



**SIERRA
MINERALS
INC.**

TSX – SIM

**NEWS
RELEASE**

8 King Street East
Suite 810
Toronto, ON M5C 1B5
T. 416.278.4149
F. 416.366.7596
www.sierraminerals.ca

Sierra Minerals Sets Quarterly Revenue Record

Q3 2009 Gold Sales Jump to US\$5.4 million

TORONTO, ONTARIO, October 16, 2009 – Sierra Minerals Inc. (TSX: SIM) ("Sierra" or the "Company") announced today that the Company sold 5,611 ounces of gold in the third quarter of 2009 at an average realized price of US\$954 per ounce for gross proceeds of approximately US\$5.4 million. This represents a 12% increase over the third quarter of 2008 during which the Company sold 5,569 ounces of gold at an average realized price of US\$857 per ounce for gross proceeds of US\$4.8 million. This also represents a 14% increase over gold sales revenue from the second quarter of 2009. Gold sales for the nine months ended September 30, 2009 were approximately US\$14.5 million on the sale of 15,585 ounces of gold at an average realized price of US\$930 per ounce. This represents an increase in gross proceeds of US\$1.0 million or 7.4% over the nine months ended September 30, 2008 on the sale of 15,229 ounces at an average realized price of US\$886 per ounce of gold sold.

The Company produced approximately 5,160 ounces of gold in the third quarter of 2009 (ended September 30, 2009) at its 100% owned Cerro Colorado mine in Sonora, Mexico, up slightly from the 5,111 ounces produced during the third quarter of 2008. Gold production for the first nine months of 2009 was approximately 15,200 ounces representing an increase of 4% over the 14,627 ounces produced during the first nine months of 2008.

Michael Farrant, President and CEO of Sierra stated, "With the price of gold hitting new all-time highs, our shareholders can begin to see how leveraged we are to increases in the gold price. With modest increases in production and ounces sold, our revenue increased US\$0.6 million over the previous quarter and US\$1.0 million on a year-to-date basis over 2008. With this kind of increase in operating cash flow, no net debt and GMP Securities signed on as advisors, we are well positioned to take the next steps to growing the Company."

About Sierra Minerals

Sierra Minerals is a Canadian based gold production and exploration company. The Company owns and operates the Cerro Colorado Gold Mine in Sonora, Mexico. All gold production is unhedged and the Company expects to produce approximately 20,000 to 25,000 ounces of gold in 2009. The Company's exploration pipeline includes an extensive 34,000-hectare regional land package in Sonora, Mexico. Further information about Sierra Minerals and the Cerro Colorado Gold Mine can be found on the Company's website at www.sierraminerals.ca.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This news release includes “forward-looking information”, as such term is defined in applicable securities laws. The forward-looking information includes, without limitation, the success of exploration activities and other similar statements concerning anticipated future events, conditions or results that are not historical facts including the extent of future production from the Cerro Colorado Gold Mine. These statements reflect management’s current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. The Company cautions that all forward looking information is inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company’s control. Such factors include, among others, risks and uncertainties relating to exploration and development; the ability of the Company to obtain additional financing; the Company’s limited operating history; the need to comply with environmental and governmental regulations; political and economic instability and general civil unrest in Mexico, if any; potential defects in title to the Company’s properties; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; and other risks and uncertainties, including those described in the Company’s other regulatory filings filed with the Canadian Securities Administrators and available at www.sedar.com. Accordingly, actual future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. All statements are made as of the date of this news release and the Company is under no obligation to update or alter any forward-looking information.

For further information about Sierra Minerals Inc. please contact:

Michael Farrant
President & CEO
416.775.7543 or 416.278.4149
Email: askus@sierraminerals.ca



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