ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE - 28 OCTOBER 2013

Highest Grade Intercept to Date at Mabilo Project

The Board of Sierra Mining Limited ("Sierra") is pleased to present the assay results for hole MDH-16, which was the first hole of the current drilling program aimed at testing the conceptual South B target zone.

As discussed in the ASX announcement dated 14 October 2013, hole MDH-16 intersected magnetite skarn from 106 to 159 m. The hole has now been assayed and graded:

53 metres at 5.31 g/t Au, 3.14 % Cu, 11.0 g/t Ag and 51.06% Fe

The grade of the magnetite skarn intercept is the highest recorded to date at the Mabilo project.

Hole MDH-16 is a vertical diamond core hole located at 1559835 N, 476136 E and 121 m RL (WGS 84, 51N). Note that the true width of the intersection will be less than 53m as the body is interpreted to dip between 40-50° in this area.

The intersection contains abundant chalcopyrite similar to other mineralised intervals at Mabilo in addition to bornite, which has not been recognised in previous mineralised intersections. The higher gold to copper ratio in this intersection is attributed to the presence of bornite, which can contain significantly higher levels of Au than chalcopyrite. Although the mineralised intersection is weathered and depleted in Cu and Au up dip in hole MDH-04, no evidence of supergene enrichment is recognised in MDH-16 and the mineralisation is considered primary.

The magnetite skarn zone in MDH-16 is bound by zones of intense pyrite-arsenopyrite veining and brecciation from 104.15 to 106 metres and a thicker zone from 159 to 177.68 m which graded 0.27 g/t Au and 0.22% Cu over 18.68 metres. The pyrite-arsenopyrite post-dates and in places replaces the magnetite skarn, with the grades recorded in the pyrite-arsenopyrite zone being related to the presence of relict Cu-Au bearing magnetite skarn clasts within the pyrite-arsenopyrite zones. Zones of less intense pyrite-arsenopyrite veining also occur within the magnetite skarn but are not volumetrically significant.

The MDH-16 mineralised intercept is considered highly significant in the on-going exploration of the Mabilo skarn mineralisation, as it provides the first confirmation of the magnetic model for the South B body, and also confirms the presence of extensive Cu and Au mineralisation in the South B body.

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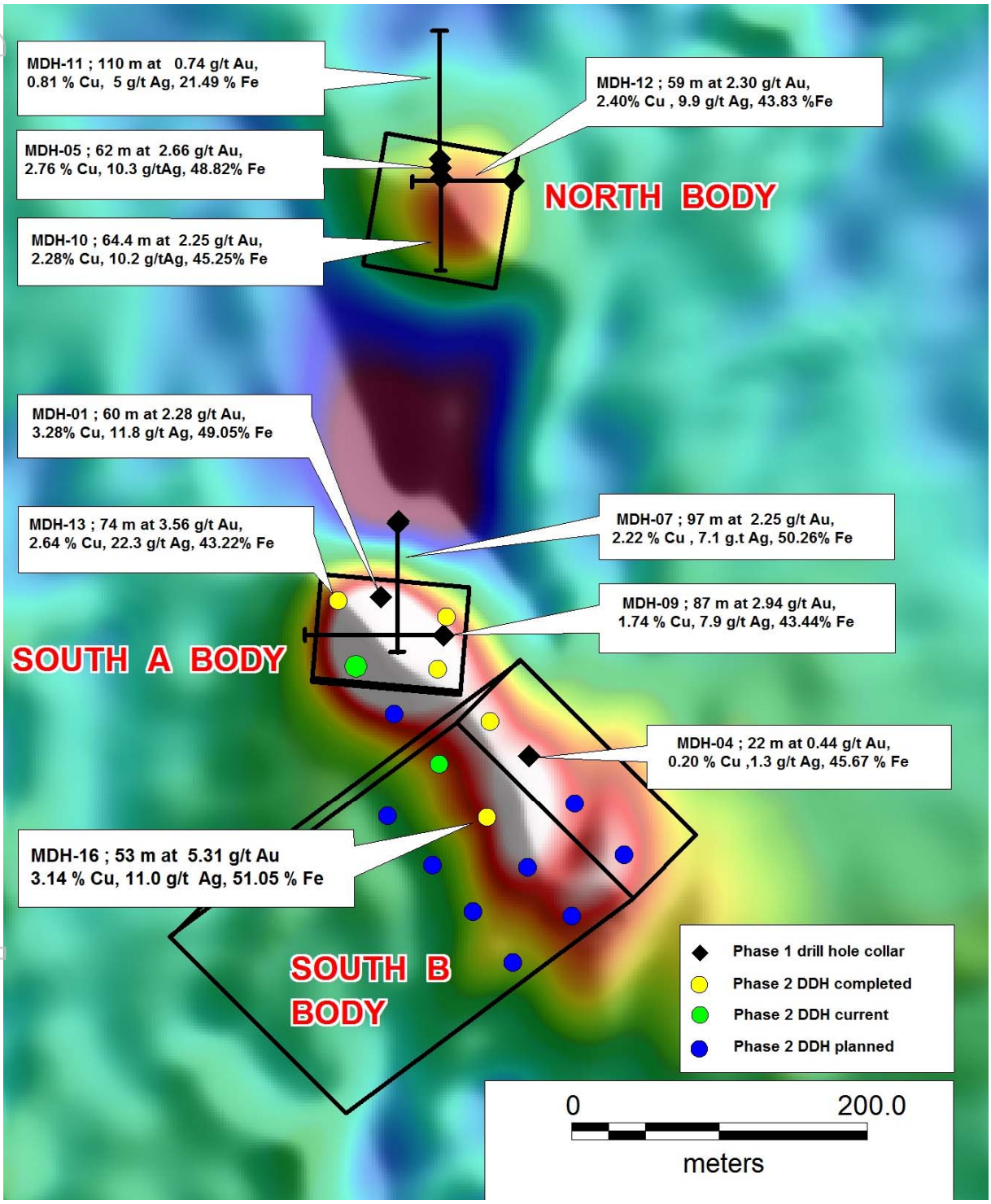

RTP magnetic image showing 2D modeled magnetite skarn zones and drill hole locations.

Appendix 1: New Drilling Results at the Mabilo Project included in this report

Sampling Techniques and Data: Drill Hole MDH-16, Mabilo Project

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The assay data reported herein is based on sampling of Diamond Drill core of NQ diameter which was cut with a diamond core saw. Samples are mostly of 1 metre length or less (average 0.92 m, maximum 1.55 m). Cut half core samples were sent for analysis by an independent ISO certified laboratory (Intertek McPhar Laboratory) in Manila.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	The half core sample is assumed to be representative of the full core sample. Duplicate samples (two quarter core samples from the same interval) are collected for every 20th sample and are submitted independently as a check on how representative an individual core sample is. The results for the assays reported herein are deemed to be acceptable.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Diamond drill core of NQ diameter were cut in half and half core samples submitted to the Laboratory. Sample intervals were generally 1 metre although occasionally slightly longer or shorter intervals were used where changes in lithology, core size or core recovery required adjustments. The maximum sample length for assays included in this report is 1.55 metres and the average sample length 0.92m. Samples were crushed and pulverized (95%<75 um). Gold was analysed by 50 g Fire assay and other elements by ICP-MS or ICP-OES following a 4 acid digest.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Drilling was by PQ, HQ and NQ diameter, triple tube diamond core. The hole for which data is being reported is vertical and relatively short thus down hole orientation surveys were not conducted. The core was not orientated.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Core recovery is initially measured on site by trained technicians and again in the core shed by the core shed geologist. Any core loss is measured, the percentage calculated and both are recorded in the Geotech log for reference when assessing assay results. In instances where core breaks off before the bottom of the hole leading to "apparent poor recovery" followed by a core run of > 100 % recovery the adjustment is made in the records. Core loss is not a significant problem in the hole reported herein as recoveries are generally over 90% and close to 100% in the fresh magnetite skarn which was sampled. The mineralisation occurs in large bodies (+50 metres thick) of relatively uniform grade thus small zones of poor core recovery are not overly significant ie they are unlikely to have been significantly higher or lower grade than the surrounding material. Where a particular drill run has lower recovery the sample interval is adjusted to coincide with the drill run thus recovery can be directly correlated to assay data when assessing the results.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	All care is taken to ensure maximum recovery of diamond core. Drillers are informed of the importance of core recovery and payment or joint venture earn-in for metres drilled is linked to core recovery to provide an incentive for the drillers to maximise core recovery.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of	There is no relationship between core recovery and grade as the grade of the skarn bodies is relatively uniform over significant widths (+50m). The Cu, Au and Ag grade is related to the presence of disseminated chalcopyrite and bornite and is not

Criteria	Explanation	Commentary
	fine/coarse material.	related to fractures and faults which are the main causes of core loss and reduced recovery.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	The diamond drill core is logged in significant detail in a number of logging sheets including a geological log, a structural log, a geotechnical log, a quantitative skarn mineralisation log and a magnetic susceptibility log which is appropriate for mineral resource estimates and mining studies, neither of which are reported herein.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Most of the geological logging is a mixture of qualitative (descriptions of the various geological features) and quantitative (number of, width of and angles of veins, estimated percentages of various minerals etc). The quantitative skarn mineralisation log and the Magnetic susceptibility log are quantitative. Photos are taken of all core (both wet and dry) which can be considered quantitative.
	The total length and percentage of the relevant intersections logged.	All core, including barren overburden and country rock is logged in the various logging sheets noted above.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Sample lengths are generally one metre but may be slightly more or less to coincide with lithological breaks, changes in core diameter (PQ/HQ/NQ) and any areas of different core recovery. All core from mineralised zones and the immediate surrounding rocks is initially sawn in half to provide a better surface for geological logging. Half core is collected for analysis and the other half retained for reference and or metallurgical testwork. One in every 20 samples of half core is sawn again to produce two quarter core duplicate samples which are submitted to the laboratory separately with different sample numbers.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	All sample results reported herein is of diamond drill core.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All core samples are sent to an ISO certified independent laboratory where samples are dried, crushed and pulverised to 95% of the sample passing a 75µm sieve.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Certified reference standards and Sierra's field blank samples were each inserted into sample batches in the ratio of one standard and one blank for every 20 core samples to assess the accuracy, precision and methodology of the ISO certified laboratory which assayed the samples. In addition every 20th sample was cut into 2 quarter core duplicate samples to assess the grade variability of the drill core. A record of results from all duplicates, blanks and standards is maintained for ongoing QA/QC assessment. In addition, the laboratory which analysed the samples conducted their own extensive check sampling as part of their own internal QA/QC processes which is reported in the assay sheets. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and the assay laboratory indicating acceptable levels of precision and accuracy.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Duplicate samples (two quarter core samples from the same interval) are collected for every 20th sample and are submitted independently as a check on how representative an individual core sample is. The results for the assays reported herein are deemed to be acceptable. All assay sheets are scrutinised when received from the laboratory and the results of the duplicate sampling noted above are documented and assessed regularly. The variance in the duplicate sampling of the assay results reported herein are acceptable.
	Whether sample sizes are appropriate to the grain	The magnetite skarn mineralisation occurs in large bodies of fine

Criteria	Explanation	Commentary
	size of the material being sampled.	grained magnetite with chalcopyrite and bornite (both containing gold) disseminated through the magnetite body. The sample size used is suitable in respect to the grain size of the mineralisation.
Quality of assay data & lab tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	The assay techniques used for the assay results reported herein are international standard and can be considered total. Gold was analysed by 50 g fire assay and the other elements by ICP following a four acid digest.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical tools were used for any analysis reported herein. Magnetic susceptibility readings are taken of all core but are only used in magnetic modelling to plan drill hole positions and are not used to estimate Fe content.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Certified reference standards and Sierra's field blank samples were each inserted into sample batch to assess the accuracy, precision and methodology of the ISO certified laboratory which assayed the samples. In addition every 20th sample was cut into 2 quarter core duplicate samples to assess the grade variability of the drill core. The laboratory which analysed the samples conducted their own extensive check sampling including repeat assays of all high grade samples as part of their own internal QA processes which is reported in the assay sheets. Examination of all the QA/QC sample data indicates satisfactory performance of field sampling protocols and the assay laboratory indicating acceptable levels of precision and accuracy.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The logging and geochemical results reported herein and the calculated averages for different lithology types were independently checked and calculated by two company personnel.
	The use of twinned holes.	The drilling results reported herein come from a single drill hole which has not been twinned.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data documentation, verification and storage is conducted in accordance with the Sierra's Standard Operating Procedures Manual for the Mabilo Project. The diamond drill core is logged in detail in a number of separate excel template logging sheets including: 1] a geological log of all core, recording mineralogy, lithology, alteration, degree of oxidation and mineralisation; 2] a structural log of all core, recording alpha and beta angles, structure types, vein types and infill; 3] a geotechnical log of all core recording RQD, defects, fabrics; 4] a quantitative skarn mineralisation log of the magnetite and adjacent host rock which records mineral and vein occurrences and percentages as well as breccia types and matrix/clast percentages; 5] a magnetic susceptibility log of all core; 6] bulk density data for selected samples representing domains identified by the project geologist. All logging data is either recorded directly or transcribed onto excel spread sheets which are validated by the Company data base manager and archived separately as well as being combined into a data base along with the assay results. All logging data is validated and archived and is available for future reference. Hard copies of all logging sheets are kept at both the Project office in Daet town and the Manila office. Remnant half core and the coarse rejects and sample pulps returned from the laboratory are kept in locked storage at the Company's core yard.

Criteria	Explanation	Commentary
	Discuss any adjustment to assay data.	The results from the two quarter core duplicate samples are averaged before being entered into the geochemistry database so that all geochemical data represents the results from half core samples. The assay results reported herein include averages of the duplicate samples. Standard checks and repeat samples from the laboratory are scrutinised and retained in an archive of all assay sheets received from the laboratory as well as a QC/QA database but are not included in the primary database ie primary assay results are not averaged with repeat and check sample results.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars are initially sited with a hand held GPS with an accuracy of +/- 5 metres. Completed holes are surveyed by an independent qualified surveyor using standard differential GPS (DGPS) equipment achieving sub decimetre accuracy in horizontal and vertical position. The assay results reported herein are from a single vertical hole located with a hand held GPS. No down hole orientation survey was conducted as the hole was drilled vertically.
	Specification of the grid system used.	Co-ordinates are on a UTM Grid; WGS84 (51N).
	Quality and adequacy of topographic control.	The Mabilo area is relatively flat with variation in topography less than fifteen (15) metres. The collar elevation for the drill hole reported herein is based on a reading from a hand held GPS and is consistent with surrounding hole collars previously surveyed with a differential GPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole assay results reported herein are from a single drill hole.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The Mabilo Project is at an early stage and drill holes are at variable spacing aimed at confirming the extent of magnetite skarn zones indicated by modelling of ground magnetic and drill hole magnetic susceptibility readings. The magnetite skarn zones are large and have a consistent Fe grade. Chalcopyrite, bornite (and gold) are disseminated throughout the magnetite skarn and tend to have a consistent average grade over the total skarn intersection but may vary on the metre scale. No mineral resource or reserve estimations are included herein.
	Whether sample compositing has been applied.	No compositing of intervals in the field have been undertaken.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type*	The new assay data reported herein occurs in a large magnetite replacement body which is interpreted to be inclined based on modelling of the data by an independent consultant. The drill hole is vertical and thus at an angle to the dipping body. There are no known internal structures effecting the grade distribution thus the sampling reported herein is not biased.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	There is no bias in the sampling reported herein as the mineralisation is massive magnetite with disseminated chalcopyrite and bornite and there are no internal mineralised structures within the body. The samples are from a vertical hole which intersected a dipping mineralised zone thus has an apparent thickness greater than the true thickness.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by Sierra employees. Core trays are kept at the drill site under constant watch by Company employees prior to being transported from the drill site by Company employees in a Company vehicle to the core shed where core is logged and sawn core samples prepared for dispatch. Remaining core is kept in the Company core yard which is in a secure compound at the Company regional office in Daet town and guarded at night. Samples are sent directly from the core shed to the laboratory packed in secured and sealed plastic drums using either

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		Company vehicles or a local transport company. A standard Chain of Custody form is signed by the driver responsible for transporting the samples upon receipt of samples at the core yard and is signed by an employee of the laboratory on receipt of the samples at the laboratory. Completed forms are returned to the Company for filing.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The sampling techniques and QA/QC data are reviewed on an ongoing basis by Company management and independent consultants. The writer of this report is an independent consultant who has reviewed all sample handling techniques and considers them to be of industry standard and appropriate.

Reporting of Exploration Results:

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Mabilo Project is covered by Exploration Permit EP-014-2013-V and Exploration Permit Application EXPA-000188-V. Drilling activity the subject of this announcement is within EP-014-2013-V which was granted in July 2013 for two years, with the option to renew for an additional 4 years. EP-014-2013-V is issued to Mt Labo Exploration and Development Corporation ("Mt Labo"), an associate of Sierra. There is a 1% royalty payable on net mining revenue received by Mt Labo in relation to EP-014-2013-V. Sierra and Mt Labo have entered into a joint venture agreement with Galeo Equipment and Mining Company, Inc ("Galeo") to partner in exploring and developing the Mabilo and Nalesbitan Projects. Galeo can earn up to a 36% interest in the Projects, down to 200 metres below surface, by contributing approximately US$4,250,000 of exploration drilling and management services for the Projects over a 2 year period. There are no native title or Indigenous ancestral domains claims at Mabilo.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenure over the area currently being explored at Mabilo is a granted Exploration Permit which is considered secure.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The only previous exploration over the Mabilo project area was a ground magnetic survey. Sierra has reported this data in previous reports to the ASX and used it as a basis for initial drill siting. Subsequently Sierra conducted its own ground magnetic survey with closer spaced survey lines and reading intervals which supersedes the historical program.
Geology	*Deposit type, geological setting and style of mineralisation.*	Mineralisation at Mabilo can be defined as a magnetite-copper skarn which developed where the magnetite-copper-gold mineralisation replaced beds of calc-silicate prograde skarn (predominantly garnet skarn) in the Miocene age Universal Formation.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	The sampling and geochemical information contained in this report pertains to the results from a single drill hole which is part of the second phase of drilling at Mabilo. The easting, northing, elevation, dip and azimuth of the hole is reported herein. The location of all completed holes including down hole depths, depths of intersections and end of hole depths at Mabilo has been reported to the ASX previously
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent	Location and orientation of all Phase 1 drill holes have previously been reported in announcements to the ASX.

Criteria	Explanation	Commentary
	Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	Samples of different lengths are weighted when calculating average assays for the large intervals reported herein. No top or bottom cuts have been made to the assay data when calculating averages.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	The Mabilo skarn mineralisation is large with a relatively uniform grade. There are no exceptionally high or low grade zones with the mineralised bodies. The average grades reported herein are based on sample widths of approximately 1 metre width. No single sample width included in the averages exceeds 1.55 m.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent grades are reported herein.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The drill hole reported herein was drilled vertically. The orientation of the mineralised bodies is based on magnetic modelling and drill hole results. Modelling of magnetic data suggests the mineralisation intersected is dipping thus the intersection reported herein is not a true width of the mineralised body.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The interpreted orientation of the mineralised bodies is based on magnetic modelling and drill hole data. The body is interpreted to dip to the SW but the exact angle is unknown at this stage, thus the intersection reported is a down hole length and the true width of the mineralisation is not known.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	A map (plan view) showing contoured ground magnetic data, modelled magnetite bodies and drill hole collars is included in the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	The report documents the assay results from a single hole of the second phase of drilling. Low grade sample results from adjacent rocks outside the mineralised body in this drill hole are not included.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful exploration data concerning the Mabilo Project has been reported either in previous reports to the ASX or in the current report to which this table is appended.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The attached report is an initial report on an ongoing drilling program. Areas of future drilling and the magnetic modelled mineralised bodies which are the target of the on-going drilling are outlined in the figure included in the report.

The information in this report relating to exploration results, mineral resources or ore reserves is based on information provided to Mr Robert McLean by Sierra Mining Limited. Mr McLean is an independent consultant geologist and is a corporate member of the Australian Institute of Mining and Metallurgy. Mr McLean has the relevant qualifications and experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC code). Mr McLean consents to the inclusion in the report of the matters based on the information he has been provided and the context in which it appears.