

CARACARA SILVER OPTIONS PRINCESA CONCESSIONS IN PERU

Toronto, ON – September 16, 2016 - Caracara Silver Inc. (CSV:TSXV) (the “Company” or “Caracara”) has executed an option agreement (the “Agreement”) with Alcon Exploration Corp. (“Alcon”), whereby Alcon has the option to earn a 100% interest Caracara’s Princesa silver concessions located in Peru (the “Property”).

Alcon can exercise the option by paying the Caracara an aggregate of \$250,000 and issuing 2,000,000 common shares of Alcon to Caracara in various instalments over a three-year period in accordance with the terms of the Agreement. The shares issuable to Caracara 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 Caracara pursuant to the Agreement, Caracara 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, and every six months thereafter, until the passage of 18 months. If the option is exercised, Caracara 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 Caracara of \$1,000,000.

This transaction was recommended by the board of directors and approved by shareholders by special resolution at the Company’s annual and special meeting of shareholders held on August 29, 2016.

As the Property constituted Caracara’s main asset, the TSX Venture Exchange has advised Caracara that it no longer meets the continued listing requirements of the TSX Venture Exchange and will migrate to the NEX market.

Management and the board of the Company intend to pursue a new acquisition for Caracara and have begun a review of mineral resource opportunities with a focus on advanced stage mineral projects.

About the Company

Caracara has 51,895,835 shares issued and outstanding.

THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.

This news release may contain forward-looking statements that are based on Caracara Silver Inc.’s expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements. Statements speak only as of the date on which they are made, and Caracara Silver Inc. undertakes no obligation to update them publicly to reflect new information or the occurrence of future events or circumstances, unless otherwise required to do so by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release and has in no way passed upon the merits of the qualifying transaction and has neither approved nor disapproved of the contents of this press release.

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