FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Auracle Resources Ltd.
302 – 675 West Hastings Street
Vancouver, BC V6B 1N2

Item 2 **Date of Material Change**

October 12, 2012

Item 3 **News Release**

The news release dated October 12, 2012 was disseminated through Market Wire.

Item 4 **Summary of Material Change**

Commonwealth Silver and Gold Mining Inc., a privately-held Canadian company ("**Commonwealth Silver**") and Auracle Resources Ltd. ("**Auracle**"), announced that they have entered into a binding Letter Agreement dated October 9, 2012 (the "**Agreement**") with respect to a proposed amalgamation.

Item 5 **Full Description of Material Change**

Commonwealth Silver and Auracle will amalgamate to form a new corporation ("Amalco") which shall be named Commonwealth Silver and Gold Mining Inc., headquartered in Toronto. Commonwealth Silver shareholders will receive one share of Amalco for each share of Commonwealth Silver currently held. Auracle shareholders will receive one share of Amalco for each 6.4 shares currently held of Auracle (the "Exchange Ratio"). The 3,562,416 common shares of Auracle currently held by Commonwealth Silver, representing 8.92% of Auracle's issued and outstanding common shares will be cancelled. Following this cancellation, on a post-Transaction, pre-Financing basis, Amalco will have approximately 35,158,411 shares outstanding. Existing Commonwealth Silver and Auracle shareholders will own approximately 83.8% and 16.2% of Amalco, respectively. The Transaction is expected to constitute a reverse takeover of Auracle by Commonwealth Silver, and is considered arm's length.

Elgin Mining Inc. ("Elgin"), which owns 11,800,000 shares of Auracle representing 29.53% of Auracle's issued and outstanding common shares, has signed a lock-up agreement in support of the Transaction. Elgin will own 1,843,750 common shares of Amalco following completion of the Transaction. Directors and officers of Auracle have agreed to sign lock-up agreements in support of the Transaction under the terms of the Agreement.

Commonwealth Silver intends to raise gross proceeds of $5.0 to $10.0 million through a unit financing by way of subscription receipts (the "Financing"). Units will be priced at $1.00. Each unit is comprised of one common share and one half of a common share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at $1.30 for a period of 18 months from the closing date of the Transaction. Proceeds from the Financing will be held in escrow until completion of the Transaction and must be a minimum of $5.0 million under the terms of the Agreement. Commonwealth Silver has engaged Casimir Capital Ltd. and M Partners Inc. as agents to co-lead the Financing. In addition, a Finder Agreement has been signed with Sprott Private Wealth LP in connection with the Financing. A cash commission of 6% of the gross proceeds raised will be paid and broker's warrants of 7% of the number of units sold will be issued upon completion of the Transaction. The pricing and terms of the Financing are on the same basis as the $425,600 financing completed June 29, 2012 with Sprott Private Wealth LP and the $2.0 million strategic investment completed on August 21, 2012 by Coeur d'Alene Mines Corporation ("Coeur d'Alene"). Valuing the common shares of Commonwealth Silver at $1.00 per share and based on the Exchange Ratio, values common shares of Auracle at $0.15625 per share or a 56.25% premium over the price at which Auracle recently completed a 6,598,000 unit financing at $0.10 per unit.

The gross proceeds raised from the financing will be used for advancing the Commonwealth Project towards development including expanding the existing NI 43-101 mineral resource estimate, exploration work on the Mexican Hat, Blue Jeep and San Ignacio properties with the goal of establishing initial NI 43-101 mineral resource estimates on those properties, further property acquisitions and working capital.

Upon completion of the Transaction, executive management of Amalco will consist of the existing management of Commonwealth Silver, namely Michael H. Farrant, President and Chief Executive Officer, Hall Stewart, Vice President, Exploration, Gwen Gareau, Chief Financial Officer and Corporate Secretary, Donald Greco, Vice President, Corporate Development and Katrin Tosine, Vice President, Investor Relations. Robin Forshaw, President and Chief Executive Officer of Auracle will remain with Amalco in a consulting capacity for a period of six months following the closing of the Transaction to assist with the integration of the Mexican Hat gold project. The Board of Directors will be comprised of seven directors being the existing six directors of Commonwealth Silver, namely Michael H. Farrant, Hall Stewart, Daniella Dimitrov, Julian Kemp, Thomas Rinaldi and Robert Hatch along with Jason Leikam, an existing director of Auracle.

The Agreement provides that Commonwealth Silver and Auracle will negotiate and enter into an amalgamation agreement. Further details regarding the proposed business combination shall be provided in a joint information circular (the "Circular") which will be mailed to shareholders of Commonwealth Silver and Auracle in connection with Commonwealth Silver and Auracle's respective shareholders' meetings to approve the Transaction.

Closing of the amalgamation is subject to a number of conditions and approvals which include completion of the Financing on acceptable terms; the execution of a definitive agreement; approval of the respective shareholders of Commonwealth Silver and Auracle; court approval (if the Transaction is effected by way of plan of arrangement); and the approval of all relevant regulatory authorities and third parties including the TSX or TSX Venture Exchange. There can be no assurance that the Transaction or the Financing will be completed as proposed or at all. The Agreement provides for termination rights, including in the event the Transaction is not completed by January 31, 2013, unless extended by mutual agreement.

The parties expect to complete due diligence and sign an amalgamation agreement by October 31, 2012. It is expected that the Circular will be mailed in November 2012 with the special meetings of shareholders to be held in late December 2012 or January 2013. The Transaction is expected to close shortly thereafter.

The Agreement does not preclude either party from responding to a bona fide enquiry or proposal received from another party with respect to a potentially superior proposal. In certain circumstances, if a party terminates the Agreement or subsequently, the definitive agreement, to enter into an agreement to effect a business combination other than the Transaction or pursuant to a superior proposal, then such party is obligated to pay to the other party as a termination payment an aggregate amount equal to the lesser of $75,000 or its costs incurred associated directly with the Transaction. Each party has also been provided with certain other rights, representations and warranties and covenants customary for a transaction of this nature and each party has the right to match competing offers made to the other party.

Item 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Confidentiality is not requested.

Item 7 **Omitted Information**

No information has been omitted in respect of the material change.

Item 8 **Executive Officer**

Robin Forshaw, President and CEO
Tel (604) 682 - 3131

Item 9 **Date of Report**

October 12, 2012