



**Saguaro Resources Ltd.**

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July 26, 2022

Dear Shareholder:

As mentioned in our May 19, 2022 update to our shareholders regarding our Q1 2022 results and in the Information Circular (the "**Information Circular**") for our recent Annual and Special Shareholder meeting (the "**AGM**"), due to an improved commodity price environment and ongoing capital and operational efficiencies Saguaro Resources Ltd. expects to generate meaningful free cash flow in 2022 and beyond.

As a result of Saguaro's year to date 2022 success, we are pleased to announce that Saguaro will pay a special distribution to shareholders by way of return of capital, in the amount of \$0.20 per Saguaro common share, for a total distribution amount of approximately \$40.52 million, which distribution will be payable on August 15, 2022, to holders of Saguaro common shares of record as of August 8, 2022.

At the AGM, Saguaro shareholders approved the reduction of the stated capital of the Saguaro common shares for the purpose of Saguaro making one or more pro rata distributions to shareholders by way of return of capital by an aggregate amount of up to \$100 million, on or before May 18, 2023. The aggregate \$40.52 million return of capital payment referred to above allows for the potential for Saguaro to make further return of capital payments in an aggregate amount not to exceed approximately \$59.48 million on or before May 18, 2023. The amount and timing of any such additional return of capital payments will be set to ensure continued strong liquidity and are subject to the approval of the Board of Directors and the other approvals and requirements discussed in the Information Circular.

Regards,

A handwritten signature in black ink, appearing to read 'Stacy Knull', with a long horizontal flourish extending to the right.

Stacy Knull, P.Eng.  
President & CEO

*Please see "Forward Looking Statements" and "Distribution Advisory" in our previously distributed Management's Discussion & Analysis for the Three Months Ended March 31, 2022 for more information.*