



FOR IMMEDIATE RELEASE
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LIMA STOCK EXCHANGE: SMT
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SIERRA METALS ANNOUNCES FILING OF PRELIMINARY BASE SHELF PROSPECTUS AND REGISTRATION STATEMENT

Toronto, ON – May 18, 2017: Sierra Metals Inc. (TSX:SMT) (BVL:SMT) (“**Sierra Metals**” or the “**Company**” - http://www.commodity-tv.net/c/search_adv/?v=297554) announces that it has filed a preliminary short form base shelf prospectus (the “**Shelf Prospectus**”) with the securities regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario, and a corresponding registration statement on Form F-10 (the “**Registration Statement**”) with the U.S. Securities and Exchange Commission (“**SEC**”) in accordance with the Multijurisdictional Disclosure System established between Canada and the United States.

The Shelf Prospectus and Registration Statement, when made final and effective, will enable the Company to make offerings of up to C\$75 million of common shares, warrants, units and subscription receipts or a combination thereof of the Company from time to time, separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the offering and as set out in an accompanying prospectus supplement, during the 25-month period that the Shelf Prospectus and Registration Statement, when made final, remain effective. Unless otherwise specified in the prospectus supplement relating to a particular offering of securities, the net proceeds from any sale of any securities will be used for general working capital purposes, and for one or more other general corporate purposes including to complete corporate acquisitions, to, directly or indirectly, finance future growth opportunities and to repay existing or future indebtedness. The specific terms of any future offering will be established in a prospectus supplement to the Shelf Prospectus, which supplement will be filed with the applicable Canadian securities regulatory authorities and the SEC.

The Registration Statement has been filed with the SEC but has not yet become effective. These securities may not be sold nor may offers to buy these securities be accepted prior to the time that the Registration Statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

A copy of the Shelf Prospectus can be found on SEDAR at www.sedar.com, and a copy of the Registration Statement can be found on EDGAR at www.sec.gov. Copies of the Shelf Prospectus and the Registration Statement may also be obtained by contacting the Corporate Secretary of the Company at 179 Wellington Street West, Suite 2100, Toronto, Ontario M5K 1H1, Telephone (604) 728-2604.

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 is focused on 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 at all three Mines in Peru and Mexico that are within or very close proximity to the existing mines. Additionally, the Company also has large land packages at all three mines with several highly prospective regional targets providing longer term exploration upside and mineral resource growth potential.

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

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

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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 press 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 and until 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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