



Q2 2021

Results Webcast
& Conference Call

August 10, 2021



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This presentation uses the terms "measured resources", "indicated resources" and "inferred resources" as such terms are recognized under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") adopted by the Canadian Securities Administrators. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a "preliminary assessment" as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Americo Zuzunaga, FAusIMM CP (Mining Engineer) and Vice President of Corporate Planning is a Qualified Person and chartered professional qualifying as a Competent Person under the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Augusto Chung, FAusIMM CP (Metallurgist), Vice President Special Projects and Metallurgy is a Qualified Person and chartered professional qualifying as a Competent Person on metallurgical processes.

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Sierra Team



Attendees on Today's Webcast & Conference Call:

- Luis Marchese, CEO
- Ed Guimaraes, CFO
- Mike McAllister, VP Investor Relations

Highlights for Q2 & H1 2021



- The safety of our workforce and the communities in which we operate is paramount
- The COVID-19 pandemic has enacted various direct and indirect challenges which have affected our ability to operate as effectively as expected. Some of the COVID-19 issues are still ongoing or are a residual effect from previous quarters on current operations.
- Direct impact issues have included lower workforce availability and additional costs related to management and prevention of COVID-19. Residual effect from delays on Mine development, has required production to come from lower grade, higher tonnage areas in order to reach throughput targets. Lower grades have directly affected metal production at all three of our mines.
- The Company also encountered problems related to underground water and high temperatures at its Cusi Mine. The issues is being rectified with the completion of a raise bore vent system
- Despite Q1 challenges, the Company still had solid revenue adjusted EBITDA and tonnage improvements tempered by higher costs due to lower metal production and a decline in ore grades
- Continue to work through the challenges and issues, with the second half expected to be stronger than H1 2021
- COVID-19 not yet under control and remains a significant risk for our personnel, communities, and our business. Company engaged proactively with the local authorities to support their efforts and to facilitate vaccination efforts

Revised Guidance for 2021



- Considering previously mentioned challenges and their impact on operations in the first half of 2021, management saw need to revise production, cost, and EBITDA guidance
- Second half expected to be stronger than H1 2021

	Revised 2021 guidance		Original guidance	
	Low	High	Low	High
Silver (000 oz)	3,700	4,000	4,298	4,628
Copper (000 lbs)	36,500	39,000	44,090	48,380
Lead (000 lbs)	30,500	33,000	31,871	34,322
Zinc (000 lbs)	76,500	84,000	101,409	109,240
Gold (oz)	10,500	11,000	10,691	11,720
Copper equivalent pounds (000's) ⁽¹⁾	110,000	115,000	129,988	141,018
Silver equivalent ounces (000's) ⁽¹⁾	13,500	14,500	16,126	17,494

⁽¹⁾ 2021 metal equivalent guidance was calculated using the following prices: \$25.15/oz Ag, \$3.12/lb Cu, \$1.09/lb Zn, \$0.90/lb Pb and \$1,936/oz Au.

		Equivalent Production Range ⁽¹⁾	Cash costs range per CuEqLb or AgEqOz	AISC ⁽²⁾ range per CuEqLb or AgEqOz
Mine				
Revised 2021 guidance				
Yauricocha	Copper Eq Lbs ('000)	67,000 - 69,000	\$1.20 - \$1.25	\$2.50 - \$2.60
Bolivar	Copper Eq Lbs ('000)	31,000 - 33,000	\$1.32 - \$1.40	\$2.60 - 2.74
Cusi	Silver Eq Oz ('000)	1,270 - 1,400	\$16.40 - \$17.90	\$26.00 - \$28.00
Original guidance				
Yauricocha	Copper Eq Lbs ('000)	79,300 - 85,600	\$0.96 - \$1.03	\$1.89 - \$1.98
Bolivar	Copper Eq Lbs ('000)	37,500 - 41,500	\$1.00 - \$1.07	\$1.92 - \$2.05
Cusi	Silver Eq Oz ('000)	1,650 - 1,725	\$13.37 - \$14.08	\$21.43 - \$22.46

⁽¹⁾ 2021 metal equivalent guidance was calculated using the following prices: \$25.15/oz Ag, \$3.12/lb Cu, \$1.09/lb Zn, \$0.90/lb Pb and \$1,936/oz Au.

⁽²⁾ AISC includes treatment and refining charges, selling costs, G&A costs and sustaining capital expenditure.

⁽¹⁾ 2021 metal equivalent guidance was calculated using the following prices: \$25.15/oz Ag, \$3.12/lb Cu, \$1.09/lb Zn, \$0.90/lb Pb and \$1,936/oz Au.

⁽²⁾ AISC includes treatment and refining charges, selling costs, G&A costs and sustaining capital expenditure

Mine	Revised 2021 Guidance		Original guidance	
	EBITDA Range (\$'000) ^{(1) (2)}		EBITDA Range (\$'000) ⁽¹⁾	
	Low	High	Low	High
Yauricocha	87,000	91,000	93,400	100,200
Bolivar	44,000	48,000	47,200	54,500
Cusi	4,000	6,000	19,100	20,000
Corporate	(5,000)	(5,000)	(4,700)	(4,700)
Total	130,000	140,000	155,000	170,000

⁽¹⁾ Calculated using the following analyst consensus prices: \$26.24/oz Ag, \$4.13/lb Cu, \$1.26/lb Zn, \$0.94/lb Pb and \$1,812/oz Au.

⁽²⁾ Using the spot prices \$25.53/oz, \$4.35/lb, \$1.35/lb Zn, \$1.11/lb lead and \$1,811/oz Au for the second half of the year, the annual EBITDA is expected to range between \$134 million to \$144 million

Revised 2021 Capital Expenditure guidance	Amounts in \$M		
	Sustaining	Growth	Total
Yauricocha	26	20	46
Bolivar	12	30	42
Cusi	6	5	11
Greenfield Exploration	-	1	1
Total Capital Expenditure	44	56	100

Looking ahead in 2021



Yauricocha

- The Company received the Informe Tecnico Minero ("ITM") permit allowing for an increase in throughput by 20% to 3,600 tonnes per day
- Continued work on the completion of the Prefeasibility Study at Yauricocha, which examines increasing throughput by 20% to 5,500 TPD starting in 2024. EIA on track.
- Infrastructure Projects and Exploration Drilling are continuing throughout the year.
- Increased focus on ESG matters.

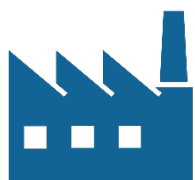
Bolivar

- Construction of an iron ore processing plant has commenced and expected to be completed in early 2022. Expected to produce 500,000 tonnes per year of 62% iron ore fines
- Work continues on the underground tunnel to connect the mines with the concentrator plant to improve efficiency and help lower haulage costs
- Work has commenced on a tailings dam expansion near the Piedras Verdas Mill
- Continue work on the completion of the Prefeasibility Study at Bolivar, which examines doubling throughput to 10,000 TPD starting in 2024
- Exploration and infill drilling continues at multiple zones

Cusi

- Installation of a raise bore ventilation system to provide relief in the lower areas of the mine to return to higher grade planned zones. Pumping system upgrade on track.
- Continued work on the completion of a Prefeasibility Study at Cusi, which examines doubling throughput capacity to 2,400 TPD starting in 2024.
- Phase one complete on a new tailing dam facility near the Mal Paso Mill, providing for additional deposition capacity

Financial Highlights for Q2 2021



**Consolidated Mill
throughput 0.8
Million Tonnes
(54% increase)**



**Consolidated Cu
Equivalent Lbs
24.8 Million Lbs
(9% increase)**



**Revenue from
Metals Payable
\$79.4 M
(25% increase)**



**Adjusted EBITDA
\$37.7M
(90% increase)**



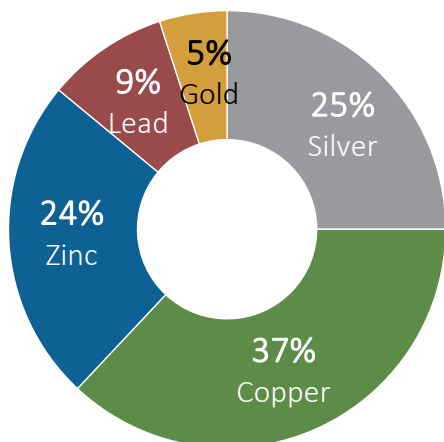
**Adjusted Net Income
\$12.7 M
(\$0.08/share)**



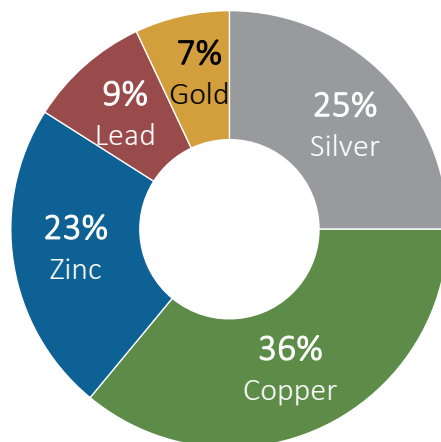
**Cash
\$76.1M
(June 30, 2021)**

Revenue Mix by Metal

3M ending June 30, 2021



Trailing 12M ending June 30, 2021



Average Realized Prices (USD)

		Q2 2021	Q2 2020	% Increase/ (Decrease)
Copper	\$/lb	4.37	2.40	82%
Silver	\$/oz	26.80	16.59	62%
Gold	\$/oz	1,818	1,722	6%
Zinc	\$/lb	1.34	0.89	51%
Lead	\$/lb	0.97	0.76	28%

Cash Cost & AISC per Mine



Yauricocha

	3M Ended June 30, 2021	6M Ended June 30, 2020
Cash Cost per CuEqLb	\$1.41	\$1.45
AISC per CuEqLb	\$2.57	\$2.62

- Compared to 2020 from a Cu Eq perspective, cash costs decreased 3% and AISC increased 2%.
- Unit costs increased during Q2 2021 as the 5% increase in copper equivalent payable pounds could not compensate for the higher production costs during Q2 2021
- AISC per copper equivalent payable pounds for Q2 2021 was also driven higher by a sharp increase in sustaining capital expenditure during the quarter

Bolivar

	3M Ended June 30, 2021	6M Ended June 30, 2020
Cash Cost per CuEqLb	\$1.17	\$1.38
AISC per CuEqLb	\$3.27	\$3.09

- Compared to the same period in 2020, cash costs were 15% lower and AISC were up 6%
- Costs increased as the mine ramped up development activities. Unit costs were also impacted by the 15% decrease in the copper equivalent payable pounds during Q2 2021 compared to Q2 2020
- AISC per copper equivalent payable pound was also negatively impacted by the increase in treatment and refining costs and higher sustaining capital during the quarter

Cusi

	3M Ended June 30, 2021	6M Ended June 30, 2020
Cash Cost per AgEqOz	\$21.67	\$20.15
AISC per AgEqOz	\$35.73	\$32.92

- Compared to the same period in 2020, cash costs and AISC were 8% higher
- Cusi experienced a significant influx of very hot water into the planned mining areas, which reduced production in them. Alternative areas were used for production with lower grade. The situation is being rectified currently to allow for a return to higher grade material.

Strong Balance Sheet



Balance Sheet

(As at June 30, 2021)

(USD in millions)

Cash and Cash Equivalents	\$76.1
TOTAL DEBT	\$93.3
NET DEBT	\$17.2

The Company continues to have a strong balance sheet, working capital and cash position to support capital expenditures and growth initiatives.

While we continue to face challenges from COVID-19 the second production half is expected to be stronger than H1 production.

Metals prices have remained strong so through 2021 for copper and precious metals and are optimistic that with improved operating efficiencies, we will see improvement as we progress into H2 2021.

Management remains committed to the prudent and sustainable growth plan for the Company and more importantly improving the per share value benefiting all shareholders.

Strategic Review Update



- The Company has strong foundations for a solid valuation in the market and in return for shareholders.
- Strong EBITDA performance at current metal prices and a solid financial position to build additional value into the future. Sierra Metals benefits from a number of exciting and actionable organic growth opportunities particularly at Bolivar and Yauricocha
- Process is ongoing and continues to consider all options
- Expect to be able to provide a more detailed report on the process in the coming weeks

Contact Information



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