

NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "Meeting") of the shareholders of **Sierra Metals Inc.** (the "Corporation") will be held on Wednesday, June 14, 2017, at the Fairmont Royal York Hotel, 100 Front Street West, Salon 4 (19th Floor), Toronto, Ontario, M5J 1E3, Canada, at the hour of 9:30 a.m. (local time in Toronto) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Corporation for the fiscal years ended December 31, 2016 and 2015, together with the auditors' reports thereon;
2. To elect the directors of the Corporation for the ensuing year;
3. To reappoint PricewaterhouseCoopers, Chartered Accountants, as the Corporation's auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. To consider and, if deemed advisable, to pass an ordinary resolution ratifying, confirming and approving an amendment to the Corporation's Restricted Share Unit Plan and to approve all unallocated restricted share units with respect to treasury issuances thereunder, the full text of which is reproduced in the Management Information Circular;
5. To consider and, if deemed advisable, to pass an ordinary resolution to approve all unallocated options under the Corporation's existing Stock Option Plan, the full text of which is reproduced in the accompanying Management Information Circular;
6. To transact such other business as may properly be put before the Meeting or any adjournment or adjournments thereof.

If you are a registered shareholder of the Corporation, you are entitled to attend and vote at the Meeting in person or by proxy. The board of directors of the Corporation requests that all such shareholders who will not be attending the Meeting in person to read, date and sign the accompanying Form of Proxy and deliver it to Computershare Investor Services Inc. ("Computershare") (Attention: Proxy Department), 100 University Ave., 8th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting, or adjournment or postponement thereof. If a shareholder does not deliver a Form of Proxy to Computershare by the close of business on Monday, June 12, 2017 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on May 15, 2017 will be entitled to vote at the Meeting.

If you are not a registered shareholder of the Corporation, a Voting Instruction Form, instead of a Form of Proxy, may be enclosed. You must follow the instructions, including deadlines for submission, on such from to vote your shares.

A Management Information Circular and a Form of Proxy accompany this Notice.

DATED at Toronto, Ontario this 15th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Igor Gonzales

IGOR GONZALES
PRESIDENT & CEO