

## Sierra Metals Provides a Corporate Update

- 85% EBITDA<sup>1</sup> increase in 2025 (forecasted) from 2024 (forecasted) with 2025 EBITDA expected to be US\$ 130 million, as stated in [Director's Circular](#)<sup>2</sup>
- Increased operating cash flow more than adequate to fund capital investment program and debt repayment
- The Board of Directors continues to recommend shareholders to REJECT the opportunistic hostile take-over bid and TAKE NO ACTION
- Sierra Metals will attend upcoming SMI Zurich conference on March 18 and 19, 2025; 1-on-1 meetings [here](#).

**Toronto, ON – March 17, 2025 – Sierra Metals Inc.** (TSX: SMT | OTCQX: SMTSF | BVL: SMT) (“Sierra Metals” or the “Company”) is pleased to provide a corporate update on operations at its two underground mines in Latin America: the Yauricocha polymetallic mine (“Yauricocha”) in Peru and the copper-producing Bolivar mine (“Bolivar”) in Mexico and reiterates that the Company’s Board of Directors (the “Board”) continues to recommend shareholders reject the opportunistic hostile take-over bid launched by a subsidiary of Alpayana S.A.C. (the “Hostile Bid”).

Ernesto Balarezo, CEO of Sierra Metals, commented, *“I am very pleased to report that the investments we have made in our business units have resulted in record production levels for Sierra Metals. The operational enhancements have strengthened our financial position and will enable the Company to pursue sustainable growth safely and responsibly. I am excited about our record production and financial performance in 2024 and the opportunities ahead beyond 2025 to create lasting value for all Sierra Metals shareholders.”*

Mr. Balarezo addresses recent developments at Sierra Metals in a brief video, available [HERE](#).

The Company previously reported its 2024 production results and 2025 guidance on [January 15, 2025](#), highlighting record consolidated throughput rates that drove metal production beyond 2024 guidance. This strong performance was achieved through safe and sustainable mining practices, supported by strategic capital and operational investments made over the past two years. Looking ahead, the Company expects expanded production in 2025 to drive lower costs and higher margins, particularly amid rising metal prices. When comparing 2024 expected all-in-sustaining costs (“AISC”) <sup>1</sup> to 2025 forecasts, further improvement is likely, with Yauricocha at approximately US\$2.93 and Bolivar at around US\$3.38 per pound. Increasing margins should result in robust free cash flow, further strengthening the Company’s financial position.

The Company expects 2025 EBITDA<sup>1</sup> to be approximately US\$130 million as stated in the [Directors’ Circular](#)<sup>2</sup>. This represents significant year-over-year growth, expanding from an estimated US\$70 million<sup>2</sup> in 2024 (expected) and US\$50 million in 2023—an 85% increase over 2024 projections and about a 158% rise compared to 2023. The resulting higher operating

cash flow is expected to be more than adequate to fund the Company's capital investment program and meet its debt repayment obligations.

As outlined above, Sierra Metals has demonstrated sustainable EBITDA progress over the past two years and believes in its ability to maintain this growth profile going forward. Companies with similar growth profiles typically command higher-than-average earnings and cash flow multiples in the capital markets.

As stated in the [Directors' Circular](#), successful comparable transactions have, on average, been executed at significantly higher valuations than the 1.9x EV/forecasted 2025 EBITDA multiple offered by Alpayana. Sierra Metals' proven track record of EBITDA growth and the undervalued multiple reflected in Alpayana's offer are key factors shareholders should consider while deciding to REJECT Alpayana's outstanding tender offer.

On [January 21, 2025](#), the Company announced drill results at its Bolivar mine, which included copper grades that were higher than the current mineral resource estimate. Exploration remains a key priority for Sierra Metals, not only to replace mined resources but also to support the Company's ambitious growth plans. Both deposits remain open at depth and along strike, suggesting potential to extend the mine life.

In 2024, the Company refinanced its long-term debt into a US\$95 million facility, significantly enhancing its working capital and financial flexibility while providing the necessary funding to execute its growth strategy. This refinancing was an instrumental part of the Company's improved cash generation profile going forward. Year to date, the Company continues to achieve strong production results and is exceeding its internal production forecasts.

### **Recommendation to continue to REJECT the Opportunistic Hostile Take-Over Bid**

The Special Committee of independent directors (the "Special Committee") established by the Board in relation to the Hostile Bid, continues to evaluate a range of strategic options, working closely and actively with its external financial and legal advisors. As previously announced, the Company has engaged BMO Capital Markets as financial advisor and is currently undertaking a robust process to evaluate strategic options to maximize long-term value for all shareholders and stakeholders. The Special Committee plans to report to the Company's shareholders on its recommendations following the completion of this process.

As described in the [Directors' Circular](#), the Board unanimously recommends that Sierra shareholders **REJECT** the opportunistic Hostile Bid and not tender their common shares ("Common Shares") to the opportunistic Hostile Bid. Shareholders simply need to **take no action** in order to **REJECT** the Hostile Bid. The Board's determination followed careful consideration, including advice from its financial and legal advisors, and the recommendation of the Special Committee. Furthermore, a majority of the Company's shareholders have indicated to the Company that they do not intend to accept the Hostile Bid.

Shareholders are encouraged to carefully review the [Directors' Circular](#) in its entirety. This document has been mailed to Sierra Metals shareholders and is available on SEDAR+

([www.sedarplus.ca](http://www.sedarplus.ca)) under the Company's profile, and on the Company's website ([www.SierraMetals.com](http://www.SierraMetals.com)).

**Sierra shareholders who have already tendered their Common Shares to the Hostile Bid and who wish to obtain assistance in withdrawing them are urged to contact their broker or Carson Proxy Advisors, Sierra's Information Agent and strategic shareholder advisor, by North American toll-free phone at 1-800-530-5189, local and text: 416-751-2066 or by email at [info@carsonproxy.com](mailto:info@carsonproxy.com).**

### **SMI Zurich Investor Conference**

Management invites investors and shareholders to meet with them at the SMI Zurich conference on March 18 and 19, 2025. Register [HERE](#) to meet 1-on-1 with management.

- **NOTES**

1. EBITDA and AISC are non-IFRS measures. Refer to "Non-IFRS Measures".
2. Preliminary financial results are subject to customary financial statement procedures by the Company and its auditors. Actual results could be affected by subsequent events or determinations. While the Company believes there is a reasonable basis for these preliminary financial results, the results involve known and unknown risks and uncertainties that may cause actual results to differ materially. These preliminary fiscal results represent forward-looking information. See "Forward-Looking Statements" and "Financial Outlook". Please refer to the [Directors' Circular](#) for further details.

### **Qualified Persons Statement**

Ricardo Salazar Milla (AIG #8551), Corporate Manager – Mineral Resources of Sierra, is a Qualified Person as defined under National Instrument NI 43-101 – *Standards of Disclosure for Mineral Projects*. Mr. Salazar has reviewed and approved the scientific and technical content of this news release.

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

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## Non-IFRS Financial Measures

Certain financial measures within this news release, including EBITDA and AISC, are not measures recognized by International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS”). The non-IFRS measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers. EBITDA is a non-IFRS measure that represents an indication of the Company’s continuing capacity to generate earnings from operations before taking into account management’s financing decisions and costs of consuming capital assets, which vary according to their vintage, technological currency, and management’s estimate of their useful life. EBITDA comprises revenue less operating expenses before interest expense (income), property, plant and equipment amortization and depletion, and income taxes. AISC includes operating costs, royalties, sustaining capital, closure costs, and corporate G&A and is calculated based on guidance provided by the World Gold Council (“WGC”). WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Investors are cautioned that non-IFRS financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with IFRS. The foregoing non-IFRS financial measures are provided to assist investors with their evaluation of Sierra. Management considers these non-IFRS financial measures to be important indicators in assessing its performance. See the “Non-IFRS Performance Measures” section in Sierra’s management’s discussion and analysis for the three and nine months ended September 30, 2024 for further information on the definition, calculation and reconciliation of non-IFRS financial measures.

## Financial Outlook

This news release contains financial outlooks about Sierra’s prospective results of operations, including, without limitation, anticipated EBITDA for the 12 months ended December 31, 2024 and December 31, 2025, and AISC for the 12 months ended December 31, 2025, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth under “*Forward-Looking Statements*”. Readers are cautioned that the assumptions used in the preparation of such financial outlooks, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on financial outlooks. Sierra Metals’ actual results, performance or achievement could differ materially from those expressed in, or implied by, these financial outlooks. Sierra Metals has included the financial outlooks in order to provide readers with a more complete perspective on the Company’s future operations and such information may not be appropriate for other purposes. Sierra Metals disclaims any intention or obligation to update or revise any financial outlooks, whether as a result of new information, future events or otherwise, except as required by law.

## Forward-Looking Statements

This news 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 statements in this news release include, but are not limited to, statements with respect to the significance of drill results, the ability to incorporate new drilling in an updated mineral resource, the Company’s ability to grow the deposit at the Bolivar Mine, management’s expectations regarding future EBITDA and AISC, the intention of holders of more than 50% of the Common Shares not tendering to the Hostile Bid, the ability to complete potential strategic alternatives to maximize shareholder value and the timing thereof and statements regarding Alpayana and the opportunistic Hostile Bid.

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.