

Santacruz Silver Reports First Quarter 2024 Results

Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ) ("Santacruz" or "the Company") reports its financial and operating results for the first quarter ("Q1") of 2024. 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.

Q1 2024 Highlights

- Processed 470,749 tonnes of material and produced 4,478,122 silver equivalent ounces, including:
 - 1,581,949 ounces of silver
 - 22,847 tonnes of zinc
 - 2,953 tonnes of lead
 - 256 tonnes of copper
- Cash cost per silver equivalent ounce sold of \$21.19
- AISC per silver equivalent ounce sold of \$24.12
- Revenue of \$52,589,000
- Adjusted EBITDA of (\$215,000)

Arturo Préstamo, Executive Chairman and CEO of Santacruz, commented, "Santacruz has successfully restructured its debt with Glencore, resulting in enhanced financial flexibility and a more robust balance sheet. This strategic move has bolstered the Company's financial position and should allow for better optimization of Santacruz's core business activities and the pursuit of long-term growth initiatives."

Mr. Préstamo continued, "During the first quarter, production at our Bolivian mines faced several disruptions due to various events, including national holidays, and the national population census. Caballo Blanco experienced a challenging quarter due to additional production disruptions caused by safety training and mining in areas with lower silver grades. However, the preparation of new areas is progressing well, thanks to the integration ramp. Caballo Blanco is expected to mine areas with higher silver grades in the coming months and together with less operational disruptions, the Company expects a better performance. Our AISC per silver equivalent ounces sold increased due to the decrease in silver equivalent ounce sold, with the most impact being from Caballo Blanco. However, our Zimapán mine in Mexico experienced no production variances during the quarter, with the efficiency strategies implemented in late 2023 continuing to deliver improvements."

Selected consolidated financial and operating information for the quarter ended March 31, 2024 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.

2024 First Quarter Highlights

	2024-Q1	2023-Q4	Change Q1 vs Q4	2023-Q1	Change Q1 vs Q1
Operational					
Material Processed (tonnes milled)	470,749	489,417	(4%)	482,497	(2%)
Silver Equivalent Produced (ounces) ⁽¹⁾	4,478,122	4,788,318	(6%)	4,727,882	(5%)
Silver Ounces Produced	1,581,949	1,719,737	(8%)	1,769,520	(11%)
Zinc Tonnes Produced	22,847	23,777	(4%)	22,463	2%
Lead Tonnes Produced	2,953	3,130	(6%)	3,043	(3%)
Copper Tonnes Produced	256	290	(12%)	415	(38%)
Silver Equivalent Sold (payable ounces) ⁽²⁾	3,632,938	3,813,863	(5%)	4,380,895	(17%)
Cash Cost of Production per Tonne ⁽³⁾	93.18	94.87	(2%)	84.11	11%
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽³⁾	21.19	17.74	19%	17.29	23%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽³⁾	24.12	21.37	13%	20.77	16%
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) ⁽²⁾⁽³⁾⁽⁴⁾	23.18	22.47	3%	22.03	5%
Financial					
Revenues	52,589	57,616	(9%)	65,378	(20%)
Gross Profit	463	1,550	(70%)	14,680	(97%)
Net Income (loss)	129,025	16,271	693%	(176)	73,410%
Net Earnings (Loss) Per Share - Basic (\$/share)	0.37	0.05	640%	0.00	100%
Adjusted EBITDA ⁽³⁾	(215)	24,612	(101%)	12,603	(102%)
Cash and Cash Equivalent	4,035	4,947	(18%)	11,988	(66%)
Working Capital (Deficiency)	7,150	(43,168)	117%	(78,906)	109%

First Quarter 2024 Production Summary - By Mine

	Caballo Blanco					
	Bolivar ⁽⁵⁾	Porco ⁽⁵⁾	Group	San Lucas	Zimapan	Total
Material Processed (tonnes milled)	72,801	50,862	72,462	69,220	205,404	470,749
Silver Equivalent Produced (ounces) ⁽¹⁾	1,024,492	543,414	862,142	1,032,085	1,015,989	4,478,122
Silver Ounces Produced	425,756	176,436	284,809	294,998	399,950	1,581,949
Zinc Tonnes Produced	5,063	3,160	4,702	6,279	3,643	22,847
Lead Tonnes Produced	395	169	611	427	1,352	2,953
Copper Tonnes Produced	N/A	N/A	N/A	N/A	256	256
Average head grades per mine:						
Silver (g/t)	199	130	136	159	82	125
Zinc (%)	7.68	6.72	7.04	9.90	2.29	5.45
Lead (%)	0.74	0.46	1.10	0.96	0.83	0.84
Copper (%)	N/A	N/A	N/A	N/A	0.29	0.29
Metal recovery per mine:						
Silver (%)	91	83	90	83	74	81
Zinc (%)	91	92	92	92	77	84
Lead (%)	74	72	76	64	79	75
Copper (%)	N/A	N/A	N/A	N/A	43	43
Silver Equivalent Sold (payable ounces) ⁽²⁾	1,014,743	419,230	573,347	754,910	870,708	3,632,938

Notes for both tables above:

- ⁽¹⁾ Silver Equivalent Produced (ounces) have been calculated using prices of \$23.62/oz, \$1.21/lb, \$0.95/lb and \$3.91/lb for silver, zinc, lead and copper respectively applied to the metal production divided by the silver price as stated here.
- ⁽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 Bolivar, Porco, the Caballo Blanco Group, San Lucas and Zimapan.
- ⁽³⁾ 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. See "Non-GAAP 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⁾ Bolivar and Porco are presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

Silver Equivalent Ounces Produced

Q1 2024 vs Q1 2023

In Q1 2024, the Company processed 470,749 tonnes of material and produced 4,478,112 silver equivalent ounces including 1,581,949 ounces of silver, 22,847 tonnes of zinc, 2,953 tonnes of lead and 256 tonnes of copper. When compared to Q1 2023, total material processed was slightly less, however silver equivalent ounce production decreased 5% due primarily to lower production, silver grade and plant recovery at Caballo Blanco.

Q1 2024 vs Q4 2023

When compared to the previous quarter total material processed was slightly less. Silver equivalent ounce production decreased 6% quarter-over-quarter as a result of less material processed, along with lower silver grades from the Bolivar and Caballo Blanco mines in Bolivia.

Cash Cost of Production per Tonne

Q1 2024 vs Q1 2023

Consolidated cash cost of production per tonne of mineralized material processed was \$93.18 in Q1 2024 compared to \$84.11 in Q1 2023. Increases in unit production costs at the Bolivian operations, a result of lower production rates have driven the consolidated net increase in cash costs of 11% per tonne.

Q1 2024 vs Q4 2023

Consolidated cash cost of production per tonne of mineralized material processed remained stable with a slight decrease of 2% driven mostly by incremental decreases across all operations. Cash cost per tonne at San Lucas increased 12%, which was offset by the 2% decrease at all other Bolivian operations. In Mexico, cash cost of production has decreased from the Q4 2023 high to be relatively in line with the other quarters of 2023.

Cash Cost per Silver Equivalent Ounce Sold

Q1 2024 vs Q1 2023

Cash cost per silver equivalent ounce sold was \$21.19 in Q1 2024 compared to \$17.29 in Q1 2023. There was an increase in unit costs together with a decrease of silver equivalent ounces sold mainly due to the silver equivalent conversion ratio of base metals to silver, which was higher due to the changes in realized metal prices and resulted in the reduction of silver equivalent ounces sold.

Q1 2024 vs Q4 2023

Consolidated results for Q1 2024 show an 19% increase in cash costs per silver equivalent ounce sold compared to Q4 2023. There was an increase in unit costs together with a decrease of silver equivalent ounces sold.

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

Q1 2024 vs Q1 2023

Q1 2024 AISC per silver equivalent ounce sold was \$24.12, compared to Q1 2023 of \$20.77. This 16% increase in unit cost was due primarily to the 17% decrease in silver equivalent ounces sold.

Q1 2024 vs Q4 2023

Consolidated AISC per silver equivalent ounce sold increased 13% from Q4 2023, mainly a result of higher unit operating costs, partly offset by lower sustaining capital expenditures mostly related to the completion of the integration ramp at Caballo Blanco in Q1 2024.

Corporate Update

On May 13, 2024, the Board of Directors appointed Arturo Préstamo as CEO of the Company.

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.

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Forward looking information

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 benefits the Company expects to derive from restructuring its debt with Glencore, and that Caballo Blanco will achieve improved performance in the coming months. 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 restructured debt with Glencore will not allow for better optimization of the Company's core business activities and the pursuit of its long-term growth initiatives, that Caballo Blanco will be unable mine areas with higher silver grades in the coming months, that there will not be fewer operational disruptions at Caballo Blanco in the coming months, or that Caballo Blanco will not achieve improved performance, 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 the restructured debt with Glencore will allow the Company to better optimize its core business activities and pursuit of long-term growth initiatives, and that Caballo Blanco will be able to mine areas with higher silver grades in the coming months and together with less operational disruptions will achieve improved performance.

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.