



NEWS RELEASE

CORRECTING and REPLACING - Sierra Metals Announces Fourth Quarter & Year End 2022 Consolidated Financial Results

3/29/2023

Conference Call and Webcast will be held on March 29, 2023 at 11:00am ET

TORONTO--(BUSINESS WIRE)-- On March 29, 2023, Sierra Metals Inc. refiled its press release for the year ended December 31, 2022 to correct misaligned table figures in the 2023 Production Guidance table.

The updated release reads:

SIERRA METALS ANNOUNCES FOURTH QUARTER & YEAR END 2022 CONSOLIDATED FINANCIAL RESULTS

Conference Call and Webcast will be held on March 29, 2023 at 11:00am ET

Sierra Metals Inc. (TSX: SMT) ("Sierra Metals" or the "Company") announces fourth quarter and year-end 2022 consolidated financial results. All amounts are in US dollars, unless otherwise noted.

Fourth Quarter and Year-End 2022 Operating and Financial Highlights

- Revenue from metals payable of \$46.2 million in Q4 2022 and \$192.1 million in 2022.
- Adjusted EBITDA(1) of (\$0.5) million in Q4 2022 and \$13.0 million in 2022.
- Net loss attributable to shareholders for Q4 2022 of \$26.5 million, or \$0.16 per share and \$87.5 million, or \$0.53 per share in 2022.
- Net loss of \$88.3 million, or \$0.54 in 2022, which includes impairment charges of \$25.0 million for the Bolivar mine and \$25.0 million for the Cusi mine; and \$5.3 million non-cash depletion.
- Cash and cash equivalents as at December 31, 2022 was \$5.1 million; negative working capital of \$84.4 million.
- The focus in 2023 is to improve safety practices, reduce costs, improve productivity through increased

equipment availability.

On March 13, 2023, the Company improved short-term liquidity through refinancing \$6,250,000 of debt repayments due March 2023, with negotiations ongoing to refinance a total of \$18,750,000 of term loan amortization payments due in 2023.

Ernesto Balarezo Valdez, Sierra Metals' Interim CEO comments, "Sierra Metals enters 2023 with positive momentum. Since the start of 2023, we have stabilized our operations and begun to implement a program to optimize our operating performance, all with safety as the top priority. The expected operational improvements, alongside the corporate initiatives to improve our balance sheet, which includes the recently announced debt refinancing initiatives, has set the stage for Sierra Metals to increase production, lower costs and improve our financial position."

(1) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

Strategic Update

As first announced on October 18, 2022, a special committee comprised of the Company's independent directors (the "Special Committee") is undertaking a strategic review process. The mandate of the Special Committee includes exploring, reviewing and considering options to optimize the operations of the Company and possible financing, restructuring and strategic options in the best interests of the Company. The Company has engaged CIBC Capital Markets as a financial advisor in this process.

The Special Committee continues to evaluate certain strategic alternatives. The Company will report to shareholders upon completion of the Special Committee's review. Concurrently, over the course of the strategic review process the Special Committee and the management team have identified and have implemented a number of opportunities to improve the Company's operational and financial position.

Progress made to-date includes the following:

- Successfully implementing a transition of executive level management.
- Organizational changes designed to create a shift in the corporate culture and instill a more "hands-on" approach to operations.
- Placing a renewed emphasis on safety and employee engagement. The Company has hired a VP of Health and Safety, instituted new safety protocols across all of its operations, increased training and communication efforts, and invested in remote-controlled equipment which is designed to reduce risk of injury.
- Streamlining operations to reduce costs, and refinancing debt obligations in order to preserve working capital as production levels improve.
- Advancing discussions with secured lenders on refinancing of material short-term obligations, and steps to improve short-term liquidity through ancillary financing arrangements.

- Initiatives to increase productivity at the mines, including increasing asset utilization, focused underground development of mine sequencing, and improvements to ventilation and pumping systems.
- Prioritizing spending to focus resources on the Company's core assets at Yauricocha and Bolivar.
- Initiating activities designed to identify additional mineral resources at the Yauricocha and Bolivar mines to sustain long-term production increases.
- Enhancements to internal financial forecasting, reporting and integration of information across functions to ensure timely decision making.

2023 Guidance

Production Guidance

The Bolivar mine exited fourth quarter 2022 with improved operations and expectations of continued improved performance throughout 2023. The Yauricocha mine is expected to gradually and safely ramp up production throughout 2023 at the current depth. Meanwhile, Yauricocha's focus will remain on obtaining the necessary permits to access the deeper, high-grade ore bodies.

The table summarizing 2023 production guidance from the Yauricocha and the Bolivar mines is provided below. Management considers the Cusi mine as 'non-core' and it has been excluded from the guidance.

	2023 Guidance		2022
	Low	High	Actual
Silver (000 oz)	1,500	1,700	1,218
Copper (000 lbs)	37,300	42,400	27,127
Lead (000 lbs)	14,000	15,400	12,216
Zinc (000 lbs)	46,000	50,500	38,100
Gold (oz)	13,500	15,400	9,361
Copper equivalent pounds (000's) (1)	74,300	83,300	56,108

(1) 2023 metal equivalent guidance was calculated using the following prices: \$21.03/oz Ag, \$3.55/lb Cu, \$1.35/lb Zn, \$0.93/lb Pb and \$1,741/oz Au.

Cost Guidance

A breakdown of 2023 production guidance, cash costs and all-in sustaining costs ("AISC") are included in the table below.

Mine	Equivalent Production Range (1)	Cash costs range per CuEqLb	AISC(2) range per CuEqLb	Actual for 2022	
				Cash costs per CuEqLb	AISC(2) per CuEqLb

Yauricocha	Copper Eq Lbs ('000)	40,000 - 44,000	\$1.81 - \$1.88	\$3.09 - \$3.19	\$2.23	\$3.69
Bolivar	Copper Eq Lbs ('000)	34,500 - 39,500	\$1.92 - \$2.05	\$3.02 - \$3.25	\$2.99	\$5.07

(1) 2023 metal equivalent guidance was calculated using the following prices: \$21.03/oz Ag, \$3.55/lb Cu, \$1.35/lb Zn, \$0.93/lb Pb and \$1,741/oz Au.

(2) AISC includes treatment and refining charges, selling costs, G&A costs and sustaining capital expenditure

Capital Expenditures

A breakdown by mine of the throughput and planned capital investments is shown in the following table:

	Amounts in \$M		
	Sustaining	Growth	Total
Yauricocha	10	11	21
Bolivar	22	4	26
Total Capital Expenditure	32	15	47

Total sustaining capital for 2023, excluding Cusi, is expected to be \$32.0 million, mainly comprised of mine development (\$3.0 million) and drainage (\$2.3 million) in Yauricocha, and mine development (\$11.3 million), infill drilling (\$5.3 million) and equipment replacement (\$3.9 million) at the Bolivar mine.

Growth capital for 2023, projected at \$15.0 million, includes costs of tailings dam expansion (\$5.6 million) and Yauricocha shaft (\$3.2 million) in Peru. Growth capital at Bolivar includes costs of the tailings dam and the starter dam.

Management will continue to review performance throughout the year, while exploring value enhancing opportunities.

Conference Call & Webcast

The Company will host a conference call on Wednesday, March 29, 2023, at 11:00 AM EDT to discuss the results. Details of the conference call and webcast are as follows:

Date:	March 29, 2023
Time:	11:00 am ET
Webcast:	https://events.q4inc.com/attendee/111210337
Telephone:	Access code: 077974
	Canada: 1 833 950 0062 (toll free)

USA: 1 844 200 6205 (toll free)

Other: 1 929 526 1599

The webcast, presentation slides and 2022 Financial Statements and Management Discussion and Analysis will be available at www.sierrametals.com, with an archive of the webcast available for 180 days.

Summary of Operating and Financial Results

The information provided below are excerpts from the Company's Annual Financial Statements and Management's Discussion and Analysis, which are available on the Company's website (www.sierrametals.com) and on SEDAR (www.sedar.com) under the Company's profile.

(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)	Q4 2022	Q3 2022	Q4 2021	2022	2021	Var%
Operating						
Ore Processed / Tonnes Milled	494,980	561,906	590,057	2,287,797	2,902,220	-21%
Silver Ounces Produced (000's)	570	669	805	2,581	3,527	-27%
Copper Pounds Produced (000's)	6,170	6,299	6,071	27,127	31,757	-15%
Lead Pounds Produced (000's)	2,071	3,878	6,011	13,498	30,816	-56%
Zinc Pounds Produced (000's)	6,367	10,815	14,913	38,100	79,281	-52%
Gold Ounces Produced	3,411	2,199	1,863	10,155	9,572	6%
Copper Equivalent Pounds Produced (000's) ¹	14,073	16,637	17,841	64,218	89,926	-29%
Cash Cost per Tonne Processed	\$ 63.30	\$ 65.60	\$ 58.21	\$ 63.89	\$ 48.69	31%
Cash Cost per CuEqLb ²	\$ 2.44	\$ 2.41	\$ 2.29	\$ 2.55	\$ 1.81	41%
AISC per CuEqLb ²	\$ 4.19	\$ 3.82	\$ 4.13	\$ 4.15	\$ 3.40	22%
Cash Cost per CuEqLb (Yauricocha) ²	\$ 3.16	\$ 2.01	\$ 1.61	\$ 2.23	\$ 1.46	53%
AISC per CuEqLb (Yauricocha) ²	\$ 5.02	\$ 3.36	\$ 3.09	\$ 3.69	\$ 2.77	33%
Cash Cost per CuEqLb (Bolivar) ^{2, 3}	\$ 1.76	\$ 3.38	\$ 5.29	\$ 2.99	\$ 2.18	37%
AISC per CuEqLb (Bolivar) ^{2, 3}	\$ 3.69	\$ 5.12	\$ 8.58	\$ 5.07	\$ 4.22	20%
Cash Cost per AgEqOz (Cusi) ²	\$ 16.35	\$ 14.58	\$ 11.80	\$ 16.77	\$ 16.71	0%
AISC per AgEqOz (Cusi) ²	\$ 22.14	\$ 19.23	\$ 21.09	\$ 23.17	\$ 28.15	-18%
Financial						

Revenues	\$ 46,150	\$ 38,787	\$ 62,240	\$ 192,119	\$ 272,014	-29%
Adjusted EBITDA ²	\$ (537)	\$ (3,867)	\$ 18,843	\$ 12,997	\$ 104,732	-88%
Operating cash flows before movements in working capital	\$ 2,860	\$ (6,768)	\$ 15,126	\$ 5,163	\$ 91,114	-94%
Adjusted net income (loss) attributable to shareholders ²	\$ (6,758)	\$ (10,705)	\$ 5,443	\$ (23,149)	\$ 21,571	-207%
Net income (loss) attributable to shareholders	\$ (26,456)	\$ (46,150)	\$ (34,716)	\$ (87,503)	\$ (27,363)	220%
Cash and cash equivalents	\$ 5,074	\$ 13,690	\$ 34,929	\$ 5,074	\$ 34,949	-85%
Working capital ³	\$ (84,401)	\$ (52,345)	\$ 17,321	\$ (84,401)	\$ 17,321	-587%

(1) Copper equivalent pounds and Silver equivalent ounces were calculated using the following realized prices:

Q4 2022 - \$21.21/oz Ag, \$3.63/lb Cu, \$1.37/lb Zn, \$0.95/lb Pb, \$1,730/oz Au.

Q3 2022 - \$19.26/oz Ag, \$3.51/lb Cu, \$1.49/lb Zn, \$0.90/lb Pb, \$1,730/oz Au.

Q4 2021 - \$23.41/oz Ag, \$4.40/lb Cu, \$1.55/lb Zn, \$1.06/lb Pb, \$1,795/oz Au.

FY 2022 - \$21.77/oz Ag, \$3.99/lb Cu, \$1.59/lb Zn, \$0.98/lb Pb, \$1,802/oz Au.

FY 2021 - \$25.21/oz Ag, \$4.23/lb Cu, \$1.37/lb Zn, \$1.00/lb Pb, \$1,796/oz Au."

(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

(3) The negative working capital is largely the result of the reclassification of the long-term portion of the corporate facility and term loan to current, as the Company defaulted on its debt covenants. The Company has received accommodation from the banks for non-compliance of the corporate facility as at December 31, 2022.

2022 Operational Highlights

At the Bolivar mine, throughput increased by 19% year-over-year in Q4 2022, due primarily to investments in pumping and ventilation systems. For the full year, however, throughput was 30% lower due to delays in installation of critical infrastructure during the first half of the year and unexpected flooding during Q3 2022.

Throughput from the Yauricocha mine was severely impacted in Q4 2022 by the mudslide incident that occurred at the end of Q3 2022 followed by a road blockade by the local communities. As compared to Q4 2021, Yauricocha throughput was 45% lower, while on an annual basis, throughput was 16% lower as compared to 2021.

Consolidated annual ore throughput was 2,287,797 tonnes, a decrease of 21% from 2021. Consolidated annual copper equivalent production dropped 29% compared to 2021, largely due to lower throughput and lower grades. For Q4 2022, consolidated copper equivalent production decreased 21% year-over-year due primarily to the issues experienced at Yauricocha.

2022 Consolidated Financial Summary

- Revenue from metals payable of \$192.1 million in 2022, a decrease of 29% from 2021 annual revenue of \$272.0 million. Lower revenue resulted from the decrease in throughput and grades at the Yauricocha and

Bolivar mines;

- Yauricocha's cash cost per copper equivalent payable pound(1) was \$2.23 (2021 - \$1.46), and AISC per copper equivalent payable pound(1) of \$3.69 (2021 - \$2.77);
- Bolivar's cash cost per copper equivalent payable pound(1) was \$2.99 (2021 - \$2.18), and AISC per copper equivalent payable pound(1) was \$5.07 (2021 - \$4.22);
- Cusi's cash cost per silver equivalent payable ounce(1) was \$16.77 (2021 - \$16.71), and AISC per silver equivalent payable ounce(1) was \$23.17 (2021 - \$28.15);
- Adjusted EBITDA(1) of \$13.0 million for 2022, a decrease from the adjusted EBITDA(1) of \$104.7 million for 2021;
- Net loss attributable to shareholders for 2022 was \$87.5 million or \$0.53 per share (2021: net loss of \$27.4 million, \$0.17 per share). Net loss for the year ended 2022 includes an impairment charge of \$25.0 million on the Bolivar mine and \$25.0 million on the Cusi mine (2021: impairment of \$35.0 million on the Cusi mine);
- Adjusted net loss attributable to shareholders(1) of \$23.1 million, or \$0.14 per share, for 2022 compared to the adjusted net income(1) of \$21.6 million, or \$0.13 per share for 2021;
- A large component of the net income (loss) for every period is the non-cash depletion charge in Peru, which was \$5.3 million for 2022 (2021: \$9.3 million). The non-cash depletion charge is based on the aggregate fair value of the Yauricocha mineral property at the date of acquisition of Sociedad Minera Corona S.A. de C.V. ("Corona") of \$371.0 million amortized over the life of the mine;
- Cash flow generated from operations before movements in working capital of \$5.2 million for 2022 was lower than the \$91.1 million in 2021, mainly due to lower revenues and higher operating costs; and
- Cash and cash equivalents of \$5.1 million and working capital of \$(84.4) million as at December 31, 2022 compared to \$34.9 million and \$17.3 million, respectively, at the end of 2021. Cash and cash equivalents decreased during 2022 as the \$38.3 million used in investing activities exceeded the \$1.1 million generated from financing activities and \$7.3 million generated from operating activities.

(1) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

Non-IFRS Performance Measures

The non-IFRS performance measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers.

Non-IFRS reconciliation of adjusted EBITDA

EBITDA is a non-IFRS measure that represents an indication of the Company's continuing capacity to generate

earnings from operations before taking into account management's financing decisions and costs of consuming capital assets, which vary according to their vintage, technological currency, and management's estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. Adjusted EBITDA has been included in this document. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments involve a significant accrual of amounts that will not be settled in cash but are settled by the issuance of shares in exchange for cash. As such, the Company has made an entity specific adjustment to EBITDA for these expenses. The Company has also made an entity-specific adjustment to the foreign currency exchange (gain)/loss. The Company considers cash flow before movements in working capital to be the IFRS performance measure that is most closely comparable to adjusted EBITDA.

The following table provides a reconciliation of adjusted EBITDA to the consolidated financial statements for the three months and years ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Net income (loss)	\$ (27,582)	\$ (33,220)	\$ (88,306)	\$ (22,108)
Adjusted for:				
Depletion and depreciation	7,068	10,526	35,449	46,074
Interest expense and other finance costs	1,865	886	4,963	3,645
NRV adjustments on inventory	366	3,619	7,879	5,746
Share-based payments	(112)	20	467	1,059
Derivative gains	-	-	-	(451)
Costs related to COVID	-	1,590	1,693	9,582
Foreign currency exchange and other provisions	907	(280)	2,322	(583)
Impairment charges	18,000	35,000	50,000	35,000
Legal settlement and related charges	-	-	-	1,665
Income taxes	(1,049)	702	(1,470)	25,103
Adjusted EBITDA	\$ (537)	\$ 18,843	\$ 12,997	\$ 104,732

Non-IFRS Reconciliation of Adjusted Net Income (Loss)

Adjusted net income (loss) attributable to shareholders represents net income (loss) attributable to shareholders

excluding certain impacts, net of taxes, such as non-cash depletion charge due to the acquisition of Corona, impairment charges and reversal of impairment charges, write-down of assets, and certain non-cash and non-recurring items including but not limited to share-based compensation and foreign exchange (gain) loss. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors may want to use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance in accordance with IFRS.

The following table provides a reconciliation of adjusted net income (loss) to the consolidated financial statements for the three months and years ended December 31, 2022 and 2021:

(In thousands of United States dollars)	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Net income (loss) attributable to shareholders	\$ (26,456)	\$ (34,716)	\$ (87,503)	\$ (27,363)
Non-cash depletion charge on Corona's acquisition	772	2,084	5,300	9,329
Deferred tax recovery on Corona's acquisition depletion charge	(235)	(284)	(1,614)	(2,831)
NRV adjustments on inventory	366	3,619	7,879	5,746
Share-based compensation	(112)	20	467	1,059
Legal settlement and related charges	-	-	-	1,665
Derivative gains	-	-	-	(451)
Foreign currency exchange loss (gain)	907	(280)	2,322	(583)
Asset impairment	18,000	35,000	50,000	35,000
Adjusted net income (loss) attributable to shareholders	\$ (6,758)	\$ 5,443	\$ (23,149)	\$ 21,571

Cash Cost per Silver Equivalent Payable Ounce and Copper Equivalent Payable Pound

The Company uses the non-IFRS measure of cash cost per silver equivalent ounce and copper equivalent payable pound to manage and evaluate operating performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company considers cost of sales per silver equivalent payable ounce and copper equivalent payable

pound to be the most comparable IFRS measure to cash cost per silver equivalent payable ounce, copper equivalent payable pound, and zinc equivalent payable pound, and has included calculations of this metric in the reconciliations within the applicable tables to follow.

All-in Sustaining Cost per Silver Equivalent Payable Ounce and Copper Equivalent Payable Pound

All-In Sustaining Cost ("AISC") is a non-IFRS measure and was calculated based on guidance provided by the World Gold Council ("WGC") in June 2013. WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining versus development capital expenditures.

AISC is a more comprehensive measure than cash cost per ounce/pound for the Company's consolidated operating performance by providing greater visibility, comparability and representation of the total costs associated with producing silver and copper from its current operations.

The Company defines sustaining capital expenditures as, "costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of productive output without resulting in an increase in the life of assets, future earnings, or improvements in recovery or grade. Sustaining capital includes costs required to improve/enhance assets to minimum standards for reliability, environmental or safety requirements. Sustaining capital expenditures excludes all expenditures at the Company's new projects and certain expenditures at current operations which are deemed expansionary in nature."

Consolidated AISC includes total production cash costs incurred at the Company's mining operations, including treatment and refining charges and selling costs, which forms the basis of the Company's total cash costs. Additionally, the Company includes sustaining capital expenditures and corporate general and administrative expenses. AISC by mine does not include certain corporate and non-cash items such as general and administrative expense and share-based payments. The Company believes that this measure represents the total sustainable costs of producing silver and copper from current operations and provides the Company and other stakeholders of the Company with additional information of the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of silver and copper production from current operations, new project capital and expansionary capital at current operations are not included. Certain other cash expenditures, including tax payments, dividends and financing costs are also not included.

The following table provides a reconciliation of cash costs to cost of sales, as reported in the Company's consolidated statement of income for the three months and years ended December 31, 2022 and 2021:

	Three months ended	Three months ended
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(In thousand of US dollars, unless stated)	December 31, 2022				December 31, 2021			
	Yauricocha	Bolivar	Cusi	Consolidated	Yauricocha	Bolivar	Cusi	Consolidated
Cash Cost per Tonne of Processed Ore								
Cost of Sales	18,670	13,981	6,973	39,624	24,695	15,393	6,465	46,553
Reverse: Workers Profit Sharing	514	-	-	514	(748)	-	-	(748)
Reverse: D&A/Other adjustments	(3,946)	(2,854)	(1,033)	(7,833)	(5,564)	(3,790)	(1,549)	(10,903)
Reverse: Variation in Finished Inventory	(29)	(31)	(914)	(974)	(471)	(151)	68	(554)
Total Cash Cost	15,209	11,096	5,026	31,331	17,912	11,452	4,984	34,348
Tonnes Processed	152,586	270,313	72,081	494,980	277,531	227,722	84,804	590,057
Cash Cost per Tonne Processed	\$ 99.67	41.05	69.74	63.30	64.54	50.29	58.77	58.21

(In thousand of US dollars, unless stated)	Twelve months ended December 31, 2022				Twelve months ended December 31, 2021			
	Yauricocha	Bolivar	Cusi	Consolidated	Yauricocha	Bolivar	Cusi	Consolidated
Cash Cost per Tonne of Processed Ore								
Cost of Sales	97,463	63,331	25,853	186,647	105,665	57,415	27,715	190,795
Reverse: Workers Profit Sharing	-	-	-	-	(4,266)	-	-	(4,266)
Reverse: D&A/Other adjustments	(19,738)	(13,339)	(4,175)	(37,252)	(24,899)	(15,963)	(7,110)	(47,972)
Reverse: Variation in Finished Inventory	(1,771)	(910)	(553)	(3,234)	814	1,736	190	2,740
Total Cash Cost	75,954	49,082	21,125	146,161	77,314	43,188	20,795	141,297
Tonnes Processed	1,053,980	941,910	291,907	2,287,797	1,256,847	1,349,602	295,771	2,902,220
Cash Cost per Tonne Processed	\$ 72.06	52.11	72.36	63.89	61.51	32.00	70.31	48.69

The following table provides detailed information on Yauricocha's cash cost, and all-in sustaining cost per copper equivalent payable pound for the three months and years ended December 31, 2022 and 2021:

YAURICOCHA (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021

<u>Cash Cost per zinc equivalent payable pound</u>				
Total Cash Cost	15,209	17,912	75,954	77,314
Variation in Finished inventory	29	471	1,771	(814)
Total Cash Cost of Sales	15,238	18,383	77,725	76,500
Treatment and Refining Charges	2,868	8,534	23,892	35,634
Selling Costs	438	1,026	2,909	4,670
G&A Costs	2,949	2,166	9,967	9,344
Sustaining Capital Expenditures	2,709	5,235	13,903	18,843
All-In Sustaining Cash Costs	24,202	35,344	128,396	144,991
Copper Equivalent Payable Pounds (000's)	4,819	11,427	34,782	52,251
Cash Cost per Copper Equivalent Payable Pound (US\$)	3.16	1.61	2.23	1.46
All-In Sustaining Cash Cost per Copper Equivalent Payable Pound (US\$)	5.02	3.09	3.69	2.77

The following table provides detailed information on Bolivar's cash cost, and all-in sustaining cost per copper equivalent payable pound for the three months and years ended December 31, 2022 and 2021:

BOLIVAR (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<u>Cash Cost per copper equivalent payable pound</u>				
Total Cash Cost	11,096	11,452	49,082	43,188
Variation in Finished inventory	31	151	910	(1,736)
Total Cash Cost of Sales	11,127	11,603	49,992	41,452
Treatment and Refining Charges	2,977	2,435	8,865	14,240
Selling Costs	1,596	728	4,443	3,986
G&A Costs	1,994	1,181	4,780	5,997
Sustaining Capital Expenditures	5,601	2,870	16,783	14,551
All-In Sustaining Cash Costs	23,295	18,817	84,863	80,226
Copper Equivalent Payable Pounds (000's)	6,321	2,194	16,745	19,033
Cash Cost per Copper Equivalent Payable Pound (US\$)	1.76	5.29	2.99	2.18
All-In Sustaining Cash Cost per Copper Equivalent (US\$)				

Payable Pound	(US\$)	3.69	8.58	5.07	4.22
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The following table provides detailed information on Cusi's cash cost, and all-in sustaining cost per silver equivalent payable ounce for the three months and years ended December 31, 2022 and 2021:

CUSI (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<u>Cash Cost per silver equivalent payable ounce</u>				
Total Cash Cost	5,026	4,984	21,125	20,795
Variation in Finished inventory	914	(68)	553	(190)
Total Cash Cost of Sales	5,940	4,916	21,678	20,605
Treatment and Refining Charges	466	1,061	1,643	3,899
Selling Costs	358	342	1,128	1,227
G&A Costs	710	928	2,267	2,449
Sustaining Capital Expenditures	564	1,536	3,248	6,537
All-In Sustaining Cash Costs	8,038	8,783	29,964	34,717
Silver Equivalent Payable Ounces (000's)	363	416	1,293	1,233
Cash Cost per Silver Equivalent Payable Ounce (US\$)	16.35	11.80	16.77	16.71
All-In Sustaining Cash Cost per Silver Equivalent Payable Ounce (US\$)	22.14	21.09	23.17	28.15

CONSOLIDATED (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Total Cash Cost of Sales	32,305	34,902	149,395	138,557
All-In Sustaining Cash Costs	55,534	62,944	243,223	259,934
Copper Equivalent Payable Pounds (000's)	13,260	15,240	58,581	76,355
Cash Cost per Copper Equivalent Payable Pound (US\$)	2.44	2.29	2.55	1.81
All-In Sustaining Cash Cost per Copper Equivalent Payable Pound (US\$)	4.19	4.13	4.15	3.40

Additional Non-IFRS Measures

The Company uses other financial measures, the presentation of which is not meant to be a substitute for other

subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

- Operating cash flows before movements in working capital - excludes the movement from period-to-period in working capital items including trade and other receivables, prepaid expenses, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.

The terms described above do not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company's management believes that their presentation provides useful information to investors because cash flows generated from operations before changes in working capital excludes the movement in working capital items. This, in management's view, provides useful information of the Company's cash flows from operations and are considered to be meaningful in evaluating the Company's past financial performance or its future prospects. The most comparable IFRS measure is cash flows from operating activities.

About Sierra Metals

Sierra Metals is a diversified Canadian mining company with green metal exposure including copper, zinc and lead production with precious metals byproduct credits, focused on the production and development of its Yauricocha Mine in Peru and its Bolivar Mine in Mexico. The Company is focused on the safety and productivity of its producing mines. The Company also has large land packages with several prospective regional targets providing longer-term exploration upside and mineral resource growth potential.

For further information regarding Sierra Metals, please visit www.sierrametals.com.

Continue to Follow, Like and Watch our progress:

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Forward-Looking Statements

This press release contains forward-looking information within the meaning of Canadian 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, including the accuracy of the Company's current mineral resource estimates; that the Company's activities will be conducted in accordance with the Company's public statements and stated goals; that there will be no material adverse change affecting the Company, its properties or its production estimates (which assume accuracy of projected ore grade, mining rates, recovery timing, and recovery rate estimates and may be impacted by unscheduled maintenance, labour and contractor availability and other operating or geo-political uncertainties on the Company's production, workforce, business,

operations and financial condition); the expected trends in mineral prices, inflation and currency exchange rates; that all required approvals will be obtained for the Company's business and operations on acceptable terms; that there will be no significant disruptions affecting the Company's operations. 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. Forward-looking statements include those relating to the Company's guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; anticipated market prices of metals; the Company's ability to comply with contractual and permitting or other regulatory requirements; formalizing the refinancing contract and the timeline related thereto and the timing of senior management's conference call to discuss the Company's financial and operating results for the year ended December 31, 2022. 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.

Forward-looking information is subject to a variety of risks and uncertainties, which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the risks of not meeting the expectations contemplated herein and the risks described under the heading "Risk Factors" in the Company's annual information form dated March 28, 2023 for its fiscal year ended December 31, 2022 and other risks identified in the Company's filings with Canadian securities regulators, which filings are available at www.sedar.com.

The risk factors referred to above are not an exhaustive list of the factors that may affect any of the Company's forward-looking information. Forward-looking information includes statements about the future and is inherently uncertain, and the Company's actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors. The Company's statements containing forward-looking information are based on the beliefs, expectations, and opinions of management on the date the statements are made, and the Company does not assume any obligation to update such forward-looking information if circumstances or management's beliefs, expectations or opinions should change, other than as required by applicable law. For the reasons set forth above, one should not place undue reliance on forward-looking information.

Investor Relations

Sierra Metals Inc.

Tel: +1 (416) 366-7777

Email: info@sierrametals.com

Source: Sierra Metals Inc.

