

Form 45-106F6

British Columbia Report of Exempt Distribution

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution in British Columbia.

Issuer/underwriter information

Item 1: Issuer/underwriter name and contact information

A. State the following:

- the full name of the issuer of the security distributed. Include the former name of the issuer if its name has changed since this report was last filed;
- the issuer's website address; and
- the address, telephone number and email address of the issuer's head office.

AURACLE RESOURCES LTD.

Website: <http://www.auracleresources.com/s/Home.asp>

302 – 675 West Hastings Street

Vancouver, BC V6C 1N2

Telephone: (604) 682-3131

Email: info@auracleresources.com

B. If an underwriter is completing this report, state the following:

- the full name of the underwriter;
- the underwriter's website address; and
- the address, telephone number and email address of the underwriter's head office.

N/A

Item 2: Reporting issuer status

A. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in British Columbia and Alberta.

B. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, name the investment fund manager and state the jurisdiction(s) where it is registered.

N/A

Item 3: Issuer's industry

Indicate the industry of the issuer by checking the appropriate box below.

☐ Bio-tech

Financial Services

☐ investment companies and funds

☐ mortgage investment companies

☐ Forestry

☐ Hi-tech

☐ Industrial

Mining

☒ exploration/development

☐ production

☐ Oil and gas

☐ Real estate

☐ Utilities

☐ Other (describe)

Item 4: Insiders and promoters of non-reporting issuers

If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

If the issuer is not a reporting issuer in any jurisdiction of Canada, complete the following table by providing information about each insider and promoter of the issuer. If the insider or promoter is not an individual, complete the table for directors and officers of the insider or promoter.

Information about insiders and promoters			
Full name, municipality and country of principal residence	All positions held (e.g., director, officer, promoter and/or holder of more than 10% of voting securities)	Number and type of securities of the issuer beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution	Total price paid for all securities beneficially owned or, directly or indirectly controlled, on the distribution date, including any securities purchased under the distribution (Canadian \$)
N/A			

Details of distribution

Item 5: Distribution date

State the distribution date. If this report is being filed for securities distributed on more than one distribution date, state all distribution dates.

August 30, 2012

Item 6: Number and type of securities

For each security distributed:

- describe the type of security;

- state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- if the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, state the exemption(s) relied on. If more than one exemption is relied on, state the amount raised using each exemption.

(a) **units;**

(b) **6,598,000 units; each unit consists of one common share and one share purchase warrant, and each warrant entitles the holder to purchase one additional common share until August 30, 2017 at the following price: (i) \$0.20 to and until August 30, 2014; (ii) \$0.30 from September 1, 2014 to and until August 30, 2015; (iii) \$0.40 from September 1, 2015 to and until August 30, 2016; (iv) \$0.50 thereafter but on or before 4:30 p.m. (Vancouver time) on August 30, 2017 ; and**

(c) **The Issuer is not an investment fund.**

Item 7: Geographical information about purchasers

Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report. The information provided in this table must reconcile with the information provided in item 8 and Schedules I and II.

Each Canadian and foreign jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	25	\$0.10	\$404,800.00
Alberta	7	\$0.10	\$105,000.00
Saskatchewan	1	\$0.10	\$15,000.00
Ontario	4	\$0.10	\$60,000.00
U.S.	1	\$0.10	\$25,000.00
United Kingdom	1	\$0.10	\$50,000.00
Total number of Purchasers	39		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$659,800.00

Note 1: If securities are issued at different prices, list the highest and lowest price for which the securities were sold.

Item 8: Information about purchasers

Instructions

A. If the issuer is an investment fund managed by an investment fund manager registered in a jurisdiction of Canada, do not complete this table.

B. Information about the purchasers of securities under the distribution is required to be disclosed in different tables in this report. Complete

- the following table for each purchaser that is not an individual, and
- the tables in Schedules I and II of this report for each purchaser who is an individual.

Do not include in the tables information about securities issued as payment of commissions or finder's fees disclosed under item 9 of this report.

C. An issuer or underwriter completing this table in connection with a distribution using the exemption in subparagraph 6.1(1)(j) [*TSX Venture Exchange offering*] of National Instrument 45-106 *Prospectus and Registration Exemptions* may choose to replace the information in the first column with the total number of purchasers, whether individuals or not, by jurisdiction. If the issuer or underwriter chooses to do so, then the issuer or underwriter is not required to complete the second column or the tables in Schedules I and II.

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
WCM Holdings Ltd. 5989 Walter Gage Rd Incher Creek, AB Canada T0K 1W0 Tel: 604-836-5414	n/a	150,000 units	\$15,000.00	Section 2.3 of NI 45-106	2012/08/30
1368898 Alberta Ltd RR 3 Stn Main High River, AB Canada, T1V 1N3	n/a	50,000 units	\$5,000.00	Section 2.3 of NI 45-106	2012/08/30
Sailway Holdings Ltd 1860 Orchard Way West Vancouver, BC Canada V7V 4G2 Tel: 604-913-6751	n/a	150,000 units	\$15,000.00	Section 2.3 of NI 45-106	2012/08/30

Information about non-individual purchasers					
Full name and address of purchaser and name and telephone number of a contact person	Indicate if the purchaser is an insider (I) of the issuer or a registrant (R)	Number and type of securities purchased	Total purchase price (Canadian \$)	Exemption relied on	Date of distribution (yyyy-mm-dd)
AKAP Holdings Ltd 4091 Blundell Rd Richmond, BC Canada V7C 1G7 Tel: 604-270-7550	n/a	300,000 units	\$30,000.00	Section 2.3 of NI 45-106	2012/08/30
Palisade Productions, LLC 17318 De Chirico Cir. Spring TS USA 77379 Tel: 301-580-9257	n/a	250,000 units	\$25,000.00	Section 2.3 of NI 45-106	2012/08/30
Frontier Consulting Ltd. 1411 – 1 King Street Toronto ON Canada M5H A1A Tel: 647-999-9734	n/a	371,500 units	\$37,150.00	Section 2.3 of NI 45-106	2012/08/30

Commissions and finder's fees

Item 9: Commissions and finder's fees

Instructions

A. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include information about payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

B. If the securities being issued as compensation are or include convertible securities, such as warrants or options, add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Indicate if the person being compensated	Compensation paid or to be paid (cash and/or securities)		
		Cash	Securities	Total dollar

	is an insider (I) of the issuer or a registrant (R)	(Canadian \$)	Number and type of securities issued	Price per security (Canadian \$)	Exemption relied on and date of distribution (yyyy-mm-dd)	value of compensation (Canadian \$)
Canaccord Genuity Corp.	R	\$53,480.00	534,800 non-transferable warrant	\$0.20 for the first year two year period \$0.30 in the third year \$0.40 in the fourth year \$0.50 in the fifth year	Section 2.3 of NI 45-106 2012/08/30	\$53,480.00
Haywood Securities Inc.	R	\$5,000.00	50,000 non-transferable warrants	\$0.20 for the first two year period \$0.30 in the third year \$0.40 in the fourth year \$0.50 in the fifth year	Section 2.3 of NI 45-106 2012/08/30	\$5,000.00

1. Each finder's warrant entitles the finder to purchase one common share until August 30, 2017 at the following prices: (i) \$0.20 to and until August 30, 2014; (ii) \$0.30 from September 1, 2014 to and until August 30, 2015; (iii) \$0.40 from September 1, 2015 to and until August 30, 2016; (iv) 0.50 thereafter but on or before 4:30 p.m. (Vancouver time) on August 30, 2017 (the "Expiry Date").

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: September 5, 2012

Name of issuer (please print)

Auracle Resources Ltd.

Print name, title and telephone number of person signing

Robin Forshaw, President and CEO, 604-682-3131

Signature

"Robin Forshaw"

Instruction

The person certifying this report must complete the information in the square brackets by deleting the inapplicable word. For electronic filings, substitute a typewritten signature for a manual signature.

Item 10: Contact information

State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The British Columbia Securities Commission collects and uses the personal information required to be included in this report for the administration and enforcement of the *Securities Act*. If you have any questions about the collection and use of this information, contact the British Columbia Securities Commission at the following address:

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Telephone: (604) 899-6500
Toll free across Canada: 1-800-373-6393
Facsimile: (604) 899-6581