



SMT TSX | SMT BVL | SMTS NYSE AMERICAN

# A GROWING POLYMETALLIC PRODUCER



September 2019



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.

Americo Zuzunaga, FAusIMM 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.

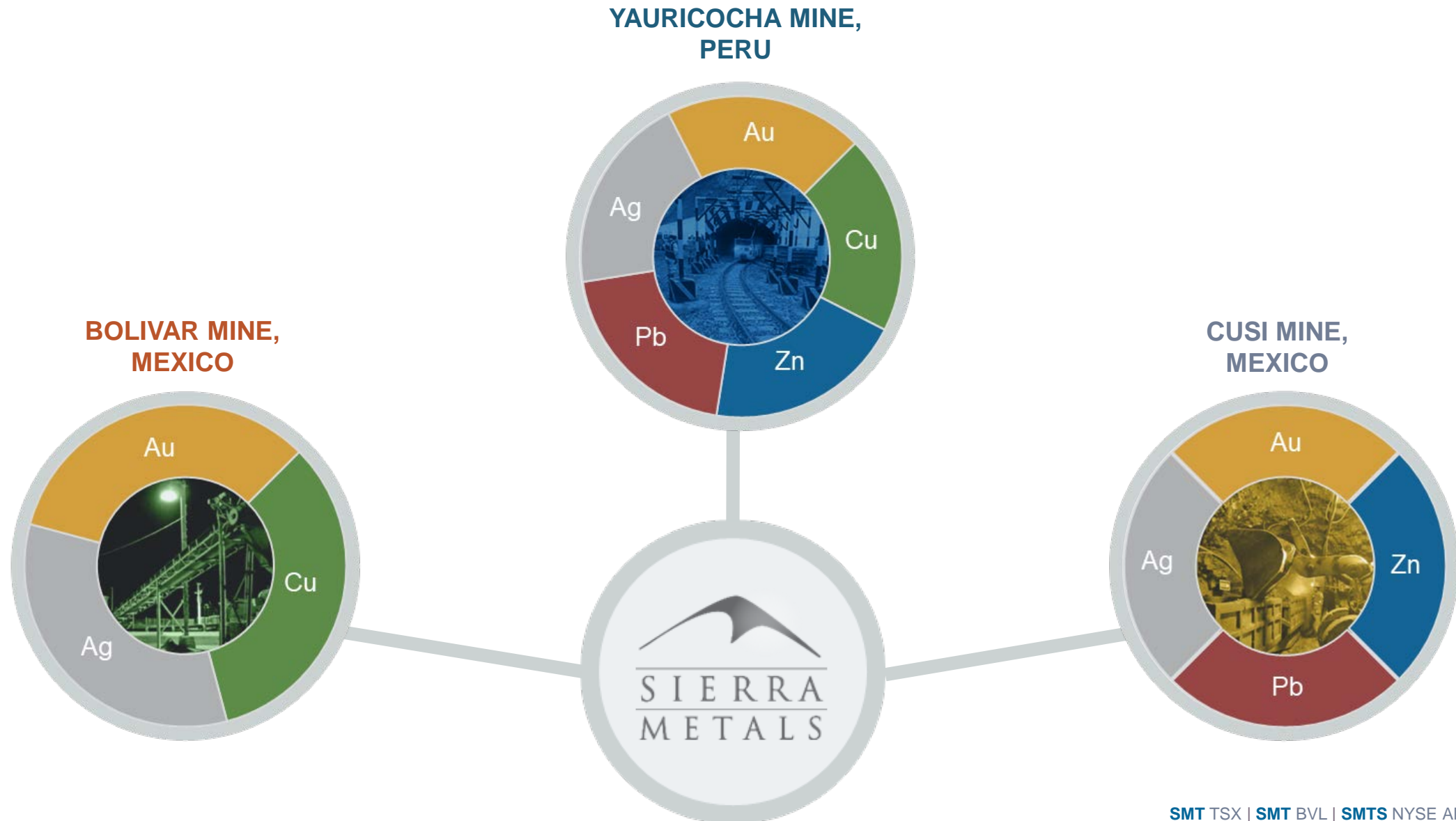
Augusto Chung, FAusIMM CP (Metallurgist), Vice President Special Projects and Metallurgy is a Qualified Person and chartered professional qualifying as a Competent Person on metallurgical processes.

**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.



# A Base and Precious Metal Growth Story

3 mines, 2 countries, 1 solid investment opportunity





Cash Position <sup>1</sup>	US\$40.2M
6M-2019 Adjusted EBITDA <sup>2</sup>	US\$24.6M

Debt Position <sup>1</sup>	US\$99.5M
Net Debt Position <sup>1,3</sup>	US\$59.2M

1. All figures as reported in Sierra's Financial statements and Management Discussion & Analysis (MD&A) for the twelve-month period ending June 30, 2019 as filed on SEDAR. 2. Adjusted EBITDA includes adjustments for depletion and depreciation, interest expenses and other finance costs, interest income, share-based compensation, Foreign Exchange (gain) loss and income taxes. 3. Net debt equals consolidated debt minus cash and cash equivalents.

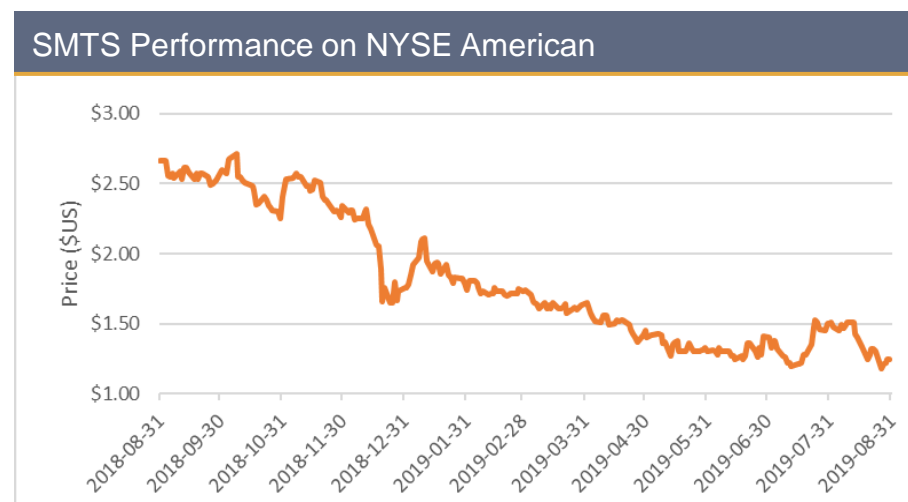
# Capital Structure

Share Structure	
Outstanding <sup>1</sup>	162.9 M
RSUs <sup>1</sup>	1.9 M
Options <sup>1</sup>	Nil
Fully Diluted <sup>1</sup>	164.8 M

	TSX (\$CAD)	NYSE Am. (\$US)
Recent Price <sup>1</sup>	\$1.65	\$1.22
52 Week High <sup>1</sup>	\$3.48	\$2.71
52 Week Low <sup>1</sup>	\$1.54	\$1.15
Market Cap	\$268.8M	\$198.7M

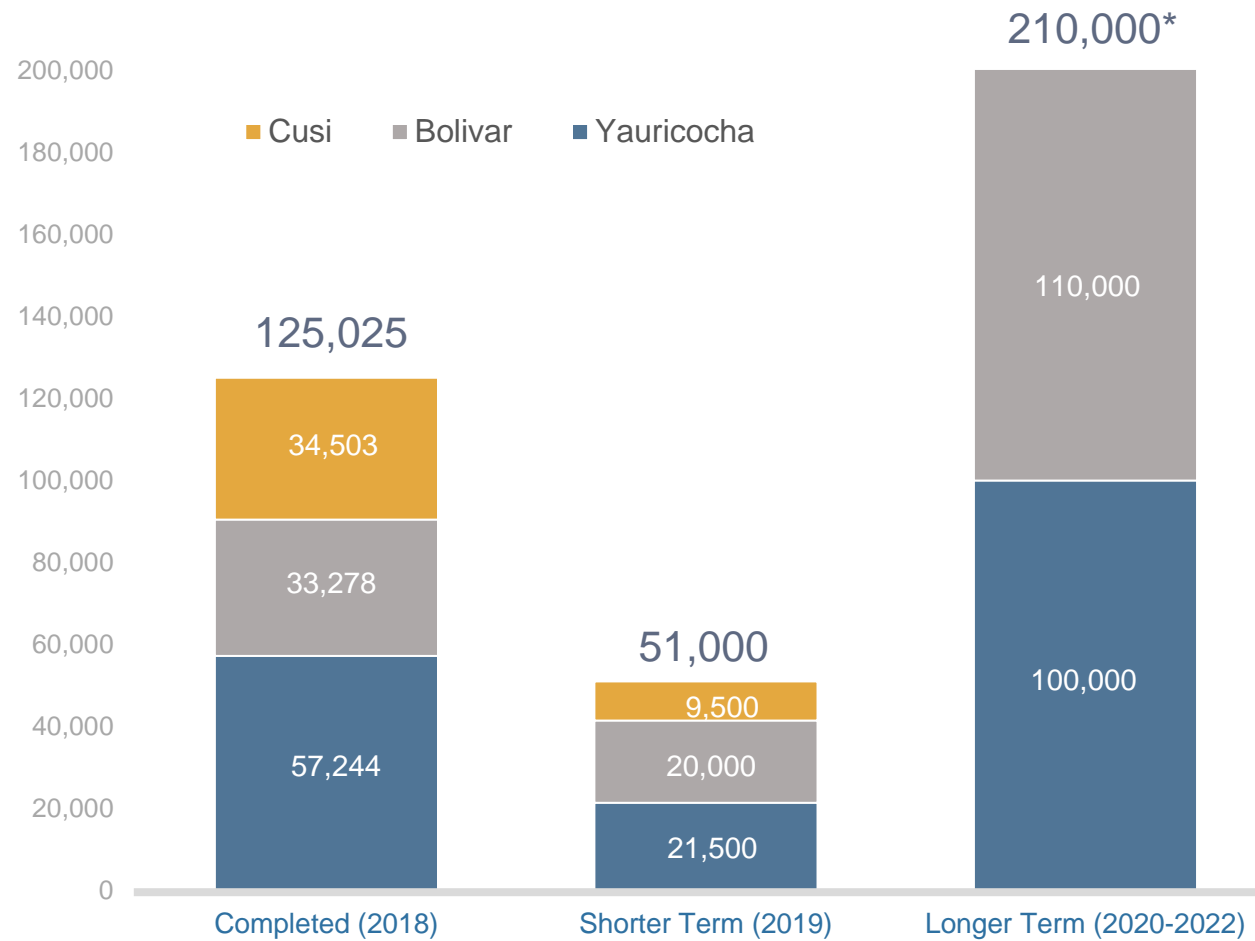
1. As at September 5, 2019

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



# Brownfield Exploration Plan |

## Aggressively Drilling to Increase Resources



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

Updated Technical Reports were last completed for all three Mines in 2017 with increases to Reserves and Resources at all Mines.

Approximately **160,199 meters** of drilling have been completed since the previous Reserve and Resource Estimates were published and **updated Technical Reports are expected in late 2019.**

# Strategic Growth | Staged Production Increases

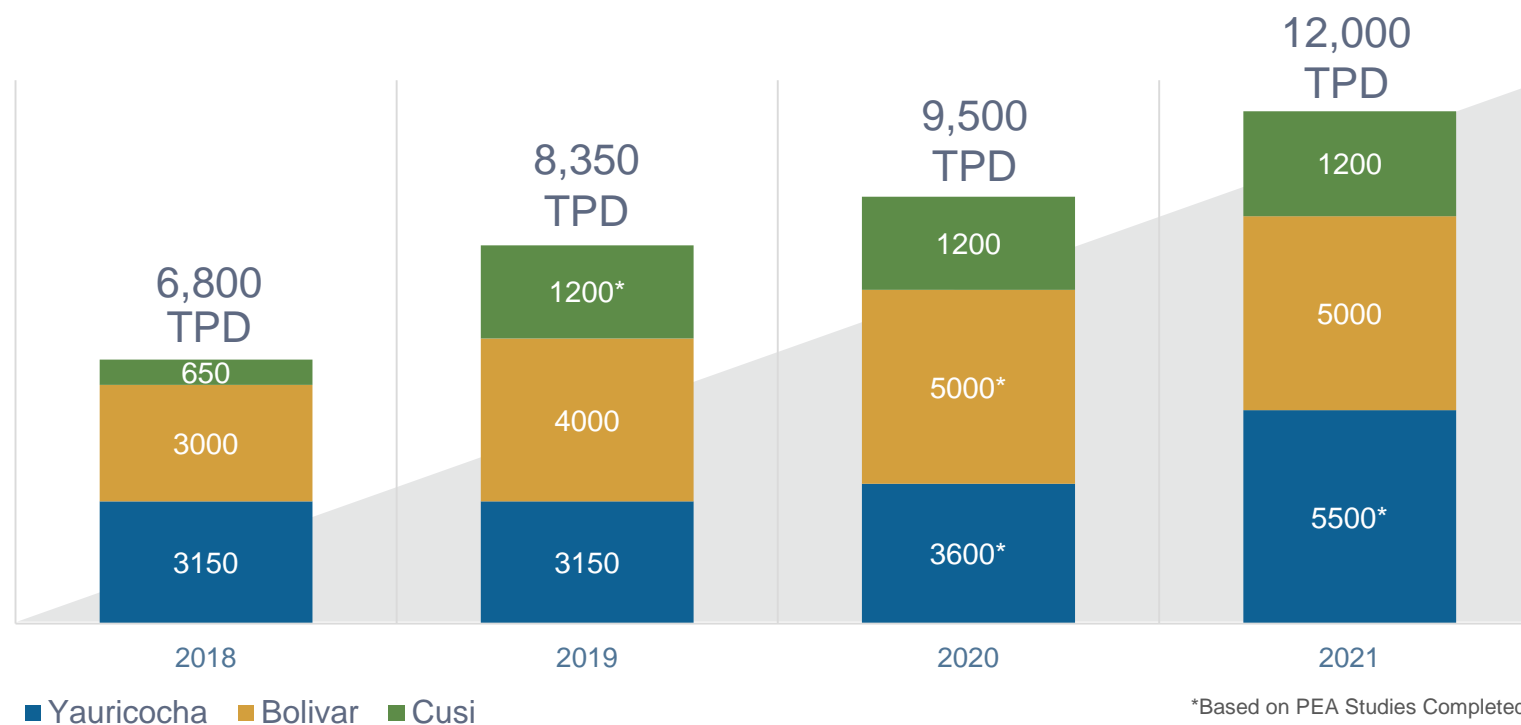


Brownfield Exploration  
Infrastructure Updates

Feasibility and  
Engineering Studies

Construction  
and Operation

Tonnages Per Day (TPD) Planned to be Reached by Subsequent Year Ends



# 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



Combined NPV = **US\$4.27/share<sup>2</sup>**

Financial 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

1. 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.

2. Financial and operating statistics represent 100% ownership of Yauricocha. Assuming 82% ownership, NPV/share at Yauricocha is US\$1.97 with a combined NPV of US\$3.84.  
3. 75% represents Cusi's after-tax internal rate of return as ROI is not available.  
4. Based on the technical work from the various independent consultants, the PEA was compiled under NI 43-101 standards by Mining Plus Peru SAC.



# Diversified | 3 Projects in 2 Countries

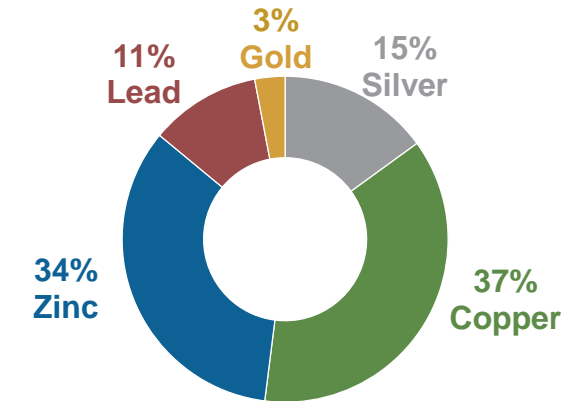


	Yauricocha	Bolivar	Cusi
<b>Location</b>	Peru	Mexico	Mexico
<b>Ownership</b>	82%	100%	100%
<b>Stage</b>	Production	Production	Production / Development
<b>Mine Type</b>	Underground	Underground	Underground
<b>Current Mill Throughput (tpd)<sup>1</sup></b>	3,150	3,700	938
<b>Primary Metal</b>	Polymetallic	Copper	Silver

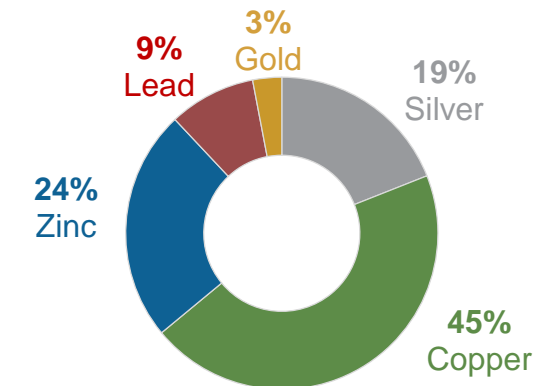
1. TPD is measured using the metric system.

## REVENUE MIX

(Trailing 12 months ending June 30, 2019)



## 2019 ESTIMATED REVENUE MIX



# Solid Financial Position



Figures in US (\$000's)	2016	2017	2018	6M-2019
Outstanding Shares	162,356,032	162,812,764	164,087,921	162,892,603
Revenue	143,180	205,118	232,371	99,853
Net Income (Loss)	(12,721)	(860)	18,814	(1,882)
Cash Generated from Operating Activities <sup>1</sup>	43,640	54,469	61,903	6,881
Capex	(25,352)	(51,607)	(49,315)	(28,060)
Free Cash Flow <sup>2</sup>	18,288	2,862	12,588	(21,171)
Cash From (Used in) Financing Activities	(964)	(21,091)	(14,459)	39,540
Net Cash Flow <sup>4</sup>	17,324	(18,229)	(1,871)	18,369
Cash and Cash Equivalents	42,145	23,878	21,832	40,246
Debt Outstanding	78,681	64,860	56,253	99,483
Net Debt <sup>3</sup>	36,537	40,982	34,421	59,237

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. See Appendix for reconciliation. 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.

# Production | Production & Costs Vs Guidance



6M-2019 Production	
	6M-2019
Zinc Eq. (M lbs) <sup>1</sup>	<b>108.3</b>
Copper Eq. (M lbs) <sup>1</sup>	<b>47.0</b>
Silver Eq. (M ozs) <sup>1</sup>	<b>8.7</b>

6M-2019 Costs		
	Cash Costs per Equivalent Oz / lb Sold	AISC per Equivalent Oz / lb Sold <sup>2</sup>
Yauricocha (Zn Eq lb)	\$0.50/lb	<b>\$0.86/lb</b>
Bolivar (Cu Eq lb)	\$1.51/lb	<b>\$2.55/lb</b>
Cusi (Ag Eq Oz)	\$16.49/oz	<b>\$25.67/oz<sup>3</sup></b>

2019 Production Guidance (000's)		
	Low	High
Zinc Eq. (M lbs) <sup>1</sup>	261.5	292.9
Copper Eq. (M lbs) <sup>1</sup>	107.0	119.9
Silver Eq. (M ozs) <sup>1</sup>	19.5	21.8

2019 Cost Guidance		
	Cash Costs per Equivalent Oz / lb Sold	AISC per Equivalent Oz / lb Sold <sup>2</sup>
Yauricocha (Zn Eq lb)	\$0.58/lb	<b>\$0.88/lb</b>
Bolivar (Cu Eq lb)	\$1.35/lb	<b>\$2.08/lb</b>
Cusi (Ag Eq Oz)	\$14.29/oz	<b>\$20.70/oz<sup>3</sup></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.
3. The increase in the all-in sustaining cost was due to higher sustaining capital expenditures and lower silver equivalent payable ounces due to concentrate build-up of inventory at quarter-end with a high moisture content that wasn't shipped until after quarter-end. If the build-up of concentrate inventory during H1 2019 had been sold, it would have resulted in the AISC per silver equivalent payable ounce decreasing by \$5.50 for Q2 2019 and by \$4.00 for H1 2019.



# Yauricocha Mine



In Continuous  
Operation Since  
1948 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	3,150 TPD increasing to 3,600 TPD in 2020
2018 Production	157 M lbs Zinc Equivalent
Concentrates	<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
Reserve Life*	8.7 years
Deposit Type	High-temperature, carbonate-replacement deposit

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



	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.

# Peru | Yauricocha Production & Costs

Production	2016	2017	2018	6M-2019
Tonnes processed <sup>1</sup>	897,169	1,023,491	1,106,649	487,980
<b>Tonnes per day</b>	<b>2,563</b>	<b>2,924</b>	<b>3,162</b>	<b>2,788</b>
<b>Zinc Eq (M lbs)<sup>2</sup></b>	<b>140.9</b>	<b>146.8</b>	<b>157.2</b>	<b>74,365</b>

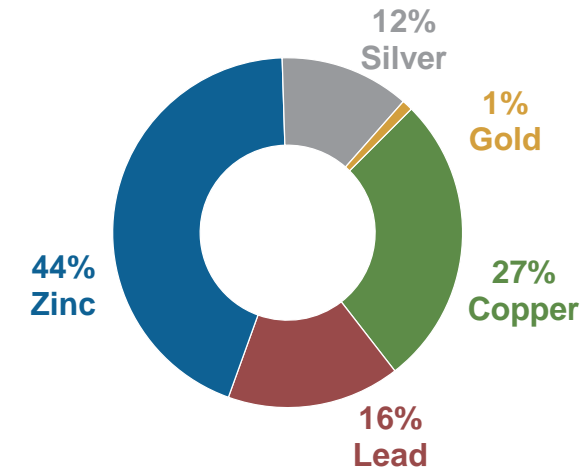
Financial Summary	2016	2017	2018	6M-2019
Revenue (\$000's)	\$97,290	\$154,153	\$168,657	\$69,325
Net Income (Loss)	\$(5,250)	\$17,958	\$34,938	\$9,008
Adjusted EBITDA (\$000's) <sup>3</sup>	\$34,264	\$74,815	\$79,524	\$24,931
Cash Cost per tonne processed	\$55.78	\$62.42	\$63.23	\$66.01
Cash Cost per Zn Eq pound sold	\$0.42	\$0.50	\$0.52	\$0.50
<b>All-in Sustaining Cost per Zn Eq pound sold<sup>4</sup></b>	<b>\$0.71</b>	<b>\$0.78</b>	<b>\$0.73</b>	<b>\$0.86</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. Adjusted EBITDA includes adjustments for depletion and depreciation, interest expenses and other finance costs, interest income, share-based compensation, Foreign Exchange (gain) loss and income taxes. 4. All-in Sustaining Costs includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex.

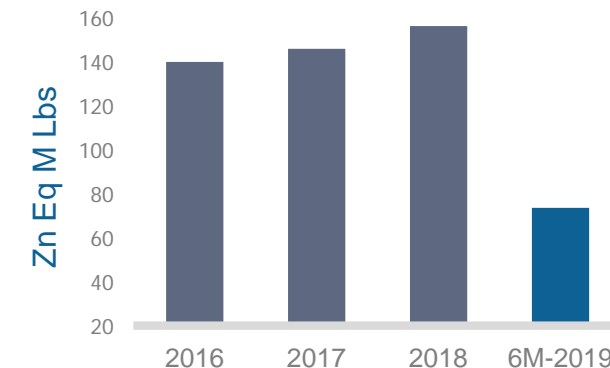


## REVENUE MIX

Trailing 12 months ending June 30, 2019

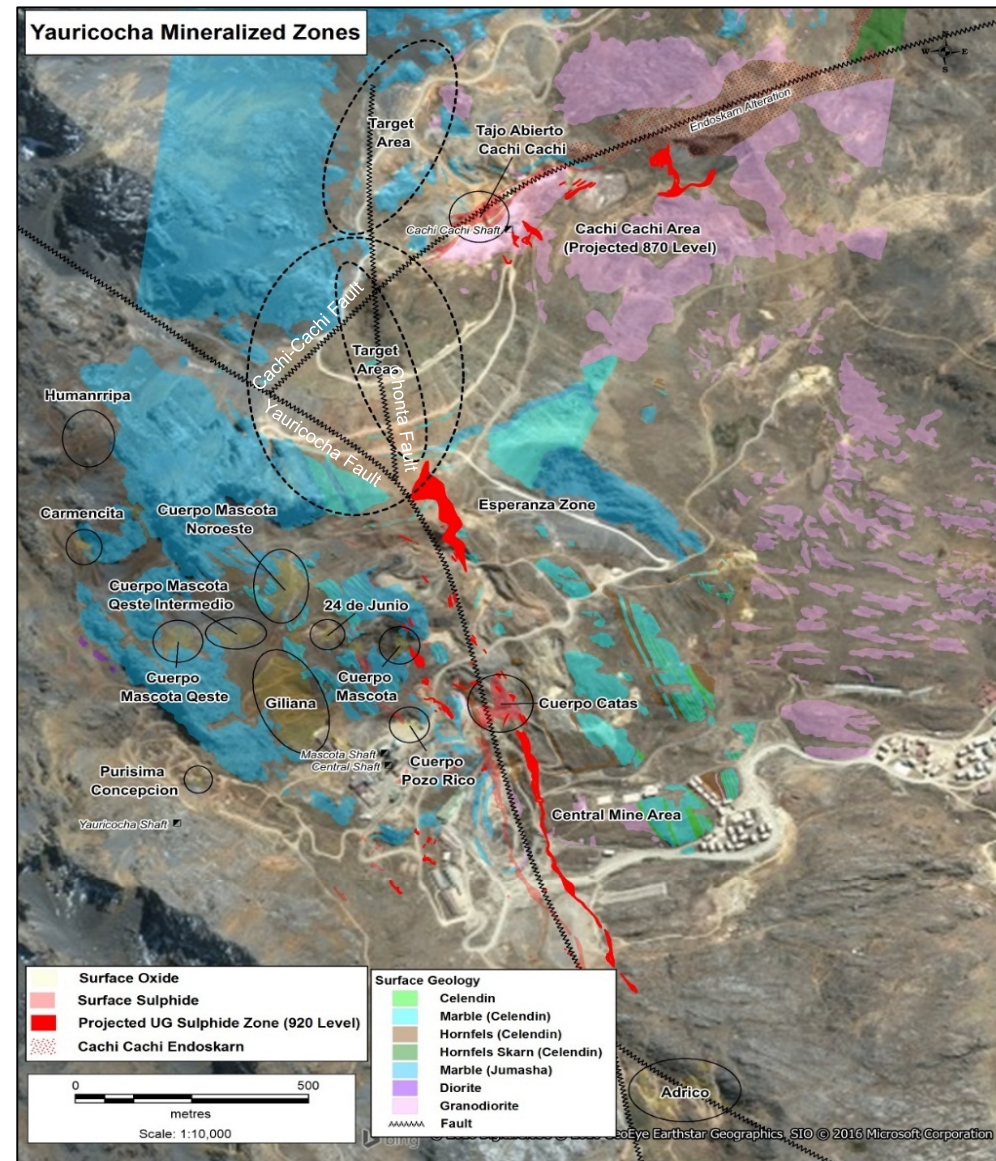
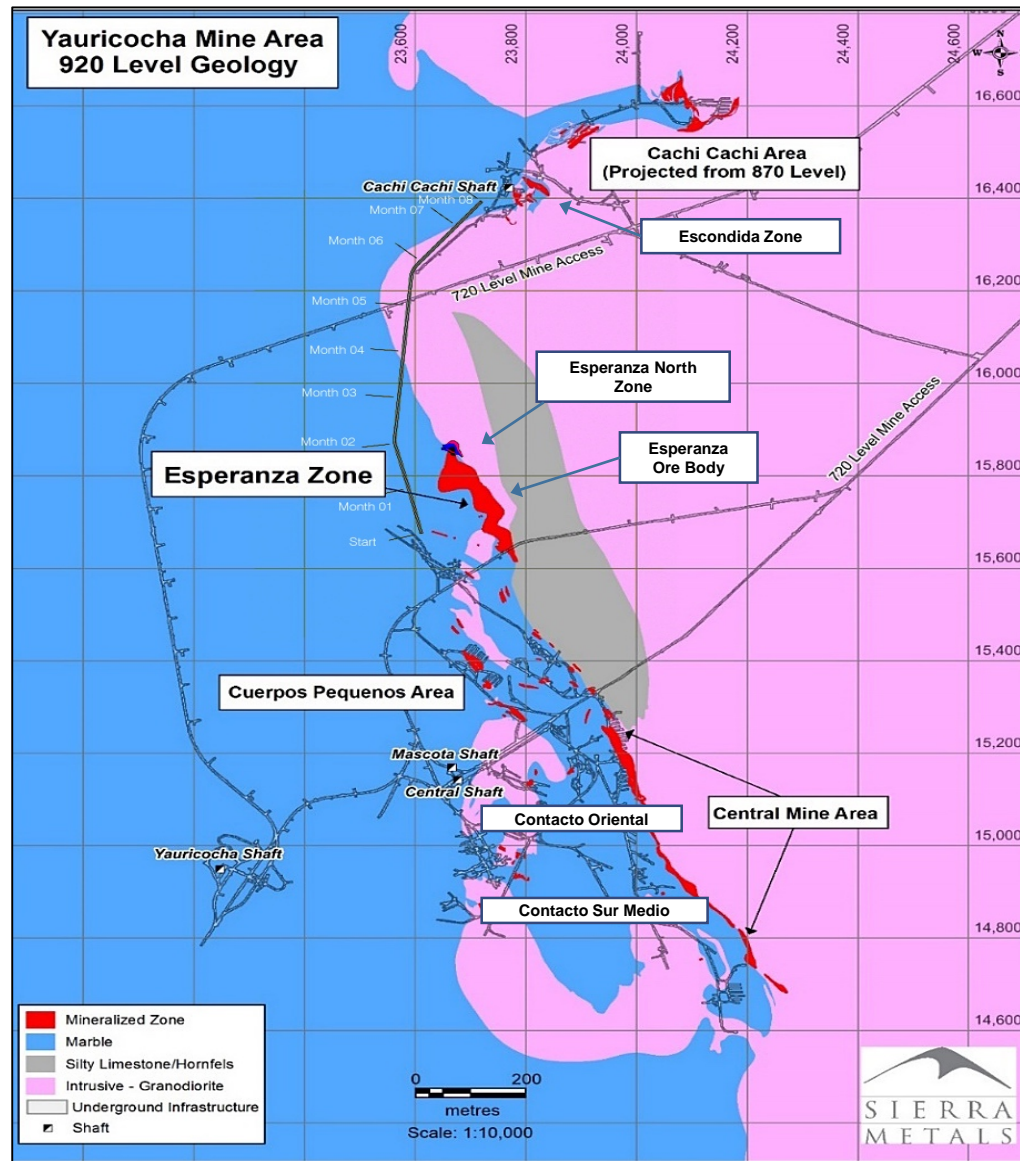


## ZINC EQUIVALENT PRODUCTION (M LBS)





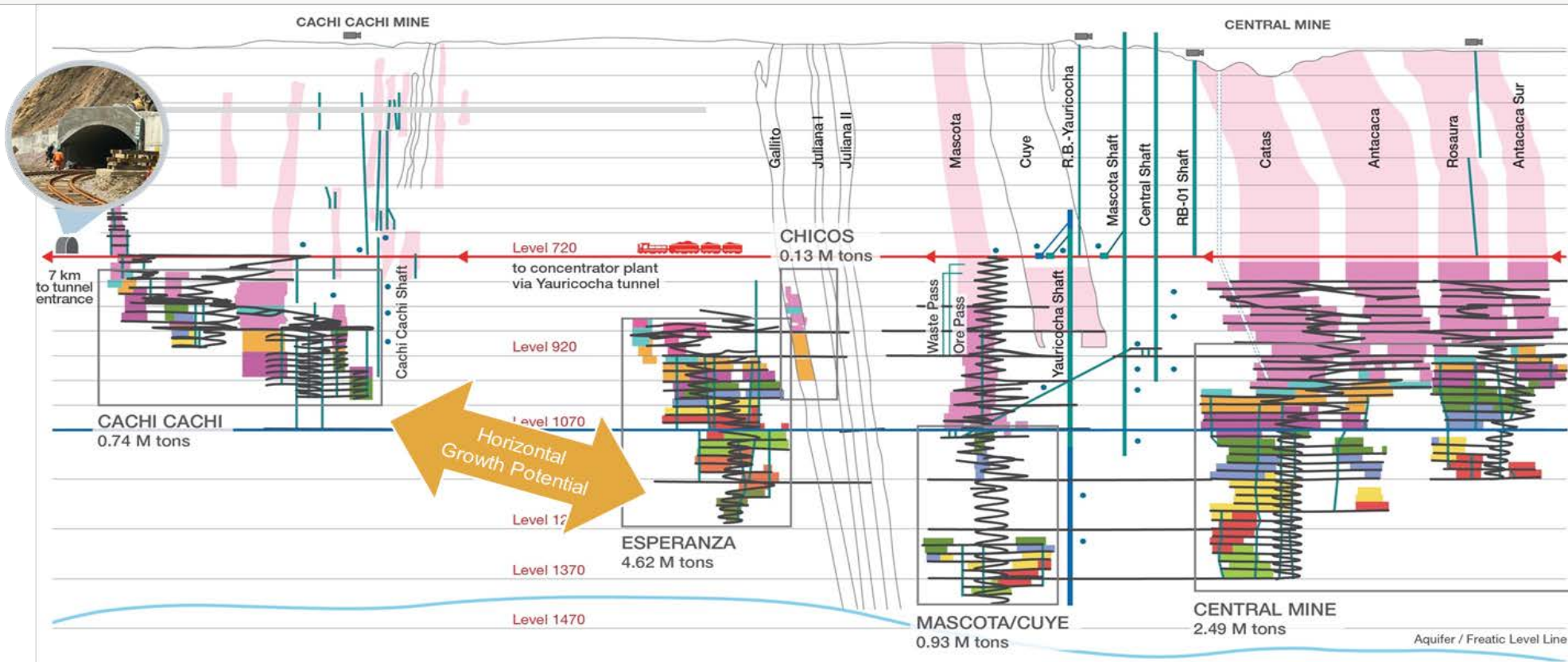
# Exploration Progress | New Zones Discovered with Continued Exploration at Yauricocha





# Technical Report 2017 | Reserves Estimate Increased by 134% and Mine Life Doubled

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



## ▶ ESPERANZA AREA

- Average width: 15-20 Meters

## ▶ CUERPOS CHICOS

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

## ▶ CENTRAL MINE AREA

- Average width: 6-8 Meters

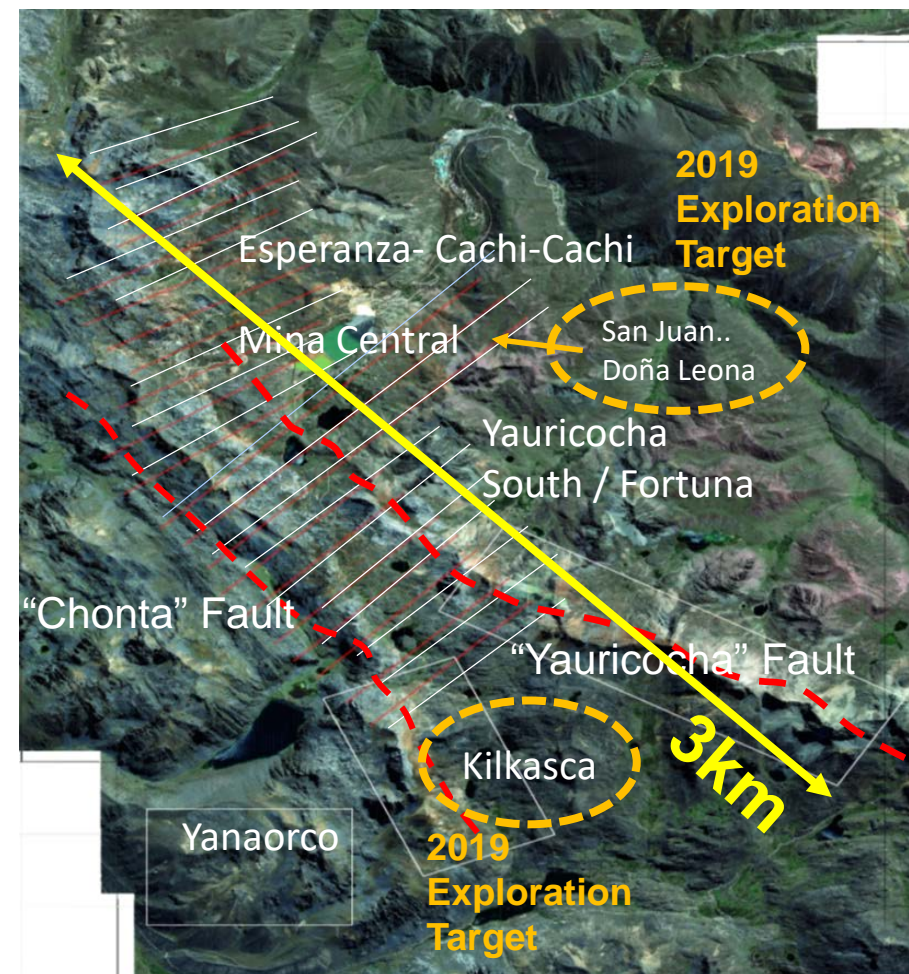
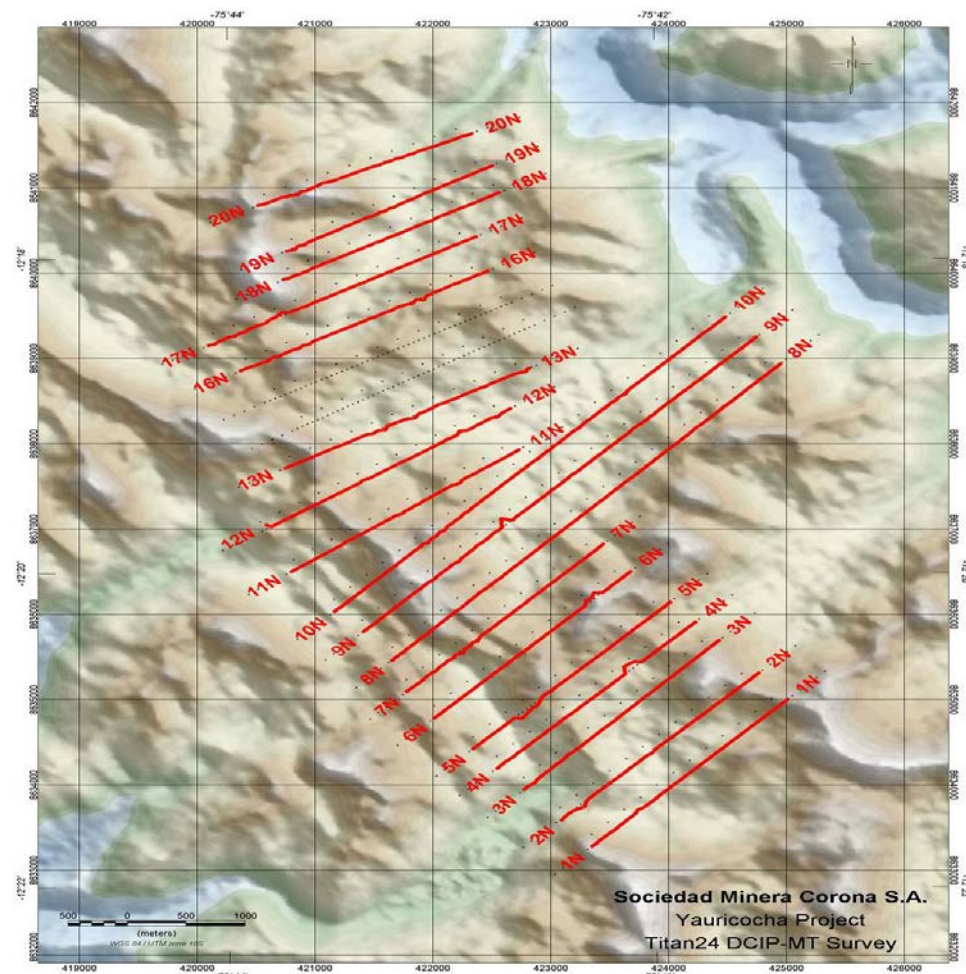


# Exploration Progress |

## Titan 24 Survey Yields 100 Targets

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





# Bolivar Mine



New Geological  
Discoveries Supporting  
**Metal Production**  
Increases



# Mexico | Bolivar Copper Mine

Ownership	100%
Size	15,217 Hectares
Commodities	Copper, silver, gold
Operation	Underground mine: Long-hole mining
Mill throughput	3,700 TPD increasing to 4,000 TPD by Q4-2019
2018 Production	21 M lbs Copper Equivalent
Concentrates	Copper with silver and gold by-product credits
Reserve Life*	7 years
Deposit Type	Copper 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	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	2016	2017	2018	6M-2019
Tonnes processed <sup>1</sup>	950,398	887,237	1,031,750	589,445
<b>Tonnes per day</b>	<b>2,715</b>	<b>2,535</b>	<b>2,948</b>	<b>3,368</b>
<b>Copper Eq (M lbs)<sup>2</sup></b>	<b>21.2</b>	<b>18.3</b>	<b>21.3</b>	<b>11.8</b>

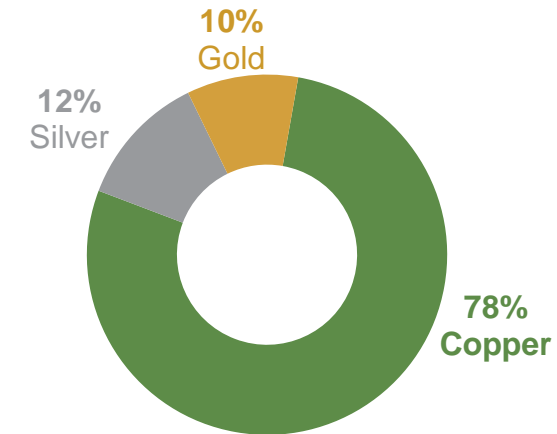
Financial Summary	2016	2017	2018	6M-2019
Revenue (\$000's)	\$33,267	\$44,949	\$52,451	\$26,038
Net Income (Loss)	\$(6,853)	\$(3,230)	\$(3,593)	\$(3,217)
Adjusted EBITDA (\$000's) <sup>3</sup>	\$5,120	\$11,900	\$10,984	\$2,632
Cash Cost per tonne processed	\$24.37	\$24.94	\$27.71	\$28.61
Cash Cost per Cu Eq pound sold	\$1.12	\$1.49	\$1.44	\$1.51
<b>All-in Sustaining Cost per Cu Eq pound sold<sup>4</sup></b>	<b>\$2.22</b>	<b>\$2.68</b>	<b>\$2.13</b>	<b>\$2.55</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. Adjusted EBITDA includes adjustments for depletion and depreciation, interest expenses and other finance costs, interest income, share-based compensation, Foreign Exchange (gain) loss and income taxes. 4. All-in Sustaining Costs includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex.

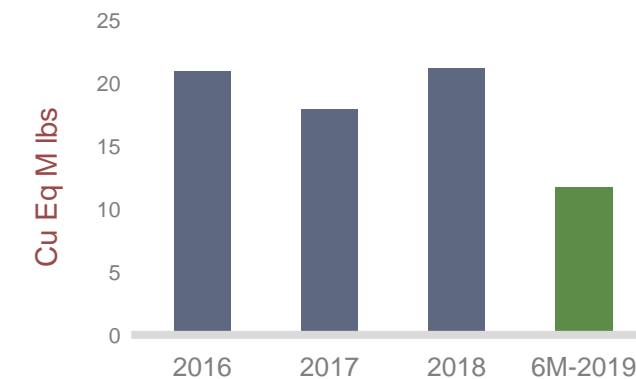


## REVENUE MIX

Trailing 12 months ending June 30, 2019



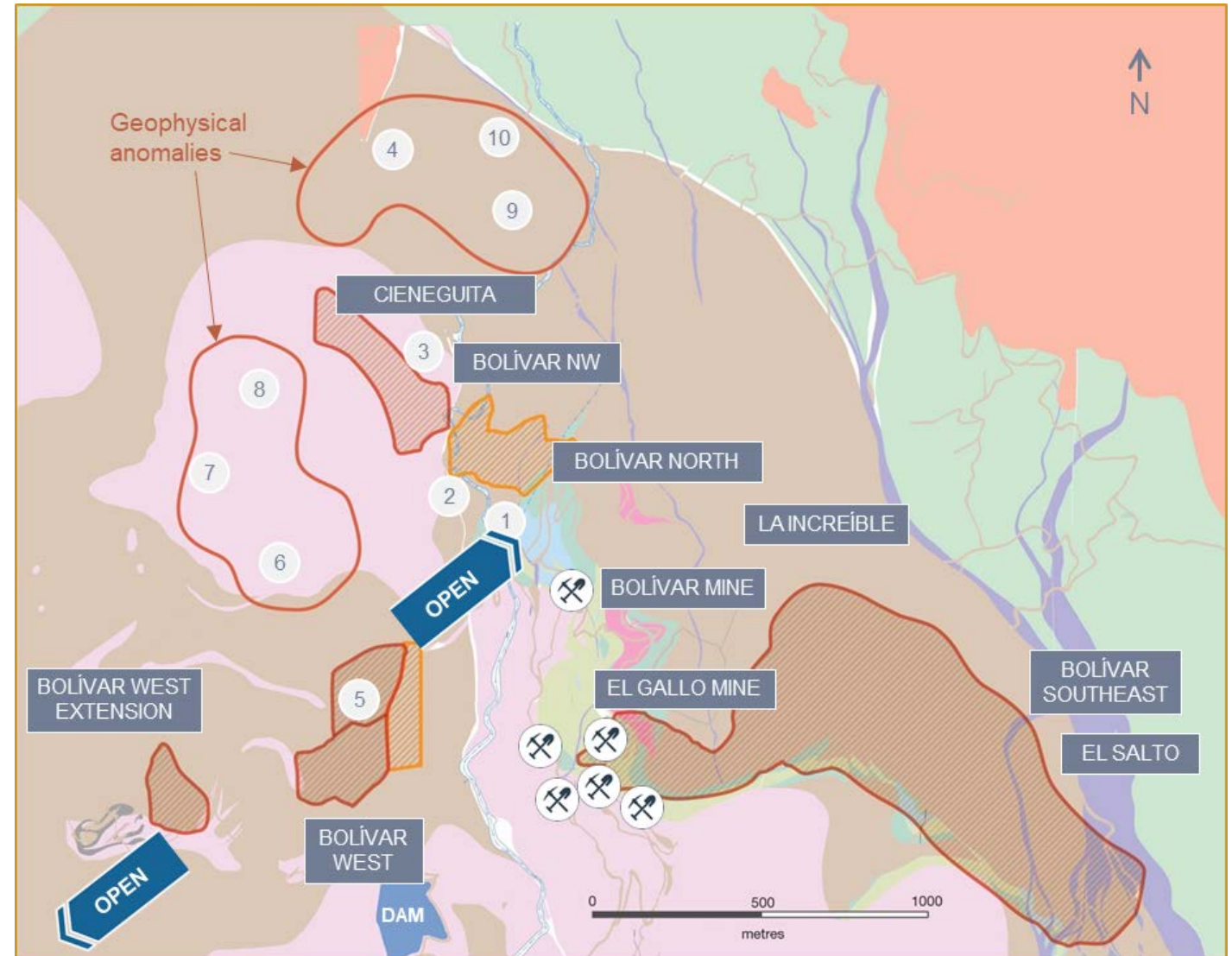
## COPPER EQUIVALENT PRODUCTION (M LBS)





# Mexico | Bolivar Northwest and Bolivar West Targets

- ❁ 6,258 Meters of drilling program completed in 2018 with the majority occurring at Bolivar West where high grade copper intercepts have occurred.
- ❁ Discovery of the Bolivar West Extension, with similar characteristics and within close proximity to the Bolivar West structure. Average grade of 2.09% copper equivalent with an average true width of 8.2 meters.
- ❁ Updated NI 43-101 report filed July 5, 2018 with a drilling cut-off date of October 31, 2017. **Mineral Reserves increased by 83%.** An update NI 43-101 is expected in late Q4 2019.
- ❁ Bolivar West has an average grade of 2.55% copper equivalent with an average true width of 9.1 meters, which is significantly above El Gallo's current head grades.





# Cusi Mine



Reinterpretation  
of Geology –  
**New High-Grade  
Silver Discovery**



# Mexico | Cusi Silver Mine

Ownership	100%
Size	11,671 Hectares
Commodities	Silver, zinc, lead, gold
Operation	Underground mine in development; sub-level and long hole mining
Mill throughput	938 TPD increasing to 1,200 TPD during 2019
2018 Production	813 K 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)
Measured	0.36	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 Production & Costs

Production	2018	6M-2019
Tonnes processed <sup>1</sup>	186,889	153,466
<b>Tonnes per day</b>	<b>534</b>	<b>877</b>
<b>Silver Eq (K ozs)<sup>2</sup></b>	<b>813</b>	<b>529</b>

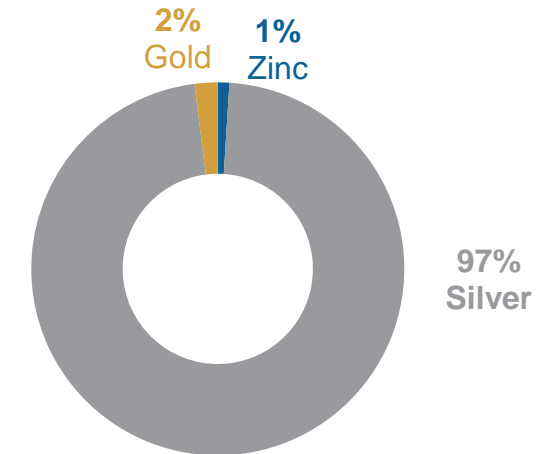
Financial Summary	2018	6M-2019
Revenue (\$000's)	\$11,263	\$4,490
Net Income (Loss)	\$(1,228)	\$(2,140)
Adjusted EBITDA (\$000's) <sup>3</sup>	\$2,792	\$(462)
Cash Cost per tonne processed	\$64.25	\$54.04
Cash Cost per Ag Eq ounce sold	\$15.71	\$16.49
<b>All-in Sustaining Cost per Ag Eq ounce sold<sup>4</sup></b>	<b>\$22.09</b>	<b>\$25.67</b>

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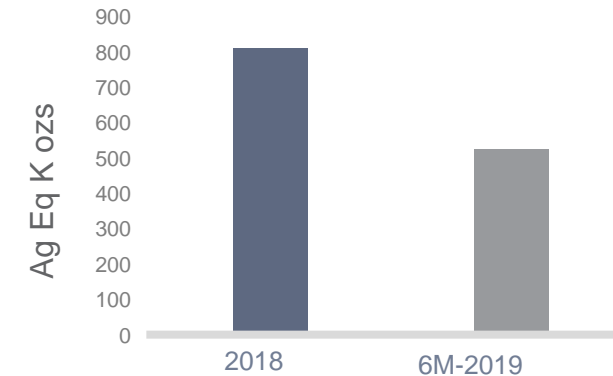


## REVENUE MIX

Trailing 12 months ending June 30, 2019



## SILVER EQUIVALENT PRODUCTION (K OZ)



# Mexico | Cusi Mine 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 Lime ("SRL") Zone lie within Sierra Metals' property boundaries





# Investment Highlights | Why Invest In Sierra Metals?





# Contact Information



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