



## **SIERRA METALS INC. ENTERS INTO A BINDING AGREEMENT WITH SILVERCO MINING CORP. TO SELL ITS CUSI PROJECT IN MEXICO**

Toronto, Ontario – May 22, 2024 – Sierra Metals Inc. (TSX:SMT | OTCQX: SMTSF) (“Sierra Metals” or the “Company”) is pleased to announce that the Company has entered into a binding agreement (the “Agreement”) with Silverco Mining Corp. (“SMC”) in respect of the proposed purchase (the “Transaction”) by SMC of the mining concessions comprising the Cusi Mine located in Chihuahua State, Mexico (the “Cusi Mine”), and related assets including, among other things, land and land agreements, equipment and environmental permits (collectively with the Cusi Mine, the “Property”).

In accordance with the terms of the Agreement, the Company will sell the Property to SMC in exchange for:

- US\$2,500,000 in cash consideration at closing; and
- A 2.0% net smelter royalty in respect of the Cusi Mine granted in favour of Sierra Metals (the “Royalty”). SMC will have the right to purchase half of the Royalty (being 1.0%) at any time in exchange for a cash payment to Sierra Metals of US\$5,000,000.

As previously announced, the non-core Cusi Mine was placed on care and maintenance and the Company initiated a sales process on September 20, 2023. Placing the Cusi Mine on care and maintenance and the completion of the Transaction allows Sierra Metals to direct its full effort and resources to optimize the Company’s two core assets at Yauricocha and Bolivar.

Completion of the Transaction is currently expected in the second quarter of 2024. The completion of the Transaction is subject to the Company and SMC entering into a definitive agreement in respect of the Transaction and the satisfaction or waiver of all conditions thereunder and the receipt of any applicable regulatory approvals. There is no certainty that the Transaction will be completed on the terms set out in this press release or at all.

### **Advisors**

Sierra Metals has engaged SCP Resource Finance as its financial advisor, Mintz LLP as its Canadian legal advisors and RB Abogados as its Mexican legal advisors.

### **About Sierra Metals**

Sierra Metals is a Canadian mining company focused on copper production with additional base and precious metals by-product credits at its Yauricocha Mine in Peru and Bolivar Mine in Mexico. The Company is intent 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 in Peru and Mexico that are within close proximity to the existing mines. Additionally, the Company has large land packages at each of its 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. 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", "will allow", "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 in this press release includes, but is not limited to, statements in respect of the Transaction, including the entering into of a definitive agreement in respect of the Transaction and the proposed terms and closing thereof.

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 15, 2024 for its fiscal year ended December 31, 2023 and other risks identified in the Company's filings with Canadian securities regulators, which are available at **[www.sedarplus.ca](http://www.sedarplus.ca)**.

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](http://www.sierrametals.com)** or contact:

## **Investor Relations**

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