁽²⁾ 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.

⁽³⁾ 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.

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

⁽⁵⁾ 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.

⁽⁶⁾ 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

Consolidated silver equivalent production increased 406% in Q2 2022 to 4,046,328 ounces as compared to 799,057 during Q2 2021. This increase is largely due to production from Bolivian operations acquired in March 2022, a 21% increase in silver equivalent production from the Zimapan Mine offset by no production from the Rosario Project following its sale in December 2021.

Consolidated cash cost of production per tonne of mineralized material processed increased 255% in Q2 2022 to \$197.15/t as compared to \$55.48/t in Q2 2021. This change reflects the higher unit costs at the Bolivian operations (\$322.33/t) compared to the Q2 2021 consolidated unit costs, a 7% decrease in unit costs at the Zimapan Mine and no unit costs for the Rosario Project in Q2 2022 following its sale in December 2021. The Zimapan Mine cash cost of production increased 20% to \$10,028, which was offset in part by a 29% increase in tonnes milled.

Consolidated cash cost of production per tonne of mineralized material processed increased 185% in YTD 2022 to \$150.36/t as compared to \$52.72/t in YTD 2021. This change reflects the higher unit costs at Bolivian operations (\$296.45/oz) compared to the YTD 2021 consolidated unit costs, a 4% decrease in unit costs at the Zimapan Mine and no unit costs for the Rosario Project in YTD 2022 following its sale in December 2021. The Zimapan Mine cash cost of production increased 20% to \$19,252, which was offset in part by a 26% increase in tonnes milled.

Consolidated cash cost per silver equivalent ounce sold decreased 11% in Q2 2022 to \$17.78/oz as compared to \$19.87/oz in Q2 2021. This change reflects the lower unit costs at the Bolivian operations (\$17.88/oz) compared to the Q2 2021 consolidated unit costs, a 9% decrease in the unit costs at the Zimapan Mine and no unit costs for the Rosario Project in Q2 2022 following its sale in December 2021.

Consolidated cash costs increased 1,352% in Q2 2022 to \$195,935 as compared to \$13,493 in Q2 2021, reflecting a 20% increase in cash costs at the Zimapan Mine, cash costs at the Bolivian operations of \$181,417 and no cash costs for the Rosario Project in Q2 2022 following its sale in December 2021. Increased costs at the Zimapan Mine were offset by a 32% increase in silver equivalent ounces sold at the Zimapan Mine.

Consolidated cash cost per silver equivalent ounce sold decreased 14% in YTD 2022 to \$17.31/oz as compared to \$20.19/oz in YTD 2021. This change reflects the lower unit costs at the Bolivian operations (\$17.38/oz) compared to the YTD 2021 consolidated unit costs, a 12% decrease in the unit costs at the Zimapan Mine and no unit costs for the Rosario Project in YTD 2022 following its sale in December 2021.

Consolidated cash costs increased 789% in YTD 2022 to \$230,552 as compared to \$25,941 in YTD 2021, reflecting a 27% increase in cash costs at the Zimapan Mine, cash costs at the Bolivian operations of \$201,159 and no cash costs for the Rosario Project in YTD 2022 following its sale in December 2021. Increased costs at the Zimapan Mine were offset by a 44% increase in silver equivalent ounces sold at the Zimapan Mine.

Consolidated AISC per silver equivalent ounce sold decreased 18% in Q2 2022 to \$19.55/oz as compared to \$23.74/oz in Q2 2021. This change reflects the lower unit costs at Bolivian operations (\$19.31/oz) compared to the Q2 2021 consolidated unit costs, a 3% decrease in the unit costs at the Zimapan Mine and no unit costs for the Rosario Project in Q2 2022 following its sale in December 2021. Consolidated AISC increased 1,237% in Q2 2022 to \$215,400 as compared to \$16,115 in Q2 2021, reflecting a 28% increase in AISC at the Zimapan Mine, AISC at the Bolivian operations of \$195,917 and no cash costs for the Rosario Project in Q2 2022 following its sale in December 2021. Increased costs at the Zimapan Mine were offset by a 32% increase in silver equivalent ounces sold at the Zimapan Mine.

Consolidated AISC per silver equivalent ounce sold decreased 19% in YTD 2022 to \$19.27/oz as compared to \$23.75/oz in YTD 2021. This change reflects the lower unit costs at the Bolivian operations (\$19.03/oz) compared to the YTD 2021 consolidated unit costs, a 6% decrease in unit costs at the Zimapan Mine and no unit costs for the Rosario Project in YTD 2021 following its sale in December 2021. Consolidated AISC increased 741% in YTD 2022 to \$256,692 as compared to \$30,513 in YTD 2021, reflecting a 35% increase in AISC at the Zimapan Mine, AISC at the Bolivian operations of \$220,248 and no cash costs for the Rosario Project in YTD 2022 following its sale in December 2021. Increased costs at the Zimapan Mine were offset by a 44% increase in silver equivalent ounces sold at the Zimapan Mine.

Sinchi Wayra and Illapa Business (Bolivia)

On March 18, 2022, the Company acquired the Sinchi Wayra and Illapa Business from Glencore. As a result, no comparative analysis of Q2 2022 to Q2 2021 or YTD 2022 to YTD 2021 is provided.

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

Zimapan Mine (Mexico)

Silver equivalent ounce production in Q2 2022 increased 21% to 914,524 ounces as compared to 757,937 ounces in Q2 2021. This increase is largely due to a 29% 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 Q2 2022 silver equivalent ounce production increased 9% (after adjusting for the metal price deck) as compared to Q2 2021.

Silver equivalent ounce production in YTD 2022 increased 29% to 1,815,708 ounces as compared to 1,404,022 ounces in YTD 2021. This increase is largely due to a 26% 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 YTD 2022 silver equivalent ounce production increased 18% (after adjusting for the metal price deck) as compared to YTD 2021.

Cash cost of production per tonne of mineralized material processed decreased 7% in Q2 2022 to \$50.14/t as compared to \$53.92/t in Q2 2021 reflecting a 20% increase in cash costs of production offset by the aforementioned 29% increase in mineralized material processed.

Cash cost of production per tonne of mineralized material processed decreased 4% in YTD 2022 to \$49.18/t as compared to \$51.47/t in YTD 2021 reflecting a 27% increase in cash costs of production offset by the aforementioned 26% increase in mineralized material processed.

AISC per silver equivalent ounce sold decreased 3% in Q2 2022 to \$20.63/oz as compared to \$21.35/oz in Q2 2021 reflecting a 28% increase in AISC, which was offset by the aforementioned 32% increase in silver equivalent ounces sold.

AISC per silver equivalent ounce sold decreased 6% in YTD 2022 to \$19.91/oz as compared to \$21.20/oz in YTD 2021 reflecting a 35% increase in AISC, which was offset by the aforementioned 44% 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 Q2 2022 to Q2 2021 or YTD 2022 to YTD 2021 is provided.

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,
Executive Chairman

For further information please contact:

Mars Investor Relations
Telephone: (778) 999 4653
scz@marsinvestorrelations.com

Arturo Préstamo Elizondo
Santacruz Silver Mining Ltd.
Email: info@santacruzsilver.com
Telephone: (604) 569-1609

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, 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.

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.