

(All amounts expressed in US Dollars unless otherwise noted.)

First quarter consolidated highlights:

- Announces the discovery of the high grade sulphide Esperanza Zone at the Yauricocha Mine
- The exploration program on the Esperanza discovery at Yauricocha completed 31 holes (5361.8 meters) to the end of Q1, including 29 delineation holes (4717.0 meters) and 2 exploration holes (644.8 meters).
- Silver equivalent production of 2.6 million ounces compared to 3.2 million ounces or copper equivalent production of 17.2 million pounds compared to 21.2 million pounds in Q1 2015
- Revenue of \$23.7 million compared to \$34.7 million and adjusted EBITDA of \$4.4 million compared to \$14.0 million in Q1 2015.
- Operational improvements at the Yauricocha Mine beginning to take effect with an increase of 13% in silver equivalent production and 7% increase in throughput during Q1 2016 compared to Q4 2015
- Record silver equivalent production of 326,000 ounces at the Cusi Mine; an increase of 35% compared to Q1 2015 and AISC declining to \$12.50 per silver equivalent payable oz.
- \$19.1 million of cash and cash equivalents as at March 31, 2016
- Conference Call to be Today (May 13th) at 11:00 AM (EDT)

TORONTO, May 13, 2016 /CNW/ - [Sierra Metals Inc.](#) (TSX:SMT)(BVL:SMT) ("Sierra Metals" or the "Company") today reported revenue of \$23.7 million and an adjusted EBITDA of \$4.4 million on throughput of 476,220 tonnes and metal production of 2.6 million silver equivalent ounces or 17.2 million copper equivalent pounds for Q1 2016.

The Company is continuing to successfully work through the operational improvement process at its Yauricocha Mine and has seen improved production and throughput, quarter over quarter from Q4 2015. The program has led to a temporary decline throughput and head grades resulting in lower production of all metals from its beginning in Q3 2015. The decrease in production was primarily due to lower ore grades being mined and interruptions to throughput caused by water control issues, as well as development and infrastructure shortfalls. The Company successfully continues to focus on the improvement of safety, mine sequencing as well as the design and introduction of mechanized mining methods in mine operations. The benefits of these implementations are already being realized but will be most visible in the second half of the year and will enable the Company to benefit from best practices with the expectation of maximized efficiency in production for the future.

The Company's emphasis at Yauricocha will be on the production of higher value ore, including ore feed from the newly discovered Esperanza Zone starting in Q3 2016. This effort is expected to improve the Company's operating margins and cash flow generation within a recently improved, but historically softer metals price environment.

At Bolivar Mine in Mexico, the Company had another quarter of record plant throughput in Q1 2016 and experienced an 8% increase compared to Q1 2015. Despite the record throughput, however, lower head grades were encountered for all metals which resulted in a decrease in copper equivalent production over the same quarter in 2015. The company expects to see improved production as a result of higher throughput, better head grades and higher recoveries through the remainder of the year by concentrating on known mineralized areas within the El Gallo Zone.

The Cusi project, also in Mexico, had record silver equivalent production of 326,000 ounces in Q1 2016 which represents a 35% increase over Q1 2015. Additionally, the AISC per silver equivalent payable ounce decreased to \$12.50, mainly due to lower sustaining capital expenditures and higher silver equivalent production. Cusi also began zinc production in Q1 2016 with production of 600,000 lbs. which helped contribute to the increase in silver equivalent production. The company expects to begin shipping zinc concentrate from the Mal Paso Plant in Q2 2015.

Mark Brennan, President and CEO of Sierra Metals commented "Sierra has already begun to see the impact of the operational improvements at Yauricocha compared to the fourth quarter of 2015 with a 13 % increase in silver equivalent production. We anticipate continued improvements to production in the second half of 2016 as the restructuring and operational improvement initiatives continue. In addition, it is our expectation that we will see improved ore quality and mill feed as we begin to mine the upper areas of the Esperanza Zone in the third quarter of this year. Management believes that these changes, which have resulted in lower production beginning in the third quarter of 2015, will serve to increase production in the coming years."

He continued, "Despite the challenges faced with the restructuring program at Yauricocha, the Company continues to have a strong balance sheet and liquidity to drive operations and expand output and reduce costs at its Cusi silver mine in Mexico. Furthermore, we have had tremendous success with our brownfield exploration programs with the recent discovery of the Esperanza Zone at the Yauricocha Mine and mineralization extensions at the Bolivar copper mine in Mexico. The brownfield exploration program is continuing and has the potential to transform the capabilities of our assets in both Peru and Mexico. We look forward to keeping you updated on our progress."

The following table displays selected unaudited financial and operational information for the three months ended March 31, 2016:

Three Months Ended

(In thousands of dollars, except per share and cash cost amounts) March 31, 2016 March 31, 2015

Operating

Ore Processed / Tonnes Milled	476,220	472,407
Silver Ounces Produced (000's)	588	900
Copper pounds produced (000's)	5,836	6,484
Lead pounds produced (000's)	8,255	12,115
Zinc pounds produced (000's)	10,919	10,461
Gold ounces produced	2,236	2,661
Copper Equivalent Pounds Produced (000's) ¹	17,164	21,207
Silver Equivalent Ounces Produced (000's) ¹	2,582	3,190
Cash Cost per Tonne Processed	\$ 41.57	\$ 38.05
Cash Cost per AgEqOz (Yauricocha) ²	\$ 8.47	\$ 5.49
AISC per AgEqOz (Yauricocha) ²	\$ 14.78	\$ 11.31
Cash Cost per AgEqOz (Cusi) ²	\$ 3.77	\$ 6.72
AISC per AgEqOz (Cusi) ²	\$ 12.50	\$ 21.61
Cash Cost per CuEqLb (Bolivar) ²	\$ 1.32	\$ 1.15
AISC per CuEqLb (Bolivar) ²	\$ 2.21	\$ 2.17
Financial		
Revenues	\$ 23,740	\$ 34,740
Adjusted EBITDA ²	\$ 4,373	\$ 13,990
Operating cash flows before movements in working capital	\$ 5,010	\$ 14,665
Adjusted net income (loss) attributable to shareholders ²	\$ (1,967)	\$ 4,079
Net loss attributable to shareholders	\$ (5,116)	\$ (667)
Cash and cash equivalents	\$ 19,147	\$ 38,179
Working capital	\$ 11,920	\$ 29,713

Silver
equivalent
ounces
and
copper
equivalent
pounds
performance
measures
being
non-IFRS
following
measures
process
\$14.96/oz
Ag,
\$0.25/lb
Cu,
\$0.75/lb
Pb,
\$0.73/lb
Zn,
\$1,113/oz
Au.

Financial Update

Revenue from metals payable of \$23.7 million in Q1 2016 decreased compared to the \$34.7 million earned in Q1 2015. Lower revenues were mainly the result of the decrease in the prices of silver 9%, copper 19% and zinc 19% in Q1 2016 compared to Q1 2015; the decrease in silver, gold and lead head grades due to more copper oxides being produced instead of lead oxides; the decrease in recoveries of all metals as well as to more copper oxides being produced instead of lead oxides at Yauricocha; the 6% decrease in plant throughput at Yauricocha due to continuing work being performed to improve mine sequencing, improvements to safety, design and in the mechanization of mining methods being used; the decrease in head grades and recoveries of all metals at Bolivar, and the decrease in silver recoveries at Cusi, partly offset by record silver equivalent production at Cusi.

Yauricocha's cash cost per silver equivalent payable ounce was \$8.47 (Q1 2015 - \$5.49) and all-in sustaining cash cost ("AISC") per silver equivalent payable ounce was \$14.78 (Q1 2015 - \$11.31) for Q1 2016. The increase in AISC per silver equivalent payable ounce during Q1 2016 was due to the decrease in plant throughput and ore feed head grades due to the decrease in available production from higher grade zones in the mine; and additional costs related to the mechanization and water management controls continuing to be implemented at the Mine.

Bolivar's cash cost per copper equivalent payable pound was \$1.32 (Q1 2015 - \$1.15) and AISC per copper equivalent payable pound was \$2.21 (Q1 2015 - \$2.17) for Q1 2016. The increase in AISC per copper equivalent payable pound during Q1 2016 was mainly due to the increase in mining costs and equipment maintenance costs incurred which was partially offset by the increase in throughput and copper equivalent payable pounds.

Cusi's cash cost per silver equivalent payable ounce was \$3.77 (Q1 2015 - \$6.72) and AISC per silver equivalent payable ounce was \$12.50 (Q1 2015 - \$21.61) for Q1 2016. AISC per silver equivalent payable ounce decreased due to the increase in plant throughput and the increase in lead and gold head grades and recoveries which resulted in a higher percentage of payable metal relative to tonnes of ore processed, and a decrease in sustaining capital expenditures related to stope and drift development within the mine, as the Company incurred significant development costs during 2015 which are expected to be much lower during 2016.

Adjusted EBITDA of \$4.4 million for Q1 2016 compared to \$14.0 million in Q1 2015. The decrease in adjusted EBITDA in Q1 2016 is due to the \$10.0 million decrease in revenue at Yauricocha, mainly due to the decline in metal prices of all metals, the 6% decrease in plant throughput, the decline in silver, lead and gold head grades, the decrease in recoveries of all metals, and the increase in costs at Yauricocha, mentioned previously. This decline was partly offset by an increase in Mexico's operations EBITDA to \$4.2 million from \$3.7 million last year.

Cash flow generated from operations before movements in working capital of \$5.0 million for Q1 2016 compared to \$14.7 million in Q1 2015.

Net loss attributable to shareholders of \$(5.1) million, or \$(0.03) per share, for Q1 2016 compared to a net loss attributable to shareholders of \$(0.7) million, or \$0.00 per share in Q1 2015. The decrease in net income is mainly due to the decrease in revenues, mentioned above.

Adjusted net income (loss) attributable to shareholders of \$(2.0) million, or \$(0.01) per share, for Q1 2016 decreased compared adjusted net income of \$4.1 million, or \$0.03 per share, for Q1 2015.

The Company had cash and cash equivalents of \$19.1 million as at March 31, 2016 compared to \$38.1 million at the end of Q1 2015. Cash and cash equivalents have decreased by \$6.0 million during the first quarter of 2016 due to the capital expenditures incurred in Mexico and Peru of \$3.9 million, repayment of loans and credit facilities of \$2.0 million, and \$8.1 million of negative operating cash flows, partially offset by proceeds from the drawdown of credit facilities of \$7.8 million. Included in the \$8.1 million of negative operating cash flows were negative changes in non-cash working capital items of \$11.4 million mainly due to the increase in concentrate inventory and accounts receivable as at March 31, 2016.

Operational Update

Silver equivalent production of 2.6 million ounces or copper equivalent production of 17.2 million pounds represented a 19% decrease over Q1 2015. Despite recognizing lower production at Yauricocha in Q1 over the same period last year, the Company did see improved production and throughput including a 13% increase in silver equivalent production and a 7% increase in throughput on a quarter over quarter basis at the Yauricocha Mine during Q1 2016 compared to Q4 2015.

Sierra's restructuring and operational improvement at the Yauricocha Mine, has successfully addressed the management of water control issues, the improvement of mine sequencing, implementation of best practices and the mechanization of the Mine. The water flow issues are now under control with a drainage program in place and successfully operating. The Company is effectively moving away from conventional jackleg mining to mechanized jumbo mining. Also, planned shotcrete placement is now at 50% of target and the Company is successfully moving to shotcrete, bolting, screens and straps for improved ground support. Steel set installations have also been reduced by over 50% on a monthly basis.

Mine development at Bolívar during Q1 totaled 1,422 metres. Most of these metres (781) were developed to prepare stopes for the El Fierro deposit on the main levels 753 and 757. The El Gallo deposit was developed 748 metres to provide access between the El Fierro and El Gallo deposits. Bolivar Development of 168 metres was performed at the Bolivar Northwest.

The Cusi operations in Mexico mined 42,139 tons of ore with average head grades of: 0.29 g/t. Au; 174.4 g/t Ag; 1.41% Pb and 1.38% Zn. Most of this ore was sourced from the Moctezuma, Contact and San Nicolas veins. The Company began producing a zinc concentrate from the Cusi Mine in 2016 which will enhance the cash flows from this operation. Mine development drilling at Cusi during Q1 2016 totaled 3,580 metres.

Esperanza Zone Development and Exploration Program Update

Sierra Metals is currently preparing to mine the upper portion of the recently discovered Esperanza Zone at Yauricocha starting in Q3-2016. In preparation for extraction of ore at Esperanza, the Company is pushing development on the 870, 920 and 1070 levels. Drilling is currently taking place on the 870 level at the Esperanza Zone with 31 holes (5361.8 metres) completed in the first quarter. The Company had drifted within 25 metres of the Esperanza Zone at the end of Q1 2016 and has successfully drifted into the zone following the end of Q1 2016.

The exploration program on the Esperanza zone is ongoing with 31 holes (5361.8 meters) completed to the end of Q1, including 29 delineation holes (4717.0 meters) and 2 exploration holes (644.8 meters).

The delineation drilling to date has targeted the upper 100 meters of the Esperanza zone from the 870 level. Drilling indicates the upper portion of the zone consists of several well mineralized replacement structures that narrow upward (refer to Table 1 below for significant composite intervals returned from the Q1 drilling). The delineation drilling is anticipated to continue through the remainder of the year and will provide the details necessary to define resources and reserves to rapidly advance into the production schedule. The Esperanza zone is located 400 metres north of (and along strike from) the Central Mine and is well situated to quickly bring into the Companies mine plan.

In addition, two exploration holes (644.8 meters) were completed during Q1 from the 870 level. Drill hole E-ESP-02 was drilled to test the depth extension of the mineralization intersected in ESP-14 (Jan 27 2016 release Sierra Metals reported that hole ESP-14 returned a length weighted average of 3.2% Cu, 1.7% Zn, 0.4% Pb, 1.01 gpt Au, 48.5 gpt Ag over 69.2 meters (core thickness)). Drill hole E-ESP-02 successfully intersected mineralization approximately 30 meters south of hole ESP-14 and extended mineralization approximately 120 meters below ESP-14. E-ESP-02 returned the following length weighted composite intervals: 2.38% Cu, 0.88% Zn, 0.59% Pb, 0.74 gpt Au, 50.0 gpt Ag over 8.5 meters, and 3.06% Cu, 0.51% Zn, 0.29% Pb, 0.51 gpt Au, 88.2 gpt Ag over 10.8.0 meters and 1.85% Cu, 5.27% Zn, 2.18% Pb, 0.44 gpt Au, 49.1 gpt Ag over 11.1 meters.

Drill hole E-ESP-01 was drilled to test the northern extension of mineralization intersected in hole ESP-10 (Jan 27 2016 release Sierra Metals reported that ESP-10 returned a length weighted average of 1.1% Cu, 4.9% Zn, 2.2% Pb, 0.25 gpt Au, 61.2 gpt Ag over 70.6 meters (core length)). Hole E-ESP-01 was drilled at an oblique angle to the mineralization zone and although this hole intersected 2 narrower zones, (it did not intersect the broad zone of mineralization as returned in hole ESP-10), E-ESP-01 returned intercepts containing a length weighted average of 1.03% Cu, 12.33% Zn, 0.91% Pb, 0.35 gpt Au, 198.1 gpt Ag over

2.2 meters, and 1.36% Cu, 5.21% Zn, 0.95% Pb, 0.21 gpt Au, 139.9 gpt Ag over 2.0 meters. It is believed that hole E-ESP-01 did not fully test the northern extension of the Esperanza zone as the zone may be offset to the east where tested. Additional drilling along the zone to the north will take place once access is available on the 1070 level (within the next few months).

Refer to table 1 (below) for significant composite intervals from the Q1 Drilling at Esperanza.

A comprehensive news release will be issued in the very near future that will include an updated set of cross sections through the zone including an interpretation of the Esperanza mineralized zones.

The access for exploration drilling was previously limited to the 870 level. Future drilling will be targeted from the 1070 level as access becomes available (over the next several months). Drill stations are now in place on the 1070 level to access the southern extension of the Esperanza zone and the Company will focus on exploring both the northern and southern depth extensions of the Esperanza zone over the course of the next 12 months.

The Company is currently quantifying the extent of mineralization based on the existing drill holes and hope to be able to provide an update on this progress in the very near term.

Table 1: Significant length weighted composite intervals returned from Esperanza Q1 drilling
(D=delineation hole, E= Exploration hole)

BHID	From	To	Core Width	Est Horiz Thk	Ag gpt	Pb%	Cu%	Zn%	Au gpt
D-ESP-01	71.3	75	3.7	2.82	35.19	3.34	0.34	19.22	0.33
D-ESP-01	117.5	119.9	2.4	1.83	62.91	4.84	0.10	8.19	0.12
D-ESP-01	124.6	126.3	1.7	1.30	528.65	8.74	2.90	15.06	0.41
D-ESP-02	113.15	124	10.85	10.47	98.04	1.00	1.70	1.73	0.75
D-ESP-02 incl.	113.15	117	3.85	3.71	171.80	1.97	4.28	1.68	0.57
D-ESP-03	126	128	2	1.89	48.26	2.26	0.30	5.16	0.08
D-ESP-04	no significant composite intervals								
D-ESP-05	no significant composite intervals								
D-ESP-06	124.1	127.7	3.6	3.23	174.61	8.40	1.14	18.08	0.30
D-ESP-06	138	151.2	13.2	11.86	81.32	3.77	0.31	8.19	0.92
D-ESP-07	116.1	118.7	2.6	2.24	53.96	7.54	0.15	14.06	0.20
D-ESP-07	151	156	5	4.31	137.02	0.84	1.04	1.81	0.52
D-ESP-08	57.05	59.6	2.55	2.54	203.49	17.40	0.23	21.29	0.32
D-ESP-09	no significant composite intervals								
D-ESP-10	115.35	118	2.65	2.60	247.58	0.57	4.73	0.87	0.46
D-ESP-11	190.3	192.4	2.1	1.21	41.53	4.62	0.08	7.22	0.04
D-ESP-11	215.3	217.6	2.3	1.32	120.71	0.58	5.37	2.39	0.38
D-ESP-12	134.6	141	6.4	5.58	44.43	0.38	1.58	0.80	0.60
D-ESP-13	67.85	87	19.15	12.37	110.16	0.68	3.38	1.89	0.52
D-ESP-13 incl.	74	87	13	8.40	142.51	0.98	4.27	2.68	0.55
D-ESP-13	151	178	27	17.44	94.61	1.56	2.97	3.56	0.41
D-ESP-13 incl.	151	163.1	12.1	7.82	154.94	0.48	5.64	1.31	0.56
D-ESP-13 and incl.	169	178	9	5.81	59.55	3.97	0.99	8.63	0.27
D-ESP-14	no significant composite intervals								
D-ESP-15	118.9	120.9	2	1.66	69.52	10.02	0.12	15.21	0.13
D-ESP-15	145.8	147.7	1.9	1.58	43.63	7.59	0.06	9.36	0.06
D-ESP-15	152	164.6	12.6	10.47	57.68	2.35	0.63	5.04	0.34
D-ESP-15 incl.	153	159	6	4.98	83.49	3.88	0.75	7.78	0.41
D-ESP-16	115.3	116.9	1.6	1.31	148.79	6.99	0.26	18.54	0.29
D-ESP-17	no significant composite intervals								
D-ESP-18	114.1	118	3.9	3.38	20.82	2.03	0.07	4.72	0.18
D-ESP-18	135	140	5	4.34	56.24	0.23	2.77	0.88	0.30
D-ESP-18	142	150	8	6.94	30.91	2.94	0.66	6.96	0.82
D-ESP-18 incl.									

D-ESP-19	no significant composite intervals									
D-ESP-20	no significant composite intervals									
D-ESP-21	no significant composite intervals									
D-ESP-22	no significant composite intervals									
D-ESP-23	71.2	77.9	6.7	5.18	39.30	2.69	0.60	20.17	0.53	
D-ESP-23	93.35	99.1	5.75	4.45	156.24	8.08	0.48	18.68	0.45	
D-ESP-23	118	119.9	1.9	1.47	43.71	4.47	0.11	10.14	0.23	
D-ESP-23	166	170	4	3.10	207.69	1.57	0.58	3.46	1.06	
D-ESP-24	42.4	60.1	17.7	7.37	240.07	0.27	5.45	1.06	0.34	
D-ESP-24 incl.	42.4	57.2	14.8	6.17	274.31	0.12	6.37	0.26	0.34	
D-ESP-25	no significant composite intervals									
D-ESP-26	22.9	25	2.1	1.76	131.64	11.49	0.12	16.21	0.26	
D-ESP-26	106	109.1	3.1	2.59	178.56	0.91	2.52	2.94	0.43	
D-ESP-26	122.7	124.8	2.1	1.76	161.29	1.10	2.67	2.21	1.25	
D-ESP-27	116.1	119	2.9	2.42	74.20	5.11	0.24	11.13	0.19	
D-ESP-27	152.5	163	10.5	8.76	213.08	1.26	0.97	8.48	0.55	
D-ESP-27 incl.	152.5	157	4.5	3.75	346.37	1.30	1.26	5.71	0.70	
D-ESP-27 and incl.	158.3	163	4.7	3.92	120.14	1.48	0.86	13.09	0.42	
D-ESP-28	48	54.7	6.7	6.09	63.01	2.05	0.13	4.77	0.06	
D-ESP-28 incl.	52.3	54.7	2.4	2.18	76.28	2.28	0.21	8.84	0.12	
D-ESP-28	120.8	123.3	2.5	2.27	208.53	2.50	5.30	10.06	0.44	
D-ESP-29	no significant composite intervals									
E-ESP-01	201	203.2	2.2	1.17	198.08	0.91	1.03	12.33	0.35	
E-ESP-01	220	222	2	1.07	139.91	0.95	1.36	5.21	0.21	
E-ESP-02	102.6	107	4.4	1.62	20.03	4.33	0.08	8.50	0.37	
E-ESP-02	108.4	113.45	5.05	1.86	123.84	9.76	0.21	17.26	0.75	
E-ESP-02	150.5	159	8.5	3.12	50.03	0.59	2.38	0.88	0.74	
E-ESP-02	165	175.8	10.8	3.97	88.23	0.29	3.06	0.51	0.51	
E-ESP-02	265.4	276.5	11.1	4.08	49.09	2.18	1.85	5.27	0.44	

Exploration Update

At Yauricocha, the Company is continuing to drill for resource expansion along strike, and at depth, to ore zones in the Central Mine Area and Cachi Cachi Mine area. To the end of Q1 2016, the Company has drilled 49 holes totaling 9,229 meters of resource expansion.

At the Bolivar NW area, 1,300 meters have been drilled during Q1 2016. Also exploration drilling took place within the mine with

1,272 meters drilled during Q1 2016 to explore the breccia pipes within a mineralized structure. Also at Bolivar, the Company is attempting to determine the lateral extent of the El Fierro deposit and continues to explore the La Sidra vein. Also, during Q1, exploration drilling started along the Bolivar West fault area and an ore shoot was intersected with chalcopyrite and magnetite with an average width of 20 meters and head grades of 1.29% Cu. The Company has drilled a total of 1,851 metres at this area.

At Cusi, drilling continues to increase the resource size within numerous different veins. During Q1 2016, 1,644 meters of infill drilling was carried out inside the mine to verify the continuity of the structures and assist in the development of mining stopes

Conference Call Webcast

Sierra Metals' senior management will host a conference call on Friday, May 13th, 2016 at 11:00 AM (E.D.T.) to discuss the Company's first quarter 2016 financial and operating results.

Via Webcast:

A live audio webcast of the meeting will be available on the Company's website

<http://event.on24.com/wcc/r/1189567/F817F7253554F48D6AA2D06EE2858FBA>

The webcast along with presentation slides will be archived for 180 days on www.sierrametals.com

Via phone:

For those who prefer to listen by phone, dial-in instructions are below. To ensure your participation, please call approximately five minutes prior to the scheduled start time of the call.

Participant Number (Toll Free Peru): 0800-53-840
Participant Number (Toll Free North America): (877) 201-0168
Participant Number (International): (647) 788-4901
Conference ID: 10732354

Quality Control

All production technical data contained in this news release has been reviewed and approved by Gordon Babcock, P.Eng., Chief Operating Officer and a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

Matthew Wunder, B.Sc., P.Geo., is the "Qualified Person" as defined in NI 43-101 and Vice President, Exploration for Sierra Metals supervised the preparation of the geotechnical information related to mineral exploration for Sierra Metals.

The quality assurance-quality control (QA-QC) program employed by Sierra Metals has been described in detail in the NI-43-101 report for Yauricocha dated May 25, 2012, prepared by Gustavson Associates in Denver, which is available for review on Sedar. Standards and blanks are inserted into the sample stream and duplicate samples are sent to the Yauricocha Lab (on site) for delineation holes and ALS Peru S.A. lab (Chemex) in Lima for all exploration drill holes as per internal quality control procedures

Method of Analysis

Samples are prepared at the Yauricocha lab facilities at the Chumpe Mill, which is located on site. Drill core samples from the mine are assayed utilizing two procedures. Silver, lead, zinc and copper are assayed by atomic absorption. Gold is fire-assayed with an atomic absorption finish. Diamond drill core samples sent for analysis consist of half NQ size or BQ size drill core which is split on site

About Sierra Metals

[Sierra Metals Inc.](http://www.sierrametals.com) is a Canadian mining company focused on precious and base metals from its Yauricocha Mine in Peru, its Bolivar Mine and Cusi Mine in Mexico. In addition, Sierra Metals is exploring several precious and base metal targets in Peru and Mexico. Projects in Peru include Adrico (gold), Victoria (copper-silver) and Ipillo (polymetallic) at the Yauricocha property in

the province of Yauyos and the San Miguelito gold properties in Northern Peru. Projects in Mexico include Bacerac (silver) in the state of Sonora, and La Verde (gold) at the Batopilas property in the state of Chihuahua.

The Company's shares trade on the Bolsa de Valores de Lima and the Toronto Stock Exchange under the symbol "SMT".

Forward-Looking Statements

Except for statements of historical fact contained herein, the information in this press release may constitute "forward-looking information" within the meaning of Canadian securities law. Statements containing forward-looking information express, as at the date of this news release, the Company's plans, estimates, forecasts, projections, expectations or beliefs as to future events or results. These statements reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available at www.sedar.com.

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