

October 31, 2011

British Columbia Securities Commission  
PO Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2

TSX Venture Exchange  
PO Box 11633  
2700 – 650 West Georgia Street  
Vancouver, BC V6B 4N9

Alberta Securities Commission  
400 – 300 Fifth Avenue SW  
Calgary, AB T2P 3C4

Ontario Securities Commission  
1903 – 20 Queen Street West  
Toronto, ON M5H 3S8

Dear Sirs:

**Re: Caracara Silver Inc. (the “Company”)  
Change of Auditor**

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We are writing in accordance with Section 4.11(6)(a)(ii)(B) of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”). We wish to confirm that we have read the Notice of Change of Auditor of the Company dated October 27, 2011 and that based on our current knowledge we are in agreement with the information contained in such Notice.

Yours very truly,

*Smythe Ratcliffe LLP*

Chartered Accountants

HLC/mso/126000

cc: The Board of Directors, Caracara Silver Inc.