



NEWS RELEASE

Sierra Metals Announces an Updated NI 43-101 Mineral Reserve and Resource Estimates for its Yauricocha and Bolivar Mines

5/7/2024

- Yauricocha Life-of-Mine (“LOM”)^{1,2}
 - Over 8-year LOM with 10.4 million tonnes of Measured & Indicated Resources, over 10-year LOM with 13.2 million tonnes of Inferred Resources
 - Over 5-year LOM of Proven and Probable Mineral Reserves of 6.4 million tonnes
- Bolivar Life-of-Mine (“LOM”)^{1,3}
 - Over 10-year LOM with 18.4 million tonnes of Measured & Indicated Resources, over 7-year LOM with 12.1 million tonnes of Inferred Resources
 - Over 3-year LOM of Proven and Probable Mineral Reserves 5.6 million tonnes
- The Company has consistently been able to replace mineral resources mined.

TORONTO--(BUSINESS WIRE)-- Sierra Metals Inc. (TSX:SMT | OTCQX:SMTSF) (“Sierra Metals” or the “Company”) is pleased to announce the updated results for its National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) compliant Mineral Resource and Reserve Estimates (“MRE”) for its Yauricocha Mine in Peru and its Bolivar Mine in Mexico.

Ernesto Balarezo, Sierra Metals’ CEO, comments, “We are pleased to report an updated NI 43-101 report showing mineral reserves and resources for both our Yauricocha and Bolivar mines, supporting the long production history of both assets. Preparing a compliant NI 43-101 report with such a significant amount of mineral reserves and resources demonstrates we have a clear path forward and the foundation in place to enhance and to maximize the returns of the growth initiatives that we have planned at our mines.”

Summary

The updated MRE indicates the following LOM mineral resources and reserves:

	Yauricocha 1,2	Bolivar 1,3
Measured & Indicated Resources		
Tonnes	10.4 Mt	18.4 Mt
Life-of-mine	8 years	10 years
Inferred Resources		
Tonnes	13.2 Mt	12.1 Mt
Life-of-mine	10 years	7 years
Proven & Probable Reserves		
Tonnes	6.4 Mt	5.6 Mt
Life-of-mine	5 years	3 years

Mineral resources are inclusive of mineral reserves.

(1) Assumes 347 operating days per year at full plant capacity, assuming 1.5 days per month of maintenance works

(2) Assumes throughput rates of 3,600 tpd

(3) Assumes throughput rates of 5,000 tpd

At Bolivar, the Company replaced and increased mineral resources mined in 2023 (see **August 22, 2023** news release) and with over 8,000 meters of mine development planned in 2024, expects to continue to replace mineral resources mined through exploration activities.

At Yauricocha, mine development is currently underway below the 1120 level (see **February 21, 2024** news release) and expects to achieve full production by Q4 2024. The Company expects to replace and increase minerals resources once it begins mining activities in that portion of the ore body with systematic infill drilling efforts.

A technical report is being prepared in accordance with NI 43-101 in respect of each of the Yauricocha Mine and the Bolivar Mine (the "Technical Reports") and such reports will be available on the Company's website and filed on SEDAR+ within 45 days of the date of this release. The effective date of the mineral reserves and resources reported in this release is December 31, 2023.

Yauricocha Mine - Mineral Resources

	Tonnes	Cu	Zn	Ag	Au	Pb	NSR	Cu	Zn	Ag	Au	Pb
	kt	%	%	g/t	g/t	%	US\$/t	Mlb	Mlb	Moz	Moz	Mlb
Measured	1,946	1.37%	2.12%	40.35	0.56	0.48%	114.90	58.76	90.93	2.52	0.04	20.59
Indicated	8,429	1.29%	2.21%	42.73	0.47	0.56%	113.84	239.71	410.66	11.58	0.13	104.06

M&I	10,374	1.30%	2.19%	42.28	0.48	0.55%	114.04	297.33	500.88	14.10	0.16	125.79
Inferred	13,211	1.30%	1.59%	34.42	0.43	0.49%	102.88	378.63	463.10	14.62	0.18	142.71

Notes:

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Summation errors may occur due to rounding.

Mineral resources are reported at Cut-Off values ("COV") based on 2023 actual metallurgical recoveries and 2024 smelter contracts.

Reporting cut-off value is a Net Smelter Return ("NSR") and are variable based on mining method: US\$ 39.71/t Sub-level Caving mining method ("SLC") and \$US 62.86/t Cut and Fill mining method ("OCF") NSR was calculated as follows: $NSR = Cu \times 47.337 + Ag \times 0.346 + Pb \times 15.448 + Zn \times 12.346 + Au \times 4.588$

Metal prices for the NSR formulas are: \$US 3.77/lb Cu, \$US 1,711.21/ oz Au, \$US 22.55/ oz Ag, \$US 1.17/lb Zn, \$US 0.94/lb Pb

Capping of grades for silver, gold, copper, lead, zinc, arsenic, and iron assays were applied depending on mineralized domain and where appropriate. The Company is not aware of political, environmental or other risks that could materially affect the potential development of the mineral resources. Mineral resources are inclusive of mineral reserves.

Yauricocha Mine - Mineral Reserves

	Tonnes	Cu	Zn	Ag	Au	Pb	NSR	Cu	Zn	Ag	Au	Pb
	kt	%	%	g/t	g/t	%	US\$/t	Mlb	Mlb	Moz	Moz	Mlb
Proven	1,114	0.86%	1.71%	28.22	0.39	0.24%	77.08	21.11	42.10	1.01	0.01	5.90
Probable	5,239	1.05%	1.85%	35.75	0.36	0.47%	93.89	121.57	213.55	6.02	0.06	53.98
Total Reserves	6,353	1.02%	1.83%	34.43	0.36	0.43%	90.94	142.68	255.65	7.03	0.07	59.87

Notes:

Mineral reserves have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101.

All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding.

Mineral reserves are reported at COV's based on 2023 actual metallurgical recoveries and 2024 smelter contracts.

Reporting cut-off value is an NSR and are variable by mining method: US\$ 39.71/t. (SLC) and US\$ 62.86/t (OCF) NSR was calculated as follows: $NSR = Cu \times 47.337 + Ag \times 0.346 + Pb \times 15.448 + Zn \times 12.346 + Au \times 4.588$

Mining recovery and dilution have been applied and are variable by mining area and proposed mining method. The Company is not aware of political, environmental or other risks that could materially affect the potential development of the mineral reserves.

Bolivar Mine - Mineral Resources

	Tonnes	Cu	Ag	Au	NSR	Cu	Ag	Au
	kt	%	g/t	g/t	US\$/t	Mlb	Moz	Moz
Measured	2,328	0.84%	19.83	0.33	68.65	43.22	1.48	0.02
Indicated	16,039	0.74%	14.63	0.24	57.93	262.74	7.55	0.12
M&I	18,367	0.76%	15.29	0.25	59.29	305.96	9.03	0.15
Inferred	12,108	0.72%	12.21	0.19	54.33	192.97	4.75	0.07

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Notes:

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Summation errors may occur due to rounding.

Reporting cut-off value is an NSR of US\$ 23.80/t. NSR was calculated as follows:

$$\text{NSR} = \text{Cu} \times 60.7714 + \text{Au} \times 26.575 + \text{Ag} \times 0.4406$$

Metal prices for the NSR formulas are: US\$ 3.77/lb Cu, US\$ 1,711.21/ oz Au; and US\$ 22.55/ oz Ag

Capping of grades varied between 1.35 % Cu and 9.0 % Cu, 0.4 g/t Au and 6.0 g/t Au, and 38.0 g/t Ag and 300.0 g/t Ag, depending on mineralized domain. The density is determined by slope of regression based on Fe block grades. Density = (Fe*0.0295)+2.9338. The Company is not aware of political, environmental or other risks that could materially affect the potential development of the mineral resources. Mineral resources are inclusive of mineral reserves.

Bolivar Mine - Mineral Reserves

	Tonnes	Cu	Ag	Au	NSR	Cu	Ag	Au
	Kt	%	g/t	g/t	US\$/t	Mlb	Moz	Moz
Proven	452	0.86%	26.05	0.43	75.11	8.57	0.38	0.01
Probable	5,125	0.76%	16.02	0.26	60.38	86.17	2.64	0.04
Total Reserves	5,577	0.77%	16.83	0.28	61.58	94.74	3.02	0.05

Notes:

Mineral reserves have been classified in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43- 101.

All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding.

Mineral reserves are reported at COVs based on 2023 actual metallurgical recoveries and 2024 smelter contracts.

Reporting cut-off value is an NSR: US\$ 23.80/t. Sub-level Stopping mining method ("SLS")

NSR was calculated as follows: $\text{NSR} = \text{Cu} \times 60.7714 + \text{Au} \times 26.575 + \text{Ag} \times 0.4406$

Mining recovery and dilution have been applied.

The Company is not aware of political, environmental, or other risks that could materially affect the potential development of the mineral reserves.

Qualified Persons

Ricardo Salazar Milla (AIG #8551), Corporate Manager – Mineral Resources, is a Qualified Person ("QP") as defined in the NI 43-101. Mr. Salazar has reviewed and approved the scientific and technical content of this news release. The Technical Reports are being prepared by AGP Mining Consultants Inc. The QP responsible for the Mineral Resource Estimate for the Bolivar Mine is Paul Daigle, P.Geo, the QP responsible for the Mineral Resources Estimate for the Yauricocha Mine is Oscar Retto, MAIG, and the QP responsible for the Mineral Reserves for both the Bolivar Mine and the Yauricocha Mine is Alonso Gonzales, MAusIMM.

About Sierra Metals

Sierra Metals is a Canadian mining company focused on copper production with additional base and precious metals by-product credits at its Yauricocha Mine in Peru and Bolivar Mine in Mexico. The Company is intent on safely increasing production volume and growing mineral resources. Sierra Metals has recently had several new key discoveries and still has many more exciting brownfield exploration opportunities in Peru and Mexico that are within close proximity to the existing mines. Additionally, the Company has large land packages at each of its mines with several prospective regional targets providing longer-term exploration upside and mineral resource growth potential.

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. In certain cases, statements that contain forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative of these words or comparable terminology. By their nature, statements referring to mineral reserves or mineral resources constitute forward-looking statements. 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 described under the heading "Risk Factors" in the Company's annual information form dated March 15, 2024 for its fiscal year ended December 31, 2023 and other risks identified in the Company's filings with Canadian securities regulators, which are available at www.sedarplus.ca.

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.

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

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