



NEWS RELEASE

Sierra Metals Reports Another Strong Quarter of Production Including Record Copper Equivalent Production at Bolivar

7/25/2023

- Bolivar's throughput in Q2 2023 was 405,987 tonnes, an increase of 36% from Q1 2023 and 58% from Q2 2022;
- Bolivar's historic record copper equivalent production of 10.7 million pounds in Q2 2023;
- Yauriocha's throughput in Q2 2023 increased 11% over Q1 2023;
- Consolidated production increased for all metals; Copper equivalent production increased 21% and 22% over Q1 2023 and Q2 2022, respectively.

(All metal prices reported in USD)

TORONTO--(BUSINESS WIRE)-- Sierra Metals Inc. (TSX: SMT) (OTC: SMTSF) ("Sierra Metals" or "the Company") announces second quarter 2023 production results from its three underground mines in Latin America: Yauricocha, a polymetallic mine in Peru and Bolivar a copper mine and Cusi a silver mine each in Mexico.

Consolidated Q2 2023 results will be released before market-open on Monday, August 14th followed with management hosting a conference call and webcast the same day at 11:00 AM EDT.

Ernesto Balarezo, CEO of Sierra Metals, commented, "As we complete our first half of 2023, we are pleased with the continued operational recovery at Bolivar. Q2 2023 marks the fourth sequential strong quarter for the mine, achieving production of more than 400,000 tonnes, a landmark amount not achieved by this mine since Q3 2020. These production numbers reinforce our confidence in Bolivar's potential to grow further.

The Yauricocha mine operated below its full capacity of 3,600 tonnes per day ("tpd"), which was in line with our expectations. We continue to believe that the Yauricocha mine can get back to its full production capacity of 3,600

tonnes on receipt of the permits to operate below the 1120 level.”

Mr. Balarezo concluded, “With two strong quarters of production during this year, we have shown that with our focus on safe and efficient operations combined with the various organizational changes, we can achieve the desired results and unlock the potential of our two core mines.”

Consolidated Production Results

| Consolidated Production | Q2 2023 Q1 2023 % Var. Q2 2022 % Var. | | | | | Six months ended June 30, | |
|-------------------------------------|---------------------------------------|---------|--------|---------|--------|---------------------------|-----------|
| | 2023 | 2023 | % Var. | 2022 | % Var. | 2023 | 2022 |
| Tonnes processed | 702,052 | 577,284 | 22% | 640,181 | 10% | 1,279,336 | 1,230,911 |
| Daily throughput | 8,023 | 6,598 | 22% | 7,316 | 10% | 7,310 | 7,034 |
| Silver production (000 oz) | 740 | 622 | 19% | 608 | 22% | 1,362 | 1,342 |
| Copper production (000 lb) | 10,459 | 8,285 | 26% | 8,334 | 26% | 18,744 | 14,658 |
| Zinc production (000 lb) | 12,228 | 10,579 | 16% | 10,426 | 17% | 22,807 | 20,918 |
| Lead production (000 lb) | 4,256 | 3,060 | 39% | 3,333 | 28% | 7,316 | 7,549 |
| Gold Production (oz) | 4,442 | 3,910 | 14% | 2,622 | 69% | 8,352 | 4,545 |
| Copper equivalent pounds (000's)(1) | 21,705 | 18,009 | 21% | 17,794 | 22% | 39,729 | 33,670 |

(1) Copper equivalent pounds were calculated using the following realized prices:

Q2 2023: \$24.17/oz Ag, \$3.99/lb Cu, \$1.16/lb Zn, \$0.96/lb Pb, \$1,977/oz Au;

Q1 2023: \$22.57/oz Ag, \$4.06/lb Cu, \$1.42/lb Zn, \$0.97/lb Pb, \$1,891/oz Au;

Q2 2022: \$22.65/oz Ag, \$4.30/lb Cu, \$1.79/lb Zn, \$1.00/lb Pb, \$1,872/oz Au;

6M 2023: \$23.37/oz Ag, \$4.02/lb Cu, \$1.29/lb Zn, \$0.96/lb Pb, \$1,934/oz Au;

6M 2022: \$23.30/oz Ag, \$4.42/lb Cu, \$1.74/lb Zn, \$1.03/lb Pb, \$1,873/oz Au.

The Company achieved consolidated throughput from its three operating mines of 702,052 tonnes during the second quarter of 2023, which was 22% higher than Q1 2023 and 10% higher than the second quarter of 2022. The strong consolidated throughput for Q2 2023 was underpinned by the continued improvements at the Bolivar mine, which registered an increase in throughput for the fourth quarter in a row.

Consolidated copper equivalent production for Q2 2023 was 21.7 million pounds, an increase of 21% and 22% over Q1 2023 and Q2 2022, respectively. Consolidated production for all metals increased during the quarter despite lower copper and gold production from Yauricocha. Q2 2023 silver equivalent ounces production from the non-core Cusi mine was lower by or 5% and 15% lower than Q1 2023 and Q2 2022, respectively, and had little impact on consolidated copper equivalent production results of the Company in Q2 2023.

Yauricocha Mine, Peru

Throughput at the Yauricocha Mine for Q2 2023 was 244,315 tonnes, 11% higher than in Q1 2023, but 23% lower than in Q2 2022. This anticipated decline was due to the continued depletion of the ore above the 1120 level. Copper equivalent pound production for Q2 2023 was 21% lower than Q2 2022 as the reduced throughput was partially offset by higher grades of lead, zinc and silver coming from the high-grade small ore bodies. Copper and gold grades declined due to the lower contribution from the Esperanza zone.

When compared to Q1 2023, there was a 6% increase in the copper equivalent production during Q2 2023, as the higher throughput was partially offset by the impact of lower copper grades, and recoveries for copper and silver.

A summary of production from the Yauricocha Mine for Q2 2023 is provided below:

| Yauricocha Production | | | | | | Six months ended June 30, | |
|-----------------------|---------|---------|--------|---------|--------|---------------------------|---------|
| | Q2 2023 | Q1 2023 | % Var. | Q2 2022 | % Var. | 2023 | 2022 |
| Tonnes processed | 244,315 | 219,145 | 11% | 317,087 | -23% | 463,460 | 632,337 |
| Daily throughput | 2,792 | 2,505 | 11% | 3,624 | -23% | 2,648 | 3,613 |
| Silver grade (g/t) | 54.83 | 46.45 | 18% | 44.65 | 23% | 50.86 | 42.03 |
| Copper grade | 0.72% | 0.79% | -9% | 0.93% | -23% | 0.75% | 0.86% |
| Lead grade | 0.87% | 0.70% | 24% | 0.58% | 50% | 0.79% | 0.62% |
| Zinc grade | 2.65% | 2.54% | 4% | 1.88% | 41% | 2.60% | 1.86% |
| Gold Grade (g/t) | 0.40 | 0.46 | -13% | 0.54 | -26% | 0.43 | 0.53 |
| Silver recovery | 73.25% | 76.16% | -4% | 58.64% | 25% | 74.58% | 61.30% |
| Copper recovery | 72.21% | 75.70% | -5% | 78.66% | -8% | 73.37% | 77.90% |
| Lead recovery | 83.88% | 81.66% | 3% | 75.81% | 11% | 82.67% | 78.28% |

| | | | | | | | |
|-------------------------------------|--------|--------|------|--------|------|--------|--------|
| Zinc recovery | 85.54% | 86.18% | -1% | 79.21% | 8% | 85.82% | 80.12% |
| Gold Recovery | 20.33% | 23.39% | -13% | 21.62% | -6% | 21.82% | 20.84% |
| Silver production (000 oz) | 316 | 249 | 27% | 267 | 18% | 565 | 523 |
| Copper production (000 lb) | 2,808 | 2,895 | -3% | 5,127 | -45% | 5,703 | 9,406 |
| Lead production (000 lb) | 3,930 | 2,778 | 41% | 3,060 | 28% | 6,708 | 6,888 |
| Zinc production (000 lb) | 12,228 | 10,579 | 16% | 10,426 | 17% | 22,807 | 20,918 |
| Gold Production (oz) | 633 | 754 | -16% | 1,179 | -46% | 1,387 | 2,236 |
| Copper equivalent pounds (000's)(1) | 9,525 | 9,003 | 6% | 12,105 | -21% | 18,567 | 22,969 |

(1) Copper equivalent pounds were calculated using the following realized prices:

Q2 2023: \$24.17/oz Ag, \$3.99/lb Cu, \$1.16/lb Zn, \$0.96/lb Pb, \$1,977/oz Au;

Q1 2023: \$22.57/oz Ag, \$4.06/lb Cu, \$1.42/lb Zn, \$0.97/lb Pb, \$1,891/oz Au;

Q2 2022: \$22.65/oz Ag, \$4.30/lb Cu, \$1.79/lb Zn, \$1.00/lb Pb, \$1,872/oz Au;

6M 2023: \$23.37/oz Ag, \$4.02/lb Cu, \$1.29/lb Zn, \$0.96/lb Pb, \$1,934/oz Au;

6M 2022: \$23.30/oz Ag, \$4.42/lb Cu, \$1.74/lb Zn, \$1.03/lb Pb, \$1,873/oz Au.

Bolivar Mine, Mexico

Operating at 4,640 tpd during Q2 2023, the Bolivar Mine achieved 405,987 tonnes of throughput, an increase of 36% and 58% over Q1 2023 and Q2 2022 respectively, attributable to substantial improvements in ventilation and drainage, which allowed for more meters of production drilling and better access to the mining zones. Grades were higher for all metals in comparison with Q1 2023 and Q2 2022, except for a slight decrease in gold grades as compared to Q1 2023. The increase in grades was effectively the direct result of mining in the Bolivar NW zone.

In Q2 2023, copper equivalent production was a record 10.7 million pounds, as the mine recorded an increased production for all metals. Copper, silver and gold production for Q2 2023 were up 139%, 149% and 187%, respectively, as compared to Q2 2022.

A summary of production for the Bolivar Mine for Q2 2023 is provided below:

| Bolivar Production | Six months ended June 30, | | | | | | |
|--------------------|---------------------------|---------|--------|---------|--------|------|------|
| | Q2 2023 | Q1 2023 | % Var. | Q2 2022 | % Var. | 2023 | 2022 |
| | | | | | | | |

| | | | | | | | |
|-------------------------------------|---------|---------|-----|---------|------|---------|---------|
| Tonnes processed (t) | 405,987 | 299,017 | 36% | 256,372 | 58% | 705,004 | 443,928 |
| Daily throughput | 4,640 | 3,417 | 36% | 2,930 | 58% | 4,029 | 2,537 |
| Copper grade | 0.92% | 0.87% | 6% | 0.63% | 46% | 0.90% | 0.61% |
| Silver grade (g/t) | 19.65 | 17.39 | 13% | 12.36 | 59% | 18.69 | 11.77 |
| Gold grade (g/t) | 0.42 | 0.45 | -7% | 0.24 | 75% | 0.44 | 0.20 |
| Copper recovery | 92.92% | 94.25% | -1% | 90.61% | 3% | 93.51% | 88.35% |
| Silver recovery | 80.45% | 83.99% | -4% | 80.99% | -1% | 82.06% | 84.11% |
| Gold recovery | 66.38% | 69.47% | -4% | 65.93% | 1% | 67.72% | 65.11% |
| Copper production (000 lb) | 7,651 | 5,390 | 42% | 3,207 | 139% | 13,041 | 5,252 |
| Silver production (000 oz) | 207 | 140 | 48% | 83 | 149% | 347 | 141 |
| Gold production (oz) | 3,678 | 3,037 | 21% | 1,283 | 187% | 6,715 | 1,875 |
| Copper equivalent pounds (000's)(1) | 10,721 | 7,588 | 41% | 4,199 | 155% | 18,282 | 6,788 |

(1) Copper equivalent pounds were calculated using the following realized prices:

Q2 2023: \$24.17/oz Ag, \$3.99/lb Cu, \$1.16/lb Zn, \$0.96/lb Pb, \$1,977/oz Au;

Q1 2023: \$22.57/oz Ag, \$4.06/lb Cu, \$1.42/lb Zn, \$0.97/lb Pb, \$1,891/oz Au;

Q2 2022: \$22.65/oz Ag, \$4.30/lb Cu, \$1.79/lb Zn, \$1.00/lb Pb, \$1,872/oz Au;

6M 2023: \$23.37/oz Ag, \$4.02/lb Cu, \$1.29/lb Zn, \$0.96/lb Pb, \$1,934/oz Au;

6M 2022: \$23.30/oz Ag, \$4.42/lb Cu, \$1.74/lb Zn, \$1.03/lb Pb, \$1,873/oz Au.

Cusi Mine, Mexico

The non-core Cusi Mine had a lower Q2 2023 throughput and was negatively impacted by the availability of mining equipment and frequent flooding during the quarter. Operating at 591 tpd, the Cusi mine processed 51,750 tonnes, which was 12% lower than Q1 2023 and 22% lower than Q2 2022. Higher silver and lead grades combined with

improved gold recoveries partially offset the impact of lower throughput resulting in silver equivalent production of 241 koz during Q2 2023, which was 5% and 15% below the silver equivalent production achieved in Q1 2023 and Q2 2022 respectively.

A summary of production for the Cusi Mine for Q2 2023 is provided below:

| Cusi Production | | | | | | Six months ended June 30, | | |
|-------------------------------------|---------|---------|--------|---------|--------|---------------------------|---------|--------|
| | Q2 2023 | Q1 2023 | % Var. | Q2 2022 | % Var. | 2023 | 2022 | % Var. |
| Tonnes processed (t) | 51,750 | 59,122 | -12% | 66,722 | -22% | 110,872 | 154,646 | |
| Daily throughput(2) | 591 | 676 | -12% | 763 | -22% | 634 | 884 | |
| Silver grade (g/t) | 160.18 | 141.80 | 13% | 146.34 | 9% | 150.38 | 162.04 | |
| Gold grade (g/t) | 0.14 | 0.13 | 8% | 0.17 | -18% | 0.13 | 0.18 | |
| Lead grade | 0.33% | 0.24% | 38% | 0.23% | 43% | 0.28% | 0.24% | |
| Silver recovery (flotation) | 81.67% | 86.30% | -5% | 82.07% | 0% | 83.86% | 83.93% | |
| Gold recovery (lixiviation) | 58.06% | 46.57% | 25% | 43.64% | 33% | 52.90% | 47.17% | |
| Lead recovery | 86.54% | 88.67% | -2% | 80.78% | 7% | 86.77% | 77.86% | |
| Silver production (000 oz) | 217 | 233 | -7% | 258 | -16% | 450 | 678 | |
| Gold production (oz) | 131 | 119 | 10% | 160 | -18% | 250 | 434 | |
| Lead production (000 lb) | 326 | 282 | 16% | 273 | 19% | 608 | 661 | |
| Silver equivalent ounces (000's)(1) | 241 | 255 | -5% | 283 | -15% | 496 | 742 | |

(1) Silver equivalent ounces were calculated using the following realized prices:

Q2 2023: \$24.17/oz Ag, \$3.99/lb Cu, \$1.16/lb Zn, \$0.96/lb Pb, \$1,977/oz Au;

Q1 2023: \$22.57/oz Ag, \$4.06/lb Cu, \$1.42/lb Zn, \$0.97/lb Pb, \$1,891/oz Au;

Q2 2022: \$22.65/oz Ag, \$4.30/lb Cu, \$1.79/lb Zn, \$1.00/lb Pb, \$1,872/oz Au;

6M 2023: \$23.37/oz Ag, \$4.02/lb Cu, \$1.29/lb Zn, \$0.96/lb Pb, \$1,934/oz Au;

6M 2022: \$23.30/oz Ag, \$4.42/lb Cu, \$1.74/lb Zn, \$1.03/lb Pb, \$1,873/oz Au.

Conference Call and Webcast

Management will host a conference call and webcast to discuss Q2 2023 financial and operating results on Monday, August 14, 2023 at 11:00 AM EDT. Details are as follows:

Webcast: <https://services.choruscall.ca/links/sierrametalsq22023.html>

Dial-in: Canada/USA Toll Free: 1-800-319-4610

Other: +1-416-915-3239

Participants are asked to dial in 5-10 minutes before the scheduled start time and ask to join the Sierra Metals Second Quarter 2023 Consolidated Financial Results call.

About Sierra Metals

Sierra Metals Inc. a diversified Canadian mining company with green metal exposure including increasing copper production and base metal production with precious metals byproduct credits, is focused on the production and development of its Yauricocha Mine in Peru, and Bolivar Mine in Mexico. The Company is focused on safely 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.

Forward-Looking Statements

This press release contains forward-looking information within the meaning of Canadian securities legislation, including statements with respect to the timing of the Company's Q2 2023 results and the capacity at the Yauricocha Mine. 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.

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 28, 2023 for its fiscal year ended December 31, 2022 and other risks identified in the Company's filings with Canadian securities regulators, which are available at www.sedar.com.

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.

For further information regarding Sierra Metals, please visit www.sierrametals.com or contact:

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Source: Sierra Metals