120 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 1T1 Canada
416-637-3523

www.caracarasilver.com

Management Information Circular
Dated July 25, 2016

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 by 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

CARACARA SILVER INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by management ("**Management**") of Caracara Silver Inc. (the "**Corporation**"), of proxies to be used at the annual and special meeting of shareholders (the "**Meeting**") of the Corporation to be held at 120 Adelaide Street West, Suite 2400 Toronto, Ontario, Canada, on Monday, August 29, 2016, at 10:00 am (Eastern Daylight Time) for the purposes set forth in the accompanying notice of annual and special meeting (the "**Notice**").

Except as otherwise indicated, information herein is given as at July 25, 2016. In this Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified. All references herein to the Corporation shall include its subsidiaries as the context may require.

The board of directors of the Corporation (the "**Board**") has by resolution fixed the close of business on July 25, 2016 as the record date (the "**Record Date**") for the Meeting. Only shareholders of the Corporation (each a "**Shareholder**" and collectively, the "**Shareholders**") of record as at 5:00 pm (Eastern Time) as at the Record Date will be entitled to receive the Notice and related documents and to vote at the Meeting or at any adjournment thereof, but failure to receive such Notice does not deprive Shareholders of their right to vote their shares at the Meeting.

If a Shareholder has transferred any of his/her/its common shares in the Corporation (the "**Common Shares**") after the Record Date, and the transferee of these shares produces properly endorsed share certificates or otherwise establishes that he/she/it owns such shares, as the case may be, and demands, at least ten (10) days before the Meeting, that his/her/its name be registered on the list of Shareholders entitled to vote, the transferee is entitled to vote such shares at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Each Shareholder has the right to appoint a person or company, who need not be a Shareholder, other than the persons named in the enclosed form of proxy, to represent such Shareholder at the Meeting or any adjournment(s) thereof. Such right may be exercised by inserting such person's name in the blank space provided and striking out the names of Management's nominees in the Management Proxy or by completing another proper form of proxy. All proxies must be executed by the Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of the

Corporation's transfer agent, Computershare Investor Services Inc., 100 University Ave., 8th Floor, Toronto, Ontario M5J 2Y1 Canada, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment(s) thereof.

A Shareholder forwarding the enclosed Management Proxy may indicate the manner in which the appropriate appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the proxy.

In addition to revocation in any other manner permitted by law, a Management Proxy or other form of proxy may be revoked if it is received not later than 4:00 pm (Eastern Standard Time) on August 25th, 2016 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting, by completing and signing a proxy bearing a later date and depositing it with Computershare Investor Services on behalf of the Corporation.

If you are a registered shareholder of the Corporation, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to the Corporations, c/o Computershare Investor Services Inc., Attn.: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof. The time limit for the deposit of proxies may be waived by the board of directors at its discretion without notice. Registered Shareholders may also vote their proxies via telephone or the internet in accordance with the instructions set forth on the proxy.

EXERCISE OF DISCRETION BY PROXIES

Common Shares represented by properly executed proxies in favour of the persons named in the enclosed Management Proxy will be either voted or withheld from voting, as applicable, in accordance with the instructions given by the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where Shareholders have properly executed proxies in favour of the persons named in the enclosed Management Proxy and have not specified in the Management Proxy the manner in which the named proxies are required to vote the Common Shares represented thereby, such Common Shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed Management Proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, neither Management nor the directors of the Corporation (each a "**Director**" and collectively, the "**Directors**") are aware of any such amendments, variations or others matters to come before the Meeting. If any other matters which at present are not known to Management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

Registered Holders of Common Shares or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Holder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Distribution to NOBOs

In accordance with the requirements of the Canadian Securities Administrators and National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation will have caused its agent to distribute copies of the Notice and this Information Circular (collectively, the "**meeting materials**") as well as a proxy directly to those Non-Registered Holders who have provided instructions to an Intermediary that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the beneficial owner ("**Non-Objecting Beneficial Owner**" or "**NOBO"**).

These security holder materials are being sent to both registered holders of the securities and Non-Registered Holders of the securities. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Corporation's agent to NOBOs include a proxy. Please carefully review the instructions on the proxy for completion and deposit.

Distribution to OBOs

In addition, the Corporation will have caused its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the beneficial owner objects to the Intermediary disclosing ownership information about the beneficial owner ("**Objecting Beneficial Owner**" or "**OBO**").

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use service companies such as Broadridge Financial Solutions, Inc. to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare in the manner set out above in this Information Circular, with respect to the Common Shares beneficially owned by such OBO; or

2. more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure is to permit the OBO to direct the voting of the shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or voting instruction form is to be delivered.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, Management is not aware of any person who may have an interest, whether such interest is by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. The officers of the Corporation (each an "**Officer**") and Directors since the beginning of the last financial year, each proposed Director and each associate or affiliate of such persons, have an interest in the ratification of the Corporation's stock option plan (the "**Stock Option Plan**"), as such persons may be granted stock options (the "**Options**") under the Stock Option Plan.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 51,895,835 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares. Each issued and outstanding Common Share entitles its holder to one vote.

To the knowledge of the Directors and Officers, there are two persons or companies, who beneficially own, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than ten percent (10%) of the voting rights.

Name	Number of Caracara Shares	Percentage of Issued and Outstanding Caracara Shares
Robert Disbrow	7,656,769	14.75%

MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS FOR 2015 AND 2014

A copy of the audited consolidated financial statements of the Corporation for the years ended June 30, 2015 and 2014, can be found on the Corporation's SEDAR profile at www.sedar.com. A copy can also be obtained on request by contacting the Corporation at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, Canada, M5H 1T1, Attention: Daniella Tintor, Corporate Secretary.

ELECTION OF DIRECTORS

The articles of incorporation provide that the Board consist of a minimum of three (3). The number of Directors is currently set at five (5). The nominees are, in the opinion of the Board, well qualified to act as Directors for the coming year. Each nominee has established his eligibility and willingness to serve as Director, if elected. Each duly elected Director will hold office until the next annual meeting of Shareholders or until a successor is duly elected, unless his or her office is earlier vacated in accordance with the articles of the Corporation.

Corporate Cease Trade Orders

Except as otherwise disclosed herein, no proposed director of the Corporation is, as of the date of this Circular, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, issued either while that person was acting in that capacity or after that person ceased to act in that capacity if it resulted from an event that occurred while that person was acting in that capacity.

John Cook served as a director of MBMI Resources Inc. ("**MBMI**") since March 31, 2003 until July 30, 2012. On September 21, 2007, the Executive Director of the British Columbia Securities Commission made an order (the "**MBMI Cease Trade Order**") that all trading in the securities of MBMI cease until: (i) MBMI filed a current, independent technical report under National Instrument 43-101 on its properties in the Philippines; and (ii) the Executive Director revoked the MBMI Cease Trade Order. On October 5, 2007, MBMI issued and filed a press release retracting and restating scientific and technical disclosure that it made about its Alpha and other mineral properties. On November 8, 2007, MBMI filed an amended technical report on its Alpha mineral property. The Executive Director of the British Columbia Securities Commission revoked the MBMI Cease Trade Order on November 8, 2007.

At the relevant time, John Cook was a director of GLR Resources Inc. ("GLR") which was subject to cease trade orders issued by the Ontario Securities Commission and the British Columbia Securities Commission, on April 14, 2009, the Autorité des marchés financiers du Québec on April 15**,** 2009 and the Alberta Securities Commission on November 13, 2009. Such orders against GLR were issued as a result of GLR's failure to file certain continuous disclosure materials including the audited annual financial statements, management's discussion and analysis, CEO and CFO certificates and its annual information form for the year ended December 31, 2008, which was caused by financial difficulties experienced by GLR as a result of its inability to raise funds given 2008 market conditions. Effective March 22, 2010, GLR had filed all outstanding continuous disclosure materials required to be filed under applicable securities laws and the cease trade orders were lifted by each of the Ontario Securities Commission by an order dated September 27, 2010, the British Columbia Securities Commission by an order dated September 28, 2010, the Autorité des marchés financiers du Québec by an order dated September 28, 2010 and the Alberta Securities Commission by an order dated September 30, 2010.

Bankruptcies

(a) Except as otherwise disclosed herein, no proposed director of the Corporation is, as of the date of this Circular, or has been within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

(b) Except as otherwise disclosed herein, no proposed director of the Corporation has, within 10 years before the date of this Circular, become bankrupt, made a

proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

John Cook was a director of GLR during the time of June 5, 2009, when GLR filed a proposal (the "Proposal") under the *Bankruptcy and Insolvency Act* (Canada). Some minor amendments were made to the Proposal which were filed on July 20, 2009. The sale of certain of GLR's assets under the Proposal was 20 completed on August 20, 2009. Effective on the close of trading on January 7, 2009, GLR's common shares were delisted from the Toronto Stock Exchange (the "TSX") for failure to meet certain continued listing requirements of the TSX.

Penalties or Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director. Following approval of these appointments by the Shareholders as the case may be, the Board of Directors will be composed of four (4) independent Directors, and one (1) non- independent Director, who is an employee of the Corporation, for a total of five (5) Directors.

The following table sets out the names and municipalities of residence of each member of the Board, their principal occupation or employment, and the number of Common Shares and any other securities of the Corporation beneficially owned by each, directly or indirectly or over which they exercise control or direction. Each elected nominee will hold office until the close of the next annual meeting of Shareholders or until a successor is elected or appointed, unless such nominee's office is earlier vacated.

Name and Position with Corporation	Province and Country of Residence	Principal Occupation	Director Since	Caracara Silver Shares Beneficially Owned or Controlled or Directed(#)
Robert Boaz, Chairman [(1) (2)]	Mississauga, Ontario, Canada	President, CEO and Director of Aura Silver Resources a mineral exploration company.	July 15, 2011	Nil [(3)]
Anne Chopra, Director [(2)]	Vancouver, British Columbia, Canada	Lawyer and Corporate/Legal Consultant; President, Director, CEO-- CFO and Secretary to Harvest One	July 15, 2011	142,943 [(3) (4)]

Name and Position with Corporation	Province and Country of Residence	Principal Occupation	Director Since	Caracara Silver Shares Beneficially Owned or Controlled or Directed(#)
		Capital Inc., a TSX-V Capital Pool Company and VP Corporate & International Affairs for Potash One Inc. from November 2007 to 2011		
Stephen Coates, Director [(1)]	Toronto, Ontario, Canada	Founder and Principal of Grove Capital Group, a merchant banking group specializing in the incubation and development of new resources and environmental companies. He previously founded and served as CEO of TSX- listed Homeland Energy Group.	July 15, 2011	264,521[(3)]
John Cook, Director [(1) (2)]	Roslin, Ontario, Canada	President and CEO of Tormin Resources, a private mining consulting company.	July 15, 2011	Nil [(3)]
Nick Tintor, President & CEO, Director	Mississauga, Ontario, Canada	President & CEO, Director of the Corporation, and President and Managing Director of RG Mining Investments Inc., a management company to mineral exploration companies.	July 15, 2011	2,323,200 [(3)]

Notes:
(1) Member of the Audit Committee of the Corporation

(2) Member of the Compensation and Corporate Governance Committees of the Corporation.

(3) The reported amount does not include options to purchase Caracara Common Shares.

(4) Wholly owned by the shareholder, the director owns 57,488 of the above noted Caracara Common Shares.

Management and the Directors do not contemplate that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the persons named in the Management Proxy reserve the right to vote FOR another nominee in their discretion.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the election of Robert Boaz, Anne Chopra, Stephen Coates, John Cook and Nick Tintor as Directors, unless you specifically direct that your vote be withheld.

RE-APPOINTMENT AND REMUNERATION OF AUDITORS

Management of the Corporation will recommend at the Meeting that Caracara Shareholders appoint Smythe Ratcliffe LLP Chartered Accountants as auditors of the Corporation, to hold office until the next annual meeting of shareholders of the Corporation, and to authorize the directors to fix their remuneration.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the appointment of Smythe Ratcliffe LLP as auditors of the Corporation and to authorize the Board to fix the auditor's remuneration, unless you specifically direct that your vote be withheld.

CONFIRMATION OF THE STOCK OPTION PLAN

In June 2010, the Ansue Capital Directors adopted the Stock Option Plan, in substantially its current form, which was subsequently approved by the Caracara Shareholders on July 15, 2011 and December 7, 2012. The purpose of the Stock Option Plan is to attract, retain and motivate Directors, Officers, employees and consultants (collectively, the "**Participants**") by providing them with the opportunity, through the granting of Options, to acquire a proprietary interest in the Corporation and benefit from its growth. In Management's view, the ability to grant Options as a means of compensating Participants contributes to the Corporation's overall financial performance. As such, Management considers that the Stock Option Plan is beneficial to the Corporation as it provides the Corporation with greater flexibility to compensate eligible Participants with grants of Options and encourage Participant ownership of the Corporation.

The Stock Option Plan is a "rolling" plan. The policies of the TSX Venture Exchange ("**TSX-V**") require that a "rolling" stock option plan (where a specific maximum number of shares issuable under the plan is not fixed), such as that of the Corporation, be ratified by the Shareholders at each annual and special meeting.

The Stock Option Plan provides that eligible persons there under include any Director, employee, (full-time or part-time), Officer or consultant of the Corporation or any subsidiary thereof may be granted Options by the Corporation. A consultant means an individual (including an individual whose services are contracted through a personal holding company) with whom the Corporation or a subsidiary has a contract for substantial services.

Summary of Stock Option Plan

The full Stock Option Plan is available from the Corporation upon request. The material terms of the Stock Option Plan are as follows:

1. The number of Common Shares which may be reserved for issuance to eligible persons (as defined in the Stock Option Plan) is a maximum of 10% of the issued and outstanding Common Shares.

2. No one person shall be issued Options representing more than 5% of the issued and outstanding Common Shares in any 12 month period.

3. All Options will be non-assignable and non-transferable and may be granted for a term not exceeding five years, unless the Corporation is listed on Tier 1 of the TSX-V in which case the Options may be granted for a term not exceeding ten years.

4. The exercise price of Options issued may be issued at the market price of the Common Shares as listed on the TSX-V, subject to any discounts permitted by applicable legislative and regulatory requirements.

5. No financial assistance can be provided by the Corporation to Option holders to facilitate the purchase of Common Shares under the Stock Option Plan.

6. The Stock Option Plan also contains anti-dilution provisions usual to plans of this type.

7. If an optionholder ceases to be a Director, Officer, or employee or consultant of the Corporation (other than by reason of death), then the Options will expire no later than 90 days following that date.

8. Investor relations persons may not be granted Options exceeding 2% of outstanding Common Shares and such Options must vest over one year with no more than 25% of the Options vesting in each quarter.

The Shareholders will be requested at the Meeting to pass the following resolution, without variation:

"**IT IS HEREBY RESOLVED, THAT**:

1. The Stock Option Plan, the material terms of which are summarized in this Information Circular is hereby ratified and the Board is hereby authorized, without further approval of the Shareholders, to make any further amendments to the Stock Option Plan as may be required by the TSX-V.

2. Any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby."

MANAGEMENT RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION.

If you complete and return the Management Proxy, the persons designated in the Management Proxy intend to vote at the Meeting, or any adjournment thereof, FOR the Stock Option Plan Resolution, unless you specifically direct that your vote be voted against the Stock Option Plan Resolution.

AMENDMENTS TO ARTICLES

The Corporation is proposing to amend its Articles as follows:

1. Advance Notice Provisions

The Board proposes that the Articles of the Corporation be altered to include provisions requiring advance notice of director nominees from Shareholders (the "**Advance Notice Provisions**"). Under the Articles of the Corporation and the *Business Corporations Act* (British Columbia) (the **"BCBCA"**), the alteration of the Articles must be approved by way of a special resolution requiring a two-thirds majority of the votes cast in favour of the special resolution at the Meeting by Shareholders present in person or by proxy.

The purpose of the Advance Notice Provisions is to ensure that an orderly nomination process is observed, that shareholders are well-informed about the identity, intentions and credentials of director nominees and that shareholders vote in an informed manner after having been afforded reasonable time for appropriate deliberation.

Among other things, the Advance Notice Provisions fix a deadline by which shareholders must provide notice to the Corporation of nominations for election to the Board. The notice must include all information that would be required to be disclosed, under applicable corporate and securities laws, in a dissident proxy circular in connection with the solicitations of proxies for the election of directors relating to the shareholder making the nominations (as if that shareholder were a dissident soliciting proxies) and each person that the shareholder proposes to nominate for election as a director. In addition, the notice must provide information as to the shareholdings of the shareholder making the nominations, confirmation that the proposed nominees meet the qualifications of directors and residency requirements imposed by corporate law, and confirmation as to whether each proposed nominee is independent for the purposes of NI 52-110. The deadline by which the notice must be delivered to the Corporation is set out in the table below.

Meeting Type	**Nomination Deadline**
Annual meeting of shareholders	Either (a) no more than 10 days after the date of the first public filing or announcement of the date of the meeting, if the meeting is called for a date that is fewer than 50 days after the date of that public filing or announcement, or (b) no fewer than 30 days and no more than 65 days prior to the date of the meeting.
Special meeting of shareholders (which is not also an annual meeting)	No more than 15 days after the date of the first public filing or announcement of the date of the meeting.

The Advance Notice Provisions do not affect nominations made pursuant to shareholder proposals or the requisition of a meeting of shareholders, in each case made in accordance with the provisions of BCBCA. The full text of the Advance Notice Provisions is attached as Schedule "D" hereto.

2. Alteration Provision

The Board is proposing to amend the alteration provisions of its Articles to permit the directors to approve a subdivision or consolidation of all or any of the Corporation's unissued, or fully paid issued, shares without further Shareholder approval. Currently the Corporation's Articles provide that these types of alterations to the Articles require a special resolution of the Shareholders. The Articles of many other British Columbia companies give this power to the directors. The proposed amendments to the Corporation's Articles will provide greater flexibility to the Board in carrying out the business of the Corporation. The Board believes that having the ability to amend the Articles will enable the Corporation to operate on a more efficient, flexible and cost-efficient basis. Subject to the exercise of discretion by the Board, a Notice of Alteration to the Notice Articles in the prescribed form will be filed with the Registrar of Companies for British Columbia (the "**Registrar**") and such alteration will take effect at the time the filing is made with the Registrar and the Alteration is approved by the TSXV.

Proposed Resolution and Board's Recommendation

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass the following special resolution approving an alteration of the Corporation's Articles to include the Advance Notice Provisions and to alter the existing Articles. The form of special resolution is as follows:

"BE IT RESOLVED as a special resolution, that:

1. The Advance Notice Provisions of the Corporation requiring advance notice of director nominees from Shareholders, in the form attached as Schedule "D" to the Information Circular, is hereby ratified and confirmed to be incorporated as and at Section 14.12 of the Articles of the Corporation, subject to such additions, deletions or other changes thereto, if any, as any one officer or any one director of the Corporation may consider necessary or desirable;

2. Sections 9.1, 9.2, and 9.4 of the Articles be altered by replacing the words "special resolution" with a "resolution of the directors";

3. Any director or officer of the Corporation be and is hereby authorized to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) including any filings with the Registrar of Companies for British Columbia that may be necessary or desirable to give effect to the provisions of these resolutions; and

4. The Board may make such modifications to the Corporation's Notice of Articles or Articles as necessary or desirable, in the discretion of the Board, to give effect to the special resolution approved hereby and the Board, may in their sole discretion and without further approval from the shareholders, revoke this special resolution or postpone the implementation of this special resolution.

A complete copy of the Corporation's articles as they are proposed to be amended by this resolution, may be inspected at the registered office of the Corporation at its registered office at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1 during normal business hours and at the Meeting. In addition, a complete copy of the proposed Articles will be mailed, free of charge, to any Shareholder who requests a copy, in writing, before the Meeting, from the Corporate Secretary of the Corporation. Any such requests should be mailed to the Corporation, at its head office, to the attention of the Corporate Secretary.

THE APPROVAL OF THE ABOVE SPECIAL RESOLUTION MUST BE PASSED BY NOT LESS THAN A TWO-THIRDS MAJORITY OF THE VOTES CAST BY THOSE SHAREHOLDERS, WHO BEING ENTITLED TO DO SO, VOTE IN PERSON OR BY PROXY IN RESPECT OF THE RESOLUTION AT THE MEETING.

The Board recommends that shareholders vote in favour of this special resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the resolution. The above resolution, if passed, will not become effective unless and until it is deposited at the Corporation's records office by the direction of the Board.

APPROVAL OF THE OPTION TO SELL A 100% INTEREST IN THE PILUNANI-PRINCESS MINERAL CONCESSIONS

Under an agreement (the **"Option Agreement"**) dated June 10, 2016, the Corporation agreed to grant Alcon Exploration Corp. (**"Alcon"**) an option to purchase from the Corporation, a 100% interest in the Pilunani-Princesa mineral concessions as described in the Option Agreement (the **"Property"**). Alcon can exercise the option by paying the Corporation an aggregate of $250,000 and issuing 2,000,000 common shares of Alcon. The payments of cash or shares shall be made according to the following schedule:

Date for Completion	Option Payment	Common Shares
Upon execution and approval by all necessary corporate or regulatory bodies of a Formal Agreement completed no later than August 29, 2016	$50,000	-
At the closing date of the Optionee's proposed initial public offering (the "**IPO**")	-	2,000,000
The earlier of: (i) the 1st anniversary of the IPO closing date, and (ii) April 30, 2018	$50,000	-
The earlier of: (i) the 2nd anniversary of the IPO closing date, and (ii) April 30, 2019	$150,000	-
TOTAL	$250,000	2,000,000

If the option is exercised, the Corporation shall retain a 1.5% net smelter returns royalty in the

Property, subject to the right of Alcon to purchase 1% of the royalty for a payment to the Corporation of $1,000,000.

Once the first payment under the Option Agreement is made by Alcon to the Corporation, the Corporation shall transfer the Property to a trust agent in Peru, who shall hold the Property in trust for the parties in accordance with the Option Agreement. The shares issuable to the Corporation may be subject to escrow provisions and statutory hold periods under applicable Canadian securities regulations and the policies of applicable stock exchanges. To the extent that no escrow provisions were to apply to the shares issuable by Alcon to the Corporation pursuant to the Option Agreement, the Corporation has agreed to a voluntary escrow, whereby 25% of the shares are released from escrow on the closing date of Alcon's initial public offering (**"IPO"**), and every six months thereafter, until the passage of 18 months. A complete copy of the Option Agreement is attached to the Information Circular as Schedule "E". Alcon and the Corporation agree to use their best efforts to execute a formal agreement reflecting the terms of the Option Agreement on or before August 29, 2016.

As this constitutes a sale of all or substantially all of the assets of the Corporation, it entitles Shareholders to exercise their right of dissent pursuant to the BCBCA and to be paid the fair value of their shares thereunder. A complete copy of Division 2 of Part 8 of the BCBCA, which provide for the exercise of dissent rights are attached to the Information Circular as Schedule "F".

THE APPROVAL OF THE ABOVE SPECIAL RESOLUTION MUST BE PASSED BY NOT LESS THAN A TWO-THIRDS MAJORITY OF THE VOTES CAST BY THOSE SHAREHOLDERS, WHO BEING ENTITLED TO DO SO, VOTE IN PERSON OR BY PROXY IN RESPECT OF THE RESOLUTION AT THE MEETING.

The Board recommends that shareholders vote in favour of this special resolution. In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote FOR the resolution.

OTHER MATTERS

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of Management Proxy and voting instruction confers discretion on the persons named on the form of Management Proxy to vote on such matters in accordance with their best judgment.

EXECUTIVE COMPENSATION

For purposes of this Information Circular, a "**Named Executive Officer**" of the Corporation means an individual who, at any time during the year, was:

(a) the Corporation's chief executive officer

("**CEO**");

(b) the Corporation's chief financial officer

("**CFO**");

(c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Based on the foregoing definition, during the last completed financial year of the Corporation, there were two (2) Named Executive Officers.

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis focuses on the design of the compensation program for the Corporation's Named Executive Officers as provided for in National Instrument 51-102. For the 2014-
2015 financial year, the Named Executive Officers
are:

Named Executive Officer	Position
Nick Tintor	President and Chief Executive Officer[(1)]
Stephen Gledhill	Chief Financial Officer[(2)]

Notes:
(1) Mr. Tintor was appointed the President and CEO of the Corporation on August 19, 2011.
(2) Mr. Gledhill was appointed the CFO of the Corporation on August 19, 2011.

Objectives of Compensation Program

The Corporation's principal goal is to create value for its Shareholders. The Corporation believes that the compensation policies and practices of the Corporation should reflect the interests of its Shareholders in achieving this goal and is sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals.

Elements of Executive Compensation

The Corporation's current executive compensation program has two principal components: base salary and Options.

Base salaries for all employees of the Corporation are established for each position based on industry standards and performance based on expectations and goals. Both individual and corporate performances are also taken into account. Base salaries form an essential component of the Corporation's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. To ensure the Corporation attracts and retains qualified and experienced executives, adjustments are made to the base salaries of executive officers.

Options are granted to provide an incentive to the Participants to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Corporation awards Options to the Participants based upon the decision of the Board which decision is based upon the review of a proposal from the Chair of the Corporate Governance and Compensation Committee. Previous grants of Options are taken into account when considering new grants.

There are no perquisites, or deferred payments payable to Named Executive Officers, and the Corporation has no other awards, bonuses, or other compensation other than the base salaries and participation in the Stock Option Plan.

Compensation Philosophy

The Corporation's compensation philosophy is based upon the following principles and objectives:

1. attracting, motivating and retaining individuals with exceptional executive, technical, financial, and other relevant skills;

2. aligning the interests of the executive officers of the Corporation with the interests of the Corporation and its Shareholders; and

3. linking executive compensation to the performance of the Corporation and each particular officer of the Corporation.

Performance Criteria

The Corporation has not yet established a formal compensation program, however discussions are on-going in this regard. Until a formal compensation program is established, compensation of the executive officers is as determined by the Board at its discretion. The Corporation intends to implement a formalized compensation program that will seek to tie individual goals to the executive officer's area of primary responsibility. In the interim the criteria considered in determining performance vary in accordance with the position and responsibilities of the executive officer of the Corporation. While not solely based on any one item, key considerations in determining performance for executives of the Corporation include acquisition and management of mineral properties with geological merit as well as the operating performance of the Corporation, the guidance and strategic vision for growth and business goals of the Corporation, the performance of the Corporation's Common Shares and other organizational indicators, as well as individual achievements that demonstrate a contribution by the executive officers to the Corporation.

Consideration of Risks of Compensation Policies and Practices

In light of the Corporation's size and the balance between long-term objectives and short-term financial goals with respect to the Corporation's compensation program, the Board does not deem it necessary to consider at this time the implications of the risks associated with its compensation policies and practices.

Purchase of Financial Instruments

The Corporation does not currently have a policy that restricts Named Executive Officers or Directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or Director. However, to the knowledge of the Corporation as of the date of hereof, no Named Executive Officer or Director has participated in the purchase of such financial instruments.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended June 30	Salary ($)	Share-based awards	Option-based awards ($) [3]	Non-equity incentive plan compensation		Pension value	All other compensation ($)	Total compensation ($)
					Annual Incentive Plans	Long-term incentive plans			
Nick Tintor[1] President and Chief Executive Officer	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2013	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
Stephen Gledhill[2] Chief Financial Officer	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2013	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil

Notes:

[1] Mr. Tintor has served as President & CEO since August 19, 2011. Mr. Tintor does not receive compensation directly from Caracara, except for grants of options. Mr. Tintor is a managing director of RG Mining Investments Inc. ("RGMI"), a company which provides management services to the Corporation. RGMI invoices the Corporation on a monthly basis for fees for management services provided by Mr. Tintor. Mr. Tintor currently serves as a director of the Corporation but he does not receive any additional compensation for his services as a director.

[2] Mr. Gledhill has served as CFO since August 19, 2011. Mr. Gledhill does not receive compensation directly from Caracara, except for grants of options. Mr. Gledhill is a managing director of RGMI. RGMI invoices the Corporation on a monthly basis for fees for management services provided by Mr. Gledhill.

[3] The value of the option-based awards reflects the fair value of options granted on the date of grant, which was September 20, 2011. The fair value was computed using the Black Scholes option pricing model.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Named Executive Officers outstanding as of June 30, 2015.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN$)	Option expiration date	Value of unexercised in-the-money options ($) [1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Nick Tintor	600,000	$0.50	September 20, 2016	Nil	0	Nil

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN$)	Option expiration date	Value of unexercised in-the-money options ($) [1]	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Stephen Gledhill	500,000	$0.50	September 20, 2016	Nil	0	Nil
RGMI[2]	100,000	$0.50	September 20, 2016	Nil	0	Nil

Note:

[1] The market value of the Corporation's common shares was $0.02 based on the closing market price of the common shares on the TSX-V on July 25, 2016.

[2] RGMI provides management services per contract to the Corporation.

INCENTIVE PLAN AWARDS – VALUE VESTED DURING THE YEAR

Set forth below is a summary of the value vested during the financial year of the Corporation ended June 30, 2015 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

Name	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Nick Tintor	$Nil	N/A	N/A
Stephen Gledhill	$Nil	N/A	N/A

For further details concerning the incentive plans of the Corporation, please see "*Summary of Stock Option Plan*" above under "Particulars of Matters to be Acted On".

MANAGEMENT AGREEMENTS

The Corporation has an agreement with RGMI of Suite 2400, 120 Adelaide St. W., Toronto, ON M5H 1T1, to provide management services and facilities to the Corporation. RGMI is a private company. Nick Tintor and Stephen Gledhill are the founding directors of RGMI. RGMI provides the Corporation with administrative, and management services. The services provided by RGMI include shared facilities, geological and technical personnel, accounting and corporate secretarial and development services. The fees for these management services are fixed monthly. During the financial year ended June 30, 2015, the Corporation incurred management fees of $299,800 to RGMI.

TERMINATION AND CHANGE OF CONTROL BENEFITS

RGMI's Agreement

The agreement with RGMI, through which Mr. Tintor provides President & CEO services, and Mr. Gledhill provides CFO services to the Corporation, does not provide for termination and change of control benefits upon termination without cause or in the event of a change of control.

Estimated Incremental Payment on Termination

There have been no incremental payments from the Corporation to Messrs. Tintor or Gledhill upon termination without cause in accordance with the above provisions, or upon termination without cause,

assuming a triggering event occurred on June 30, 2015.

Estimated Incremental Payment on Change of Control

There have been no incremental payments from the Corporation to Messrs. Tintor or Gledhill upon termination in connection with a change of control in accordance with the above provisions, or upon termination without cause, assuming a triggering event occurs on June 30, 2015.

PENSION PLAN BENEFITS

No benefits were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under any pension or retirement plan.

No deferred compensation plans were paid, and no benefits are proposed to be paid to any of the Named Executive Officers under a deferred compensation plan.

COMPENSATION OF DIRECTORS

Directors are reimbursed for all reasonable travel and other expenses incurred by them in the performance of their duties and receive an annual retainer. Directors are entitled to participate in the Stock Option Plan. There were no long-term incentive awards or pension plan benefits paid to the Directors during the fiscal year ended June 30, 2015.

Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended June 30, 2015, in respect of the individuals who were, during the fiscal year ended June 30, 2015, Directors other than the Named Executive Officers.

Name	Fees Earned ($)	Share-based awards ($)	Option-based awards[(1)] ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Robert Boaz	5,343	N/A	Nil	N/A	N/A	$Nil	5,343
Anne Chopra	6,372	N/A	Nil	N/A	N/A	$Nil	6,372
Stephen Coates	7,947	N/A	Nil	N/A	N/A	$Nil	7,947
John Cook	5,956	N/A	Nil	N/A	N/A	$Nil	5,955

Notes:
(1) The value ascribed to option grants represents non-cash consideration and has been estimated using the Black-Scholes Model as at the date of grant. No options were granted for the years ended June 30, 2015 or 2014.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the Directors other than the Named Executive Officers as of June 30, 2015.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (CDN$)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Robert Boaz	200,000	$0.50	September 20, 2016	Nil	0	Nil
Anne Chopra	200,000	$0.50	September 20, 2016	Nil	0	Nil

Stephen Coates	200,000	$0.50	September 20, 2016	Nil	0	Nil
John Cook	200,000	$0.50	September 20, 2016	Nil	0	Nil

Note:

(1) Based on the closing market price of $0.002 of the Common Shares on July 25, 2016.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended June 30, 2015, in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Directors, other than the Named Executive Officers.

Name	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Robert Boaz	Nil	N/A	N/A
Anne Chopra	Nil	N/A	N/A
Stephen Coates	Nil	N/A	N/A
John Cook	Nil	N/A	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Corporation as at June 30, 2015. As at June 30, 2015, the Stock Option Plan was the only equity compensation plan of the Corporation. See "Matters to Be Acted Upon - *Summary of Stock Option Plan*".

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Equity compensation plans approved by security holders	22,800,000	$0.50	2,256,250[(1)]
Total	2,800,000	$0.50	2,256,250[(1)]

Note:

(1) Calculated based upon 10% of the number of issued and outstanding Ordinary Shares as at June 30, 2015 (51,895,835 Common Shares), less the number of Options outstanding at such date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Directors or Officers were indebted to the Corporation as of June 30, 2015 or at any time during 2013, 2014 or 2015.

CORPORATE GOVERNANCE PRACTICES

Corporate governance refers to the way the business and affairs of a reporting issuer are managed and relates to the activities of the Board, the members of who are elected by and are accountable to the Shareholders. Corporate governance takes into account the role of the individual members of Management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision-making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation has established its corporate governance practices. The Corporation's "Statement of Corporate Governance Practices", approved by the Directors, is attached to this Information Circular as Schedule "A".

Board of Directors

The Board currently consists of five members, as noted herein, four of whom are independent pursuant to National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). Pursuant to NI 52-110, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's Board, be reasonably expected to interfere with the exercise of a member's independent judgment. In assessing whether a Director is independent for these purposes, the circumstances of each Director have been examined in relation to a number of factors.

All five of the Directors serve as a director of another reporting issuer. Currently, the following Directors serve on the board of directors of other public companies as listed below.

Name of Director	Name of Other Reporting Issuers
Robert Boaz	Aura Silver Resources Inc. Renaissance Gold Inc. Santa Barbara Resources Limited Coventry Resources Inc.
Anne Chopra	Harvest One Capital Inc.
Stephen Coates	Exploratus Limited Telferscot Resources Inc.
John Cook	Aldridge Minerals Caracara Silver Inc., Firebird Resources Inc., Strategic Resources Inc., Nord Resources.
Nick Tintor	Aura Silver Resources Inc. Toachi Mining Inc. Rosita Mining Inc. Caracara Silver Inc.

Audit Committee

As a TSX-V listed corporation, the Corporation is required to have an Audit Committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee's charter (the "**Charter**") is attached as Schedule "B" hereto.

Composition of Audit Committee

As at June 30, 2015, the Audit Committee was composed entirely of independent Directors who meet the independence requirement set out in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). The Audit Committee members were Robert Boaz, Stephen Coates, and John Cook**.** All current members of the Audit Committee are "financially literate" within the meaning given to such term in the Charter and NI 52-110, and have the ability to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

The Audit Committee is currently composed of Robert Boaz, Stephen Coates, and John Cook. Each member of the Audit Committee is financially literate.

Relevant Education and Experience

Each member of the Audit Committee has acted as a director and/or audit committee member of a number of public issuers in the past and, as such, obtained experience in performing his responsibilities as a member of the Audit Committee. As well, Mr. Cook owns his own business and in such capacity has experience in the preparation, analysis and/or evaluation of financial statements generally and an understanding of internal controls and procedures for financial reporting. Given the scope and nature of the Corporation's business, its financial statements and the accounting issues arising therefrom, are relatively uncomplicated. Mr. Gledhill (not a member of the audit committee but the Corporation's Chief Financial Officer) is a Certified Public Accountant with over 20 years of business experience in a financial capacity. Mr. Gledhill is currently the Chief Financial Officer of the Corporation and has been, or is currently, the chief financial officer of a number of publicly-traded companies. Based on the foregoing, it is the Board of Directors' conclusion that each of the members of the Audit Committee has an understanding of the accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves and experience in evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably expected to be raised by the Corporation's financial statements.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52–110 (*De Minimis Non–audit Services*) or an exemption from NI 52–110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

External Auditor Service Fees (by category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending June 30,	Audit Fees	Audit Related Fees	Tax Fees[(1)]	All Other Fees
2015	$13,480	$Nil	$2,000	$Nil
2014	$24,800	$Nil	$2,000	$Nil

Note:
(1) Fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and/or tax planning.

Exemption

The Corporation is relying on section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*)

Assessments

The Corporate Governance and Compensation Committee, together with the Board is responsible for ensuring that a process is in place for assessing the effectiveness of the Board and each of its committees, along with assessing the contribution of each individual Director at least on an annual basis.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed Director, or any associate or affiliate of an informed person or proposed Director, has or had any material interest, direct or indirect, in any transaction since the commencement of 2015 or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Financial information regarding the Corporation is provided in the Corporation's audited annual consolidated financial statements for the financial year ended June 30, 2015 and the accompanying management's discussion and analysis. Copies of the foregoing of the Corporation for the financial year ended June 30, 2015 may be obtained on written request addressed to the CFO. Written requests for a copy of the above documents should be directed to Daniella Tintor, Corporate Secretary, at 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1.

Additional information concerning the Corporation is also available online at www.sedar.com.

DIRECTORS' APPROVAL OF CIRCULAR

The contents and the sending of this Information Circular to the Shareholders have been approved by the Board.

DATED at Toronto, Ontario this 25th day of July, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Robert Boaz*"

Robert Boaz
Chairman

SCHEDULE "A"
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Caracara Silver Inc., including all its subsidiaries and associated companies (referred to herein jointly as "Caracara" or the "Corporation"), is committed to operating in accordance with the best standards of professional and business ethics. The Corporation has the responsibility to protect and enhance its value to its shareholders through responsible management and by being a good corporate citizen. To support this objective, the Board of Directors adopted the following standards as its Corporate Governance Committee Mandate:

(a) The board of directors (the "Board") shall elect annually from among its members at the first meeting of the Board following the annual meeting of the shareholders, a committee to be known as the corporate governance committee ("Corporate Governance Committee") to be composed of three Independent Directors or such other number of Independent Directors not less than three as the Board may from time to time determine. A majority of the Corporate Governance Committee shall constitute a quorum.

(b) Any member of the Corporate Governance Committee may be removed or replaced at any time by the Board. Any member of the Corporate Governance Committee ceasing to be a director shall cease to be a member of the Corporate Governance Committee. Subject to the foregoing, each member of the Corporate Governance Committee shall hold office as such until the next annual appointment of members after his election. Any vacancy occurring in the Corporate Governance Committee shall be filled at the next meeting of the Board.

(c) The Board of Directors assumes responsibility for the stewardship of the Corporation, and as part of this stewardship, through the Corporate Governance Committee, assumes responsibility for the following:

1. the strategic planning process and the development of the strategic plan for the Corporation. *Timing: annually.*

2. the development of the Code of Conduct and related policies to ensure the organization has a consistent frame of reference for dealing with complex issues relating to compliance with the laws of all jurisdictions within which it operates, confidentiality, integrity and individual responsibility and provide for accountability if employees or members of senior management or the Board fail to meet the Code's standards. *Timing: annual review of policies and as required for compliance issues.*

3. the establishment of a succession plan for the Corporation including the appointing, training and assessment of employees, senior management and the Board. *Timing: annually and as required.*

4. the development of a communications policy to ensure that public disclosure of the Corporation is timely and complete. *Timing: as required.*

5. support the senior management team and the Board in keeping abreast of changes occurring or proposed to regulatory and market requirements to ensure the Corporation's approach to corporate governance issues, including, among other things, the Corporation's response to the guidelines set out by the TSX Venture Exchange (as may be modified from time to time), such that, the Corporation adopts "best in class" corporate governance policies and practices. *Timing: on-going*

With respect to the Risk Management of the Corporation, the Corporate Governance Committee will conduct:

1. a review of the risks inherent in all of the business activities of the Corporation. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*

2. an assessment of the integrity and adequacy of the internal control policies and procedures and information systems of the Corporation to ensure the Corporation adequately mitigates the risks of its business activities. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*

3. the development of the authorities of senior management and the board regarding the major business activities of the Corporation to ensure a common understanding of these key authorities including which activities require pre-approval and post approval requirements. *Timing: at the first meeting of the committee and thereafter on an on-going basis.*

(d) In addition, the Board may refer to the Corporate Governance Committee such matters and questions relating to the Corporation and its affiliates as the Board may from time to time see fit.

(e) Any member of the Corporate Governance Committee may require experts to attend a meeting of the Corporate Governance Committee.

(f) The Corporate Governance Committee shall elect annually a chairman from among its director members.

(g) The times of and the places where meetings of the committee shall be held and the calling of and procedure at such meetings shall be determined from time to time by the Corporate Governance Committee.

(h) All prior resolutions of the Board relating to the constitution and responsibilities of the Corporate Governance Committee are hereby repealed.

SCHEDULE "B"
CARACARA SILVER INC.
CODE OF CONDUCT

Introduction Policy

Caracara Silver Inc. (the "**Corporation**") is committed to fair dealing and integrity in the conduct of its business. This commitment is based on a fundamental belief that business should be conducted honestly, fairly and in compliance with both the spirit and the letter of applicable laws. The Corporation expects all its Advisors, members of its Board of Directors, and all its Employees to share its commitment to high standards.

This Policy outlines the Corporation's Code of Business conduct (the "**Code**") which applies to all Employees, Advisors, and members of the Board of Directors. For purposes of this Code, "Employee" means any person holding a full-time, part-time or contracted salaried or paid position with the Corporation or a person who is receiving other forms of compensation for time and or services.

The Code is in place to ensure that everyone at the Corporation is working with the sole purpose of doing what is best for our shareholders with no real or perceived conflict of interest. In the exploration and development business, there are no higher ethical values than truth, honesty and professionalism.

This Code also covers all matters related to any potential conflict that could result from knowledge of insider information and the confidentiality that is implicit within the release of insider information other than through recognized public vehicles for disseminating information to the public. The Code also implies a "blackout" period with respect to the buying and selling of shares where insider information is a factor. The Code also covers the obligation that each employee, advisor or member of the board has to report any business practice or behaviour that is unbecoming of Caracara Silver Inc.

Our reputation is our most important asset and it has taken many years to build that. As such, we cannot allow our reputation and hence the livelihood of everyone working at the Corporation to be put at risk by actions of any one individual. The Code is designed to inform you about the Corporation's principles and values and what the Corporation considers appropriate business practice and behaviour.

Compliance with this Code by Advisors, members of the Board of Directors, Officers and all Employees of the Corporation is mandatory and is one of the conditions of employment, association and membership to the Corporation's Board of Directors.

Understanding the Code

Please study the Code carefully so that you understand the expectations and obligations inherent in the Corporation's commitment to conducting business ethically.

Each person should apply the Code using common sense and with the intention of complying fully with both the written words and the spirit underlying those word.

If a person is in doubt about the application of the Code, the person should discuss the matter with the Chief Executive Officer or with the Chief Financial Officer in a timely manner.

Monitoring Procedures

If a person becomes aware of, or suspects, a contravention of the Code, the person must promptly and confidentially advise the Corporation. The matter will be investigated and dealt with.

Each year, every Employee and members of the Board of Directors will be asked to review the Code and will be reminded of their responsibility to advise the Corporation if they are not in compliance with the Code or if they are aware of any contravention of the Code.

SOCIAL RESPONSIBILITY AND ENVIRONMENTAL POLICY

The Corporation is a junior mineral exploration company and its exploration objective is the discovery and development of mineral resources that can be mined profitably. The Corporation works to minimize the social and environmental impact in all its exploration activities and puts the health and safety of its employees first and foremost.

The Corporation interacts well and effectively with the host and local communities to ensure that its work does not compromise local community values. The Corporation is committed to its policy on Environment, Health and Safety ("**EHS**") issues and it undertakes to:

Comply with EHS regulatory requirements in Canada and in the countries in which the Corporation operates;

Provide information on EHS to locally hired personnel;

Develop and use EHS practices that are efficient and apply these in all its exploration activities;

Require contractors to comply with applicable legislation and local regulatory requirements

Reclaim exploration and mining sites in compliance with applicable regulations and site specific requirements in the countries in which the Corporation is operating

Such EHS practices will be reviewed from time to time to take into account technical and economic developments.

SCHEDULE "C"
AUDIT COMMITTEE CHARTER

Purpose

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and the code of conduct.

Authority

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and non-audit services.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees - all of whom are directed to cooperate with the committee's requests or external parties.
- Meet with the Corporation's officers, external auditors, or outside counsel, as necessary.

Composition

The audit committee will consist of at least three and no more than six members of the board of directors. The board or its nominating committee will appoint committee members and the committee chair.

Each committee member will be both independent and financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

Meetings

The committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Responsibilities

The committee will carry out the following responsibilities:

<u>Financial Statements</u>

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.

- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

Internal Control

- Consider the effectiveness of the Corporation's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*.
- On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Corporation, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the Code of Conduct to Corporation personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and corporate legal counsel regarding compliance matters.
- Reporting Responsibilities
- Regularly report to the board of directors about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the board of directors.
- Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- Review any other reports the corporate issues that relate to committee responsibilities.

Other Responsibilities

- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

SCHEDULE "D"
CARACARA SILVER INC.
ADVANCE NOTICE PROVISIONS
[to be inserted into the Articles of the Corporation]

14.12 Nomination of Directors

(1) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or

(c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more common shares carrying the right to vote at such meeting or who beneficially owns common shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.12.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the principal executive offices of the Company.

(3) To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of

shareholders or the announcement thereof commence a new time period for the giving of such notice.

(4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of common shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any common shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the *Business Corporations Act* or the discretion of the chair. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(6) For purposes of this Article 14.12:

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(b) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(7) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

(8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

SCHEDULE "E"
CARACARA SILVER INC.
OPTION AGREEMENT DATED JUNE 10, 2016 BETWEEN
ALCON EXPLORATION CORP. AND CARACARA SILVER INC.

ALCON EXPLORATION CORP.
2102 – 1616 Bayshore Drive
Vancouver, B.C. V6G 3L1

June 10, 2016

Caracara Silver Inc.
120 Adelaide Street West, Suite 2400
Toronto, ON M5H 1T1

Attention: Nick Tintor, CEO

Dear Sirs/Mesdames:

Re: Option of Alcon Exploration Corp. (the "Optionee") to Purchase from Caracara Silver Inc. (the "Optionor") a 100% Interest in the Pilunani-Princesa Mineral Concessions and Related Assets Located in Peru as More Particularly Described in Schedule "A" Attached Hereto (the "Property")

This letter of intent (the "**LOI**") will confirm our understanding of your grant to us of an irrevocable option to earn a 100% interest in the Property, on the following material terms and conditions:

1. REPRESENTATIONS AND WARRANTIES

1.1 The Optionor represents and warrants to the Optionee that:

(a) the Optionor is the legal and beneficial owner of 100% of the issued shares of Solex del Peru S.A.C. ("**Solex**") and CSI Princesa Inc. (collectively, the "**Subsidiaries**") which in turn are the legal and beneficial owners of the Property;

(b) the Property is free and clear of all liens, charges and encumbrances;

(c) the Property is properly recorded and staked in accordance with the laws of Peru;

(d) the Property is in good standing with respect to the filing of annual assessment work;

(e) the Optionor has the absolute right to enter into this LOI without first obtaining the consent of any other person or body corporate;

(f) no other person or body corporate has any agreement, option, right or privilege capable of becoming an agreement for the purchase of the Property or any interest therein; and

(g) the Optionor has completed all necessary and proper corporate acts and procedures for the Optionor to enter into this LOI and carry out its terms to the full extent.

2. OPTION

2.1 In consideration for the payment of the sum of One dollar ($1.00) and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the Optionor, the Optionor irrevocably grants to the Optionee the sole and exclusive right and option to acquire a 100% interest in the Optionor's interests in and to the Property free and clear of all liens, charges, encumbrances and claims (the "**Option**"), in accordance with the terms and conditions of this LOI.

2.2 The Optionor agrees that forthwith following the execution of this LOI, it shall provide the Optionee with all intellectual property concerning the Property owned and/or in the possession of the Optionor, including but not limited to all technical data, geological information, analyses, reports and other material information pertaining to the Property.

3. EXERCISE OF OPTION

3.1 The Optionee may exercise the Option by (i) paying to the Optionor an aggregate of $250,000 Dollars and (ii) issuing to the Optionee 2,000,000 common shares in the capital of the Optionee. The cash payments and share issuances shall be made in instalments and on or before the dates specified below:

Date for Completion	Option Payment	Common Shares
Upon execution and approval by all necessary corporate or regulatory bodies of a Formal Agreement completed no later than August 29, 2016	$50,000	-
At the closing date of the Optionee's proposed initial public offering (the "**IPO**")	-	2,000,000
The earlier of: (i) the 1st anniversary of the IPO closing date, and (ii) April 30, 2018	$50,000	-
The earlier of: (i) the 2nd anniversary of the IPO closing date, and (ii) April 30, 2019	$150,000	-
TOTAL	$250,000	2,000,000

3.2 Following the first Option payment to the Optionor pursuant to Section 3.1, the Optionee will assume the costs of filing of all required assessment work or cash in lieu with the applicable governmental agency to maintain the Property in good standing with applicable Peruvian governmental authorities.

3.3 Following the exercise of the Option, the Optionor shall retain a 1.5% net smelter returns royalty (the "**NSR**") in the Property, subject to the Optionee having the right to buy-back two-thirds of the NSR (i.e. 1.0%) at any time upon payment to the Optionor of US$1,000,000.

4. APPOINTMENT OF TRUST AGENT

4.1 The parties agree that on or before the date of the first payment under Section 3.1, the Optionee shall transfer the Property to a mutually acceptable qualified and independent Peruvian based trust agent (the "**Trust Agent**") and the parties shall enter into an appropriate trust agreement with the Trust Agent pursuant to which the Trust Agent will hold the Property in trust for the parties pursuant to the terms of this LOI. The trust agreement will, among other things, require the Trust Agent to transfer the legal and beneficial interest in the Properties to the Optionee forthwith upon the Optionee exercising the Option in accordance with the terms of this LOI, such transfer to be effected in accordance with all applicable requirements under Peruvian law. The costs of appointing the Trust Agent and the Trust agent's fees and expenses in administering the trust agreement shall be shared equally by the parties.

4.2 In the event of Default, as defined in Section 7.1, or Abandonment as defined in 5.1, or termination in accordance with Section 7.1, the Trust Agent will transfer the legal and beneficial interest in the Property to the Optionor or its designated affiliate company.

5. ABANDONMENT AND TERMINATION OF OPTION

5.1 In the event that the Optionee decides to abandon the Option and the Property, or any portion thereof ("**Abandonment**"), the Optionee will provide thirty (30) days prior written notice to the Optionor of such abandonment, provided that the Optionee shall leave the Property in good standing with respect to the payment of concession fees for a period of at least sixty (60) days from the effective date of such abandonment. Upon Abandonment, this LOI shall be terminated and of no further force or effect.

6. RIGHT OF ENTRY

6.1 During the term of the Option, the Optionee will have the right to enter upon the Property, enjoy quiet possession thereof, explore for minerals thereon, bring and erect upon the Property such mining facilities as it may consider advisable and remove material for the purposes of bulk testing or pilot plant operations.

6.2 The Optionee grants to the Optionor or its duly authorized representatives in writing, access to the Property provided that no less than 48 hours written notice of such intended access is provided to the Optionee and such access is not disruptive to the exploration or mining activities of the Optionee.

7. DEFAULT

7.1 In the event that the Optionee is in default of any of its obligations hereunder ("**Default**"), the Optionee will not lose any rights under this LOI until the Optionor has given to the Optionee notice of such Default and the Optionee does not take any reasonable steps to cure such Default within thirty (30) days from the Optionee's receipt of such notice. In the event the Default is not cured by the Optionee with the aforementioned thirty (30) day period, this LOI shall be terminated and of no further force or effect.

8. ADDITIONAL COVENANTS

8.1 The parties covenant and agree that:

(a) The Optionor will allow the Optionee and its management personnel and authorized

representatives full access to the Property and all related assets, core storage facilities, related documents, including but not limited to concession agreements, contracted personnel in Peru, and administrative records of the Subsidiaries, including financial records, as required, such access to be granted within three (3) business days' notice by the Optionee and the Optionor shall ensure the full cooperation by all representatives of the Optionor and its Subsidiary personnel to comply with this requirement.

(b) The parties agree that this LOI and related matters shall be kept private and confidential until such time as the approval of this LOI by the Optionor's shareholders is sought, except to the extent required by law or by regulation of any securities commission, stock exchange or other regulatory body.

(c) The Optionee shall, immediately upon execution of this LOI, commence its due diligence of the Property, including seeking a title opinion on the mineral concessions comprising the Property.

(d) Each party shall be responsible for its own costs in connection with this LOI and the transactions set forth herein.

(e) The Optionee acknowledges and agrees that the shares to be issued to it by the Optionee pursuant to Section 3.1 may be subject to escrow requirements and statutory hold periods under applicable Canadian securities regulations and the policies of relevant stock exchanges. If the shares are exempt from escrow restrictions under such Canadian securities regulations and the policies of relevant stock exchanges, the Optionor agrees to enter into a voluntary escrow agreement with the Optionee providing for the release of such shares over time as follows: 25% on the IPO closing date and 25% every six months thereafter, with the last such release occurring on the 18th month after the IPO closing date.

(f) The Optionor acknowledges that the Optionee, in connection with its IPO, will be required to prepare a new independent technical report in connection with the Property pursuant to the requirements of National Instrument 43-101 (the "**Instrument**"). The Optionor covenants and agrees to cause the Optionor's qualified person, Alain Vachon, P. Geo., and any other relevant parties involved with the Optionor's previous exploration of the Property, to assist and cooperate with the Optionee and its consultants in the preparation of the new technical report. Without limiting the generality of the foregoing, the Optionor shall cause such individuals to provide all such written consents and certificates that are required pursuant to the Instrument in support of the new technical report, such consents and certificates to be provided within ten (10) days of the Optionee's written request.

(g) All costs, including professional time and expenses of Mr. Alain Vachon, P. Geo., will be paid for and become the obligation of the Optionee.

9. OPTION ONLY

9.1 This is an option only, and nothing herein will be construed as obligating the Optionee to do any acts or make any payments or issue any shares hereunder and any acts or payments or share issuances as are made hereunder will not be construed as obligating the Optionee to do any further act or make any further payment or share issuances.

10. FURTHER ASSURANCES

10.1 The parties hereto agree to do or cause to be done all acts or things necessary to implement and carry into effect the provisions and intent of this LOI, and without limiting the generality of the foregoing, the parties agree to use their best efforts in good faith to execute a formal option agreement in accordance with the provisions hereof and additional provisions typically found in such agreements on or before ~~June 30, 2016~~ **August 29, 2016** (the "**Formal Agreement**").

11. GENERAL

11.1 This LOI will be governed and construed in accordance with the laws of the Province of British Columbia.

11.2 All disputes arising out of or in connection with this LOI, or in respect of any defined legal relationship associated therewith or derived therefrom, shall be referred to and finally resolved by arbitration by a single arbitrator under the rules of the British Columbia International Commercial Arbitration Centre ("**BCICAC**"), in Vancouver, British Columbia. BCICAC will be the appointing authority for the arbitrator. The arbitration shall be conducted in the English language. The arbitrator shall have the power to grant equitable relief, including the power to award specific performance of all terms within this LOI, and the power to grant injunctive or declaratory relief. Judgment upon an award rendered by the arbitrator may be entered in any court of competent jurisdiction. Any award issued by the arbitrator is to be final and binding upon the parties, who hereby waive all right of appeal thereon. The prevailing party or parties in any arbitration shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party or parties.

11.3 This LOI is intended to create binding legal relations among the parties and will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns as the case may be, until replaced by the Formal Agreement. Until the execution and delivery of the Formal Agreement, this LOI will remain binding and in effect, unless terminated pursuant to the provisions thereof.

11.4 In the event that any provision of this LOI is held unenforceable or invalid by a court of law, this LOI will be read as if such unenforceable or invalid provision were removed.

11.5 The rights and obligations of the parties created by this LOI are not assignable by any party without the prior written consent of the other party, not to be unreasonably withheld, except for any transfer or assignment to a wholly owned subsidiary of the party or pursuant to an amalgamation, merger, or corporate reorganization or arrangement of the party.

11.6 This LOI is subject to approval by the Optionor's shareholders at a duly convened meeting to be held no later than August ~~5~~ **29, 2016.** Optionee shall use its best efforts to convene such shareholder meeting as soon as practicable following the execution of this LOI.

11.7 All references to monetary currency contained herein are to Dollars in lawful money of Canada except where otherwise noted.

If the foregoing terms and conditions, and the attached schedules which form a part of this LOI, accurately

set out our mutual understandings, please indicate your acceptance by signing this LOI where indicated below and returning to us the enclosed copy duly signed on or before 4:00 p.m. (Toronto time) on June 10, 2016.

Yours very truly,

ALCON EXPLORATION CORP.

Per:

Robert Tyson, President and CEO

Terms and conditions approved as of the date first above written.

CARACARA SILVER INC.

Per:

Nick Tintor, President and CEO

This is Schedule "A" to the LOI
dated June 10, 2016 made between Alcon Exploration Corp.
and Caracara Silver Inc.

DESCRIPTION OF PROPERTY

Project Concessions

The three (3) Princesa concessions identified as: (i) the Princesa concession - code 010227104, (ii) the Princesa 2 concession - code 010273404, and (iii) the Princesa 4 concession - code 010530206, together with all renewals or extensions thereof and all surface, water and ancillary or appurtenant rights attached or accruing thereto, and any leases or other forms of substitute or successor mineral title or interest granted, obtained or issued in connection with or in place of any such concessions (including, without limitation, any licenses staked and recorded to cover internal gaps or factions in respect of such ground).

Other Assets

- Machinery;
- Tools;
- Maps;
- Core logs;
- All intellectual property concerning the Property owned by and/or in the possession of the Optionor, including but not limited to all technical data, geological information, analyses, reports and other material information pertaining to the Property; and
- all other material assets related to the operation of the Subsidiaries

SCHEDULE “F”
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)
PART 8, DIVISION 2

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice

shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.