

## SAN CRISTOBAL MINING INC. COMPLETES ACQUISITION OF MINERA SAN CRISTOBAL S.A.

**Vancouver, British Columbia – February 13, 2023** – San Cristobal Mining Inc. (“**San Cristobal Mining**” or “**SCM**” or the “**Company**”) is pleased to announce that it has completed the acquisition of Minera San Cristóbal S.A. (“**MSC**”) and all of its associated assets from Sumitomo Corporation (“**Sumitomo**”) under the terms of a stock purchase agreement pursuant to which the Company acquired all the issued and outstanding shares of Comercial Metales Blancos AB, SC Minerals Bolivia S.R.L., former subsidiaries of Sumitomo which hold all of the equity interests in MSC (the “**Transaction**”).

Quinton Hennigh, President and Director of San Cristobal Mining, stated: “We are excited to complete our acquisition of Minera San Cristóbal S.A. and all of its associated assets and subsidiaries, bringing San Cristobal Mining into the public eye for the first time. I would like to thank both the San Cristobal Mining team, Sumitomo team and our financial partners, including Ocean Partners UK Limited, Trafigura Pte Ltd., Crescat Capital LLC and Haywood Securities Inc. for their hard work in concluding this Transaction. San Cristobal Mining’s management team is determined to create one of the world’s next great silver producers by building on the existing industry-leading foundation established by Sumitomo at Minera San Cristóbal. We are thrilled and honoured to join the existing operational management team and exceptional workforce at MSC to meet our immediate goals of ensuring a smooth transition of ownership, continuing strong operational performance, and maintaining MSC’s exemplary environmental, social and governance (“ESG”) standards. Minera San Cristóbal was an attractive acquisition target for SCM given its substantial production profile and healthy mine life, but the potential for organic growth through the large silver oxide project and exceptional discovery potential, made this acquisition even more compelling. The Company plans to aggressively advance these growth opportunities as well as pursue additional opportunities in Bolivia to establish the Company as a premier silver producer. Bolivia is an attractive mining jurisdiction and we are delighted to become the foremost operating mining company in the country.”

### **Acquisition Highlights:**

- Acquisition of a globally significant mine
  - Silver-lead-zinc open pit sulphide mine, with a healthy approximate 7-year mine life
  - Oxide silver development project with potential to extend operational life through 2040
  - Exceptional exploration opportunities with potential to add considerable mineral resources
- San Cristobal Mining plans to maintain and enhance the strong ESG programs currently in place at MSC, including continued membership within International Council on Mining and Metals (ICMM)
- The Company is maintaining the current operational and management team in place at MSC to ensure a smooth transition of ownership

To facilitate funding for the Transaction and working capital, San Cristobal Mining entered into funding agreements with Ocean Partners UK Limited and Trafigura Pte Ltd., and completed a non-brokered private placement.

### **About San Cristobal Mining**

San Cristobal Mining is a private mining company formed under the laws of British Columbia, Canada and comprised of exploration, mining, operations, and finance professionals with substantial international experience in the mining industry. The Company has a vision of creating a leading silver producer through continued operation and seamless transition of MSC, investment in the future of the Company in Bolivia, and continued consolidation of high-quality assets globally. San Cristobal Mining is built around several core corporate values, including sustainability, accountability, transparency,

innovation and growth, community relations, health and safety, environmental stewardship, and strong corporate governance.

### **Advisors and Counsel**

Haywood Securities Inc. is acting as exclusive financial advisor to the Company. Boughton Law Corporation, Aird & Berlis LLP, Dorsey & Whitney LLP, and PPO Abogados are acting as legal counsel to the Company.

### **More Information**

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### **Important Information**

#### *Forward-looking Statements*

This announcement contains “forward-looking statements” within the meaning of applicable Canadian securities laws. Where a forward-looking statement expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the forward-looking statements. Undue reliance should not be placed on such statements. Forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “anticipate,” “intend,” “plan,” “will,” “would,” “estimate,” “expect,” “goal,” “believe,” “target,” “indicative,” “preliminary,” or “potential.” Forward-looking statements in this announcement may include, without limitation: statements relating to the Transaction and the transition of ownership and operations; the Company being one of the world’s next greatest silver producers; anticipated Transaction synergies; estimates of future production; estimates of future costs applicable to MSC’s mine (the “Mine”); estimates of future oxide silver expansion, exploration opportunities and the reserve life of the Mine; climate-related statements, targets and metrics including any ESG related initiatives, expectations regarding future exploration and the development, growth and potential of the Company’s operations. Estimates or expectations of future events or results are based upon certain assumptions, which may prove to be incorrect. Such assumptions, include, but are not limited to: there being no significant change to current geotechnical, metallurgical, hydrological and other physical conditions at SCM’s properties and operations; permitting, development, operations and expansion of the Company’s operations and projects being consistent with current expectations and mine plans; availability of ports near the Mine for shipping of concentrates, ability to secure a sufficient supply of containers for shipping concentrate and maintain existing storage facilities consistent with past practice, political developments in any jurisdiction in which the Company operates being consistent with current expectations; risks and hazards associated with the business of silver exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and flooding (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks) certain exchange rate assumptions for the Canadian dollar to the U.S. dollar, as well as other exchange rates being approximately consistent with current levels; certain price assumptions for, silver, zinc, and lead; prices for key supplies being approximately consistent with current levels; the accuracy of current mineral reserve and mineral resource estimates; and other planning assumptions.

Risks relating to forward-looking statements in regard to San Cristobal Mining's business and future performance may include, but are not limited to, volatility in the price of silver, zinc and other metals, currency fluctuations, operational risks, supply chain shortages, rising inflation, increased production

costs and variances in ore grade or recovery rates from those assumed in mining plans, political and country risk, community relations, increased regulation of environmental and sustainability matters, the impact of climate change on the Company's operations, conflict resolution governmental regulation and judicial outcomes and other risks. In addition, material risks that could cause actual results to differ from forward-looking statements include: the inherent uncertainty associated with financial or other projections; the prompt and effective integration of SCM and MSC's businesses; and unanticipated difficulties or expenditures relating to the Transactions.

These forward-looking statements speak only as of the date they are made. Readers are cautioned not to place undue reliance on such statements. San Cristobal Mining do not undertake any obligation to publicly release revisions to any "forward-looking statement," including, without limitation, outlook, to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued "forward-looking statement" constitutes a reaffirmation of that statement. Continued reliance on "forward-looking statements" is at investors' own risk.

### **Technical Information**

The reserve report for the MSC silver, zinc and lead reserves at the Mine was prepared by MSC technical staff is not supported by an independent National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") technical report. The feasibility study completed by Samuels Engineering in 2018 for MSC's silver oxide project at the Mine is not NI 43-101 compliant and may not be current. Any technical information herein relating to the Mine is strictly historical in nature, is non-compliant with the standards of disclosure for mineral projects set forth in NI 43-101, and should therefore not be relied upon. A Qualified Person has not done sufficient work to upgrade or classify any historical technical information herein to be NI 43-101 compliant. The Company is not treating the historical estimates contained herein as current within the meaning of NI 43-101. These reports and their conclusions as to reserves, resources and economics should not be considered as the equivalent of NI 43-101 compliant estimates, and are subject to increased risk as to their reliability.