

GRAYCLIFF EXPLORATION LIMITED

401 Bay Street, Suite 2702, Toronto, Ontario M5H 2Y4

MANAGEMENT INFORMATION CIRCULAR FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

(Containing Information as at April 6, 2023, unless otherwise stated)

SOLICITATION OF PROXIES

This management information circular (the “Circular”) is furnished in connection with the solicitation of Proxies by the management of Graycliff Exploration Limited (the “Corporation”), for use at the annual meeting (the “Meeting”), of the holders (“Shareholders”) of common shares without par value in the capital of the Corporation (the “Common Shares”), to be held on Wednesday, the 10th day of May, 2023, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. It is expected that the solicitation of Proxies on behalf of management will be primarily by mail; however, Proxies may be solicited personally or by telephone by the regular officers, employees or agents of the Corporation. The cost of soliciting Proxies on behalf of management will be borne by the Corporation. The Corporation may also reimburse brokers and other persons holding Common Shares in their names or in the name of nominees, for their costs incurred in sending Proxy materials to beneficial owners and obtaining their Proxies or voting instructions.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. Every Shareholder of the Corporation has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons already named in the enclosed form of proxy to represent such shareholder of the Corporation at the virtual Meeting by striking out the printed names of such persons and inserting the name of such other person AND an email address for contact in the blank space provided therein for that purpose. Shareholders of the Corporation can also appoint a person (who need not be a shareholder of the Corporation) electronically, by selecting ‘Other Appointee’ and completing the form via <https://app.agmconnect.com>. In order to be valid, a proxy must be received by AGM Connect, 401 Bay Street, Suite 2704, Toronto, Ontario, M5H 2Y4 by 10:30 am on May 8, 2023, or in the event of an adjournment or postponement of the Meeting, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in Ontario) before the time for holding the adjourned or postponed Meeting.

Shareholders may also elect to vote electronically in respect of any matter to be acted upon at the Meeting. Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper form of proxy. To vote electronically, registered shareholders are asked to login to <https://app.agmconnect.com> using their unique Voter ID & Meeting Access Code found on the form of proxy; an email address of choice will also be required for verification. Shareholders should also refer to the instructions on the proxy form for information regarding the deadline for voting shares electronically. If a Shareholder votes electronically he or she is asked not to return the paper form of proxy by mail.

The Proxy must be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a Corporation, it must either be under its common seal or signed by a duly authorized officer.

NON-REGISTERED HOLDERS

Only those Shareholders whose names appear on the central security register of the Corporation (“Registered Shareholders”), or the persons they appoint as their Proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Notice, this Circular and its form of proxy (collectively, the “**Meeting Materials**”) to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which must be completed and returned by the Non-Registered Shareholder in accordance with the directions printed on the form (in some cases, the completion of the voting instruction form by telephone, facsimile or over the Internet is permitted) or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with AGM Connect, 2704-401 Bay Street, Box 4, Toronto, Ontario, M5H 2Y4.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided along with an EMAIL ADDRESS for contact. If you are a Non-Registered Shareholder, and we or our agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the Voter Information Form (“VIF”) or the proxy is to be delivered.**

REVOCATION

A registered shareholder of the Corporation who has submitted a proxy may revoke it by:

- (a) depositing an instrument in writing signed by the registered shareholder or by an attorney authorized in writing or, if the registered shareholder is a corporation, by a duly authorized officer or attorney, either:
 - (i) at the office of AGM Connect, 2704-401 Bay Street, Box 4, Toronto, Ontario, M5H 2Y4 Corporation, by 10:30 am on May 8, 2023, or in the event of an adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturday, Sunday and holidays in Ontario) before the time for holding the adjournment or postponement Meeting; or
 - (ii) with the Chair of the Meeting prior to commencement of the Meeting on the day of the Meeting;
- (b) transmitting, by telephone at (416) 222-4202 or via email to voteproxy@agmconnect.com, a revocation that complies with (i) or (ii) above and that is signed by electronic signature provided that the means of electronic signature permit a reliable determination that the document was created or communicated by or on behalf of the registered shareholder or the attorney, as the case may be; or
- (c) in any other manner permitted by law.

A Non-Registered Shareholder who has submitted voting instructions to an Intermediary should contact their Intermediary for information with respect to revoking their voting instructions.

NOTICE-AND-ACCESS

The Company is utilizing the notice-and-access mechanism (the “Notice-and-Access Provisions”) that came into effect on February 11, 2013 under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer and National Instrument 51-102 – Continuous Disclosure Obligations, for distribution of Meeting materials to registered and beneficial Shareholders.

VOTING OF PROXIES

The management representatives designated in the enclosed Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed by Proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of Proxy will vote the shares represented by such form of Proxy, properly executed FOR the matters identified in the notice of Meeting and any other matters which may properly come before the Meeting.**

The enclosed Proxy confers discretionary authority upon the management representatives designated in the Proxy with respect to amendments to 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 date of this Circular, management of the Corporation know of no such amendments, variations or other matters.

VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

	If you have received a PROXY with a VOTER ID and MEETING ACCESS CODE from AGM CONNECT		If you have received a PROXY or VIF with a 16-DIGIT CONTROL NUMBER from an INTERMEDIARY
Voting Method	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)
Internet	Click “Vote Proxy” via: www.agmconnect.com/graycliff2022 Login through the Meeting Access Code and Voter ID provided to you and complete the form to Submit your Proxy		Go to www.proxyvote.com Enter the 16- digit control number printed on the VIF and follow the instructions on screen
Email	Complete, sign and date the proxy form and email to: voteproxy@agmconnect.com		N/A
Telephone	Call +1.855.839.3715 to register your vote for the Meeting		N/A
Mail	Enter your voting instructions, sign, date and return the form to AGM Connect in the enclosed envelope		Enter your voting instructions, sign, date and return completed VIF in the enclosed postage paid envelope

ATTENDING THE MEETING

	If you have received a PROXY with a VOTER ID and MEETING ACCESS CODE from AGM CONNECT		If you have received a PROXY or VIF with a 16-DIGIT CONTROL NUMBER from an INTERMEDIARY
	Registered Shareholders (your securities are held in your name in a physical certificate or DRS statement)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)	Non-Registered Shareholders (your shares are held with a broker, bank or other intermediary)
PRIOR TO THE MEETING	N/A	Appoint yourself as proxyholder on your proxy and follow the instructions at www.AGMconnect.com/Graycliff2023	Appoint yourself as proxyholder as instructed herein and on the VIF.
	N/A	Following the proxy cut-off date, your appointed proxyholder will be provided with an AGM Connect Voter ID and Meeting Access Code	After submitting your proxy appointment, you MUST contact AGM Connect to obtain a Voter ID and Meeting Access Code at +1.855.839.3715 or
JOINING THE VIRTUAL MEETING	At least 15 minutes prior to start of the Meeting, Register and login at http://app.agmconnect.com Registered Shareholders or validly appointed Proxyholders will need to provide an email address, AGM Connect Voter ID and the Meeting Access Code		

FORWARD-LOOKING STATEMENTS

Certain statements in this Circular that are not statements of historical fact, including statements relating to each as more particularly described herein, may constitute “forward-looking statements”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, such statements use such words as “may”, “will”, “expect”, “believe”, “plan”, “intend”, “should”, “anticipate” and other similar terminology. These statements reflect current assumptions and expectations regarding future events and operating performance as of the date of this Circular. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this Circular are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with such forward-looking statements. All forward-looking statements are made as of the date of this Circular, and the Corporation assumes no obligation to update or revise them to reflect new events or circumstances. Accordingly, readers should not place undue reliance on forward-looking statements.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at March 16, 2023 (the “**Record Date**”). As at the Record Date, the Corporation has 35,219,675 Common Shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all **MATTERS** to be **ACTED UPON** at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed Proxy shall have been delivered to AGM Connect at 401 Bay St., Suite 2704, Toronto, Ontario M5H 2Y4, within the time specified in the notice of Meeting, to attend and to vote thereat by Proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Corporation at any time since the beginning of the last financial year of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF DIRECTORS

At the Meeting, the following four (4) persons named hereunder will be proposed for election as directors of the Corporation. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying Proxy to vote the Proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual Meeting of Shareholders of the Corporation, or until his successor is duly elected unless prior thereto, he resigns or his office becomes vacant by reason of death or other cause. Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Shareholders have the option to: (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. The Board recommends that Shareholders vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.

The following table sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by them. The information as to Common Shares beneficially owned, directly or indirectly or over which control or direction is exercised, not being with the knowledge of the Corporation, has been furnished by the respective nominees individually.

Name, Province or State & Country of Residence, and Position(s) with the Corporation	Principal Occupation, Business or Employment for Past 5 Years	Term of Office	Number and Percentage of Common Shares ⁽¹⁾⁽²⁾ Beneficially Owned or Controlled Directly or Indirectly
James Macintosh Ontario, Canada President, CEO and Director	President, CEO & Director of the Corporation President, CEO and Director of Kingsview Minerals (May 2021 to present)	Director (Oct. 1, 2019 to present) President and CEO (Nov. 28, 2019 to present)	270,256 ⁽²⁾ 0.77%
Julio DiGirolamo Ontario, Canada CFO, Corporate Secretary and Director	CFO, Corporate Secretary & Director of the Corporation CFO, Corporate Secretary (“Corp. Sec.”) & Director of Monterey Minerals (Aug. 2018 to present) CFO & Corp. Sec. of Idaho Champion Gold Mines Canada (Sept. 2018 to present) CFO & Corp. Sec. of 55 North Mining (Jan. 2017 to present)	Director (Oct. 2, 2019 to present) CFO and Corporate Secretary (Nov. 28, 2019 to present)	140,000 ⁽³⁾ 0.40%
Nicholas Konkin Toronto, Canada Director	Director, Capital Markets at Grove Corporate Services (Mar. 2021 to present) Principal, K Capital Markets (June 2018 to present)	Director (July 30, 2021 to present)	75,000 ⁽⁴⁾ 0.21%
David Lees Western Australia, Australia Director	Non-Executive Chairman of C29 Metals Limited (ASX:C29) (Oct 2021 to present) Non-Executive Director of Sultan Resources (ASX:SLZ) (March 2019 to present)	Director (Nov. 28, 2019 to present) Non-Executive Chairman (July 30, 2021 to present)	180,000 ⁽⁵⁾ 0.51%
TOTAL			665,256 1.89%

Notes:

- (1) As at the date this Circular and based upon 35,219,675 issued and outstanding Common Shares (the “Shares”).
- (2) Mr. Macintosh also holds 110,000 Share purchase warrants.
- (2) These Shares are held by Front Street Management Inc. (“Front St.”), of which Mr. DiGirolamo is the president and a director. Front St. also holds 40,000 Warrants.
- (3) 10,000 of these shares are held by K Capital Markets Inc., of which Mr. Konkin is the president and a director. Mr. Konkin also holds 40,000 Warrants.
- (4) 140,000 of these Common Shares are held by Peninsula Investments (WA) Pty Ltd. (“Peninsula”), of which David Lees is the president and a director. Peninsula also holds 40,000 Warrants.

Other than the Warrants detailed in the notes to the above table and the 1,750,000 options to purchase Common Shares described in greater detail under the heading “Options to Purchase Securities”, none of the directors or officers of the Corporation has the right to acquire any additional securities pursuant to conversion privileges or other rights. No Common Shares are pledged as security.

As of the date Circular, the directors and officers of the Corporation, as a group, directly or indirectly, beneficially own 665,256 Common Shares of the Corporation, representing 1.89% of the issued and outstanding Common Shares of the Corporation on an undiluted basis. See “*Principal Shareholders*”.

Management of the Corporation

The following are descriptions of the background of the directors and officers of the Corporation, including a description of each individual’s principal occupation(s) within the past five years. None of the Corporation’s directors or officers are employees of the Corporation, and none of the Corporation’s directors or officers have entered into non-competition or non-disclosure agreements with the Corporation.

James Macintosh, President, Chief Executive Officer and Director (age 61) has over 35 years of experience in the mining industry and as a mining analyst. For the past 30 years he has held various executive and directorial positions with numerous public and private companies in Canada and the United States. Mr. Macintosh has advanced a number of public issuer mining exploration and development companies to prospective mine status. His commitment to the Corporation is leading the Corporation to advance the current property via its upcoming work program and review potential exploration projects that enhance shareholder value. Mr. Macintosh is currently President, Chief Executive Officer and a Director of Kingsview Minerals Ltd., a private exploration company. Mr. Macintosh was the Lead Director and Chairman of the audit committee for Carlisle Goldfields Limited, a Canadian gold company sold to Alamos Gold Inc. Mr. Macintosh graduated from Queen’s University with a B.Sc. (Honours, Geological Sciences) and sits on the Queen’s University Geology Council.

Julio DiGirolamo, Chief Financial Officer and Corporate Secretary and Director (age 54) is a Chartered Professional Accountant with over 28 years of senior-level public company experience including, including four and a half years as Chief Financial Officer of Carlisle Goldfields Limited, a TSX-listed gold exploration company, until its sale to Alamos Gold Inc. Mr. DiGirolamo is currently also Chief Financial Officer and Corporate Secretary 55 North Mining Inc. He began his public market experience while holding various senior roles during his five years with Greenstone Resources Ltd., a TSX and NASDAQ-listed gold mining company with activities focused in four Latin American countries. Over his career, Mr. DiGirolamo has served on the boards of various public and non-profit organizations. Mr. DiGirolamo graduated from the Schulich School of Business at York University with a Bachelor of Business Administration (Accounting and Economics).

Nicholas Konkin, Director (age 38) Nicholas Konkin has extensive business experience with over a decade of developing successful private and public resource and technology start-ups combined with a strong background in wealth management and investor relations spanning resources, technology and medical services sectors. Nicholas has a Bachelor of Commerce degree, majoring in Financial Planning. Prior to joining Grove as Vice President of Corporate Development, Nicholas was Director of Marketing and Communications at Carlisle Goldfields before it was sold to Alamos Gold at 117% premium to the market.

David Lees, Director and Non-Executive Chairman (age 43) has over 20 years’ experience in the financial services industry, beginning his career as a stockbroker before moving into investment and funds management, with a primary focus on natural resources. Through these roles, Mr. Lees has gained extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance. Mr. Lees currently serves as a non-executive director of ASX-listed Sultan Resources Ltd. (ASX: SLZ) and Non-Executive Chairman of C29 Metals Limited (ASX: C29). His education qualifications include a Bachelor of Economics from Murdoch University in Western Australia and a post graduate diploma in Applied Finance and Investment from the Securities Institute.

Cease Trade Orders, Bankruptcies or Sanctions

Except as specified below, as at the date of this Circular, and within the last 10 years before the date of this Circular, neither the CEO or CFO, nor any director (or any of their personal holding companies) of the Corporation was a director, CEO or CFO of any company (including the Corporation) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, CEO or CFO;
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, CEO or CFO in the company and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
- (c) was a director or an 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
- (d) has within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

Mr. DiGirolamo has served as an officer of 55 North Mining Inc. (formerly SGX Resources Inc.) since January 10, 2017. Prior to Mr. DiGirolamo's appointment as an officer of 55 North Mining Inc., the Manitoba Securities Commission issued a cease trade order ("**CTO**") against 55 North Mining Inc. on May 9, 2016, as a result of not filing its annual financial statements and related management's discussion and analysis ("**MD&A**") for the year ended December 31, 2015. The British Columbia Securities Commission ("**BCSC**") issued a similar CTO on May 16, 2016. 55 North Mining Inc. subsequently filed the aforementioned annual financial statements, and the CTOs were revoked on December 22, 2017 while Mr. DiGirolamo was serving as an officer of 55 North Mining Inc.

Mr. DiGirolamo served as an officer of Asia Now Resources Corp. ("**ANR**") from August 2013 to August 2015. Mr. Macintosh also served as a director of ANR from June 2012 to August 2015 and was the Chair of the Special Committee of the Board of Directors. The Special Committee of the Board of Directors of ANR determined to that it was in ANR's best interests to facilitate a "going private" transaction whereby its majority shareholder and secured debtholder, China Gold Pte. Ltd. ("**China Gold**"), would purchase the shares of ANR it did not already own. In July 2015, a sufficient number of ANR's minority shareholders voted against this proposal such that the transaction was not approved, and ultimately resulted in a default on ANR's secured debt with China Gold. Mr. DiGirolamo and Mr. Macintosh both resigned from their roles at ANR. Subsequently, a receiver was appointed in August 2015 with a view to liquidating ANR's remaining assets. This process was completed through the courts in Ontario. On September 11, 2015, after the resignations of Messrs. DiGirolamo and Macintosh, the Ontario Securities Commission (the "**OSC**") issued a CTO against ANR for not filing its interim financial statements and related MD&A for the six-month period ended June 30, 2015. The BCSC issued a similar CTO on September 14, 2015.

Mr. DiGirolamo and Mr. Macintosh were directors and officers of Puranium Energy Ltd. (formerly Monterey Minerals Inc. "**Puranium**"). As a result of not filing certain financial statements for Puranium's subsidiary, Landsdown Holdings Ltd., on January 7, 2019, the BCSC issued a CTO against Monterey. Monterey subsequently filed the financial statements, and the CTO was revoked on January 22, 2019.

Penalties or Sanctions

No director, officer, insider or promoter of the Corporation or a Shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and promoter of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, Insiders and promoter are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the business of the Corporation. Accordingly, situations may arise where the directors, officers, Insiders and promoter will be in direct competition with the Corporation. The directors and officers of the Corporation are required by law to act in the best interests of the Corporation. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Corporation to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Corporation. Such conflicting legal obligations may expose the Corporation to liability to others and impair its ability to achieve its business objectives. None of the directors or officers of the Corporation have entered into non-competition or non-disclosure agreements with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the BCBCA, the policies of the CSE, and applicable securities laws, regulations and policies.

APPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, the Board proposes to re-appoint Clearhouse LLP (formerly SDVC LLP) ("**Clearhouse**"), of 2560 Matheson Blvd. East, Suite 527, Mississauga, Ontario, L4W 4Y9, as Auditors of the Corporation and to authorize remuneration to be fixed by the Board. Clearhouse will hold office until the next annual general Meeting of the Shareholders or until its successor is appointed.

The Board recommends that Shareholders vote FOR the re-appointment of Clearhouse as Auditor of the Corporation.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of Proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

EXECUTIVE COMPENSATION

Introduction

Pursuant to the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, all direct and indirect compensation provided to certain executive officers, and directors for, or in connection with, services they have provided to the Corporation or a subsidiary of the Corporation must be disclosed in this form. The Corporation is required to disclose annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the two most recently completed financial years in respect of the individuals comprised of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**") and the most highly compensated executive officers of the Corporation whose individual total compensation for the most recently completed financial year exceeds \$150,000, and any individual who would have satisfied these criteria but for the fact that the individual was not serving as an officer at the end of the most recently completed financial year (the "**Named Executive Officers**" or "**NEOs**"). Director and NEO compensation has been disclosed based on requirements of Form 51-102F6V under the tables below as follows:

- (1) Table of compensation excluding compensation securities; and
- (2) Table of stock options and other compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table states the names of each NEO and director and his annual compensation, consisting of salary, consulting fees, bonuses and other annual compensation, excluding compensation securities, for each of the Corporation's three most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Consulting fees	Bonus	Committee or meeting fees	Value of perquisites	Value of other compensation ⁽¹⁾	Total compensation
James Macintosh, Director, President & CEO	2022	\$90,000	N/A	N/A	N/A	N/A	\$60,000
	2021	\$78,000	N/A	N/A	N/A	N/A	\$78,000
	2020	\$42,500	N/A	N/A	N/A	N/A	\$42,500
Julio DiGirolamo, Director, CFO & Corporate Secretary	2022	\$60,000	N/A	N/A	N/A	N/A	\$60,000
	2021	\$54,000	N/A	N/A	N/A	N/A	\$66,000
	2020	\$29,750	N/A	N/A	N/A	N/A	\$29,750
David Lees, Non-Executive Chairman & Director ⁽²⁾	2022	NIL	N/A	N/A	N/A	N/A	NIL
	2021	NIL	N/A	N/A	N/A	N/A	\$12,000
	2020	NIL	N/A	N/A	N/A	N/A	NIL
Nicholas Konkin Director ⁽³⁾	2022	NIL	N/A	N/A	N/A	N/A	NIL
	2021	NIL	N/A	N/A	N/A	N/A	\$12,000

Notes:

- (1) The amounts in this column represent directors fees paid during the year ended 2022 if any.
- (2) Mr. Lees was appointed Non-Executive Chairman on July 30, 2021. He was appointed a Director on Nov. 28, 2019.
- (3) Mr. Konkin was appointed a Director on July 30, 2021.

Incentive Plan Awards

The following table states all option-based awards for each NEO and director. The value vested is the difference between the exercise price on the vesting date and the market price on the date of grant. The value of unexercised in the money options is the difference between the exercise price and the market price at year-end. The Corporation does not grant any share-based awards.

Table of option-based awards to purchase Common Shares						
Name and position	No. of compensation securities, & %-age of class ⁽¹⁾	Date of grant	Issue conversion or exercise price	Valued Vested of options granted in each year	Value of unexercised in the money options ⁽²⁾	Expiry date
James Macintosh, Director, President & CEO	250,000	Dec. 3, 2019	\$0.15	NIL	NIL	Dec. 3, 2024
	50,000	Oct. 13, 2020	\$0.85	NIL	NIL	Oct. 13, 2025
	200,000	Apr. 23, 2021	\$0.75	NIL	NIL	Apr. 23, 2026
	200,000	Dec. 17, 2021	\$0.25	NIL	NIL	Dec. 17, 2026
	2.11 %					
Julio DiGirolamo, Director, CFO & Corporate Secretary	200,000	Dec. 3, 2019	\$0.15	NIL	NIL	Dec. 3, 2024
	50,000	Oct. 13, 2020	\$0.85	NIL	NIL	Oct. 13, 2025
	150,000	Apr. 23, 2021	\$0.75	NIL	NIL	Apr. 23, 2026
	175,000	Dec. 17, 2021	\$0.25	NIL	NIL	Dec. 17, 2026
	1.73 %					
David Lees ⁽³⁾ , Director, & Non-Executive Chairman	50,000	Oct. 13, 2020	\$0.85	NIL	NIL	Oct. 13, 2025
	100,000	Apr. 23, 2021	\$0.75	NIL	NIL	Apr. 23, 2026
	100,000	Dec. 17, 2021	\$0.25	NIL	NIL	Dec. 17, 2026
	0.75 %					
Nicholas Konkin ⁽⁴⁾ , Director	25,000	Dec. 3, 2019	\$0.15	NIL	NIL	Dec. 3, 2024
	100,000	Apr. 23, 2021	\$0.75	NIL	NIL	Apr. 23, 2026
	100,000	Dec. 17, 2021	\$0.25	NIL	NIL	Dec. 17, 2026
	0.68 %					

Notes

- (1) The number of underlying common shares is identical to the number of options for each NEO and the percentage of class calculation is based on 35,219,675 issued and outstanding Common Shares (calculated on a fully diluted basis) as of the date of this Circular.
- (2) These Corporation's share price on the Canadian Securities Exchange closed at \$0.055 per share on Dec. 31, 2022.
- (3) Mr. Lees was appointed Non-Executive Chairman on July 30, 2021. He was appointed a Director on Nov. 28, 2019.
- (4) Mr. Konkin was appointed a Director on July 30, 2021.

Stock Option Plans and Other Incentive Plans

The Corporation created a stock option plan that was approved by the Board on December 4, 2019 (the “**Stock Option Plan**”). The purpose of the Stock Option Plan is to assist the Corporation in attracting, retaining and motivating directors, officers, employees and consultants (together, “**service providers**”) of the Corporation and of its affiliates and to closely align the personal interests of such service providers with the interests of the Corporation and its Shareholders.

The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to options granted under the Stock Option Plan will not exceed 10% of the number of Common Shares of the Corporation issued and outstanding from time to time.

The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder subject to the express provisions of the Stock Option Plan.

Options may be granted under the Stock Option Plan to such directors, employees, consultants or management company employees of the Corporation and its subsidiaries, if any, as the Board may from time to time designate. Option exercise prices will be determined by the Board, but will, in no event, be lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. The Stock Option Plan complies with National Instrument 45-106 *Prospectus Exemptions* and provides that the number of Common Shares which may be reserved for issuance on a yearly basis to any one related person upon exercise of all stock options held by such individual may not exceed 5% of the issued Common Shares calculated at the time of grant. Moreover, the Corporation cannot issue grants to related persons if in the aggregate their grants would, on a fully diluted basis, exceed 10% of the issued and outstanding Common Shares of the Corporation.

The Stock Option Plan is the Corporation's only equity compensation plan. As of the date of this Circular, the Corporation has 2,775,000 options outstanding to purchase Common Shares. The following table is a summary setting out the options outstanding that have been granted to directors, officers, employees, consultants or others as at the date of this Circular:

Table of stock options granted and outstanding					
Group	Options to purchase common shares	Exercise Price	Expiry Date	Grant Date	Closing Price on day of grant
Executive officers	450,000	\$0.15	December 4, 2024	December 4, 2019	N/A ⁽¹⁾
	100,000	\$0.85	October 13, 2025	October 13, 2020	\$0.82
	350,000	\$0.75	April 23, 2026	April 23, 2021	\$0.75
	375,000	\$0.25	December 17, 2026	December 17, 2021	\$0.215
Directors ⁽²⁾	25,000	\$0.15	December 4, 2024	December 4, 2019	N/A ⁽¹⁾
	50,000	\$0.85	October 13, 2025	October 13, 2020	\$0.82
	200,000	\$0.75	April 23, 2026	April 23, 2021	\$0.75
	200,000	\$0.25	December 17, 2026	December 17, 2021	\$0.215
Consultants	300,000	\$0.56	September 3, 2025	September 3, 2020	\$0.58
	50,000	\$0.85	October 13, 2025	October 13, 2020	\$0.82
	350,000	\$0.75	April 23, 2026	April 23, 2021	\$0.58
	325,000	\$0.25	December 17, 2026	December 17, 2021	\$0.215
Total	2,775,000				

Notes

(1) The Corporation was not yet public, the price used was the issue price of the most recent financing.

(2) This accounts for the two directors that are not also executive officers of the Corporation.

Employment, Consulting and Management Agreements

Management of the Corporation is performed by the directors and officers of the Corporation and not by any other person. There are no plans in place with respect to compensation of the NEOs in the event of a termination of employment without cause or upon the occurrence of a change of control.

The Corporation has not entered into any consulting agreements with NEOs.

Oversight and Description of Director and Named Executive Officer Compensation

Given the Corporation's size and stage of operations, it has not appointed a compensation Committee or formalized any guidelines with respect to compensation at this time. The amounts paid to the NEOs are determined by the independent Board members. The Board determines the appropriate level of compensation reflecting the need to provide incentives and compensation for the time and effort expended by the Corporation's executives, while taking into account the financial and other resources of the Corporation.

Pension Plan Benefits for NEOs

As of the date of this Circular, the Corporation does not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

For information regarding securities authorized for issuance under equity compensation, please see "Executive Compensation - Stock Option Plans and Other Incentive Plans."

Equity Compensation Plan Information

The following table provides details of the equity securities of the Corporation authorized for issuance as of the Circular pursuant to the Stock Option Plan currently in place:

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
Equity compensation plans approved by securityholders	1,750,000	\$0.43	746,968
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,750,000	\$0.43	746,968

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or officers of the Corporation or any of their respective associates or affiliates has been indebted to the Corporation as at the date of this Circular or at any time since the date of the Corporation's incorporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or Corporation that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or Corporation as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Corporation's financial statements for the financial year-ended December 31, 2022, none of:

- (a) the Informed Persons of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in a proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

APPOINTMENT OF AUDITOR

The auditor of the Corporation is Clearhouse LLP (formerly SDVC LLP, first appointed on November 29, 2019).

CORPORATE GOVERNANCE AND AUDIT COMMITTEES

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance* and National Instrument 52-110 *Audit Committees* is attached to this Circular as Schedules "A" and "B", respectively.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the above and as set out in the Notice, management of the Corporation knows of no other matters to come before the Meeting. If any other matters that are not currently known to management should properly come before the Meeting, the accompanying form of Proxy confers discretionary authority upon the persons designated therein to vote on such matters in accordance with their best judgment.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Corporation is Integral Transfer Agency Inc. through its office located in Toronto, Ontario.

ADDITIONAL INFORMATION

Copies of this Circular, the comparative audited annual financial statements of the Corporation for the years ended December 31, 2021 and December 31, 2020 and MD&A for the year ended December 31, 2021 may be obtained on SEDAR at www.sedar.com or free of charge from the Corporation upon request from the Chief Executive Officer of the Corporation, at 401 Bay Street, Suite 2702, Toronto, ON M5H 2Y4, or by telephone at 416 862-7003 and such documents will be sent by mail or electronically by email as may be specified at the time of the request. Financial information on the Corporation is provided in the Corporation's comparative audited annual financial statements and accompanying MD&A for the year ended December 31, 2021.

BOARD APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors.

DATED at Toronto, Ontario, this 6th day of April, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*James Macintosh*"

JAMES MACINTOSH

President & CEO

SCHEDULE "A"

GRAYCLIFF EXPLORATION LIMITED (the "Corporation")

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

Corporate governance refers to the policies and structure of the Board of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. This disclosure below sets out the Corporation's approach to corporate governance and describes the measures taken by the Corporation to comply with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Corporation's Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation's Board requires management to provide complete and accurate information with respect to the Corporation's activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation's Board is responsible for monitoring the Corporation's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The following members of the Board are non-independent: James Macintosh and Julio DiGirolamo.

The following members of the Board are independent: David Lees and Nicholas Konkin.

Directorships

The following directors of the Corporation are currently directors of other reporting issuers:

Director	Reporting Issuer:	Exchange Listed on : Symbol
James Macintosh	Kingsview Minerals Ltd.	CSE : KVM
Julio DiGirolamo	Puranium Energy Ltd.	CSE : UX
David Lees	Sultan Resources Ltd	ASX : SLZ
	Puranium Energy Ltd.	CSE : UX
Nicholas Konkin	EV Minerals Corp.	

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Corporation's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' 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 Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Corporation's management is continually in contact with individuals involved in the mineral exploration industry and public-sector resource issuers. From these sources, the Corporation has made numerous contacts and continues to consider nominees for future board positions. The Corporation conducts diligence and reference checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in the area of strategic interest to the Corporation, the ability to devote the time required and willingness to serve. The Board does not currently have a nominating committee.

Compensation

The Board as a whole determines the salary and benefits of the executive officers and directors of the Corporation, as well as the Corporation's general compensation structure, policies and programs.

Other Board Committees

The Board currently has no other committees other than the Audit Committee.

Assessments

The Board works closely with management, and, accordingly, the Board is in a position to assess the performance of individual directors on an ongoing basis.

SCHEDULE "B"

GRAYCLIFF EXPLORATION LIMITED (the "Corporation")

FORM 52-110F2 - AUDIT COMMITTEE DISCLOSURE

Pursuant to National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Corporation is required to have an Audit Committee. The general function of the Audit Committee is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's Auditor. In addition, the Audit Committee must review and report to the directors of the Corporation on the financial statements of the Corporation and the Auditor's report before they are published.

The Audit Committee's Charter

The Audit Committee Charter of the Corporation is attached hereto as Schedule "C".

Composition of the Audit Committee

At a meeting of the Corporation's Board on December 4, 2019, the Board approved an audit committee (the "Audit Committee"). The Audit Committee is currently comprised of Samuel Hardy, David Lees and Julio DiGirolamo. David Lees serves as the chair of the Audit Committee.

Audit Committee Member	Title	Independent or Not	Financially Literate
Julio DiGirolamo	Director, Corporate Secretary & CFO	No	Yes
David Lees	Director, Non-Executive Chairman & Chair of the Audit Committee ⁽¹⁾	Yes	Yes
Nicholas Konkin	Director	Yes	Yes

Notes

- (1) The "Non-Executive Chairman" role is related specifically to conduct of directors' meetings, and is not equivalent to the role of an executive officer. In this position, Mr. Lees does not perform any policy-making function in respect of the Corporation and has no role in day-to-day operations or management of the Corporation.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Corporation's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

David Lees - Mr. Lees has over 20 years' experience in the financial services industry, and has extensive experience with capital raising, business development, portfolio management, business relationships and corporate governance. Mr. Lees has a Bachelor of Economics from Murdoch University in Western Australia and a post graduate diploma in Applied Finance and Investment from the Securities Institute.

Nicholas Konkin - Mr. Konkin has been involved in the financing, administration and growth of several companies bringing a wide range of experience within both financials markets and the mining industry.

Julio DiGirolamo - Mr. DiGirolamo is a Chartered Professional Accountant with over 26 years of senior-level public company experience, including serving as chief financial officer for several companies, which has given him extensive experience in financial review and management.

In addition to each member's general business experience, each member of the Audit Committee has adequate education and experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since incorporation has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since incorporation has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-Audit Services) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 of NI 52-110 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Clearhouse LLP (formerly SDVC LLP), for the years ended December 31, 2020 and 2019, to the Corporation to ensure auditor independence. Fees billed for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Billed by Auditor for the Year Ended	
	December 31, 2022	December 31, 2021
Audit Fees ⁽¹⁾	\$17,000	\$8,500
Audit-Related Fees ⁽²⁾	\$0	\$0
Tax Fees ⁽³⁾	\$1,250	\$1,625
All Other Fees ⁽⁴⁾	\$1,050	\$2,192
TOTAL:	\$19,300	\$12,317

Notes:

- (1) "Audit fees" include fees necessary to perform the annual audit of the Corporation's financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.
- (2) "Audit-related fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include fees for all tax services other than those included in "audit fees" and "audit-related fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include all other non-audit services.

Exemption

The Corporation has relied upon the exemption provided in section 6.1 of NI 52-110, which exempts a "venture issuer" from the requirement to comply with the restrictions on the composition of its Audit Committee.

SCHEDULE "C"

GRAYCLIFF EXPLORATION LIMITED (the "Corporation")

AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Graycliff Exploration Limited (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. Appointment and Removal

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Meetings

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance and Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.
2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.
3. Recommend to the Board the compensation of the Auditor.
4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls and Operations of the Company

1. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
 - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management's discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
3. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
5. Make regular reports to the Board.
6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
7. Annually review the Committee's own performance.
8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
9. Not delegate these responsibilities.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.