



HEALTH, SAFETY, ENVIRONMENTAL AND TECHNICAL COMMITTEE MANDATE

General

The board of directors (the “**Board**”) of Sierra Metals Inc. (the “**Corporation**”) has delegated the responsibilities, authorities and duties described below to the Health, Safety, Environmental and Technical Committee (the “**Committee**”). For the purpose of this mandate, the term “Corporation” includes the Corporation and its subsidiaries.

The overall purpose of the Committee is to assist the Board in its oversight responsibilities relating to the Corporation’s establishment of health, safety and environmental policies for its mining operations and to review their appropriateness on an ongoing basis to reflect the Corporation’s commitment to the health and safety of workers at its sites; and the Corporation’s commitment to environmental stewardship, public responsibility, social progress and economic growth. The Committee also is charged with the responsibility for reviewing the technical aspects of the Corporation’s exploration, development, permitting, construction and mining programs and, in the Committee’s discretion, make recommendations to the Board for consideration.

Composition

1. The Committee will be comprised of a minimum of three 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.
2. 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.
3. The Chair of the Committee may be designated by the Board on the recommendation of the Corporate Governance 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.

Meetings

4. The Committee will meet at least once a year and meetings will be scheduled to facilitate the Committee carrying out its responsibilities. Additional meetings 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.
5. 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.
6. 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

7. 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

8. 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 Corporation's organizational structure for addressing health, safety and environmental issues and affairs and social and public policy issues relevant to the Corporation's businesses and operations.
 - (b) Review at least annually (i) the Corporation's record of compliance with applicable health, safety and environmental laws and regulations, (ii) the Corporation's internal policies, practices, programs and objectives relating to environmental, health and safety issues and affairs including the adequacy thereof as well as significant changes in such policies, practices, programs and objectives, and (iii) management actions taken with respect to any significant deficiencies identified or improvements recommended by its environmental, health and safety audit or other personnel or external advisors in complying with the foregoing.
 - (c) Review at least annually the appropriateness and sufficiency of current and planned accounting accruals or reserves for remediation, reclamation, closure

and other related environmental concerns and communicate the results of its review to the Audit Committee, as appropriate.

- (d) Review periodically the Corporation's significant expenditures on environment, health and safety compliance, recognizing the integration of such expenditures with overall capital and other projects.
- (e) Review periodically the environment, health and safety internal audit reports covering the Corporation's facilities.
- (f) Monitor the Corporation's environment, health and safety management and reporting systems, which systems shall include energy and loss prevention components and crisis management relating to significant environment, health and safety events or occurrences.
- (g) Review reports from management with respect to any extraordinary event or condition involving significant environmental damage, significant risk to public health or safety, major public controversy, material liability, lack of compliance with any health, safety or environmental regulation or potential therefor, including any significant health, safety and environmental issues and litigation and regulatory and administrative proceedings in which the Corporation is or may become involved.
- (h) Review reports from management on significant changes in legislation or regulations, judicial, regulatory or administrative decisions, treaties, protocols, conventions or other agreements, public policies or medical, scientific or other developments involving health, safety and environmental issues that will or could have a material adverse effect on the Corporation's businesses, operations or financial results and management's plan to address such changes and developments.
- (i) Review reports from management regarding plans for the conduct of environmental performance assessments, including key issues to be addressed during the coming year.
- (j) Review periodically efforts focused on prevention of problems and incidents relating to significant health, safety and environment issues and major hazard analyses, including programs to promote zero injuries amongst the workforce, and monitor their effectiveness on minimizing or preventing the harmful effects of the Corporation's operations on the environment.
- (k) Review and make follow-up recommendations, if appropriate, to management reports, regarding the performance and compliance with applicable laws providing for the protection of the environment, employees and the public, and the status of any investigations or legal proceedings of a material nature.
- (l) Receive regular updates from management on key technical and operational issues and initiatives, including significant exploration and development projects and proposed authorizations for expenditure for matters having a significant technical component.

- (m) Assess the Corporation's systems and processes for reviewing technical risks and technical controls in place at the Corporation's operations, including quality assurance/quality control measures, calculation of mineral resources and mineral reserves and similar matters and from time to time receive and review internal and external reports prepared for management on technical matters, as deemed necessary by the Committee.
 - (n) Consider the capability of the Corporation, either through management, other Corporation personnel, or contractors, to oversee and address technical matters arising in the Corporation's operations.
 - (o) Review all material proposals for mine construction and mill refurbishment programs, annual operating and production plans, together with operating reports, for all proposed and existing operating mines and infrastructure related to the mill.
 - (p) Review data and discuss with management the advisability of proceeding with the exploration, development, acquisition or divestiture of mineral properties and/or operations.
9. 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 environmental, health and safety policies, procedures and programs, trends in environment, health and safety compliance and the economic effect of such trends, and (c) maintain an ongoing dialogue with and consider the recommendations of management, assess proposed action plans in respect of the Corporation's mineral properties and operations, report to the Board and, where appropriate, make recommendations to the Board.

Authority to Engage Outside Advisors

10. 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.
11. 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

12. 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.

13. 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.

This mandate was approved by the Committee and the Board effective August 18, 2015.