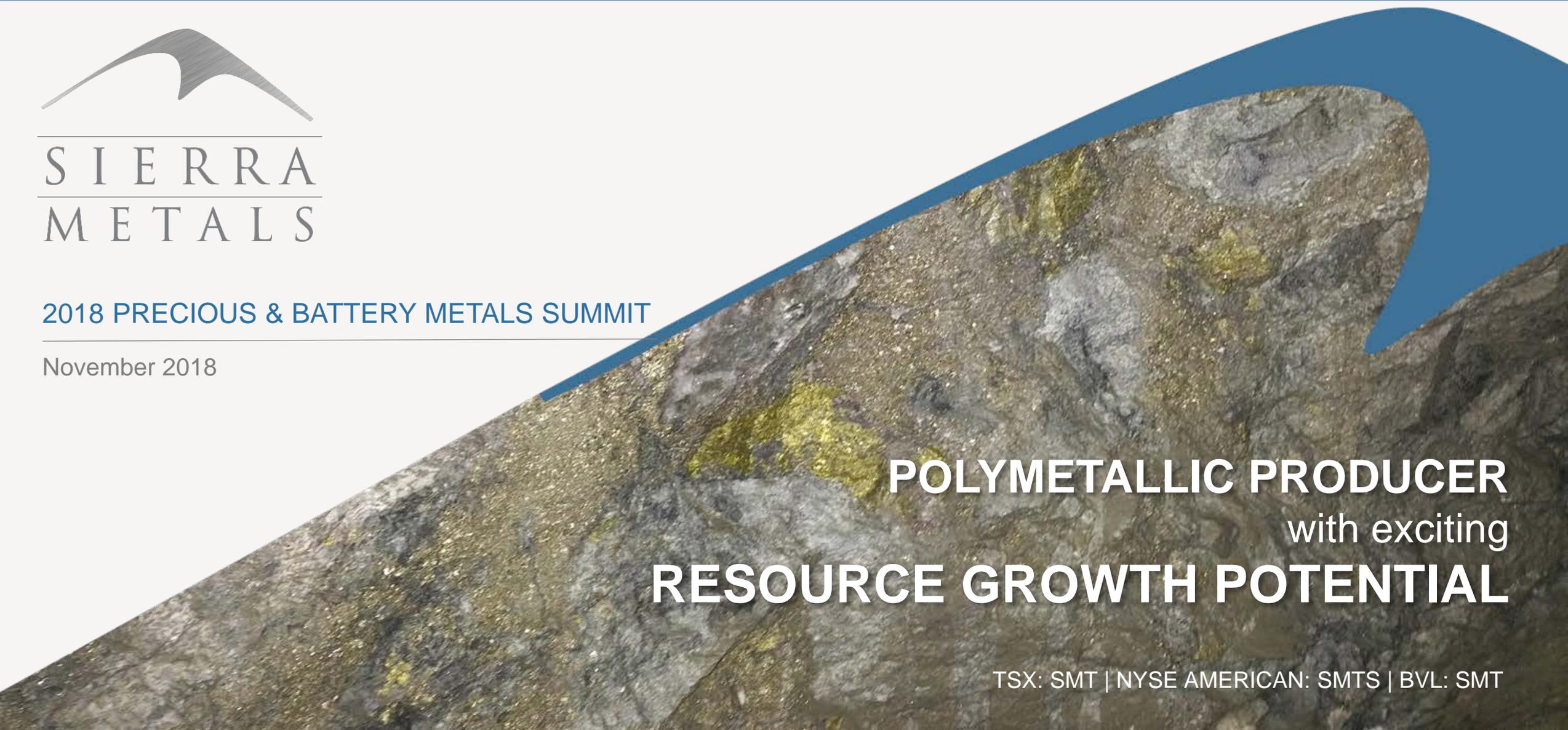




SIERRA  
METALS

2018 PRECIOUS & BATTERY METALS SUMMIT

November 2018



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

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

# FORWARD LOOKING STATEMENTS

## 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.

Americo Zuzunaga, MAusIMM CP (Mining Engineer) and Vice President of Corporate Planning is a Qualified Person and chartered professional qualifying as a Competent Person under the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Augusto Chung, FAusIMM CP (Metallurgist) and Consultant to Sierra Metals is a Qualified Person and chartered professional qualifying as a Competent Person on metallurgical processes.

**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 CSC 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 the ATM offering should read the prospectus, prospectus supplement and documents incorporated into the registration statement and other documents that Sierra Metals has filed with the SEC and CSC 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.com](http://www.sedar.com).

# INVESTMENT HIGHLIGHTS

## A Base and Precious Metal Growth Story



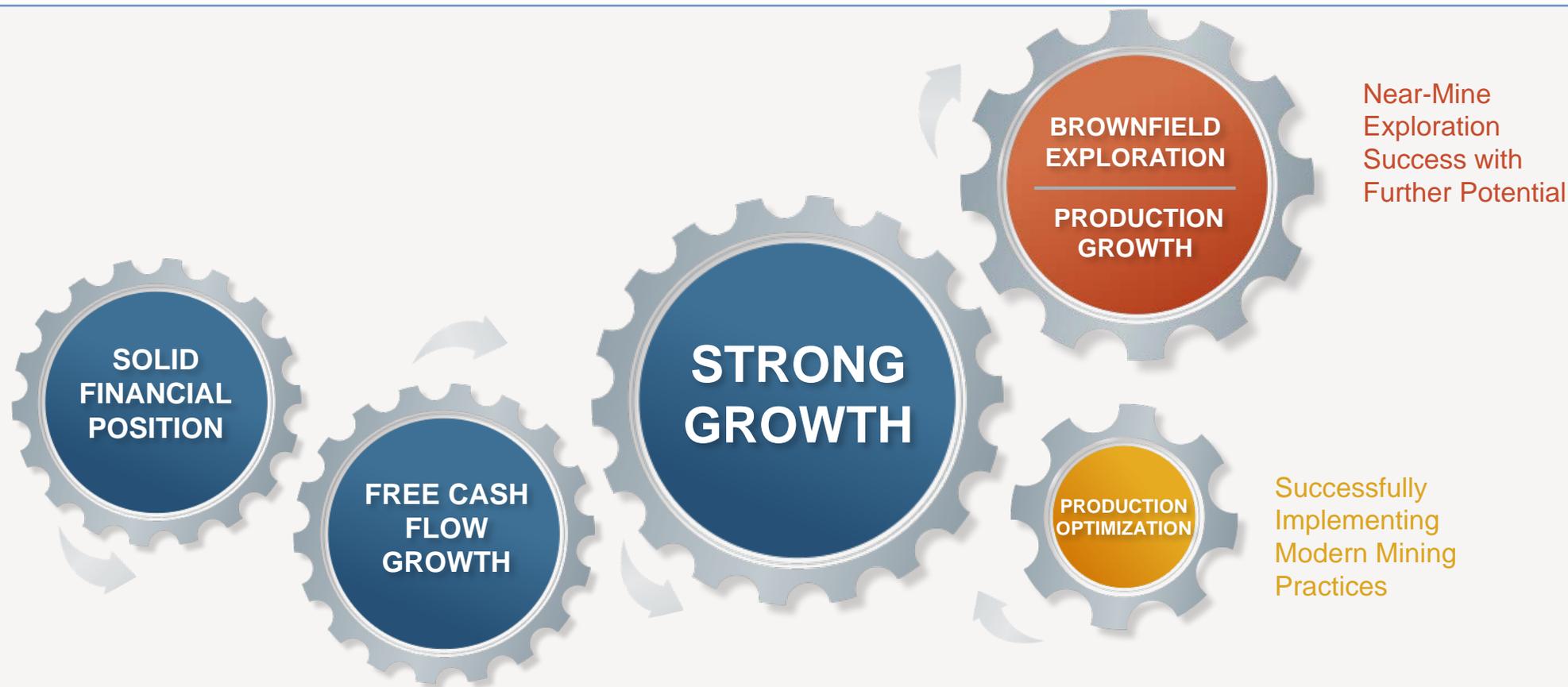
ZINC COPPER SILVER LEAD GOLD

COPPER SILVER GOLD

SILVER ZINC LEAD GOLD

# INVESTMENT HIGHLIGHTS

## A Base and Precious Metal Growth Story



|  |           |
|--|-----------|
| Cash Position <sup>1</sup>                       | US\$21.8M |
| 6M-2018 CF Before Movements in WC <sup>2,4</sup> | US\$56.9M |

|                                  |           |
|----------------------------------|-----------|
| Debt Position <sup>1</sup>       | US\$63.3M |
| Net Debt Position <sup>1,3</sup> | US\$41.5M |

1. All figures as reported in Sierra's Financial statements and Management Discussion & Analysis (MD&A) for the six-month period ending June 30, 2018 as filed on SEDAR. 2. Non-IFRS number; please see Appendix for reconciliation to IFRS measures. 3. Net debt, a non-IFRS measure equals consolidated debt minus cash and cash equivalents. 4. Cash Flow from Operations before movements in working capital – excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.

# CAPITAL Structure



|                            |         |
|----------------------------|---------|
| Outstanding <sup>1</sup>   | 163.4 M |
| RSUs <sup>1</sup>          | 1.4 M   |
| Options <sup>1</sup>       | Nil     |
| Fully Diluted <sup>1</sup> | 164.8 M |

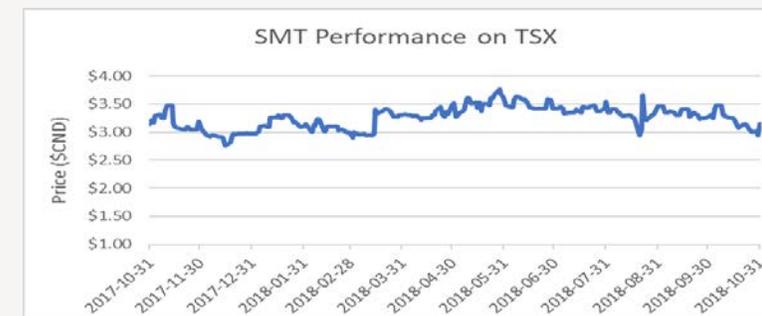
|                           | TSX<br>(\$CAD) | NYSE Am.<br>(\$US) |
|---------------------------|----------------|--------------------|
| Recent Price <sup>1</sup> | \$3.26         | \$2.49             |
| 52 Week High <sup>1</sup> | \$3.85         | \$3.00             |
| 52 Week Low <sup>1</sup>  | \$2.68         | \$2.13             |
| Market Cap                | \$532.7 M      | \$406.9 M          |

1. As at November 1, 2018

| Major Shareholders     |     |
|------------------------|-----|
| Arias Resource Capital | 52% |
| BlackRock              | 10% |
| Ingalls & Snyder       | 5%  |

Actions to address liquidity include:

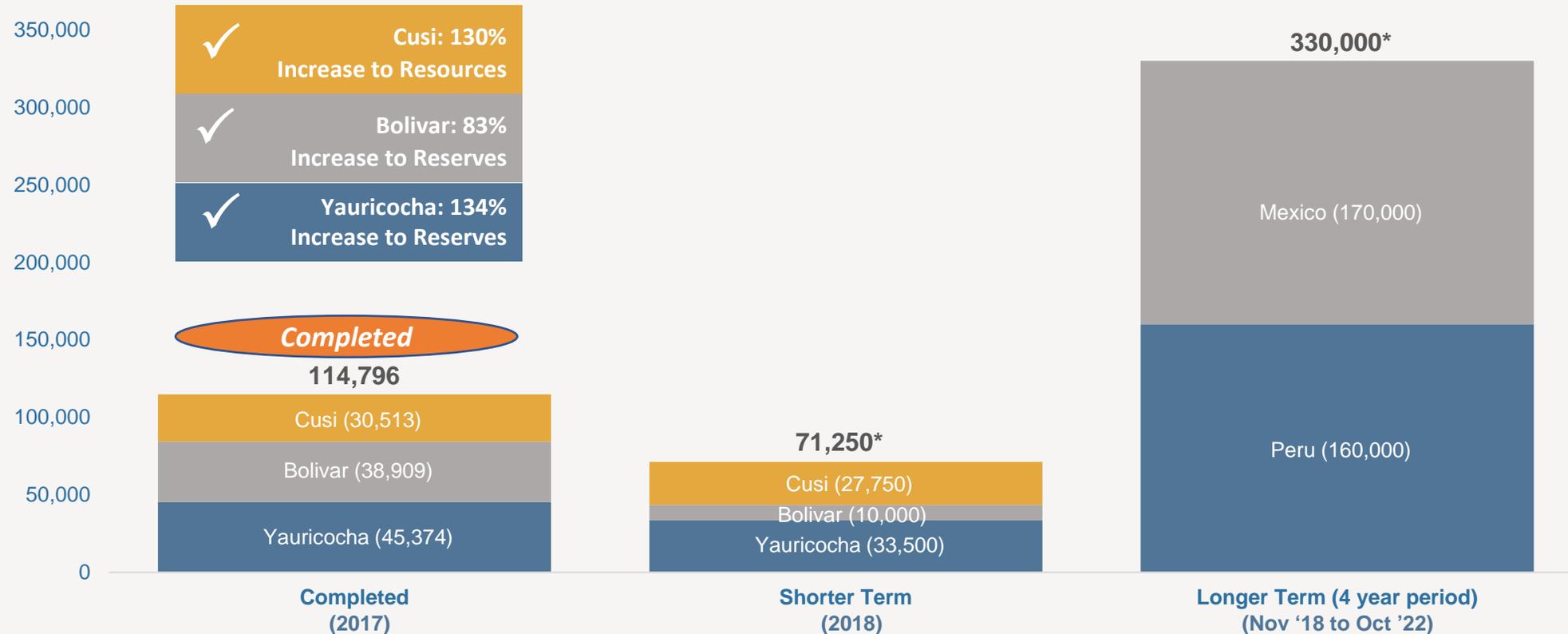
- NYSE American listing
- Major shareholder willing to dilute below 50%



# Resource Expansion through Aggressive Drilling

- ▶ Targeting increases in resources and reserves through on-going aggressive exploration programs at all three properties
- ▶ Updated Technical Reports were completed for all three Mines from the 2017 Exploration Program. Approximately 79,977 meters of drilling have been executed since completion of the previous Resource Estimates

Planned Exploration Drilling (meters)



\* Planned drilling in meters subject to uncertainty, may or may not be completed.

## STRATEGIC GROWTH

# Building Resources and Infrastructure for Increased Production



### BROWNFIELD EXPLORATION INFRASTRUCTURE UPDATES

- › Focus on Organic Growth
- › Exploration of Target Rich Properties
- › Short, and Longer Term Drilling Programs
- › Targeting Increases in Resources and Reserves
- › NI 43-101 Technical Report completed and filed for all three Mines that Included Reserve and Resource Increases
- › Upgrading of infrastructure and equipment



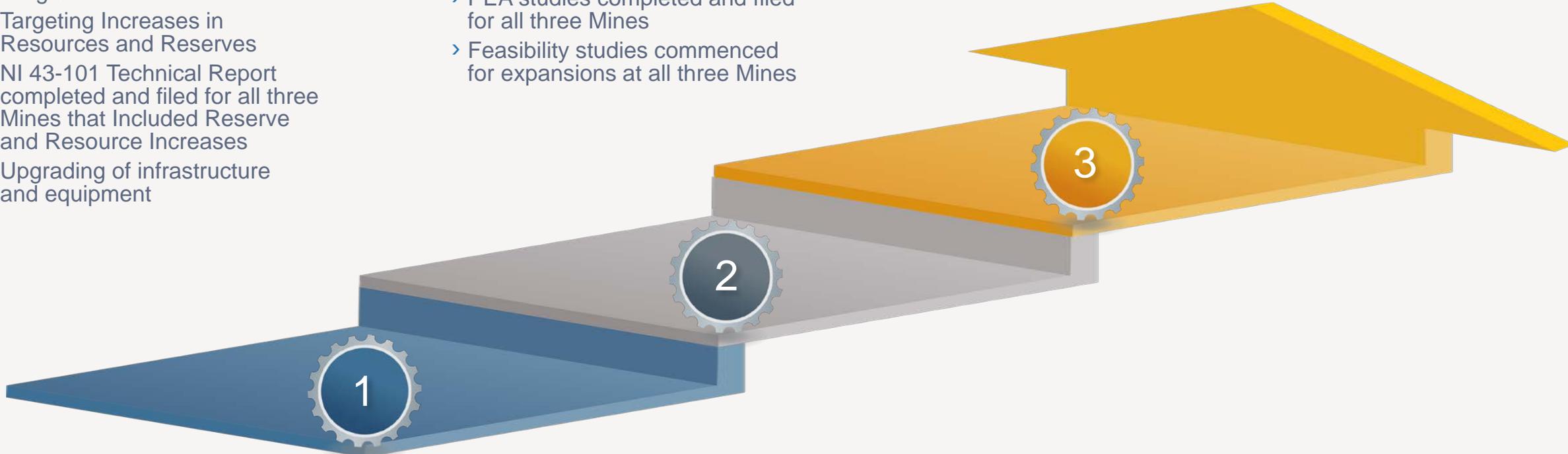
### FEASIBILITY & ENGINEERING STUDIES

- › Optimum plant size definition
- › Best technology to process new resources
- › Permitting
- › PEA studies completed and filed for all three Mines
- › Feasibility studies commenced for expansions at all three Mines



### CONSTRUCTION & OPERATION

- › Detailed engineering
- › Construction of expanded facilities (mine and plant)
- › Mine infrastructure upgrades to meet new capacities



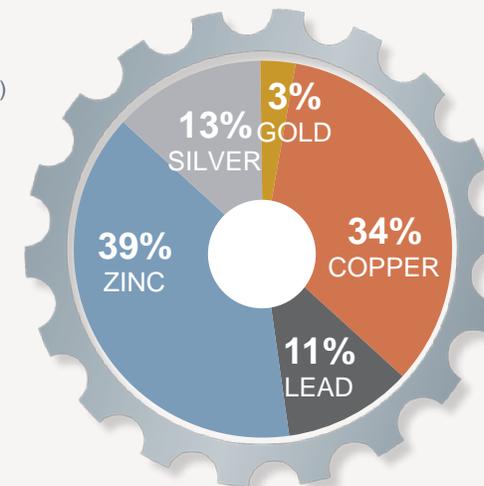
## DIVERSIFIED

# 3 Projects in 2 Countries



### Revenue Mix

(Trailing 12 months ending June 30, 2018)



|  | YAUICOCHA                      | BOLIVAR                           | CUSI                            |
|--|--------------------------------|-----------------------------------|---------------------------------|
| <b>LOCATION</b>  | YAUYOS, PERU                   | CHIHUAHUA, MEXICO                 | CHIHUAHUA, MEXICO               |
| <b>OWNERSHIP</b>                                       | 82%                            | 100%                              | 100%                            |
| <b>STAGE</b>   | PRODUCTION                     | PRODUCTION                        | PRODUCTION / DEVELOPMENT        |
| <b>MINE TYPE</b>                                       | UG                             | UG                                | UG                              |
| <b>MILL THROUGHPUT (TPD)<sup>1</sup></b>               | 3,000 growing to 3,600 in 2019 | 3,000 growing to 3,600 in Q1-2019 | 650 growing to 1,200 in Q1-2019 |
| <b>METALS</b>  | Zn, Cu, Pb, Ag, Au             | Cu, Ag, Au                        | Ag, Pb, Zn, Au                  |
| <b>CF BEFORE MOVEMENTS IN WC (6M-2018)<sup>2</sup></b> | \$47.6M <sup>3</sup>           | \$10.5M                           | \$0.41M                         |

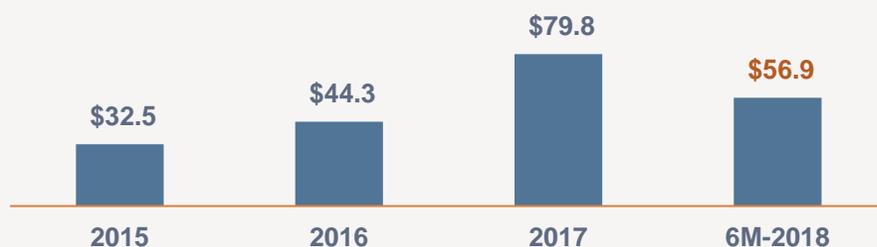
1. TPD is measured using the metric system. 2. Cash Flow from Operations before movements in working capital is a non-IFRS number and excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items. Please see Appendix for reconciliation to comparable IFRS measure. 3. Assumes 100% ownership of Yauricocha.

# SOLID Financial Position

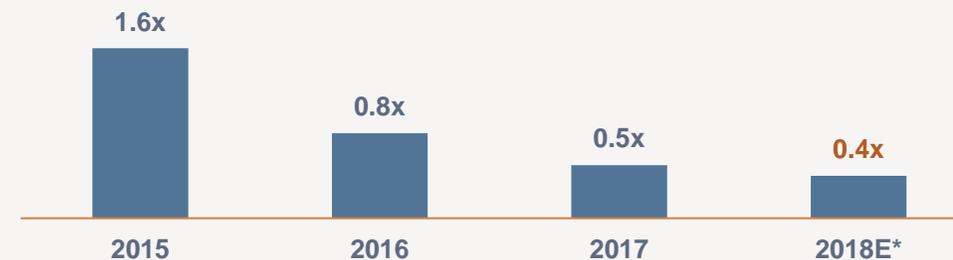


| Figures in US (\$000's)                               | 2015        | 2016        | 2017        | 6M-2018     |
|---|-------------|-------------|-------------|-------------|
| Outstanding Shares                                    | 161,939,959 | 162,356,032 | 162,812,764 | 163,427,335 |
| Revenue   | 134,052     | 143,180     | 205,118     | 124,396     |
| Net Income (Loss)                                     | (35,313)    | (12,721)    | (860)       | 24,059      |
| Cash Generated from Operating Activities <sup>1</sup> | 31,307      | 43,640      | 54,469      | 26,985      |
| Capex   | (37,601)    | (25,352)    | (51,607)    | (23,965)    |
| Free Cash Flow <sup>2,5</sup>                         | (6,294)     | 18,288      | 2,862       | 3,020       |
| Cash From (Used in) Financing Activities              | (9,174)     | (964)       | (21,091)    | (4,925)     |
| Net Cash Flow <sup>4</sup>                            | (15,468)    | 17,324      | (18,229)    | (1,905)     |
| Cash and Cash Equivalents                             | 25,102      | 42,145      | 23,878      | 21,804      |
| Debt Outstanding                                      | 76,086      | 78,681      | 64,860      | 63,343      |
| Net Debt <sup>3</sup>                                 | 50,984      | 36,537      | 40,982      | 41,539      |

Cash Flow Before Movements in Working Capital



Net Debt / CF Before Movements in WC



\*2018 Estimate assumes annualized rate for CF Before Movements in WC at 6M-2018

All figures as reported in Sierra's MD&A for the relevant period.

1. Cash Generated from Operating Activities – includes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items.
2. Free Cash Flow represents cash flow generated from operating activities less capex. See Appendix for reconciliation.
3. Net Debt represents Consolidated debt minus total cash and cash equivalents.
4. Net Cash Flow represents free cash flow less cash flow used in financing activities.
5. Non-IFRS number.

# PEA RESULTS INDICATE VALUE OPPORTUNITY

## Excellent Growth Opportunities at all 3 Mines



### Economic Analysis – Key Highlights<sup>(1)</sup>

| Financial Summary                                | Yauricocha <sup>(2)</sup> | Bolivar          | Cusi                    |
|--|---------------------------|------------------|-------------------------|
| After-tax NPV (8%)                               | US\$393 Million           | US\$214 Million  | US\$92 Million          |
| Return on Investment                             | 486%                      | 550%             | IRR: 75% <sup>(3)</sup> |
| After-tax Payback Period                         | 4.1 years                 | 3.4 years        | 4.6 years               |
| LOM Capital Costs                                | US\$238 Million           | US\$96 Million   | US\$105 Million         |
| New Investments to Expand Operations (2019-2021) | US\$32.7 Million          | US\$16.9 Million | US\$34.0 Million        |
| Net After-tax Cash Flow                          | US\$532 Million           | US\$303 Million  | US\$151 Million         |
| After-tax NPV (8%) Per Share                     | US\$2.41                  | US\$1.31         | US\$0.56                |

**Combined NPV = US\$4.28/share<sup>2</sup>**

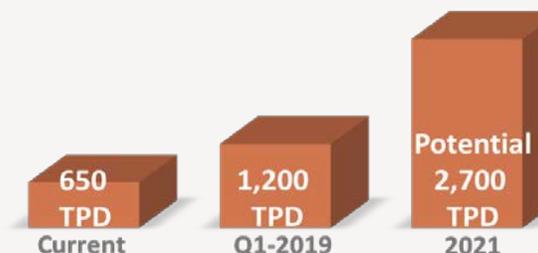
**Potential Output Expansion  
Yauricocha: 66%**



**Potential Output Expansion  
Bolivar: 67%**



**Potential Output Expansion  
Cusi: 315%**



| Operating Summary         | Yauricocha        | Bolivar           | Cusi              |
|---------------------------|-------------------|-------------------|-------------------|
| Total Operating Unit Cost | US\$43.86 / tonne | US\$21.18 / tonne | US\$41.36 / tonne |
| Mine Life                 | 10 years          | 11 years          | 9 years           |

- Economic results for Yauricocha are based on metal prices of \$1,323/oz Au, \$18.68/oz Ag, \$3.15/lb Cu, \$0.98/lb Pb and \$1.19/lb Zn, for Bolivar are based on metal prices of \$3.00/lb Cu, \$1,291/oz Au and \$18.25/oz Ag and for Cusi are based on metal prices of \$1,283/oz Au, \$18.30/oz Ag, \$0.93/lb Pb and \$1.15/lb Zn.
- Financial and operating statistics represent 100% ownership of Yauricocha.
- 75% represents Cusi's after-tax internal rate of return as ROI is not available.
- Based on the technical work from the various independent consultants, the PEA was compiled under NI 43-101 standards by Mining Plus Peru SAC.

# PRODUCTION & CASH COSTS

## Production & Costs vs Guidance



| 9M-2018 Production              |       |
|---------------------------------|-------|
| 9M-2018                         |       |
| Zinc Eq. (M lbs) <sup>1</sup>   | 159.2 |
| Copper Eq. (M lbs) <sup>1</sup> | 71.7  |
| Silver Eq. (M ozs) <sup>1</sup> | 13.5  |

| 6M-2018 Costs         |  |   |
|-----------------------|--|---|
|                       | Cash Costs per Equivalent Oz / Lb Sold | AISC per Equivalent Oz / Lb Sold <sup>2</sup> |
| Yauricocha (Zn Eq Lb) | \$0.54/lb                              | <b>\$0.77/lb</b>                              |
| Bolivar (Cu Eq Lb)    | \$1.21/lb                              | <b>\$1.92/lb</b>                              |
| Cusi (Ag Eq Oz)       | \$14.96/oz                             | <b>\$23.25/oz</b>                             |

| 2018 Production Guidance (000's) |       |       |
|----------------------------------|-------|-------|
|                                  | Low   | High  |
| Zinc Eq. (M lbs) <sup>1</sup>    | 183.8 | 214.5 |
| Copper Eq. (M lbs) <sup>1</sup>  | 89.2  | 104.0 |
| Silver Eq. (M ozs) <sup>1</sup>  | 13.9  | 16.2  |

| 2018 Cost Guidance    |  |   |
|-----------------------|--|---|
|                       | Cash Costs per Equivalent Oz / Lb Sold | AISC per Equivalent Oz / Lb Sold <sup>2</sup> |
| Yauricocha (Zn Eq Lb) | \$0.62/lb                              | <b>\$0.78/lb</b>                              |
| Bolivar (Cu Eq Lb)    | \$1.60/lb                              | <b>\$1.96/lb</b>                              |
| Cusi (Ag Eq Oz)       | \$11.12/oz                             | <b>\$14.28/oz</b>                             |

1. Silver equivalent ounces, copper and zinc equivalent pounds were calculated using quarterly realized metal prices. Silver, copper and zinc equivalent guidance figures will change based on metal prices used each quarter in the equivalent metal calculations. See Appendix for quarterly realized metal prices for the last 13 quarters.
2. All-In-Sustaining-Costs (AISC) include treatment and refining charges, selling costs, g&a and sustaining capex. AISC is a non-IFRS number. Please see Appendix for a reconciliation of non-IFRS numbers to comparable IFRS numbers.

# Yauricocha Mine



In Continuous Operation Since 1948 (70 Years) and still Growing

# PERU

## Yauricocha Polymetallic Mine

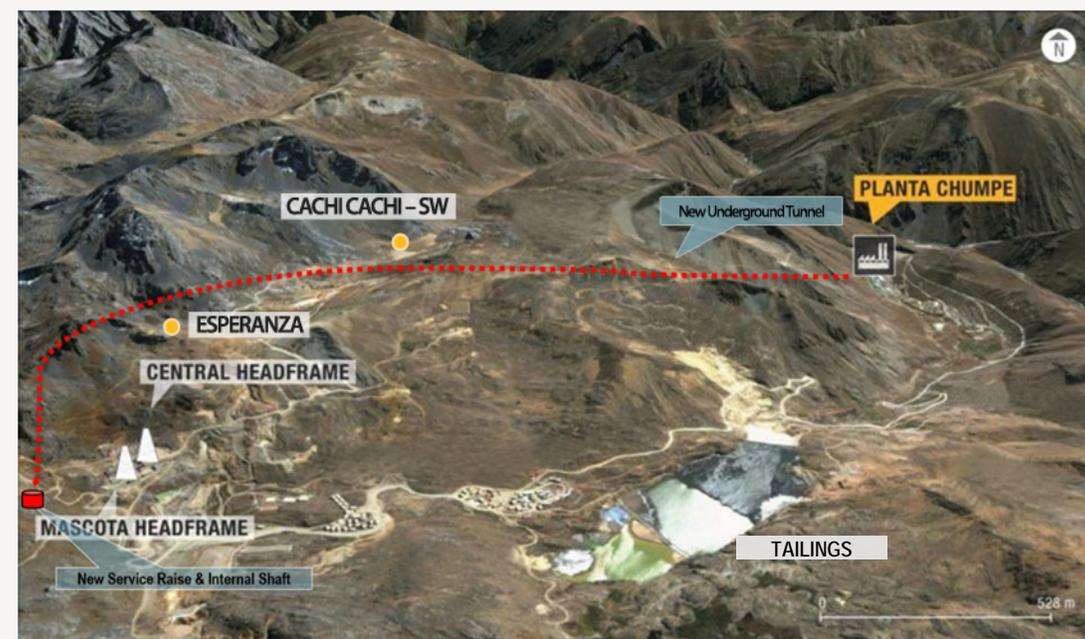


|                   |  |
|-------------------|--|
| Ownership         | 82%  |
| Size              | 18,000 Hectares  |
| Commodities       | Silver, lead, zinc, copper, gold   |
| Operation         | Underground mine: sub-level caving & cut and fill                          |
| Mill throughput   | 3,000 TPD increasing to 3,600 TPD in 2019 to a potential 5,500 TPD in 2021 |
| Annual Production | 147 M lbs Zinc Equivalent  |
| Concentrates      | <b>Polymetallic Circuit</b><br>Lead, Copper and Zinc concentrate           |
|                   | <b>Lead Oxide Circuit</b><br>Lead Oxide concentrate                        |
|                   | <b>Copper Oxide Circuit</b><br>Copper Oxide concentrate                    |
| Reserve Life*     | 8.7 years  |
| Deposit Type      | High-temperature, carbonate-replacement deposit                            |

|                      | Tonnes M | Ag (g/t) | Cu (%) | Pb (%) | Zn (%) | Au (g/t) | Zn Eq (%) | Zn Eq (M lb) |
|----------------------|----------|----------|--------|--------|--------|----------|-----------|--------------|
| Proven & Probable    | 8.9      | 48.3     | 1.20   | 0.77   | 2.43   | 0.52     | 5.73      | 1,127        |
| Measured & Indicated | 13.2     | 62.3     | 1.52   | 0.92   | 2.79   | 0.65     | 6.97      | 2,028        |
| Inferred             | 6.6      | 43.0     | 1.19   | 0.47   | 2.16   | 0.55     | 5.15      | 753          |

M&I Includes P&P

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



## Yauricocha Production &amp; Costs

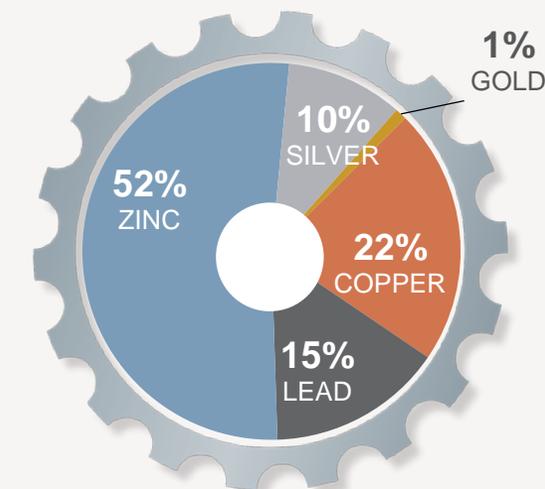
| Production                         | 2015         | 2016         | 2017         | 9M-2018      |
|------------------------------------|--------------|--------------|--------------|--------------|
| Tonnes processed <sup>1</sup>      | 832,225      | 897,169      | 1,023,491    | 838,285      |
| <b>Tonnes per day</b>              | <b>2,378</b> | <b>2,563</b> | <b>2,924</b> | <b>3,193</b> |
| <b>Zinc Eq (M Lbs)<sup>2</sup></b> | <b>132.4</b> | <b>140.9</b> | <b>146.8</b> | <b>116.7</b> |

| Financial Summary  | 2015          | 2016          | 2017          | 6M-2018       |
|--|---------------|---------------|---------------|---------------|
| Revenue (\$000's)  | \$80,113      | \$97,290      | \$154,153     | \$91,353      |
| Net Income (Loss)  | \$(13,910)    | \$(5,250)     | \$17,958      | \$23,308      |
| CF Before Movements in WC (\$000's) <sup>3</sup>               | \$24,146      | \$34,902      | \$74,815      | \$47,577      |
| Cash Cost per tonne processed                                  | \$52.65       | \$55.78       | \$62.42       | \$61.75       |
| Cash Cost per Zn Eq pound sold                                 | \$0.38        | \$0.42        | \$0.50        | \$0.54        |
| <b>All-in Sustaining Cost per Zn Eq pound sold<sup>4</sup></b> | <b>\$0.70</b> | <b>\$0.71</b> | <b>\$0.78</b> | <b>\$0.77</b> |

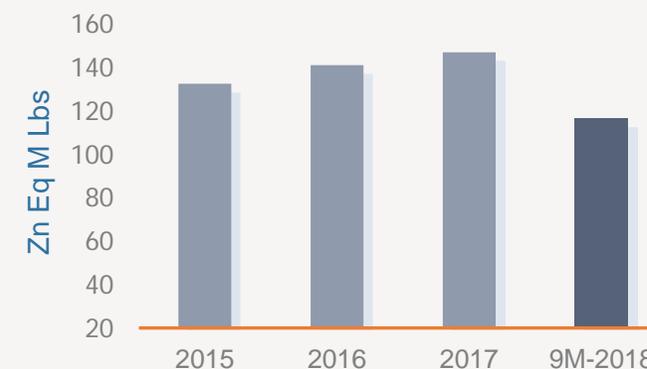
All figures as reported in Sierra's MD&A for the relevant period. 1. Metric tonnes 2. Zinc equivalent pounds were calculated using quarterly realized metal prices. Zinc equivalent figures will change based on metal prices used each quarter in the equivalent metal calculations. See Appendix for quarterly realized metal prices for the last 13 quarters. 3. Cash Flow from Operations before movements in working capital is a non-IFRS number and excludes the movement from period to period in working capital items including trade and other receivables, prepaid expenses, cash taxes paid, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items. Please see Appendix for reconciliation to comparable IFRS measure. 4. All-in Sustaining Costs is a non-IFRS number and includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex. Please see Appendix for reconciliation to comparable IFRS measure.

## Revenue Mix

Trailing 12 months ending June 30, 2018

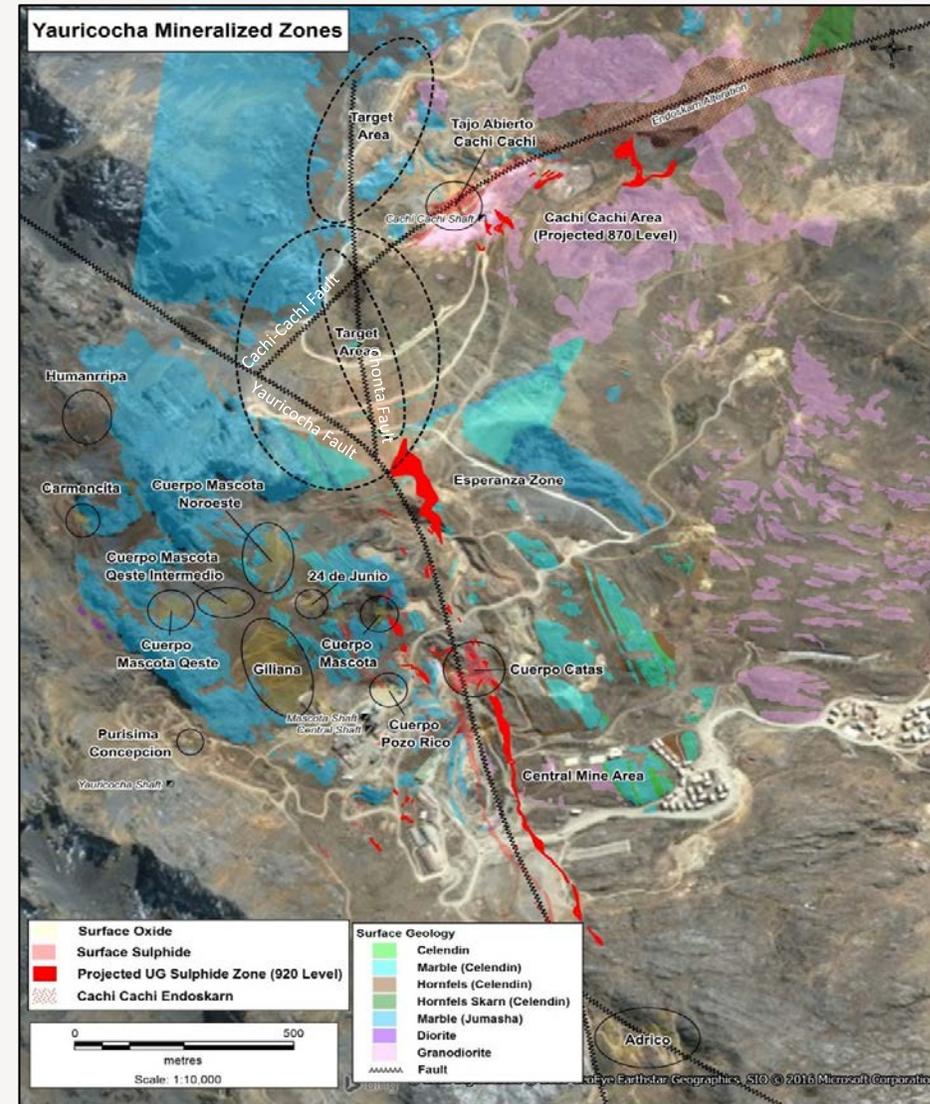
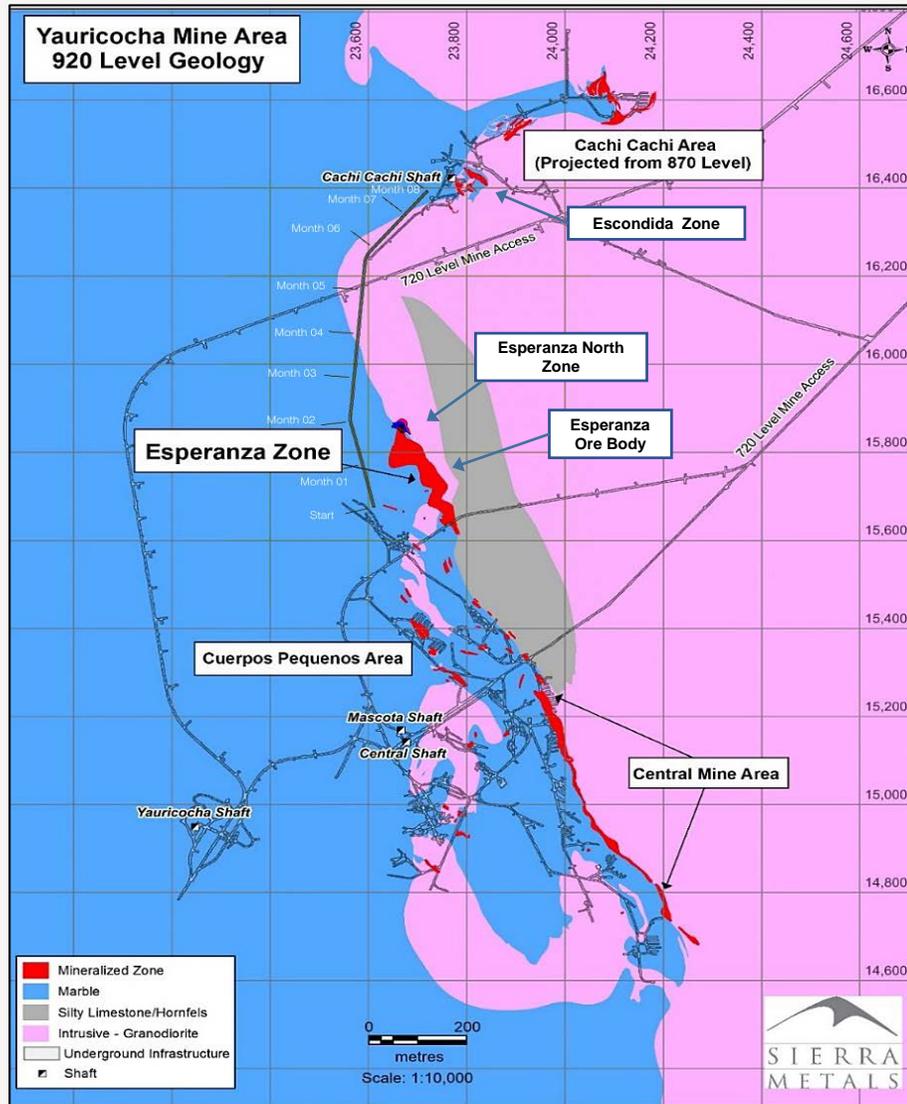


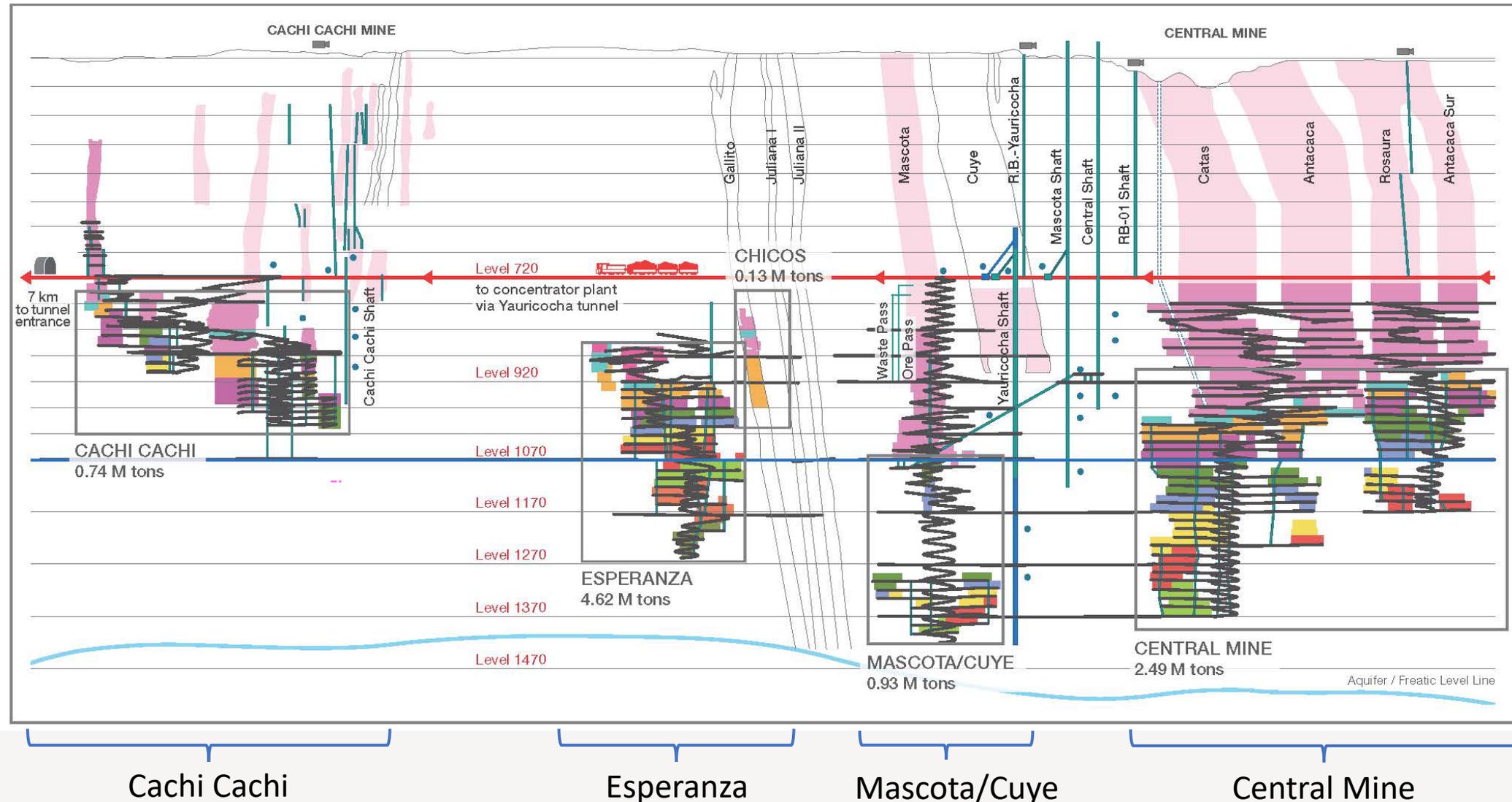
## Zinc Equivalent Production (M lbs)



# EXPLORATION PROGRESS

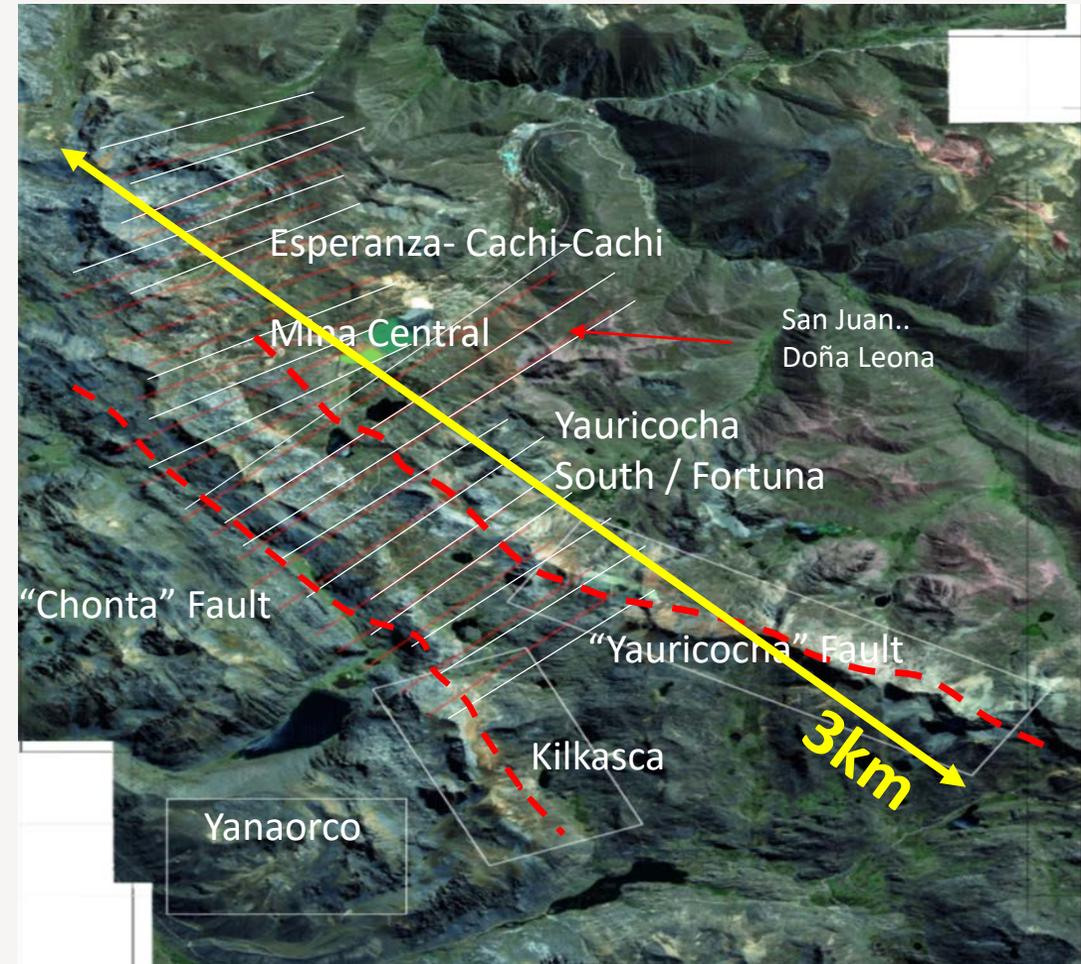
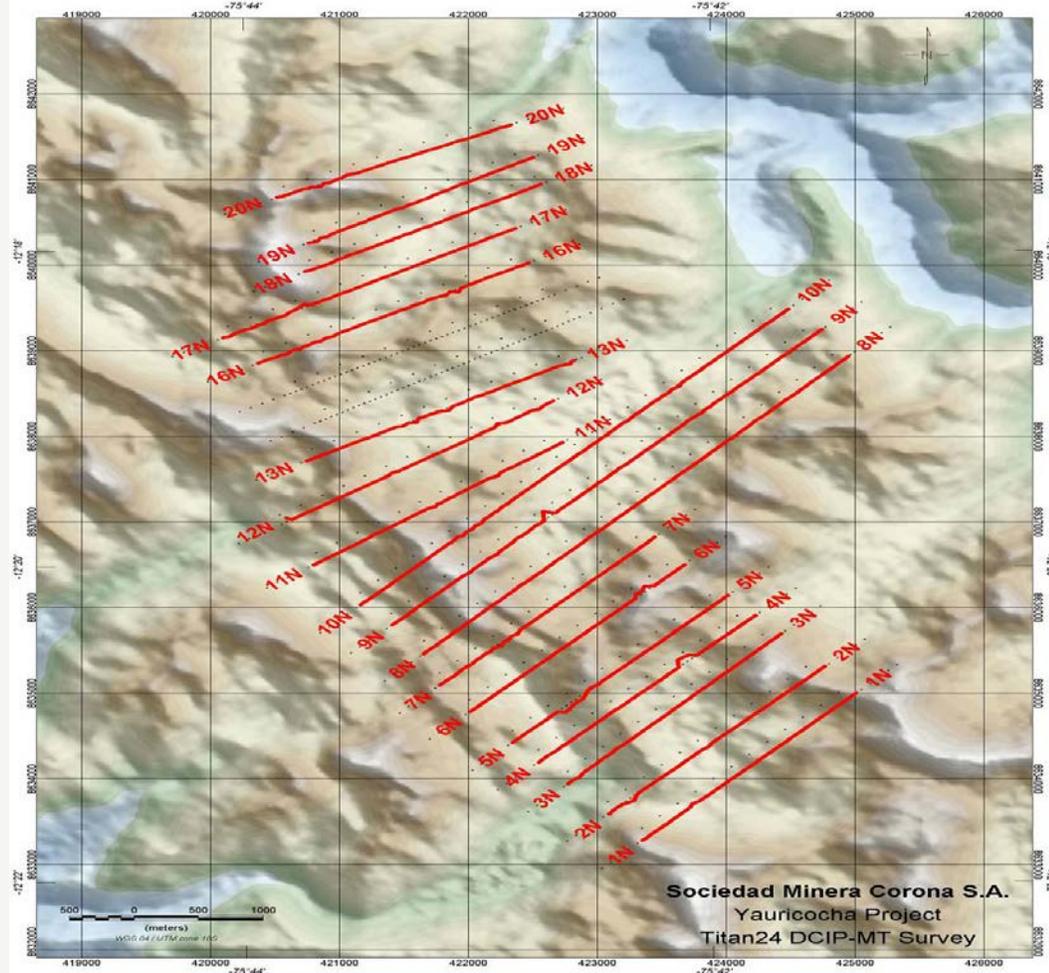
## Cross Section



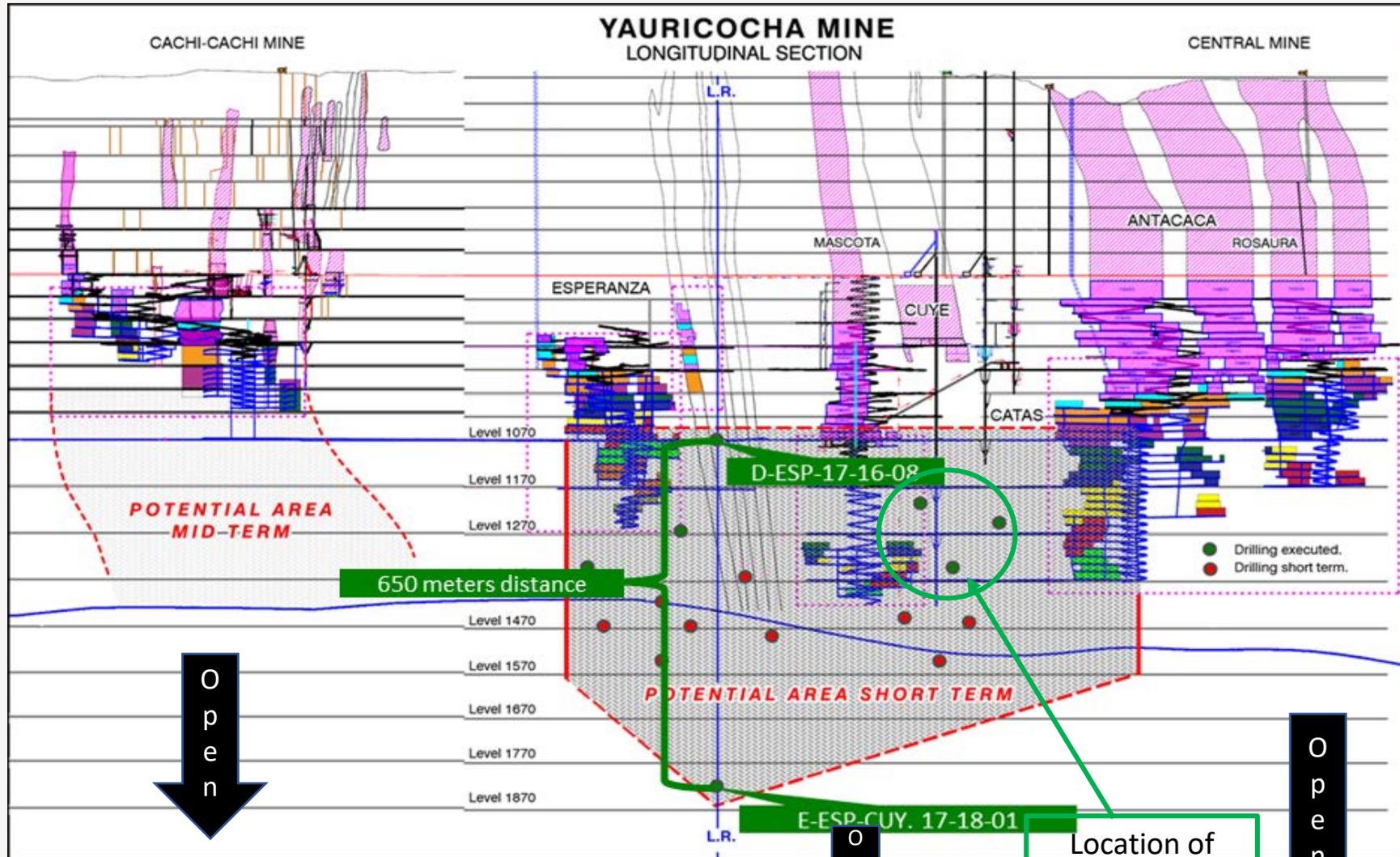


## Yauricocha: Titan 24 Survey Coverage

- › Titan 24 technology can penetrate to depths of up to 1,200 meters below surface
- › Measures resistivity, conductivity, then is cross referenced with lithology and regional geology



# Potential Growth Areas of the Yauricocha Mine

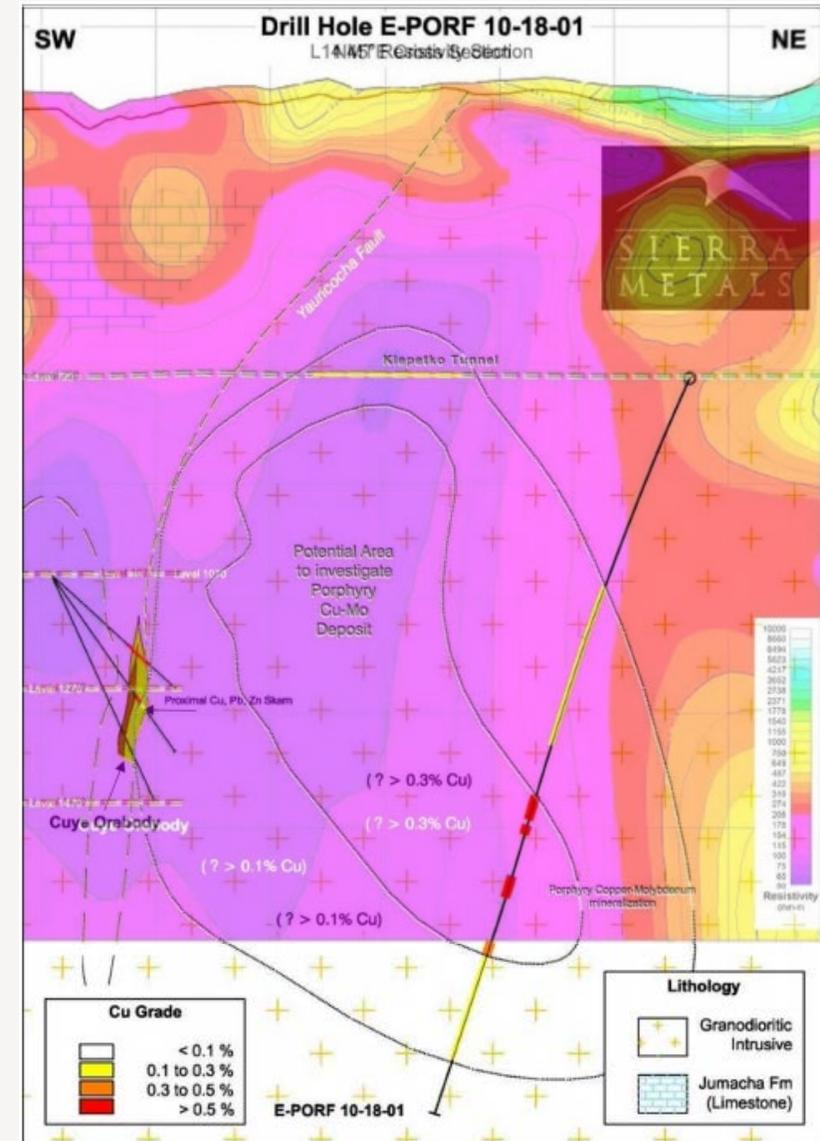


# Yauricocha Mine

## Porphyry Mineralization

- › Testing 2017 TITAN geophysical anomalies
- › New copper - molybdenum mineralization
- › At Central Mine between Cuye and Esperanza
- › 1,394.6 meters drill hole from Klepetko Tunnel (level 720)
- › Over 900m continuous mineralization, average >0.1% Cu
- › Important milestone provides better understanding of district's mineralization
- › Relates recent skarn and breccia discoveries to porphyry location
- › Will continue drilling program

|                      | From | To   | Cu (%) | Mo (ppm) | Co (ppm) | Over      |
|----------------------|------|------|--------|----------|----------|-----------|
| Hole E PORF 10-18-01 | 798m | 806m | 0.46   | 219      | 24.25    | 8 meters  |
|                      | 822m | 844m | 0.46   | 134      | 10.73    | 22 meters |
|                      | 854m | 872m | 0.54   | 131      | 17.67    | 18 meters |
|                      | 950m | 958m | 0.49   | 110      | 6.25     | 8 meters  |
|                      | 968m | 980m | 0.45   | 68       | 6.50     | 12 meters |



# BOLIVAR MINE



▶ Reinterpretation of Geology - Metal Production Increases

# MEXICO-BOLIVAR MINE

## Bolivar Copper Mine



|                   |   |
|-------------------|---|
| Ownership         | 100%  |
| Size              | 15,217 Hectares   |
| Commodities       | Copper, silver, gold  |
| Operation         | Underground mine: long-hole mining  |
| Mill throughput   | 3,000 TPD increasing to 3,600 TPD in Q1-2019 to a potential 5,000 TPD in 2020 |
| Annual Production | 18.3 M Lbs Copper Equivalent  |
| Concentrates      | Copper with silver and gold by-product credits                                |
| Reserve Life*     | 7 years   |
| Deposit Type      | Copper-zinc skarn   |

|           | Tonnes M | Ag (g/t) | Cu (%) | Au (g/t) | Cu Eq (%) | Cu Eq (M lb) |
|-----------|----------|----------|--------|----------|-----------|--------------|
| Probable  | 7.9      | 18.9     | 0.86   | 0.25     | 1.14      | 198.9        |
| Indicated | 13.3     | 22.5     | 1.03   | 0.30     | 1.37      | 401.5        |
| Inferred  | 8.0      | 22.4     | 0.96   | 0.42     | 1.35      | 238.5        |

Indicated includes Probable

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



# MEXICO-BOLIVAR MINE

## Production & Costs

| Production                           | 2015         | 2016         | 2017         | 9M-2018      |
|--------------------------------------|--------------|--------------|--------------|--------------|
| Tonnes processed <sup>1</sup>        | 830,447      | 950,398      | 887,237      | 759,106      |
| <b>Tonnes per day</b>                | <b>2,373</b> | <b>2,715</b> | <b>2,535</b> | <b>2,892</b> |
| <b>Copper Eq (M lbs)<sup>2</sup></b> | <b>21.90</b> | <b>21.89</b> | <b>18.34</b> | <b>15.9</b>  |

| Financial Summary  | 2015          | 2016          | 2017          | 6M-2018       |
|--|---------------|---------------|---------------|---------------|
| Revenue (\$000's)  | \$41,778      | \$33,267      | \$44,949      | \$28,530      |
| Net Income (Loss)  | \$(3,286)     | \$(6,853)     | \$(3,230)     | \$4,367       |
| CF Before Movements in WC (\$000's) <sup>3</sup>               | \$4,058       | \$5,120       | \$10,651      | \$10,541      |
| Cash Cost per tonne processed                                  | \$27.90       | \$24.37       | \$24.94       | \$24.98       |
| Cash Cost per Cu Eq pound sold                                 | \$1.34        | \$1.12        | \$1.49        | \$1.21        |
| <b>All-in Sustaining Cost per Cu Eq pound sold<sup>4</sup></b> | <b>\$2.34</b> | <b>\$2.22</b> | <b>\$2.68</b> | <b>\$1.92</b> |

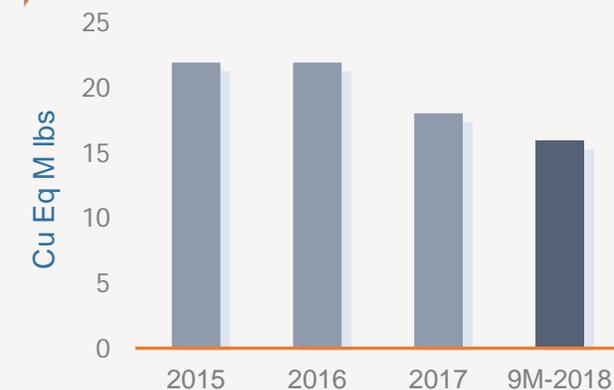
All figures as reported in Sierra's MD&A for the relevant period. 1. Metric tonnes 2. Silver equivalent ounces and copper equivalent pounds were calculated using quarterly realized metal prices. Silver and copper equivalent figures will change based on metal prices used each quarter in the equivalent metal calculations. See Appendix for quarterly realized metal prices for the last 13 quarters. 3. Cash Flow from Operations before movements in working capital is a non-IFRS number and excludes the movement from period to period in working capital items including trade and other receivables, cash taxes paid, prepaid expenses, deposits, inventories, trade and other payables and the effects of foreign exchange rates on these items. Please see Appendix for reconciliation to comparable IFRS measure. 4. All-in Sustaining Costs is a non-IFRS number and includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex. Please see Appendix for reconciliation to comparable IFRS measure.

### Revenue Mix

Trailing 12 months ending June 30, 2018

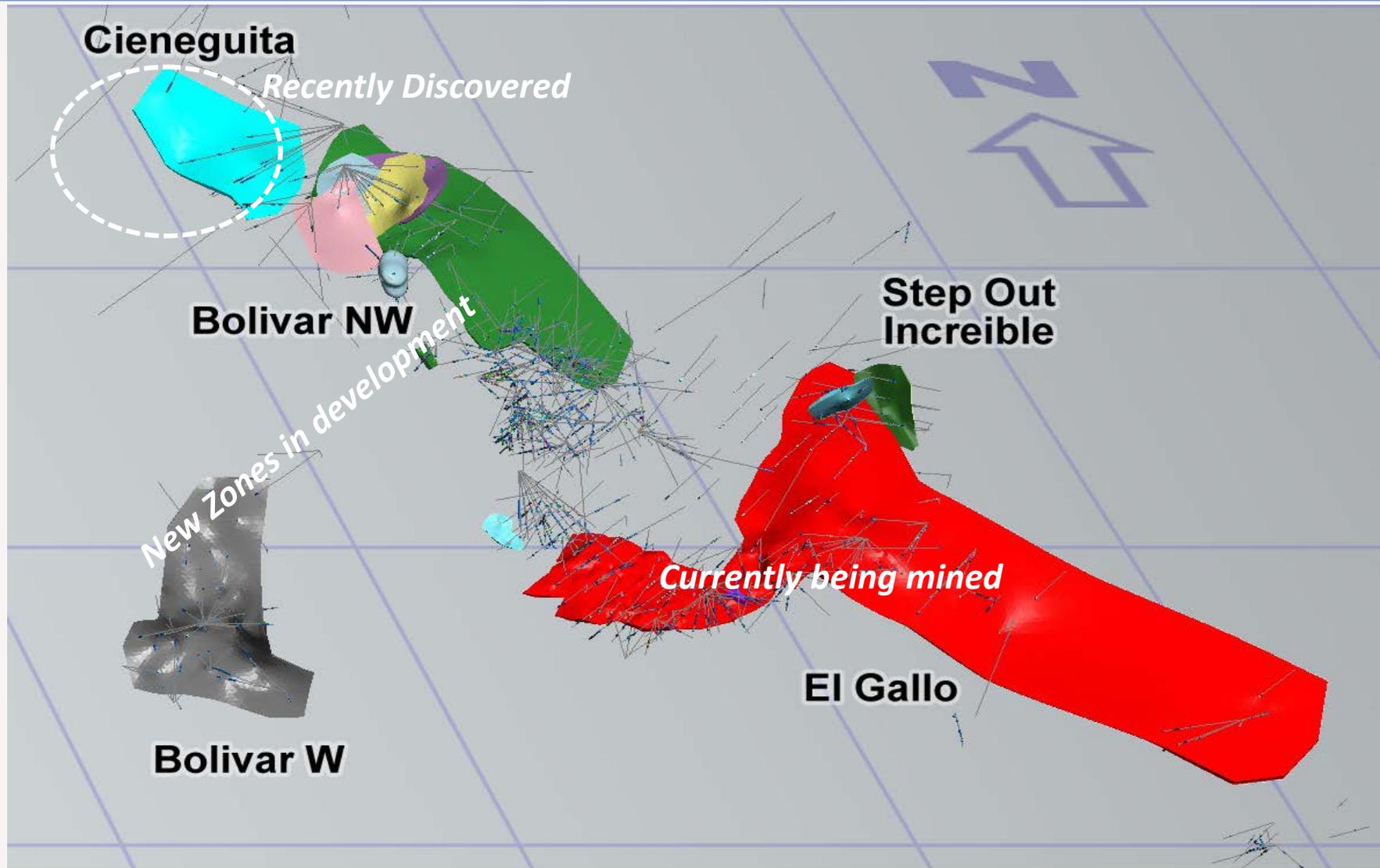


### Copper Equivalent Production (M lbs)



# MEXICO-BOLIVAR MINE

## Bolivar Mineralized Zone Layout



# CUSI MINE



▶ Reinterpretation of Geology – New High-Grade Silver Discovery

# MEXICO-CUSI MINE

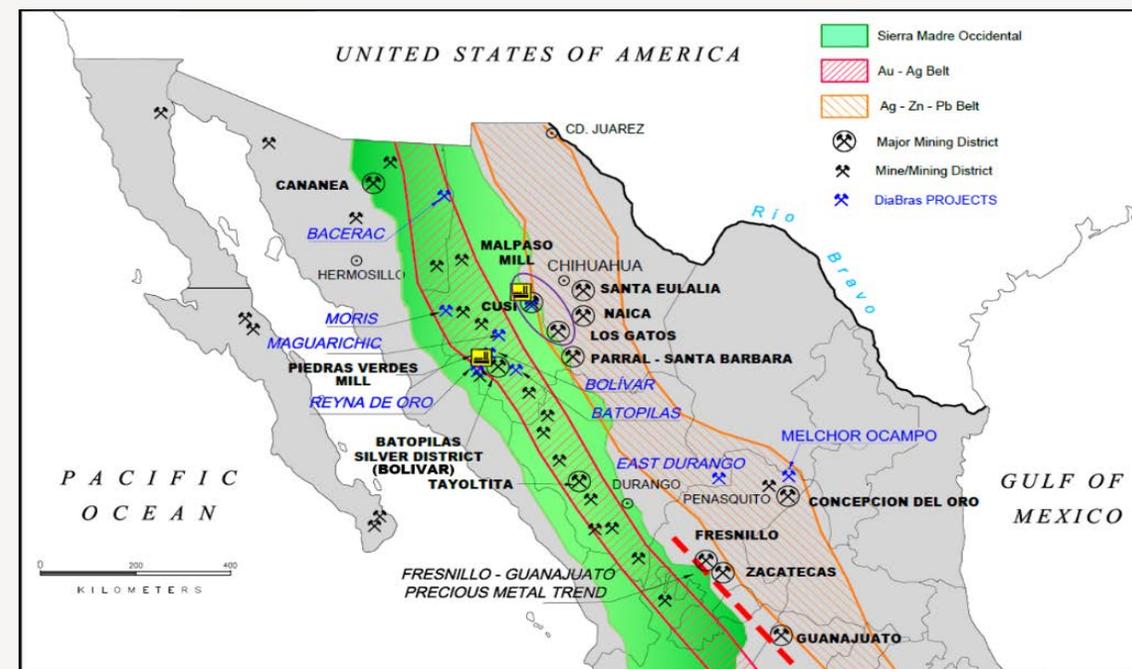
## Cusi Silver Mine



|                   |   |
|-------------------|---|
| Ownership         | 100%  |
| Size              | 11,671 Hectares   |
| Commodities       | Silver, zinc, lead, gold  |
| Operation         | Underground mine in development; cut and fill and long-hole mining          |
| Mill throughput   | 650 TPD increasing to 1,200 TPD in Q1-2019 to a potential 2,700 TPD in 2021 |
| Annual Production | 549 K Oz Silver Equivalent  |
| Concentrates      | Lead concentrate with significant Silver and Zinc content                   |
| 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) |
|-----------|----------|----------|--------|--------|----------|-------------|--------------|
| Measured  | 3.6      | 225      | 0.55   | 0.68   | 0.13     | 269         | 3.1          |
| Indicated | 4.2      | 217      | 0.64   | 0.66   | 0.21     | 267         | 36.0         |
| Inferred  | 1.6      | 158      | 0.54   | 0.84   | 0.16     | 207         | 10.9         |

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



# MEXICO-CUSI MINE

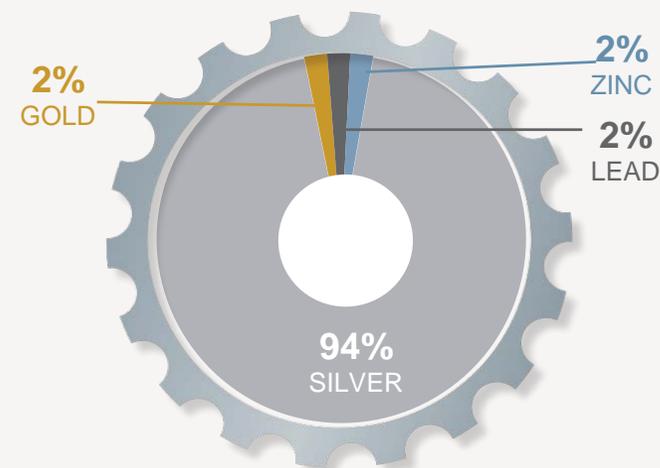
## Cusi Silver Mine

| Production                           | 3M-2018    | 6M-2018    | 9M-2018    |
|--------------------------------------|------------|------------|------------|
| Tonnes processed <sup>1</sup>        | 26,945     | 73,543     | 128,600    |
| <b>Tonnes per day</b>                | <b>308</b> | <b>420</b> | <b>490</b> |
| <b>Silver Eq (K ozs)<sup>2</sup></b> | <b>136</b> | <b>353</b> | <b>606</b> |

| Financial Summary  | 3M-2018        | 6M-2018        |
|--|----------------|----------------|
| Revenue (\$000's)  | \$1,256        | \$4,513        |
| Net Income (Loss)  | \$(1,501)      | \$(1,066)      |
| CF Before Movements in WC (\$000's) <sup>3</sup>               | \$(603)        | \$407          |
| Cash Cost per tonne processed                                  | \$83.57        | \$72.79        |
| Cash Cost per Ag Eq ounce sold                                 | \$18.34        | \$14.96        |
| <b>All-in Sustaining Cost per Ag Eq ounce sold<sup>4</sup></b> | <b>\$28.33</b> | <b>\$23.25</b> |

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▶ Revenue Mix  
Trailing 12 months ending June 30, 2018



▶ Silver Equivalent Production (K oz)



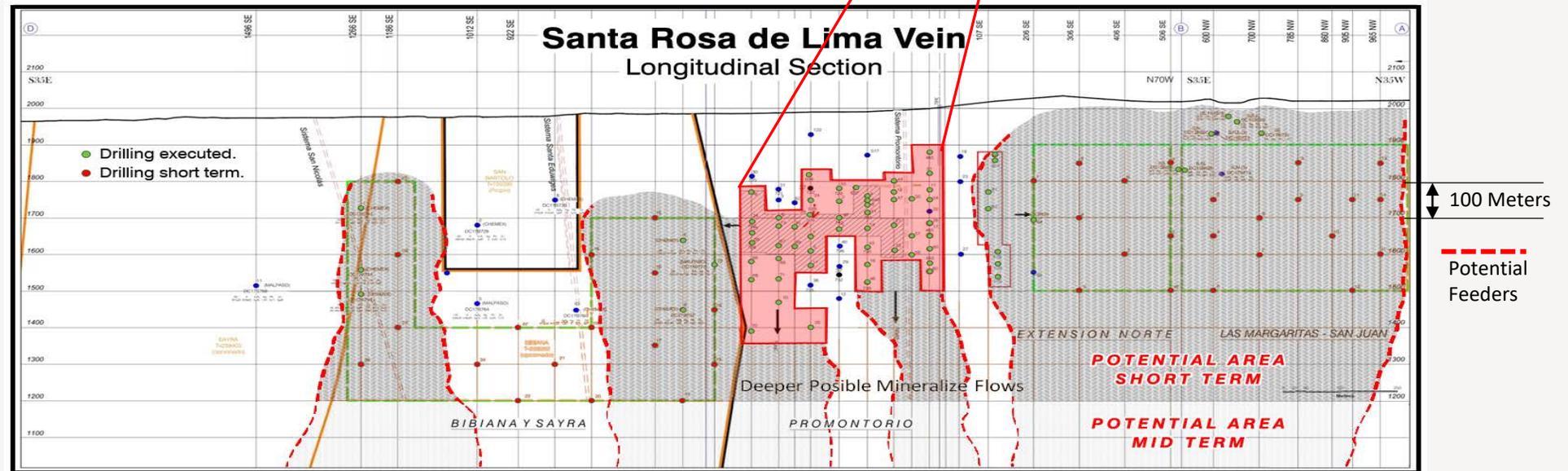
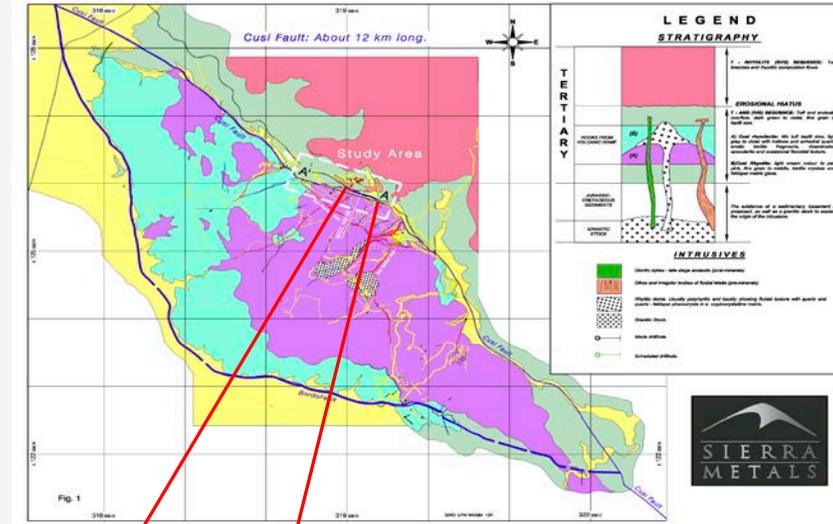
# Increasing Grade & Tonnage via Brownfield Exploration

- › The Cusi Fault is a 64 kilometer regional structure
- › 12 kilometers of the Cusi Fault containing the Santa Rosa de Lima (“SRL”) Zone lie within Sierra Metals’ property boundaries



# Santa Rosa de Lima Zone

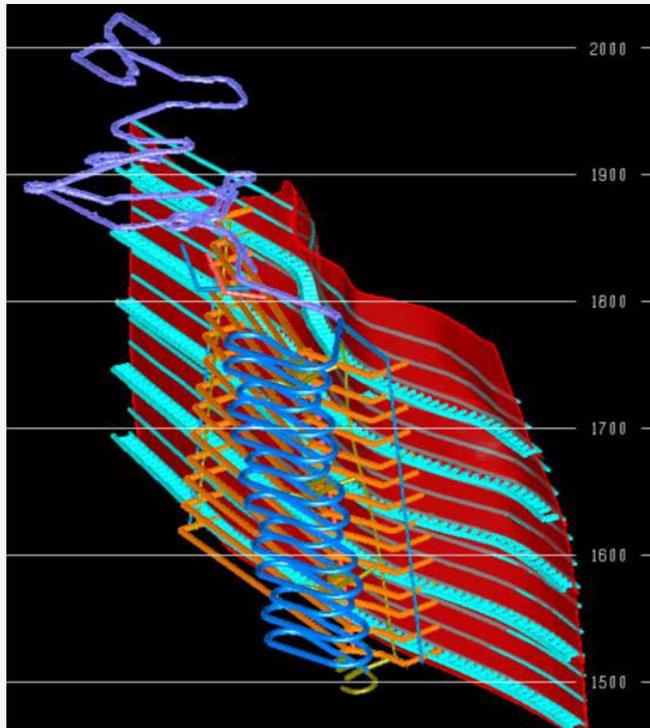
- › Average grade of the intercepts for 29,500 meter program is 372 g/t AgEq with Average true width of 3.8 meters
- › Step out drilling extends silver mineralization beyond the Santa Rosa de Lima zone with similar high-grade characteristics
- › Zone extended from 1 km to 1.7 km all within the 12 km structure running inside Sierra Metals property boundary
- › NI 43-101 Mineral Resource published Dec 2017



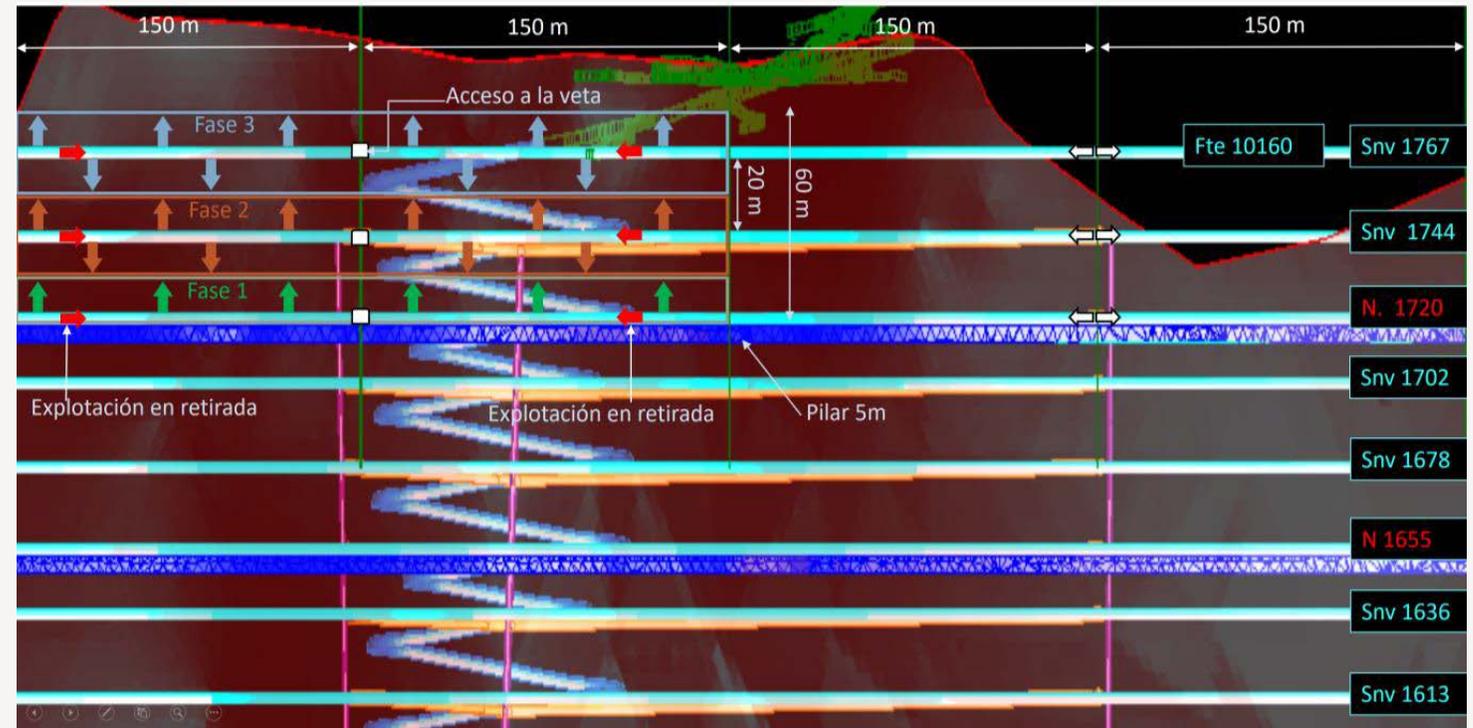
# MEXICO-CUSI MINE

## SRL Conceptual Mine Design

Mine Design



Long Hole Mine Plan



- › Drift development completed on four primary sub levels, additional three levels to be completed in 2018
- › Ramp development continues to the lower part of SRL complex

## INVESTMENT HIGHLIGHTS

# Why Invest in Sierra Metals?



### Diversified Asset Base

Diversified asset base with a multi-asset production Platform

### Strong Growth Story

Strong growth story that builds on a very successful lower risk, near-mine brownfield exploration effort since 2016 that is yielding remarkable reserve and resource increases

### Robust Operational Track Record

Robust Operational Track Record at all three Mines with robust performance

### Well Established Mining Jurisdictions

Operations based in first class, well established mining jurisdictions

### Solid Financial Position

Solid financial position underpinned by strong capitalization, low net leverage and robust liquidity position

### Experienced Management Team

Experienced management team with strong operational and development track record, with strong support and sponsorship from ARCM Fund

# CONTACT

## Information



### Investor Relations

Sierra Metals Inc.  
Mike McAllister  
VP, Corporate Development

Christiana Papadopoulos  
Manager, Investor Relations

T: 1.416.366.7777  
E: [info@sierrametals.com](mailto:info@sierrametals.com)

### Corporate Office

TD South Tower  
79 Wellington Street West, Suite 2100  
Toronto, ON M5K 1H1

T: 1.416.366.7777



[www.sierrametals.com](http://www.sierrametals.com)