

Santacruz Silver Announces the Closing of Its Acquisition of Glencore's Producing Bolivian Silver/Zinc Assets

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Vancouver, March 21, 2022 - [Santacruz Silver Mining Ltd.](#) (TSXV: SCZ) ("the Company" or "Santacruz") is pleased to announce that it has completed the acquisition of a portfolio of producing assets located in Bolivia (the "Transaction") pursuant to a previously disclosed share purchase agreement dated October 11, 2021 (the "SPA"), as amended pursuant to an amendment agreement dated March 18, 2022 between the Company and certain subsidiaries of Glencore plc (together, "Glencore").

Arturo Prestamo Elizondo, Executive Chairman of Santacruz, stated: "The Transaction elevates the Company into a multi asset producer and is accretive with the future cash flows of the mines financing the acquisition. We have been working closely with Glencore and the Bolivian government to ensure a smooth transition while the mines have generated sufficient cash flow to decrease the initial US\$20 million upfront consideration down to US\$12,011,148, which will be paid by Santacruz to Glencore within 30 days of closing and will be paid from working capital. We look forward to elevating Santacruz into a leading mid-tier silver producer while generating value for all stakeholders."

Carlos Silva, CEO of Santacruz, stated: "This is a significant acquisition for Santacruz that creates a leading mid-tier silver producer in the Americas. We are very pleased to team up with a great group of professionals in Bolivia, where Glencore has performed extraordinary work while achieving very high standards in terms of responsible mining practices and their commitment to responsible business and community relations. We will ensure that this excellent legacy continues in the coming years."

Key Transaction Highlights

- Creation of a significant Latin-American focused silver producer following acquisition of a robust portfolio of producing, exploration and mining infrastructure assets;
- Initial upfront consideration of US\$20 million, as adjusted pursuant to the purchase price adjustments under the SPA (the "Closing Cash Payment"), was determined to be US\$12,011,148 and will be paid by Santacruz to Glencore within 30 days of closing and will be paid from working capital;
- Glencore agreed to provide the San Lucas business with a working capital facility in an amount up to US\$10 million; and
- For the 12 months ended December 31, 2021 the Assets (as defined below) produced approximately 10.0 million silver equivalent ounces (on 100 percent basis)⁽¹⁾.

As previously disclosed in the Company's press releases dated October 13, 2021 and November 15, 2021, the transaction involved the acquisition of, among other things, a 100% interest in the Sinchi Wayra business which includes the producing Caballo Blanco mining complex ("Caballo Blanco"), the Soracaya exploration project located in Bolivia and the San Lucas ore sourcing and trading business, a 45% interest in the producing Bolivar and Porco mining operations held through an unincorporated joint venture with Corporación Minera de Bolivia, a Bolivian state-owned entity and certain related properties and assets (together, the "Assets").

The Company expects to cover the Closing Cash Payment using the Company's own cash flow. As a result, the Company is no longer required to complete a financing to fund such upfront consideration.

In addition to the Closing Cash Payment, an additional US\$90 million that is secured against the Assets is payable to Glencore in equal installments over four years from the closing of the Transaction, subject to certain conditions and adjustments (the "Deferred Consideration"). Glencore also retains: (a) a 1.5% net smelter returns royalty on all assets other than the San Lucas business; (b) a 14% gross profit royalty on the San Lucas business. Glencore has the right to acquire 100% of the offtake from the Assets in accordance

with offtake agreements entered into in connection with closing.

The Company has prepared technical reports in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects in respect of the Porco, Bolivar and Caballo Blanco mineral projects (the "Technical Reports") acquired from Glencore. The Technical Reports are now available on the Company's SEDAR profile. See the Company's news release dated October 13, 2021 for a description of the Porco, Bolivar and Caballo Blanco projects.

Further to the Company's news release dated October 12, 2021, the Company has paid US\$320,000 and issued 3,077,317 common shares at a price of \$0.41 per share to Big Buck Capital ("BBC") to settle US\$1,000,000 in services provided pursuant to the terms of a consulting services agreement with BBC. The sole principal of BBC is Felipe Molina Bernal.

About Santacruz Silver Mining Ltd.

Santacruz is a Mexican-focused silver company with one producing silver project, the Zimapan Mine and two exploration properties, the La Pechuga property and Santa Gorgonia prospect. The Company is managed by a technical team of professionals with proven track records in developing, operating, and discovering silver mines. Our corporate objective is to become a mid-tier silver producer.

'signed'

Arturo Préstamo Elizondo,
Executive Chairman

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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 expected benefits of the Transaction and the Company's plan to pay the Closing Cash Payment using the Company's own cash flow and payment of the Deferred Consideration.

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 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 licenses 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.

(1) Silver equivalent ounces produced for the past 12 months ended December 31, 2021 have been calculated using prices of US\$24.07/oz, US\$1.29/lb, US\$0.98/lb for Silver, Zinc and Lead respectively applied to the metal content of the concentrates produced by the Assets.

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