

SILVER GRAIL RESOURCES LTD.

INFORMATION CIRCULAR

(all information as at January 18, 2024 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Silver Grail Resources Ltd. (the "Company") for use at the Annual General Meeting of the Company's shareholders (the "Meeting") to be held on February 23, 2024 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Proxies may also be solicited personally by regular employees of the Company. The Company does not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by agents. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of Proxy are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.** A Proxy will not be valid unless the completed, dated and signed form of Proxy is delivered to the Company at 2130 Crescent Road, Victoria, British Columbia, Canada V8S 2H3 (Fax: 1-250-387-1464), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting.

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered and records office of the Company, at 2130 Crescent Road, Victoria, British Columbia, Canada V8S 2H3, Fax: 1-250-387-1464, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it.

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the form of Proxy.

The enclosed form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management

of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their common shares in their own name.

This Information Circular and the accompanying materials are being sent to registered shareholders and unregistered shareholders, that is shareholders who hold common shares through a broker, agent, nominee or other intermediary (collectively, the “Beneficial Shareholders”). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the share register of the Company will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder’s name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (The registration name for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the beneficial Shareholders. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares of the brokers’ clients.

Additional Information for Beneficial Holders

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBOs”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial owners”, or “NOBOs”). Subject to the provision of National Instrument 54-101, communication with Beneficial Owners of Securities of a Reporting Issuer (“NL 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agent.

Securities regulatory policies require brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (ie. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (formerly ADP Investor Communications Services) (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting.

A Beneficial Shareholder who received a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge (well in advance of the Meeting in order to have the common shares voted.

Accordingly, each Beneficial Shareholder should:

- a. carefully review the voting procedures that the shareholder's broker, agent, nominee or other intermediary has furnished with this Information Circular; and**
- b. Provide instructions as to the voting of the shareholder's common shares in accordance with those instructions.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his/her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker. All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the form of Proxy.

The enclosed form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the last completed fiscal year, no insider of the Company, nominee for director, or any associate or affiliate of an insider or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As at the date hereof, the Company has issued and outstanding 36,594,622 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

Any shareholder of record at the close of business on January 18, 2024, who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

D. Cremonese, P.Eng., President of the Company, owns directly and indirectly 4,047,289 shares of the Company, or 11.1%. To the knowledge of the directors and senior officers of the Company, no other persons or corporations beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended March 31, 2023, and the auditor’s report thereon accompanying this Information Circular will be placed before the Meeting for consideration by the shareholders.

EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing the compensation of its directors and named executive officers in accordance with Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides information regarding compensation paid, payable, awarded to, or earned by the Company’s Chief Executive Officer and Chief Financial Officer, (together, the “**Named Executive Officers**”) and any director who is not a Named Executive Officer for the financial years ended March 31, 2023 and 2022. There were no other executive officers of the Company or individuals who individually earned more than \$150,000 in total compensation.

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Dino Cremonese President, CEO and Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Robert Smiley CFO and Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Barry Holmes Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Alexandra Cremonese Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

No stock options or other compensation securities was granted to any director or Named Executive Officer of the Company by the Company in the most recently completed financial year for services provided, directly or indirectly, to the Company.

There were no exercises by a director or Named Executive Officer of compensation securities during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the “**Plan**”) which provides eligible directors, officers, employees and consultants with the opportunity to acquire an ownership interest in the Company and is the basis for the Company’s long-term incentive scheme. The Plan has not been previously approved by the shareholders of the Company. The key features of the Plan are as follows:

- The maximum number of common shares issuable under the Plan may not exceed 2,777,462 common shares.
- The options have a maximum term of ten years from the date of issue.
- Options vest as the board of directors of the Company may determine upon the award of the options.

- The exercise price of options granted under the Plan shall be determined by the board of directors but shall not be lower than the last closing price for common shares of the Company as quoted on the TSX Venture Exchange, less any discount permitted by the TSX Venture Exchange, on the date of grant of the option.
- The expiry date of an option shall be the earlier of the date fixed by the Company's board of directors on the award date, and: (a) in the event of the death or disability of the option holder while he or she is a director, officer, employee or consultant, 12 months from the date of death or disability of the option holder; (b) in the event that the option holder ceases to be a director, employee or consultant other than by reason of death or disability, 90 days following the date the option holder ceases to be a director, employee or consultant; (c) the 30th day after the optionee who is engaged in investor relations activities for the Company ceases to be employed to provide investor relations activities; and (d) the date on which the optionee ceases to be a director, officer, consultant or employee by reason or termination of the optionee as an employee or consultant of the Company for cause (which, in the case of a consultant, includes any breach of an agreement between the Company and the consultant).

The Plan may be terminated at any time by resolution of the board of directors, but any such termination will not affect or prejudice rights of participants holding options at that time. If the Plan is terminated, outstanding options will continue to be governed by the provisions of the Plan.

Employment, Consulting and Management Agreements

The Company is not party to any employment, consulting or management agreements with any director or Named Executive Officer.

Oversight and Description of Director and Named Executive Officer Compensation

The board of directors has the responsibility for determining compensation for the directors and senior management (including the Named Executive Officers). In general, compensation has consisted of three components: salary/fees, bonus and option grants. Salary/fees are determined by taking into account a person's executive's experience level and qualifications and the scope and complexity of the position held. Bonus may be paid based on performance or, if applicable, as defined in the terms of the person's employment agreement. Stock options are granted pursuant to the Plan, described above.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Company's compensation plans under which equity securities were authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in second column)
Equity compensation plans approved by security holders	Nil	N/A	Nil
Equity compensation plans not approved by security holders	877,000	0.10	462
<u>Total</u>	<u>877,000</u>	<u>0.10</u>	<u>462</u>

AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibilities in respect of the Company's accounting and reporting practices. Pursuant to the charter of the Audit Committee, the committee is responsible for various matters, including: reporting to the Board of Directors after each meeting of the committee and on a quarterly basis; recommending to the Board the independent auditor and establishing its compensation; ensuring that the independent auditor reports directly to the committee; determining the extent of involvement of the independent auditor in reviewing unaudited quarterly financial results; meeting with the independent auditor prior to the annual audit to discuss the planning, scope and staffing of the audit; approving the selection of the senior audit partner and providing for their periodic rotation; evaluating the qualifications, performance and independence of the independent auditor and its senior audit partner; reviewing reports from the independent auditor at least annually regarding its internal quality-control procedures and any material issues raised by various internal reviews, any hesitation to deal with any issues and all relationships between the independent auditor and the Company; obtaining confirmation from management that the Company has not hired employees or former employees of the independent auditor who have participated in any capacity in the audit of the Company for the immediately previous 12 month period; pre-approving all auditing services and permitted non-audit services (including fees and terms thereof) to be provided by the independent auditor; reviewing and discussing with management and the independent auditor the Company's annual and quarterly financial results and related material prior to public release; reviewing and recommending approval to the Board of the Company's annual and quarterly financial results; issuing any reports required of the committee to be included in the Company's annual proxy statement; reviewing and recommending to the Board the approval of all material documents filed with securities regulatory agencies; reviewing all related-party transactions and all material off-balance sheet structures; reviewing the audited financial statements of the Company's pension plans; considering the effectiveness of the Company's internal controls over financial reporting and related information technology security and control; discussing with management the Company's major financial risk exposures; reviewing and approving the internal audit charter and annual work plan of the Company's internal auditor; reviewing with management and, if necessary, the Company's counsel any legal matter that could have a material impact on the Company's financial statements or accounting policies and the status of all material lawsuits; reviewing and recommending to the Board whether any changes to the Company's capital structure should be approved; reviewing and approving the Company's investment and cash management policy and disclosure policy; overseeing the establishment of "whistle-blower" and related procedures; reviewing and assessing annually the adequacy of the committee's charter and performance. The Audit Committee also has the authority to retain independent legal, accounting or other advisors.

The Audit Committee is currently composed of the following three directors: Barry Holmes, Robert G. Smiley, and Alexandra Cremonese. All of the members of the Audit Committee are financially literate, in that they have the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto. Additionally, all of the members of the Audit Committee have accounting or related financial experience and are able to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

No director, executive officer, senior officer or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been

indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted for the nominees herein listed.

Management of the Company proposes that the number of directors for the Company be determined at four (4) for the ensuing year subject to such increases as may be permitted by the Articles of the Company.

Management of the Company proposes to nominate each of the following for election as a director of the Company.

Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Present Office held, and Province and Country of Residence	Director Since	Principal Occupation during the Past Five (5) Years	Number of Common Shares held ⁽¹⁾
Dino Cremonese, P.Eng. President and Director British Columbia, Canada	1981	Mineral Property Consultant—Self-Employed. Currently also director of Teuton Resources Corp.	4,047,289
Barry Holmes ² Director British Columbia, Canada	2017	Pilot-Marketing Manager for VIH Helicopters; Operations Manager for Lakelse Air; Investor Relations for Cosigo Resources, Teuton Resources.	1,301,500
Alexandra Cremonese ² Director British Columbia, Canada	2020	Manager, International Sourcing & Development, for Tilray, Inc.; Director of Business Development at The Valens Company; Currently, Director of Business Development, Tasmanian Botanics.	0
Robert G. Smiley ² Director British Columbia, Canada	1986	Self-Employed Business Consultant since January, 1997. Barrister and Solicitor until December, 1996. Currently also director of Richco Investors Inc., Sterling Group Ventures, and Teuton Resources Corp.	26,000

(1) Includes shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this Information Circular, as reported on SEDI (www.sedi.ca).

(2) Member of the Company's Audit Committee.

The Company has an audit committee, the members of which are indicated above.

Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of management of the Corporation, other than as disclosed below, no director nominee:

(a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that 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; or

(c) has, within the 10 years before the date of this Information 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 the assets of the proposed director.

For purpose of the above, “order” means:

(a) a cease trade order;

(b) an order similar to a cease trade; or

(c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

No proposed director has been subject to:

(a) 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

(b) 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.

Robert Smiley was a director of Sterling Group Ventures, Inc., an OTC reporting issuer, which became subject to a cease trade order issued by the BCSC on August 23, 2017 for failure to file certain financial statements and management’s discussion and analysis as well as failure to file annual financial statements for Euroclub Holdings Ltd., a reverse takeover acquirer. The order remains outstanding.

Appointment and Remuneration of Auditor

Shareholders will be asked to approve, by ordinary resolution, the appointment of Charlton & Company, Chartered Accountants, as the auditor of the Company to hold office until the next annual general meeting of the shareholders at remuneration to be fixed by the directors.

The table below provides for greater disclosure of the services provided by the Company’s external auditor, dividing the services into the four categories of work performed.

	Fiscal 2022 Fees	Fiscal 2023 Fees
Type of Work		
Audit fees	\$10,500	\$11,865
Audit related fees	nil	nil
Sub-total	<u>\$10,500</u>	<u>\$11,865</u>

Type of Work	Fiscal 2022 Fees	Fiscal 2023 Fees
Tax fees	\$2,500	\$nil
All other fees	<u>\$nil</u>	<u>\$nil</u>
Total	<u>\$13,000</u>	<u>\$11,865</u>

Dependent upon market conditions and the Company's asset base, the auditors may be rotating the lead audit partner responsible for the Company's audit.

Audit Services

Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Services

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements or interim financial statements, and are not reported under the audit services category above. These services included consultations on GAAP and financial statement disclosures, and discussion with management and audit committee members on internal controls and account procedures.

Tax Services

Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services consisted of providing advice regarding transfer pricing issues, intellectual property, commodity and tax reviews, reviewing tax returns, providing advice regarding corporate structure, and assisting in responses to government tax authorities.

Other Services

Other fees were paid for products and services other than the audit services, audit-related services and tax services described above.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

CERTIFICATE

The foregoing contains no untrue statements of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

ON BEHALF OF THE BOARD

"Dino Cremonese"

President, CEO and Director

**Schedule “A” to the Information Circular
of Silver Grail Resources Ltd.**

AUDIT COMMITTEE CHARTER

Introduction and Purpose

Silver Grail Resources Ltd. (the “Company”) is a publicly-held company and operates in a highly competitive and regulated environment. The Company’s business involves an environment that is highly regulated at the provincial level in Canada.

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities to the shareholders, potential investors and to the investment community. The Audit Committee will assist the Board in the oversight of (1) the integrity of the financial statements of the Company, (2) the independent auditor’s qualifications and independence, and (3) the compliance by the Company with legal and regulatory requirements.

Composition and Membership

The Audit Committee shall be comprised of at least three (3) members, a majority of whom shall meet the independence requirements as established by the TSX Venture Exchange, applicable laws and the rules and regulations of the British Columbia Securities Commission. Audit Committee members shall fully comply with the requirements of the British Columbia Securities Commission’s regulations. At least one member of the Audit Committee shall be an “audit committee financial expert” as that term is defined in applicable rules. Members and a Chair of the Audit Committee are appointed by the full Board of Directors.

Meetings

The Audit Committee shall meet at least four (4) times annually, in person, telephonically, or electronically and more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

Responsibilities and Duties

The Audit Committee shall:

- Make regular reports to the Board of Directors of the Company.
- Appoint the independent auditors to be engaged by the Company, establish the audit fees of the independent auditors, pre-approve any non-audit services provided by the independent auditors, including tax services, before the services are rendered.
- Review the scope of the independent auditor’s audit examination, including their engagement letter, prior to the annual audit of the Company’s financial statements.
- Instruct the independent auditors to report directly to the Audit Committee any serious difficulties or disputes with management, and ensure they are appropriately resolved.
- Review and evaluate the performance of the independent auditors and review with the Board of Directors all proposed discharges of the independent auditors.
- Review each annual audit with the independent auditor at the conclusion of the audit. The review shall include all comments or recommendations of the independent auditor, all audit problems or difficulties and management’s response.
- Review and discuss with management the procedures undertaken in connection with the required certifications for regulatory filings and other reports including their evaluation of the Company’s disclosure controls and procedures and internal controls, as well as any and all fraud, whether or not material, that involves management or others who have a significant role in the Company’s internal

controls.

- Review management's assessment of the effectiveness of the Company's internal controls over financial reporting and disclosure, and the independent auditor's related attestation. Consider with management and the independent auditors whether any changes to such internal controls are appropriate.
- Review with management the Company's quarterly and annual financial results prior to regulatory filings and the issuance of related press releases.
- Produce the report of the Audit Committee to the shareholders in the Company's annual proxy statement on those matters required by regulatory agencies.
- Be authorized to hire outside counsel or other consultants as necessary.
- Perform such other duties as are assigned by the Board of Directors.
- Review the Audit Committee's charter annually and recommend all proposed changes to the Board of Directors.
- Periodically evaluate and take steps to improve the effectiveness of the Audit Committee in meeting its responsibilities under this Charter.

Public Disclosure

This Charter is available to investors upon request to the Company's Corporate Secretary.

Schedule “B” to the Information Circular

of Silver Grail Resources Ltd.

CORPORATE GOVERNANCE DISCLOSURE

The following is a summary of the Company’s corporate governance disclosure required by Form 58-101F2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

Board of Directors

The Board, at present, is composed of four directors, two of whom are executive officers of the Company and two of whom are considered to be “independent”, as that term is defined in applicable securities legislation. Ms. Alexandra Cremonese and Mr. Barry Holmes are considered to be independent directors. Mr. Dino Cremonese, by reason of his being the CEO of the Company and Mr. Robert Smiley, by reason of his being the CFO of the Company, are not. In determining whether a director is independent, the Board chiefly considers whether the director has a relationship which could be perceived to interfere with the director’s ability to objectively assess the performance of management.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

Certain of the directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Dino Cremonese, P.Eng.	Teuton Resources Corp.
Barry Holmes	None
Robert G. Smiley	Richco Investors Inc., Sterling Group Ventures, Teuton Resources Corp.
Alexandra Cremonese	None

Orientation and Continuing Education

The Company has not yet developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Company by meeting with the

other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board has not appointed a nominating committee because the Board fulfils these functions.

Compensation

The Company does not have a compensation committee as the Board of Directors is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

Committees of the Board of Directors

The Board has appointed an Audit Committee the members of which are the following: Barry Holmes, Alexandra Cremonese and Robert Smiley. A description of the function of the Audit Committee can be found in this Circular under Audit Committee.

Assessments

The Board has not, as yet, adopted formal procedures for assessing the effectiveness of the Board, its Audit Committee or individual directors.