



TSXV: SCZ

OTC: SZSMF

FSE: 1SZ

A Mexican  
Mid-tier  
Silver  
Producer

SANTACRUZSILVER.COM

APRIL 2021

# Disclaimer

## IMPORTANT CAUTIONARY NOTES

The information provided in this presentation is not intended to be a comprehensive review of all matters and developments concerning Santacruz Silver Mining Ltd. (the "Company"). It should be read in conjunction with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

## FORWARD-LOOKING STATEMENTS

This presentation contains "forward-looking statements" within the meaning of Canadian securities legislation and the United States Securities Litigation Reform Act of 1995. Forward-looking information includes, but is not limited to, statements with respect to the future price of silver, gold and other metals and the effects thereof on the Company's mineral resources; statements relating to the potential mineralization and geological merits of the Company's Membrillo mine, the "Rosario Mine" (collectively the "Rosario Project"), Zimapan Mine (the "Zimapan Property"), as well as the La Pechuga Project; expectations regarding the continuity of mineral deposits; the Company's goals regarding raising capital and developing its projects; plans for drilling; expectations regarding environmental issues that may affect the exploration progress; project capital cost estimates; and the Company's other plans for development of its projects. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

This forward-looking information is based on certain assumptions that the Company believes are reasonable, including that: the Company is able to obtain any required government or other regulatory approvals and adequate financing to complete its current and future exploration and development programs; current gold, silver and base metal prices will not materially decrease; the proposed development of the Company's mineral projects will be viable operationally and economically and proceed as expected; the Company will not experience any material accident, labour dispute or failure of plant or equipment; any additional financing needed by the Company will be available on reasonable terms; that planned drilling at its mineral properties will be completed and that the results of such drilling will be sufficient to expand the existing resources at the Zimapan Property and Rosario Project consistent with management's expectations; that general business, economic, and political conditions will not change in a material adverse manner; that the Company's exploration of its properties is not adversely affected by unexpected adverse weather conditions; that the estimates of the resources at the Rosario Mine, the Zimapan Mine obtained by the Company are within reasonable bounds of accuracy (including with respect to size, grade and recovery); that the Company's current exploration and development programs and objectives can be achieved, the assumptions set out in the technical reports described below and the other assumptions set out in this presentation and the Company's public disclosure, including the Annual Information Form filed under the Company's profile at [www.sedar.com](http://www.sedar.com) ("AIF").

The 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, including, but not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, 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 AIF and the Company's other public disclosure. The Company undertakes no obligation to update the forward-looking information, other than as required by applicable law.

Any financial outlook contained herein, as defined by applicable securities legislation, is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

**Growing  
production.**

**Generating  
cashflow.**

- ▶ Multi-mine silver production in Mexico
- ▶ >70% production growth through 2021
- ▶ Annual production of >4.5Moz AgEq at <US\$16/oz AISC
- ▶ Numerous opportunities for production expansion
- ▶ Unrecognized exploration upside
- ▶ Proven operational track record in Mexico
- ▶ Compelling value

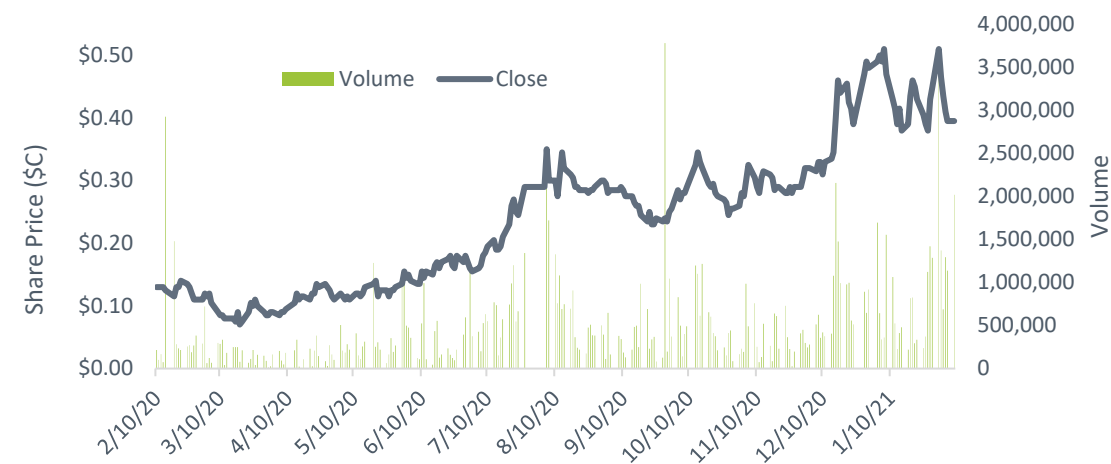
# Capital Structure

## Share Structure and Liquidity

Share Price (as at April 13, 2021)	C\$0.37
Basic Shares Outstanding	308.3M
Options	9.0M
Warrants	96.3M
FD Shares Outstanding	413.6M
Market Capitalization (Basic)	C\$114.0M (US\$91.0M)
Recent Financing	C\$14.1M

1. 10,746,000 options outstanding with a weighted average exercise price of C\$0.17 and a weighted average life of 3.1 years
2. Shown as of March 10, 2021. US\$1.5M in cash, US\$4.8M in short term investments, US\$5.0M in VAT recoverable and receivables and US\$29.5M in accounts payables and accrued liabilities.

## Trading Summary



## Top Shareholders

### Management and Insiders (13%)

Palisades Goldcorp

Sprott Asset Management

U.S. Global Investors

CQS Asset Management

Oppenheimer Funds

Regent Fund



# Management and Board of Directors

## Arturo Préstamo Elizondo

### Executive Chairman and Interim CFO

- ▶ Over 10 years of executive & operational experience in the mining industry
- ▶ Member of Mexico's Mining Chamber, and participates actively in different mining initiatives in the country
- ▶ C.P.A. degree from the University of Monterrey, a Master Degree from EGADE University and professional degree from I.P.A.D.E. Business School

## Carlos Silva Ramos

### CEO & Director

- ▶ 30 years of experience working in the mining industry in Mexico with both senior and junior mining companies, the last 19 years in senior management
- ▶ Co-founded Carrizal Mining S.A. de C.V. Responsible for successfully increasing mining and milling operations of the Zimapan Mine from 1,400 tpd to 3,200 tpd
- ▶ Held senior management positions at the Tayoltita Mine in San Dimas, and expanded production from 18,000 tpd to 3,200 tpd
- ▶ Degree in mine engineering from the University of Guanajuato and an MBA from ITESM

## Independent Directors

### Roland Löhner

- ▶ Former Senior Partner and Managing Director of The Boston Consulting Group, including MD for Latin America. Continues to serve as Senior Advisor to BCG.

### Larry Okada

- ▶ Over 43 years of experience providing financial management services to publicly traded companies, with emphasis on mineral companies.
- ▶ Current director of EMX Royalty Corporation, Forum Uranium Corp. and Rokmaster Resources Corporation.

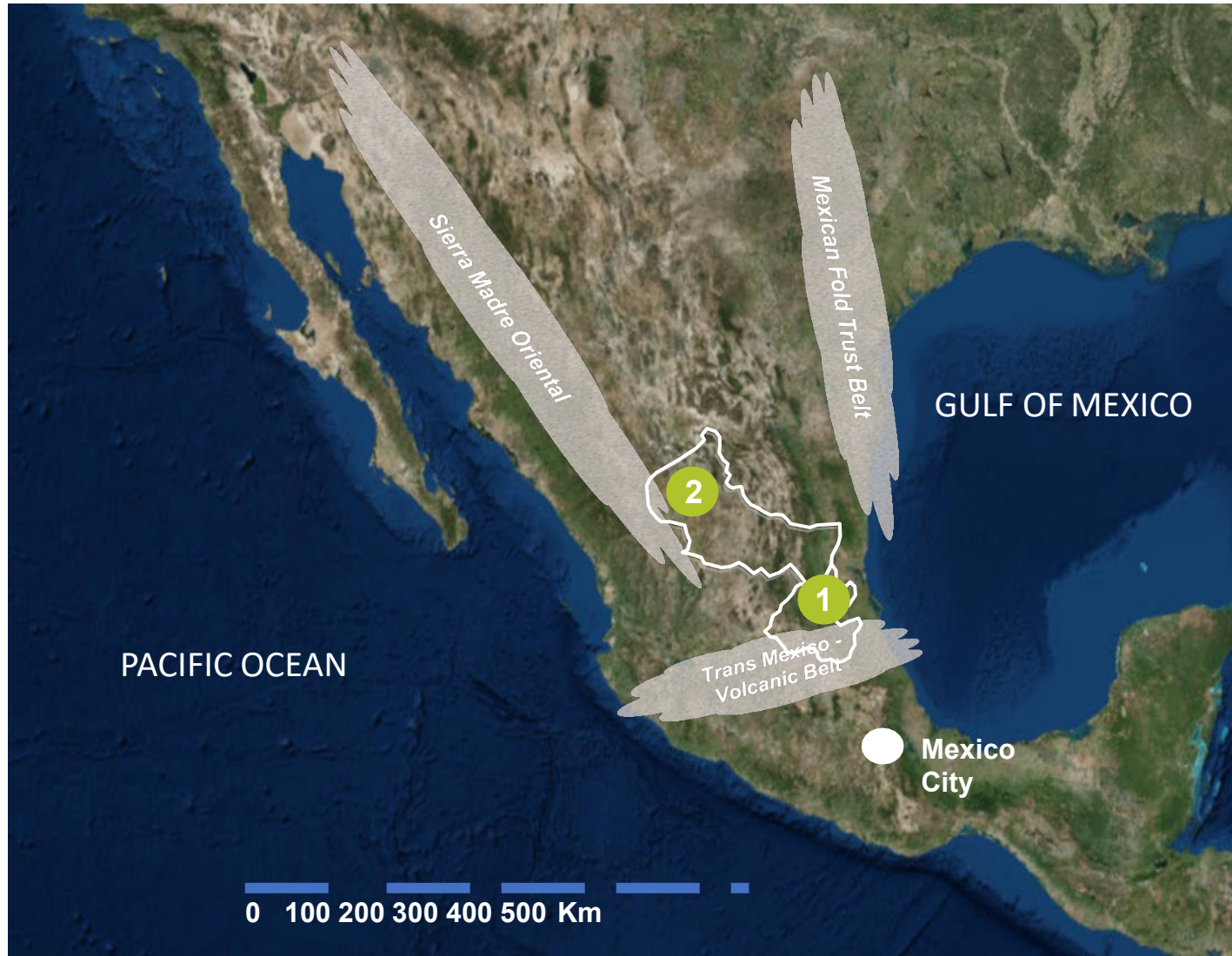
### Federico Villaseñor

- ▶ 40 years in the mining industry, including roles with Penoles, Grupo Mexico, Goldcorp and director of Starcore International Mines Ltd.

### W. Barry Girling

- ▶ Geologist active in mineral exploration since 1977.
- ▶ Founder and/or director of multiple TSXV-listed companies including, I-Minerals Inc, Roxgold Inc. and Silver One Resources Inc.

# Multi-Mine Silver Production in Mexico



## 1 Zimapan Mine

- ▶ Located Hidalgo State
- ▶ Two high-grade UG mines
- ▶ 3,200 tpd processing plant
- ▶ Run-rate production of ~4M oz AgEq per year in 2021
- ▶ 3.3 mil Ag equivalent oz production in 2020

## 2 Rosario Mine

- ▶ Located in San Luis Potosi State
- ▶ Operating at 280 tpd and increasing to 400 tpd
- ▶ 500 tpd plant capacity
- ▶ Targeting production of >650 oz AgEq per year in 2021
- ▶ 300k Ag equivalent oz production in 2020

# Zimapan Mine

## A Transformative Transaction

*Carrizal mine portal entrance*



*El Monte plant*



- ▶ Binding term sheet with Minera Cedros, S.A. de C.V., (subsidiary of Industrias Peñoles) to acquire the Zimapan Mine for US\$20M (plus US\$3.2M in applicable VAT). Anticipated closing date of April 16, 2021.
- ▶ Zimapan was previously under lease by the Company's wholly-owned subsidiary, Carrizal Mining, S.A. de C.V. (acquired 100% in October 2019), which had been operating over the last 12 years.
- ▶ Definitive agreement completed in March 2021.
- ▶ Acquisition of two high-grade silver-lead-zinc-copper mines (Carrizal and El Monte) and central processing facility.
- ▶ Low acquisition price of US\$4.96/oz AgEq of average annual production.
- ▶ Lowers cash costs from elimination of royalty payment structure under current lease (4% NSR royalty).



# Zimapan Mine

## Historical Payable Metal Production 5.9M tonnes mined from 2010 to 2020

Year	Lead (t)	Copper (t)	Zinc (t)	Silver (oz)	Silver Eq. (oz)
2010	654	946	5,295	610,862	1,987,459
2011	1,417	598	5,898	709,404	2,158,609
2012	1,695	1,120	8,072	930,251	2,997,973
2013	1,220	1,061	8,090	941,653	2,924,819
2014	2,223	1,061	7,384	1,254,613	3,251,634
2015	2,764	1,242	11,498	1,404,008	4,259,204
2016	2,573	1,670	12,024	1,180,439	4,267,752
2017	4,269	2,028	12,894	1,467,903	5,076,645
2018	4,159	2,412	13,716	1,413,228	5,299,285
2019 *	3,250	2,456	11,932	1,127,298	4,675,538
2020 *	3,948	1,544	11,056	1,157,812	3,655,320

- **El Monte:** 3.43Mt at 72.8 – 100.8 g/t Ag, 0.41% – 0.54% Pb, 1.85% – 2.79% Zn and 0.49% – 0.67% Cu
- **Carrizal:** 2.45M tonnes at 82.5 – 123.5 g/t Ag, 0.60% – 1.18% Pb, 2.02% – 4.44% Zn and 0.28% – 0.48% Cu
- \* 2019 Production reflects a diminishment when compared to 2018 due to a slow down in production as the Peñoles lease agreement was scheduled to be concluded during July 2019.
- \*2020 Production was impacted by a 48 day complete halt in operations due to COVID.

### ► Property and Location

- 39 mining concessions covering 5,139 ha.
- 7 km from Municipality of Zimapan in Hidalgo State, Mexico
- Excellent infrastructure with paved and dirt roads, water and grid power.

### ► History

- Discovered by Spanish miners in 1575.
- Production from 18 mines between 1632 to 1920, including the El Monte and Carrizal mines.

### ► Geology and Mineralization

- High temperature Carbonate Replacement Deposits.
- 14 mineralized zones identified, 6 at Carrizal and 8 at El Monte.

### ► Mining

- Both mines connected by 7.4 km underground access tunnel.
- Cut-and-fill, long-hole and sub-level stoping (typically 15 m to 20 m panels) and room and pillar (typically 5 m height).

### ► Processing Facility

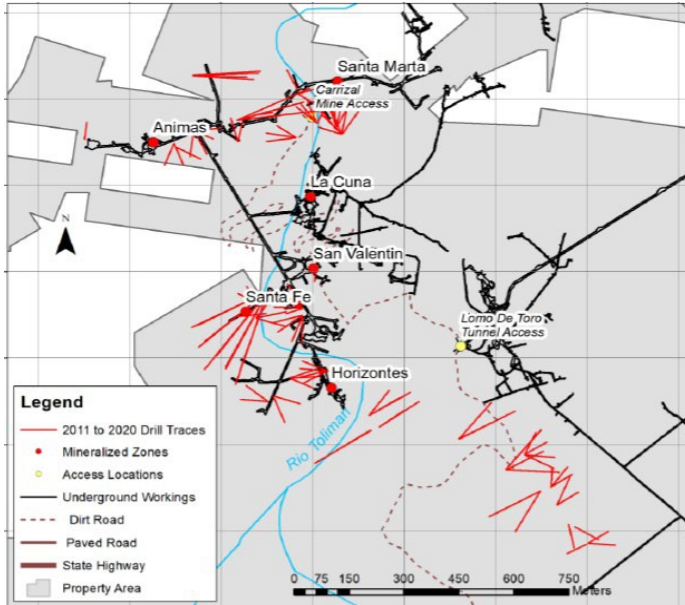
- 3,200 tpd modern facility (conventional sulphide flotation).
- 3 circuits (lead, zinc and copper concentrates).
- Recoveries of ~67% Ag, 64% Pb, 70% Zn and 52% Cu.
- Tailings with 5 year capacity plus new permitted area with 15 years.



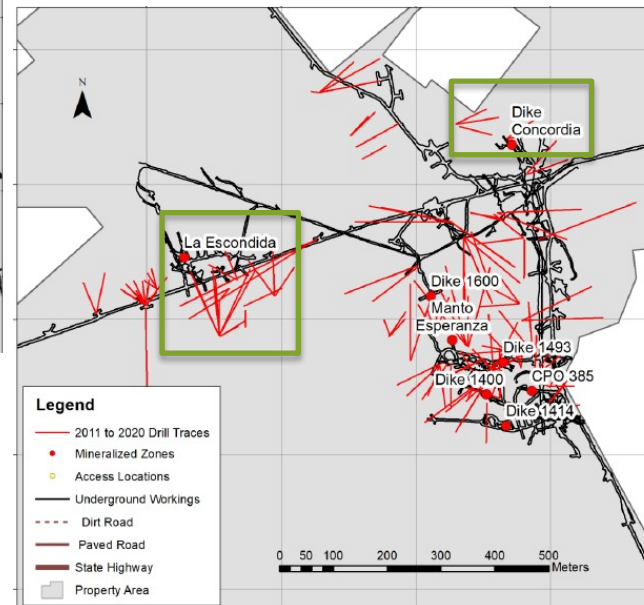
# Zimapan Mine

## Large, High-Grade Ag-Pb-Zn-Cu System

### Mineralized Zones - Carrizal Mine



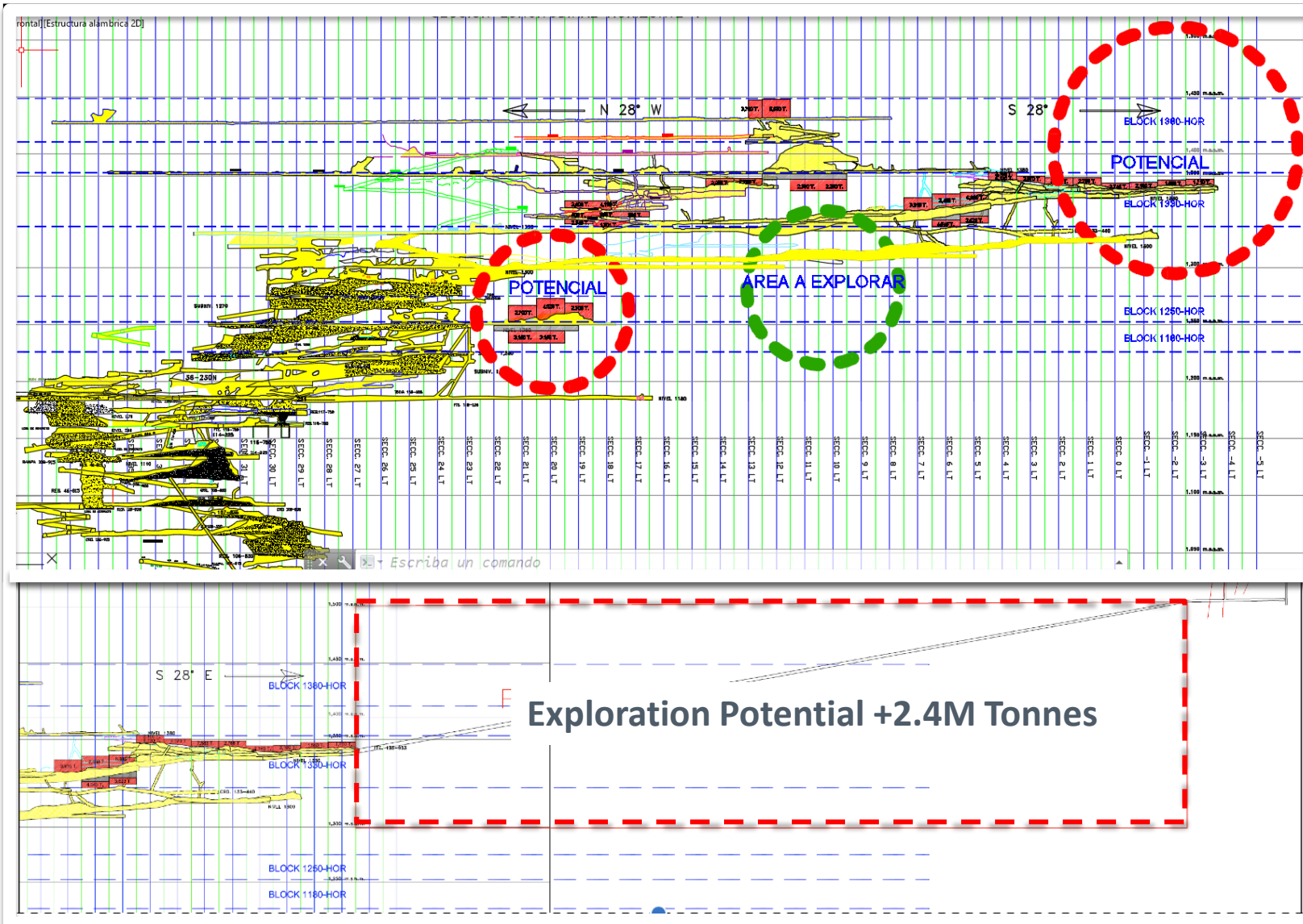
### Mineralized Zones - El Monte Mine



- Carrizal mineral zones characterized as high temperature, chimney-style CRD Zn-Pb-Ag-Cu-Au deposits.
- El Monte comprised of dike contact skarns that formed within intrusives with 1 m to 50 m in width.
  - Underground development focused on Concordia and La Escondida.
- Substantial exploration upside.
  - Mining taking place on <5% of the total property.
  - Multiple unexplored mineralized areas.
  - Previous exploration have been designed for operations.
  - New exploration prospects from evaluating regional geology.
  - No surface exploration across property – potential for new discoveries.

# Lomo del Toro

## Unrecognized Exploration Opportunity



### High Grade Areas to Unleash Value

- Historic production from Lomo del Toro
- High Grade (+400 g/t Ag, 5% Zn and 5% Pb)
- Calcite Carbonate Zone
- Target +2.4M Tonnes
- Drill Pads Ready for Phase I
- Drill campaign commencing late Q1 2021

# Achieving High Standards in Responsible Mining



## 1<sup>st</sup> mine in North America to achieve IRMA standard for responsible mining

IRMA standard aims to increase trust, Increased information for company leadership to better understand risks and performance transparency.



## Certificado De Industria Limpia

Granted by Mexico's Federal Attorney's Office for Environmental Protection (PROFEPA), which certifies the good practices and handling of all environmental regulations for the industry.



# Rosario Mine

## ► Property and Location

- ~2,900 ha located in historical mining district of Charcas.
- Exclusive mining right from Grupo Mexico on the Membrillo Prospect (500 ha) located within Santacruz's mining concessions (subject to 2.5% NSR).
- Excellent infrastructure with highway and dirt roads, water, grid power and skilled labour.

## ► History and Geology

- Charcas is one of Mexico's most prolific mining districts.
- Two historic vein systems (Rosario and Membrillo).
- Membrillo Prospect: mesothermal, low sulphidation Ag-Au-Zn-Pb vein system with thickness of several metres that extends from surface over a 1.5 km strike.
- Similarities to contiguous world-class Charcos Mine owned by Grupo Mexico.

## ► Mining and Processing

- Production from the Membrillo Prospect.
- 500 tpd mill capacity operating at 280 tpd; targeting 400 tpd by end of Q2 2021.



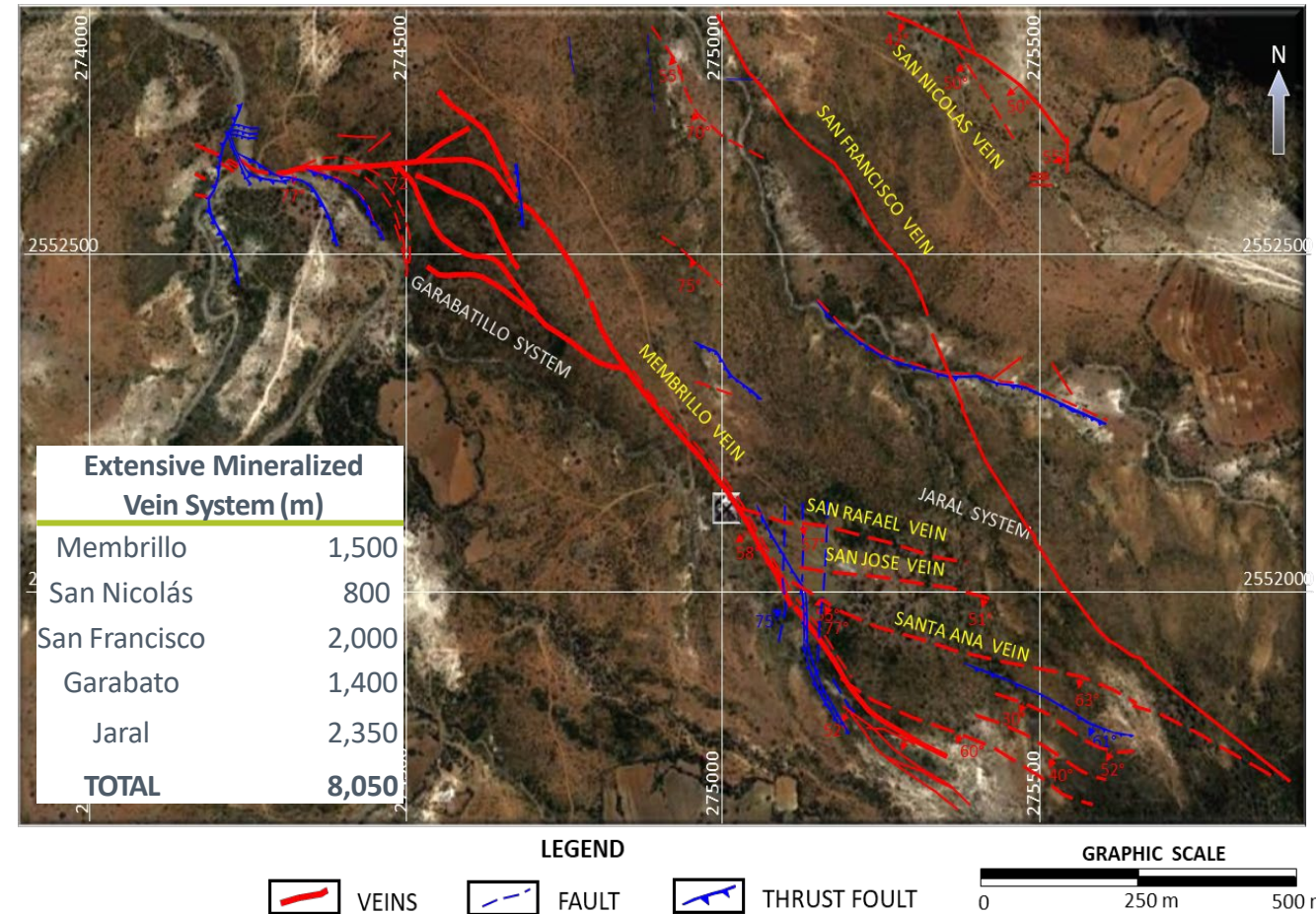


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# Rosario Mine

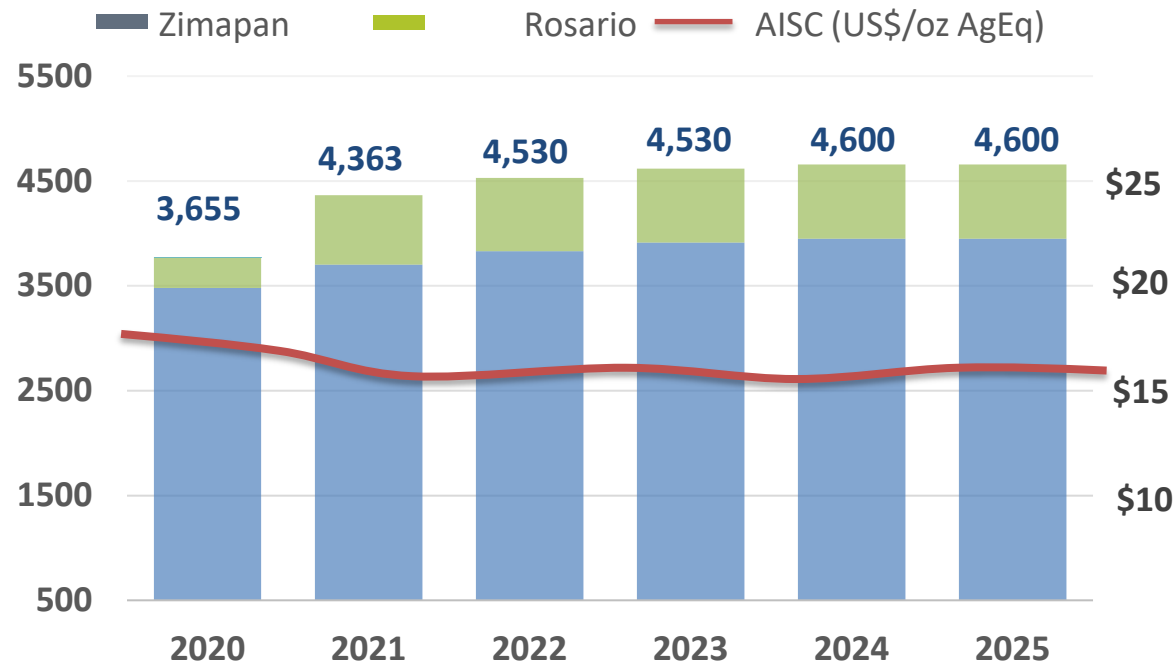
## Significant Exploration Upside

- Unexplored mineralized areas cover over 3,000 ha.
- +8 km long mineralized vein system.
- Multiple mining faces.
- 6,000 m of diamond drilling in 2019.
- Drilling confirmed higher silver grades across the Membrillo Vein. Further follow up required.



# Growing the Production Profile to 4.6 moz AgEq

## 2020 to 2025E AgEq Production and AISC Forecast<sup>1</sup>



- Based on conservative internal models, combined annual production forecast to remain above 4.5M oz AgEq through at least 2025.
- AISC forecast in 2021 and beyond near or below US\$16/oz.
- Excellent potential for both mining operations to extend well beyond 2025.
- At current metals prices, our operations are forecast to generate strong cash flow.
- Consolidated production of 3.7 million ounces of silver equivalent in 2020.

1. H2 2020 to 2025 based on Santacruz's internal forecasts. AgEq production calculated using the following metal price :

- H2 2020: US\$23.00/oz Ag, US\$1,750/oz Au, US\$0.79/lb Pb, US\$1.05/lb Zn and US\$2.95/lb Cu
- 2021: US\$20.23/oz Ag, US\$1,750/oz Au, US\$0.80/lb Pb, US\$1.02/lb Zn and US\$2.84/lb Cu
- 2022: US\$23/oz Ag, US\$1,500/oz Au, US\$0.90/lb Pb, US\$1.00/lb Zn and US\$2.85/lb Cu
- 2023: US\$23/oz Ag, US\$1,460/oz Au, US\$0.90/lb Pb, US\$1.00/lb Zn and US\$2.90/lb Cu
- 2024 & 2025: US\$23/oz Ag, US\$1,430/oz Au, US\$0.90/lb Pb, US\$1.06/lb Zn and US\$3.00/lb Cu

# Key Catalysts

## ▶ Zimapan Mine:

- ▶ Definitive agreement signed and final closing of acquisition end April, 2021. Funding initiative completed. \$14.1 million raise.
- ▶ Return operations to historical levels.
- ▶ Focus on unrecognized exploration opportunities – Lomo Del Toro.

## ▶ Rosario Mine:

- ▶ Increase mill throughput to 400 tpd.
- ▶ Continue to assess exploration potential and follow up on 2019 drilling.

## ▶ Corporate:

- ▶ Participation in Zacatecas Silver Corp. for the sale of Santacruz's Panuco Silver Project:
  - ▶ Inferred mineral resource of 19,472,901 ounces for US\$1.5-million and issuance of 5M common shares of Zacatecas Silver (TSX.V: ZAC).
  - ▶ Founders of Zacatecas Silver include management of the K92 Mining Inc. & Fosterville South Exploration Ltd.



# Why Invest in Santacruz?



**Transformational,  
low-cost acquisition  
of a long-life,  
+4M oz AgEq/year  
mine**



**Substantial near-  
term production  
growth and  
cash flow**



**Proven track record  
of building efficient  
and sustainable  
mines in Mexico**



**Compelling value  
and re-rating  
potential**



For more Information:



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#### INVESTOR RELATIONS

Mars Investor Relations

[SCZ@marsinvestorrelations.com](mailto:SCZ@marsinvestorrelations.com)

778-999-4653

or [info@santacruzsilver.com](mailto:info@santacruzsilver.com)

