



## CODE OF BUSINESS CONDUCT AND ETHICS

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### INTRODUCTION

This Code of Business Conduct and Ethics (the “**Code**”) has been approved by the Board of Directors (the “**Board**”) of Sierra Metals Inc. (“**Sierra Metals**”) and is intended to assist all employees, officers, directors, agents, representatives and contractors (the “**SMT Representatives**”) of Sierra Metals and each of its direct and indirect subsidiaries (collectively, the “**Corporation**”) to maintain the highest standards of ethical conduct in corporate affairs. This Code is intended to comply with Canadian securities law requirements. Specifically, the purpose of this Code is:

- to encourage among SMT Representatives a culture of honesty, accountability and mutual respect;
- to provide guidance to help SMT Representatives recognize ethical issues; and
- to provide mechanisms to support the resolution of ethical issues.

Compliance with this Code and its high standards of business conduct and ethics is mandatory. Cooperation from SMT Representatives is necessary to maintain the Corporation’s reputation with its shareholders, business partners, prospective investors and other stakeholders for honesty and integrity, which is key to the continued success of the Corporation’s business.

### ADMINISTRATION

The Board is ultimately responsible for the implementation and administration of this Code and has designated a Compliance Officer for the day-to-day implementation and administration of this Code. From time to time, the Board may change this designation and may also designate one or more Assistant Compliance Officers to fill in at times when the Compliance Officer may be otherwise unavailable, such as during his or her vacation. The Board’s current designation, together with contact information, is set out in Schedule A to this Code. SMT Representatives should direct questions concerning this Code to the Compliance Officer.

While this Code is designed to provide helpful guidelines, it is not intended to address every situation. Dishonest or unethical conduct, or conduct that is illegal, will constitute a violation of this Code, regardless of whether such conduct is specifically referenced in this Code. SMT Representatives should conduct their business affairs in such a manner that the Corporation’s reputation will not be impugned if the details of their dealings should become a matter of public discussion. SMT Representatives shall not engage in any activity that may adversely affect the reputation or integrity of the Corporation.

It is not intended that there be any waivers granted under the Code. In the unlikely event that a waiver is considered, in order to be granted it must receive prior approval by the Board if it involves a director or executive officer, or by the Board or the President and Chief Executive Officer of the Corporation (the “**Chief Executive Officer**”) if it involves any other SMT Representative. Any waiver or amendment will be

disclosed promptly in accordance with applicable securities laws and the Corporation's Disclosure of Information Policy.

Each SMT Representative is expected to read and become familiar with the conduct and ethical standards described in this Code and, if requested by the Corporation, to affirm his or her agreement to adhere to these standards by signing the Compliance Certificate that appears at the end of this Code and confirming such agreement on an annual basis.

If laws or other policies and/or codes of conduct differ from this Code, or if there is a question as to whether this Code applies to a particular situation, SMT Representatives should check with the Compliance Officer before acting. If there are any questions about any situation, SMT Representatives should ask the Compliance Officer about how to handle the situation. However, every supervisor and/or manager is responsible for helping employees to understand and comply with the Code.

The Corporation will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. Any SMT Representative in a situation that he or she believes may violate or lead to a violation of this Code should follow the compliance procedures described in the section entitled "Procedure for Reporting Illegal or Unethical Behaviour" below.

## **OVERVIEW**

It is the policy of the Corporation to apply high standards of courtesy, professionalism and honesty in its interactions with customers, shareholders, suppliers, co-workers and the community. This Code governs the business-related conduct of all SMT Representatives, including, but not limited to, the Chief Executive Officer and the Chief Financial Officer, as well as all other officers, directors and employees of the Corporation.

## **COMPLIANCE WITH LAWS**

A variety of laws apply to the Corporation and its operations. It is the Corporation's policy to comply with all applicable laws, including employment, discrimination, intimidation, harassment, health, safety, competition, securities, banking and environmental laws. No SMT Representative has authority to violate any law or to direct another SMT Representative or other person to violate any law on behalf of the Corporation. Each SMT Representative is expected to comply with all such laws, as well as rules and regulations adopted under such laws.

Violations of law may subject a SMT Representative to individual, criminal or civil liability, as well as to discipline by the Corporation. Such individual violations may also subject the Corporation to civil or criminal liability or to the loss of reputation or business.

Many of the laws applicable to the Corporation and SMT Representatives are complex and fact-specific. If any SMT Representative has questions concerning a specific situation, he or she should contact the Compliance Officer before taking any action.

## **CONFLICTS OF INTEREST**

SMT Representatives are expected to make or participate in business decisions and actions in the course of their relationship with the Corporation based on the best interests of the Corporation and not based on personal relationships or benefits. A conflict of interest, which can occur or appear to occur in a wide variety of situations, may compromise a SMT Representative's ability to act ethically.

Generally speaking, a conflict of interest occurs when the personal interest of a SMT Representative, an immediate family member of a SMT Representative or a person with whom a SMT Representative has a close personal relationship interferes with, or has the potential to interfere with, the interests or business of the Corporation. For example, a conflict of interest may occur where a SMT Representative, his or her family member or person with whom he or she has a close personal relationship receives a gift, a unique advantage or an improper personal benefit as a result of the SMT Representative's position at the Corporation. A conflict of interest could make it difficult for a SMT Representative to perform corporate duties objectively and effectively because he or she is involved in a competing interest.

The following is a discussion of certain common areas that raise conflict of interest issues. However, a conflict of interest can occur in a variety of situations. SMT Representatives must be alert to recognize any situation that may raise conflict of interest issues and must disclose to the Compliance Officer any material transaction or relationship that reasonably could be expected to give rise to actual, or the perception of, conflicts of interest with the Corporation. Any SMT Representative who becomes aware of an actual or potential conflict should bring it to the attention of the Compliance Officer or follow the compliance procedures described in the section entitled "Procedure for Reporting Illegal or Unethical Behaviour" below. Transactions, as defined in applicable securities regulations, between related parties will not be conflicts of interest under this Code if they are reviewed and approved in accordance with the requirements of those regulations.

### ***Corporate Opportunities***

SMT Representatives must not appropriate for themselves the benefit of any business venture, opportunity or potential opportunity he or she learns about in the course of his or her employment or office. A SMT Representative must not use the Corporation's proprietary information or position for personal gain. A SMT Representative must not compete against the Corporation, either directly or indirectly. SMT Representatives owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

### ***Outside Activities/Employment and Civic/Political Activities***

Any outside activity must not significantly encroach on the time and attention SMT Representatives devote to their duties for the Corporation and should not adversely affect the quality or quantity of their work. In addition, SMT Representatives may not imply the Corporation's sponsorship or support of any outside activity that is not official business of the Corporation, and under no circumstances are SMT Representatives permitted to take for themselves or their family members' business opportunities that are discovered or made available by virtue of their positions at the Corporation. Moreover, except as permitted by the following paragraph or by the Board, the Chairman of the Corporation's Governance Committee or the Compliance Officer, no employee of the Corporation may perform services for or have a financial interest in any entity that is, or to such employee's knowledge may become, a vendor, client or competitor of the Corporation. Employees of the Corporation are prohibited from taking part in any outside employment or directorships without the prior written approval of the Chief Executive Officer or the Compliance Officer, except for minor and unrelated employment and for directorships on charitable Boards that in each case do not interfere with the employee's duties to the Corporation.

No employee of the Corporation may acquire securities of a customer, supplier or other party if ownership of the securities would be likely to adversely affect either the employee's ability to exercise independent professional judgment on behalf of the Corporation or the quality of such employee's work. SMT Representatives must always follow the Corporation's other policies concerning the trading of securities, including those further described in this Code.

SMT Representatives are encouraged to participate in civic, charitable or political activities so long as such participation does not encroach on the time and attention they are expected to devote to their Corporation-related duties. Such activities are to be conducted in a manner that does not create an

appearance of the Corporation's involvement or endorsement. Employees may not make, or commit to make, political contributions on behalf of the Corporation without the approval of senior management.

### ***Inventions, Books and Publications***

SMT Representatives must receive written permission from the Chief Executive Officer or the Compliance Officer before developing, outside of the Corporation, any products, software or intellectual property that may be related to the Corporation's current or potential business.

### ***Loans to Executive Officers and Directors***

The Corporation will not, directly or indirectly, make loans or extend credit or provide guarantees to or for the personal benefit of executive officers or directors of the Corporation.

## **BRIBERY AND OTHER IMPROPER PAYMENTS**

No SMT Representative may, directly or indirectly, give, offer, demand, solicit or accept a bribe to or from anyone in the course of conducting business on behalf of the Corporation, including for the purpose of obtaining or retaining business, or for any other advantage. No SMT Representative may, directly or indirectly, give, offer, demand, solicit or accept any improper payment to or from anyone in the course of conducting business on behalf of the Corporation, including for the purpose of obtaining or retaining business, or for any other advantage. Improper payments include, without limitation, any gift, gratuity, reward, advantage or benefit of any kind (monetary or non-monetary). For greater certainty, a third-party intermediary, such as an agent or family member, cannot be used to further any bribe or improper payment or otherwise violate the spirit of this Code.

### ***Dealings with Government and Public Officials***

The Corporation strictly prohibits any payment to any public official that violates the laws of any jurisdiction in which the Corporation operates. The Corporation strictly prohibits any SMT Representative from giving, offering, promising, demanding, soliciting or receiving, directly or indirectly, any bribe or improper payment, using corporate or personal funds, to or from public officials of any government or governmental agency for the purpose of obtaining or retaining business, or for any other reason. Any offer of, or request for, any bribe or improper payment must be reported to the Compliance Officer. The Corporation strictly prohibits any person from making any payment if such person knows or reasonably believes that all, or a portion of, the payment will be offered, given or promised, directly or indirectly, to any public official of any government or governmental agency for the purposes of assisting the Corporation in obtaining or retaining business. Public officials include, without limitation:

- political parties or officials thereof, political candidates and elected or appointed representatives of any government or governmental agency holding a legislative, administrative or judicial position at any level;
- a person who performs public duties or functions, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the government, or is performing such a duty or function; and
- an official or agent of a public international organization that is formed by two or more states or governments, or by two or more such public international organizations.

For greater certainty, the Corporation may make contributions to political parties or committees or to individual politicians only in accordance with applicable laws, and all such payments must be reported to the Compliance Officer.

### ***Gifts and Business Courtesies***

The Corporation strictly prohibits any payment to any person that violates the laws of any jurisdiction in which the Corporation operates. Except to the extent specifically permitted below, the Corporation strictly prohibits any person from giving, offering, promising, demanding, soliciting or receiving, directly or indirectly, a gift, or using corporate or personal funds, in such a way that could influence, or reasonably give the appearance of influencing, the Corporation's business relationship with another person. Any offer of, or request for, such a gift or use of funds must be reported to the Compliance Officer. Gifts include, without limitation, material goods, as well as services, promotional premiums and discounts.

The Corporation strictly prohibits any and all Facilitation Payments. "Facilitation Payments" are payments made to secure, facilitate or expedite routine, non-discretionary government actions (e.g., payments for speeding up customs clearance, loading and unloading cargo, scheduling government inspections, or issuing government licenses or port documentation).

### ***Exceptions***

The Corporation does not prohibit the giving or receiving of gifts of nominal or token value to or from non-government suppliers and customers, provided that they are not for the express purpose of obtaining or retaining business or some other advantage for the Corporation and provided that they are otherwise lawful.

The Corporation does not prohibit expenditures of amounts for meals and entertainment and travel expenses in connection with customer conferences of the Corporation and other promotional activities for non-government suppliers and customers that are ordinary and customary business expenses, if they are otherwise lawful. These expenditures should be included on expense reports and approved pursuant to the Corporation's standard procedures.

The Corporation does not prohibit the giving or receiving of rewards, advantages or benefits that are permitted or required under the written laws of a government for which a public official performs duties or functions.

The Corporation does not prohibit payments made that are otherwise lawful in respect of reasonable expenses incurred in good faith by, or on behalf of, a public official which are directly related to the promotion, demonstration or explanation of the Corporation's products and services, or the execution or performance of a contract between the Corporation and the government for which the official performs duties or functions.

Caution should be exercised with respect to these exceptions. If there is any doubt as to the legitimacy of a payment under this Code or under any law, advice should be sought from the Compliance Officer.

### **PUBLIC DISCLOSURES**

The Corporation has an obligation in compliance with applicable laws to make full, fair, accurate, timely and understandable disclosure in its financial records and statements, in reports and documents that it files with or submits to securities regulatory authorities, and in its other public communications.

In furtherance of this obligation, each SMT Representative, in performing his or her duties, shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated, in order to ensure that to the best of his or her knowledge the Corporation's books, records, accounts and financial statements are maintained accurately and in reasonable detail, appropriately reflect the Corporation's transactions, are honestly and accurately reflected in its publicly available reports and communications and conform to applicable legal

requirements and the Corporation's system of internal controls, including the Corporation's Disclosure of Information Policy.

SMT Representatives, as applicable, must protect the financial books and records of the Corporation from destruction or tampering and must not conceal information relating to the Corporation from management, the auditors or the legal advisors of the Corporation. Questions related to the financial books and records of the Corporation should be referred to the Chief Financial Officer of the Corporation or the Chair of the Audit Committee of the Corporation (the "**Audit Committee**").

## **HANDLING OF CONFIDENTIAL INFORMATION**

In addition to the restrictions regarding material non-public information set forth in the Corporation's Disclosure of Information Policy, SMT Representatives should observe the confidentiality of information that they acquire by virtue of their relationship with the Corporation, including information concerning the Corporation and its customers, suppliers and competitors and other SMT Representatives, except where disclosure is approved by an executive officer of the Corporation or otherwise legally mandated. In addition, SMT Representatives must safeguard proprietary information, which includes information that is not generally known to the public and has commercial value in the Corporation's business. Proprietary information includes, among other things, drill results, business methods, analytical tools, software programs, source and object codes, trade secrets, ideas, techniques, inventions (whether patentable or not) and other information relating to economic analysis, designs, algorithms and research. It also includes information relating to marketing, pricing, clients, and terms of compensation for SMT Representatives. The obligation to preserve proprietary information continues even after employment ends. In addition to violating this Code and policy of the Corporation, unauthorized use or distribution of proprietary information could also be illegal and result in civil or even criminal penalties. The Corporation considers its proprietary information an important asset and may bring suit against employees or former employees to defend its rights vigorously.

## **PERSONAL INFORMATION**

SMT Representatives who collect personal information from other employees or third parties on behalf of the Corporation must do so in a lawful, ethical and non-intrusive manner and must inform the individual involved in advance of the purpose for which information is being collected. SMT Representatives must take appropriate steps to ensure that all personal information collected is accurate and is retained for no longer than necessary.

SMT Representatives must maintain the confidentiality of all personal information held by the Corporation. SMT Representatives must not disclose such personal information to other SMT Representatives unless it is reasonably required by them in order to perform their jobs. SMT Representatives must not disclose such personal information to third parties unless required by applicable law or regulation (and then only to the extent required), or unless the informed consent of the relevant individual has been obtained.

## **DATA PROTECTION**

SMT Representatives should be aware that the delivery of any data or information to the Corporation will be handled in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA). To that end, the Corporation requires SMT Representatives to acknowledge that their consent is given to incorporate and process personal data in the file ownership and responsibility of the Corporation for the development and the functioning of the Anti-Corruption policy program.

## **USE OF ASSETS OF THE CORPORATION**

Assets of the Corporation, including facilities, funds, materials, supplies, time, information, intellectual property, software, corporate opportunities and other assets owned or leased by the Corporation, or that are otherwise in the Corporation's possession, may be used only for legitimate business purposes of the Corporation. Assets of the Corporation are not to be misappropriated, loaned to others, donated, sold or used for personal use, except for any activities that have been approved in writing by the Chief Executive Officer or the Compliance Officer in advance, or for personal usage that is minor in amount and reasonable. SMT Representatives are to report any incidents of fraud or theft to the Compliance Officer. No SMT Representative should knowingly invoke a program or code that could damage the Corporation's assets.

## **USE OF EMAIL AND INTERNET SERVICES**

Email and internet services are provided to help the Corporation's employees perform their duties on behalf of the Corporation. Incidental and occasional personal use is permitted, so long as it is not for personal gain nor for any other improper purpose. SMT Representatives may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. In addition, SMT Representatives should remember that "flooding" the Corporation systems with junk mail and trivia hampers the ability of the systems to handle legitimate business and is prohibited.

SMT Representatives should not download copyrighted materials or copy material that is not licensed to the Corporation and should follow the terms of a license when using material that is licensed to the Corporation. No changes should be made to licensed materials without the prior consent of the Corporation. In addition, SMT Representatives are discouraged from downloading games and screensavers, as these are common sources of viruses.

SMT Representatives must comply with all employment-related obligations in both their personal and professional activity, including standards for workplace behaviour, privacy, confidentiality and conflict of interest. These obligations apply to social media use, including on accounts unaffiliated to the workplace.

SMT Representatives should use their best judgment when using social media, both personally and professionally. When in doubt, seek clarification from the Compliance Officer.

### **(a) Personal Social Media Use**

Personal social media accounts may include well-known channels such as Facebook, Twitter, LinkedIn and YouTube, but extends to any site where a SMT Representative may be posting content. This can include anything from pictures of family members and vacations on photo sharing sites, to comments on a news article, or a hobby blog unrelated to work.

A personal social media account:

- does not represent your role as a SMT Representative of the Corporation;
- does not represent the Corporation;
- does not require the Corporation's approval; and
- is managed and populated with content by the SMT Representative.

### **(b) Guidelines for a Personal Account**

- do not reveal confidential/private or personal information gained through work; and
- do not use visuals (images, logos, etc.) that suggest the account represents the Corporation.

### (c) Collecting Personal Information, Privacy and Permissions

With regard to work-related activities, it is important that SMT Representatives do not collect, post or share private or personal information (including photos) about others without proper permissions and approvals.

## **ACCOUNTING POLICIES**

The Corporation will make and keep books, records and accounts which, in reasonable detail, accurately and fairly present the transactions and disposition of the assets of the Corporation.

All directors, officers and employees are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. All directors, officers and employees are expressly prohibited from directly or indirectly manipulating an audit, and from destroying or tampering with any record, document or tangible object with the intent to obstruct a pending or contemplated audit, review or investigation. The commission of, or participation in, one of these prohibited activities or other illegal conduct will subject a director, officer or employee to penalties under applicable laws and regulations, as well as to disciplinary action by the Corporation, including, if warranted, termination of employment.

No director, officer or employee of the Corporation may directly or indirectly

- make or cause to be made a materially false or misleading statement, or
- omit to state, or cause another person to omit to state, any material fact necessary to make statements made not misleading,

in connection with the audit of financial statements by independent accountants, the preparation of any required reports whether by independent or internal accountants, or any other work which involves or relates to the filing of a document with the applicable Canadian securities regulatory authorities, the U.S. Securities and Exchange Commission (the “**SEC**”) or the Lima Stock Exchange.

## **FAIR DEALING**

Each SMT Representative should deal fairly and in good faith with other SMT Representatives, security holders, customers, suppliers, regulators, business partners and competitors. No SMT Representative may take unfair advantage of anyone through manipulation, concealment, misrepresentation, bribes, kickbacks or any other form of improper payment, inappropriate threats, fraud, abuse of confidential information or any other intentional unfair-dealing practice.

We intend that the Corporation’s business practices will be compatible with the economic and social priorities of each location in which it operates, provided that honesty and integrity must always characterize its business activity. If a law conflicts with a policy in this Code, SMT Representatives must comply with the law; however, if a local custom or policy conflicts with this Code, SMT Representatives must comply with the Code.

## **DELEGATION OF AUTHORITY**

Each SMT Representative, and particularly each of the Corporation’s executive officers, must exercise reasonable care to ensure that any permitted delegation of authority is reasonable and appropriate in scope, and includes appropriate and continuous monitoring.

## **HEALTH AND SAFETY**

The Corporation strives to provide each SMT Representative with a safe and healthy work environment. Each SMT Representative has responsibility for maintaining a safe and healthy workplace for all SMT Representatives by following safety and health rules and practices, and promptly reporting accidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behaviour will not be tolerated by the Corporation. SMT Representatives should report to work in proper condition to perform their duties, free from the influence of illegal drugs or excessive alcohol. The use of illegal drugs or excessive alcohol in the workplace will not be tolerated by the Corporation.

## **DISCRIMINATION AND HARASSMENT**

The Corporation is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples of conduct that will not be tolerated include, but are not limited to, derogatory comments based on race, gender, age, marital status, ethnicity, sexual orientation, disability, religious beliefs or on the basis of any other personal characteristics protected by law, as well as unwelcome sexual advances or comments. SMT Representatives are entitled to freedom from all forms of personal harassment, whether verbal, physical or visual.

SMT Representatives must promote and maintain an environment that encourages personal respect and mutual trust. SMT Representatives are encouraged to speak out when a co-worker's conduct makes them uncomfortable and to report harassment when it occurs.

## **PROCEDURE FOR REPORTING ILLEGAL OR UNETHICAL BEHAVIOUR**

### ***General Policy Regarding Report of Violations***

SMT Representatives who observe, learn of, or, in good faith, suspect a violation of this Code must immediately report the violation pursuant to the procedures for submission of complaints and concerns set out in the Corporation's Whistleblower Policy.

SMT Representatives must submit any good faith complaints or concerns regarding questionable treatment or alleged violations with respect to Whistleblowing Matters (as defined in the Corporation's Whistleblower Policy). SMT Representatives may also contact the Chair of the Audit Committee with a question or concern about this Code, accounting or auditing matters or a business practice. Any questions or reports of violations will be addressed immediately and seriously.

The Corporation has hired an independent third party "Whistle Blower Security" to manage all of the complaints received. There are three ways to submit a complaint: 1) filing a report online; 2) calling the toll-free phone number; and 3) submitting an email. These services are all provided in English and Spanish. All reports generated by the service are transmitted to the Chairman of the Audit Committee with a copy to the Compliance Officer.

### ***Contact Information:***

#### Whistle Blower Security

**In North America Call:** 1-866-921-6714

**In Mexico Call:** 01-800-099-0642

**In Peru, Collect Call:** 1-604-922-5963 (call the international operator and ask to make a collect call to 1-604-922-5963)

**Email:** [sierrametals@integritycounts.ca](mailto:sierrametals@integritycounts.ca)

**Website:** [www.integritycounts.ca/org/sierrametals](http://www.integritycounts.ca/org/sierrametals)

Chairman of the Audit Committee:

Douglas F. Cater  
79 Wellington Street West, Suite 2100  
P.O. Box 157  
Toronto, Ontario  
M5K 1H1  
Canada

With respect to Whistleblowing Matters involving the possible violation of laws or regulations, SMT Representatives may also choose to bring such concerns to an outside regulatory authority; however, the Corporation is committed to taking internal action in response to such concerns and would appreciate the opportunity to do so, as appropriate. Retaliation against any SMT Representative who in good faith reports a concern about any illegal or unethical conduct will not be tolerated.

Any SMT Representative who withholds information during the course of an investigation regarding a possible violation of the Code is subject to disciplinary action, which could include termination where warranted.

## **COMPLIANCE**

### ***Adherence to Code and Disciplinary Action***

All SMT Representatives have a responsibility to understand and follow this Code. In addition, all SMT Representatives are expected to perform their work with honesty and integrity in all areas not specifically addressed in this Policy. The Corporation will discipline any SMT Representative who violates this Code or related practices. The Chair of the Audit Committee or his/her designee will investigate any reported violations. The determination of the appropriate discipline will be made by the Chief Executive Officer in consultation with the Chairman of the Corporation's Governance Committee and/or the Board. Such discipline may include, but is not limited to, written notice to the SMT Representative that the Corporation has determined that there has been a violation, censure by the Corporation, demotion or re-assignment, suspension with or without pay or benefits, or termination of the SMT Representative's employment with the Corporation.

Records of all violations of this Code and the disciplinary action taken will be maintained by the Compliance Officer and will be placed in the applicable SMT Representative's personnel file. All claims will be treated confidentially to every extent possible.

A violation of the Code may also violate certain laws and rules. If it appears that an individual may have violated any laws, the Corporation may refer the matter to the appropriate regulatory authority, which may lead to penalties, fines or imprisonment.

The Corporation will notify and cooperate with the police or other government authorities regarding acts of SMT Representatives that involve violations of law. In addition, some violations may result in the Corporation bringing suit against employees or former employees to defend its rights vigorously.

### ***Communications***

The Corporation strongly encourages dialogue among SMT Representatives and their supervisors to make everyone aware of situations that give rise to ethical questions and to articulate acceptable ways of

handling those situations. The Compliance Officer shall provide a report to the Board, at least on a quarterly basis, on investigations and other significant matters arising under this Code.

### ***Responsibility of Senior Employees***

Officers and other managerial employees are expected to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Managerial employees may be disciplined if they condone misconduct, do not report misconduct, do not take reasonable measures to detect misconduct or do not demonstrate the appropriate leadership to ensure compliance.

### **RELATED POLICIES OF THE CORPORATION**

This Code should be read in conjunction with the Corporation's other related policy documents, including the Corporation's Disclosure of Information Policy. This Code supplements any contractual obligation any person may have under the terms of any agreements with the Corporation. This Code is not intended to create any contract (express or implied) with any person, including, without limitation, any employment or consulting contract, or to constitute any promise that a person's employment or consulting arrangement will not be terminated except for cause.

### ***Whistleblower Policy***

As part of the Corporation's commitment to the highest standards of corporate governance, the Corporation has established procedures for the receipt, retention and handling of complaints and concerns received relating to, among other things, alleged or suspected illegal activity or violations of this Code or a code of conduct of a subsidiary of the Corporation. Any such illegal activity or code violation must be reported promptly, as set out in the Corporation's Whistleblower Policy.

### ***Anti-Bribery and Anti-Corruption Policy***

The Corporation is subject to a variety of anti-bribery and anti-corruption laws that apply to its operations, including Canada's Corruption of Foreign Public Officials Act ("**CFPOA**"), the United States Foreign Corrupt Practices Act ("**FCPA**"), and others in the jurisdictions where the Corporation operates. These laws prohibit the Corporation from paying, offering, or promising anything of value, directly or indirectly, to any third party, including any government official, to obtain an improper advantage or improperly influence an official act or decision related to its business. The Corporation's policies also prohibit improperly seeking or accepting anything of value to provide an improper advantage to vendors or other business partners.

SMT Representatives should be familiar with and are expected to comply with the Corporation's Anti-Bribery and Anti-Corruption Policy, the procedure for implementing the Corporation's Anti-Bribery and Anti-Corruption Policy, and any other related programs, standards and procedures.

### **WAIVERS**

A waiver from a specific provision of this Code may be granted where circumstances warrant. Requests for a waiver from the Code should be directed to the Compliance Officer. A waiver will only be valid if granted in writing and will be promptly disclosed in the manner and to the extent required by law.

### **ANNUAL ACKNOWLEDGEMENT OF THE CODE**

Annually, as a condition of employment, SMT Representatives may be asked to acknowledge that they are in compliance with the Code, understand its rules, and are not aware of any unreported violations of

the Code. New employees will sign an acknowledgement that they have received, read and understand the Code. These acknowledgements serve to confirm that all SMT Representatives have reviewed and understand the Code, have agreed to comply with it and report concerns about Code violations, and are unaware of potential actions that violate the Code that have not already been reported.

#### **APPROVAL AND AMENDMENT**

This Code was initially approved and adopted by the Board on May 24, 2012. The Code has been reviewed and amended on a consistent basis since then, with this most recent amendment approved by the Board as of November 8, 2018. The Corporation is committed to reviewing and updating its policies and procedures on an ongoing basis. This Code may be further revised, changed or amended at any time by the Board, and any amendment to the Code will be disclosed promptly to SMT Representatives and will be disclosed publicly in accordance with applicable securities laws.

## SCHEDULE "A"

This Board has made the following designation:

### **Compliance Officer:**

Ed Guimaraes, Chief Financial Officer  
79 Wellington Street West, Suite 2100  
PO Box 157  
Toronto, Ontario  
M5K 1H1  
Canada

Telephone: +1 (416) 366-7777  
Email: ed.guimaraes@sierrametals.com

**ACKNOWLEDGMENT / CERTIFICATE OF COMPLIANCE**

Reference is made to the following policies, guidelines and code (the “Policies”) adopted by the Board of Directors of Sierra Metals Inc. (“Sierra Metals”):

- Whistleblower Policy approved November 8, 2018;
- Code of Business Conduct and Ethics approved November 8, 2018
- Anti-Bribery and Anti-Corruption Policy approved November 8, 2018
- Disclosure of Information Policy re-confirmed May 30, 2018

In accordance with Sierra Metals’ Policies, I, \_\_\_\_\_, hereby certify, represent and warrant to Sierra Metals and its subsidiaries as follows (check each applicable box):

- I have reviewed and read each of the Policies and understand each of their terms and requirements.
- I agree to respect all the Policies terms and their intents at all times and conduct myself in accordance with them.
- I have not violated any of the terms or requirements of any of the Policies unless otherwise disclosed below.
- I am not aware of any violation or potential violation of any of the Policies unless otherwise disclosed below.
- I am also aware of how to seek guidance or report violations to Sierra Metals’ Policies
- I will report any action that appears inconsistent with the standards set out in Sierra Metals’ Policies

In the event you are unable to check the second or third box, please provide details of any violation or potential violation of the Policies or anti-bribery laws that you are aware of:

\_\_\_\_\_  
\_\_\_\_\_

[Append additional pages if necessary]

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signature:

Print Name:

Title/Position:

Location: Corporate \_\_/ Mexico \_\_/ Peru \_\_