

Santacruz Silver Reports Second Quarter 2020 Production Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) (the “Company” or “Santacruz”) reports production in the second quarter of 2020 was 709,765 silver equivalent ounces, representing a 105% increase compared with Q2 2019 and a 27% decrease compared to Q1 2020. Both Q2 2020 and Q1 2020 production results include 100% of the Zimapan Mine’s quarterly production whereas the Q2 2019 results do not include any production from the Zimapan Mine given Santacruz acquired its initial interest in PCG Mining, S.A. de C.V. on July 1, 2019 and did not complete the acquisition of the final 50% of PCG Mining until October 4, 2019 (see press releases dated July 2 and October 7, 2019).

The Company’s Q2 2020 production was negatively impacted by the precautionary Covid-19 related suspension of operations at the Zimapan Mine (see press releases dated April 20 and May 13, 2020) where mill production was suspended for 42 days during the second quarter. As for Rosario, a greater percentage of personnel were believed to have a higher health risk resulting in a 40% decrease in the labor force - primarily the underground mining team.

Carlos Silva, CEO of Santacruz, stated, "Heading into the second quarter our focus was on increasing production at the Rosario and Zimapan mines to offset the suspension of production at Veta Grande. However, with the onset of Covid-19 our focus shifted to the health and wellbeing of our employees and we suspended mine and milling operations during the second quarter in accordance with Mexican government guidance." Mr. Silva continued; "During this operational downtime, we made adjustments in all areas, including milling and underground, which are helping improve our tonnage throughput at both mines as operations resumed. Consolidated production is now on track to return to Q1 2020 levels. With improved metals prices, most particularly silver, and production ramping up towards historic levels with improved efficiencies we are optimistic about our Q3 2020 results." Finally Mr. Silva commented; "It is important to note that Rosario mine production stopes have reached Level 6 where improved head grades are anticipated. As we continue moving forward, our health protocols will remain vigilant as we strive to protect our employees, their families and the wider communities throughout these times of COVID uncertainty."

2020 Second Quarter Consolidated Production Results

Summary of Production Results	2020 Q2	2020 Q1	2019 Q2
Material Processed (tonnes milled)	116,799	168,495	57,944
Silver eqv. ounce production	709,765	967,635	346,023
Silver production (ounces)	216,034	296,767	107,582
Gold production (ounces)	57	130	258
Lead production (tonnes)	761	1,085	388
Zinc production (tonnes)	2,199	2,862	946
Copper production (tonnes)	308	438	-
Average Head Grade (g/t Ag Eqv.)	248	241	264
Development (metres)	1,094	2,434	1,761

2020 Second Quarter Zimapán Mine Production Results

Summary of Production Results	2020 Q2	2020 Q1	2019 Q2
Material Processed (tonnes milled)	106,725	139,903	-
Silver eqv. ounce production	639,021	829,514	-
Silver production (ounces)	181,836	245,344	-
Silver head grade (g/t)	75	77	-
Gold head grade (g/t)	-	-	-
Lead head grade (%/t)	0.72	0.73	-
Zinc head grade (%/t)	2.55	2.41	-
Copper head grade (%/t)	0.42	0.43	-
Silver recovery (%)	70	71	-
Gold production (ounces)	-	-	-
Lead production (tonnes)	692	913	-
Zinc production (tonnes)	2,021	2,303	-
Copper production (tonnes)	308	438	-
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	249	250	-
Development (metres)	659	1,418	-

2020 Second Quarter Rosario Project Production Results

Summary of Production Results	2020 Q2	2020 Q1	2019 Q2
Material Processed (tonnes milled)	10,074	17,497	20,789
Silver eqv. ounce production	70,744	73,251	141,410
Silver production (ounces)	34,198	29,324	47,717
Silver head grade (g/t)	113	63	74
Gold head grade (g/t)	0.25	0.22	0.28
Lead head grade (%/t)	0.77	0.36	0.44
Zinc head grade (%/t)	2.04	1.78	2.21
Copper head grade (%/t)	-	-	-
Silver recovery (%)	93	82	97
Gold production (ounces)	57	84	137
Lead production (tonnes)	70	52	87
Zinc production (tonnes)	178	231	405
Copper production (tonnes)	-	-	-
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	247	169	235
Development (metres)	435	772	932

2020 Second Quarter Veta Grande Project Production Results

Summary of Production Results	2020 Q2	2020 Q1	2019 Q2
Material Processed (tonnes milled)	-	11,095	37,156
Silver eqv. ounce production	-	64,870	204,613
Silver production (ounces)	-	22,089	59,864
Silver head grade (g/t)	-	86	101
Gold head grade (g/t)	-	0.22	0.21
Lead head grade (%/t)	-	1.15	1.11
Zinc head grade (%/t)	-	2.07	2.12
Copper head grade (%/t)	-	-	-
Silver recovery (%)	-	72	50
Gold production (ounces)	-	47	120
Lead production (tonnes)	-	120	301
Zinc production (tonnes)	-	188	541
Copper production (tonnes)	-	-	-
Average Head Grade (g/t Ag Eqv.) ⁽¹⁾	-	231	280
Development (metres)	-	244	830

(1) Ag Eq has been calculated using the following metal prices:

Metal Prices 2020: Ag \$17.85/oz, Au \$1,480/oz, Pb \$0.92/lb, Zn \$1.09/lb and Cu \$2.80/lb.

Metal Prices 2019: Ag \$15.25/oz, Au \$1,281/oz, Pb \$0.94/lb, Zn \$1.20/lb and Cu \$2.92/lb.

Qualified Persons

The scientific or technical information included in this news release has been reviewed and approved by Van Phu Bui, P.Geo., consulting geologist, who is independent of the Company and is a qualified person, pursuant to the meaning of such terms in National Instrument 43-101 ("NI 43-101").

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican focused silver company that currently owns and operates the Rosario Project. The Company also owns 100% of Carrizal Mining S.A. de C.V. Carrizal Mining is a private Mexican mining company that holds a 20% working interest in the Company's Veta Grande Project and has the right to operate the Zimapan Mine until December 31, 2020 under a mining lease agreement. On July 28, 2020 the Company announced that it had reached agreement with Minera Cedros, S.A. de C.V. ("Minera Cedros"), a wholly owned subsidiary of IndustriasPeñoles, S.A.B. de C.V., to acquire outright the Zimapan Mine for US\$20.0 million (plus applicable IVA of US\$3.2 million), 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 also has rights to two exploration properties, the Minillas property and Zacatecas properties as well as the Veta Grande Project where mining operations are currently suspended.

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.

Zimapan Mine

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

The decisions to commence production at the Rosario Mine, Cinco Estrellas Property and Membrillo Prospect were not based on a feasibility study of mineral reserves demonstrating economic and technical viability, but rather on a more preliminary estimate of inferred mineral resources. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101.

Veta Grande Project

The decision to commence production at Veta Grande Project was not based on a feasibility study on mineral reserves demonstrating economic and technical viability. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably due to the absence of a complete and detailed site analysis in accordance with NI 43-101.

'signed'

Arturo Préstamo Elizondo,
Executive Chairman

For further information please contact:

Arturo Prestamo
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 expected production increases, the agreement with Minera Cedros and the acquisition of the Zimapan Mine by the Company. 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; 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.