



**RE: NOTICE OF CHANGE OF AUDITOR  
PURSUANT TO PART 4.11 OF NATIONAL INSTRUMENT 51-102**

**TO:** Ontario Securities Commission  
SmytheRatcliffe LLP, Chartered Accountants  
MNP LLP, Chartered Accountants

**DATED:** October 27, 2011

Pursuant to Part 4.11 of National Instrument 51-102, Caracara Silver Inc. (the "**Corporation**") hereby advises that MNP LLP, has resigned as auditor of the Corporation effective October 25, 2011, and that the Corporation has received such resignation from MNP LLP on its own initiative. The proposal and recommendation to appoint SmytheRatcliffe LLP, Chartered Accountants as the successor auditor of the Corporation, effective October 26, 2011, was considered and approved by the Audit Committee of the Corporation's Board of Directors.

The Corporation confirms that:

- (a) there have been no qualified opinions or denials of opinions by MNP LLP, for any past fiscal year of the Corporation or for any period subsequent to the most recently completed fiscal period for which an auditor's report was issued by MNP LLP; and
- (b) the Corporation is of the opinion that there were no "reportable events" as defined in Part 4.11 of National Instrument 51-102, which occurred for any past fiscal year or for any period subsequent to the most recently completed fiscal period of which an auditor's report was issued.

In accordance with Part 4.11 of National Instrument 51-102, the Corporation requests that MNP LLP and SmytheRatcliffe LLP each furnish a letter stating whether, based on present knowledge, your firms agree with the information contained in this letter. If you disagree with the information contained in this letter, please specify your reasons.

Please address your letters to the Ontario Securities Commission with a copy to the TSX Venture Exchange and return to the Corporation within twenty days after the date of this notice letter.

**CARACARA SILVER INC.**

  
Stephen Gledhill  
Chief Financial Officer

Caracara Silver Inc.  
120 Adelaide Street West, Suite 2400  
Toronto, ON M5H 1T1  
Phone: 416-637-3523