

Santacruz Silver Reports Fourth Quarter and Year End 2023 Financial Results

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VANCOUVER, May 2, 2024 - [Santacruz Silver Mining Ltd.](#) (TSXV: SCZ) ("Santacruz" or "the Company") reports its financial operating results for the fourth quarter ("Q4") and year end 2023. 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 and SEDAR+ at www.sedarplus.ca.

2023 Highlights

- Processed 1,883,446 tonnes of material, a 14% increase year-over-year
- Produced of 22,641,052 silver equivalent ounces, a 25% increase year-over-year, including:
 - 7,004,582 ounces of silver, a 25% increase year-over-year
 - 91,616 tonnes of zinc, a 26% increase year-over-year
 - 12,369 tonnes of lead, a 23% increase year-over-year
 - 1,254 tonnes of copper, a 3% decrease year-over-year
- Cash cost per silver equivalent ounce sold of \$18.96, an 8% increase year-over-year
- AISC per silver equivalent ounce sold of \$22.69, a 13% increase year-over-year
- Revenue of \$251,256,000, a 10% decrease year-over-year
- Adjusted EBITDA of \$50,980,000, a 237% increase year-over-year

Arturo Préstamo, Executive Chairman and Interim CEO of Santacruz, commented, "In 2023, Santacruz continued to build on its position as a leading silver and base metals producer. The Company completed several mine optimization initiatives including the integration of the Tres Amigos and Colquechaquita underground mines at Caballo Blanco in Bolivia. And in Mexico, the operational restructuring at the Zimapan mine has already resulted in cost savings."

Mr. Préstamo continued, "The Company has also made significant progress on improving its financial position, and recently announced amended terms of sale with Glencore for the Bolivian assets. This is expected to further strengthen our balance sheet by significantly reducing the value of the consideration payable that will be recorded on our balance sheet, which will be reflected in the next quarterly financial results."

Selected consolidated financial and operating information for the year ended 2023, 2022 and 2021 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.

2023 Annual Highlights

	2023	2022 ⁽¹⁾⁽²⁾⁽⁸⁾	2021	Change '23 vs '22
Operational				
Material Processed (tonnes milled)	1,883,446	1,646,272	730,411	14 %
Silver Equivalent Produced (ounces) ⁽³⁾	22,641,052	18,112,725	3,170,053	25 %
Silver Ounces Produced	7,004,582	5,599,223	1,289,171	25 %
Zinc Tonnes Produced	91,616	72,533	12,003	26 %
Lead Tonnes Produced	12,369	10,065	3,204	23 %
Copper Tonnes Produced	1,254	1,287	1,073	(3 %)
Silver Equivalent Sold (payable ounces) ⁽⁴⁾	16,105,327	19,612,692	2,931,535	(18 %)
Cash Cost of Production per Tonne ⁽⁵⁾	93.10	117.99	53.16	(21 %)
Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽⁵⁾	18.96	17.58	19.62	8 %
All-in Sustaining Cash Cost per Silver Equivalent Ounce Sold (\$/oz) ⁽⁵⁾	22.69	20.05	24.53	13 %
Average Realized Price per Ounce of Silver Equivalent Sold (\$/oz) ^{(5) (6)}	22.90	20.93	23.89	9 %
Financial				
Revenues	251,256	278,594	53,334	(10 %)
Gross Profit	34,600	22,874	8,526	51 %
Net Income (loss)	16,148	(18,506)	(11,565)	209 %
Net Earnings (Loss) Per Share - Basic (\$/share)	0.05	(0.05)	(0.03)	206 %
Adjusted EBITDA ⁽⁵⁾	50,980	15,140	713	237 %
Cash and Cash Equivalent	4,947	4,609	938	7 %
Working Capital (Deficiency)	(43,168)	(80,018)	(19,821)	(43 %)
2023 Annual Production Summary - By Mine				

	Bolivar ⁽⁷⁾	Porco ⁽⁷⁾	Caballo Blanco Group	San Lucas	Zimapan	Total
Material Processed (tonnes milled)	293,083	190,837	316,718	313,506	769,303	1,883,446
Silver Equivalent Produced (ounces) ⁽³⁾	4,792,832	2,560,057	4,960,043	6,018,502	4,309,617	22,641,052
Silver Ounces Produced	1,973,778	665,215	1,544,561	1,464,180	1,356,846	7,004,582
Zinc Tonnes Produced	17,523	11,901	20,355	28,418	13,419	91,616
Lead Tonnes Produced	1,461	778	3,237	2,178	4,715	12,369
Copper Tonnes Produced	N/A	N/A	N/A	N/A	1,254	1,254
Average head grades per mine:						
Silver (g/t)	228	126	166	172	75	135
Zinc (%)	6.60	6.61	6.92	9.87	2.31	5.45
Lead (%)	0.68	0.54	1.33	1.05	0.77	0.87
Copper (%)	N/A	N/A	N/A	N/A	0.32	0.32
Silver Equivalent Sold (payable ounces) ⁽⁴⁾	2,798,472	1,305,115	2,956,128	5,756,049	3,289,563	16,105,327

Notes for both tables above:

(1) On March 18, 2022 the Company closed the acquisition of all Bolivian assets from Glencore and the results of the Bolivian Operations are included in the consolidated results of the Company from that date.

(2) Bolivian production from March 18, 2022 to December 31, 2022.

(3) Silver Equivalent Produced (ounces) have been calculated using prices of \$21.86/oz, \$1.52/lb, \$0.91/lb and \$3.67/lb for silver, zinc, lead and copper respectively applied to the metal production divided by the silver price as stated here.

(4) 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.

(5) 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.

(6) Average Realized Price per Ounce of Silver Equivalent Sold is prior to all treatment, smelting and refining charges.

(7) Bolivar and Porco are presented at 100% whereas the Company records 45% of revenues and expenses in its consolidated financial statements.

(8) The net loss (income), net loss (income) per share, Adjusted EBITDA, and working capital deficiency were Silver Equivalent Sold as a Result of Production related to the Sinchi Wayra and Illapa Acquisition (refer to the "Sinchi Wayra and Illapa Acquisition" in the "Company Overview" section of the MDA for the Years Ended 2023 and 2022 for further details).

YTD 2022, 1,646,272 tonnes of material was processed, and 18,112,725 silver equivalent ounces was produced, and in YTD 2023 1,883,446 tonnes of material was produced and 22,641,052 silver equivalent ounces was produced. While total material processed in 2023 was 14% more compared to YTD 2022, total silver equivalent ounce production was up 25%. Annual 2023 production results benefitted from a full Q1 2023 production from the Bolivian operations. Annual 2022 figures are affected by the partial quarter of Bolivian production in Q1 2022. On March 18, 2022, the Company closed the acquisition of the Bolivian

assets from Glencore and the results of the operations of the Bolivian assets are included from that date.

Q4 2023 vs Q3 2023

Santacruz processed 489,417 tonnes of material in Q4 2023, a 5% increase from the previous quarter. Silver equivalent ounce production increased 2% to 5,757,229 including 1,719,738 ounces of silver, 23,777 tonnes of zinc, 3,130 tonnes of lead, and 290 tonnes of copper. While average throughputs, head grades and recoveries varied slightly across all operations, the increase in material processed at Zimapan, and increases in mineralized material purchased by San Lucas drove consistent metal production quarter-on-quarter.

Cash Cost of Production per Tonne

2023 vs 2022

Consolidated cash cost of production per tonne of mineralized material processed was \$93.10 in YTD 2023 compared to \$117.99 in YTD 2022. Significant decreases in unit production costs at the Bolivian operations, a result of higher production rates and cost saving initiatives have driven the consolidated net reduction in cash costs of 21% per tonne.

Q4 2023 vs Q3 2023

Consolidated cash cost of production per tonne of mineralized material processed remained stable with a slight increase of 1%. Cash cost per tonne at San Lucas decreased 24%, which was offset by the 15% increase at all other Bolivian operations. In Mexico, cost of sales remained stable for the quarter as full production resumed at Zimapan after recovering from a two-week haulage stoppage that took place during Q3 2023.

Cash Cost per Silver Equivalent Ounce Sold

2023 vs 2022

Cash cost per silver equivalent ounce sold was \$18.96 in 2023 compared to \$17.58 in 2022. This 8% increase in cash cost was due primarily to a 18% decrease in silver equivalent ounces sold, partly offset by a 5% decrease in unit operating costs. While the metal production increased 25% for the same period, silver equivalent ounces sold decreased by 18% mainly due to Bolivia's pre-acquisition inventories sold in Q2 and Q3 2022 which accounted for approximately 80% of the total decrease in silver equivalent ounces sold. The other 20% of the total decrease in silver equivalent ounces sold can be attributed 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 additional reduction of silver equivalent ounces sold.

Q4 2023 vs Q3 2023

Consolidated results for Q4 2023 show an 18% decrease in cash costs per silver equivalent ounce sold compared to Q3 2023. This decrease is primarily a result of lower unit operating costs for San Lucas and Zimapan, and higher sales from our Bolivian mining operations. At Zimapan, the lower unit costs are a result of the operational restructuring that began in Q3 2023. Consolidated silver equivalent ounces sold held steady quarter-on-quarter.

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

2023 vs 2022

2023 AISC per silver equivalent ounce sold was \$22.69, compared to 2022 of \$20.05. This 13% increase in unit cost was due primarily to the 18% decrease in silver equivalent ounces sold (most of which was not production related and due to Bolivia's pre-acquisition inventories sold in Q2 and Q3 2022), higher sustaining general and administrative expenses, and higher capital expenditures primarily related to the integration ramp at Caballo Blanco, which was a significant capital expenditure during 2023 (and was completed in January 2024), but partly offset by 5% lower unit operating costs. 18% decrease in silver equivalents sold which is a function of realized metal prices.

Q4 2023 vs Q3 2023

Consolidated AISC per silver equivalent ounce sold decreased 18% quarter-on-quarter to \$21.37, mainly a result of lower unit operating costs, partly offset by higher sustaining general and administrative expenses and higher capital expenditures mostly related to the integration ramp at Caballo Blanco.

About [Santacruz Silver Mining Ltd.](#)

Santacruz Silver is engaged in the operation, acquisition, exploration, and development of mineral properties

