



## NEWS RELEASE

# Sierra Metals Reports Strong Fourth Quarter & Full Year 2023 Consolidated Financial Results

3/18/2024

All dollar figures are in USD and current and historical production and financial results for the Cusi mine are not included in the Company's consolidated results and guidance as the mine has been classified as a Discontinued Operation.

### Fourth Quarter 2023 Highlights

- Revenue of \$60.6 million, an increase of 58% from Q4 2022
- Adjusted EBITDA of \$12.2 million versus Adjusted EBITDA of (\$0.7) million in Q4 2022
- Copper equivalent production of 21.1 million pounds, an increase of 78% from Q4 2022

### Full Year 2023 Highlights

- Revenue of \$229.5 million, an increase of 39% from 2022
- Adjusted EBITDA of \$50.3 million versus Adjusted EBITDA of \$9.6 million in 2022; a five-fold increase
- Copper equivalent production of 76.7 million pounds, an increase of 37% from 2022; in line with 2023 production guidance

Management will host a conference call and webcast to discuss Q4 and full year 2023 operating and financial results at 11:00 am ET on Monday March 18, 2024

TORONTO--(BUSINESS WIRE)-- Sierra Metals Inc. (TSX: SMT | OTCQX: SMTSF) ("Sierra Metals" or the "Company") reports financial results for the three months ("Q4") and full year ("FY") ending December 31, 2023.

Ernesto Balarezo, CEO of Sierra Metals, commented, "2023 was a tremendous turnaround year for Sierra Metals. The team's efforts to identify and execute initiatives to increase efficiencies, reduce costs, and enhance safety practices have allowed the Company to deliver upon our operating and corporate objectives for the year. Our mines, Yauricocha and Bolivar, increased production and lowered costs allowing us to meet production guidance

and generate over \$50 million of EBITDA but more importantly we were able to operate at improved safety standards.”

Mr. Balarezo continues, “Our strong performance in 2023 has provided a platform to position Sierra Metals for growth. With the Level 1120 permit now in hand at Yauricocha, we expect the mine to ramp back up to its full capacity later in 2024. In Bolivar, we are in the process of building a new tailings facility, which will allow us to increase our production capacity over the next two to three years by 50% to 7,500 tpd. Furthermore, we are very excited about our huge land package and our exploration projects and are actively looking for partnerships to develop these assets and maximize their potential. The Company expects to publish new NI 43-101 mineral reserve and resource reports shortly. We are committed to continue strengthening our balance sheet, optimizing, and developing our operations to generate sustainable long-term value for our stakeholders.”

## Conference Call & Webcast

Management will host a conference call at 11:00 am ET on March 18, 2024 to discuss Q4 and full year 2023 operating and financial results. Details:

- Webcast: <https://services.choruscall.ca/links/sierrametals2023q4.html>
- Telephone: 1-800-319-4610 (toll free Canada & USA) / 1-416-915-3239 (rest of world)

## 2023 Operating and Financial Highlights

The following table displays selected financial and operational information for the three months and year ended December 31, 2023:

(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)	Q4 2023	Q3 2023	Q4 2022	Year ended December 31,	
				2023	2022
<b>Operating</b>					
Ore Processed / Tonnes Milled	673,846	622,622	422,899	2,464,932	1,995,890
Copper Pounds Produced (000's)	12,096	9,477	6,170	40,317	27,127
Zinc Pounds Produced (000's)	9,629	11,176	6,367	43,612	38,100
Silver Ounces Produced (000's)	468	458	227	1,838	1,218
Gold Ounces Produced	4,708	3,651	3,240	16,461	9,361
Lead Pounds Produced (000's)	2,481	4,084	1,749	13,273	12,216
Copper Equivalent Pounds Produced (000's) <sup>1</sup>	21,134	18,496	11,903	76,749	56,116
Cash Cost per Tonne Processed	\$ 57.15	\$ 59.36	\$ 62.20	\$ 57.77	\$ 62.65

Cash Cost per CuEqLb2	\$ 1.87	\$ 2.11	\$ 2.37	\$ 1.96	\$ 2.48
AISC per CuEqLb2	\$ 3.47	\$ 3.66	\$ 4.26	\$ 3.43	\$ 4.14
Cash Cost per CuEqLb (Yauricocha)2	\$ 1.84	\$ 2.08	\$ 3.16	\$ 2.05	\$ 2.23
AISC per CuEqLb (Yauricocha)2	\$ 3.47	\$ 3.75	\$ 5.02	\$ 3.56	\$ 3.69
Cash Cost per CuEqLb (Bolivar)2	\$ 1.90	\$ 2.15	\$ 1.76	\$ 1.87	\$ 2.99
AISC per CuEqLb (Bolivar)2	\$ 3.47	\$ 3.57	\$ 3.69	\$ 3.29	\$ 5.07
<b>Financial</b>					
Revenues	\$ 60,632	\$ 56,963	\$ 38,274	\$ 229,543	\$ 165,233
Net income (loss)					
- Continuing operations	\$ (11,266)	\$ (2,758)	\$ (7,996)	\$ (6,567)	\$ (60,140)
- Discontinued Operations	\$ (1,907)	\$ (6,608)	\$ (19,586)	\$ (12,760)	\$ (28,166)
Net loss attributable to shareholders, including discontinued operations	\$ (13,724)	\$ (9,301)	\$ (26,456)	\$ (19,334)	\$ (87,503)
Adjusted EBITDA2 from continuing operations	\$ 12,233	\$ 8,080	\$ (675)	\$ 50,289	\$ 9,621
Operating cash flows before movements in working capital	\$ 12,845	\$ 6,013	\$ 2,860	\$ 43,297	\$ 5,163
Adjusted net income (loss) attributable to shareholders2					
- Continuing operations	\$ (8,470)	\$ (2,137)	\$ (4,728)	\$ 918	\$ (21,170)
- Discontinued Operations	\$ (1,829)	\$ (1,626)	\$ (2,030)	\$ (6,074)	\$ (1,979)
Cash and cash equivalents	\$ 9,122	\$ 6,052	\$ 5,074	\$ 9,122	\$ 5,074
Working capital 3	\$ (66,676)	\$ (81,375)	\$ (78,142)	\$ (66,676)	\$ (78,142)

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

Q4 2023 - \$3.70/lb Cu, \$1.13/lb Zn, \$23.22/oz Ag, \$0.96/lb Pb, \$1,976/oz Au.

Q3 2023 - \$3.78/lb Cu, \$1.10/lb Zn, \$23.56/oz Ag, \$0.98/lb Pb, \$1,927/oz Au.

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

FY 2023 - \$3.85/lb Cu, \$1.20/lb Zn, \$23.38/oz Ag, \$0.97/lb Pb, \$1,943/oz Au.

FY 2022 - \$3.99/lb Cu, \$1.59/lb Zn, \$21.77/oz Ag, \$0.98/lb Pb, \$1,802/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 to current, as the Company defaulted on its debt covenants.

## 2023 Consolidated Full Year Operating Highlights

- Consolidated 2023 copper equivalent production of 76.7 million pounds, an increase of 37% over 2022, which met 2023 guidance. Year over year, copper, zinc, silver, gold and lead production increased 49%, 14%, 51%, 76% and 9%, respectively.
- Bolivar mine in Mexico achieved a 116% increase in copper equivalent pounds production as compared to 2022. Year over year, copper, silver and gold production increased 105%, 121% and 126%, respectively.
- Yauricocha mine in Peru achieved a 2% increase in copper equivalent pounds production as compared to 2022. Year over year, zinc, silver and lead production increased 14%, 27% and 9%, respectively, while copper was the same while gold was down 12%.
- Highlights for Q4 2023 production results were announced on **February 1, 2024**.
- Yauricocha's cash cost per copper equivalent payable pound(1) was \$2.05 (2022 - \$2.23) which was above guidance, and the all-in sustaining cost ("AISC") per copper equivalent payable pound of \$3.56 (2022 - \$3.69) was within guidance.
- Bolivar's cash cost per copper equivalent payable pound(1) was \$1.87 (2022 - \$2.99) which was below guidance, and AISC per copper equivalent payable pound was \$3.29 (2022 - \$5.07) was slightly above guidance.

## 2023 Consolidated Financial Highlights

- Revenue from metals payable of \$229.5 million in 2023, a significant increase of 39% from 2022 annual revenue of \$165.2 million. Revenues increased as a direct result of the production improvement at the Yauricocha and Bolivar mines.
- Adjusted EBITDA(1), excluding discontinued operations, of \$50.3 million for 2023, an increase from the adjusted EBITDA of \$9.6 million for 2022.
- Net loss attributable to shareholders, including discontinued operations, for 2023 was \$19.3 million or \$0.11 per share (2022: net loss of \$87.5 million, \$0.53 per share). Net loss for the year ended 2023 includes an impairment charge of \$2.5 million on the discontinued Cusi mine (2022: impairment charge of \$25.0 million on the Bolivar mine and \$25.0 million on the Cusi mine).
- Adjusted net income attributable to shareholders (1) of \$0.9 million, or \$0.01 per share, for 2023 compared to the adjusted net loss of \$21.2 million, or \$0.13 per share for 2022.
- Cash flow generated from operations before movements in working capital of \$43.3 million for 2023 was higher than the \$5.2 million in 2022, mainly due to higher revenues.
- Cash and cash equivalents of \$9.1 million and working capital of \$(66.7) million as at December 31, 2023

compared to \$5.1 million and \$(78.1) million, respectively, at the end of 2022. Cash and cash equivalents increased during 2023 as the \$50.2 million generated from operating activities was offset by \$44.0 million used in investing activities and \$2.2 million used in financing activities.

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

## Subsequent to Year End

On February 21, 2024, the Company announced receipt of the environmental permit to develop and mine below the 1120 level at its Yauricocha mine. This permit should provide several significant benefits for Sierra Metals, such as potential operational enhancements, maximization of operating capacity and potential cost efficiencies. With a modest development capital investment, the Company anticipates ramping up to full production levels of 3,600 tonnes per day (“tpd”) by Q4 2024 (see [news release](#)).

## Operating Metrics versus guidance 2023

For FY 2023, the Company met production guidance and was generally within cash cost and AISC guidance for 2023.

### Production (1)

	Guidance range		
	Low	High	Actual
Silver (000 oz)	1,500	1,700	1,838
Copper (000 lbs)	37,300	42,400	40,317
Lead (000 lbs)	14,000	15,400	13,273
Zinc (000 lbs)	46,000	50,500	43,612
Gold (oz)	13,500	15,400	16,461
Copper equivalent pounds (000's) (2)	74,300	83,300	79,347

(1) Production guidance and actual production for 2023 exclude production from the Cusi mine, which the Company considers as a non-core asset.

(2) 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. Actual copper equivalent pounds produced have been recalculated using the same price for comparison purposes.

Mine	Cash costs range per CuEqLb	AISC(2) range per CuEqLb	Copper Eq Payable Lbs(1) ('000)	Actual for 2023	
				Cash costs(3) per CuEqLb	AISC(2)(3) per CuEqLb
Yauricocha	\$1.81 - \$1.88	\$3.50 - \$3.60	38,394	\$1.91	\$3.33

Bolivar	\$1.92 - \$2.05	\$3.02 - \$3.25	34,293	\$1.88	\$3.32
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(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. Actual copper equivalent payable pounds have been recalculated using the same price for comparison purposes.

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

(3) Actual cash costs and AISC per copper equivalent payable pounds for 2023 have been adjusted using copper equivalent payable pounds calculated at metal prices used for 2023 guidance as per note 1 above.

## Outlook for 2024

Management expects 2024 to be the year to consolidate the optimization efforts that started in 2023 and to establish the platform for growth. In 2023, under the guidance of the new management team, the Company began a process of stabilization and optimization.

Prioritizing safety, employee engagement and streamlining operations have helped restore production levels, while strategic debt refinancing has stabilized the Company's financial position. In February 2024 the Company obtained the environmental permit to develop and mine below the 1120 level at the Yauricocha mine. This permit provides several significant catalysts for Sierra Metals, such as operational enhancements, maximized operating capacity and cost efficiencies. Using a modest development capital investment, the Company anticipates ramping up to full production levels of 3,600 tonnes per day (40% higher than current levels) by Q4 2024.

At Bolivar, the Company will continue the construction of the new tailings dam, which is expected to be completed over the next three years, allowing the mine to increase its production capacity to 7,500 tpd in the future.

Identifying additional mineral resources at the Company's core operating mines, Yauricocha and Bolivar, is another key priority. The Company anticipates completion of revised mineral resources models during Q2 2024, followed by the corresponding National Instrument 43-101 technical reports.

## Production Guidance(1)

	2024 Guidance		2023
	Low	High	Actual
Copper (000 lbs)	37,500	43,300	40,317
Zinc (000 lbs)	38,600	44,500	43,612
Silver (000 oz)	1,500	1,750	1,838
Gold (oz)	10,100	11,600	16,461
Lead (000 lbs)	10,200	11,800	13,273

(1) 2024 Production guidance and actual production for 2023 exclude production from the Cusi mine, which the Company considers as a non-core asset.

## By Mine

Yauricocha	2024 Guidance		2023
	Low	High	Actual
Copper (000 lbs)	13,600	15,700	14,545
Zinc (000 lbs)	38,600	44,500	43,612
Silver (000 oz)	850	1,000	1,164
Gold (oz)	2,100	2,400	3,024
Lead (000 lbs)	10,200	11,800	13,273

Bolivar	2024 Guidance		2023
	Low	High	Actual
Copper (000 lbs)	23,900	27,600	25,772
Silver (000 oz)	650	750	674
Gold (oz)	8,000	9,200	13,437

## 2024 Cost Guidance

A mine by mine breakdown of 2024 production guidance, cash costs and all-in sustaining costs ("AISC") are included in the table below. Starting 2024, the Company is modifying its definition of cash cost to include treatment and refining charges, selling costs and G&A costs. AISC includes cash costs and sustaining capital expenditure.

Mine	Cash costs(1) range	AISC(1) range
	per CuEqLb	per CuEqLb
Yauricocha	\$3.31 - \$3.41	\$3.75 - \$3.86
Bolivar	\$2.56 - \$2.72	\$3.28 - \$3.36

(1) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A. Cash Cost comprise of: operating costs, selling expenses, administrative expenses, commercial terms and discounts. All In Sustaining Costs (AISC) comprise of Cash Costs and sustaining capex

## 2024 Capex Guidance

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

(Amounts in \$M)	Yauricocha		Bolivar		Consolidated	
	Low	High	Low	High	Low	High
Sustaining	12.5	15.6	17.4	21.8	29.9	37.4
Growth	1.9	2.3	7.4	9.3	9.3	11.6
<b>Total</b>	<b>14.4</b>	<b>17.9</b>	<b>24.8</b>	<b>31.1</b>	<b>39.2</b>	<b>49.0</b>

Total capital for 2024 is expected to range between \$39.2 million to \$49.0 million, with Management retaining the option to adjust the capital expenditure plan depending on the business conditions. Sustaining capital mainly comprises of mine development of up to \$14.7 million (\$8.9 million in Bolivar and \$5.8 million in Yauricocha). The remaining sustaining capital expenditure consists of infill drilling and replacement of equipment at the mines.

Growth capital for 2024 is expected to range between \$9.3 million to \$11.6 million, focusing on the new tailings dam at Bolivar.

### Non-IFRS Measures

Cash costs per copper equivalent pound, All-in-sustaining costs ("AISC") per copper equivalent pound, Adjusted EBITDA and Adjusted net income (loss) attributable to shareholders are non-IFRS performance measures. Management believes these measures better reflect the Company's performance for the current period and are indicative of its expected performance in future periods. These measures are used internally by the Company to evaluate the performance of its underlying operations and to assist with its planning and forecasting of future operating results. As such, the Company believes these measures are useful to investors in assessing the Company's underlying performance. These measures are intended to provide additional information, but 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, 2023 and 2022:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net income	\$ (13,173)	\$ (27,582)	\$ (19,327)	\$ (88,306)
Adjusted for:				
Depletion and depreciation	12,394	7,068	38,784	35,449
Interest expense and other finance costs	2,196	1,865	9,824	4,963
NRV adjustments on inventory	453	366	4,655	7,879
Share-based payments	1,470	(112)	2,118	467
Costs related to COVID	-	-	-	1,693
Foreign currency exchange and other provisions	599	907	1,496	2,322
Impairment charges	-	18,000	2,500	50,000
Income taxes	6,476	(1,049)	5,910	(1,470)
<b>Adjusted EBITDA</b>	<b>\$ 10,415</b>	<b>\$ (537)</b>	<b>\$ 45,960</b>	<b>\$ 12,997</b>
Less: Adjusted EBITDA from discontinued operations	(1,818)	138	(4,329)	3,376
Adjusted EBITDA from continuing operations	12,233	(675)	50,289	9,621

### 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, 2023 and 2022:

(In thousands of United States dollars)	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net loss attributable to shareholders	\$ (13,724)	\$ (26,456)	\$ (19,334)	\$ (87,503)
Non-cash depletion charge on Corona's acquisition	1,298	772	4,905	5,300
Deferred tax recovery on Corona's acquisition depletion charge	(395)	(235)	(1,496)	(1,614)
NRV adjustments on inventory	453	366	4,655	7,879
Share-based compensation	1,470	(112)	2,118	467
Foreign currency exchange loss (gain)	599	907	1,496	2,322
Impairment charges	-	18,000	2,500	50,000
<b>Adjusted net income (loss) attributable to shareholders</b>	<b>\$ (10,299)</b>	<b>\$ (6,758)</b>	<b>\$ (5,156)</b>	<b>\$ (23,149)</b>
Less: Adjusted net loss from discontinued operations	(1,829)	(2,030)	(6,074)	(1,979)
Adjusted net income (loss) from continuing operations	(8,470)	(4,728)	918	(21,170)

### Cash Cost per Copper Equivalent Payable Pound

The Company uses the non-IFRS measure of cash cost per 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 copper equivalent payable pound to be the most comparable IFRS measure to cash cost per copper equivalent payable pound and has included calculations of this metric in the reconciliations within the applicable tables to follow.

### All-in Sustaining Cost per Copper Equivalent Payable Pound

All-In Sustaining Cost ("AISC") is a non-IFRS measure and is calculated based on guidance provided by the World Gold Council ("WGC"). 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 pound for the Company's consolidated operating performance by providing greater visibility, comparability and representation of the total costs associated with producing 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 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 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 cost of sales to cash cost, as reported in the Company's consolidated statement of income for the three months and years ended December 31, 2023 and 2022:

(In thousand of US dollars, unless stated)	Three months ended December 31, 2023			Three months ended December 31, 2022		
	Yauricocha	Bolivar	Consolidated	Yauricocha	Bolivar	Consolidated
<b><u>Cash Cost per Tonne of Processed Ore</u></b>						
Cost of Sales	23,243	24,955	48,198	18,670	13,981	32,651
Reverse: Workers Profit Sharing	(82)	(476)	(558)	514	-	514
Reverse: D&A/Other adjustments	(5,230)	(7,065)	(12,295)	(3,946)	(2,854)	(6,800)
Reverse: Variation in Inventory	1,544	1,621	3,165	(29)	(31)	(60)
<b>Total Cash Cost</b>	<b>19,475</b>	<b>19,035</b>	<b>38,510</b>	<b>15,209</b>	<b>11,096</b>	<b>26,305</b>

Tonnes Processed		263,852	409,995	673,847	152,586	270,313	422,899
Cash Cost per Tonne Processed	US\$	73.81	46.43	57.15	99.67	41.05	62.20

(In thousand of US dollars, unless stated)	Years ended December 31, 2023			Years ended December 31, 2022		
	Yauricocha	Bolivar	Consolidated	Yauricocha	Bolivar	Consolidated
<b>Cash Cost per Tonne of Processed Ore</b>						
Cost of Sales	95,519	82,188	177,707	97,463	63,331	160,794
Reverse: Workers Profit Sharing	(82)	(1,382)	(1,464)	-	-	-
Reverse: D&A/Other adjustments	(21,959)	(16,175)	(38,134)	(19,738)	(13,339)	(33,077)
Reverse: Variation in Inventory	2,586	1,700	4,286	(1,771)	(910)	(2,681)
<b>Total Cash Cost</b>	<b>76,064</b>	<b>66,331</b>	<b>142,395</b>	<b>75,954</b>	<b>49,082</b>	<b>125,036</b>
Tonnes Processed	987,043	1,477,889	2,464,932	1,053,980	941,910	1,995,890
Cash Cost per Tonne Processed	US\$ 77.06	44.88	57.77	72.06	52.11	62.65

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, 2023 and 2022:

YAUICOCHA (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<b>Cash Cost per copper equivalent payable pound</b>				
Total Cash Cost	19,475	15,209	76,064	75,954
Variation in Finished inventory	(1,544)	29	(2,586)	1,771
<b>Total Cash Cost of Sales</b>	<b>17,931</b>	<b>15,238</b>	<b>73,478</b>	<b>77,725</b>
Treatment and Refining Charges	7,118	2,868	25,217	23,892
Selling Costs	788	438	3,022	2,909
G&A Costs	2,255	2,949	10,577	9,967
Sustaining Capital Expenditures	5,724	2,709	15,670	13,903
<b>All-In Sustaining Cash Costs</b>	<b>33,816</b>	<b>24,202</b>	<b>127,964</b>	<b>128,396</b>
Copper Equivalent Payable Pounds (000's)	9,751	4,819	35,899	34,782
<b>Cash Cost per Copper Equivalent Payable Pound (US\$)</b>	<b>1.84</b>	<b>3.16</b>	<b>2.05</b>	<b>2.23</b>

All-In Sustaining Cash Cost per Copper Equivalent Payable Pound (US\$)	3.47	5.02	3.56	3.69
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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, 2023 and 2022:

BOLIVAR (In thousand of US dollars, unless stated)	Three months ended		Years ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
<u>Cash Cost per copper equivalent payable pound</u>				
Total Cash Cost	19,035	11,096	66,331	49,082
Variation in Finished inventory	(1,621)	31	(1,700)	910
Total Cash Cost of Sales	17,414	11,127	64,631	49,992
Treatment and Refining Charges	2,344	2,977	10,392	8,865
Selling Costs	2,103	1,596	8,041	4,443
G&A Costs	2,215	1,994	7,126	4,780
Sustaining Capital Expenditures	7,703	5,601	23,626	16,783
All-In Sustaining Cash Costs	31,779	23,295	113,816	84,863
Copper Equivalent Payable Pounds (000's)	9,150	6,321	34,579	16,745
Cash Cost per Copper Equivalent Payable Pound (US\$)	1.90	1.76	1.87	2.99
All-In Sustaining Cash Cost per Copper Equivalent Payable Pound (US\$)	3.47	3.69	3.29	5.07

## 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. Forward-looking statements include, but are not limited to, 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. 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 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](http://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](http://www.sierrametals.com) or contact:

## Investor Relations

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