



Sierra Metals Acknowledges Press Release from Alpayana Announcing its Intention to Commence an Unsolicited Takeover Bid

Toronto, ON – December 17, 2024 – Sierra Metals Inc. (TSX: SMT | OTCQX: SMTSF | BVL: SMT) (“Sierra Metals” or the “Company”) acknowledges the press release issued yesterday on behalf of Alpayana S.A.C. (“Alpayana”) announcing an intention to commence an unsolicited all-cash takeover bid to acquire all of the issued and outstanding common shares of Sierra Metals. Sierra Metals cautions shareholders that the announcement does not constitute an offer to acquire securities. Sierra Metals notes that there can be no assurance that any offer will ultimately be made, or on what conditions such an offer might be made.

At this time, the Board of Directors (“Board”) of Sierra Metals has not received any formal written offer from Alpayana. In fact, Sierra Metals has not received any recent indication of interest from Alpayana in respect of a proposed acquisition of the Company.

Sierra Metals continues to be committed to its long-term strategy of ensuring the Company delivers superior long-term value to all its shareholders and stakeholders.

The Board has formed a Special Committee of independent directors to advise the Board in relation to the Alpayana announcement. The Special Committee and Board note, as a preliminary matter, that the price of C\$0.85 per share indicated in Alpayana’s press release is a very low 10.4% premium, appearing to be highly opportunistic in light of Sierra Metal’s high quality asset base and future growth plans.

The Company advises shareholders to take NO action at this time and will continue to provide appropriate disclosure of any material developments as they arise.

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.

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

Investor Relations

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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", 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 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.

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.