

Santacruz Silver Reaches Agreement to Extend Zimapan Mine Lease and Updates Status of Zimapan Mine Acquisition

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports that its wholly-owned subsidiary, Carrizal Mining S.A. de C.V. (“Carrizal”), has reached agreement with Minera Cedros, S.A. de C.V. (“Minera Cedros”), a wholly owned subsidiary of Industrias Peñoles, S.A.B. de C.V., to extend the current mine lease on the Zimapan Mine from December 31, 2020 to June 30, 2021.

In a related matter, the Company advises that it and Minera Cedros are at an advanced stage of negotiations with respect to executing the transaction (see press release dated July 28, 2020) in its terms, whereby Santacruz will acquire the Zimapan Mine and all related assets.

Further, the Company advises that it is in advanced discussions with a senior mine finance group with respect to putting in place a financing facility to support the acquisition of the Zimapan Mine and related assets.

Carlos Silva, CEO of Santacruz commented “Management is very pleased to have reached this accommodating mining lease extension agreement with Minera Cedros in these difficult Covid-19 operating times. We believe that we are well on our way to being able to complete the acquisition of the Zimapan Mine in early 2021.”

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company that currently owns and operates the Rosario Mine. The Company also owns 100% of Carrizal Mining. Carrizal Mining holds a 20% working interest in the Company’s Veta Grande Project and has the right to operate the Zimapan Mine until June 30, 2021 under a mining lease agreement. The acquisition of the Zimapan Mine and related assets is subject to a number of conditions, including receipt of all necessary regulatory approvals including approval of the TSX Venture Exchange (“TSXV”) to the transaction which will constitute a “Fundamental Acquisition” pursuant to TSXV Policy 5.3.

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,
Executive Chairman

For further information please contact:

Arturo Prestamo
Santacruz Silver Mining Ltd.
Email: info@santacruzsilver.com
Telephone: 52 81 8378-5707

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 the acquisition of the Zimapan Mine by the Company and potential funding transactions for the Purchase Price thereof. 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, that the Company will receive all required regulatory approvals 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, unanticipated delays in obtaining or failure to obtain regulatory or stock exchange approvals; the risk that any of the assumptions referred to above prove not to be valid or reliable; there can be no assurance that the Company will be successful in completing the acquisition of the Zimapan Mine (including obtaining the necessary funding); risk of delays or inability to obtain the approval of the TSXV to the acquisition of the Zimapan Mine; market conditions and volatility and global economic conditions, including increased volatility and potentially negative capital raising conditions resulting from the continued COVID-19 pandemic and risks relating to the extent and duration of such pandemic and its impact on global markets; risk of delay and/or cessation in planned work or changes in the Company's financial condition and development plans; risks associated with the interpretation of data (including in respect of the third party mineralized material) regarding the geology, grade and continuity of mineral deposits; 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; 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.