



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 13 MAY 2013

Joint Venture on Mabilo and Nalesbitan Projects

The Directors of Sierra Mining Limited (“Sierra”) are pleased to advise that the Company has reached agreement with a leading Filipino mining contractor and supplier, Galeo Equipment and Mining Company, Inc (“Galeo”) to partner Sierra in exploring and developing Sierra’s Mabilo and Nalesbitan Projects in the Paracale district of the Philippines.

Galeo can earn up to a 36% interest in the Projects, down to 200m below surface, by contributing approximately US\$4.25m of exploration drilling and management services for the Projects over the next 2 years.

The “drilling for equity” component of the Agreement represents approximately 9,000m of diamond core drilling. Galeo will also provide management services for the security, community relations and administration functions for the Joint Venture in the 2 year period.

Sierra acquired the Nalesbitan and Mabilo Projects in November 2011 and completed a successful drilling training campaign at Mabilo in late 2012. The Company is now completing a ground magnetic training survey at Mabilo ahead of a new drilling program. Sierra has also recently lodged an application for a 2,985Ha exploration permit to the east of Mabilo, which will also be included in the Joint Venture.

At Nalesbitan, community relations, security monitoring and data collation and review are ongoing priorities.

Galeo is associated with Sierra director Francisco Enrico M. Gutierrez, and the transaction will therefore be put to shareholders for approval shortly, including an Explanatory Memorandum providing further details of the transaction.

Managing Director Matt Syme commented:

“We are really pleased to cement our relationship with Galeo in this transaction. We believe that securing the right local partners will be fundamental to our future success in the Philippines and Galeo are ideal partners for any potential open pit mining operations on these Projects.

The Agreement allows us to substantially advance these exciting projects with extensive drilling, while also preserving exploration funds for Sierra’s other projects in Mindanao.”

Enquiries: Matt Syme, Managing Director +61 8 9322 6322 or +61 417 906 717