



**FOR IMMEDIATE RELEASE**

September 28, 2011

**Caracara Silver Inc. Announces Start of Field Programs  
on Princesa-Pilunani Silver Projects, Peru**

**Toronto, ON – Caracara Silver Inc. (CSV: TSXV)** (“Caracara” or the “Company”) is pleased to announce the start of a regional scale geophysical program on its Princesa-Pilunani project located 850 kilometres south-east of Lima, in southern Peru.

The Company has engaged Valdor Geofisica del Peru to conduct an Induced Polarization geophysical survey totalling a minimum of 60 line kilometres over Caracara’s properties. This field program is under way and is expected to be completed by the end of November.

The current field program will also include mapping, trenching and sampling in order to define areas of mineralization on surface prior to testing with drilling, anticipated to begin in the late second quarter of 2012.

Caracara’s projects are divided into three work areas known as Princesa, Pilunani and Potoni and total 24,600 hectares of land in 34 concessions. The map below outlines the three concession working areas.

On the main Princesa project, more than 6,889 metres of core has been relogged in order to better understand controls on mineralization and deposit geology. Princesa was the subject of an exploration program from 2004-2007 which included mapping and surface sampling, IP surveys and 64 diamond drill holes. The Princesa project hosts NI 43-101 complaint inferred resources totalling 4.6 million tonnes grading 90.88 grams silver per tonne and 1.69% zinc and 1.61% lead. Princesa remains open at depth and along strike. The Princesa Technical Report can be found on the Company’s website [www.caracarasilver.com](http://www.caracarasilver.com) and on [www.sedar.com](http://www.sedar.com) (Independent 43-101 Technical Report, Princesa Project, DEPARTMENT OF PUNO, PERU. Authored by SERVICES GÉOLOGIQUES, A. Vachon, 35 Du Parc des Érables, Laprairie, QC, J5R 5J2, dated January 15<sup>th</sup>, 2011.

**Community Relations**

Caracara has implemented a community relations program and maintains excellent relations with all the communities in its operating area. The Company is working to conclude a working agreement with each of the communities and expects to have these agreements completed sometime in the fourth quarter of this year.

**Other Business**

The Company’s board of directors has approved the grant of stock options to directors, officers, employees and consultants of the Company to acquire an aggregate of 2,900,000 common shares. Each option granted to directors, officers, employees and consultants can be exercised to acquire one

common share at a price of \$0.50 per share over a five year period. The option grants remain subject to vesting restrictions of one-quarter on each of the grant date, 6 month, 12 month and 18 month anniversaries from the date of the option grant.

### **Qualified Person**

Mr. Alain Vachon, P.Geo, Caracara Silver's Vice President Exploration and the Company's Qualified Person as defined by National Instrument 43-101, has reviewed and approved the contents of this press release.

### **About the Company**

Caracara Silver Inc. is focused on acquiring, exploring and developing silver, zinc and lead resources to meet the world's growing demand. The Company holds 34 concessions totalling 24,600 hectares in Southern Peru and is actively exploring its holdings in Peru and assessing new projects.

Caracara has 50,821,167 shares issued and outstanding and trades on the Toronto Stock Exchange Venture under symbol: CSV.

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