

***THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. THIS LETTER OF TRANSMITTAL IS FOR USE IN ACCEPTING THE OFFER BY ALPAYANA CANADA LTD., A WHOLLY-OWNED SUBSIDIARY OF ALPAYANA S.A.C., TO PURCHASE ALL ISSUED AND OUTSTANDING COMMON SHARES OF SIERRA METALS INC. (INCLUDING ANY COMMON SHARES THAT MAY BECOME ISSUED AND OUTSTANDING AFTER THE DATE OF THE OFFER BUT PRIOR TO THE EXPIRY TIME (AS DEFINED HEREIN)).***

**LETTER OF TRANSMITTAL**

**for deposit of Common Shares**

**of**

**SIERRA METALS INC.**

**pursuant to the offer dated December 30, 2024 made by  
Alpayana Canada Ltd. a wholly-owned subsidiary of  
ALPAYANA S.A.C.**

**THE OFFER IS OPEN FOR ACCEPTANCE UNTIL 5:00 P.M. (TORONTO TIME) ON APRIL 14, 2025 (THE “EXPIRY TIME”) UNLESS THE OFFER IS ACCELERATED, EXTENDED OR WITHDRAWN IN ACCORDANCE WITH ITS TERMS.**

**USE THIS LETTER OF TRANSMITTAL IF:**

- 1. YOU WISH TO ACCEPT THE OFFER AND ARE DEPOSITING COMMON SHARE CERTIFICATE(S);**
- 2. YOU ARE ACCEPTING THE OFFER USING THE PROCEDURES FOR BOOK-ENTRY TRANSFER AND DO NOT HAVE AN AGENT’S MESSAGE; OR**
- 3. YOU PREVIOUSLY DELIVERED A NOTICE OF GUARANTEED DELIVERY.**

**SHAREHOLDERS WHO ACCEPT THE OFFER THROUGH A BOOK-ENTRY TRANSFER WILL BE DEEMED TO HAVE COMPLETED AND SUBMITTED A LETTER OF TRANSMITTAL AND BE BOUND BY THE TERMS HEREOF.**

This Letter of Transmittal, properly completed and duly executed in accordance with the instructions set out herein, together with all other required documents, representing common shares (the “**Common Shares**”) of Sierra Metals Inc. (“**Sierra**”), deposited under the offer dated December 30, 2024 (the “**Offer**”) made by Alpayana Canada Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Alpayana S.A.C., to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding Common Shares of Sierra, including any Common Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the exercise, exchange or conversion of securities of Sierra into Common Shares, and must be received by Shorecrest Group (the “**Depository**”), at or prior to the Expiry Time at its office in Toronto, Ontario listed below. Pursuant to the Offer, holders of Common Shares (the “**Shareholders**”) will receive, for each Common Share held, \$0.85 in cash (less any applicable withholding taxes).

Shareholders can also accept the Offer by following the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase, “Manner of Acceptance — Acceptance by Book-Entry Transfer”. A Shareholder accepting the Offer by following the procedures for book-entry transfer does not need to use this Letter of Transmittal unless such Shareholder is following the procedures for book-entry transfer with DTC and does not have an accompanying Agent’s Message. Shareholders who accept the Offer through a book-entry transfer will be deemed to have completed

and submitted a Letter of Transmittal and be bound by the terms hereof. Accordingly, where Common Shares are deposited by book-entry transfer without delivery of an executed Letter of Transmittal, unless the context otherwise requires, references herein to the “undersigned” are to the person on whose behalf that book-entry transfer is made (notwithstanding that such person has not executed a Letter of Transmittal).

Shareholders wishing to accept the Offer but: (i) whose Certificate(s) (“**Certificate**” means, as the context requires, any physical share certificate of Sierra or a direct registration system advice commonly referred to as a DRS Advice or a similar document evidencing the electronic registration of ownership of Common Shares) representing such Common Shares is (are) not immediately available; (ii) who cannot complete the procedure for book-entry transfer of the Common Shares on a timely basis; or (iii) whose Certificates and all other required documents cannot be delivered to the Depositary at or prior to the Expiry Time, may deposit their Common Shares according to the guaranteed delivery procedure set out in Section 3 of the Offer to Purchase, “Manner of Acceptance — Procedure for Guaranteed Delivery” by using the accompanying Notice of Guaranteed Delivery (printed on PINK paper), or a manually executed facsimile thereof. See Instruction 2 herein, “Procedure for Guaranteed Delivery”.

**The terms and conditions of the Offer are incorporated by reference in this Letter of Transmittal. The Offer to Purchase and accompanying Circular dated December 30, 2024 (the “Offer to Purchase and Circular”) contain important information and Shareholders are urged to read the Offer to Purchase and Circular in its entirety. Capitalized terms used but not defined in this Letter of Transmittal which are defined in the Offer to Purchase and Circular have the respective meanings ascribed thereto in the Offer to Purchase and Circular.**

**All dollar references in this Letter of Transmittal refer to Canadian dollars, except where otherwise indicated.**

**The Depositary/Information Agent (the address and telephone number of which is on the back page of this Letter of Transmittal) or your broker or other financial advisor can assist you in completing this Letter of Transmittal. Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should not complete the Letter of Transmittal and should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer.**

**DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH BELOW WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE PROVIDED BELOW.**

**IN ADDITION, ALL SHAREHOLDERS MUST COMPLETE BLOCK E AND SHOULD COMPLETE AND SUBMIT EITHER THE ENCLOSED IRS FORM W-9 OR THE APPROPRIATE IRS FORM W-8 IF THEY ARE A U.S. SHAREHOLDER AS DEFINED IN BLOCK E, IN ACCORDANCE WITH INSTRUCTION 9. ALL SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX AND LEGAL ADVISORS AS TO THE APPLICATION OF U.S., CANADIAN, AND OTHER INCOME TAX LAWS, AS APPLICABLE, TO THEIR PARTICULAR CIRCUMSTANCES.**

*Please read carefully the Instructions set forth below before completing this Letter of Transmittal.*

**TO:** Alpayana Canada Ltd., a wholly-owned subsidiary of ALPAYANA S.A.C.

**AND TO:** SHORECREST GROUP, as Depositary

The undersigned delivers to you the enclosed Certificate(s) representing Common Shares deposited under the Offer. Subject only to the provisions of the Offer regarding withdrawal, the undersigned irrevocably accepts the Offer for such Common Shares upon the terms and conditions contained in the Offer and hereby assigns all right, title and interest therein to the Offeror.

The following are the details of the enclosed Certificate(s):

Box 1			
<b>DESCRIPTION OF COMMON SHARES DEPOSITED UNDER THE OFFER</b> (Please print or type. If space is insufficient, please attach a list to this Letter of Transmittal in the form below.)			
Certificate Number(s) (if available)	Name(s) in which Registered (please fill in exactly as name(s) appear(s) on Certificate(s))	Total Number of Common Shares Represented by Certificate*	Number of Deposited Common Shares*
<b>TOTAL:</b>			

\* Unless otherwise indicated, the total number of Common Shares evidenced by all Certificates delivered will be deemed to have been deposited. See Instruction 7 of this Letter of Transmittal, "Partial Deposits".

The undersigned hereby acknowledges receipt of the Offer to Purchase and Circular and acknowledges that there will be a binding agreement between the undersigned and the Offeror effective immediately following the time at which the Offeror takes up the Common Shares covered by this Letter of Transmittal (the "**Deposited Common Shares**") and delivers them to the Depositary in accordance with the terms and subject to the conditions of the Offer. The undersigned represents and warrants that:

- (a) the undersigned has received the Offer to Purchase and Circular;
- (b) the undersigned has full power and authority to deposit, sell, assign and transfer the Deposited Common Shares and all rights and benefits arising from such Deposited Common Shares, including, without limitation, any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Common Shares or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, "**Distributions**"), to the Offeror;
- (c) the undersigned has good title to and is the beneficial owner of the Deposited Common Shares and any Distributions deposited under the Offer;
- (d) the Deposited Common Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Common Shares or Distributions, to any other person;
- (e) the deposit of the Deposited Common Shares and Distributions complies with applicable Laws; and
- (f) when the Deposited Common Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

**IN CONSIDERATION OF THE OFFER AND FOR VALUE RECEIVED**, on the terms and subject to the conditions set forth in the Offer and in this Letter of Transmittal, subject only to withdrawal rights set out in the Offer, the undersigned irrevocably accepts the Offer for and in respect of the Deposited Common Shares and (unless deposit is made pursuant to the procedure for book-entry transfers) delivers to the Offeror the enclosed Common Share Certificate(s), if applicable, representing the Deposited Common Shares and, on and subject to the terms and conditions of the Offer, deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Deposited Common Shares and in and to all rights and benefits arising from such Deposited Common Shares and any and all Distributions.

The undersigned acknowledges that under certain circumstances the Offeror may, among other things, (i) vary the terms of the Offer, including, without limitation, by extending or abridging the period during which Common Shares may be deposited under the Offer where permitted by Law (see Section 5 of the Offer to Purchase, “Extension, Variation or Change in the Offer”), or (ii) make such adjustments as it considers appropriate to the consideration payable by the Offeror under the Offer and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect any changes on or after the date of the Offer in the Common Shares or Sierra’s capitalization (including, without limitation, the division, combination, reclassification, consolidation or conversion of the Common Shares, the issuance of any Common Shares, the issuance, grant or sale of any Options, or the disclosure that Sierra has taken or intends to take any such action) (see Section 9 of the Offer to Purchase, “Changes in Capitalization; Adjustments; Liens”). In addition, the undersigned acknowledges that if, on or after the date of the Offer, Sierra should declare, set aside, allot or reserve any Distributions that are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities registers maintained by or on behalf of Sierra in respect of Common Shares, then the Offeror may reduce the consideration payable by the Offeror under the Offer or the undersigned may be required to promptly transfer to the Offeror such Distributions, all in accordance with the terms of the Offer (see Section 9 of the Offer to Purchase, “Changes in Capitalization; Adjustments; Liens”).

The undersigned irrevocably constitutes and appoints, effective at and after the Expiry Time, each director and officer of the Offeror and any other person designated by the Offeror in writing as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited Common Shares (which Deposited Common Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities to the extent consisting of securities on the appropriate securities registers maintained by or on behalf of Sierra;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any or all Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Expiry Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Sierra;
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and
- (d) to exercise any other rights of a Shareholder with respect to such Purchased Securities.

The undersigned accepts the Offer under the terms of this Letter of Transmittal (including by book-entry transfer) and revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited Common Shares or any Distributions. The undersigned agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited Common Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited Common Shares are not taken up and paid for under the Offer or are withdrawn in accordance with Section 7 of the Offer to Purchase, “Withdrawal of Deposited Common Shares”.

The undersigned also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent

Acquisition Transaction) of holders of relevant securities of Sierra and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

The undersigned covenants to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority herein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of the undersigned and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the undersigned and all obligations of the undersigned herein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of the undersigned.

The Depositary will act as the agent of persons who have deposited Common Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing Common Shares under the Offer.

**All cash payments under the Offer will be paid in Canadian dollars. However, Shareholders can elect to receive payment in U.S. dollars by checking the appropriate box in Block D, in which case such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary at its typical banking institution on the date the funds are converted.**

Settlement with each Shareholder who has deposited (and not withdrawn) Common Shares under the Offer will be made by the Depositary issuing or causing to be issued a cheque (except for payments in excess of \$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds in the amount to which the person depositing Common Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Common Shares so deposited. Unless the person depositing the Common Shares instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Sierra. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

The undersigned further understands and acknowledges that under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing Common Shares on the purchase price of Common Shares purchased by the Offeror, regardless of any delay in making payments for Common Shares.

Pursuant to rules of the Canadian Payments Association, a \$25 million ceiling has been established on cheques, bank drafts and other paper-based payments processed through Canada's clearing system. As a result, any payment to the undersigned in excess of \$25 million will be effected by the Depositary by wire transfer in accordance with the Large Value Transfer System Rules established by the Canadian Payments Association. Accordingly, settlement with the undersigned involving a payment in excess of \$25 million, if applicable, will be made only in accordance with wire transfer instructions provided by the undersigned to the Depositary in writing. In the event wire transfer instructions are required as set out above, the Depositary will contact the undersigned promptly following the Expiry Time for purposes of obtaining wire transfer instructions. Any delay in payment by the Depositary resulting from the provision by the undersigned of wire transfer instructions will not entitle the undersigned to interest or other compensation in addition to the amounts to which the undersigned is entitled pursuant to the Offer.

Any Deposited Common Shares that are not taken up and paid for by the Offeror under the Offer for any reason will be returned, at the Offeror's expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (i) sending Certificates representing the Common Shares not purchased by first class mail to the address of the depositing Shareholder specified in this Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities registers maintained by or on behalf of Sierra, or (ii) in the case of Common Shares deposited by book-entry transfer of such Common Shares pursuant to the procedures set out in Section 3 of the Offer to Purchase, "Manner of Acceptance — Acceptance by Book-Entry Transfer", crediting such Common Shares to the depositing Shareholder's account maintained with CDS or DTC, as applicable.

**Shareholders will not be required to pay any fee or commission if they accept the Offer by depositing their Common Shares directly with the Depositary if any, to accept the Offer. However, an investment advisor, stock broker, bank, trust company or other intermediary through whom Shareholders own Common Shares may charge a fee to tender any such Common Shares on their behalf. Shareholders should consult their investment advisor, stock broker, bank, trust company or other intermediary to determine whether any charges will apply.**

By reason of the use by the undersigned of an English language form of Letter of Transmittal, the undersigned shall be deemed to have required that any contract evidenced by the Offer as accepted through this Letter of Transmittal, as well as all documents related thereto, be drawn exclusively in the English language. *En raison de l'usage d'une lettre d'envoi en langue anglaise par le soussigné, le soussigné est réputé avoir requis que tout contrat attesté par l'offre et son acceptation par cette lettre d'envoi, de même que tous les documents qui s'y rapportent, soient rédigés exclusivement en langue anglaise.*

## SHAREHOLDER SIGNATURE

*Before signing this Letter of Transmittal, please review carefully and complete the following boxes, as appropriate.*

<b>BLOCK A</b> <b>PAYMENT INSTRUCTIONS</b>  ISSUE CHEQUE IN THE NAME OF: (please print or type)
(Name)
(Street Address and Number)
(City and Province/State)
(Country and Postal/Zip Code)
(Telephone – Business Hours)
(Tax Identification or Social Insurance or Social Security Number)

<b>BLOCK B</b> <b>DELIVERY INSTRUCTIONS</b> SEND CHEQUE (unless BLOCK C is checked) TO: (please print or type)
<input type="checkbox"/> Same as address in Block A or to:
(Name)
(Street Address and Number)
(City and Province/State)
(Country and Postal/Zip Code)
(Telephone – Business Hours)
<b>The delivery instructions given in this Block B will also be used to return certificate(s) representing Sierra Shares if required for any reason (see Instruction 6)</b>

<b>BLOCK C</b> <b>SPECIAL PICK-UP INSTRUCTIONS</b>
<input type="checkbox"/> HOLD CHEQUE FOR PICK-UP AT THE OFFICE OF THE DEPOSITARY WHERE THIS LETTER OF TRANSMITTAL IS DEPOSITED (Check box)

**BLOCK D  
CURRENCY OF PAYMENT**

(See Instruction 10)

- ☐ I wish to receive payment of the cash consideration payable under the Offer in U.S. dollars.

A Shareholder who does not check the box above will receive payment of the cash consideration under the Offer in Canadian dollars. By checking this box, the undersigned acknowledges and agrees that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary at its typical banking institution on the date the funds are converted.

**BLOCK E  
STATUS AS U.S. SHAREHOLDER**

**TO BE COMPLETED BY ALL SHAREHOLDERS BY SELECTING ONE BOX BELOW**

(See Instruction 9)

Indicate whether you are a U.S. Shareholder or are acting on behalf of a U.S. Shareholder:

- ☐ The person signing on Block H represents that it is not a U.S. Shareholder and is not acting on behalf of a U.S. Shareholder.
- ☐ The person signing on Block H is a U.S. Shareholder or is acting on behalf of a U.S. Shareholder.

A "U.S. Shareholder" is any holder of Shares that is either (A) providing an address in Block A, B, or H that is located within the United States or any territory or possession thereof or (B) that is a U.S. Person for Tax Purposes as defined in Instruction 9.

If you are a U.S. Shareholder or are acting on behalf of a U.S. Shareholder then in order to avoid possible U.S. backup withholding, you must complete the Form W-9 included herein or the appropriate IRS Form W-8, as provided in Instruction 9.

**BLOCK F  
DEPOSIT PURSUANT TO NOTICE OF GUARANTEED DELIVERY**

- ☐ CHECK HERE IF COMMON SHARES ARE BEING DEPOSITED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING: (please print or type)

Name of Registered Holder	_____
Date of Execution of Notice of Guaranteed Delivery	_____
Window Ticket Number (if any)	_____
Name of Institution which Guaranteed Delivery	_____



## SHAREHOLDER SIGNATURE

By signing below, the undersigned expressly agrees to the terms and conditions set forth above.

This Letter of Transmittal must be signed below by the registered Shareholder(s) exactly as name(s) appear(s) on the Certificates representing the Deposited Common Shares, or by person(s) authorized to become registrant holder(s) by Certificates and documents transmitted herewith, or, pursuant to Instruction 5, by a fiduciary or authorized representative.

<b>BLOCK H SIGNATURE GUARANTEE</b>	
Signature guaranteed by (if required under Instruction 3)    Dated: _____	
Authorized Signature of Guarantor	Signature of Shareholder or Authorized Representative (see Instructions 2, 3 and 4)
Name of Guarantor (please print or type)	Name of Shareholder or Authorized Representative (please print or type)
Address of Guarantor (please print or type)	Daytime telephone number and facsimile number of Shareholder or Authorized Representative
	Tax Identification, Social Insurance or Social Security Number
	Address
	Email Address

## INSTRUCTIONS

### 1. Use of Letter of Transmittal

- (a) This Letter of Transmittal, or a manually executed facsimile hereof, properly completed and duly executed, with the signature(s) guaranteed if required by Instruction 3 below, together with accompanying outstanding Certificate(s) representing the Deposited Common Shares (or, alternatively, book-entry confirmation with respect thereto) and all other documents required by the terms of the Offer and this Letter of Transmittal must be physically received by the Depositary at its office specified in this Letter of Transmittal at or prior to 5:00 p.m. (Toronto time) on April 14, 2025, the Expiry Time, unless the Offer is accelerated, extended or withdrawn or unless the procedure for guaranteed delivery set out in Instruction 2 below is used.
- (b) The method used to deliver this Letter of Transmittal, any accompanying outstanding Certificate(s) representing Common Shares, and all other required documents is at the option and risk of the Shareholder depositing these documents. The Offeror recommends that these documents be delivered by hand or courier to the Depositary and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is recommended that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary at or prior to the Expiry Time. Delivery will only be effective upon physical receipt by the Depositary.
- (c) Shareholders whose Common Shares are registered in the name of an investment dealer, bank, trust company or other intermediary should immediately contact that intermediary for assistance if they wish to accept the Offer, in order to take the necessary steps to be able to deposit such Common Shares under the Offer. Intermediaries likely have established tendering cut-off times that are prior to the Expiry Time. Shareholders must instruct their brokers or other intermediaries promptly if they wish to tender.

### 2. Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Common Shares pursuant to the Offer and (i) the Certificate(s) representing the Common Shares is (are) not immediately available, (ii) the Shareholder cannot complete the procedure for book-entry transfer of the Common Shares on a timely basis, or (iii) the Certificate(s) and all other required documents cannot be delivered to the Depositary at or prior to the Expiry Time, such Common Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution (as defined below);
- (b) a Notice of Guaranteed Delivery (printed on PINK paper) in the form accompanying the Offer, or a manually executed facsimile thereof, properly completed and executed, including a guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary and Information Agent at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the Certificate(s) representing all Deposited Common Shares, in proper form for transfer, or, in the case of a book-entry transfer, a book-entry confirmation with respect to such Deposited Common Shares and in the case of CDS or DTC accounts, as applicable, this Letter of Transmittal properly completed and duly executed (including signature guarantee, if required) or an Agent's Message in lieu of this Letter of Transmittal and all other documents required by the terms of the Offer and this Letter of Transmittal, are received by the Depositary at its office in Toronto, Ontario specified in this Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the first trading day on the TSX after the Expiry Time.

**The Notice of Guaranteed Delivery must be delivered by hand or courier or transmitted by e-mail, facsimile or mailed to the Depositary at its office in Toronto, Ontario specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying Certificate(s) representing Common Shares and all other required documents to an address or transmission by facsimile or e-mail to a facsimile number or e-mail address other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.**

An “**Eligible Institution**” means a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, a member of the Securities Transfer Agents Medallion Program (STAMP),

a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority, Inc. or banks in Canada or the United States.

### **3. Signatures**

This Letter of Transmittal must be completed and executed by the Shareholder accepting the Offer described above or by such Shareholder's duly authorized representative (in accordance with Instruction 5).

- (a) If this Letter of Transmittal is signed by the registered holder(s) of the accompanying Certificate(s), such signature(s) on this Letter of Transmittal must correspond exactly with the name(s) as registered or as written on the face of such Certificate(s) without any change whatsoever, and the Certificate(s) need not be endorsed. If such Certificate(s) is (are) owned of record by two or more joint holders, all such holders must sign this Letter of Transmittal.
- (b) Notwithstanding Instruction 3(a), if this Letter of Transmittal is executed by a person other than the registered holder(s) of the Certificate(s) deposited herewith, or if the cheque(s) is (are) to be issued or delivered to a person other than the registered holder(s), or if the Certificate(s) representing Common Shares in respect of which the Offer is not being accepted is (are) to be returned to a person other than such registered holder(s) or sent to an address other than the address of the registered holder(s) shown on the securities register maintained by or on behalf of Sierra:
  - (i) the accompanying Certificate(s) must be endorsed or be accompanied by an appropriate share transfer power of attorney, in either case, duly and properly completed by the registered holder(s);
  - (ii) the signature(s) on the endorsement panel or share transfer power of attorney must correspond exactly to the name(s) of the registered holder(s) as registered or as written on the face of the Certificate(s); and
  - (iii) such signature(s) must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depository (except that no guarantee is required if the signature is that of an Eligible Institution).

### **4. Guarantee of Signatures**

If this Letter of Transmittal is executed by a person other than the registered holder(s) of the Common Share Certificate(s) deposited herewith or in the circumstances set out in Instruction 3(b), such signatures must be guaranteed by an Eligible Institution, or in some other manner satisfactory to the Depository (except that no guarantee is required if the signature is that of an Eligible Institution).

### **5. Fiduciaries, Representatives and Authorizations**

Where this Letter of Transmittal or any share Certificate or share transfer power of attorney is executed by a person on behalf of an executor, administrator, trustee, guardian, or on behalf of a corporation, partnership or association or is executed by any other person acting in a representative or fiduciary capacity, such person should so indicate when signing and this Letter of Transmittal must be accompanied by satisfactory evidence of such person's authority to act. Either of the Offeror or the Depository, at its sole discretion, may require additional evidence of authority or additional documentation.

### **6. Delivery Instructions**

If any cheque(s) is (are) to be sent to or, in respect of partial deposits of Common Shares, Certificates representing Common Shares are to be returned to, someone at an address other than the address of the Shareholder as it appears in Block A on this Letter of Transmittal, entitled "Payment Instructions", then Block B on this Letter of Transmittal, entitled "Delivery Instructions", should also be completed. If Block B is not completed, any cheque(s) will be mailed to the depositing Shareholder at the address of such Shareholder as it appears in Block A or, if no address is provided in Block A, then it will be mailed to the address of such Shareholder as it appears on the securities register maintained by or on behalf of Sierra. Any cheque(s) mailed in accordance with the terms of the Offer and this Letter of Transmittal will be deemed to be delivered at the time of mailing.

## 7. Partial Deposits

If less than the total number of Common Shares evidenced by any Certificate(s) submitted is to be deposited, fill in the number of Common Shares to be deposited in the appropriate space in Box 1, entitled “Description of Common Shares Deposited Under the Offer” on this Letter of Transmittal. In such case, new Certificate(s) for the number of Common Shares not deposited will be sent to the registered holder as soon as practicable after the Expiry Time (unless such holder completes Block B on this Letter of Transmittal). The total number of Common Shares evidenced by all Certificates delivered will be deemed to have been deposited unless otherwise indicated. Note that this Instruction is not applicable to holders who deposit their Common Shares by book-entry transfer.

## 8. Important Tax Information for U.S. Shareholders

To prevent backup withholding on any payment made to a U.S. Shareholder (or person acting on behalf of a U.S. Shareholder) with respect to the Common Shares tendered, you are required, if you are a U.S. Person for Tax Purposes (as defined below), to notify us of your current U.S. taxpayer identification number, “TIN,” (or the TIN of the person on whose behalf you are acting) and certify, under penalties of perjury, that such TIN is correct, that you are not subject to backup withholding and that you are a U.S. Person for Tax Purposes, by properly completing and executing the Form W-9 (which is provided below) as described more fully below. The TIN is generally the U.S. Social Security number or the U.S. federal employer identification number of the U.S. Person for Tax Purposes. The U.S. Person for Tax Purposes is required to furnish the TIN of the registered owner of the Common Shares. The instructions on pages 4 and 5 of the Form W-9 explain the proper certification to use if the Common Shares are registered in more than one name or are not registered in the name of the actual owner. If you are a U.S. Shareholder that is not a U.S. Person for Tax Purposes, you may be subject to backup withholding on payments received pursuant to the Offer unless you furnish the appropriate, properly completed and executed Internal Revenue Service (“IRS”) Form W-8, which may be obtained at the IRS website ([www.irs.gov](http://www.irs.gov)).

Backup withholding is not an additional tax. Amounts withheld are creditable against the U.S. Shareholder’s regular U.S. federal income tax liability, and any amount over-withheld generally will be refundable to the U.S. Shareholder, in each case, if the U.S. Shareholder properly files a U.S. federal income tax return in a timely manner.

You are a “U.S. Person for Tax Purposes” if you are, for U.S. federal income tax purposes: (1) a citizen or a resident of the United States (including a U.S. resident alien); (2) a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States (or any state thereof, including the District of Columbia); (3) an estate whose income is subject to U.S. federal income tax regardless of its source, or (4) a trust if a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust (or certain other electing trusts).

Certain U.S. Persons for Tax Purposes (including certain corporations) are exempt from backup withholding and certain information reporting requirements. Such exempt holders should indicate their exempt status by entering in the correct “Exempt payee code” on line 4 in IRS Form W-9. See the instructions beginning on page 3 of the Form W-9 for additional instructions. Each U.S. Shareholder is urged to consult his or her own tax advisor to determine whether, in connection with the Offer, such holder is exempt from backup withholding and information reporting, and the procedure for obtaining such exemption.

**Failure to provide the required information on the Form W-9 or to provide a Form W-8, as applicable, may subject the U.S. Shareholder to penalties imposed by the IRS and backup withholding of all or a portion of any payment received pursuant to the Offer. Serious penalties may be imposed for providing false information which, if wilfully done, may result in fines and/or imprisonment.**

Please note that the foregoing certifications do not exempt any holder from any compensation-related or other withholding that may be required. Payments made pursuant to the Offer that are treated as wages will be subject to all applicable wage withholding, regardless of whether a Form W-9 or applicable Form W-8 is provided.

Taxes withheld from the consideration paid pursuant to the Offer will be treated for all purposes as having been paid to the persons with respect to whom such amounts were withheld.

***ANY SHAREHOLDER WHO IS A U.S. PERSON FOR TAX PURPOSES AND WHO FAILS TO PROPERLY COMPLETE THE FORM W-9 SET OUT IN THIS LETTER, AND ANY U.S. SHAREHOLDER WHO IS NOT A U.S. PERSON FOR TAX PURPOSES AND WHO FAILS TO PROPERLY COMPLETE THE APPROPRIATE FORM W-8, MAY BE SUBJECT TO BACKUP WITHHOLDING AT THE APPLICABLE STATUTORY RATE (CURRENTLY 24%) WITH RESPECT TO ALL OR A PORTION OF PAYMENTS MADE TO SUCH HOLDER PURSUANT TO THE OFFER AND MAY BE SUBJECT TO PENALTIES.***

## 9. Currency of Payment

All cash payments under the Offer will be paid in Canadian dollars. However, Shareholders can instead elect to receive payment in U.S. dollars by checking the appropriate box in Block D, in which case such Shareholder will have acknowledged and agreed that the exchange rate for one Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary at its typical banking institution on the date the funds are converted.

## 10. Miscellaneous

- (a) If the space in Box 1 of this Letter of Transmittal is insufficient to list all Certificates for Common Shares, additional Certificate numbers and number of securities may be included on a separate signed list affixed to this Letter of Transmittal.
- (b) If Deposited Common Shares are registered in different forms (e.g. "John Doe" and "J. Doe"), a separate Letter of Transmittal should be signed for each different registration.
- (c) No alternative, conditional or contingent deposits will be accepted and no fractional Common Shares will be purchased. All depositing Shareholders by execution of this Letter of Transmittal, waive any right to receive any notice of the acceptance of Deposited Common Shares for payment, except as required by applicable Laws.
- (d) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.
- (e) The Offeror will not pay any fees or commissions to any stockbroker, dealer or other person for soliciting deposits of Common Shares under the Offer, other than to members of the Soliciting Dealer Group and the Depositary and except as otherwise set out in the accompanying Offer to Purchase and Circular.
- (f) Before completing this Letter of Transmittal, you are urged to read the accompanying Offer to Purchase and Circular.
- (g) All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Common Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination will be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Common Shares. **There shall be no duty or obligation of the Offeror, the Depositary, or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer to Purchase and Circular, this Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.** The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in the Offer to Purchase and Circular.
- (h) Additional copies of the Offer to Purchase and Circular, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary at the address specified in this Letter of Transmittal. Copies of this Letter of Transmittal and related materials may also be accessed at [www.sedarplus.com](http://www.sedarplus.com).
- (i) Deposits of Common Shares will not be accepted from or on behalf of Shareholders in any jurisdiction outside of Canada in which the acceptance of the Offer would not be in compliance with the laws of that jurisdiction.

## 11. Lost Certificates

If a Certificate representing Common Shares has been lost, stolen, mutilated or destroyed, this Letter of Transmittal should be completed as fully as possible and forwarded, together with a letter describing the loss and providing your telephone number, to the Depositary at its office specified in this Letter of Transmittal. The Depositary will forward such letter to Sierra's registrar and transfer agent so that the registrar and transfer agent may provide replacement instructions. If a Certificate representing Common Shares has been lost, stolen, mutilated or destroyed, the foregoing action must be taken sufficiently in advance of the Expiry Time

in order to obtain a replacement Certificate in sufficient time to permit the Common Shares represented by the replacement Certificate to be deposited under the Offer at or prior to the Expiry Time.

## **12. Privacy Notice**

The Depositary has advised the Offeror as follows: the Depositary is committed to protecting Shareholders' personal information. In the course of providing services, the Depositary receives certain non-public personal information about Shareholders. This information could include the Shareholder's name, address, social insurance number, securities holdings and other financial information. The Depositary uses this to administer accounts and for other lawful purposes relating to its services. The Depositary has prepared a Privacy Code with more details of its information practices and how Shareholders' privacy is protected. It is available by writing to the Depositary at 250 University Ave Suite 211, Toronto ON, M5H 3E5. The Depositary will use the information a Shareholder is providing on this form in order to process the Shareholder's acceptance and will treat the Shareholder's signature(s) on the form as the Shareholder's consent to the above.

**Questions or requests for assistance in accepting the Offer, completing this Letter of Transmittal and depositing the Common Shares with the Depositary may be directed to the Depositary. The Depositary's contact details are provided at the end of this document.**

**The Depositary and Information Agent for the Offer is:**

**Shorecrest**

**By Registered Mail, Hand or Courier**

**250 University Ave Suite 211**

**Toronto, ON**

**M5H 3E5**

**Attention: Corporate Actions**

**North American Toll Free: 1-888-637-5789**

**Outside of North America: 647-931-7454**

**E-mail: [contact@shorecrestgroup.com](mailto:contact@shorecrestgroup.com)**