

### **Santacruz Silver Produces 977,679 Silver Equivalent Ounces in Third Quarter**

**Vancouver, B.C. – Santacruz Silver Mining Ltd. (TSX.V:SCZ)** (the “Company” or “Santacruz”) is pleased to announce that total production in the third quarter of 2020 reached 977,679 silver equivalent ounces (“AgEq”), representing a 38% increase from Q2 2020 as operations returned to normal. During Q2 2020, Mexico's Ministry of Health issued a federal decree requiring all non-essential businesses, including mining, to temporarily suspend activities for 42 days in response to the global pandemic.

#### **Highlights:**

- Zimapan Mine AgEq production increased by 44% compared to Q2 2020 and 52% compared to Q3 2019.
- Rosario AgEq production decreased by 20% compared to Q2 2020 and 57% to Q3 2019.
- Consolidated AgEq production continues to improve quarter over quarter despite lower production at Rosario:
  - Production was 38% higher compared to Q2 2020 due to the resumption of normal throughput, and 3% higher compared to Q3 2019.
  - Q3 2019 results included only 50% of Zimapan and 100% of Veta Grande production, whereas Q3 2020 results reflect 100% of Zimapan and the discontinuance of operations at Veta Grande (Q3 2019 production of 214,284 AgEq oz),

Mr. Carlos Silva, CEO, stated; “During Q2 2020 when operations were suspended due to the Mexican Ministry of Health’s federal decree, we took the opportunity to make certain structural and management adjustments. As demonstrated by our third quarter results, these adjustments positioned us for improved performance. With the closing of our recent private placement (see news release dated October 16, 2020), we added seven new scooptrams (5 at Zimapan Mine and 2 at Rosario Mine), which will allow us to further increase production at the Zimapan Mine and move the Rosario Mine towards budgeted production. After taking these matters into account together with continued strong precious metals prices and a stronger balance sheet, management believes Q4 2020 will be a turning point in the success of Santacruz as we continue the trend of quarter over quarter improvements. We are very excited about the future of the Company as we continue to execute our production plans aiming for solid production results for Q4, and a strong start to 2021.”

#### **2020 Third Quarter Consolidated Production Results**

<b>Summary of Production Results</b>	<b>2020 Q3</b>	<b>2020 Q2</b>	<b>2019 Q3</b>
Material Processed (tonnes milled)	176,640	116,799	148,288
Silver eqv. ounce production <sup>(1) (2)</sup>	977,679	709,765	952,835
Silver production (ounces) <sup>(2)</sup>	304,123	216,034	256,878
Gold production (ounces) <sup>(2)</sup>	59	57	273
Lead production (tonnes) <sup>(2)</sup>	1,080	761	916
Zinc production (tonnes) <sup>(2)</sup>	3,041	2,199	2,393
Copper production (tonnes) <sup>(2)</sup>	395	308	316
Average Head Grade (g/t Ag Eqv.) <sup>(1)</sup>	231	248	278
Development (metres)	2,103	1,094	2,588

**2020 Third Quarter Zimapan Mine Production Results**

<b>Summary of Production Results</b>	<b>2020 Q3</b>	<b>2020 Q2</b>	<b>2019 Q3</b>
Material Processed (tonnes milled) <sup>(2)</sup>	164,846	106,725	82,242
Silver eqv. ounce production <sup>(1) (2)</sup>	920,985	639,021	606,589
Silver production (ounces) <sup>(2)</sup>	282,760	181,836	151,464
Silver head grade (g/t)	73	75	75
Gold head grade (g/t)	-	-	-
Lead head grade (%/t)	0.72	0.72	0.59
Zinc head grade (%/t)	2.40	2.55	2.28
Copper head grade (%/t)	0.33	0.42	0.48
Silver recovery (%)	72.3	70.4	76.6
Lead production (tonnes) <sup>(2)</sup>	1,048	692	463
Zinc production (tonnes) <sup>(2)</sup>	2,841	2,021	1,492
Copper production (tonnes) <sup>(2)</sup>	395	308	316
Average Head Grade (g/t Ag Eqv.) <sup>(1)</sup>	234	249	286
Development (metres)	1,701	659	745

**2020 Third Quarter Rosario Project Production Results**

<b>Summary of Production Results</b>	<b>2020 Q3</b>	<b>2020 Q2</b>	<b>2019 Q3</b>
Material Processed (tonnes milled)	11,794	10,074	22,048
Silver eqv. ounce production <sup>(1)</sup>	56,693	70,744	131,962
Silver production (ounces)	21,363	34,198	43,020
Silver head grade (g/t)	66	113	65
Gold head grade (g/t)	0.24	0.25	0.25
Lead head grade (%/t)	0.31	0.77	0.40
Zinc head grade (%/t)	2.06	2.04	2.04
Silver recovery (%) <sup>(2)</sup>	85.9	93.2	93.2
Gold production (ounces)	59	57	134
Lead production (tonnes)	32	70	83
Zinc production (tonnes)	200	178	383
Average Head Grade (g/t Ag Eqv.) <sup>(1)</sup>	183	247	213
Development (metres)	402	435	975

## 2020 Third Quarter Vetagrande Project Production Results

Summary of Production Results	2020 Q3	2020 Q2	2019 Q3
Material Processed (tonnes milled)	-	-	43,999
Silver eqv. ounce production <sup>(1)</sup>	-	-	214,284
Silver production (ounces)	-	-	62,394
Silver head grade (g/t)	-	-	99
Gold head grade (g/t)	-	-	0.24
Lead head grade (%/t)	-	-	1.45
Zinc head grade (%/t)	-	-	2.11
Silver recovery (%)	-	-	44.6
Gold production (ounces)	-	-	139
Lead production (tonnes)	-	-	370
Zinc production (tonnes)	-	-	519
Average Head Grade (g/t Ag Eqv.) <sup>(1)</sup>	-	-	294
Development (metres)	-	-	869

(1) 
$$\text{AgEqvOz} = \frac{(\text{Au} \cdot \text{Pau}) + (\text{Ag} \cdot \text{Pag}) + (\text{Pb} \cdot \text{Ppb} \cdot 2205) + (\text{Zn} \cdot \text{Pzn} \cdot 2205) + (\text{Cu} \cdot \text{Pcu} \cdot 2205)}{(\text{Pag})}$$

Metal Prices 2020: Ag \$17.85, Au \$1,480, Pb \$0.92, Zn \$1.09, Cu \$2.80

Metal Prices 2019: Ag \$15.25, Au \$1,281, Pb \$0.94, Zn \$1.20, Cu \$2.92

(2) Q3 2019 production results at the Zimapan Mine reflect 50% of total production whereas the Q2 and Q3 2020 results reflect 100%.

## Investor Relations Engagement

Santacruz Silver wishes to announce that it has retained the services of Vancouver-based Mars Investor Relations Corp. ("Mars"), a full-service investor relations and consulting services company focused on the junior mining sector. Under the terms of the engagement agreement, the Company will compensate Mars \$144,000 for the 12-month initial term of the Agreement and has granted Mars stock options exercisable to acquire an aggregate of 300,000 common shares at a price of C\$0.30 per share for 60 months. The Options shall vest quarterly over a period of 12 months, with 25% vesting each quarter. The Options and any shares issuable upon exercise thereof are subject to a hold period of four months and one day. In addition, Mars and or its affiliates currently hold 4,313,700 shares, however Mars may from time to time acquire or dispose of securities of the Company through the market, privately or otherwise, as circumstances or market conditions warrant. Mars is at arm's length to Santacruz Silver and has no other relationship with the Company, except pursuant to the Agreement.

## 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 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 Industrias Peñoles, 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 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.  
'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 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, that the Company will receive all required regulatory approvals 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, unanticipated delays in obtaining or failure to obtain regulatory or stock exchange approvals; 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](http://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.*

### 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 the 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 according to and in accordance with NI 43-101.*

### 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 according to and in accordance with NI 43-101. There is no assurance that the Company will be successful in negotiating and completing any acquisition of the Zimapan Mine. Any transaction to acquire the Zimapan Mine will be subject to receipt of all necessary regulatory approvals, including Santacruz obtaining the approval of the TSX Venture Exchange.*