



A final base shelf prospectus and prospectus supplement containing important information relating to the securities described in this document have been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario collectively, the “Canadian Securities Commissions” and with the U.S. Securities and Exchange Commission (“SEC”). Delivery of this document must be preceded or accompanied by a copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment, any applicable shelf prospectus supplement and the documents incorporated by reference therein for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

## CORPORATE PRESENTATION

November 2017

**POLYMETALLIC PRODUCER**  
with exciting  
**RESOURCE GROWTH POTENTIAL**

TSX: SMT | NYSE AMERICAN: SMTS | BVL: SMT



# Disclaimer

Certain statements in this presentation constitute forward-looking information within the meaning of Canadian and United States 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 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. These include estimates of future production levels; expectations regarding mine production costs; expected trends in mineral prices; changes in general economic conditions and financial markets; changes in prices for silver and other metals; technological and operational hazards in Sierra's mining and mine development activities; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the timing and availability of financing; governmental and other approvals; political unrest or instability in countries where Sierra is active; labor relations and other risk factors disclosed in Sierra's Annual Information Form, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and which is incorporated by reference into the prospectus forming part of the Company's registration statement on Form F-10, filed with the SEC and available at [www.sec.gov](http://www.sec.gov).

Although Sierra has attempted to identify important factors that could cause actual performance to differ materially from that described in forward-looking information, there may be other factors that cause its performance not to be as anticipated. Sierra neither intends nor assumes any obligation to update these statements containing forward-looking information to reflect changes in assumptions or circumstances other than as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate as actual results and future events could differ materially from those currently anticipated. Accordingly, readers should not place undue reliance on forward-looking information.

This presentation uses the terms "measured resources", "indicated resources" and "inferred resources" as such terms are recognized under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") adopted by the Canadian Securities Administrators. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a "preliminary assessment" as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Gordon Babcock B.Sc., P.Eng., is the qualified person as defined in NI 43-101 and Chief Operating Officer for Sierra Metals supervised the preparation of the operational scientific and technical information for Sierra Metals included in this presentation.

**Cautionary Note to U.S. Investors:** While the terms "measured resources", "indicated resources", and "inferred resources" are defined in and required to be disclosed by NI 43-101 these terms are not defined under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. Accordingly, information concerning mineral deposits contained in or referred to in this presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

**Use of Non-IFRS Financial Measures:** This presentation contains "Non-IFRS" financial measures including all in-sustaining costs, EBITDA, Free Cash Flow and Net Debt. Sierra uses these Non-IFRS performance measures and ratios in managing its business. Sierra believes that these measures assist investors in understanding the company's performance. Non-IFRS financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly situated titled measures that other companies use. Please see Reconciliation of IFRS to Non-IFRS Financial Measures in the Appendix to this presentation for a reconciliation to the most comparable IFRS financial measure.

**Additional Information:** Sierra Metals Inc. has filed a base prospectus and a prospectus supplement with the Canadian Securities Commission and a registration statement (including a prospectus and prospectus supplement) with the SEC for an "at the market" offering of its Common Shares ("ATM offering"). Investors considering a purchase of shares in this offering should read the prospectus, prospectus supplement and documents incorporated into that registration statement and other documents that Sierra Metals has filed with the SEC for more information concerning the ATM offering and the issuer. These documents are available without charge from the SEC's EDGAR database at [www.sec.com](http://www.sec.com) and on SEDAR at [www.sedar.ca](http://www.sedar.ca).

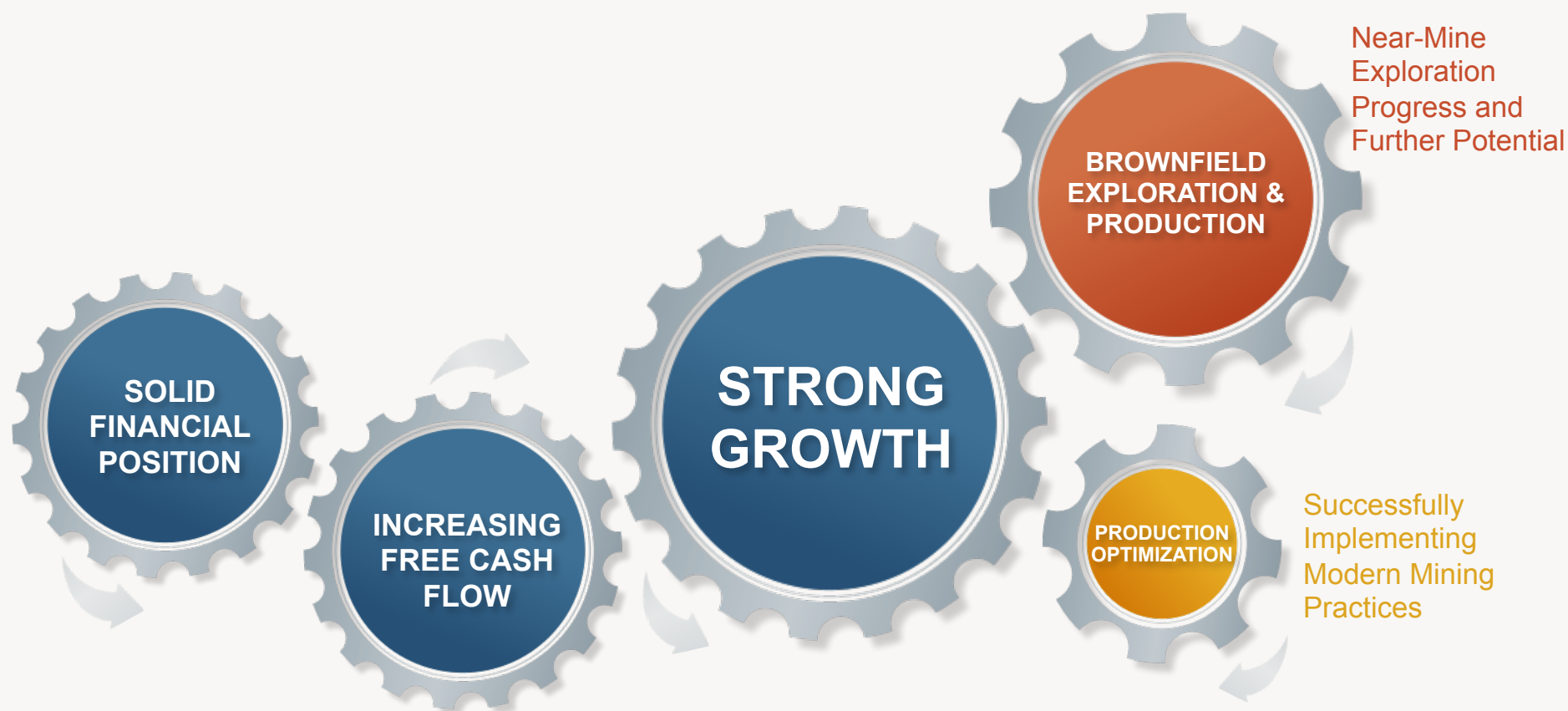
## INVESTMENT HIGHLIGHTS

# A Base and Precious Metal Growth Story



# INVESTMENT HIGHLIGHTS

## A Base and Precious Metal Growth Story



Cash Position <sup>1</sup>	US\$31M	6M Adjusted EBITDA <sup>1,2</sup>	US\$43M
Undrawn Credit Facilities	US\$16M	Debt Position <sup>1,2</sup>	US\$66M
Total Liquidity	US\$47M	Net Debt Position <sup>1,2</sup>	US\$35M

1. As at June 30, 2017 per financial statements filed on SEDAR.  
 2. Non-IFRS number; please see Appendix for reconciliation to IFRS measures.

# CAPITAL Structure



Outstanding <sup>1</sup>	162.7 M
RSUs <sup>1</sup>	1.5 M
Options <sup>1</sup>	Nil
Fully Diluted <sup>1</sup>	164.2 M

	TSX (\$CAD)	NYSE Am. (\$US)
Recent Price <sup>2</sup>	\$3.14	\$2.44
52 Week High <sup>2</sup>	\$3.75	\$3.10
52 Week Low <sup>2</sup>	\$1.76	\$1.32
Market Cap	\$510.8 M	\$396.4M

1. As at Oct 1, 2017  
2. As at Oct 30, 2017

Major Shareholders	
Arias Resource Capital	50%
Black Rock	10%
Ingalls & Snyder	5%
Omega Advisors	3%

Actions to address liquidity include:

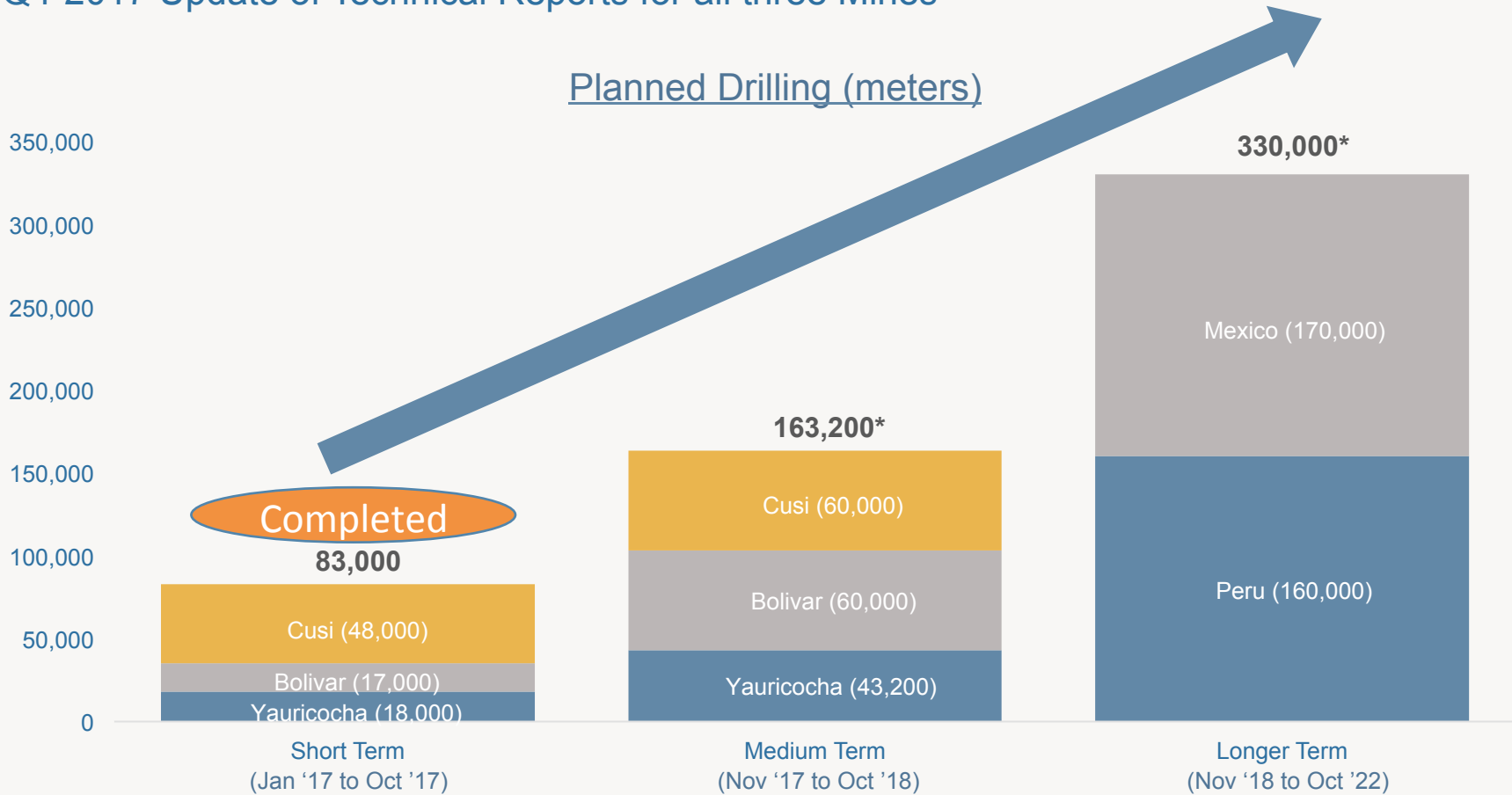
- NYSE American listing (July 11, 2017)
- Major shareholder willing to dilute below 50%

# Brownfield Exploration Plan

## Aggressively Drilling to Increase Resources



- ▶ Targeting increases in Measured & Indicated (“M&I”) resources through an aggressive exploration program on our promising properties
- ▶ Q4-2017 Update of Technical Reports for all three Mines



## Strategic Growth

# Building Resources and Infrastructure for Increased Production



### BROWNFIELD EXPLORATION INFRASTRUCTURE UPDATES

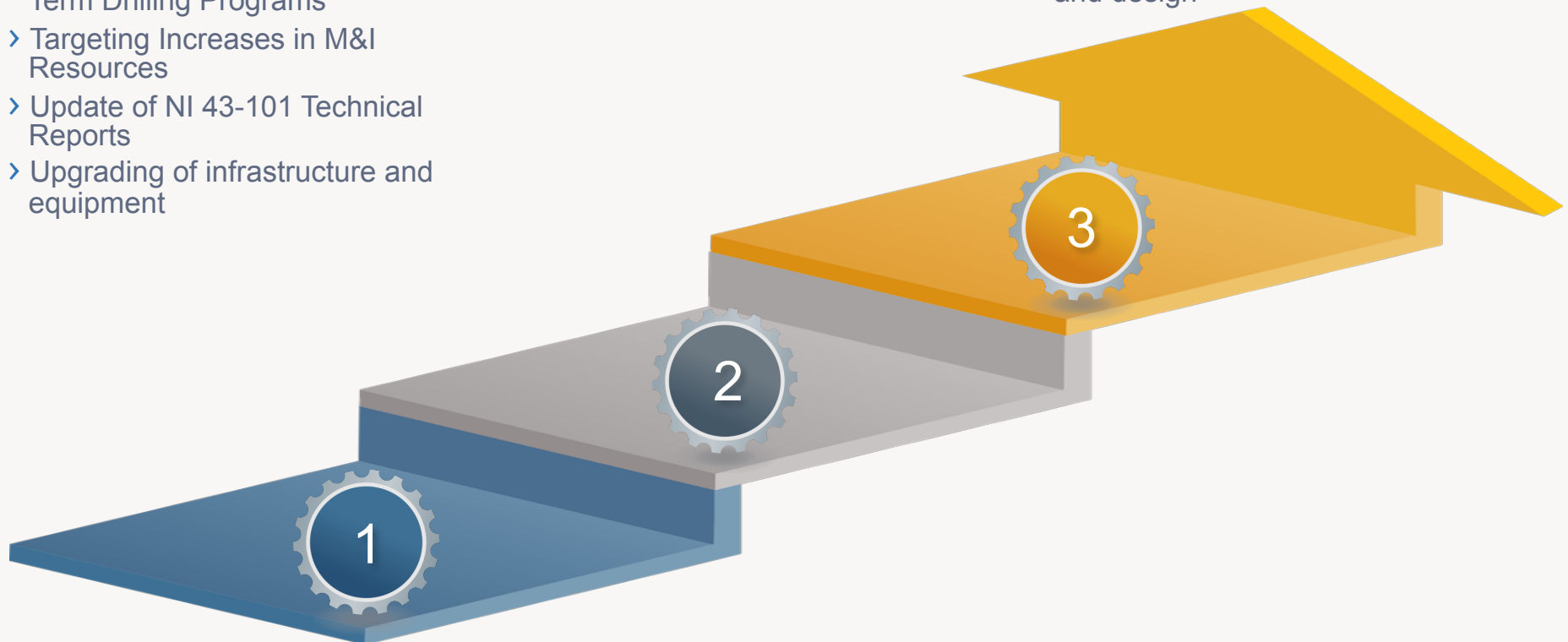
- › Exploration of Target Rich Properties
- › Short, Medium and Longer Term Drilling Programs
- › Targeting Increases in M&I Resources
- › Update of NI 43-101 Technical Reports
- › Upgrading of infrastructure and equipment

### FEASIBILITY & ENGINEERING STUDIES

- › Optimum plant size
- › Best technology to process new resources

### CONSTRUCTION & OPERATION

- › Expansion and building of new mines and mills to grow production to the optimal size and design

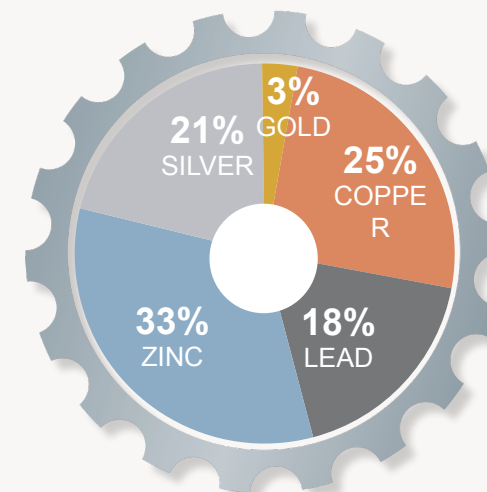


## DIVERSIFIED

# 3 Projects in 2 Countries



**Revenue Mix**  
(12 months ending Jun 30, 2017)



	YAUICOCHA	BOLIVAR	CUSI
LOCATION	YAUYOS, PERU	CHIHUAHUA, MEXICO	CHIHUAHUA, MEXICO
OWNERSHIP	82%	100%	100%
STAGE	PRODUCTION	PRODUCTION	PRODUCTION / DEVELOPMENT
MINE TYPE	UG	UG	UG
MILL THROUGHPUT	2,800 TPD	2,800 TPD	600 TPD
METALS	Ag, Cu, Zn, Pb, Au	Cu, Ag, Au	Ag, Pb, Au, Zn
ADJUSTED EBITDA (2016) <sup>1</sup>	\$34.3M <sup>2</sup>	\$5.1M	\$6.4M

1. Assumes 100% ownership of Yauricocha.
2. Non-IFRS measure: please see Appendix for reconciliation to comparable IFRS measure.



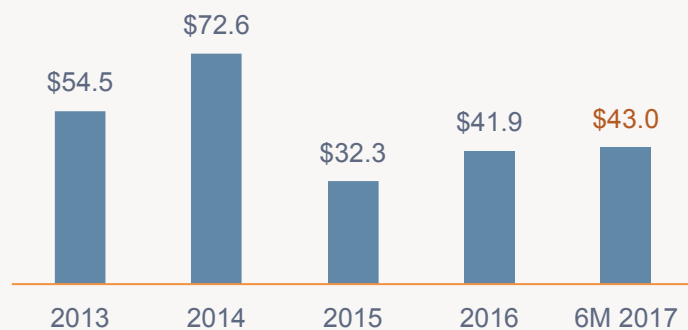
**SOLID**

# Financial Position

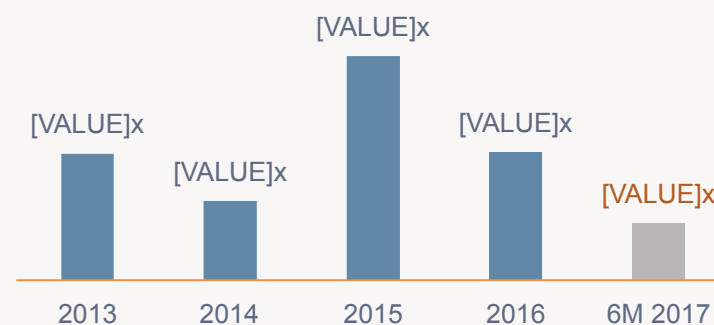


Figures in US (\$000's)	2013	2014	2015	2016	6M-2017
Revenue	143,538	172,614	134,052	143,180	103,089
Adjusted EBITDA <sup>2,3</sup>	54,502	72,597	32,317	41,887	42,981
Capex	(44,017)	(39,866)	(37,600)	(25,400)	(19,608)
Free Cash Flow <sup>4</sup>	10,290	31,410	(5,125)	18,903	20,547
Cash and Cash Equivalents	44,930	41,273	25,102	42,145	31,121
Debt Outstanding	93,515	81,879	76,086	78,681	65,760
Net Debt <sup>5</sup>	48,585	40,603	50,984	36,537	34,639

Adjusted EBITDA<sup>2,3</sup>



Net Debt / Adj EBITDA



1. All figures as reported in Sierra's Management Discussion and Analysis (MD&A) for the relevant period.
2. Adjusted EBITDA is a non-IFRS financial measure and includes adjustments for depletion and depreciation, interest expenses and other finance costs, interest income, share-based compensation and income taxes.
3. Non-IFRS number; please see Appendix for a reconciliation of non-IFRS numbers to comparable IFRS numbers.
4. Free Cash Flow represents Cash Flow from Operations before movements in working capital less capex. See Appendix for reconciliation.
5. Consolidated debt minus total cash and cash equivalents.

## PRODUCTION

# 2017 Production & Costs vs Guidance



6M-2017 Production				
Mine	Yauricocha	Bolivar	Cusi	Total
Copper Eq. (M lb) <sup>1</sup>	36.6	9.9	2.6	<b>49.1</b>
Silver Eq. (M oz) <sup>1</sup>	4.3	1.2	0.3	<b>5.8</b>

2017 Guidance			2016 Actual
	Low	High	
Copper Eq. (M lb) <sup>1</sup>	98.6	115.1	79.4
Silver Eq. (M oz) <sup>1</sup>	11.5	13.5	12.0

6M-2017 Costs		
	Cash Costs per Equivalent Oz / Lb Sold	AISC <sup>1,2</sup> per Equivalent Oz / Lb Sold
Yauricocha (Ag Eq Oz)	\$7.39/oz	<b>\$10.60/oz</b>
Bolivar (Cu Eq Lb)	\$1.14/lb	<b>\$1.89/lb</b>
Cusi (Ag Eq Oz)	\$10.82/oz	<b>\$22.72/oz</b>

2017 Cost Guidance			2016 Actual AISC <sup>1,2</sup>
	Cash Costs per Equivalent Oz / Lb Sold	AISC <sup>1,2</sup> per Equivalent Oz / Lb Sold	
Yauricocha (Ag Eq Oz)	\$9.58/oz	\$12.29/oz	<b>\$13.11/oz</b>
Bolivar (Cu Eq Lb)	\$1.08/lb	\$1.74/lb	<b>\$2.28/lb</b>
Cusi (Ag Eq Oz)	\$10.90/oz	\$19.66/oz	<b>\$20.41/oz</b>

1. 2017 Silver equivalent ounces and copper equivalent pounds were calculated using the following prices: \$19.50/oz Ag, \$2.28/lb Cu, \$0.85/lb Pb, \$0.1.05/lb Zn, \$1,369/oz Au
2. All-In-Sustaining-Costs (AISC) include treatment and refining charges, selling costs, g&a and sustaining capex. AISC is a non-IRFS number. Please see Appendix for a reconciliation of non-IFRS numbers to comparable IFRS numbers.

# Yauricocha Mine



Recent Mineral Reserve Estimate Increased 134% Over Previous Estimate



In Continuous Operation Since 1948 (69 Years)

# PERU

## Yauricocha Polymetallic Mine



<b>Ownership</b>	82%
<b>Size</b>	18,000 Hectares
<b>Commodities</b>	Silver, lead, zinc, copper, gold
<b>Operation</b>	Underground mine: sub-level caving & cut and fill
<b>Mill throughput</b>	2,900 TPD
<b>Annual Production</b>	7.0 M oz Silver Equivalent
<b>Concentrates</b>	<b>Polymetallic Circuit</b> Lead, Copper and Zinc concentrate
	<b>Lead Oxide Circuit</b> Lead Oxide concentrate
	<b>Copper Oxide Circuit</b> Copper Oxide concentrate
<b>Reserve Life*</b>	8.7 years
<b>Deposit Type</b>	High-temperature, carbonate-replacement deposit

	Tonnes M	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag Eq (g/t)	Ag Eq (M oz)
Proven & Probable	8.9	48.3	1.20	0.77	2.43	0.52	377	459
Measured & Indicated	13.2	62.3	1.52	0.92	2.79	0.65	445	1,891
Inferred	6.6	43.0	1.19	0.47	2.16	0.55	329	702

\*Includes P&P

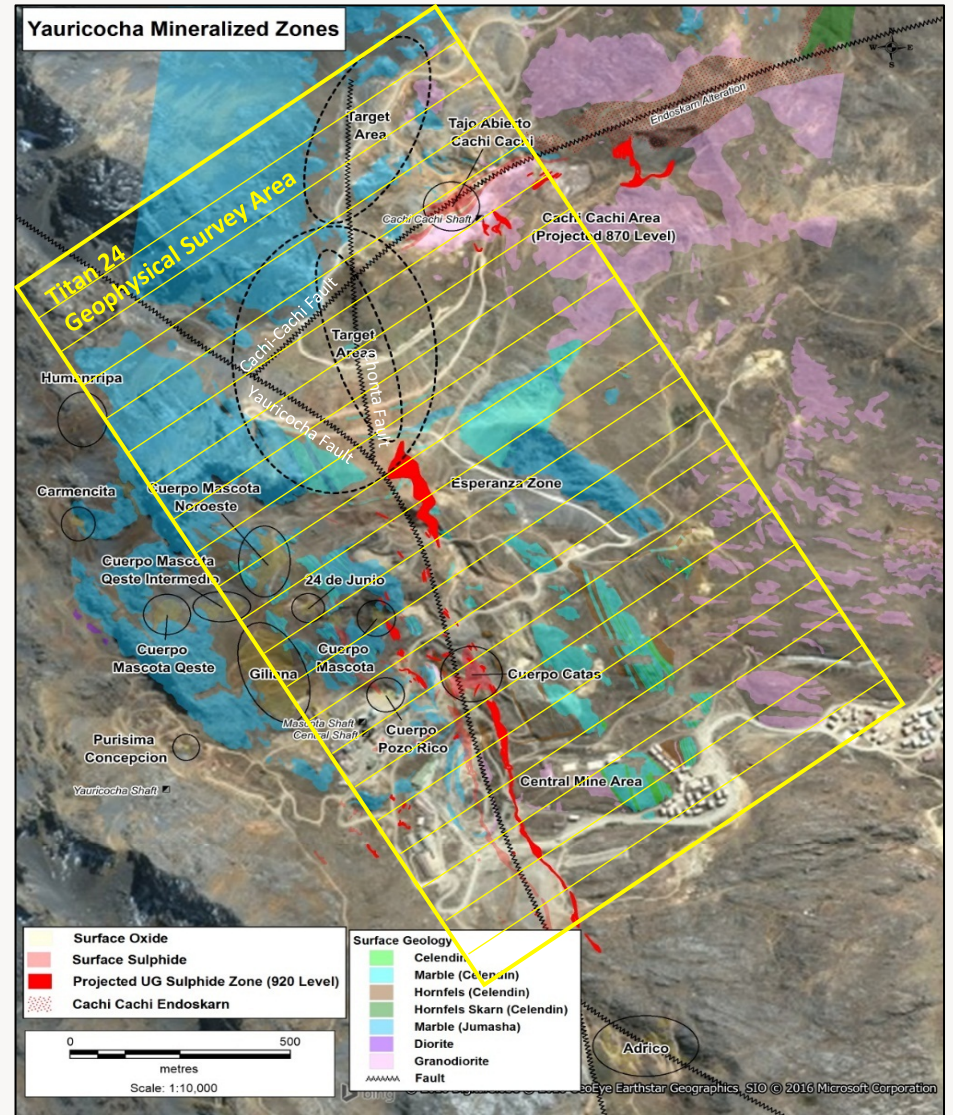
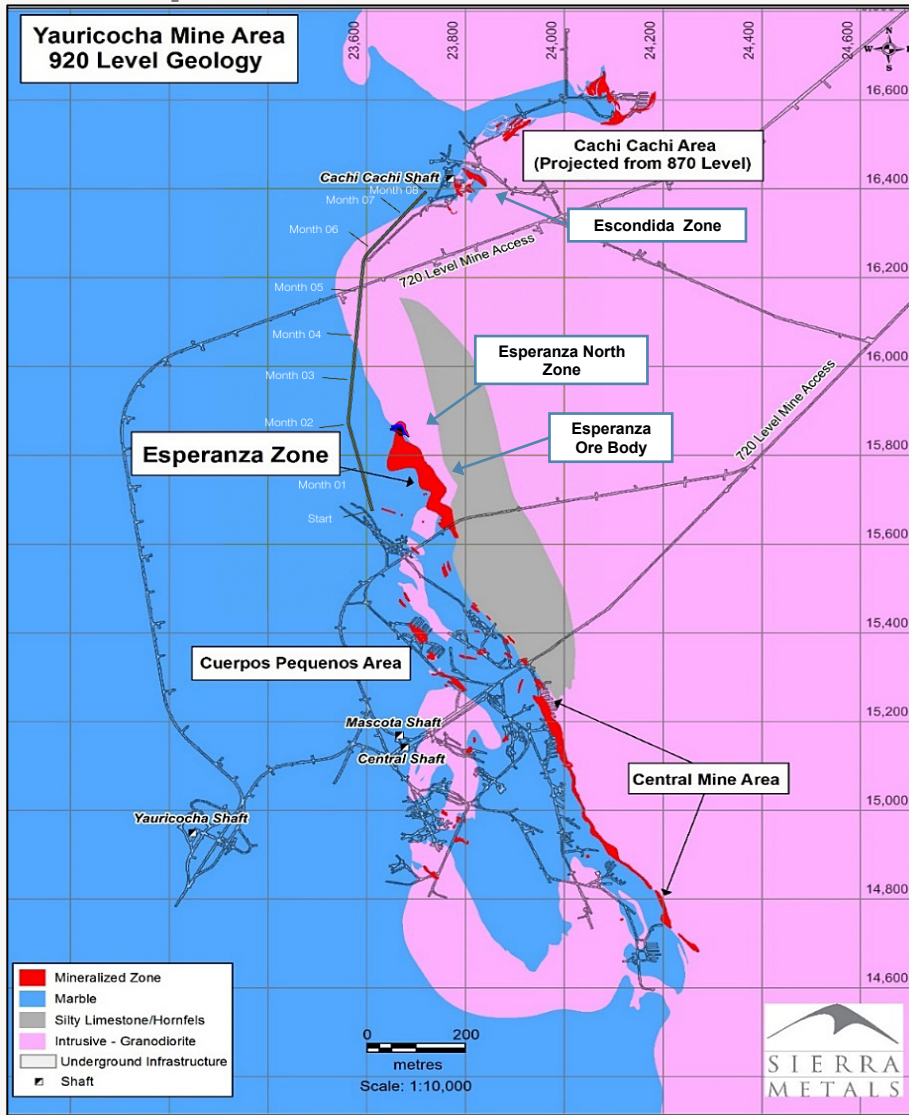
Details of the reserve & resource estimates for Yauricocha are presented in the Appendix.



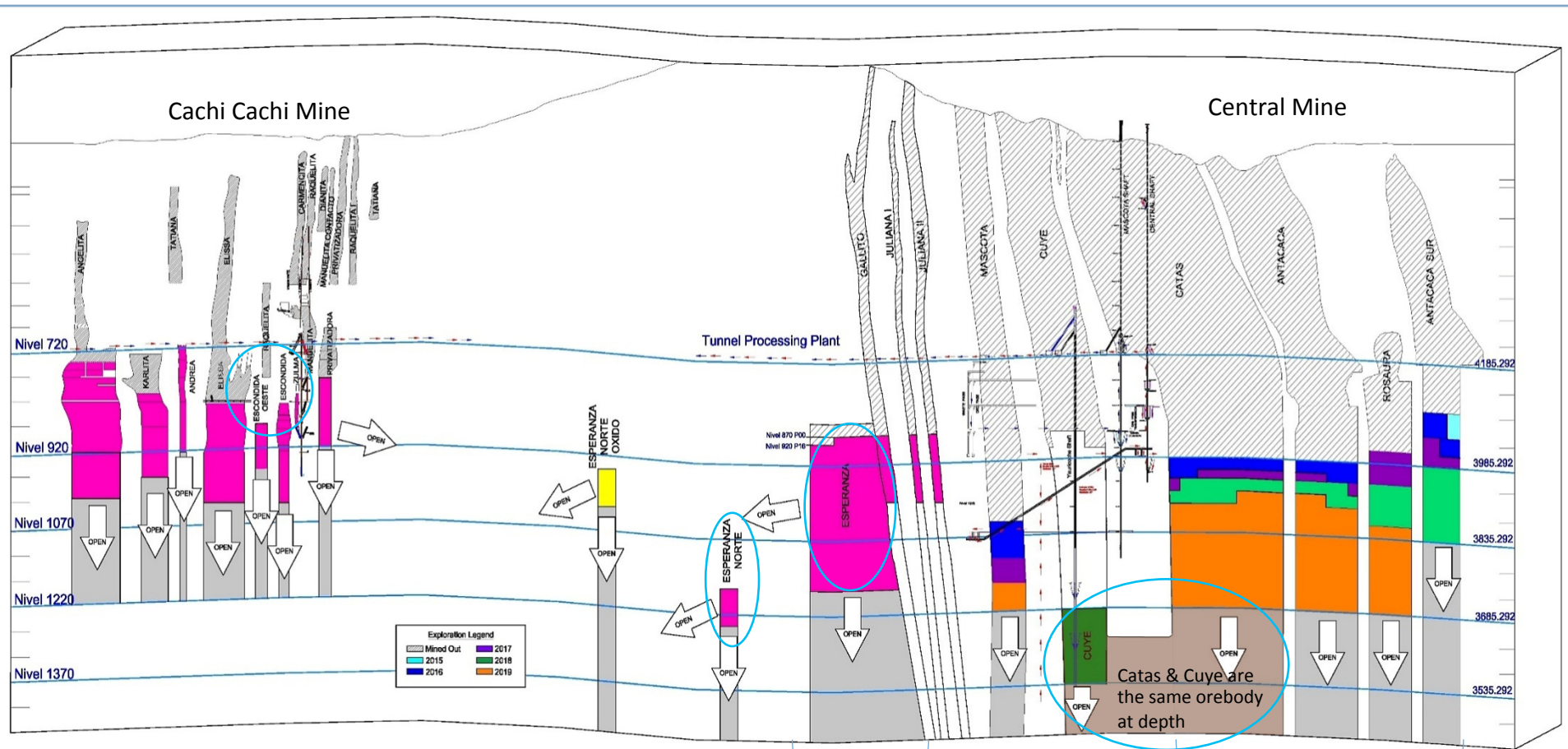
\*Reserve Life calculated as Proven & Probable Reserves divided by Annual Mill throughput.

# Exploration Progress

## New Zones Discovered with Continued Exploration at Yauricocha



# Yauricocha Mine Longitudinal Section



### Cuerpos Chicos/Cuerpos Pequeños

- Average width: 1-5 Meters
- The areas continue to be defined as part of the definition drilling program

### Esperanza Area

- Average width: 15-20 Meters

### Central Mine Area

- Average width: 6-8 Meters

As a result of continued exploration wider zones with significantly higher metal grades have been discovered which should provide the potential for greater amounts of metals produced.

# BOLIVAR MINE



Year over year production tonnage increases

# MEXICO-BOLIVAR MINE

## Bolivar Copper Mine



Ownership	100%
Size	15,217 Hectares
Commodities	Copper, silver, gold
Operation	Underground mine: room and pillar
Mill throughput	2,500 TPD
Annual Production	21.2 M Lbs Copper Equivalent
Concentrates	Copper with silver and gold by-product credits
Reserve Life*	5 years
Deposit Type	Copper-zinc skarn

\*Reserve Life calculated as Proven & Probable Reserves divided by Annual Mill throughput

	Tonnes M	Ag (g/t)	Cu (%)	Au (g/t)	Cu Eq (%)	Cu Eq (M lb)
Probable	4.3	17.5	0.85	0.31	1.18	112.1
Indicated*	9.3	18.1	0.90	0.30	1.23	252.9
Inferred	9.1	17.9	0.86	0.33	1.20	239.8

\*Includes Probable

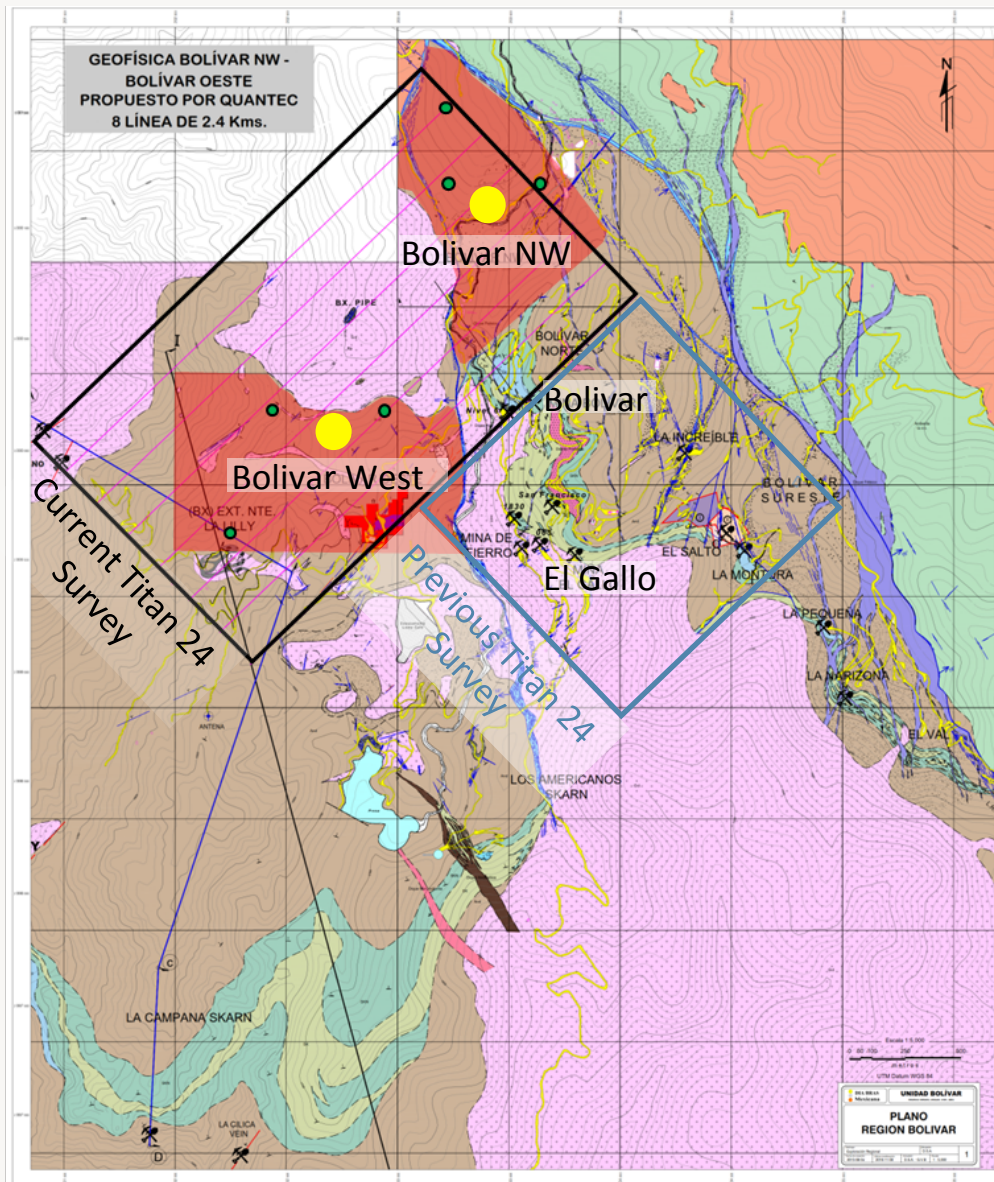
Details of the reserve & resource estimates for Bolivar are presented in the Appendix.





# MEXICO-BOLIVAR MINE

## Bolivar Northwest and Bolivar West Targets



- › Titan 24 Geophysical Survey completed on Bolivar West and Northwest areas resulting in 24 anomalies and 8 high value drill targets.
- › **17,000 Meters of drilling program taking place in 2017** with the majority occurring at Bolivar West where high grade copper intercepts have occurred.
- › **28 holes (12,300 meters), recently completed** which provided the Company with good **Copper, Zinc and Silver grades**. This detailed drill data will be used to update the current mineral resources report at the Bolivar mine and is expected in Q4 2017.
- › **Bolivar West average grade of 2.55% copper equivalent with an average true width of 9.1 meters**, which is significantly above El Gallo's current resource grade and current head grades.
- › Bolivar West still has further potential resource growth prospects and remains open to the northeast.

# CUSI MINE



▶ Reinterpretation of Geology – New High-Grade Silver Discovery

# MEXICO-CUSI MINE

## Cusi Silver Mine

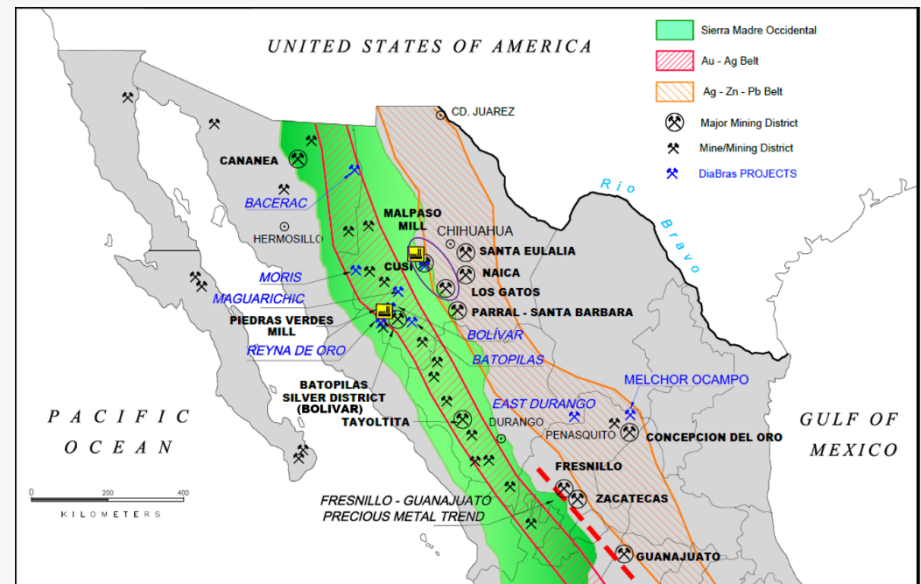
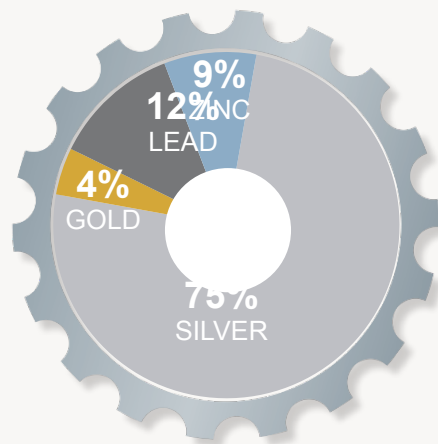


Ownership	100%
Size	11,671 Hectares
Commodities	Silver, zinc, lead, gold
Operation	Underground mine in development; cut and fill
Mill throughput	300 TPD
Annual Production	1.1 M Oz Silver Equivalent
Concentrates	Lead and Zinc concentrates with significant silver
Deposit Type	High-grade, low sulphidation epithermal deposit

	Tonnes M	Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	Ag Eq (g/t)	Ag Eq (M oz)
Indicated	2.0	237.1	0.53	0.53	0.16	283	18.1
Inferred	1.2	305.3	0.51	0.64	0.14	354	13.7

Details of the resource estimates for Cusi are presented in the Appendix.

**Revenue Mix**  
For the 12 months ending June 30, 2017



## MEXICO-CUSI MINE

# Ore Value Growth via Brownfield Exploration



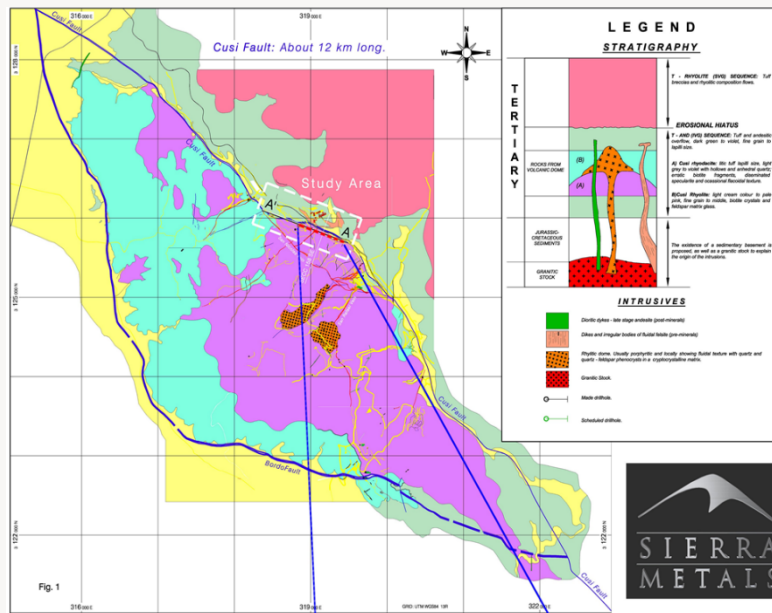
- › The Cusi Fault is a 64 kilometer regional structure
- › 12 kilometers of the Cusi Fault containing the Santa Rosa de Lime Zone lie within Sierra Metals' property boundaries



← 12km →  
TSX SMT | NYSE American SMTS | BVL SMT

# MEXICO-CUSI MINE

## Santa Rosa de Lima Zone

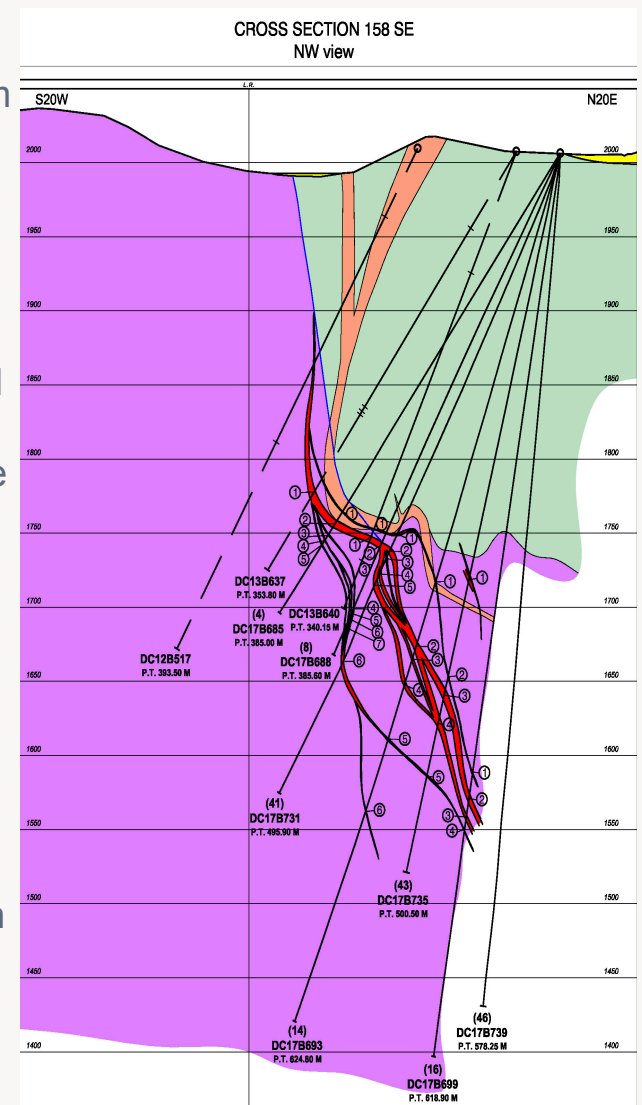
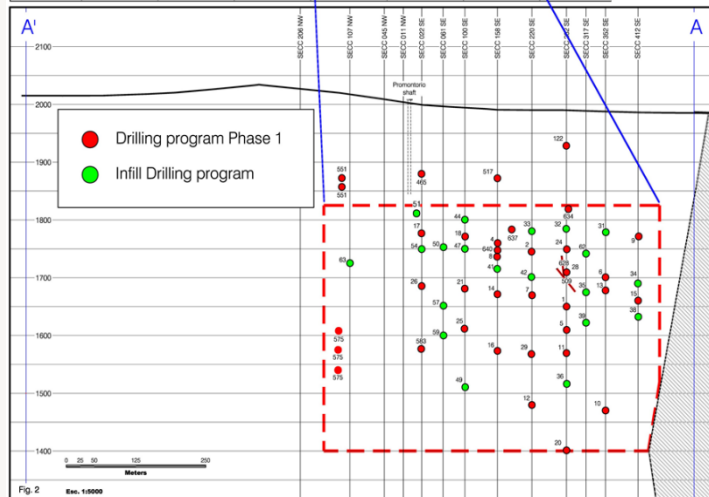


Average grade of the intercepts for entire program of **29,500 meters** is **372 g/t Eq. silver** with **Average true width of 3.8 meters**.

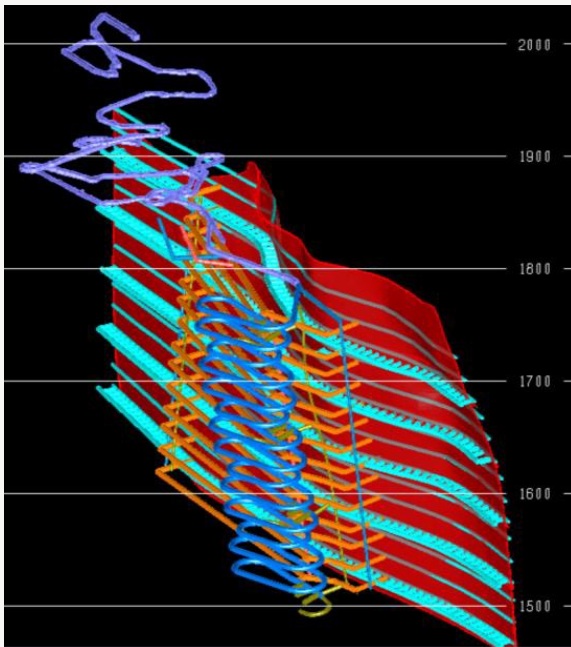
Step out drilling extends silver mineralization beyond the Santa Rosa de Lima zone with similar high-grade characteristics.

Zone extended from **1 km to 1.7 km** all within the 12 km structure running inside Sierra Metals property boundary.

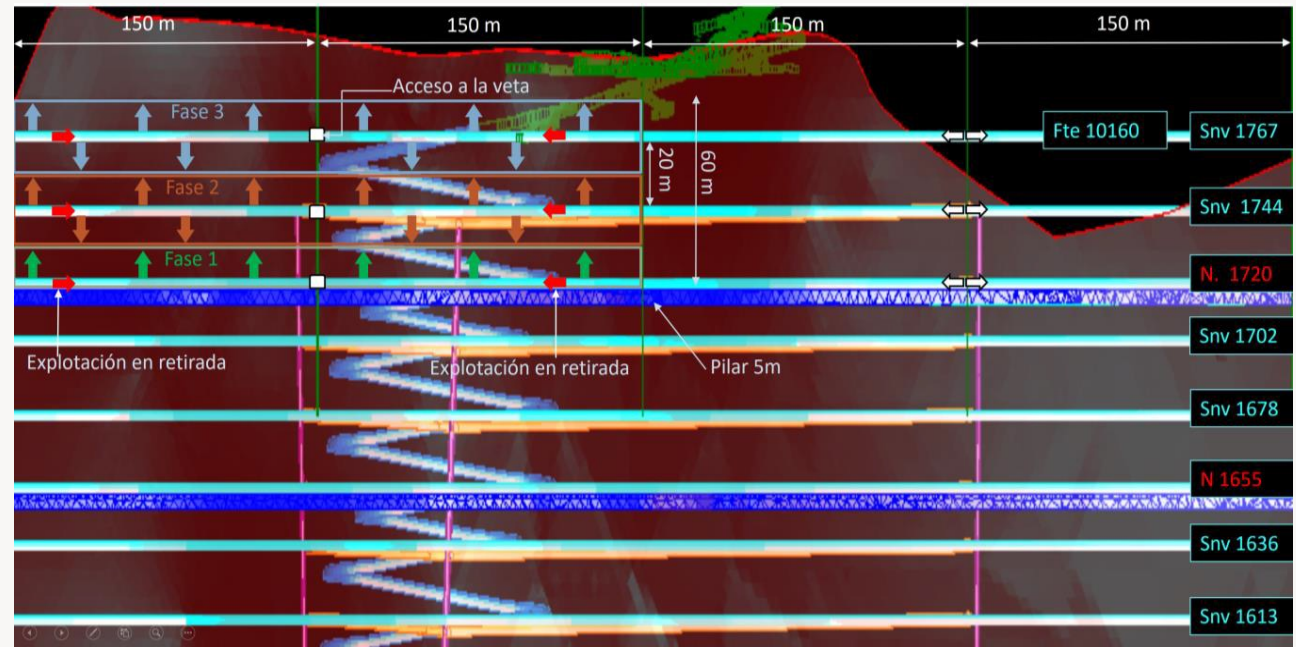
Data from total drill program on the zone of 29,500 meters will be incorporated into a new mineral resource for the Cusi Mine expected in Q4.



Mine Design



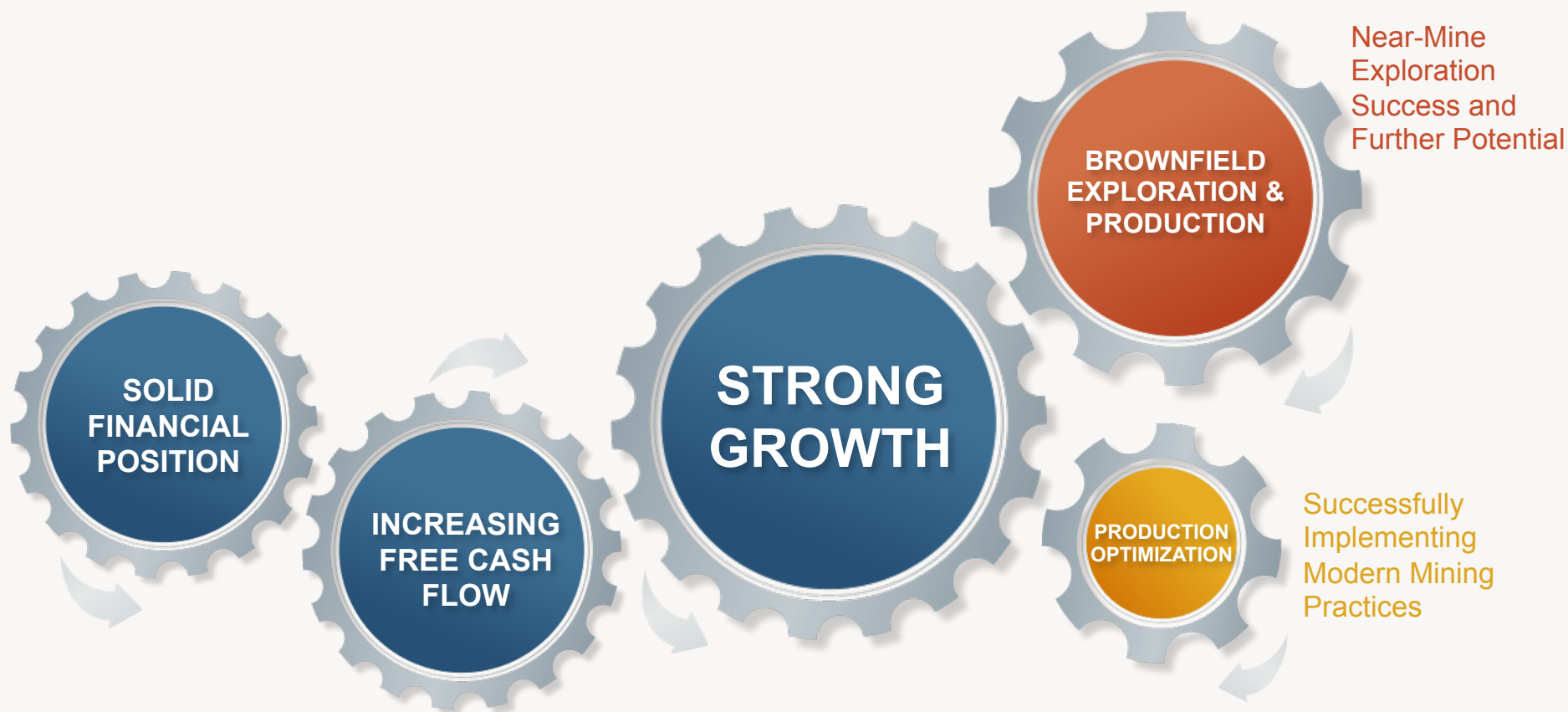
Long Hole Mine Plan



- › Drift development underway on four primary sub levels
- › Ramp development continues to lower part of SRL complex

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# CONTACT

## Information



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