

Q1 2018

Results Webcast & Conference Call

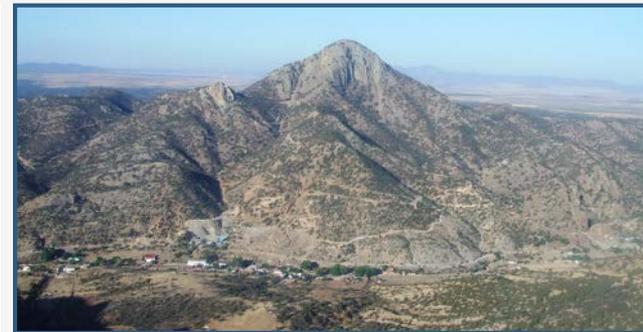
May 11, 2018



Yauricocha Mine, Peru



Bolivar Mine, Mexico



Cusi Mine, Mexico

Management Team



Speakers on Today's Webcast & Conference Call:

- Igor Gonzales, President and CEO
- Gordon Babcock, COO
- Ed Guimaraes, CFO
- Mike McAllister, VP Corporate Development

Disclaimer



Certain statements in this presentation constitute forward-looking information within the meaning of Canadian and United States securities legislation. Forward-looking information relates to future events or the anticipated performance of Sierra and reflect management's expectations or beliefs regarding such future events and anticipated performance based on an assumed set of economic conditions and courses of action. In certain cases, statements that contain forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative of these words or comparable terminology. By its very nature forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual performance of Sierra to be materially different from any anticipated performance expressed or implied by such forward-looking information. These include estimates of future production levels; expectations regarding mine production costs; expected trends in mineral prices; changes in general economic conditions and financial markets; changes in prices for silver and other metals; technological and operational hazards in Sierra's mining and mine development activities; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the timing and availability of financing; governmental and other approvals; political unrest or instability in countries where Sierra is active; labor relations and other risk factors disclosed in Sierra's Annual Information Form, which is available on SEDAR at www.sedar.com 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.

Although Sierra has attempted to identify important factors that could cause actual performance to differ materially from that described in forward-looking information, there may be other factors that cause its performance not to be as anticipated. Sierra neither intends nor assumes any obligation to update these statements containing forward-looking information to reflect changes in assumptions or circumstances other than as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate as actual results and future events could differ materially from those currently anticipated. Accordingly, readers should not place undue reliance on forward-looking information.

This presentation uses the terms "measured resources", "indicated resources" and "inferred resources" as such terms are recognized under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") adopted by the Canadian Securities Administrators. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a "preliminary assessment" as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

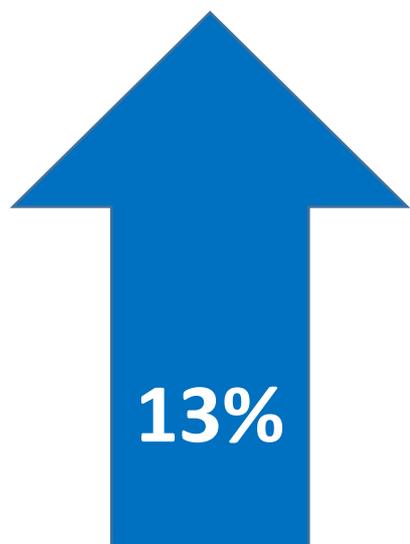
Gordon Babcock B.Sc., P.Eng., is the qualified person as defined in NI 43-101 and Chief Operating Officer for Sierra Metals supervised the preparation of the operational scientific and technical information for Sierra Metals included in this presentation.

Cautionary Note to U.S. Investors: While the terms "measured resources", "indicated resources", and "inferred resources" are defined in and required to be disclosed by NI 43-101 these terms are not defined under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. Accordingly, information concerning mineral deposits contained in or referred to in this presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

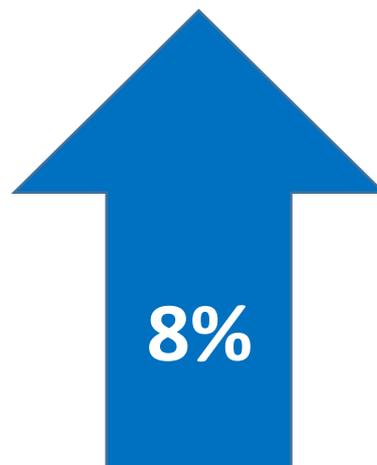
Use of Non-IFRS Financial Measures: This presentation contains "Non-IFRS" financial measures including all in-sustaining costs, EBITDA, Free Cash Flow and Net Debt. Sierra uses these Non-IFRS performance measures and ratios in managing its business. Sierra believes that these measures assist investors in understanding the company's performance. Non-IFRS financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly situated titled measures that other companies use. Please see Reconciliation of IFRS to Non-IFRS Financial Measures in the Appendix to this presentation for a reconciliation to the most comparable IFRS financial measure.

Additional Information: Sierra Metals Inc. has filed a base prospectus and a prospectus supplement with the Canadian Securities Commission and a registration statement (including a prospectus and prospectus supplement) with the SEC for an "at the market" offering of its Common Shares ("ATM offering"). Investors considering a purchase of shares in this offering should read the prospectus, prospectus supplement and documents incorporated into that registration statement and other documents that Sierra Metals has filed with the SEC for more information concerning the ATM offering and the issuer. These documents are available without charge from the SEC's EDGAR database at www.sec.com and on SEDAR at www.sedar.ca.

Financial Highlights for Q1 2018



Revenue
\$61.7 M



Adjusted EBITDA
\$27.4 M

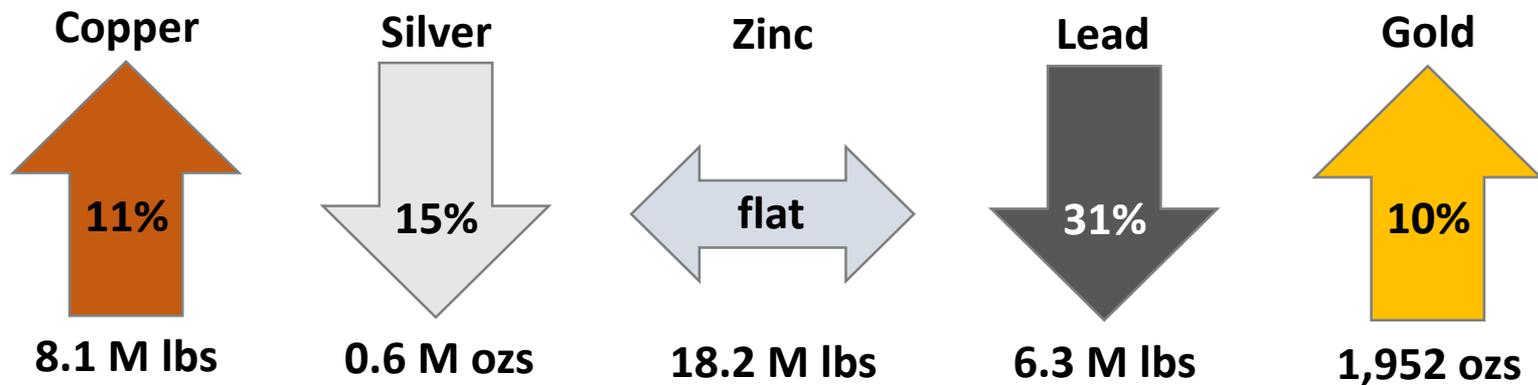


Cash
\$25.5 M
As at March 31, 2018

Production Highlights for Q1 2018



Q1 Consolidated Production of:



- Record quarterly throughput at both the Yauricocha and Bolivar Mines

Highlights for Q1 2018



- ❑ Operation turnaround program in Mexico remains focused on:
 - Modernizing operations
 - Improving production
 - Lowering costs
- ❑ Production improvements in Q1 2018 vs Q4 2017 and expected to continue in Q2 2018
 - Bolivar: 14% increase in throughput and a 16% increase in Copper Equivalent production
 - New equipment purchases, which allow more minable stopes to be incorporated into the mine plan
 - Cusi: 66% increase in throughput and a 12% increase in Silver Equivalent production
 - Change in focus from existing narrow vein structures to the Santa Rosa de Lima Zone with larger widths and higher grades
- ❑ Successful improvement efforts in metallurgical recoveries
- ❑ Results from turnaround program expected to continue to benefit the Company in Q2 2018

Highlights for Q1 2018



- ❑ Brownfield exploration continues at all three Mines
- ❑ 71,000 meters of brownfield exploration targeted for 2018, with the ability to ramp up based on success
- ❑ Further possible extensions to existing zones at:
 - **Yauricocha:** Esperanza Zone, Cuye-Mascota Zones
 - **Bolivar:** Bolivar West Zone, Bolivar Northwest Zone
 - **Cusi:** Santa Rosa de Lima Zone
- ❑ Technical teams reinforced to translate recent brownfield successes into production
- ❑ The Company will provide an updated Mineral Reserve and Resource Estimate for Bolivar Mine on May 22, 2018

Operational Performance

Q1 2018



<i>(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)</i>	Three Months Ended	
	March 31, 2018	March 31, 2017
Operating		
Ore Processed / Tonnes Milled	557,710	529,695
Silver Ounces Produced (000's)	594	698
Copper Pounds Produced (000's)	8,090	7,290
Lead Pounds Produced (000's)	6,312	9,143
Zinc Pounds Produced (000's)	18,214	18,137
Gold Ounces Produced	1,952	1,777
Copper Equivalent Pounds Produced (000's) ¹	23,445	25,126
Zinc Equivalent Pounds Produced (000's) ¹	47,209	52,231
Silver Equivalent Ounces Produced (000's) ¹	4,394	3,746
Cash Cost per Tonne Processed	\$ 46.66	\$ 39.84
Cost of sales per AgEqOz	\$ 7.15	\$ 7.09
Cash Cost per AgEqOz ²	\$ 6.77	\$ 6.69
AISC per AgEqOz ²	\$ 9.85	\$ 10.44
Cost of sales per CuEqLb ²	\$ 1.34	\$ 1.06
Cash Cost per CuEqLb ²	\$ 1.27	\$ 1.00
AISC per CuEqLb ²	\$ 1.85	\$ 1.56
Cost of sales per ZnEqLb ²	\$ 0.67	\$ 0.51
Cash Cost per ZnEqLb ²	\$ 0.63	\$ 0.48
AISC per ZnEqLb ²	\$ 0.92	\$ 0.75
Cash Cost per ZnEqLb (Yauricocha) ²	\$ 0.57	\$ 0.42
AISC per ZnEqLb (Yauricocha) ²	\$ 0.82	\$ 0.61
Cash Cost per CuEqLb (Bolivar) ²	\$ 1.29	\$ 1.20
AISC per CuEqLb (Bolivar) ²	\$ 1.94	\$ 1.98
Cash Cost per AgEqOz (Cusi) ²	\$ 18.34	\$ 9.78
AISC per AgEqOz (Cusi) ²	\$ 28.33	\$ 20.55

(1) Silver equivalent ounces, Copper equivalent pounds, and Zinc equivalent pounds for Q1 2018 were calculated using the following realized prices: \$16.75/oz Ag, \$3.14/lb Cu, \$1.15/lb Pb, \$1.56/lb Zn, \$1,334/oz Au. Silver equivalent ounces, Copper equivalent pounds, and Zinc equivalent pounds for Q1 2017 were calculated using the following realized prices: \$17.71/oz Ag, \$2.64/lb Cu, \$1.04/lb Pb, \$1.27/lb Zn, \$1,231/oz Au.

(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

Growth and Productivity Improvement Initiatives



Scoping and PEA Studies

- Initiate preliminary scoping / PEA studies for all three mines, with the Intent of production optimization at all sites
 - Follow up with Prefeasibility and Feasibility studies to finalize future operational production increases and or maintain operations at a status quo
 - Focus on including reviews of plant optimization strategies, mine shaft and infrastructure improvements, and review of processing plant efficiencies

Yauricocha Tunnel

- During 2018 the final infrastructure for the Yauricocha tunnel will be completed
 - Enables the mine to have a direct run to the mill, resulting in a faster turn-around in the cycle time of the trolley locomotives
 - Will allow for more capacity to handle larger volumes of waste and ore
 - Provides another ventilation inlet to the mine, benefits current ventilation system
 - The tunnel should be fully operational by the beginning of Q3 2018

Growth and Productivity Improvements



Yauricocha Shaft

- Yauricocha shaft will be sunk to the 1270 level in 2018 with a loading pocket added below the 1170 working level
- Commencement of an additional three loading points with independent discharge points for haulage on the 1170 level with expected completion in 2020

Bolivar Ball Mill Addition

- Additional, refurbished ball mill recently purchased which will provide flexibility pertaining to grind size and tonnage at the Bolivar operations
- Production has reached 3,000 tonnes per day in Q1 2018 and is expected to grow to 3,500 tonnes per day in the second half of 2018

Cusi Ball Mill Addition

- The Company has recently purchased a refurbished ball mill to be installed at Mal Paso Mill which will allow production to be ramped up to 1,200 tonnes per day by January 2019

Q1 Exploration Highlights



Yauricocha

- During Q1 2018, the Company drilled 66 holes totaling 6,919 meters at Yauricocha
- Exploration Drilling included 14 holes (3,083 meters) at various zones including Contacto Sur Medio, Contacto Sur Medio Oeste, Gallito, and Esperanza-Cuye to explore continuity and verify potential mineralization
- Definition drilling comprised of 52 holes (1,410 meters) at Antacaca, Esperanza Brecca, Catas, Contacto Occidental and Mascota to define and determine continuity of ore bodies

Bolivar

- During Q1 2018, the company drilled 6,281 meters at El Gallo and within the Bolivar Northwest and Bolivar West zones

Cusi

- The Company drilled 8,846 meters inside the mines to verify the continuity of the orebodies and support development work on the various veins

Financial Highlights

Q1 2018



<i>(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)</i>	Three Months Ended	
	March 31, 2018	March 31, 2017
Financial		
Revenues	\$ 61,675	\$ 54,518
Adjusted EBITDA ²	\$ 27,403	\$ 25,361
Operating cash flows before movements in working capital	\$ 27,348	\$ 23,707
Adjusted net income attributable to shareholders ²	\$ 11,187	\$ 10,990
Net income attributable to shareholders	\$ 8,703	\$ 2,558
Cash and cash equivalents	\$ 25,514	\$ 37,959
Working capital	\$ (1,576)	\$ 12,442

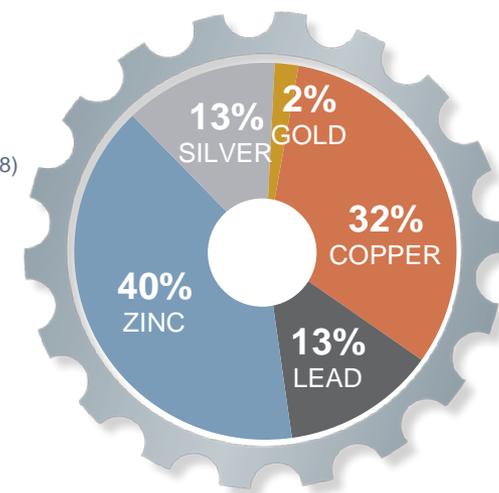
⁽¹⁾ Silver equivalent ounces, Copper equivalent pounds, and Zinc equivalent pounds for Q1 2018 were calculated using the following realized prices: \$16.75/oz Ag, \$3.14/lb Cu, \$1.15/lb Pb, \$1.56/lb Zn, \$1,334/oz Au. Silver equivalent ounces, Copper equivalent pounds, and Zinc equivalent pounds for Q1 2017 were calculated using the following realized prices: \$17.71/oz Ag, \$2.64/lb Cu, \$1.04/lb Pb, \$1.27/lb Zn, \$1,231/oz Au.

⁽²⁾ This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

Realized Metal Prices	2018	2017	2017	2017	2017
<i>(In US dollars)</i>	Q1	Q4	Q3	Q2	Q1
Silver (oz)	\$16.75	\$16.77	\$16.86	\$17.22	\$17.71
Copper (lb)	\$ 3.14	\$ 3.13	\$ 2.93	\$ 2.58	\$ 2.64
Lead (lb)	\$ 1.15	\$ 1.11	\$ 1.08	\$ 0.99	\$ 1.04
Zinc (lb)	\$ 1.56	\$ 1.45	\$ 1.36	\$ 1.20	\$ 1.27
Gold (oz)	\$1,334	\$1,282	\$1,280	\$1,265	\$1,231

Revenue Mix by Metal

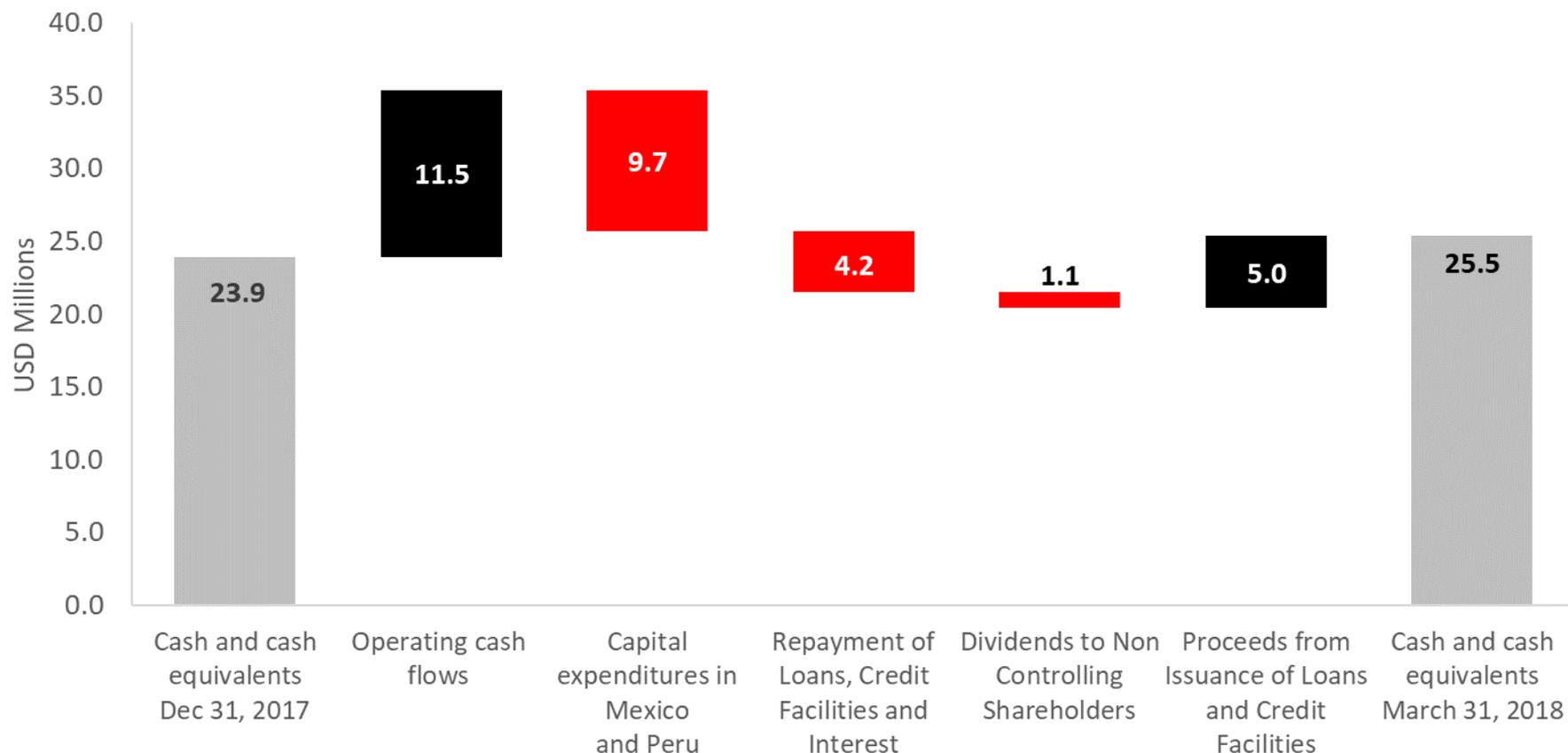
(12 months ending March 31, 2018)



Q1 2018 Cash Flow



Cash Changes in Q1 2018



Financial Position



Balance Sheet

(As at March 31, 2018) (USD in millions)

Cash and Cash Equivalents	\$25.5
Undrawn Credit Facilities	\$15.0
TOTAL LIQUIDITY	\$40.5
BCP Acquisition Credit Facility	\$39.1
BCP Credit Facility	\$19.7
FIFOMI Loan and Other Credit Facilities	\$8.0
TOTAL DEBT	\$66.8
NET DEBT	\$41.3

Contact Information



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