



## CORPORATE PRESENTATION

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May 2018

**POLYMETALLIC PRODUCER**  
with exciting  
**RESOURCE GROWTH POTENTIAL**

TSX: SMT | NYSE AMERICAN: SMTS | BVL: SMT

# Disclaimer



Certain statements in this presentation constitute forward-looking information within the meaning of Canadian and United States securities legislation. Forward-looking information relates to future events or the anticipated performance of Sierra and reflect management's expectations or beliefs regarding such future events and anticipated performance based on an assumed set of economic conditions and courses of action. In certain cases, statements that contain forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" 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" or the negative of these words or comparable terminology. By its very nature forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual performance of Sierra to be materially different from any anticipated performance expressed or implied by such forward-looking information. These include estimates of future production levels; expectations regarding mine production costs; expected trends in mineral prices; changes in general economic conditions and financial markets; changes in prices for silver and other metals; technological and operational hazards in Sierra's mining and mine development activities; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the timing and availability of financing; governmental and other approvals; political unrest or instability in countries where Sierra is active; labor relations and other risk factors disclosed in Sierra's Annual Information Form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and which is incorporated by reference into the prospectus forming part of the Company's registration statement on Form F-10, filed with the SEC and available at [www.sec.gov](http://www.sec.gov).

Although Sierra has attempted to identify important factors that could cause actual performance to differ materially from that described in forward-looking information, there may be other factors that cause its performance not to be as anticipated. Sierra neither intends nor assumes any obligation to update these statements containing forward-looking information to reflect changes in assumptions or circumstances other than as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate as actual results and future events could differ materially from those currently anticipated. Accordingly, readers should not place undue reliance on forward-looking information.

This presentation uses the terms "measured resources", "indicated resources" and "inferred resources" as such terms are recognized under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") adopted by the Canadian Securities Administrators. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a "preliminary assessment" as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Gordon Babcock B.Sc., P.Eng., is the qualified person as defined in NI 43-101 and Chief Operating Officer for Sierra Metals supervised the preparation of the operational scientific and technical information for Sierra Metals included in this presentation.

Americo Zuzunaga, MAusIMM CP (Mining Engineer) and Vice President of Corporate Planning is a Qualified Person and chartered professional qualifying as a Competent Person under the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Augusto Chung, FAusIMM CP (Metallurgist) and Consultant to Sierra Metals is a Qualified Person and chartered professional qualifying as a Competent Person on metallurgical processes.

**Cautionary Note to U.S. Investors:** While the terms "measured resources", "indicated resources", and "inferred resources" are defined in and required to be disclosed by NI 43-101 these terms are not defined under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. Accordingly, information concerning mineral deposits contained in or referred to in this presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

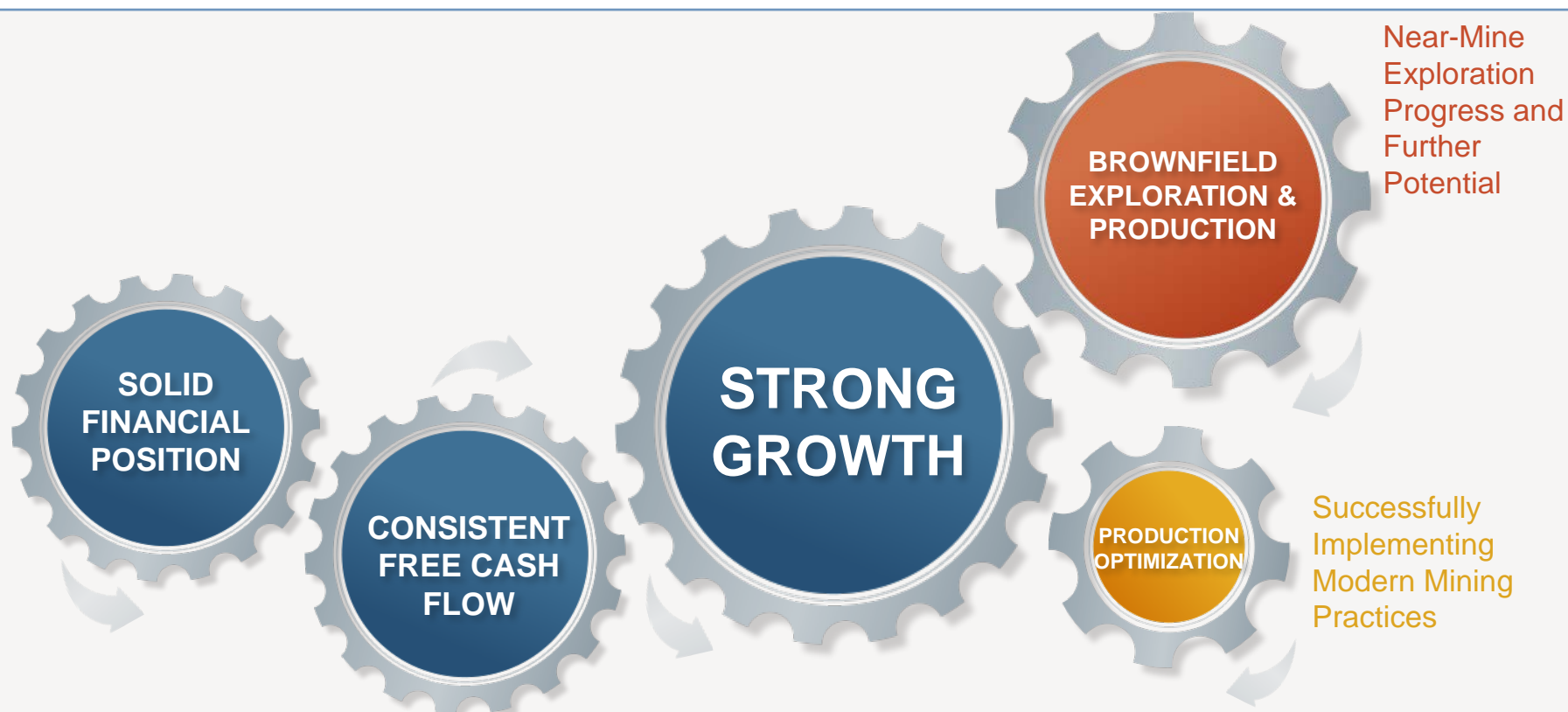
**Use of Non-IFRS Financial Measures:** This presentation contains "Non-IFRS" financial measures including all in-sustaining costs, EBITDA, Free Cash Flow and Net Debt. Sierra uses these Non-IFRS performance measures and ratios in managing its business. Sierra believes that these measures assist investors in understanding the company's performance. Non-IFRS financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly situated titled measures that other companies use. Please see Reconciliation of IFRS to Non-IFRS Financial Measures in the Appendix to this presentation for a reconciliation to the most comparable IFRS financial measure.

**Additional Information:** Sierra Metals Inc. has filed a base prospectus and a prospectus supplement with the CSC and a registration statement (including a prospectus and prospectus supplement) with the SEC for an "at the market" offering of its Common Shares ("ATM offering"). Investors considering a purchase of shares in the ATM offering should read the prospectus, prospectus supplement and documents incorporated into the registration statement and other documents that Sierra Metals has filed with the SEC and CSC for more information concerning the ATM offering and the issuer. These documents are available without charge from the SEC's EDGAR database at [www.sec.com](http://www.sec.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## INVESTMENT HIGHLIGHTS

# A Base and Precious Metal Growth Story





Near-Mine  
Exploration  
Progress and  
Further  
Potential

Successfully  
Implementing  
Modern Mining  
Practices

Cash Position<sup>1</sup>

US\$25.5M

Debt Position<sup>1</sup>

US\$66.8M

3M-2018 CF Before  
Movements in WC<sup>2,4</sup>

US\$27.3M

Net Debt Position<sup>1,3</sup>

US\$41.3M

1. All figures as reported in Sierra's Financial statements and Management Discussion & Analysis (MD&A) for the three-month period ending March 31, 2018 as filed on SEDAR. 2. Non-IFRS number; please see Appendix for reconciliation to IFRS measures. 3. Net debt, a non-IFRS measure equals consolidated debt minus cash and cash equivalents. 4. Cash Flow from Operations before movements in working capital – excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.

# CAPITAL Structure



Outstanding <sup>1</sup>	163.4 M
RSUs <sup>1</sup>	1.4 M
Options <sup>1</sup>	Nil
Fully Diluted <sup>1</sup>	164.8 M

	TSX (\$CAD)	NYSE Am. (\$US)
Recent Price <sup>1</sup>	\$3.67	\$2.82
52 Week High <sup>1</sup>	\$3.84	\$3.10
52 Week Low <sup>1</sup>	\$2.75	\$2.13
Market Cap	\$599.7 M	\$460.8 M

1. As at May 25, 2018

## Major Shareholders

Arias Resource Capital	52%
BlackRock	10%
Ingalls & Snyder	5%
Omega Advisors	3%

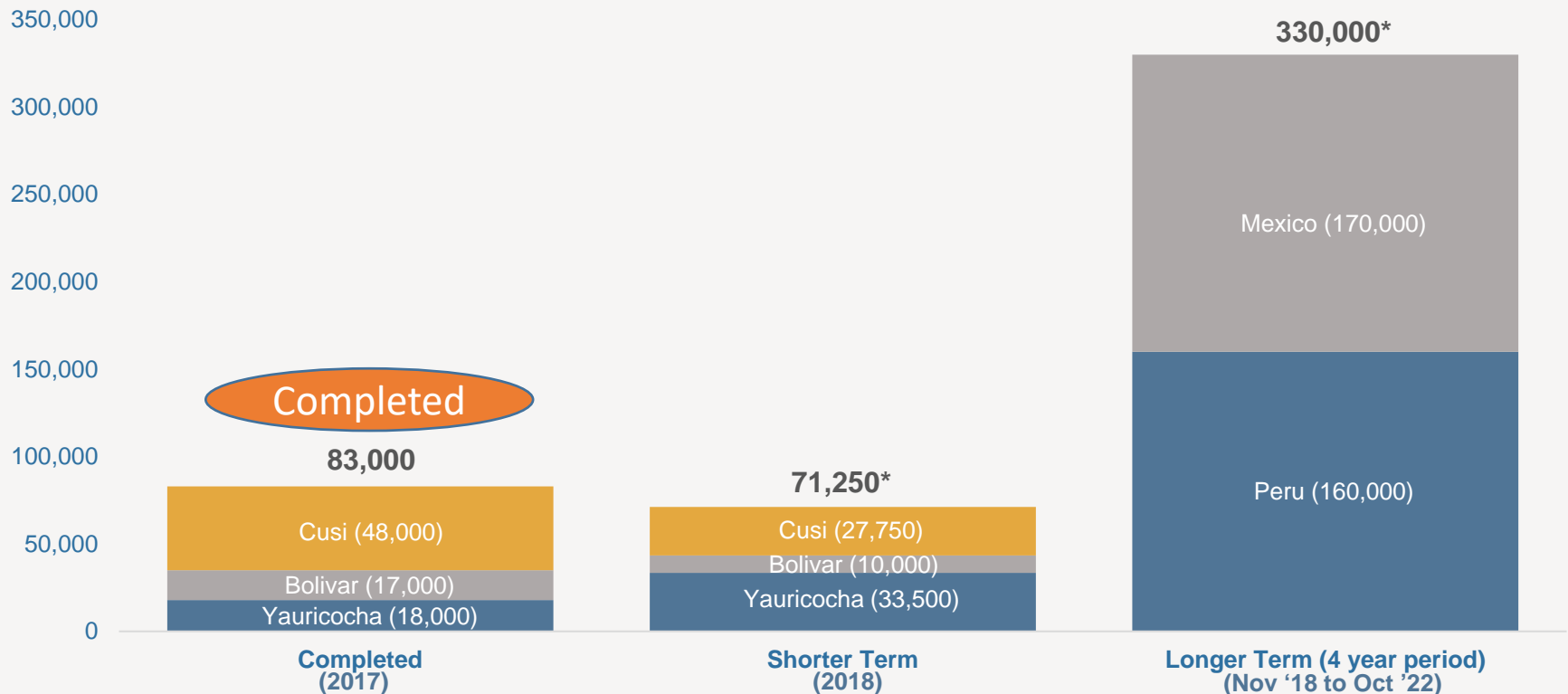
Actions to address liquidity include:

- NYSE American listing
- Major shareholder willing to dilute below 50%

## Aggressively Drilling to Increase Resources

- Targeting increases in resources and reserves through on-going aggressive exploration programs at all three properties
- Update of Technical Reports for all three Mines – Yauricocha and Cusi already completed, Bolivar Resource and Reserve update released on May 22, 2018, with a NI 43-101 to be filed within 45 days

### Drilling (meters)



# Building Resources and Infrastructure for Increased Production

### BROWNFIELD EXPLORATION INFRASTRUCTURE UPDATES

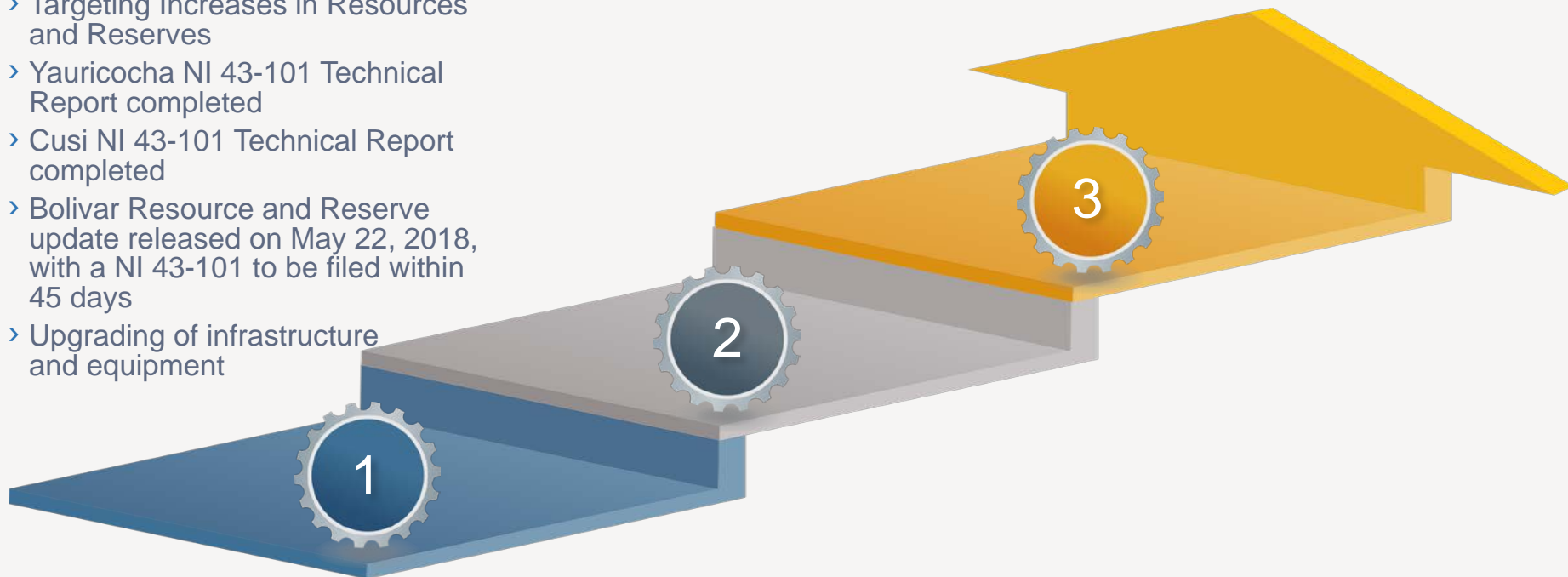
- › Focus on Organic Growth
- › Exploration of Target Rich Properties
- › Short, and Longer Term Drilling Programs
- › Targeting Increases in Resources and Reserves
- › Yauricocha NI 43-101 Technical Report completed
- › Cusi NI 43-101 Technical Report completed
- › Bolivar Resource and Reserve update released on May 22, 2018, with a NI 43-101 to be filed within 45 days
- › Upgrading of infrastructure and equipment

### FEASIBILITY & ENGINEERING STUDIES

- › Optimum plant size definition
- › Best technology to process new resources
- › Permitting

### CONSTRUCTION & OPERATION

- › Detailed engineering
- › Construction of expanded facilities (mine and plant)
- › Mine infrastructure upgrades to meet new capacities

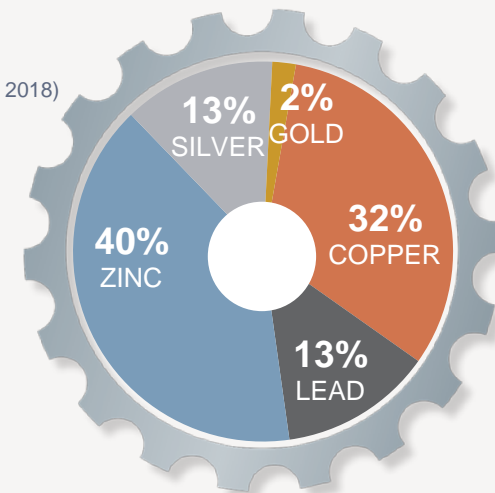


## DIVERSIFIED

# 3 Projects in 2 Countries



### Revenue Mix (Trailing 12 months ending March 31, 2018)



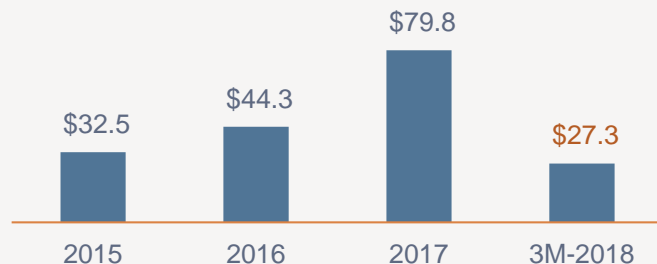
	YAUICOCHA	BOLIVAR	CUSI
LOCATION	YAUYOS, PERU	CHIHUAHUA, MEXICO	CHIHUAHUA, MEXICO
OWNERSHIP	82%	100%	100%
STAGE	PRODUCTION	PRODUCTION	PRODUCTION / DEVELOPMENT
MINE TYPE	UG	UG	UG
MILL THROUGHPUT (TPD) <sup>1</sup>	3,000	3,000 growing to 3,500	650 growing to 1,200 in Q1-2019
METALS	Zn, Cu, Pb, Ag, Au	Cu, Ag, Au	Ag, Pb, Zn, Au
CF BEFORE MOVEMENTS IN WC (3M-2018) <sup>2</sup>	\$24.1M <sup>3</sup>	\$4.7M	\$(0.6M)

1. TPD is measured using the metric system. 2. Cash Flow from Operations before movements in working capital is a non-IFRS number and excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items. Please see Appendix for reconciliation to comparable IFRS measure. 3. Assumes 100% ownership of Yauricocha.

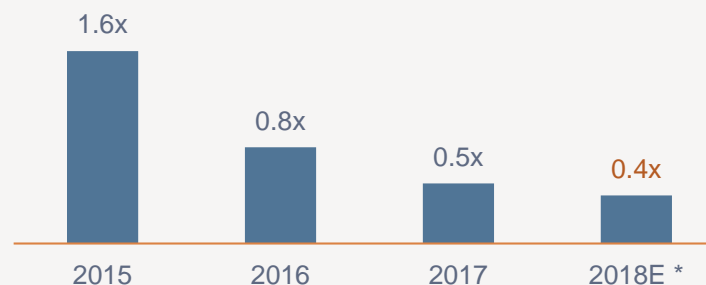
# Financial Position

Figures in US (\$000's)	2015	2016	2017	3M-2018
Outstanding Shares	161,939,959	162,356,032	162,812,764	163,427,335
Revenue	134,052	143,180	205,118	61,675
Net Income (Loss)	(33,302)	(12,721)	(860)	11,133
CF Before Movements in WC <sup>1</sup>	32,475	44,303	79,785	27,348
Capex	(37,601)	(25,352)	(51,607)	(9,737)
Free Cash Flow <sup>2,4</sup>	(5,126)	18,951	28,178	17,611
Cash and Cash Equivalents	25,102	42,145	23,878	25,514
Debt Outstanding	76,086	78,681	64,860	66,825
Net Debt <sup>3</sup>	50,984	36,537	40,982	41,311

Cash Flow Before Movements in Working Capital



Net Debt / CF Before Movements in WC



\*2018 Estimate assumes annualized rate for CF Before Movements in WC at 3M-2018

All figures as reported in Sierra's MD&A for the relevant period.

1. Cash Flow from Operations before movements in working capital – excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.
2. Free Cash Flow represents Cash Flow from Operations before movements in working capital less capex. See Appendix for reconciliation.
3. Net Debt represents Consolidated debt minus total cash and cash equivalents.
4. Non-IFRS number.

# Production & Costs vs Guidance

3M-2018 Production	
	3M-2018
Zinc Eq. (M lbs) <sup>1</sup>	<b>47.2</b>
Copper Eq. (M lbs) <sup>1</sup>	<b>23.4</b>
Silver Eq. (M ozs) <sup>1</sup>	<b>4.4</b>

2018 Production Guidance (000's)		
	Low	High
Zinc Eq. (M lbs) <sup>1</sup>	183.8	214.5
Copper Eq. (M lbs) <sup>1</sup>	89.2	104.0
Silver Eq. (M ozs) <sup>1</sup>	13.9	16.2

3M-2018 Costs		
	Cash Costs per Equivalent Oz / Lb Sold	AISC per Equivalent Oz / Lb Sold <sup>2</sup>
Yauricocha (Zn Eq Lb)	\$0.57/lb	<b>\$0.82/lb</b>
Bolivar (Cu Eq Lb)	\$1.29/lb	<b>\$1.94/lb</b>
Cusi (Ag Eq Oz)	\$18.34/oz	<b>\$28.33/oz</b>

2018 Cost Guidance		
	Cash Costs per Equivalent Oz / Lb Sold	AISC per Equivalent Oz / Lb Sold <sup>2</sup>
Yauricocha (Zn Eq Lb)	\$0.62/lb	<b>\$0.78/lb</b>
Bolivar (Cu Eq Lb)	\$1.60/lb	<b>\$1.96/lb</b>
Cusi (Ag Eq Oz)	\$11.12/oz	<b>\$14.28/oz</b>

1. Silver equivalent ounces, copper and zinc equivalent pounds were calculated using quarterly realized metal prices. Silver, copper and zinc equivalent guidance figures will change based on metal prices used each quarter in the equivalent metal calculations. See Appendix for quarterly realized metal prices for the last 13 quarters.
2. All-In-Sustaining-Costs (AISC) include treatment and refining charges, selling costs, g&a and sustaining capex. AISC is a non-IFRS number. Please see Appendix for a reconciliation of non-IFRS numbers to comparable IFRS numbers.

# Yauricocha Mine



In Continuous Operation Since 1948 (70 Years) and still Growing

# Yauricocha Polymetallic Mine

Ownership	82%
Size	18,000 Hectares
Commodities	Silver, lead, zinc, copper, gold
Operation	Underground mine: sub-level caving & cut and fill
Mill throughput	3,000 TPD
Annual Production	147 M lbs Zinc Equivalent
Concentrates	<b>Polymetallic Circuit</b> Lead, Copper and Zinc concentrate
	<b>Lead Oxide Circuit</b> Lead Oxide concentrate
	<b>Copper Oxide Circuit</b> Copper Oxide concentrate
Reserve Life*	8.7 years
Deposit Type	High-temperature, carbonate-replacement deposit

	Tonnes M	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Zn Eq (%)	Zn Eq (M lb)
Proven & Probable	8.9	48.3	1.20	0.77	2.43	0.52	5.73	1,127
Measured & Indicated	13.2	62.3	1.52	0.92	2.79	0.65	6.97	2,028
Inferred	6.6	43.0	1.19	0.47	2.16	0.55	5.15	753

\* Includes P&P

Details of the reserve & resource estimates for Yauricocha are presented in the Appendix.



\*Reserve Life calculated as Proven & Probable Reserves divided by Annual Mill throughput.

# Yauricocha Production & Costs

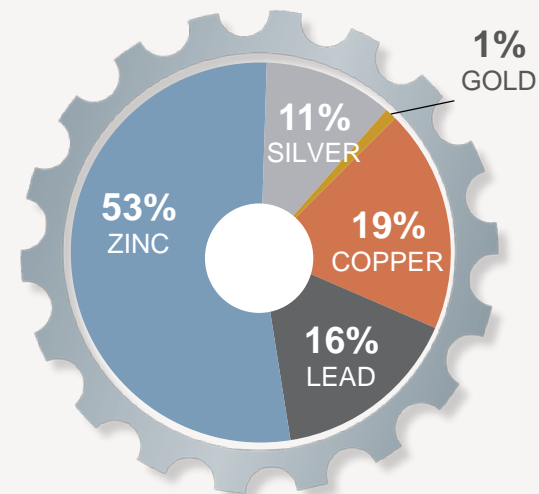
Production	2015	2016	2017	3M-2018
Tonnes processed <sup>1</sup>	832,225	897,169	1,023,491	271,389
<b>Tonnes per day</b>	<b>2,378</b>	<b>2,563</b>	<b>2,924</b>	<b>3,102</b>
<b>Zinc Eq (M Lbs)<sup>2</sup></b>	<b>132.4</b>	<b>140.9</b>	<b>146.8</b>	<b>34.8</b>

Financial Summary	2015	2016	2017	3M-2018
Revenue (\$000's)	\$80,113	\$97,290	\$154,153	\$46,563
Net Income (Loss)	\$(13,910)	\$(5,250)	\$17,958	\$12,590
CF Before Movements in WC (\$000's) <sup>3</sup>	\$24,146	\$34,902	\$74,815	\$24,138
Cash Cost per tonne processed	\$52.65	\$55.78	\$62.42	\$63.04
Cash Cost per Zn Eq pound sold	\$0.38	\$0.42	\$0.50	\$0.57
<b>All-in Sustaining Cost per Zn Eq pound sold<sup>4</sup></b>	<b>\$0.70</b>	<b>\$0.71</b>	<b>\$0.78</b>	<b>\$0.82</b>

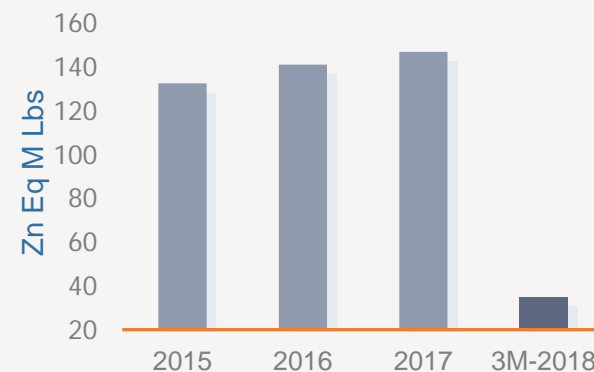
All figures as reported in Sierra's MD&A for the relevant period. 1. Metric tonnes 2. Zinc equivalent pounds were calculated using quarterly realized metal prices. Zinc equivalent figures will change based on metal prices used each quarter in the equivalent metal calculations. See Appendix for quarterly realized metal prices for the last 13 quarters. 3. Cash Flow from Operations before movements in working capital is a non-IFRS number and excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items. Please see Appendix for reconciliation to comparable IFRS measure. 4. All-in Sustaining Costs is a non-IFRS number and includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex. Please see Appendix for reconciliation to comparable IFRS measure.

## Revenue Mix

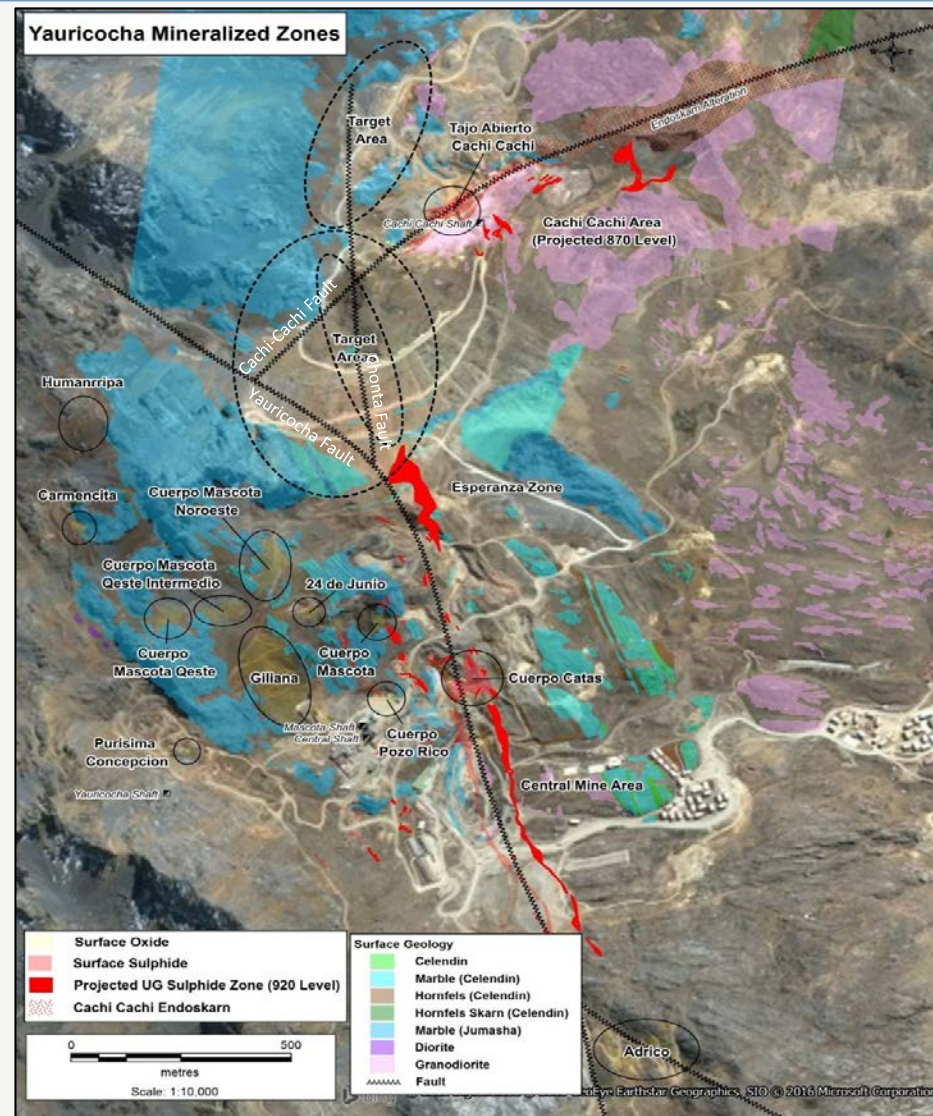
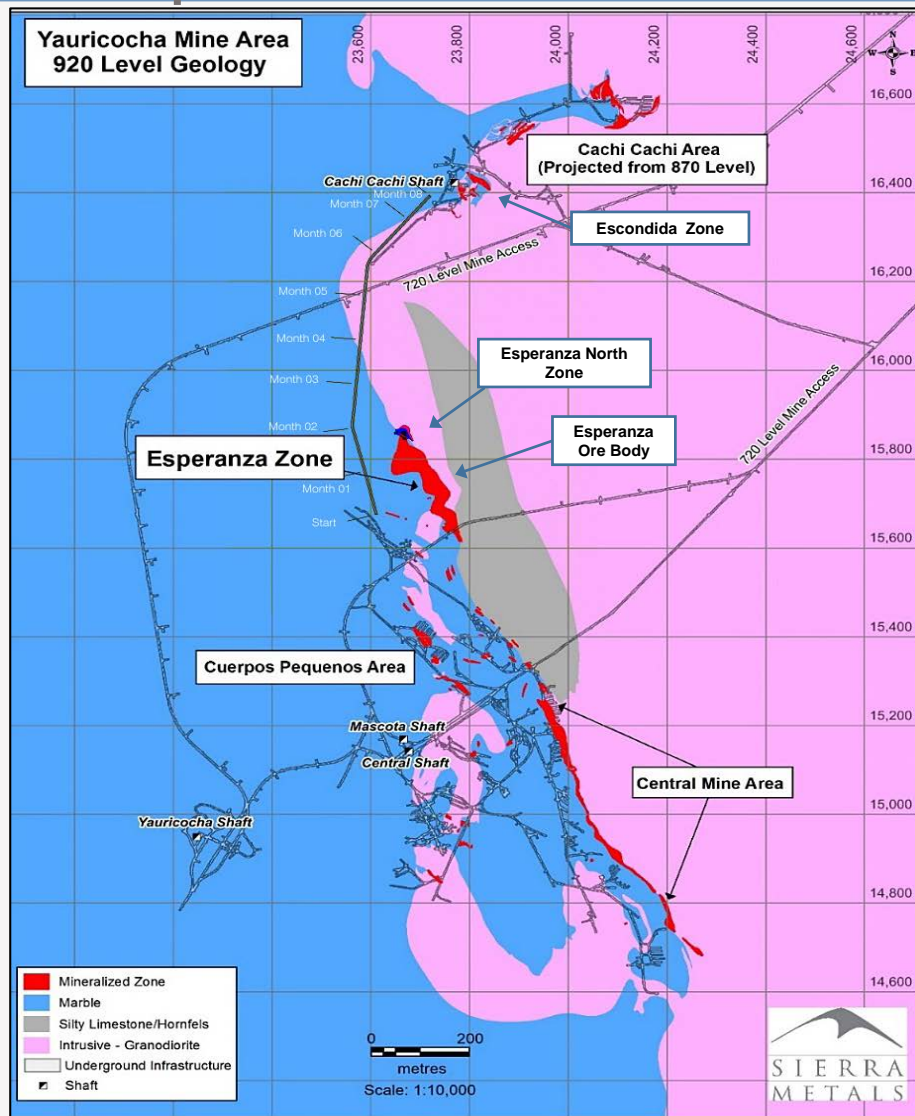
Trailing 12 months ending March 31, 2018



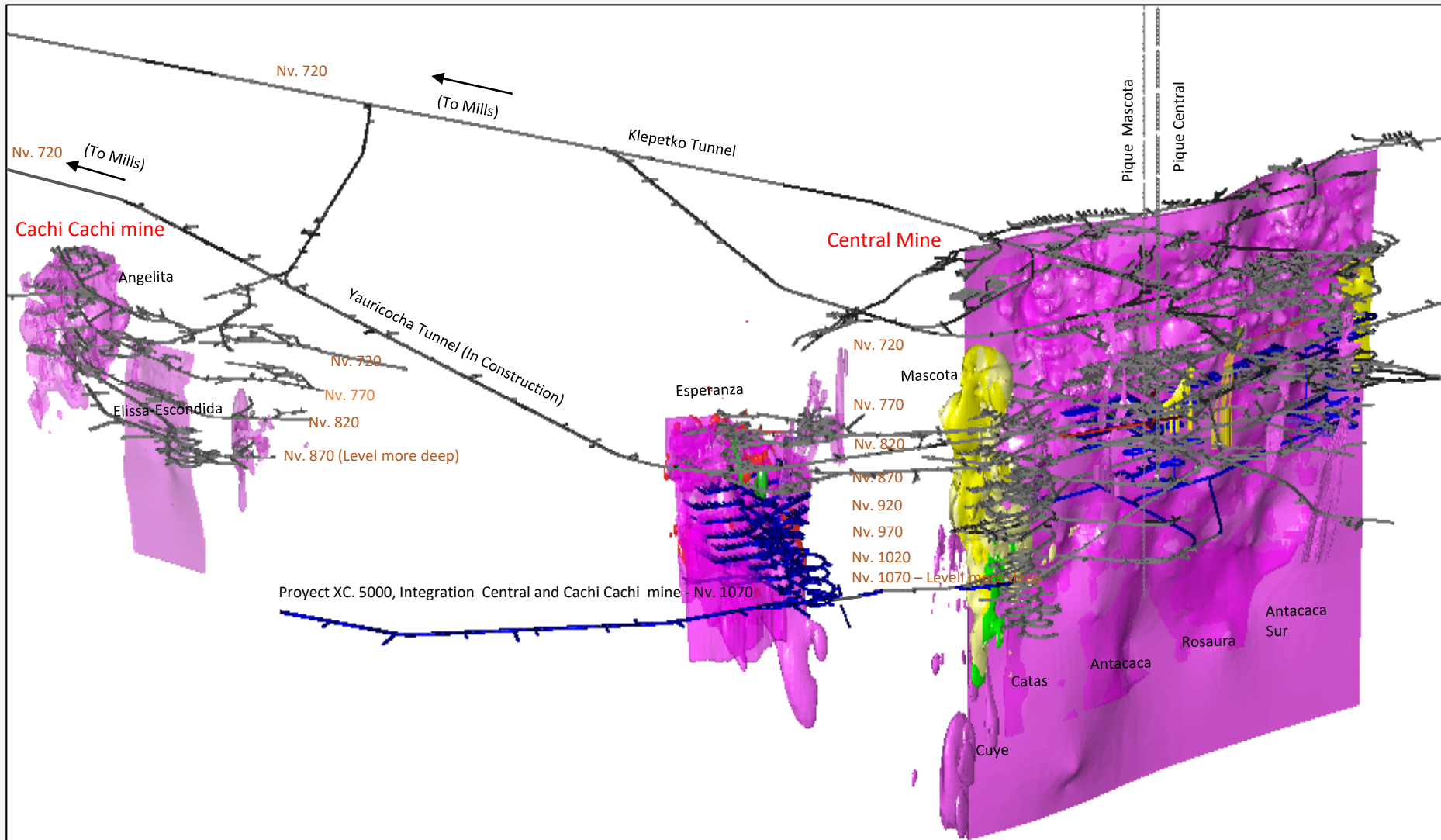
## Zinc Equivalent Production (M lbs)



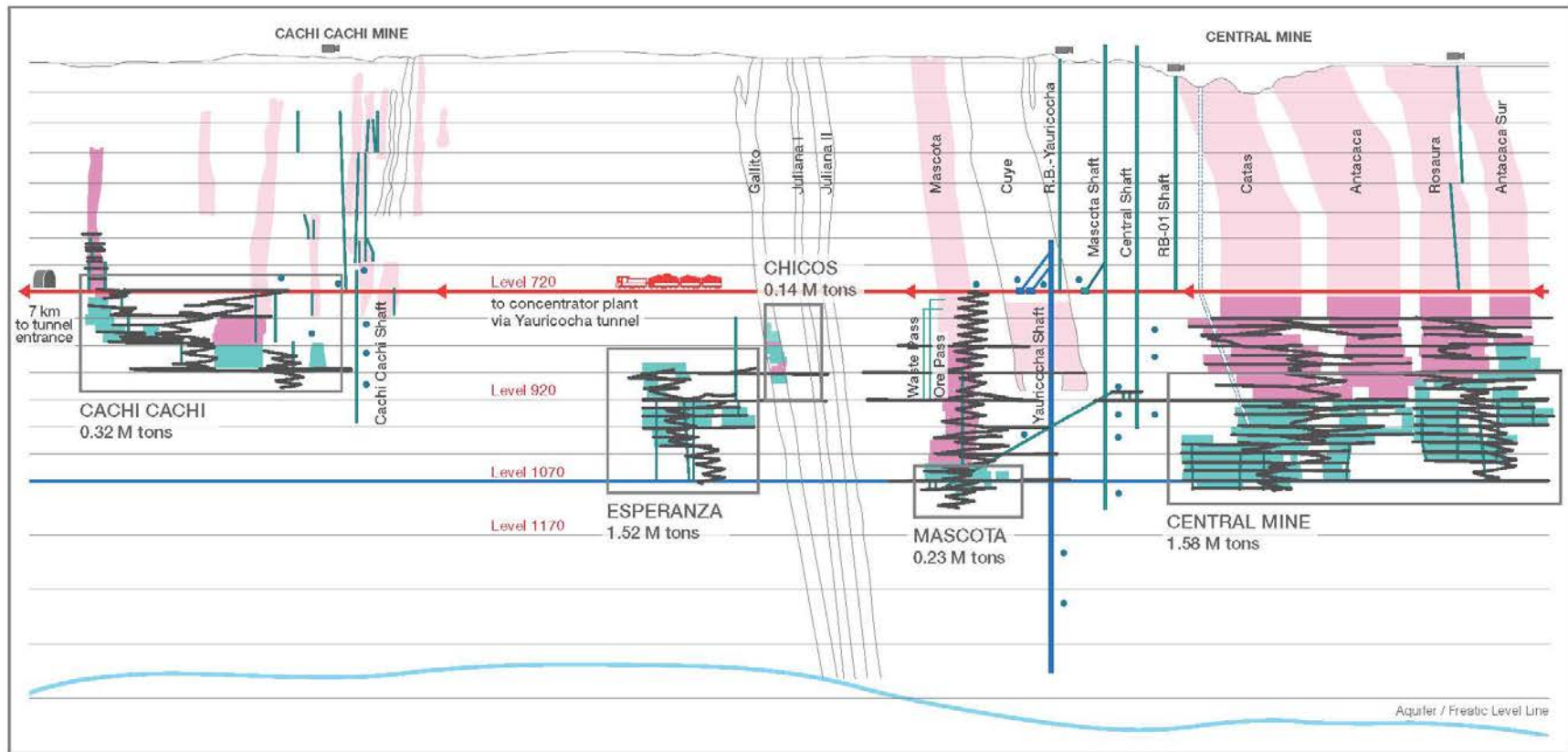
## New Zones Discovered with Continued Exploration at Yauricocha



## Yauricocha: 3D Image of Ore Deposits



## Growing Mineral Reserves & Resources through Brownfield Exploration



- As a result of continued exploration, wider zones with significantly higher metal grades have been discovered, which may provide the potential for greater amounts of metals produced.

### Cuerpos Chicos/Cuerpos Pequenos

- Average width: 1-5 Meters
- These areas continue to be defined as part of the definition drilling program

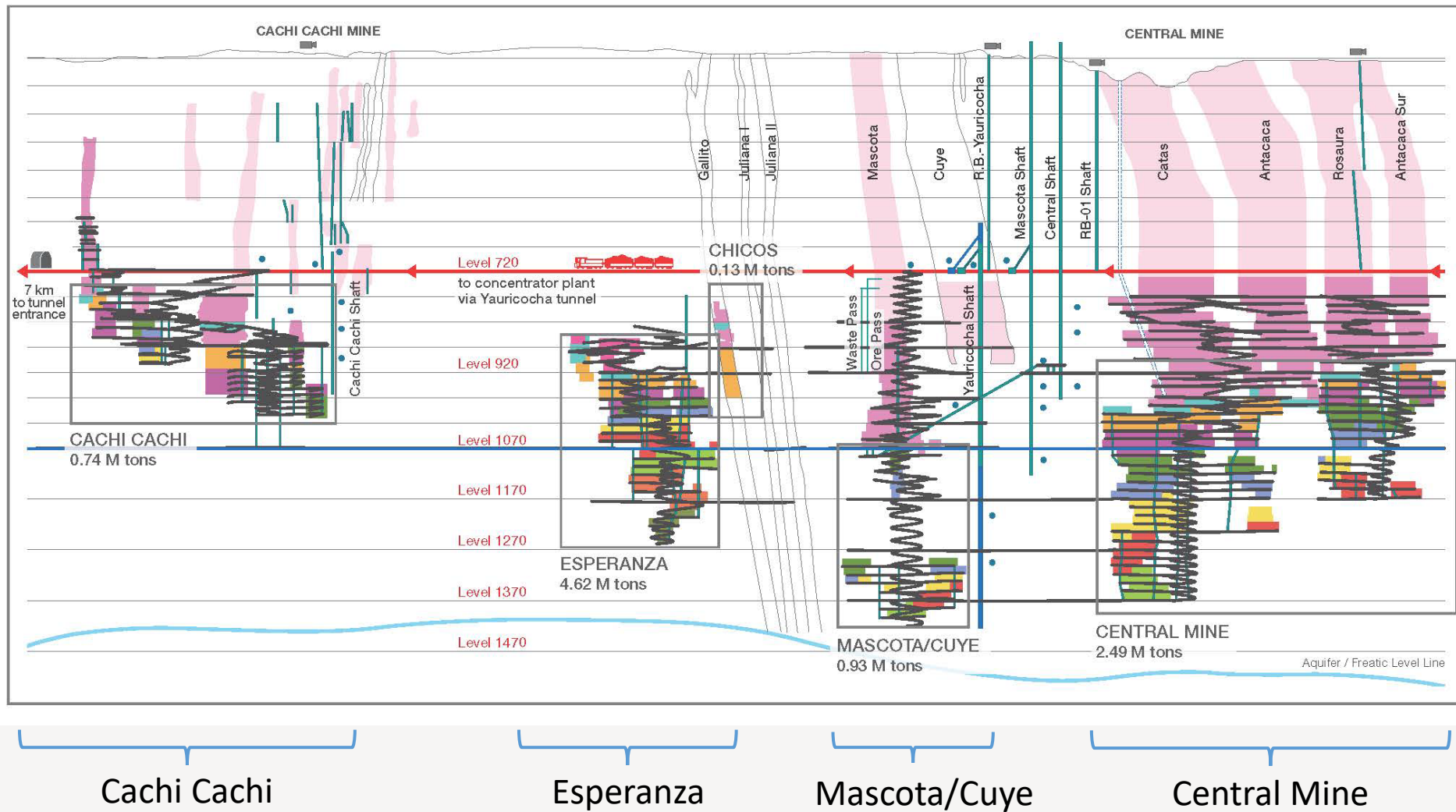
### Esperanza Area

- Average width: 15-20 Meters

### Central Mine Area

- Average width: 6-8 Meters

## Reserves Estimate increased by 134% and Mine Life Doubled

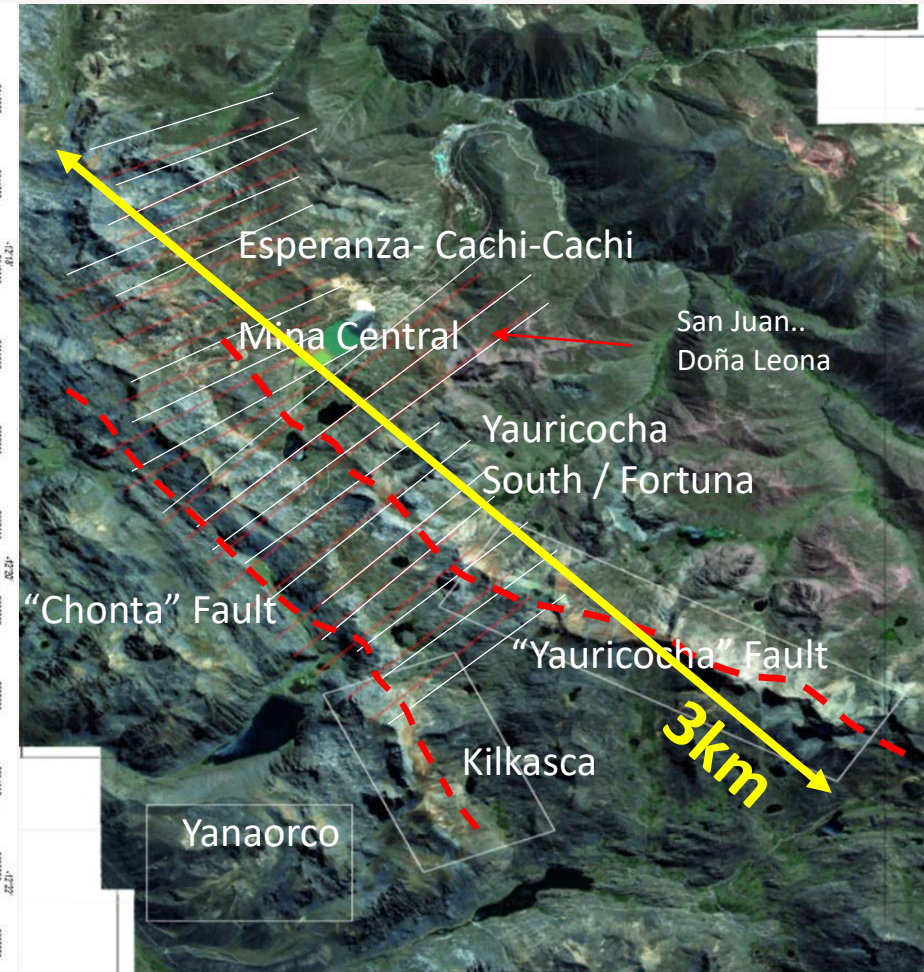
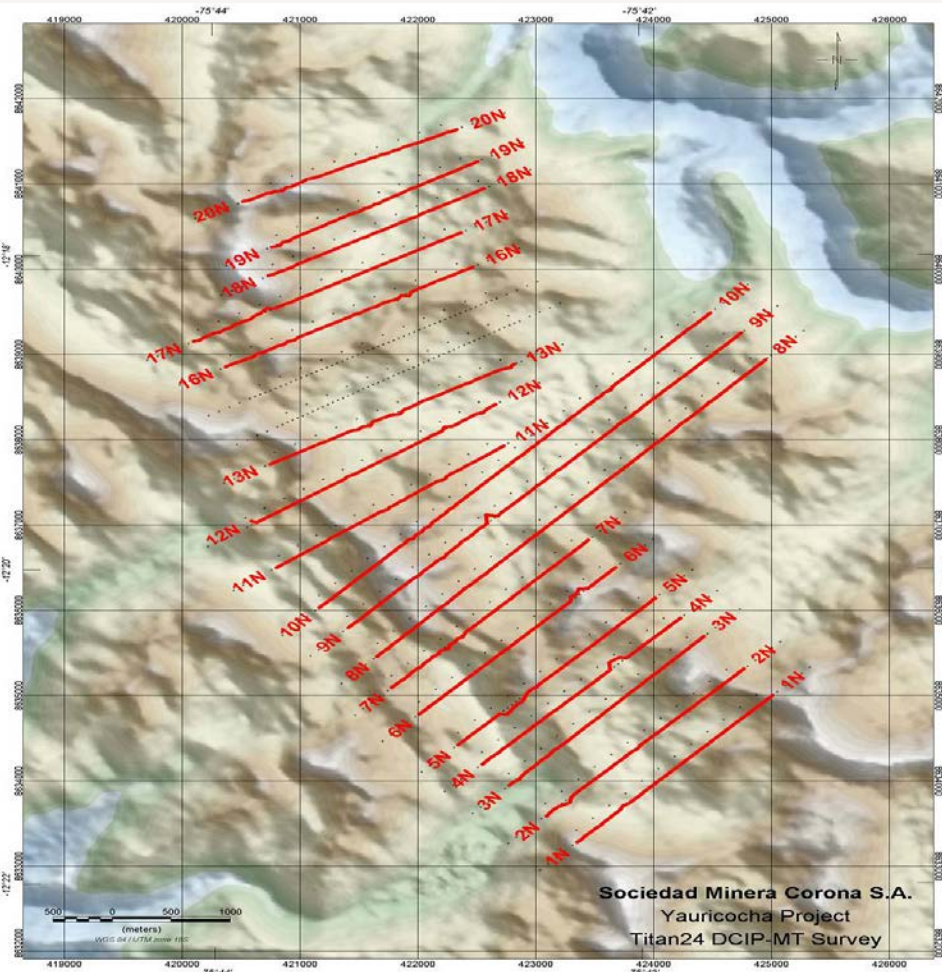


## EXPLORATION PROGRESS

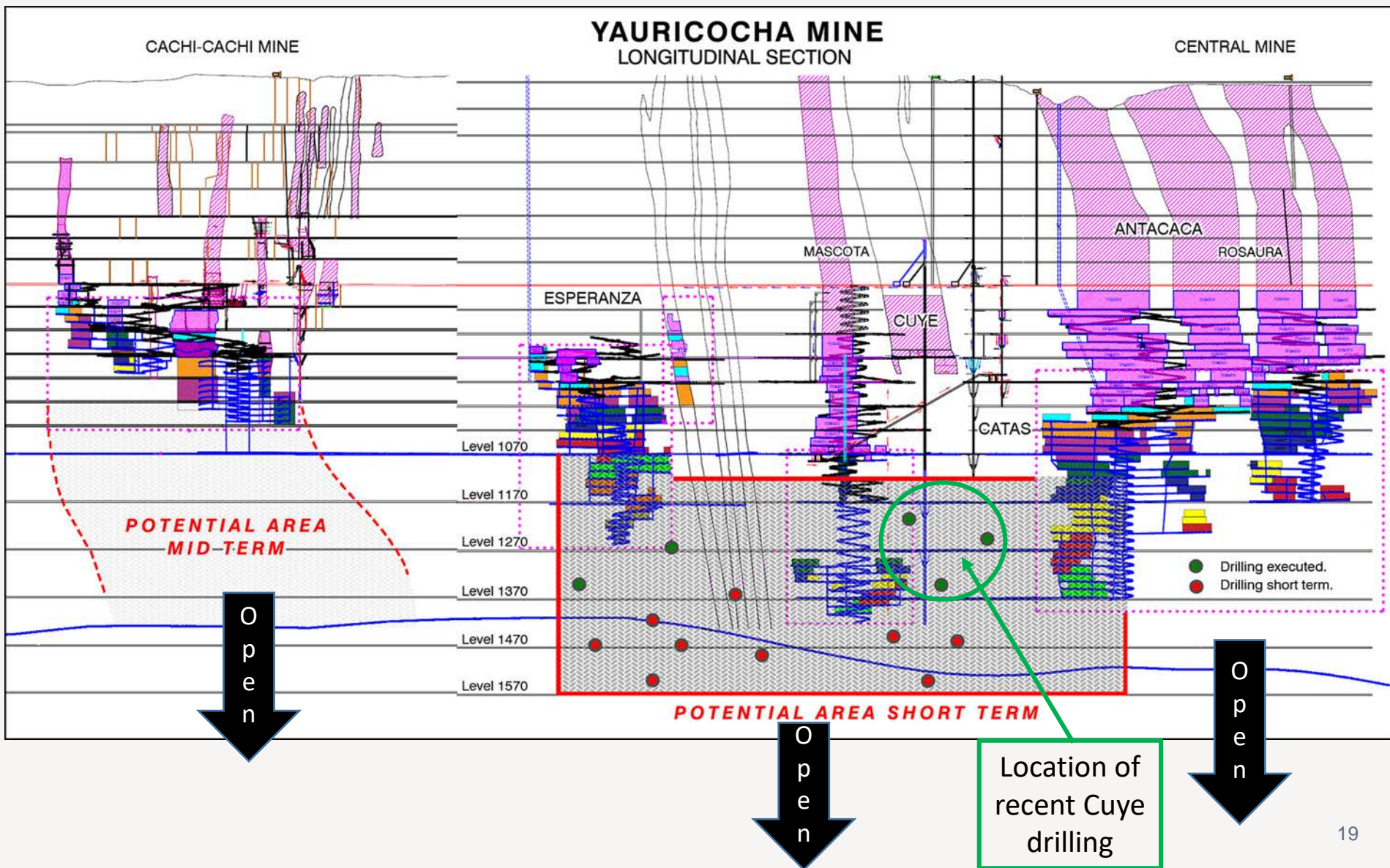
# Yauricocha: Titan 24 Survey Coverage



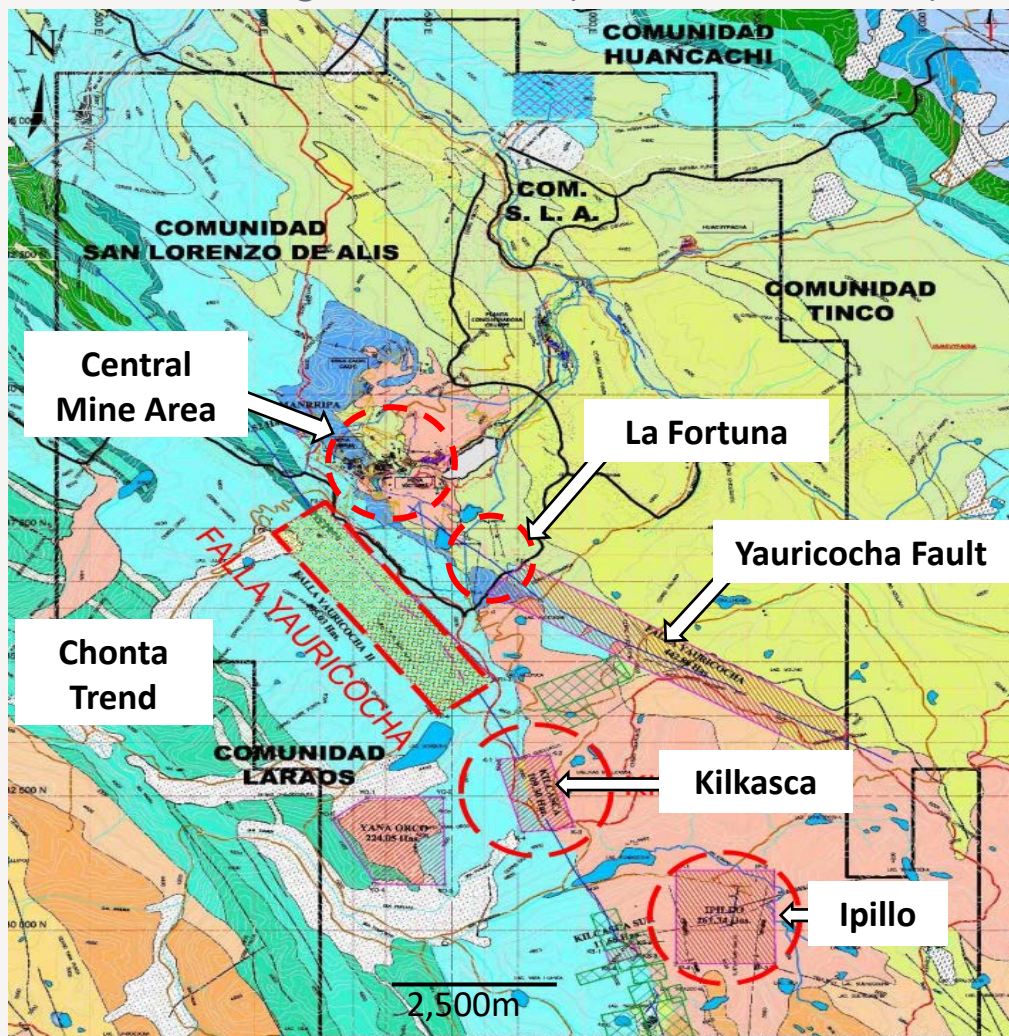
- › Titan 24 technology can penetrate to depths of up to 1,200 meters below surface
- › Measures resistivity, conductivity, then is cross referenced with lithology and regional geology



# Potential Growth Areas of the Yauricocha Mine



Land Package: 180 km<sup>2</sup> (18,000 Hectares)



- › Very large land package containing over 18,000 Hectares. 82% owned by Sierra.
- › Current brownfield exploration and drilling focused on the Central Mine Area which is only a small portion of the total land package.
- › La Fortuna has significant outcrops of copper. Further drilling may determine if there is potential for higher grade copper source.
- › Kilkasca was a former producing mine, halting production while still in ore, with mine life remaining. This may represent a promising target for future organic growth and expansion.

# BOLIVAR MINE



Reinterpretation of Geology - Metal Production Increases

# Bolivar Copper Mine

Ownership	100%
Size	15,217 Hectares
Commodities	Copper, silver, gold
Operation	Underground mine: room and pillar
Mill throughput	3,000 TPD increasing to 3,500 TPD
Annual Production	18.3 M Lbs Copper Equivalent
Concentrates	Copper with silver and gold by-product credits
Reserve Life*	7 years
Deposit Type	Copper skarn

\*Reserve Life calculated as Proven & Probable Reserves divided by Annual Mill throughput

	Tonnes M	Ag (g/t)	Cu (%)	Au (g/t)	Cu Eq (%)	Cu Eq (M lb)
Probable	7.9	18.9	0.86	0.25	1.14	198.9
Indicated*	13.3	22.5	1.03	0.30	1.37	401.5
Inferred	8.0	22.4	0.96	0.42	1.35	238.5

\*Includes Probable

Details of the reserve & resource estimates for Bolivar are presented in the Appendix.



## Production & Costs

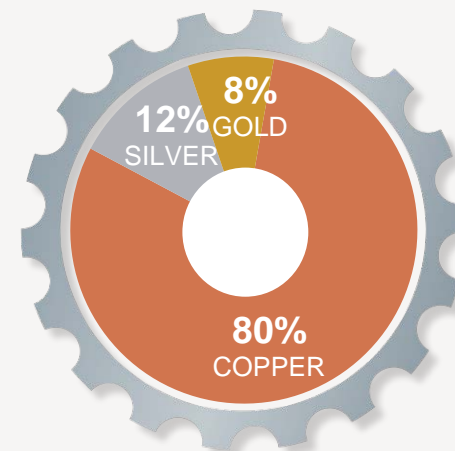
Production	2015	2016	2017	3M-2018
Tonnes processed <sup>1</sup>	830,447	950,398	887,237	259,375
<b>Tonnes per day</b>	<b>2,373</b>	<b>2,715</b>	<b>2,535</b>	<b>2,964</b>
<b>Copper Eq (M lbs)<sup>2</sup></b>	<b>21.90</b>	<b>21.89</b>	<b>18.34</b>	<b>5.45</b>

Financial Summary	2015	2016	2017	3M-2018
Revenue (\$000's)	\$41,778	\$33,267	\$44,949	\$13,856
Net Income (Loss)	\$(3,286)	\$(6,853)	\$(3,230)	\$1,226
CF Before Movements in WC (\$000's) <sup>3</sup>	\$4,058	\$5,120	\$10,651	\$4,799
Cash Cost per tonne processed	\$27.90	\$24.37	\$24.94	\$25.68
Cash Cost per Cu Eq pound sold	\$1.34	\$1.12	\$1.49	\$1.29
<b>All-in Sustaining Cost per Cu Eq pound sold<sup>4</sup></b>	<b>\$2.34</b>	<b>\$2.22</b>	<b>\$2.68</b>	<b>\$1.94</b>

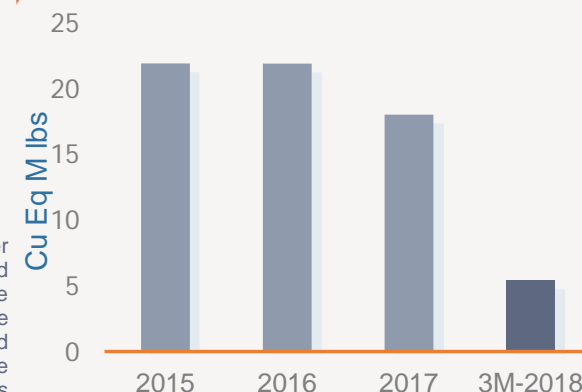
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### Revenue Mix

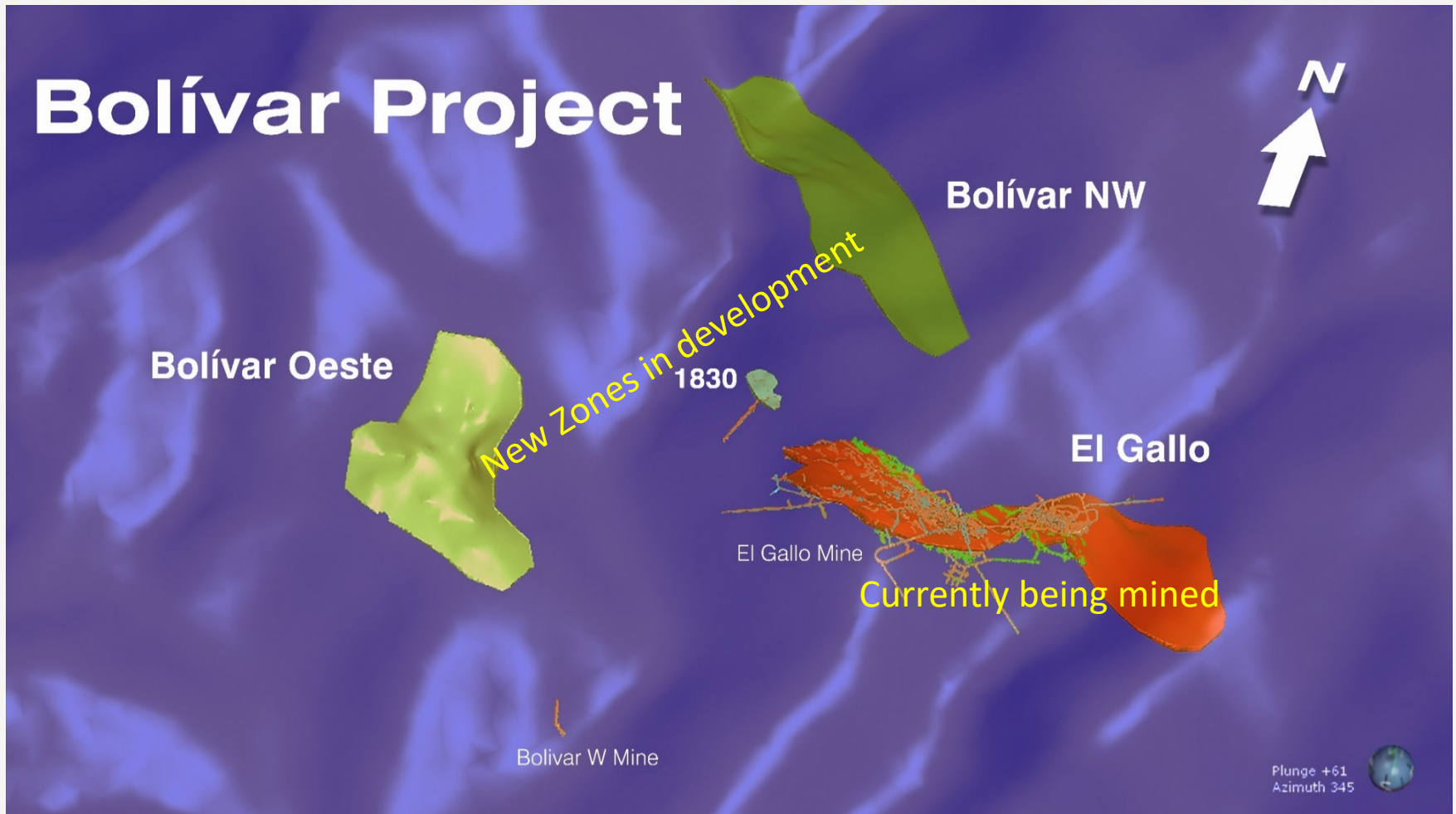
Trailing 12 months ending March 31, 2018



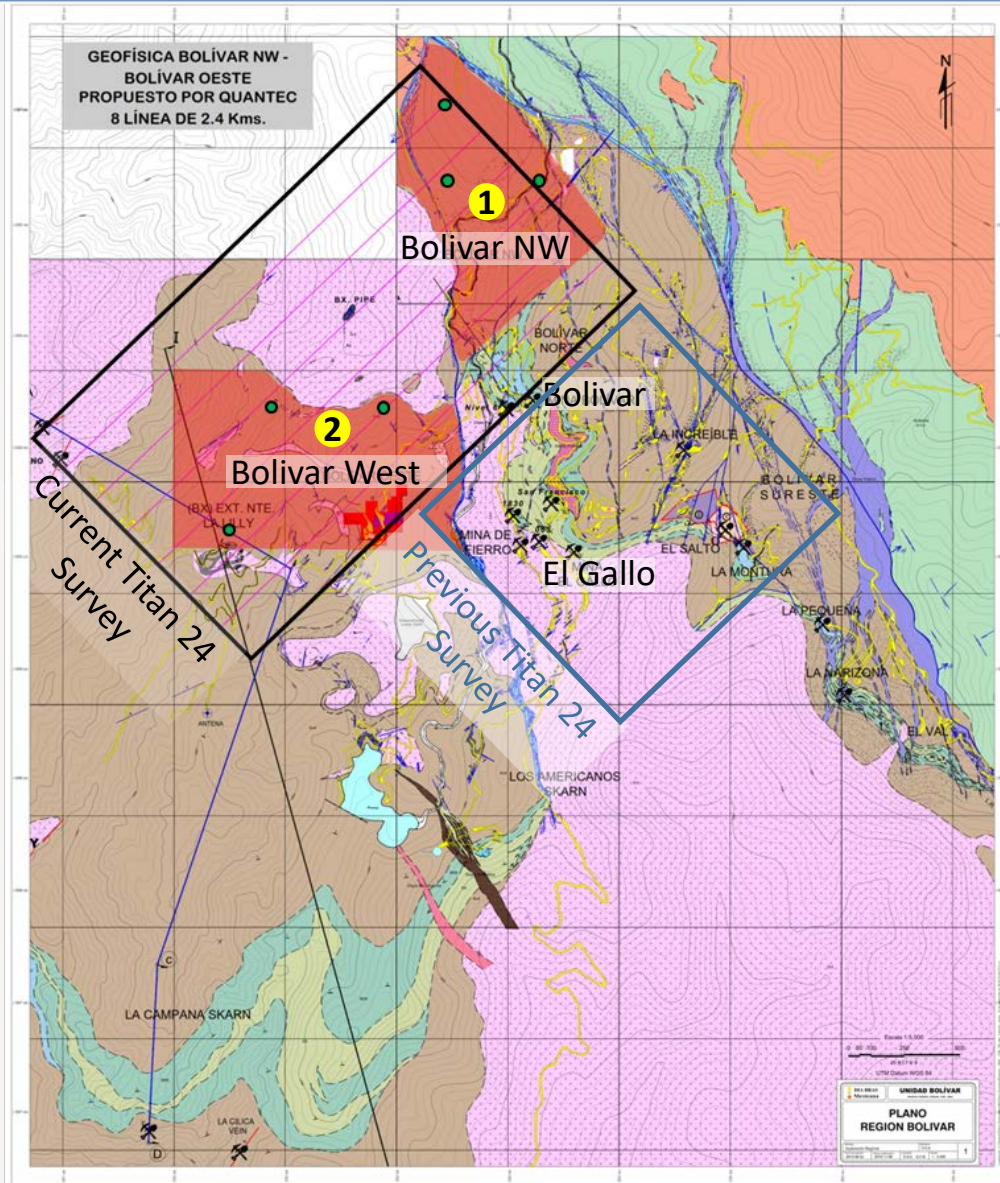
### Copper Equivalent Production (M lbs)



# Bolivar Mineralized Zone Layout



## Bolivar Northwest and Bolivar West Targets



- › Titan 24 Geophysical Survey completed on Bolivar West and Northwest areas resulting in 24 anomalies and 8 high value drill targets.
- › 17,000 Meters of drilling program completed in 2017 with the majority occurring at Bolivar West where high grade copper intercepts have occurred.
- › **28 holes (12,300 meters), recently completed which provided the Company with higher Copper, Zinc and Silver grades.**
- › Mineral Reserve and Resource Updated press released on May 22, 2018 with and NI-43 101 report to follow with 45 days. **Mineral Reserves increased by 83%**
- › **Bolivar West average grade of 2.55% copper equivalent with an average true width of 9.1 meters**, which is significantly above El Gallo's current resource grade and current head grades.
- › Bolivar West still has further potential resource growth prospects and remains open to the northeast.

# CUSI MINE



Reinterpretation of Geology – New High-Grade Silver Discovery

# MEXICO-CUSI MINE

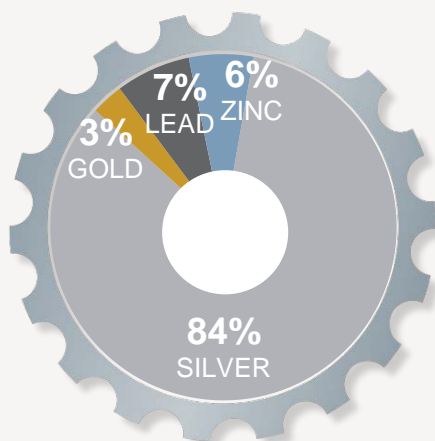
## Cusi Silver Mine



Ownership	100%
Size	11,671 Hectares
Commodities	Silver, zinc, lead, gold
Operation	Underground mine in development; cut and fill
Mill throughput	650 TPD increasing to 1,200 TPD in Q1-2019
Annual Production	549 K Oz Silver Equivalent
Concentrates	Lead and Zinc concentrates with significant silver
Deposit Type	High-grade, low sulphidation epithermal deposit

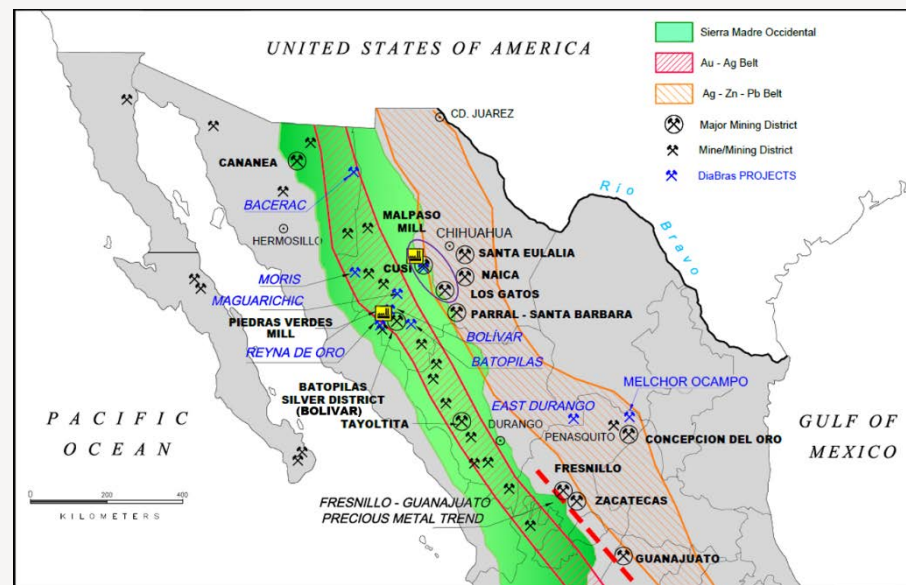
### Revenue Mix

Trailing 12 months ending March 31, 2018



	Tonnes M	Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	Ag Eq (g/t)	Ag Eq (M oz)
Measured	362	225	0.55	0.68	0.13	269	3.1
Indicated	4.2	217	0.64	0.66	0.21	267	36.0
Inferred	1.6	158	0.54	0.84	0.16	207	10.9

Details of the resource estimates for Cusi are presented in the Appendix.



# Increasing Grade & Tonnage via Brownfield Exploration

- › The Cusi Fault is a 64 kilometer regional structure
- › 12 kilometers of the Cusi Fault containing the Santa Rosa de Lime (“SRL”) Zone lie within Sierra Metals’ property boundaries



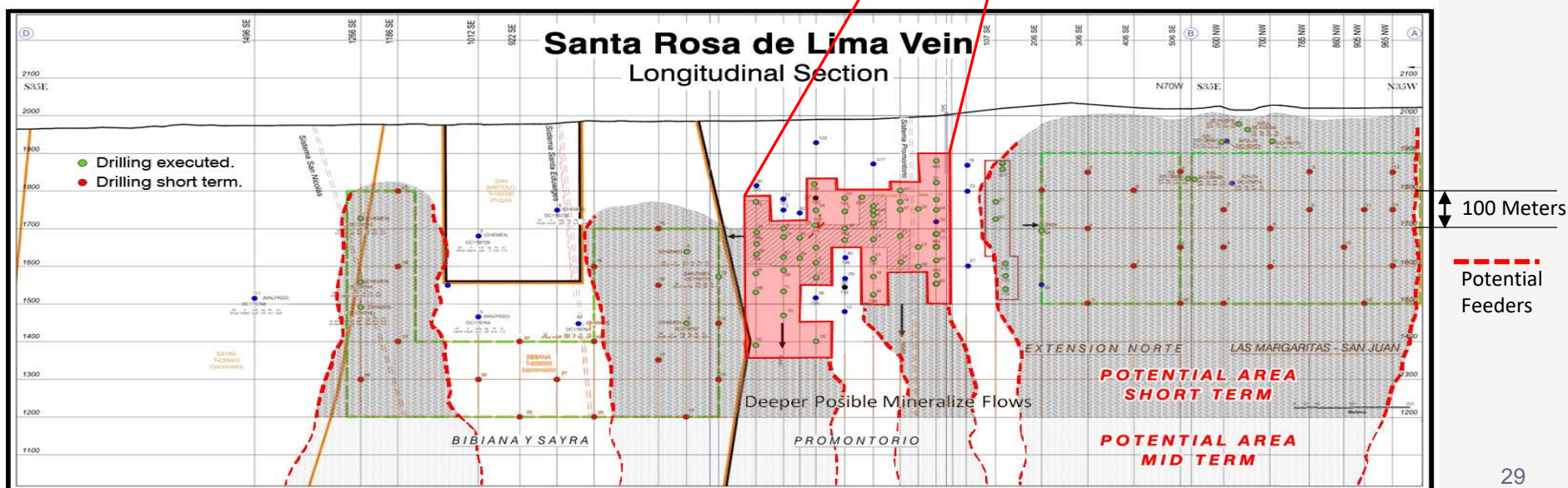
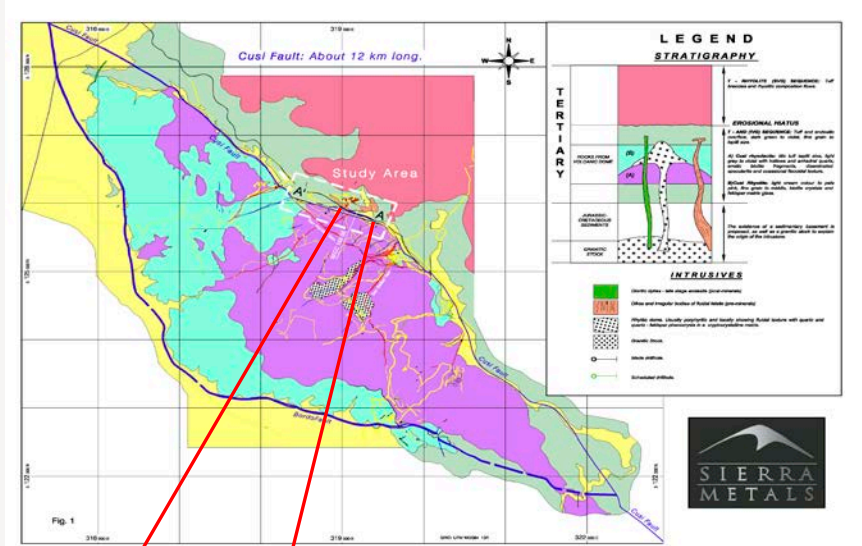
## Santa Rosa de Lima Zone

Average grade of the intercepts for 29,500 meter program is 372 g/t AgEq with Average true width of 3.8 meters.

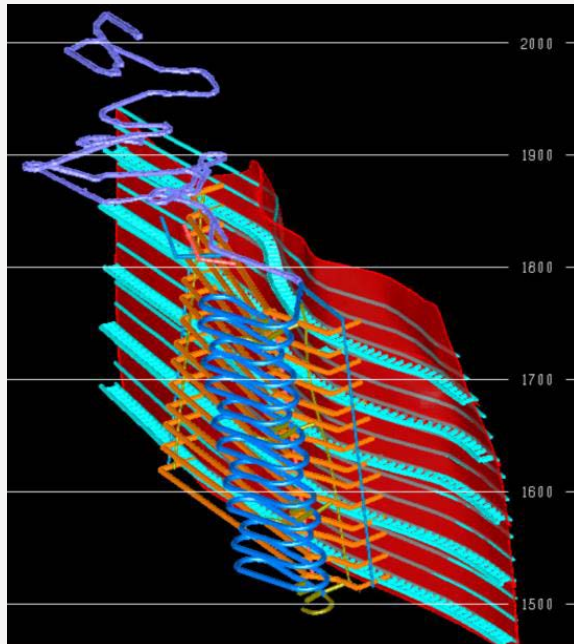
Step out drilling extends silver mineralization beyond the Santa Rosa de Lima zone with similar high-grade characteristics.

Zone extended from 1 km to 1.7 km all within the 12 km structure running inside Sierra Metals property boundary.

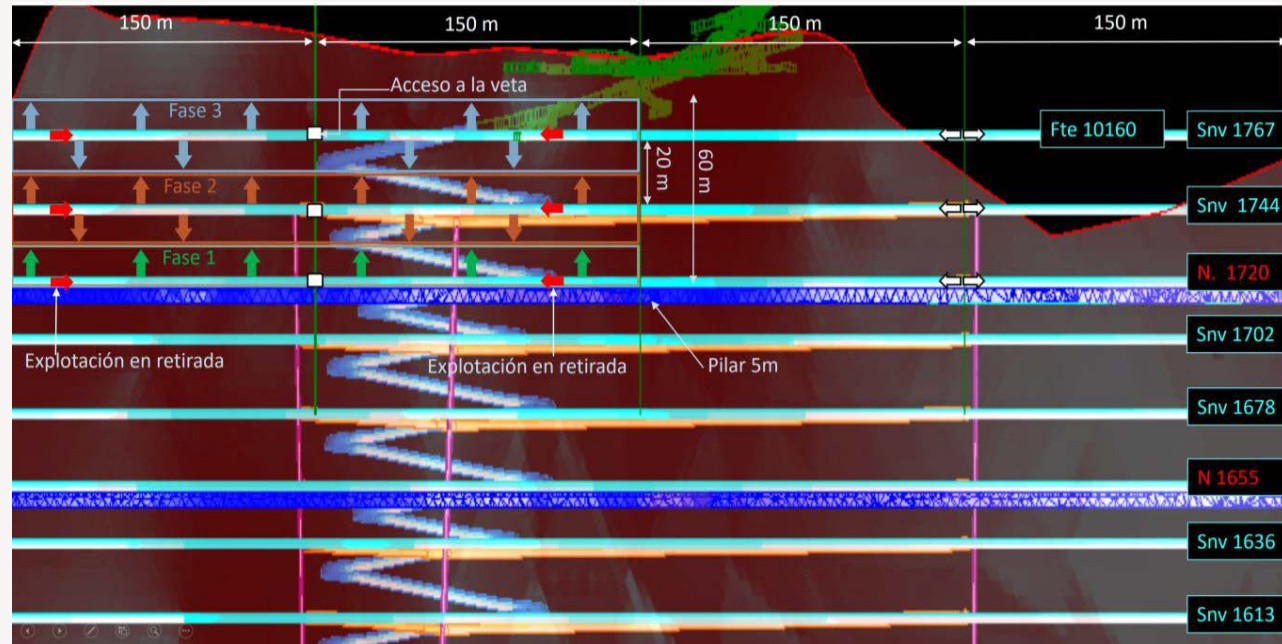
New Mineral Resource published December 2017.



Mine Design



Long Hole Mine Plan



- › Drift development completed on four primary sub levels, additional three levels to be completed in 2018
- › Ramp development continues to the lower part of SRL complex

## INVESTMENT HIGHLIGHTS

# Why Invest in Sierra Metals?



### Diversified Asset Base

Diversified asset base with a multi-asset production Platform

### Strong Growth Story

Strong growth storey that builds on a very successful lower risk, near-mine brownfield exploration effort since 2016 that is yielding remarkable reserve and resource increases

### Robust Operational Track Record

Robust Operational Track Record at all three Mines with robust performance

### Well Established Mining Jurisdictions

Operations based in first class, well established mining jurisdictions

### Solid Financial Position

Solid financial position underpinned by strong capitalization, low net leverage and robust liquidity position

### Experienced Management Team

Experienced management team with strong operational and development track record, with strong support and sponsorship from ARCM Fund

# CONTACT

## Information



### Investor Relations

Sierra Metals Inc.  
Mike McAllister  
VP, Corporate Development

Christiana Papadopoulos  
Manager, Investor Relations

T: 1.416.366.7777  
E: [info@sierrametals.com](mailto:info@sierrametals.com)

### Corporate Office

TD South Tower  
79 Wellington Street West, Suite 2100  
Toronto, ON M5K 1H1

T: 1.416.366.7777

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# APPENDIX



APPENDIX

# CONSOLIDATED DEBT

## Breakdown



Estimated as of March 31, 2018	BCP Acquisition Credit Facility	Credit Facility with BCP	Corona Loan with BCP	Credit Facility with BBVA Banco Continental	FIFOMI Mexican Government Debt Facility
Who's Debt:	Dia Bras Peru	Dia Bras Peru	Corona	Corona	Dia Bras Mexico
Amount (USD):	\$39.1M	\$15.0M	\$4.7M	\$5.0M	\$3.0M
Term (years):	5	1	3	0.5	5
Maturity Date:	Aug 31, 2020	Aug 31, 2018	Oct 17, 2018	Sept 21, 2018	Dec 23, 2019
Interest Rate:	3M LIBOR + 3.65%	3M LIBOR + 1.0%	3M LIBOR + 4.5%	3M LIBOR + 2.52%	TIIE <sup>1</sup> + 1.75%
Payment Schedule <sup>2</sup> :	Quarterly	Quarterly	Quarterly	On Maturity	Monthly
Use of Proceeds:	Corona's Acquisition	Working Capital	CAPEX	Working Capital	Working Capital

1. TIIE: Tasa de Interes Interbancaria del Banco de Mexico.

2. In accordance with our amended acquisition credit facility with Banco de Credito del Peru ("BCP"), at least 50% of the proceeds which we receive from any equity capital transaction must be allocated to the mandatory prepayment of the amounts owing to BCP under such facility.

› BCP Acquisition Credit Facility has a \$24 million bullet payment due in August of 2020.

## 2018 CAPEX GUIDANCE (US\$ M)

# Breakdown



US\$ Million	Yauricocha	Bolivar	Cusi	Total
Sustaining Capex	8.4	2.8	1.9	13.1
Exploration Capex	4.8	1.2	3.2	9.2
Growth Capex	14.5	7.8	4.2	26.5
<b>TOTAL</b>	<b>27.7</b>	<b>11.8</b>	<b>9.3</b>	<b>48.8</b>
Exploration Drilling (meters)	33,500	10,000	27,750	71,250

## Guidance and Production by Metal



3M-2018 Production				
Mine	Yauricocha	Bolivar	Cusi	Total
Silver (M oz)	0.4	0.1	0.1	<b>0.6</b>
Copper (M lb)	3.7	4.4	-	<b>8.1</b>
Lead (M lb)	6.1	-	0.2	<b>6.3</b>
Zinc (M lb)	18.1	-	0.0	<b>18.2</b>
Gold (K oz)	0.8	1.0	0.2	<b>2.0</b>

2018 Guidance		
	Low	High
Silver (M oz)	2.5	2.9
Copper (M lb)	32.7	38.1
Lead (M lb)	19.1	22.3
Zinc (M lb)	62.9	73.4
Gold (K oz)	6.7	7.8

Yauricocha Production	2015	2016	2017	3M-2018
Tonnes processed <sup>1</sup>	832,225	897,169	1,023,491	271,389
Tonnes per day	2,378	2,563	2,924	3,102
Silver ounces (M oz)	1.79	1.84	1.65	0.37
Copper (K lbs)	5,567	6,281	11,719	3,727
Lead (K lbs)	39,430	36,440	27,934	6,069
Zinc (K lbs)	42,077	54,805	75,151	18,144
Gold ounces	5,018	4,664	2,894	835
<b>Zinc Eq (M lbs)<sup>2</sup></b>	<b>132.4</b>	<b>140.93</b>	<b>146.82</b>	<b>34.77</b>

Bolivar Production	2015	2016	2017	3M-2018
Tonnes processed <sup>1</sup>	830,447	950,398	887,237	259,375
Tonnes per day	2,373	2,715	2,535	2,964
Silver ounces (M oz)	0.44	0.40	0.33	0.12
Copper (K lbs)	17,629	17,109	15,056	4,363
Gold ounces	3,216	2,986	2,880	1,048
<b>Copper Eq (M lbs)<sup>2</sup></b>	<b>21.90</b>	<b>21.89</b>	<b>18.33</b>	<b>5.45</b>

All figures as reported in Sierra's MD&A for the relevant period.

1. Metric tonnes

2. Silver equivalent ounces and copper equivalent pounds were calculated using quarterly realized metal prices. Silver and copper equivalent guidance figures will change based on metal prices used each quarter in the equivalent metal calculations.

# Reserve and Resource Table\*

Reserves - Proven and Probable											Contained Metal							
		Tonnes (x1000)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	CuEq (%)	ZnEq (%)	Ag (M oz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	Au (K oz)	AgEq (M oz)	CuEq (M lb)	ZnEq (M lb)
Yauricocha	Proven	1,836	47	1.08	0.84	2.59	0.64	-	-	5.78	3	44	34	105	38	-	-	234
	Probable	7,081	49	1.23	0.75	2.38	0.49	-	-	5.72	11	192	117	372	112	-	-	893
	Proven & Probable	8,917	48	1.20	0.77	2.43	0.52	-	-	5.73	14	235	151	477	150	-	-	1,127
Bolívar	Proven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Probable	7,925	19	0.86	-	-	0.25	-	1.14	-	5	150	-	-	64	-	199	-
	Proven & Probable	7,925	19	0.86	-	-	0.25	-	1.14	-	5	150	-	-	64	-	199	-
Total	Proven & Probable	16,842	34	1.04	0.41	1.29	0.39				19	386	151	477	213			
Resources - Measured and Indicated											Contained Metal							
		Tonnes (x1000)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	CuEq (%)	ZnEq (%)	Ag (M oz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	Au (K oz)	AgEq (M oz)	CuEq (M lb)	ZnEq (M lb)
Yauricocha	Measured	3,094	70	1.72	1.23	3.20	0.79	-	-	8.06	7	117	84	219	78	-	-	550
	Indicated	10,112	60	1.46	0.83	2.67	0.60	-	-	6.63	19	326	185	595	196	-	-	1,478
	Measured & Indicated	13,206	62	1.52	0.92	2.79	0.65	-	-	6.97	26	444	269	813	274	-	-	2,028
Bolívar	Measured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Indicated	13,267	23	1.04	-	-	0.30	-	1.37	-	10	304	-	-	128	-	402	-
	Measured & Indicated	13,267	23	1.04	-	-	0.30	-	1.37	-	10	304	-	-	128	-	402	-
Cusi	Measured	362	225	-	0.55	0.68	0.13	269	-	-	3	-	4	5	2	3	-	-
	Indicated	4,195	217	-	0.64	0.66	0.21	267	-	-	29	-	59	61	28	36	-	-
	Measured & Indicated	4,557	218	-	0.63	0.66	0.20	267	-	-	32	-	64	66	30	39	-	-
Total	Measured & Indicated	31,030	68	1.09	0.49	1.29	0.43				68	748	333	880	432			
Resources - Inferred											Contained Metal							
		Tonnes (x1000)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)	CuEq (%)	ZnEq (%)	Ag (M oz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	Au (K oz)	AgEq (M oz)	CuEq (M lb)	ZnEq (M lb)
Yauricocha		6,632	43	1.19	0.47	2.16	0.55	-	-	5.15	9	175	68	315	117	-	-	753
Bolívar		8,012	22	0.96	-	-	0.42	-	1.35	-	6	170	-	-	108	-	238	-
Cusi		1,633	158	-	0.54	0.84	0.16	207	-	-	8	-	19	30	8	11	-	-
Total	Inferred	16,277	44	0.96	0.24	0.96	0.45				23	344	87	345	234			

# Reserve and Resource Estimate

## Yauricocha Mine:

1. The effective date of the Yauricocha mineral reserve and resource estimate is July 31, 2017. Details of the estimate are provided in a NI 43-101 technical report filed on SEDAR on November 10, 2017. Zinc equivalency is based on the following metal price assumptions: US\$17.80/oz Ag, US\$2.60/lb Cu, US\$1.01/lb Pb, US\$1.25/lb Zn and US\$1,255/oz Au. Metallurgical recovery assumptions are variable between mineralization types, and are based on actual plant data for 2017. They range (where recovered) from 28-67% Ag, 39-65% Cu, 66-85% Pb, 89% Zn, 16-54% Au. The equivalency expression is designed to present an in-situ zinc equivalent, considering the recovered value of the other metals expressed in the value of zinc percent.
  - The equation is:  $ZnEq = ((Ag * Ag\$ * Agrec) + (Cu * Cu\$ * Curec) + (Pb * Pb\$ * Pbrec) + (Zn * Zn\$ * Znrec) + (Au * Au\$ * Aurec)) / (Zn\$ * Znrec)$ .

## Bolivar Mine:

2. The effective date of the Bolivar mineral reserve and resource estimate is October 31, 2017. Details of the estimate are provided in the Company's May 22, 2018 press releases and a NI 43-101 technical report will be filed on SEDAR within 45 days of the May 22, 2018 press release. Measured, Indicated and Inferred Resources include Proven and Probable Reserves. Copper equivalent is based on the following metal prices: US\$18.25/oz Ag, US\$3.00/lb Cu and US\$1,291 Au. Totals for Proven and Probable are diluted for internal waste. Metallurgical recovery assumptions are based on actual plant data for 2017 and are 78% Ag, 83% Cu, and 64% Au. The equivalency expression is designed to present an in-situ copper equivalent, considering the recovered value of the other metals expressed in the value of copper percent.
  - The equation is:  $CuEq = ((Ag * Ag\$ * Agrec) + (Cu * Cu\$ * Curec) + (Au * Au\$ * Aurec)) / (Cu\$ * Curec)$ .

## Mina Cusi:

3. The effective date of the Cusi mineral resource estimate is Aug 31, 2017. Details of the estimate are provided in a NI 43-101 technical report filed on SEDAR on February 12, 2018. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Silver equivalency is based on the following metal price assumptions: US\$18.30/oz Ag, US\$0.93/lb Pb, US\$1.15/lb Zn and US\$1,283/oz Au. Based on the historical production information for Cusi, the metallurgical recovery assumptions are 84% Ag, 86% Pb, 51% Zn, 57% Au. The equivalency expression is designed to present an in-situ silver equivalent, considering the recovered value of the other metals expressed in the value of silver g/t.
  - The equation is:  $AgEq = ((Ag * Ag\$ * Agrec) + (Pb * Pb\$ * Pbrec) + (Zn * Zn\$ * Znrec) + (Au * Au\$ * Aurec)) / (Ag\$ * Agrec)$ .

# PROVEN & EXPERIENCED Management Team



## Igor Gonzales, President & Chief Executive Officer

- › Mr. Gonzales has more than 35 years of experience in the mining industry, most recently he was COO at Buenaventura and prior to that was with Barrick Gold from 1998 to 2013 where he most recently held the position of Executive VP and COO. Prior to joining Barrick, he served in various roles with Southern Peru Copper.

## Gordon Babcock, P.Eng., Chief Operating Officer

- › Over 34 years of experience in mine production management, project development, engineering, exploration and mine consulting in precious, base metals and aggregate operations in the Americas. Most recently COO at Jaguar Mining and has previously worked for Nyrstar, Breakwater Resources, Coeur Mining Inc., Milpo, The Hochschild group in Peru, Muscocho Explorations, and The Noranda Group.

## Ed Guimaraes, Chief Financial Officer

- › 25 years experience in the mining industry, most recently in a consulting role and several Board directorships. Previously, Mr. Guimaraes was with Aur Resources between 1995 and 2007, ultimately serving as Executive Vice-President, Finance and Chief Financial Officer, until its acquisition by Teck Resources. Prior to 1995, he worked in the Toronto mining group of PricewaterhouseCoopers.

## Alonso Lujan, Vice President Exploration

- › 26 years international experience in mineral exploration with a positive track record for increasing companies' resources, output and company value. Mr. Lujan most recently spent 6 years with Mata-Trafigura as the General Manager. Prior to that he worked with Hochschild Mining and Minas de Bacis SA de CV.

## Americo Zuzunaga, CP (Geologist by Mining Engineer), Vice President Corporate Planning

- › Over 30 years of international experience in mining operations, mine and business planning, engineering studies (PEA, PFS, FS), Project Management and optimizing development. Mr. Zuzunaga was most recently at BISA as a Technical Studies Manager and previously worked at BHP Billiton in successive planning roles. Previously he has been employed with Antamina, Yanacocha and Southern Peru Copper.

## Augusto Chung, CP (Metallurgist), Consultant to Sierra Metals

- › 34 years metallurgical and mine management experience with a positive track record for increasing companies' output and company value. Mr. Chung was most recently with Rio Alto Mining as the Vice President of Projects. Prior to that he worked with Milpo, Barrick and Antamina and Southern Peru Copper.

## Dante Vargas, Vice President, Human Resources and Continuous Improvement

- › Over 35 years of experience in management, strategic planning, organizational effectiveness and security and risk management in different countries in Latin America. Most recently he was the Operational Excellence Manager for Buenaventura. Previously he was with Barrick South America and Barrick Peru, where he managed the implementation of HR processes and systems and managed large projects including participation in the construction of the Pascua Lama project.

## Mike McAllister, Vice President, Corporate Development

- › 13 years of experience working with public mining companies, the last 8 as a mining specialized investor relations professional. Mr. McAllister previously worked for Avion Gold which was Acquired by Endeavour Mining, Savary Gold, Alder Resources and Black Iron in their Investor Relations and Corporate Development programs. Previously Mr. McAllister worked at BMO Capital Markets in the Metals & Mining Group.

## EXPERIENCED & ACCOMPLISHED

# Board of Directors



### Alberto Arias, Chairman & Director

- Mr. Arias has over 21 years of experience in the field of international mining finance. He is the founder and President of Arias Resource Capital Management LP ("ARCM"). Prior to ARCM, he was Managing Director & Head of Equity Research for Metals and Mining at Goldman Sachs and a former mining analyst at UBS.

### Igor Gonzales, President & Chief Executive Officer

- Mr. Gonzales has more than 35 years of experience in the mining industry, most recently he was COO at Buenaventura and prior to that was with Barrick Gold from 1998 to 2013 where he most recently held the position of Executive VP and COO. Prior to joining Barrick, he served in various roles with Southern Peru Copper.

### Doug Cater, Director

- Mr. Cater, a seasoned geologist with over 30 years of experience in the gold mining and exploration business and is currently Vice President, Exploration at Kirkland Lake Gold. He also serves as a Council member of the Association of Professional Geoscientists of Ontario (APGO), representing the Southwest Ontario district.

### Steven Dean, Director

- Mr. Dean has extensive international experience in the mining industry and is currently the Chairman & CEO of Atlantic Gold. Previously Mr. Dean was the President of Teck Cominco (now Teck Resources). Prior to joining Teck, he was a founding director of Normandy Poseidon Group (which became Normandy Mining) as well as founder of PacMin Mining.

### Philip Renaud, Director

- Mr. Renaud is Managing Director of LB Advisors, a European investment advisory firm involved in private financings. Prior to joining LB he was a founding partner of Change Capital Partners, a 300 million Euro private equity fund.

### Dionisio Romero Paoletti, Director

- Mr. Romero is Chairman of the Board of Directors of Credicorp and Banco de Credito – BCP, Peru's largest bank, and has been the Chief Executive Officer of Credicorp (NYSE: BAP) since 2009. Mr. Romero is a graduate of Brown University with a degree in Economics and earned an MBA from Stanford University.

### Jose Alberto Vizquerra-Benavides, Director

- Mr. Vizquerra is currently Executive Vice President of Strategic Development & Director at Osisko Mining. For over four years, he served as the President & CEO of Oban Mining Corp. ("Oban"), where he led the successful change of business strategy that resulted in Oban's acquisition of Corona Gold, Eagle Hill Exploration Corp. and Ryan Gold to form what is now Osisko Mining. Mr. Vizquerra previously worked as Head of Business Development for Compania de Minas Buenaventura, prior to which he worked as production and exploration geologist at the Red Lake gold mine. He is currently a board member of Alio Gold Inc, Sierra Metals and Discovery Metals. Mr. Vizquerra holds a M.Sc. from Queens University in MINEX, and is a Qualified Person (AIGP). Mr Vizquerra is currently advancing the General Management Program (GMP) at the Wharton School of Business.

## BOARD OF DIRECTORS

# Adviser and Observers

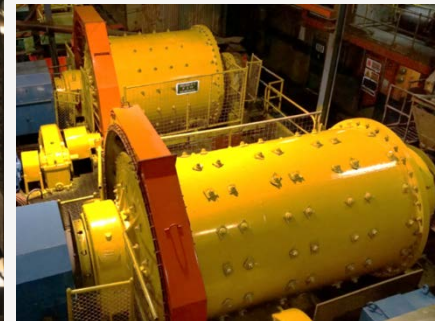


### Alberto Beeck, Adviser to the Board

- › Alberto Beeck is an investor and entrepreneur who combines his time between businesses and social impact activities in the education sector. He is Managing Partner of Cranley Investments Holdings, Managing Partner of VH Properties, Chairman of Lumni and of Sin Limites. Mr Beeck serves on several boards and is a member of the board of trustees of Georgetown University.

### Alejandro Perellón, Observer to the Board

- › Alejandro Perellón is a Vice President with Arias Resource Capital Management LP. Previously, Mr. Perellón worked within the Latin America Investment Banking team at UBS in New York, where he focused on the metals and mining industry.



# CONTACT

## Information



### Investor Relations

Sierra Metals Inc.  
Mike McAllister  
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T: 1.416.366.7777  
E: [info@sierrametals.com](mailto:info@sierrametals.com)

### Corporate Office

TD South Tower  
79 Wellington Street West, Suite 2100  
Toronto, ON M5K 1H1

T: 1.416.366.7777

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