



CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

This Code of Business Conduct and Ethics (the “**Code**”) has been approved by the Board of Directors (the “**Board**”) of Sierra Metals Inc. (“**Sierra Metals**”) and is intended to assist all employees, officers, directors, agents, representatives and contractors (the “**SMT Representatives**”) of Sierra Metals and each of its direct and indirect subsidiaries (collectively, the “**Company**”) to maintain the highest standards of ethical conduct in corporate affairs. This Code is intended to comply with Canadian securities law requirements. Specifically, the purpose of this Code is:

- to encourage among SMT Representatives a culture of honesty, accountability and mutual respect;
- to provide guidance to help SMT Representatives recognize ethical issues; and
- to provide mechanisms to support the resolution of ethical issues.

Compliance with this Code and its high standards of business conduct and ethics is mandatory. Cooperation from SMT Representatives is necessary to maintain the Company’s reputation with its shareholders, business partners, prospective investors and other stakeholders for honesty and integrity, which is key to the continued success of the Company’s business.

ADMINISTRATION

The Board is ultimately responsible for the implementation and administration of this Code and has designated a Compliance Officer for the day-to-day implementation and administration of this Code. From time to time, the Board may change this designation and may also designate one or more Assistant Compliance Officers to fill in at times when the Compliance Officer may be otherwise unavailable, such as during his or her vacation. The Board’s current designation, together with contact information, is set out in Schedule A to this Code. SMT Representatives should direct questions concerning this Code to the Compliance Officer.

While this Code is designed to provide helpful guidelines, it is not intended to address every situation. Dishonest or unethical conduct, or conduct that is illegal, will constitute a violation of this Code, regardless of whether such conduct is specifically referenced in this Code. SMT Representatives should conduct their business affairs in such a manner that the Company’s reputation will not be impugned if the details of their dealings should become a matter of public discussion. SMT Representatives shall not engage in any activity that may adversely affect the reputation or integrity of the Company.

It is not intended that there be any waivers granted under the Code. In the unlikely event that a waiver is considered, in order to be granted it must receive prior approval by the Board if it involves a director or executive officer, or by the Board or the President and Chief Executive Officer of the Company (the “**Chief Executive Officer**”) if it involves any other SMT Representative. Any waiver or amendment will be

disclosed promptly in accordance with applicable securities laws and the Company's Disclosure of Information Policy.

Each SMT Representative is expected to read and become familiar with the conduct and ethical standards described in this Code and, if requested by the Company, to affirm his or her agreement to adhere to these standards by signing the Compliance Certificate that appears at the end of this Code and confirming such agreement on an annual basis.

If laws or other policies and/or codes of conduct differ from this Code, or if there is a question as to whether this Code applies to a particular situation, SMT Representatives should check with the Compliance Officer before acting. If there are any questions about any situation, SMT Representatives should ask the Compliance Officer about how to handle the situation. However, every supervisor and/or manager is responsible for helping employees to understand and comply with the Code.

The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. Any SMT Representative in a situation that he or she believes may violate or lead to a violation of this Code should follow the compliance procedures described in the section entitled "Procedure for Reporting Illegal or Unethical Behaviour" below.

OVERVIEW

It is the policy of the Company to apply high standards of courtesy, professionalism and honesty in its interactions with customers, shareholders, suppliers, co-workers and the community. This Code governs the business-related conduct of all SMT Representatives, including, but not limited to, the Chief Executive Officer and the Chief Financial Officer, as well as all other officers, directors and employees of the Company.

COMPLIANCE WITH LAWS

A variety of laws apply to the Company and its operations. It is the Company's policy to comply with all applicable laws, including employment, discrimination, intimidation, harassment, health, safety, competition, securities, banking and environmental laws. No SMT Representative has authority to violate any law or to direct another SMT Representative or other person to violate any law on behalf of the Company. Each SMT Representative is expected to comply with all such laws, as well as rules and regulations adopted under such laws.

Violations of law may subject a SMT Representative to individual, criminal or civil liability, as well as to discipline by the Company. Such individual violations may also subject the Company to civil or criminal liability or to the loss of reputation or business.

Many of the laws applicable to the Company and SMT Representatives are complex and fact-specific. If any SMT Representative has questions concerning a specific situation, he or she should contact the Compliance Officer before taking any action.

CONFLICTS OF INTEREST

SMT Representatives are expected to make or participate in business decisions and actions in the course of their relationship with the Company based on the best interests of the Company and not based on personal relationships or benefits. A conflict of interest, which can occur or appear to occur in a wide variety of situations, may compromise a SMT Representative's ability to act ethically.

Generally speaking, a conflict of interest occurs when the personal interest of a SMT Representative, an immediate family member of a SMT Representative or a person with whom a SMT Representative has a close personal relationship interferes with, or has the potential to interfere with, the interests or business of the Company. For example, a conflict of interest may occur where a SMT Representative, his or her family member or person with whom he or she has a close personal relationship receives a gift, a unique advantage or an improper personal benefit as a result of the SMT Representative's position at the Company. A conflict of interest could make it difficult for a SMT Representative to perform corporate duties objectively and effectively because he or she is involved in a competing interest.

The following is a discussion of certain common areas that raise conflict of interest issues. However, a conflict of interest can occur in a variety of situations. SMT Representatives must be alert to recognize any situation that may raise conflict of interest issues and must disclose to the Compliance Officer any material transaction or relationship that reasonably could be expected to give rise to actual, or the perception of, conflicts of interest with the Company. Any SMT Representative who becomes aware of an actual or potential conflict should bring it to the attention of the Compliance Officer or follow the compliance procedures described in the section entitled "Procedure for Reporting Illegal or Unethical Behaviour" below. Transactions, as defined in applicable securities regulations, between related parties will not be conflicts of interest under this Code if they are reviewed and approved in accordance with the requirements of those regulations.

Corporate Opportunities

SMT Representatives must not appropriate for themselves the benefit of any business venture, opportunity or potential opportunity he or she learns about in the course of his or her employment or office. A SMT Representative must not use the Company's proprietary information or position for personal gain. A SMT Representative must not compete against the Company, either directly or indirectly. SMT Representatives owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Outside Activities/Employment and Civic/Political Activities

Any outside activity must not significantly encroach on the time and attention SMT Representatives devote to their duties for the Company and should not adversely affect the quality or quantity of their work. In addition, SMT Representatives may not imply the Company's sponsorship or support of any outside activity that is not official business of the Company, and under no circumstances are SMT Representatives permitted to take for themselves or their family members' business opportunities that are discovered or made available by virtue of their positions at the Company. Moreover, except as permitted by the following paragraph or by the Board, the Chairman of the Company's Governance Committee or the Compliance Officer, no employee of the Company may perform services for or have a financial interest in any entity that is, or to such employee's knowledge may become, a vendor, client or competitor of the Company. Employees of the Company are prohibited from taking part in any outside employment or directorships without the prior written approval of the Chief Executive Officer or the Compliance Officer, except for minor and unrelated employment and for directorships on charitable Boards that in each case do not interfere with the employee's duties to the Company.

No employee of the Company may acquire securities of a customer, supplier or other party if ownership of the securities would be likely to adversely affect either the employee's ability to exercise independent professional judgment on behalf of the Company or the quality of such employee's work. SMT Representatives must always follow the Company's other policies concerning the trading of securities, including those further described in this Code.

SMT Representatives are encouraged to participate in civic, charitable or political activities so long as such participation does not encroach on the time and attention they are expected to devote to their Company-related duties. Such activities are to be conducted in a manner that does not create an

appearance of the Company's involvement or endorsement. Employees may not make, or commit to make, political contributions on behalf of the Company without the approval of senior management.

Inventions, Books and Publications

SMT Representatives must receive written permission from the Chief Executive Officer or the Compliance Officer before developing, outside of the Company, any products, software or intellectual property that may be related to the Company's current or potential business.

Loans to Executive Officers and Directors

The Company will not, directly or indirectly, make loans or extend credit or provide guarantees to or for the personal benefit of executive officers or directors of the Company.

BRIBERY AND OTHER IMPROPER PAYMENTS

No SMT Representative may, directly or indirectly, give, offer, demand, solicit or accept a bribe to or from anyone in the course of conducting business on behalf of the Company, including for the purpose of obtaining or retaining business, or for any other advantage. No SMT Representative may, directly or indirectly, give, offer, demand, solicit or accept any improper payment to or from anyone in the course of conducting business on behalf of the Company, including for the purpose of obtaining or retaining business, or for any other advantage. Improper payments include, without limitation, any gift, gratuity, reward, advantage or benefit of any kind (monetary or non-monetary). For greater certainty, a third-party intermediary, such as an agent or family member, cannot be used to further any bribe or improper payment or otherwise violate the spirit of this Code.

Dealings with Government and Public Officials

The Company strictly prohibits any payment to any public official that violates the laws of any jurisdiction in which the Company operates. The Company strictly prohibits any SMT Representative from giving, offering, promising, demanding, soliciting or receiving, directly or indirectly, any bribe or improper payment, using corporate or personal funds, to or from public officials of any government or governmental agency for the purpose of obtaining or retaining business, or for any other reason. Any offer of, or request for, any bribe or improper payment must be reported to the Compliance Officer. The Company strictly prohibits any person from making any payment if such person knows or reasonably believes that all, or a portion of, the payment will be offered, given or promised, directly or indirectly, to any public official of any government or governmental agency for the purposes of assisting the Company in obtaining or retaining business. Public officials include, without limitation:

- political parties or officials thereof, political candidates and elected or appointed representatives of any government or governmental agency holding a legislative, administrative or judicial position at any level;
- a person who performs public duties or functions, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the government, or is performing such a duty or function; and
- an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

For greater certainty, the Company may make contributions to political parties or committees or to individual politicians only in accordance with applicable laws, and all such payments must be reported to the Compliance Officer.

Gifts and Business Courtesies

The Company strictly prohibits any payment to any person that violates the laws of any jurisdiction in which the Company operates. Except to the extent specifically permitted below, the Company strictly prohibits any person from giving, offering, promising, demanding, soliciting or receiving, directly or indirectly, a gift, or using corporate or personal funds, in such a way that could influence, or reasonably give the appearance of influencing, the Company's business relationship with another person. Any offer of, or request for, such a gift or use of funds must be reported to the Compliance Officer. Gifts include, without limitation, material goods, as well as services, promotional premiums and discounts.

The Company strictly prohibits any and all Facilitation Payments. "Facilitation Payments" are payments made to secure, facilitate or expedite routine, non-discretionary government actions (e.g., payments for speeding up customs clearance, loading and unloading cargo, scheduling government inspections, or issuing government licenses or port documentation).

Exceptions

The Company does not prohibit the giving or receiving of gifts of nominal or token value to or from non-government suppliers and customers, provided that they are not for the express purpose of obtaining or retaining business or some other advantage for the Company and provided that they are otherwise lawful.

The Company does not prohibit expenditures of amounts for meals and entertainment and travel expenses in connection with customer conferences of the Company and other promotional activities for non-government suppliers and customers that are ordinary and customary business expenses, if they are otherwise lawful. These expenditures should be included on expense reports and approved pursuant to the Company's standard procedures.

The Company does not prohibit the giving or receiving of rewards, advantages or benefits that are permitted or required under the written laws of a government for which a public official performs duties or functions.

The Company does not prohibit payments made that are otherwise lawful in respect of reasonable expenses incurred in good faith by, or on behalf of, a public official which are directly related to the promotion, demonstration or explanation of the Company's products and services, or the execution or performance of a contract between the Company and the government for which the official performs duties or functions.

Caution should be exercised with respect to these exceptions. If there is any doubt as to the legitimacy of a payment under this Code or under any law, advice should be sought from the Compliance Officer.

PUBLIC DISCLOSURES

The Company has an obligation in compliance with applicable laws to make full, fair, accurate, timely and understandable disclosure in its financial records and statements, in reports and documents that it files with or submits to securities regulatory authorities, and in its other public communications.

In furtherance of this obligation, each SMT Representative, in performing his or her duties, shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated, in order to ensure that to the best of his or her knowledge the Company's books, records, accounts and financial statements are maintained accurately and in reasonable detail, appropriately reflect the Company's transactions, are honestly and accurately reflected in its publicly available reports and communications and conform to applicable legal

requirements and the Company's system of internal controls, including the Company's Disclosure of Information Policy.

SMT Representatives, as applicable, must protect the financial books and records of the Company from destruction or tampering and must not conceal information relating to the Company from management, the auditors or the legal advisors of the Company. Questions related to the financial books and records of the Company should be referred to the Chief Financial Officer of the Company or the Chair of the Audit Committee of the Company (the "**Audit Committee**").

HANDLING OF CONFIDENTIAL INFORMATION

In addition to the restrictions regarding material non-public information set forth in the Company's Disclosure of Information Policy, SMT Representatives should observe the confidentiality of information that they acquire by virtue of their relationship with the Company, including information concerning the Company and its customers, suppliers and competitors and other SMT Representatives, except where disclosure is approved by an executive officer of the Company or otherwise legally mandated. In addition, SMT Representatives must safeguard proprietary information, which includes information that is not generally known to the public and has commercial value in the Company's business. Proprietary information includes, among other things, drill results, business methods, analytical tools, software programs, source and object codes, trade secrets, ideas, techniques, inventions (whether patentable or not) and other information relating to economic analysis, designs, algorithms and research. It also includes information relating to marketing, pricing, clients, and terms of compensation for SMT Representatives. The obligation to preserve proprietary information continues even after employment ends. In addition to violating this Code and policy of the Company, unauthorized use or distribution of proprietary information could also be illegal and result in civil or even criminal penalties. The Company considers its proprietary information an important asset and may bring suit against employees or former employees to defend its rights vigorously.

PERSONAL INFORMATION

SMT Representatives who collect personal information from other employees or third parties on behalf of the Company must do so in a lawful, ethical and non-intrusive manner and must inform the individual involved in advance of the purpose for which information is being collected. SMT Representatives must take appropriate steps to ensure that all personal information collected is accurate and is retained for no longer than necessary.

SMT Representatives must maintain the confidentiality of all personal information held by the Company. SMT Representatives must not disclose such personal information to other SMT Representatives unless it is reasonably required by them in order to perform their jobs. SMT Representatives must not disclose such personal information to third parties unless required by applicable law or regulation (and then only to the extent required), or unless the informed consent of the relevant individual has been obtained.

DATA PROTECTION

SMT Representatives should be aware that the delivery of any data or information to the Company will be handled in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA). To that end, the Company requires SMT Representatives to acknowledge that their consent is given to incorporate and process personal data in the file ownership and responsibility of the Company for the development and the functioning of the Anti-Corruption policy program.

USE OF ASSETS OF THE COMPANY

Assets of the Company, including facilities, funds, materials, supplies, time, information, intellectual property, software, corporate opportunities and other assets owned or leased by the Company, or that are otherwise in the Company's possession, may be used only for legitimate business purposes of the Company. Assets of the Company are not to be misappropriated, loaned to others, donated, sold or used for personal use, except for any activities that have been approved in writing by the Chief Executive Officer or the Compliance Officer in advance, or for personal usage that is minor in amount and reasonable. SMT Representatives are to report any incidents of fraud or theft to the Compliance Officer. No SMT Representative should knowingly invoke a program or code that could damage the Company's assets.

USE OF EMAIL AND INTERNET SERVICES

Email and internet services are provided to help the Company's employees perform their duties on behalf of the Company. Incidental and occasional personal use is permitted, so long as it is not for personal gain nor for any other improper purpose. SMT Representatives may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. In addition, SMT Representatives should remember that "flooding" the Company systems with junk mail and trivia hampers the ability of the systems to handle legitimate business and is prohibited.

SMT Representatives should not download copyrighted materials or copy material that is not licensed to the Company and should follow the terms of a license when using material that is licensed to the Company. No changes should be made to licensed materials without the prior consent of the Company. In addition, SMT Representatives are discouraged from downloading games and screensavers, as these are common sources of viruses.

SMT Representatives must comply with all employment-related obligations in both their personal and professional activity, including standards for workplace behaviour, privacy, confidentiality and conflict of interest. These obligations apply to social media use, including on accounts unaffiliated to the workplace.

SMT Representatives should use their best judgment when using social media, both personally and professionally. When in doubt, seek clarification from the Compliance Officer.

(a) Personal Social Media Use

Personal social media accounts may include well-known channels such as Facebook, Twitter, LinkedIn and YouTube, but extends to any site where a SMT Representative may be posting content. This can include anything from pictures of family members and vacations on photo sharing sites, to comments on a news article, or a hobby blog unrelated to work.

A personal social media account:

- does not represent your role as a SMT Representative of the Company;
- does not represent the Company;
- does not require the Company's approval; and
- is managed and populated with content by the SMT Representative.

(b) Guidelines for a Personal Account

- do not reveal confidential/private or personal information gained through work; and
- do not use visuals (images, logos, etc.) that suggest the account represents the Company.

(c) Collecting Personal Information, Privacy and Permissions

With regard to work-related activities, it is important that SMT Representatives do not collect, post or share private or personal information (including photos) about others without proper permissions and approvals.

ACCOUNTING POLICIES

The Company will make and keep books, records and accounts which, in reasonable detail, accurately and fairly present the transactions and disposition of the assets of the Company.

All directors, officers and employees are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. All directors, officers and employees are expressly prohibited from directly or indirectly manipulating an audit, and from destroying or tampering with any record, document or tangible object with the intent to obstruct a pending or contemplated audit, review or investigation. The commission of, or participation in, one of these prohibited activities or other illegal conduct will subject a director, officer or employee to penalties under applicable laws and regulations, as well as to disciplinary action by the Company, including, if warranted, termination of employment.

No director, officer or employee of the Company may directly or indirectly

- make or cause to be made a materially false or misleading statement, or
- omit to state, or cause another person to omit to state, any material fact necessary to make statements made not misleading,

in connection with the audit of financial statements by independent accountants, the preparation of any required reports whether by independent or internal accountants, or any other work which involves or relates to the filing of a document with the applicable Canadian securities regulatory authorities, the U.S. Securities and Exchange Commission (the “**SEC**”) or the Lima Stock Exchange.

FAIR DEALING

Each SMT Representative should deal fairly and in good faith with other SMT Representatives, security holders, customers, suppliers, regulators, business partners and competitors. No SMT Representative may take unfair advantage of anyone through manipulation, concealment, misrepresentation, bribes, kickbacks or any other form of improper payment, inappropriate threats, fraud, abuse of confidential information or any other intentional unfair-dealing practice.

We intend that the Company’s business practices will be compatible with the economic and social priorities of each location in which it operates, provided that honesty and integrity must always characterize its business activity. If a law conflicts with a policy in this Code, SMT Representatives must comply with the law; however, if a local custom or policy conflicts with this Code, SMT Representatives must comply with the Code.

DELEGATION OF AUTHORITY

Each SMT Representative, and particularly each of the Company’s executive officers, must exercise reasonable care to ensure that any permitted delegation of authority is reasonable and appropriate in scope, and includes appropriate and continuous monitoring.

HEALTH AND SAFETY

The Company strives to provide each SMT Representative with a safe and healthy work environment. Each SMT Representative has responsibility for maintaining a safe and healthy workplace for all SMT Representatives by following safety and health rules and practices, and promptly reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behaviour will not be tolerated by the Company. SMT Representatives should report to work in proper condition to perform their duties, free from the influence of illegal drugs or excessive alcohol. The use of illegal drugs or excessive alcohol in the workplace will not be tolerated by the Company.

DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples of conduct that will not be tolerated include, but are not limited to, derogatory comments based on race, gender, age, marital status, ethnicity, sexual orientation, disability, religious beliefs or on the basis of any other personal characteristics protected by law, as well as unwelcome sexual advances or comments. SMT Representatives are entitled to freedom from all forms of personal harassment, whether verbal, physical or visual.

SMT Representatives must promote and maintain an environment that encourages personal respect and mutual trust. SMT Representatives are encouraged to speak out when a co-worker's conduct makes them uncomfortable and to report harassment when it occurs.

PROCEDURE FOR REPORTING ILLEGAL OR UNETHICAL BEHAVIOUR

General Policy Regarding Report of Violations

SMT Representatives who observe, learn of, or, in good faith, suspect a violation of this Code must immediately report the violation pursuant to the procedures for submission of complaints and concerns set out in the Company's Whistleblower Policy.

SMT Representatives must submit any good faith complaints or concerns regarding questionable treatment or alleged violations with respect to Whistleblowing Matters (as defined in the Company's Whistleblower Policy). SMT Representatives may also contact the Chair of the Audit Committee with a question or concern about this Code, accounting or auditing matters or a business practice. Any questions or reports of violations will be addressed immediately and seriously.

The Company has hired an independent third party "Whistle Blower Security" to manage all of the complaints received. There are three ways to submit a complaint: 1) filing a report online; 2) calling the toll-free phone number; and 3) submitting an email. These services are all provided in English and Spanish. All reports generated by the service are transmitted to the Chairman of the Audit Committee with a copy to the Compliance Officer.

Contact Information:

IntegrityCounts

In North America Call: 1-866-921-6714

In Mexico Call: 01-800-099-0642

In Peru, Collect Call: 1-604-922-5963 (call the international operator and ask to make a collect call to 1-604-922-5963)

Email: sierrametals@integritycounts.ca

Website: www.integritycounts.ca/org/sierrametals

Audit Committee Chairperson:

Koko Yamamoto
161 Bay Street, Suite 4260
Toronto, Ontario
M5J 2S1
Canada

With respect to Whistleblowing Matters involving the possible violation of laws or regulations, SMT Representatives may also choose to bring such concerns to an outside regulatory authority; however, the Company is committed to taking internal action in response to such concerns and would appreciate the opportunity to do so, as appropriate. Retaliation against any SMT Representative who in good faith reports a concern about any illegal or unethical conduct will not be tolerated.

Any SMT Representative who withholds information during the course of an investigation regarding a possible violation of the Code is subject to disciplinary action, which could include termination where warranted.

COMPLIANCE

Adherence to Code and Disciplinary Action

All SMT Representatives have a responsibility to understand and follow this Code. In addition, all SMT Representatives are expected to perform their work with honesty and integrity in all areas not specifically addressed in this Policy. The Company will discipline any SMT Representative who violates this Code or related practices. The Chair of the Audit Committee or his/her designee will investigate any reported violations. The determination of the appropriate discipline will be made by the Chief Executive Officer in consultation with the Chairman of the Company's Governance Committee and/or the Board. Such discipline may include, but is not limited to, written notice to the SMT Representative that the Company has determined that there has been a violation, censure by the Company, demotion or re-assignment, suspension with or without pay or benefits, or termination of the SMT Representative's employment with the Company.

Records of all violations of this Code and the disciplinary action taken will be maintained by the Compliance Officer and will be placed in the applicable SMT Representative's personnel file. All claims will be treated confidentially to every extent possible.

A violation of the Code may also violate certain laws and rules. If it appears that an individual may have violated any laws, the Company may refer the matter to the appropriate regulatory authority, which may lead to penalties, fines or imprisonment.

The Company will notify and cooperate with the police or other government authorities regarding acts of SMT Representatives that involve violations of law. In addition, some violations may result in the Company bringing suit against employees or former employees to defend its rights vigorously.

Communications

The Company strongly encourages dialogue among SMT Representatives and their supervisors to make everyone aware of situations that give rise to ethical questions and to articulate acceptable ways of

handling those situations. The Compliance Officer shall provide a report to the Board, at least on a quarterly basis, on investigations and other significant matters arising under this Code.

Responsibility of Management-Level Employees

Officers and other management-level employees are expected to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Management-level employees may be disciplined if they condone misconduct, do not report misconduct, do not take reasonable measures to detect misconduct or do not demonstrate the appropriate leadership to ensure compliance.

RELATED POLICIES OF THE COMPANY

This Code should be read in conjunction with the Company's other related policy documents, including the Company's Disclosure of Information Policy. This Code supplements any contractual obligation any person may have under the terms of any agreements with the Company. This Code is not intended to create any contract (express or implied) with any person, including, without limitation, any employment or consulting contract, or to constitute any promise that a person's employment or consulting arrangement will not be terminated except for cause.

Whistleblower Policy

As part of the Company's commitment to the highest standards of corporate governance, the Company has established procedures for the receipt, retention and handling of complaints and concerns received relating to, among other things, alleged or suspected illegal activity or violations of this Code or a code of conduct of a subsidiary of the Company. Any such illegal activity or code violation must be reported promptly, as set out in the Company's Whistleblower Policy.

Anti-Bribery and Anti-Corruption Policy

The Company is subject to a variety of anti-bribery and anti-corruption laws that apply to its operations, including Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), the United States Foreign Corrupt Practices Act ("**FCPA**"), Peruvian Law 30424 ("**Ley No. 30424**"), and others in the jurisdictions in which the Company operates. These laws prohibit the Company from paying, offering, or promising anything of value, directly or indirectly, to any third party, including any government official, to obtain an improper advantage or improperly influence an official act or decision related to its business. The Company's policies also prohibit improperly seeking or accepting anything of value to provide an improper advantage to vendors or other business partners.

SMT Representatives should be familiar with and are expected to comply with the Company's Anti-Bribery and Anti-Corruption Policy, the procedure for implementing the Company's Anti-Bribery and Anti-Corruption Policy, and any other related programs, standards and procedures.

WAIVERS

A waiver from a specific provision of this Code may be granted where circumstances warrant. Requests for a waiver from the Code should be directed to the Compliance Officer. A waiver will only be valid if granted in writing and will be promptly disclosed in the manner and to the extent required by law.

ANNUAL ACKNOWLEDGEMENT OF THE CODE

Annually, as a condition of employment, SMT Representatives may be asked to acknowledge that they are in compliance with the Code, understand its rules, and are not aware of any unreported violations of

the Code. New employees will sign an acknowledgement that they have received, read and understand the Code. These acknowledgements serve to confirm that all SMT Representatives have reviewed and understand the Code, have agreed to comply with it and report concerns about Code violations, and are unaware of potential actions that violate the Code that have not already been reported.

APPROVAL AND AMENDMENT

This Code was initially approved and adopted by the Board on May 24, 2012. The Code has been reviewed and amended on a consistent basis since then, with this most recent version re-approved by the Board as of June 19, 2019. The Company is committed to reviewing and updating its policies and procedures on an ongoing basis. This Code may be further revised, changed or amended at any time by the Board, and any amendment to the Code will be disclosed promptly to SMT Representatives and will be disclosed publicly in accordance with applicable securities laws.

SCHEDULE "A"

This Board has made the following designation:

Compliance Officer:

Ed Guimaraes, Chief Financial Officer
161 Bay Street, Suite 4260
Toronto, Ontario
M5J 2S1
Canada

Telephone: +1 (416) 366-7777
Email: ed.guimaraes@sierrametals.com

CERTIFICATE OF COMPLIANCE

Reference is made to the following policies, guidelines and code (the “Policies”) adopted by the Board of Directors or Management, as applicable, of Sierra Metals Inc. (“Sierra”):

- Code of Business Conduct and Ethics, re-approved June 2019;
- Whistleblower Policy, re-approved in June 2019;
- Anti-Bribery and Anti-Corruption Policy, re-approved in June 2019;
- Insider Trading Policy, re-approved in June 2019;
- Disclosure of Information Policy, re-approved in June 2019; and
- Business Travel and Entertainment Policy, approved in October 2019.

In accordance with Sierra’s Policies, I, _____, hereby certify, represent and warrant to Sierra and its subsidiaries as follows (check each applicable box):

- I have reviewed and read each of the Policies within the last twelve months and understand each of their terms and requirements.
- I agree to respect all of the Policies’ terms and their intents at all times and conduct myself in accordance with them.
- I have not violated any of the terms or requirements of any of the Policies unless otherwise disclosed below.
- I am not aware of any violation or potential violation of any of the Policies unless otherwise disclosed below.
- I am aware of how to seek guidance or report violations to Sierra’s Policies

In the event you are unable to check the second or third box, please provide details of any violation or potential violation of the Policies or anti-bribery laws that you are aware of:

[Append additional pages if necessary]

Dated this _____ day of _____, 20____

Signature: _____ Print Name: _____

Location: Canada ___ / Peru ___ / Mexico___