

Santacruz Silver Reports Second 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 second quarter ("Q2") 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.

Q2 2024 Highlights

- Processed 500,755 tonnes of material in the quarter: 971,504 tonnes in the first half 2024;
- Produced of 4,819,552 silver equivalent ounces in the quarter: 9,297,674 silver equivalent ounces in the first half of 2024, including:
 - 1,671,359 ounces of silver in the quarter: 3,253,308 in the first half of 2024;
 - 25,052 tonnes of zinc in the quarter: 47,899 tonnes in the first half of 2024;
- Cash cost per silver equivalent ounce sold of \$22.25 in the quarter: \$21.89 in the first half of 2024;
- AISC per silver equivalent ounce sold of \$24.74: \$24.47 in the first half of 2024;
- Revenue of \$70,485,000 in the quarter: \$123,074,000 in the first half of 2024;
- Adjusted EBITDA of \$8,852,000 in the quarter: \$8,637,000 in the first half of 2024.

Arturo Préstamo, Executive Chairman and CEO of Santacruz, commented, "Strong metal prices significantly bolstered our average realized price per silver equivalent ounce sold. Coupled with robust production, Santacruz delivered a solid financial performance in Q2 2024, achieving \$70 million in revenue and nearly \$16 million in gross profit. This stable financial outcome underscores our ability to capitalize on favourable market conditions. However, our net income was impacted by a non-cash charge of \$6.9 million in the quarter, related to the fair value changes on the contingent value rights due to the increase in zinc prices from March to June." Mr. Préstamo continued; "In addition to our strong financial performance, we maintained a stable AISC and will continue with a disciplined approach on cost management initiatives in order to achieve long-term financial stability, which puts us in a position to continue creating value for our shareholders."

Selected consolidated financial and operating information for the quarter ended June 30, 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 Second Quarter Highlights

	2024-Q2	2024-Q1	Change Q2 vs Q1	2023-Q2	Change Q2 vs Q2	2024-YTD	2023-YTD	Change '24 vs '23
Operational								
Material Processed (tonnes milled)	500,755	470,749	6%	443,969	13%	971,504	926,466	5%
Silver Equivalent Produced (ounces) ⁽¹⁾	4,819,552	4,478,122	8%	4,631,429	4%	9,297,674	9,327,969	-%
Silver Ounces Produced	1,671,359	1,581,949	6%	1,786,461	(6%)	3,253,308	3,555,981	(9%)
Zinc Tonnes Produced	25,052	22,847	10%	22,282	12%	47,899	44,745	7%
Lead Tonnes Produced	2,908	2,953	(2%)	2,825	3%	5,861	5,868	-%
Copper Tonnes Produced	284	256	11%	297	(4%)	540	713	(24%)
Silver Equivalent Sold (payable ounces) ⁽²⁾	3,402,139	3,632,938	(6%)	4,087,787	(17%)	7,035,077	8,468,682	(17%)
Cash Cost of Production per Tonne ⁽³⁾	99.09	96.09	3%	106.18	(7%)	97.64	105.87	(8%)
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽³⁾	22.25	21.56	3%	19.95	12%	21.89	19.79	11%
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽³⁾	24.74	24.22	2%	23.49	5%	24.47	23.32	5%
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) ^{(3) (4)}	30.40	23.18	31%	22.00	38%	26.67	22.01	21%
Financial								
Revenues	70,485	52,589	34%	63,854	10%	123,074	129,232	(5%)
Gross Profit	15,690	463	3,289%	10,976	43%	16,153	25,656	(37%)
Net Income (loss)	1,539	129,025	(99%)	4,351	(65%)	130,564	4,175	3,027%
Net Earnings (Loss) Per Share – Basic and Diluted (\$/share)	0.00	0.37	(100%)	0.01	(100%)	0.37	0.01	3,600%
Adjusted EBITDA ⁽³⁾	8,852	(215)	4,217%	9,138	(3%)	8,637	21,740	(60%)
Cash and Cash Equivalent	7,308	4,035	81%	7,720	(5%)	7,308	7,720	(5%)
Working Capital (Deficiency)	18,011	7,150	152%	(23,013)	(178%)	18,011	(23,013)	(178%)

Second Quarter 2024 Production Summary - By Mine

	Caballo					Total
	Bolivar ⁽⁵⁾	Porco ⁽⁵⁾	Blanco Group	San Lucas	Zimapan	
Material Processed (tonnes milled)	72,151	51,307	83,661	83,900	209,735	500,755
Silver Equivalent Produced (ounces) ⁽¹⁾	1,029,806	534,300	968,646	1,200,854	1,085,946	4,819,552
Silver Ounces Produced	427,665	151,258	318,520	364,607	409,309	1,671,359
Zinc Tonnes Produced	5,168	3,276	5,331	7,150	4,127	25,053
Lead Tonnes Produced	300	205	641	450	1,312	2,908
Copper Tonnes Produced	N/A	N/A	N/A	N/A	284	284
Average head grades per mine:						
Silver (g/t)	207	105	133	165	80	124
Zinc (%)	7.83	6.76	6.96	9.31	2.46	5.57
Lead (%)	0.57	0.52	1.04	0.86	0.73	0.76
Copper (%)	N/A	N/A	N/A	N/A	0.30	0.30
Metal recovery per mine:						
Silver (%)	89	88	89	82	76	82
Zinc (%)	92	94	92	91	80	87
Lead (%)	73	77	74	62	86	77
Copper (%)	N/A	N/A	N/A	N/A	45	45
Silver Equivalent Sold (payable ounces) ⁽²⁾	775,682	365,176	688,391	715,135	857,755	3,402,139

Notes for both tables above:

- (1) Silver Equivalent Produced (ounces) have been calculated using prices of \$23.85/oz, \$1.21/lb, \$0.94/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

Q2 2024 vs Q2 2023

In Q2 2024, the Company processed 500,755 tonnes of material and produced 4,819,552 silver equivalent ounces including 1,671,359 ounces of silver and 25,053 tonnes of zinc, a 4% increase over Q2 2023. When compared to Q2 2023, despite the 13% increase in material mined and processed, silver production decreased 6% as a result of lower silver grades at Bolivar, Porco, Caballo Blanco and San Lucas, partially offset by increased silver grades at Zimapan. Zinc production contributed to the increase in silver equivalent ounce production as a result of more material processed coupled with the increase in zinc grades and recoveries at Bolivar and Zimapan.

Q2 2024 vs Q1 2024

When compared to the previous quarter, silver equivalent ounce production increase 8% as a result of increases in total material processed from increases at Caballo Blanco and San Lucas which drove the 6% increase in total silver production; 12% from Caballo Blanco and 24% from San Lucas offset by a 14% decrease at Porco. Zinc grades and recoveries were in line with Q1 2024.

Cash Cost of Production per Tonne

Q2 2024 vs Q2 2023

Consolidated cash cost of production per tonne of mineralized material processed was \$99.09 in Q2 2024 compared to \$106.18 in Q2 2023, a decrease of 7%. A 5% increase in total costs was offset by a 13% increase in material processed.

Q2 2024 vs Q1 2024

Consolidated cash cost of production per tonne of mineralized material processed was \$99.09 in Q2 2024 compared to \$96.09 in Q1 2024, an increase of 4%. A 10% increase in total cost was partially offset by a 6% increase in material processed.

Cash Cost per Silver Equivalent Ounce Sold

Q2 2024 vs Q2 2023

Cash cost per silver equivalent ounce sold was \$22.25 in Q2 2024 compared to \$19.95 in Q2 2023, an increase of 12%. This increase was driven by a 17% decrease in silver equivalent ounces sold, partially offset by a 7% reduction in unit cost per tonne processed.

Q2 2024 vs Q1 2024

Cash cost per silver equivalent ounce sold was \$22.25 in Q2 2024 compared to \$21.56 in Q1 2024, an increase of 3% which was due primarily to the 6% decrease in silver equivalent ounces sold compounded by the slight increase in unit cost per tonne processed.

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

Q2 2024 vs Q2 2023

Q2 2024 AISC per silver equivalent ounce sold was \$24.74 compared to Q2 2023 of \$23.49, an increase of 5%. Higher cash costs per silver equivalent ounce in Q2 2024 were partially offset by lower sustaining capital expenditures in the same period.

Q2 2024 vs Q1 2024

Q2 2024 AISC per silver equivalent ounce sold was \$24.74 compared to Q1 2024 of \$24.22, an increase of 2%. Unit costs and silver equivalent sold were relatively consistent quarter over quarter.

OTC Symbol Change

On August 12, 2024, the Company's OTC symbol changed from SZSMF to SCZMF.

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.

'signed'

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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 ability of the Company to successfully complete any capital projects, the expected economic or operational results derived from those projects, and the impacts of any such projects on the Company.

These forward-looking statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions, include: the ability of the Company to successfully complete any capital projects, the expected economic or operational results derived from those projects, and the impacts of any such projects on the Company, 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 ability of the Company to successfully complete any capital projects, the expected economic or operational results derived from those projects, and the impacts of any such projects on the Company.

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