

CARACARA SILVER INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that Caracara Silver Inc. (the “**Corporation**”) will hold its annual and special meeting of shareholders (the “**Meeting**”) at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, on Monday, August 29th, 2016 at 10:00 am (Toronto Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the years ended June 30, 2015 and 2014, and the independent auditors’ report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the independent auditors of the Corporation and authorize the directors to fix the auditors’ remuneration;
4. to consider, and if deemed advisable, to pass, without variation, an ordinary resolution confirming the Corporation’s stock option plan;
5. to consider, and if thought advisable, to pass, with or without variation, a special resolution authorizing an alteration to the Corporation’s Articles to implement advance notice provisions and enable the Corporation, by way of resolution of its board of directors, to alter its authorized share structure as described in the accompanying information circular under the heading, “Particulars of Matters to be Acted Upon – Amendments to the Corporation’s Articles”;
6. to consider, and if deemed advisable, to pass, without variation, a special resolution, authorizing the option agreement in favour of Alcon Exploration Corp. to purchase the Pilunani-Princesa mineral concessions; and
7. to transact any other business properly brought before the Meeting.

Holders of common shares are invited to attend the Meeting. Shareholders of record as at the close of business on July 25, 2016, will be entitled to notice of and to vote at the Meeting.

A detailed description of the matters to be acted upon at the Meeting is set forth in the accompanying management information circular of the Corporation dated July 25, 2016 (the “**Information Circular**”).

Copies of: (a) this notice of annual and special meeting of shareholders; (b) the Information Circular; and (c) a management form of proxy and instructions in relation thereto (the “**Management Proxy**”) may be obtained at the following office: Caracara Silver Inc., 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1, or will be sent to a shareholder without charge upon request by calling 416.637.3523.

DATED the 25th day of July By
Order of the Board of Directors
(Signed) “*Nick Tintor*”
President & CEO