



SIERRA METALS REPORTS NOVEMBER PRODUCTION OF 75,452 TONNES AT ITS YAURICOCHA MINE IN PERU

- **November production exceeds expectation during planned shut down for the installation of larger capacity hoist**

Toronto, ON – December 5, 2016 – Sierra Metals Inc. (TSX: SMT) (BVL: SMT) (“Sierra Metals” or “the Company” - http://www.commodity-tv.net/c/mid,2697,Company_Presentation/?v=297012) is very pleased to report the production of 75,452 tonnes from the Chumpe Mill located at the Yauricocha Mine in Peru in spite of the Company’s planned shut down for the installation of a larger capacity hoist at the Mascota shaft.

“We are very pleased with the production achievement at Yauricocha when compared to the expectations for the month” stated Mark Brennan, President and CEO of Sierra Metals. *“This again speaks to the proficiency and dedication of our excellent team at site who strive to achieve and beat expectations as shown not only with November’s production achievement, but with the very successful operational improvements program and with production records achieved in August, September and October at the Yauricocha Mine.”*

Progress on the transition to the new, larger capacity hoist on the 720 level has gone very well. The new hoist transition is expected to be completed and in operation by the end of the week and will not impact December’s production schedule. Benefits of the new hoist include cost savings, shorter hoisting distance, reduced hoisting time, improved duty cycles and less hoist rope in movement in the shaft.

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 a Canadian mining company focused on production of precious and base metals from its Yauricocha Mine in Peru, and its Bolivar Mine and Cusi Mine in Mexico. In addition, Sierra Metals is exploring several precious and base metals targets in Peru and Mexico. Projects in Peru include Adrico (gold), Victoria (copper-silver) and Ipilllo (polymetallic) at the Yauricocha Property in the province of Yauyos and the San Miguelito gold properties in Northern Peru. Projects in Mexico include Bacerac (silver) in the state of Sonora and La Verde (gold) at the Batopilas Property in the state of Chihuahua.

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

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Forward-Looking Statements

Except for statements of historical fact contained herein, the information in this press release may constitute “forward-looking information” within the meaning of Canadian securities law. Statements containing forward-looking information express, as at the date of this news release, the Company’s plans, estimates, forecasts, projections, expectations or beliefs as to future events or results. These statements reflect the Company’s current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available at www.sedar.com.

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