



NEWS RELEASE

Sierra Metals Announces Filing of NI 43-101 Technical Report on the Preliminary Economic Assessment to Double Output at Its Bolivar Mine in Mexico to 10,000 Tonnes Per Day

11/5/2020

After Tax NPV of US\$283 Million

TORONTO--(BUSINESS WIRE)-- Sierra Metals Inc. (TSX: SMT) (BVL: SMT) (NYSE AMERICAN: SMTS) ("Sierra Metals" or "the Company") has filed a technical report prepared in accordance with National Instrument 43-101 ("NI 43-101") on the Bolivar Mine (the "Report"). The Report supports the disclosure made by the Company in its news release dated October 20, 2020 entitled "Sierra Metals Announces Positive Preliminary Economic Assessment Results for a Doubling Output at its Bolivar Mine in Mexico to 10,000 Tonnes Per Day."

This Preliminary Economic Assessment ("PEA") report was prepared as a National Instrument 43-101 Technical Report for Sierra Metals Inc. ("Sierra Metals") by SRK Consulting (Canada) Inc. ("SRK"). There are no material differences in the PEA results contained in the Report from those disclosed in the October 20, 2020 news release.

This subsequent report is based on the results from a 43-101 Technical Report on the Bolivar Mine dated March 31, 2020 with an effective date of December 31, 2019 entitled "NI 43-101 Technical Report on Resources and Reserves Bolivar Mine Mexico", that was prepared by independent SRK Consulting (Canada) Inc.

Highlights of the PEA include:

- After-tax Net Present Value (NPV): US\$283 Million at an 8% discount rate
- Incremental benefit of increasing the production to 10,000 TPD from 5,000 TPD is estimated to have an after tax NPV (@8%) of US\$57.4 million, and IRR of 27.9%
- Net After-tax Cash Flow: US\$521 Million
- Life of Mine & Sustaining Capital Cost: US\$317 Million

- Total Operating Unit Cost: US\$19.77/tonne and US\$1.16/lb copper equivalent
- Plant Processing Rate after expansion: 10,000 tonnes per day (TPD)
- Average LOM Copper Grade 0.72%
- Copper Price Assumption US\$3.05/lb
- Mine Life: 14 years based on existing Mineral Resource Estimate
- Life of Mine Copper Payable Production: 583 million pounds

The Report dated October 19, 2020 with an effective date of December 31, 2019 is entitled “Preliminary Economic Assessment, Bolivar Mine, Mexico” and was prepared by SRK Consulting (Canada) Inc. and Sierra Metals Inc.

Signed by Qualified Persons:

Américo Zuzunaga Cardich, Sierra Metals Inc., Vice President Corporate Planning
Cliff Revering, P. Eng., SRK Principal Consultant (Resource Geology)
Carl Kottmeier, B.A.Sc., P. Eng., MBA, SRK Principal Consultant (Mining)
Daniel H. Sepulveda, BSc, SME-RM, SRK Associate Consultant (Metallurgy)
Jarek Jakubec, C. Eng. FIMMM, SRK Practice Leader/Principal Consultant (Mining, Geotechnical)

The information in this announcement regarding the PEA results included in the Report is qualified in its entirety by reference to the Report. The Report is available for review on SEDAR (sedar.com), EDGAR (SEC.gov) and the Company's website (sierrametals.com).

Quality Control

All technical data contained in this news release has been reviewed and approved by:

Americo Zuzunaga, FAusIMM CP (Mining Engineer) and Vice President of Corporate Planning is a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Augusto Chung, FAusIMM CP (Metallurgist) and Vice President of Metallurgy and Projects to Sierra Metals is a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

About Sierra Metals

Sierra Metals Inc. is a diversified Canadian mining company focused on the production and development of precious and base metals from its polymetallic Yauricocha Mine in Peru, and Bolivar and Cusi Mines in Mexico. The Company is focused on 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 at all three Mines in Peru and Mexico that are within close proximity to the existing mines. Additionally, the Company also has large land packages at all three mines with several prospective regional targets providing longer-term exploration upside and mineral resource growth potential.

The Company's Common Shares trade on the Bolsa de Valores de Lima and on the Toronto Stock Exchange under the symbol "SMT" and on the NYSE American Exchange under the symbol "SMTS".

For further information regarding Sierra Metals, please visit sierrametals.com.

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Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of Canadian and U.S. securities laws (collectively, "forward-looking information"). Forward-looking information includes, but is not limited to, statements with respect to the date of the 2020 Shareholders' Meeting and the anticipated filing of the Compensation Disclosure. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof, or stating that certain

actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be 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 30, 2020 for its fiscal year ended December 31, 2019 and other risks identified in the Company's filings with Canadian securities regulators and the United States Securities and Exchange Commission, which filings are available at www.sedar.com and www.sec.gov, respectively.

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.

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