



SIERRA METALS UPDATES MINERAL RESOURCE ESTIMATE FOR CUSI MINE, MEXICO

Toronto, ON – April 13, 2017 – Sierra Metals Inc. (TSX: SMT) (BVL: SMT) (“Sierra Metals” or “the Company”) has updated its Mineral Resource Estimate at the Company’s Cusi Mine, located in Chihuahua State, Mexico.

The updated Mineral Resource Estimate disclosed herein is the result of drilling programs completed between January 2014 and January 2017. This review does not include any data from the 15,000-metre drilling program that was focused on the high-grade Santa Rosa de Lima zone. Drilling in this area is based on a new conceptual interpretation of the Santa Rosa de Lima structure at the Cusi Mine. This interpretation is based on exploration drilling of the NW-SE regional structural system and demonstrates that mineralization is consistent across the assessed area. Management are encouraged that through exploration programs such as this one it will demonstrate that there is a strong potential for further structural extensions of high-grade zones at the Company’s Cusi Mine.

Currently management are executing a high priority definition drilling program to convert the current drilled resource into a measured and indicated category. Once drilling results are available an update addendum will be completed on this area. Management anticipates the completion of this work will occur in the second half of the year. As noted in previous releases, the Company is aggressively pursuing a NYSE MKT listing which will allow the Company to access a larger pool of Investors and enhance the Company's Investor visibility and share trading liquidity. The Company expects the NYSE listing to take place in the near future.

A Technical Report prepared by SRK Consulting (U.S.) Inc. in accordance with NI 43-101 standards of disclosure has been completed and will be filed on SEDAR within 45 days of this news release.

Press Release Highlights:

- **Total Indicated Mineral Resources for Cusi are 1,990,000 tonnes averaging 237 g/t silver, 0.53% lead, 0.53% zinc, 0.16 g/t gold, 283 g/t AgEq and 18.3 Moz AgEq**
- **Total Inferred Mineral Resources for Cusi are 1,200,000 tonnes averaging 305 g/t silver, 0.51% lead, 0.64% zin, 0.14 g/t gold, 354 g/t AgEq and 13.7 Moz Ag Eq**
- **The updated Resource and Reserve Estimate varies from the 2014 Technical Report due to a variety of factors, including: a reduction in commodity prices and depletion by production since the previous Report was completed**
- **The updated Resource Estimate has also incorporated new exploration drilling, sampling, and underground mapping information into the geologic interpretation and grade estimations providing more refined resource models**

Gordon Babcock, Chief Operating Officer of Sierra Metals Inc. commented: “We are pleased with the updated Resource report and the quality of the defined areas within the Report for the Cusi mine. A 15,000-meter drill program has been in execution at Cusi since December 2016 and has recently been completed, it is important to note that this data has not been

incorporated in this resource report. Drilling took place at the Santa Rosa de Lima zone with good results reported to date and the balance of the assay results expected shortly. With the delineation diamond drilling program complete and subsequent exploration programs underway at the Santa Rosa de Lima zone in addition to other areas on the property, potential increases have been targeted with a goal of increased tonnage and grade at Cusi mine."

Alberto Arias, Chairman, commented: "Similar to the Resource and Reserve Estimate Report for Bolivar filed earlier this week, this Cusi Resource report fulfills the Company's critical requirement for our US Listing on the NYSE MKT and provides a solid foundation upon which future updates could add further resources and potentially reserves later this year. Our current drilling program at the Santa Rosa de Lima zone is experiencing very positive results with wider and higher grade structures encountered in the drill intercepts than at those structures historically mined at the Cusi Mine. We believe this will be a very exciting year for exploration results as a product of our aggressive exploration drilling programs undertaken at Cusi.

The incorporation of new exploration drilling, lower commodity price assumptions, sampling, face mapping information into the geologic interpretations, and grade estimations which have resulted in a further refinement of the ore body. As commodity prices improve, certain areas which have been excluded because of lower metal prices could be included in future reserve and resource updates. It is Management's view that the resulting Resource Estimate reflects the ongoing efforts by the Company to achieve good value from the Cusi asset while focusing on quality over quantity, given the current operating and metal price environment.

Mineral Resource Estimate

Mineral Resource Estimations have been conducted by Matthew Hastings of SRK Consulting (U.S.) Inc., a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects, using Maptek Vulcan™ and Leapfrog Geo™ software.

This release features mineral resources and reserves reported from models developed and estimated by SRK using criteria determined by Dia Bras and SRK to be reasonable for reporting of these resources.

SRK has worked with Dia Bras personnel to develop the geology models, and independently estimated and reported the mineral resources for Cusi. Geology models were developed internally by Dia Bras geologists and were extensively modified and reviewed by SRK. In all, there are thirty-three individual mineralized bodies identified through drilling and mine development. These were used as hard boundaries for the purposes of the estimation. The resource is supported by a database featuring over 185,100m of drilling and over 21,000m of channel sampling in mine development. The block models were created by SRK, and have been estimated using inverse distance squared methods. SRK has validated the estimation for each model using a variety of methods considered to be industry standard. These include a visual comparison of the blocks versus the composites, an assessment of the quality of the estimate, and comparative statistics of block estimates vs. composites. The models have been depleted for previous production and reported within the boundaries of Sierra Metal's mineral titles. The mineral resources have been estimated and reported in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.

The January 31, 2017, consolidated mineral resource statement for the Cusi Mine area is presented in Table 1.

Table 1: Consolidated Cusi Mineral Resource Estimate as of January 31, 2017 – SRK Consulting (U.S.), Inc.

Resources - Indicated								Contained Metal				
		Tonnes (000's)	Ag g/t	Pb %	Zn %	Au g/t	AgEq g/t	Ag M oz	Pb M lb	Zn M lb	Au K oz	AgEq M oz
Cusi	Indicated	1,990	237.1	0.53	0.53	0.16	283.0	15.2	23.3	23.3	10.1	18.1

Resources - Inferred								Contained Metal				
		Tonnes (000's)	Ag g/t	Pb %	Zn %	Au g/t	AgEq g/t	Ag M oz	Pb M lb	Zn M lb	Au K oz	AgEq M oz
Cusi	Inferred	1,200	305.3	0.51	0.64	0.14	354.0	11.8	13.5	17.1	5.6	13.7

(1) Mineral resources are reported inclusive of ore reserves. Mineral resources are not ore reserves and do not have demonstrated economic viability. All figures rounded to reflect the relative accuracy of the estimates. Gold, silver, lead and zinc assays were capped where appropriate.

(2) Mineral resources are reported at a single cut-off grade of 110 g/t Ag based on metal price assumptions*, metallurgical recovery assumptions, mining costs (US\$26.74/t), processing costs (US\$16.63/t), and general and administrative costs (US\$3.40/t).

* Metal price assumptions considered for the calculation of the cut-off grade and equivalency are: Silver (Ag): US\$/oz 18.30, Lead (US\$/lb 0.93), Zinc (US\$/lb 1.15) and Gold (US\$/oz 1,283.00).

The resources were estimated by SRK. Matthew Hastings, M.Sc., PGeo, MAusIMM #314693 of SRK, a Qualified Person, performed the resource calculations for the Cusi Mine.

** Metallurgical recovery assumptions are 74% Ag, 52% Au, 81% Pb, 59% Zn.

Quality Control

All technical data contained in this news release has been reviewed and approved by Gordon Babcock, P.Eng., Chief Operating Officer and a Qualified Person under National Instrument 43-101 – Standards of Disclosure for Mineral Projects.

About Sierra Metals

Sierra Metals Inc. is Canadian based growing polymetallic mining company with production from its Yauricocha Mine in Peru, and its Bolivar and Cusi Mines in Mexico. The company recently completed a very successful operational improvements program at its Yauricocha mine and is now focused on completing a similar program at its Mexican operations to increase production volume, recoveries and modernize operations. Sierra Metals continues to grow its mineral resources with several exciting brownfield opportunities such as the Esperanza Zone at the Yauricocha Mine which went from first discovery to mining in less than one year. The Company has several other brownfield exploration opportunities at all three Mines in Peru and Mexico within or very close to the existing mines which its actively exploring and hopes to daylight in the short-term. The company has large land packages at all three Mines with several regional highly prospective targets providing longer term exploration upside and mineral resource growth potential.

The Company's shares trade on the Lima Stock Exchange (Bolsa de Valores de Lima) and on the TSX under the symbol "SMT".

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

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Forward-Looking Statements

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address estimated resource quantities, grades and contained metals, possible future mining, exploration and development activities, are forward-looking statements. Although the Company believes the forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for metals, the conclusions of detailed technical analyses, lower than expected grades and quantities of resources, mining rates and recovery rates and the lack of availability of necessary capital, which may not be available to the Company on terms acceptable to it or at all. The Company is subject to the specific risks inherent in the mining business as well as general.

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