



**Interim MD&A -  
Quarterly Highlights  
Three months ended March 31, 2019**

**Caracara Silver Inc.**  
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*This interim management discussion and analysis - quarterly highlights (“Interim MD&A”) has been prepared based on information available to Caracara Silver Inc. (“Caracara” or the “Company”) as at May 22, 2019. This Interim MD&A updates disclosure previously provided in the Company’s Annual MD&A, up to the date of this Interim MD&A and should be read in conjunction with the Company’s unaudited interim consolidated financial statements and the related notes as at and for the three and nine months ended March 31, 2019 and 2018, the Company’s audited consolidated financial statements for the years ended June 30, 2018 and 2017 (together, the “Consolidated Financial Statements”), and the Company’s Annual MD&A for the year ended June 30, 2018. The Consolidated Financial Statements have been prepared by management in accordance with International Accounting Standards (“IFRS”) and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this Interim MD&A has also been prepared by management and is consistent with the data contained in the Financial Statements. Additional information relating to the Company may be found under its profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on its website at [www.caracarasilver.com](http://www.caracarasilver.com).*

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**MANAGEMENT’S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING (“ICFR”)**

Management is responsible for establishing and maintaining adequate internal control over the Company’s financial reporting. The internal control system was designed to provide reasonable assurance to the Company’s management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under *National Instrument 52-109 Certification of Disclosure in Issuers’ Annual and Interim Filings*) (“NI 52-109”), the Company and Management are not required to include representations relating to the evaluation, design, establishment and/or maintenance of disclosure controls and procedures (“DC&P”) and/or ICFR, as defined in NI 52-109, **nor has it completed such an evaluation**. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective bases DC&P and ICFR for the issuer may result in additional risks of quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**CAUTIONARY NOTE**

This document may contain or may refer to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law.

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**Corporate**

Caracara Silver Inc. (the "**Company**" or "**Caracara**") was incorporated under the laws of British Columbia on December 3, 2009.

The principal business activity of the Company is the acquisition, exploration and development of mineral properties in Peru. The Company's main and registered office is located at 401 Bay Street, Suite 2702, Toronto, Ontario, Canada, M5H 2Y4.

The unaudited interim financial statements as at and for the 3 and 9 months ended March 31, 2019 and 2018, were approved for issuance by the Board of Directors on May 22, 2019.

The Company's only property has been sold to Alcon Exploration Corp. ("Alcon") and as such, the Company trades on the NEX market of the TSX Venture Exchange ("**TSXV**") under the symbol "SILV.H". In concert with the Sale, the Company commenced the wind-up and dissolution of Solex and on January 31, 2019, the Company received the final certificate of dissolution from the Superintendent of National Registrations for Peru.

**Financial condition**

During the quarter ended March 31, 2019, the Company's net assets decreased by \$46,935, with decreases to cash and HST recoverable of \$41,840, supplemented by net increases to current liabilities of \$5,095.

The Company's cash balance decreased by \$40,987, entirely the result of cash used for operations.

**Commitments, liquidity and capital resources**

The Company does not currently have any project commitments nor space-rental commitments. Its head office and administration is provided by RG Mining Investments Inc. (see "*Related-party transaction and balances*" section of this Interim MD&A).

As at March 31, 2019, the Company had cash balances totalling \$1,019,528 and working capital of \$980,174.

**Related-party transactions and balances**

During the quarter, the Company incurred and paid management fees to RGMI in the amount of \$30,000.

As at March 31, 2019, there are no amounts due to related parties.

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***Outstanding Share Data***

As at May 22, 2019, the Company had the following capitalization:

<b>Security</b>	<b>Number</b>
Common shares	24,402,901
Warrants	16,213,333