



Sierra Minerals Announces New Gold Discovery in Mexico

Intercepts Include 11.16 g/t Gold Over 8.0 meters at El Cajon Gold Project

TORONTO, ONTARIO, November 12, 2009 – Sierra Minerals Inc. (TSX: SIM) ("Sierra") is pleased to report initial drilling results from its wholly-owned El Cajon Gold Project in Sonora, Mexico, approximately 12 km from its producing Cerro Colorado Gold Mine and infrastructure. This represents the first significant step in advancing a regional exploration program that began with initial concession acquisitions in late 2007. These results are extremely encouraging and justify additional Phase I drilling aimed at determining the extent of the mineralization, with the ultimate goal of performing a more comprehensive drill program to establish a National Instrument 43-101 ("NI 43-101") compliant estimated mineral resource that could be processed at the existing Cerro Colorado facilities. Exploration expenditures are being funded out of operating cash flow from the Cerro Colorado mine.

Regional geological studies completed over the past couple years by Sierra's Mexican subsidiary, Granmin S.A. de C.V. ("Granmin Mexico") identified a prospective 1km by 3km area that historically has produced gold from both underground mines and placers. Granmin Mexico has continued to add to its land position in this area in addition to existing mineral concessions already under lease. All of these concessions collectively form the El Cajon Gold Project.

Ongoing geological mapping and surface sampling identified seven targets to date, within the prospective zone for initial drill testing and in August 2009, Granmin Mexico began Phase I drilling. Two areas have reported gold grades over intervals that would be mineable and economically recoverable at Cerro Colorado. In addition, six of the seven targets contained intervals of significant mineralization.

To date 40 drill holes totalling 2,040 meters have been completed on the seven target areas. Additional Phase I, close-spaced drilling is underway at the La Javelina target and will begin at the Las Amarillas target in the next few days.

Michael Farrant, President and CEO of Sierra stated, "We are very excited with these results. One of the Company's stated goals has been to expand its mineral resources to provide additional ore feed to the infrastructure already in place at the Cerro Colorado mine. With this new discovery being only 12km away, it could represent a means of both boosting future production levels and extending the mine life at Cerro Colorado."

Table 1: Highlights of Drill Intercepts in the El Cajon Gold Project, Sonora, Mexico

Area	Hole No.	Interval (m)	Intercept (m)	Au (g/t)
Las Amarillas	LO 1	45.0 - 47.0	2.0	0.63
	LO 2	60.0 - 62.0	2.0	4.30
	LO 3	22.0 - 33.5	11.5	0.88

Table 1: Highlights of Drill Intercepts in the El Cajon Gold Project, Sonora, Mexico (Continued)

Area	Hole No.	Interval (m)	Intercept (m)	Au (g/t)
Las Amarilas	LO 4	11.0 - 19.0	8.0	11.16
	(including)	14.0 - 19.0	5.0	19.08
	LO 4b	66.0 - 67.0	1.0	3.58
		67.0 - 73.0	6.0	0.30
	LO 5	21.0 - 28.0	7.0	0.25
		28.0 - 28.5	0.5	6.80
El Cajon	LO 8	26.0 - 27.0	1.0	25.25
	LO 12	84.0 - 86.0	2.0	0.54
	LO 14	48.0 - 49.0	1.0	2.50
	LO 14	50.0 - 52.0	2.0	0.63
	LO 15	22.0 - 24.0	2.0	0.29
Mateburro	LO 26	13.0 - 14.0	1.0	4.28
	LO 28	19.0 - 20.0	1.0	10.11
	LO 30	40.0 - 41.0	1.0	1.13
El Carro	LO 34	29.0 - 30.0	1.0	4.66
Gneiss	LO 42	24.0 - 25.0	1.0	0.76
La Javelina	LO 49	14.0 - 33.0	19.0	0.21
		37.0 - 42.0	5.0	0.55
	LO 50	3.0 - 11.0	8.0	0.35
		14.0 - 22.0	8.0	0.45
		24.0 - 31.0	7.0	1.93
		38.0 - 44.0	6.0	0.65
	LO 51	16.0 - 23.0	7.0	1.39
	(including)	20.0 - 21.0	1.0	8.20
		29.0 - 33.0	4.0	0.48
	LO 52	3.0 - 8.0	5.0	0.33
		15.0 - 16.0	1.0	0.41
		28.0 - 29.0	1.0	35.41
		29.0 - 30.0	1.0	0.49
	LO 53	0.0 - 6.0	6.0	0.64
		6.0 - 11.0	5.0	16.49
		11.0 - 13.0	2.0	0.49
		13.0 - 23.0	10.0	0.58
		28.0 - 31.0	3.0	0.34

(Includes drill assay results received to November 4, 2009. True widths are approximately 60-65% of reported widths.)

The Las Amarillas target is a shallow high-grade vein with a halo of auriferous disseminated pyrite. The host structure may be traced 500m along strike. Mineralization in veins and structures occur where both porphyritic, intrusive rhyolite and andesite dykes have intruded the gneiss-meta-sediment contact. Hole LO 4 encountered 11.16 g/t Au between 11.0 to 19.0 meters. Hole LO 3 (50m north of LO 4) averaged 13.5 meters at 0.88 g/t Au and reported traces of gold mineralization throughout its 45m length. Holes LO 1 and LO 2 targeted the same vein 75m to the north of the LO 4 intercept and encountered intervals of 0.63 g/t Au and 4.30 g/t Au, respectively. All four holes encountered mineralization in zones of disseminated pyrite and quartz veining on the gneiss meta-sediment contact. These zones contained scattered gold values of 0.10 to 2.22 g/t Au.

Eight additional Phase I holes are planned at Las Amarillas. These will define mineralization on 25 to 50 meter intervals and continue drilling along strike. This drilling is expected to be completed within the next three weeks.

At the La Javelina target, current Phase I angle drilling on 25 meter centres is defining a mineralized zone that is 90+m long with mineralized intervals of 7.0 to 18.0 meters wide. The mineralization extends from the surface and is open along strike and at depth. Controls of mineralization are four parallel structures that are in the hanging wall of a rhyolite dyke. The structural zones host gold mineralization grading 1.3 to 73.0 g/t Au in quartz veins and faults. Disseminated pyrite in gneiss between the structures reports grades of 0.19 to 0.64 g/t Au. The discovery hole (LO 50) reported an aggregate thickness of mineralized intervals of 17.8 meters averaging 0.82 g/t Au. Hole LO 49 (40m east) contained 24.0 meters at 0.28 g/t Au and hole LO 51 (50m west of LO 50) contained 12.0 meters at 1.65 g/t Au. Intermediate hole LO 52 encountered 8.0 meters at 1.23 g/t Au, including a 1.0 meter interval of 35.41 g/t Au. Intermediate hole LO 53 contained 29.0 meters of mineralization at 4.0 g/t Au, including a 5.0 meter interval at 16.49 g/t Au between a depth of 6.0 to 11.0 meters. Four additional Phase I holes will be drilled in the next few days. A similar zone is present along strike 175-300m to the west-southwest of this zone and this area will also be drill-tested as part of Phase I.

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 21,000 ounces of gold in 2009. The Company's exploration pipeline includes an extensive 34,000-hectare regional land package in Sonora, Mexico, including the El Cajon Gold Project. Further information about Sierra Minerals and the Cerro Colorado Gold Mine can be found on the Company's website at www.sierraminerals.ca.

Assaying and Qualified Person

All samples in this news release were prepared and analyzed by 30 gram fire assay at the Company's in-house assay lab at the Cerro Colorado mine site. Sierra has implemented a quality control program to ensure best practices in sampling and analysis of surface and drill samples. Duplicate drill samples of each one-meter interval were collected during drilling and have been sent to IPL Lab in Hermosillo, Mexico for independent verification. A standard chain of custody procedure has been practiced. The Company also employs a rigorous quality assurance and quality control ("QAQC") program comprised of control samples that include standardized material, blanks and duplicates.

The El Cajon Gold Project is under the direct supervision of Granmin Mexico's Exploration Manager and Chief Geologist, Mr. Edward Wells, BS, MS., Certified Professional Geologist and Qualified Person, as defined by National Instrument 43-101 ("NI 43-101"). He has prepared the technical information contained in this news release and reviewed the release

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.

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