

Sierra Metals Inc. – TSX:SMT, BVL:SMT

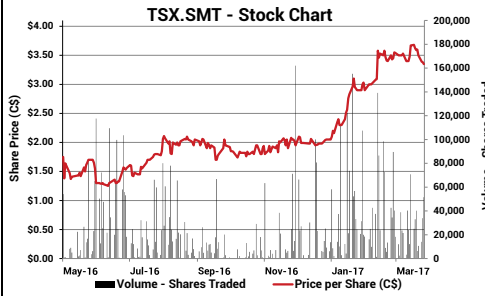
April 13, 2017

## SMT Updates Resource Estimate at Cusi

Sierra Metals Inc. (TSX:SMT, BVL:SMT) provided an updated resource estimate comprised of drilling completed between January 2014 and January 2017 at its Cusi mine in Mexico (Figure 1). Due to the length of time since the previous resource update (2013) as well as differences in cut-off grades, recoveries, and average metal prices, we view the estimates as incomparable. The update does not include the [15,000m drill program](#) which began in December 2016, targeting the Santa Rosa de Lima zone. The company is focused on converting resources into the measured and indicated categories, which will be incorporated in an updated resource expected in H2 2017. As mentioned in a [post](#) earlier this week, the company is in the process of obtaining a listing on the NYSE MKT, Cusi's resource update will also aid in furthering that process. Sierra continues to achieve exploration success and deliver improvements at its operating mines, as this progress continues in addition to obtaining a US listing, we believe the progress should enhance the company's value and improve the liquidity of the stock.

Figure 1: Cusi Mine										
Updated Resource Estimate as of January 31, 2017										
		Mt	Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	Ag Moz	Pb Mlb	Zn Mlb	Au koz
Resources	Indicated	2.0	237.1	0.53	0.53	0.16	15.2	23.3	23.3	10.1
	Inferred	1.2	305.3	0.51	0.64	0.14	11.8	13.5	17.1	5.6
	<b>Total</b>	<b>3.2</b>	<b>262.8</b>	<b>0.52</b>	<b>0.57</b>	<b>0.15</b>	<b>27</b>	<b>36.8</b>	<b>40.4</b>	<b>15.7</b>

**Notes:** mineral resources are inclusive of ore reserves, cut-off grade of 110 g/t Ag, Silver (Ag): US\$/oz 18.30, Lead (US\$/LB 0.93), Zinc (US\$/lb 1.15) and Gold (US\$/oz 1,283), recovery assumptions are 74% Ag, 52% Au, 81% Pb, 59% Zn.  
 Source: Company reports, RCKS

Company Information: Sierra Metals Inc (TSX:SMT)																																																															
<p>Sierra Metals is a Canadian mining company with three operating mines and several precious and base metals exploration targets in Latin America. After starting to mine the higher grade Esperanza zone at its Peruvian flagship Yauricocha mine in August 2016, Sierra Metals reported its second highest quarterly metals production in Q3 2016, producing 3,201 AgEq, and is poised for strong results going forward. In the near-term, Sierra is focused on improving operating performance through the production of higher value ore and strengthening its asset base.</p>																																																															
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Sources: RCKS, Capital IQ, Thomson Reuters, Company Reports

Priced as of prior trading day's market close, EST (unless otherwise noted).  
 All values in USD unless otherwise noted.

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