



OPERATIONS COMMITTEE MANDATE

General

1. The board of directors (the “**Board**”) of Sierra Metals Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the Operations Committee (the “**Committee**”). For the purpose of this mandate, the term “Corporation” includes the Corporation and its subsidiaries.
2. The overall purpose of the Committee is to assist the Board in its oversight responsibilities with respect to the Corporation’s mining operations, including: (a) production and production planning; (b) operation optimization and business model structuring; (c) cost control and reduction; (d) logistics and transportation; (e) technical studies and projects; and (f) operational risks.

Composition:

3. The Committee will be comprised of a minimum of two directors. Each Committee member shall satisfy the experience requirements, if any, imposed by applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.
4. Members of the Committee shall be appointed annually by the Board at the first meeting of the Board after the annual general meeting of shareholders. Each member shall serve until such member’s successor is appointed, unless that member resigns or is removed by the Board or otherwise ceases to be a director of the Corporation. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. A member of the Committee will cease to be a member upon ceasing to be a director of the Corporation.
5. The Chair of the Committee may be designated by the Board on the recommendation of the Corporate Governance and Nomination Committee, or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Chair of the Committee shall be responsible for overseeing the performance by the Committee of its duties, for assessing the effectiveness of the Committee and individual Committee members and for reporting periodically to the Board. The Committee may form and delegate authority to individual members or subcommittees when appropriate.

Meetings

6. The Committee will meet at least once a year and meetings will be scheduled to facilitate the Committee carrying out its responsibilities. Additional meetings and/or site visits will be held as deemed necessary by the Chair of the Committee. Any member of the Committee may request a meeting of the Committee. Any director of the Corporation may request the Chair of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such director, and may participate in such meeting to the extent permitted by the Chair of the Committee.
7. Meetings of the Committee shall be validly constituted if a majority of the members of the Committee is present in person or by telephone conference. A resolution in writing signed by all the members of the Committee entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.
8. The Committee shall discuss the matters discussed at each Committee meeting with the Board, and when requested to, shall submit the minutes of all meetings to the Board.

Mandate Review

9. The Committee shall review and assess the adequacy of this mandate and the effectiveness of the Committee at least annually or otherwise, as it deems appropriate, and recommend changes to the Board for approval.

Committee Authority and Responsibilities

10. In assisting the Board in fulfilling its oversight responsibilities, the Committee shall have the power and authority of the Board to perform the following duties and fulfill the following responsibilities:
 - a. Review on a periodic basis the mining performance of the Corporation's mining operations, including but not limited to mine plans, life of mine estimates, critical performance indicators of exploration and mining operations, updated mineral reserve and mineral resource estimates, capex and operating costs, cost reduction measures and continuous improvement programs.
 - b. Review on a periodic basis the performance of the Corporation's milling operations, including but not limited to critical performance indicators of the milling operations, capex and operating costs, cost reduction measures and continuous improvement programs.
 - c. Review on a periodic basis and recommend to the Board for approval the outcome of any concentrate sales tendering process.
 - d. Review on a periodic basis the performance of the Corporation's mine and regional exploration programs, including but not limited to drill results and program outcomes.
 - e. Review potential business opportunities relating to the acquisition and disposition of mineral claims.

- f. Review any proposed changes to and monitor the following aspects of the Corporation's mining and business operations: (i) operation optimization; (ii) production system optimization; (iii) technical and engineering studies; (iv) project execution; and (v) logistic studies.
 - g. Review and recommend for Board approval as appropriate, any budget and capital expenditures proposed in relation to technical and engineering projects and studies at the mining operations.
 - h. In the event of the occurrence of a material production quality problem, receive and review as soon as practicable a report from management detailing the nature of the problem and the remedial action being taken and make any recommendations in respect thereof to the Board as may be determined by the Committee to be appropriate.
 - i. Review significant technical risks, mitigation strategies and opportunities associated with the Corporation's mines and projects.
 - j. Review technical merits associated with potential new projects or acquisitions.
11. In addition, the Committee will (a) perform such other duties and functions within the scope of the foregoing as the Committee deems appropriate or as the Board shall from time to time direct; (b) take such actions as may be appropriate to enable the Committee to inform itself with respect to the scope of and compliance with the Corporation's policies, procedures and programs, trends in mining operations compliance and the economic effect of such trends; and (c) maintain an ongoing dialogue with and consider the recommendations of management, report to the Board and, where appropriate, make recommendations to the Board.

Authority to Engage Outside Advisors

12. The Committee has the authority to engage independent counsel and other outside advisors, consultants and/or experts as it determines necessary to carry out its duties and to set and pay the compensation for any such advisors employed by the Committee.
13. The Corporation shall provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of (a) compensation to any advisors, consultants and/or experts engaged by the Committee; and (b) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Limitations

14. The Committee does not have decision-making authority, except as specifically provided herein or to extent that such authority is expressly delegated by the Board. The Committee shall convey its findings and recommendations to the Board for consideration and, where required, decision by the Board. Nothing in this mandate is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which directors of a corporation are subject to under applicable law.
15. Notwithstanding the foregoing and subject to applicable laws, nothing contained in this mandate is intended to require the Committee to ensure the Corporation's compliance with applicable laws or regulations.

16. The Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to shareholders of the Corporation or other liability whatsoever.

Approved: June 10, 2022