

SILVER SPRUCE RESOURCES INC.

2009

ANNUAL

GENERAL & SPECIAL

MEETING

Notice of Annual General and Special
Meeting of Shareholders

Information Circular

Place:

Capital Hotel
Salon A - 208 Kenmount Road
St. John's, Newfoundland
A1B 3R2

Time:

11:00 a.m.

Date:

April 20, 2009





SILVER SPRUCE RESOURCES INC.

CORPORATE DATA

Head Office

Suite 312, 197 Dufferin Street
Bridgewater, Nova Scotia B4V 2G9

Board of Directors

Gordon Barnhill
Peter Dimmell
George Findlay
Lloyd Hillier
Ted Urquhart
C. Robert Gillis (proposed)

Officers

Lloyd Hillier, Chairman, President and CEO
Gordon Barnhill, CFO, VP Corporate Affairs
Peter Dimmell, VP Exploration

Auditor

McGovern, Hurley, Cunningham, LLP
Chartered Accountants
2005 Sheppard Avenue East, Suite 300 Toronto,
Ontario, M2J 5B4

Legal Counsel

RBC Law Inc.
Suite L105, 1701 Hollis Street
Halifax, Nova Scotia, B3J 3M8

Registrar and Transfer Agent

CIBC Mellon Trust Company
600 The Dome Tower
333 - 7th Avenue SW
Calgary, Alberta, T2P 2Z1

Stock Exchange Listing

TSX Venture Exchange
Symbol "SSE"



SILVER SPRUCE RESOURCES INC.

NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting of the shareholders (the "Meeting") of **SILVER SPRUCE RESOURCES INC.** (the "Corporation") will be held at Capital Hotel, Salon A - 208 Kenmount Road, St. John's, Newfoundland and Labrador, A1B 3R2 on Monday, the 20th day of April, 2009, at 11:00 a.m, for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended October 31, 2008, together with the report of the Auditors thereon;
2. to appoint McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect six (6) directors for the ensuing year;
4. to replace the Corporation's existing stock option plan with the stock option plan attached hereto as Schedule "A";
5. to approve, ratify and confirm all acts, contracts, proceedings, appointments and payments of money by the directors and officers of Corporation; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this notice of meeting (the "Notice") is an information circular, a form of proxy, and a financial statement request form. The accompanying information circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the information circular accompanying this Notice. Please advise the Corporation of any change in your mailing address.

Only holders of common shares of record at the close of business on March 20, 2009 will be entitled to vote at the Meeting.

DATED at Bridgewater, Nova Scotia, this 20th day of March, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Lloyd Hillier"

Lloyd Hillier
Chairman, President and CEO



SILVER SPRUCE RESOURCES INC.

Suite 312, 197 Dufferin Street
Bridgewater, Nova Scotia B4V 2G9
Telephone: 902.527.5700
Fax: 902.527.5711

INFORMATION CIRCULAR

(containing information as at March 20, 2009 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 SPRUCE RESOURCES INC. (THE "CORPORATION") FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING OF THE CORPORATION'S SHAREHOLDERS (THE "MEETING") TO BE HELD ON MONDAY, APRIL 20, 2009 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Corporation. **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.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to the registrar and transfer agent of the Corporation, CIBC Mellon Trust Company, 600 The Dome Tower, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1 or at the head office of the Corporation at Suite 312, 197 Dufferin Street, Bridgewater, Nova Scotia, B4V 2G9, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting prior to the commencement of 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 either to the head office of the Corporation, at Suite 312, 197 Dufferin Street, Bridgewater, Nova Scotia, B4V 2G9, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") are advised that

only proxies from shareholders of record can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder's name on the records of the Corporation. Such 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 Limited. (The Canadian Depository for Securities, which company acts as nominee and custodian for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the common shares registered in the name of CDS Limited are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this information circular and the proxy to the clearing agencies and intermediaries for onward distribution to non-registered shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived the right to receive the Meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, 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 Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder should a non-registered shareholder receiving such a form wish to vote at the Meeting, the non-registered shareholder should strike out the names of the management proxyholders named in the form and insert the non-registered shareholder's name in the blank provided. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. 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 receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted. 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.

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.

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

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this information circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial



year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of common shares without par value. As at the date hereof, the Corporation has issued and outstanding 48,423,963 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. Any shareholder of record at the close of business on March 20, 2009 who either personally attends the Meeting or who has completed and delivered a proxy in the appropriate manner, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

The by-laws of the Corporation provide that a quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the issued shares entitled to be voted at the Meeting.

Common Shares of the Corporation:

Subject to the provisions of the *Business Corporations Act* (Alberta), the holders of the Corporation's common shares are entitled to: (i) one vote for each share held of record on all matters submitted to a vote of the shareholders of the Corporation; (ii) subject to any preference in favour of the holders of preferred shares ranking in priority to the common shares for payment of dividends, participate equally and to receive any and all such dividends as may be declared by the directors of the Corporation out of funds legally available; and (iii) subject to any preference in favour of the holders of preferred shares ranking in priority to the common shares for distribution of amounts, participate pro rata in any distribution of assets available for distribution upon liquidation of the Corporation. Shareholders of the Corporation have no pre-emptive rights to acquire additional common shares or any other securities. The common shares of the Corporation are not subject to redemption and carry no subscription or conversion rights. All outstanding common shares of the Corporation are fully paid and non-assessable.

Non-voting Preference Shares of the Corporation:

Preference shares of the Corporation may be issued from time to time in one or more series as may be determined by the Board. The relative rights of each such series and the qualifications, limitations and restrictions shall be established by the directors. There are currently no non-voting preference shares issued and outstanding.

Warrants:

The Corporation completed one private placement for the financial year ended October 31, 2008 pursuant to which it granted warrants to purchase common shares of the Corporation as detailed below:

Grantee	Number of warrants acquired	Expiry date of warrants	Price per common share upon exercise
Placees - November 14, 2007	2,750,000	May 14, 2009	\$1.75
*Agent Commission - November 14, 2007	60,000	May 14, 2009	\$1.75

* Agents' compensation options were also issued convertible to up to 385,000 common shares of the Corporation to be exercised by May 14, 2009 at a price of \$1.75 per share, in addition to 120,000 common shares of the Corporation issued as part of the commission structure.

For the financial year ended October 31, 2008, there were 3,581,075 warrants issued, but unexercised.

Stock Options:

The Board of Directors may from time to time allocate non-transferable options to purchase common shares of the Corporation to directors, officers, employees and consultants of the Corporation and its subsidiaries.

To the best of knowledge of the directors and senior officers of the Corporation there are no directors, officers, promoters and shareholders beneficially owning, directly or indirectly, common shares carrying more than 10% of the voting rights of the outstanding common shares of the Corporation, or may own 10% of the issued and outstanding shares on a diluted basis, other than as disclosed herein.

For the financial year ended October 31, 2008, there were a total of 6,543,150 outstanding options, of which 6,106,000 were outstanding for officers, directors, employees or consultants of the Corporation.

As a group, the officers and directors of the Corporation own 2,649,537 common shares (5.48%) and own and have rights to acquire 4,316,750 common shares (8.12%) on a fully diluted basis.

ELECTION OF DIRECTORS

The Board of Directors (the "Board") of the Corporation presently consists of five (5) directors and the Corporation proposes the addition of one (1) director to the current slate of directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the by-laws of the Corporation or within the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years if such nominee is not presently an elected director, the period of time each has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Province, Country of Residence, Positions(s) with the Corporation	Principal Occupation for the Last Five Years	Date(s) Served as a Director of the Corporation	Common Shares Held*
Lloyd Hillier Goose Bay, NL, Canada <i>Chairman, President, CEO and director</i>	Owner and operator of Hillier's Trades Limited. Mr. Hillier is also an officer and director of the Corporation's subsidiaries: Silver Spruce Resources (Nova Scotia) Inc. and Silver Spruce Resources México, S.A. De C.V.	Since May, 1996	1,544,250
Gordon Barnhill Bridgewater, NS, Canada <i>VP Corporate Affairs, CFO and director</i>	Dedicated officer and director of the Corporation. Mr. Barnhill is also an officer and director of the Corporation's subsidiaries: Silver Spruce Resources (Nova Scotia) Inc. and Silver Spruce Resources México, S.A. De C.V.	Since July, 2003	23,500
Peter Dimmell, P.Geo.** St. John's, NL, Canada <i>VP Exploration and director</i>	Mineral exploration consultant. Mr. Dimmell is also an officer and director of the Corporation's subsidiaries: Silver Spruce Resources (Nova Scotia) Inc. and Silver Spruce Resources México, S.A. De C.V.	Since March, 2000	32,437
Ted Urquhart*** Santiago, Chili <i>Director</i>	Geophysical consultant. Mr. Urquhart is also a director of the Corporation's subsidiaries: Silver Spruce Resources (Nova Scotia) Inc. and Silver Spruce Resources México, S.A. De C.V.	Since November, 2006	Nil



<p>Dr. George Findlay*** Bath, NB, Canada <i>Director</i></p>	<p>General dentist until 2006. In 2007, Dr. Findlay graduated with a MBA degree and obtained his prospector's license. Dr. Findlay has been an ardent student of public markets since 1964. Dr. Findlay is also a director of the Corporation's subsidiaries: Silver Spruce Resources (Nova Scotia) Inc. and Silver Spruce Resources México, S.A. De C.V.</p>	<p>Since July, 2007</p>	<p>1,049,350</p>
<p>C. Robert Gillis Halifax, NS, Canada <i>Proposed Director</i></p>	<p>VP - Finance at Annapolis Group Inc. For the past ten years, in his role at Annapolis Group Inc., Mr. Gillis, CA, has been offering progressive experience in a senior financial role, including experience in the purchase and sale of businesses. Mr. Gillis has extensive international business experience and negotiation skills developed in his current role at Annapolis Group Inc., as well during his tenure at KPMG Chartered Accountants and Peter Kiewit Sons' Inc. (a Fortune 500 company). His industry experience encompasses real estate development, golf course management, and offshore and industrial contracting.</p>	<p>Proposed</p>	<p>5,000</p>

The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees

*These figures do not include shares that may be acquired on the exercise of any warrants or stock options held.

** Peter Dimmell is a member of the Audit Committee and Safety and Environmental Committee. Mr. Dimmell is also chairman of the Safety and Environmental Committee.

***George Findlay and Ted Urquhart are members of the Audit Committee, the Compensation Committee and the Corporate Governance Committee. Dr. Findlay is the chairman of the Audit Committee and Mr. Urquhart is the chairman of the Compensation Committee.

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

No proposed director of the Corporation is, or within the ten years prior to the date of this information circular has been, a director or executive officer of any company that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, 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 has been 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 that company.

No proposed director of the Corporation is, or has been, within ten years prior to the date of this information circular, a director or executive officer of any company that, while that person was acting in that capacity was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to an exemption under securities legislation, for a period of more than 30 consecutive days.

Personal Bankruptcies

No proposed director of the Corporation has, within the ten years prior to the date of this information circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or

instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

EXECUTIVE COMPENSATION

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers"):

- (a) the Corporation's chief executive officer ("CEO");
- (b) the Corporation's chief financial officer ("CFO");
- (c) each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000 per year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year.

During the financial year ended October 31, 2008, the Corporation had two Named Executive Officers, being Lloyd Hillier, CEO, and Gordon Barnhill, CFO. Peter Dimmell, VP Exploration, the only other officer of the Corporation, although not strictly a Named Executive Officer, is included for completeness.

SUMMARY OF COMPENSATION

The following table is a summary of compensation paid to the Named Executive Officers for the Corporation's most recently completed financial year ended October 31, 2008.

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Comp. (\$)	Awards	Payouts		
					Securities Under Option / SARs ⁽¹⁾ Granted (#)	Sales or units subject to resale restrictions (\$)	LTIP ⁽²⁾ Payouts	All Other Compensation
Lloyd Hillier(*) <i>CEO</i>	2006	\$52,530	nil	nil	100,000	nil	nil	nil
	2007	\$96,459	nil	nil	525,000	nil	nil	nil
	2008	\$108,034.69	nil	\$12,000**	700,000	nil	nil	nil
Gordon Barnhill <i>CFO</i>	2006	\$47,600	nil	nil	100,000	nil	nil	nil
	2007	\$68,400	nil	nil	325,000	nil	nil	nil
	2008	\$78,236.00	nil	\$13,000**	660,000	nil	nil	nil
Peter Dimmell(*) <i>VP - Exploration</i>	2006	\$59,460	nil	nil	100,000	nil	nil	nil
	2007	\$111,478	nil	nil	325,000	nil	nil	nil
	2008	\$138,615.04	nil	\$13,700**	660,000	nil	nil	nil

* time is billed to the Corporation on an hourly basis for time spent on the Corporation's business in part by his company in the case of Lloyd Hillier.

** Directors' stipend.

(1) "SAR" or "stock appreciation right" means a right granted by the Corporation, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.

(2) "LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciation right plans or plans to compensation through restricted shares or restricted share units.



LONG-TERM INCENTIVE PLANS - AWARDS IN MOST RECENTLY COMPLETED FINANCIAL YEAR

The Corporation has no long-term incentive plans in place and therefore there were no awards made under any long term incentive plan to the Named Executive Officers during the Corporation's most recently completed financial year ended October 31, 2008. A "Long-Term Incentive Plan" is a plan under which awards are made based on performance over a period longer than one financial year, other than a plan for options, SARs or restricted share compensation.

OPTIONS / SARs GRANTED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

During the most recently completed financial year ended October 31, 2008, the following incentive stock options were granted to the Named Executive Officers. No SARs were granted during this period.

Name of Optionee	Securities Under Option / SARs Granted (#)	% of Total Options /SARs Granted to Employees In Financial Year (Total granted: 3,241,000)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiry Date
Lloyd Hillier	770,000	23.76	0.35	0.33	2013-05-02
Gordon Barnhill	660,000	20.36	0.35	0.33	2013-05-02
Peter Dimmell	660,000	20.36	0.35	0.33	2013-05-02

AGGREGATED OPTIONS / SARs EXERCISED DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR

The following table sets out incentive stock options exercised by the Named Executive Officers during the most recently completed financial year ended October 31, 2008 as well as the financial year end value of stock options still held by the Named Executive Officers. During this period, no outstanding SARs were held by the Named Executive Officers.

Name of Optionee	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Option / SARs at financial year end (#) Exercisable / Unexercisable	Value of Unexercised in the Money options / SARs at financial year end (\$) Exercisable / Unexercisable
Lloyd Hillier	N/A	N/A	1,430,000/147,400	1,061,500/103,180
Gordon Barnhill	N/A	N/A	1,170,000/127,300	761,500/89,110
Peter Dimmell	N/A	N/A	1,170,000/127,300	761,500/89,110

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

The Corporation has no plan or arrangement whereby any Named Executive Officer may be compensated in an amount exceeding \$100,000 in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a subsidiary or a change in the Named Executive Officer's responsibilities following such a change of control.



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out particulars of the compensation plans and individual compensation arrangements under which equity securities of the Corporation are authorized for issuance as of October 31, 2008:

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
<i>Plan Category</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
Equity compensation plans approved by securityholders	10,124,225	1.75	458,433
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	10,124,225	1.75	458,433

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

Since the beginning of the last completed financial year, no current or former director, executive officer or employee of the Corporation, or of any of its subsidiaries, has been indebted to the Corporation or to any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this information circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

Certain building materials required by the Corporation for its operations are purchased from a hardware store controlled by an officer and director of the Corporation. Management and employees of the Corporation stay at a hotel controlled by an officer and director of the Corporation. \$591,761 (2007 - \$453,348) was paid to the hardware store and \$317,770 (2007 - \$238,396) was paid to the hotel and capitalized to mineral properties.

These transactions are in the normal course of operations and are measured at the exchange value, which represent the amount of consideration established and agreed to by the related parties.

APPOINTMENT AND REMUNERATION OF AUDITOR

The persons named in the accompanying proxy intend to vote for the appointment of McGovern, Hurley, Cunningham, LLP, Chartered Accountants, as auditor of the Corporation and to authorize the directors to fix their remuneration.

AUDIT COMMITTEE

The Corporation must, pursuant to the provisions of Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110"), which came into force on March 30, 2004, as amended June 30, 2005, have a written charter which sets out the duties and responsibilities of its audit committee.

The Corporation's audit committee is comprised of three directors, Peter Dimmell, Ted Urquhart and Dr. George Findlay. As defined in MI 52-110, Peter Dimmell is not "independent" and Ted Urquhart and Dr. George Findlay are "independent" members of the audit committee. Also as defined in MI 52-110, all of the audit committee members are "financially literate".

Relevant Education and Experience

Peter Dimmell, Dr. George Findlay and Ted Urquhart are each experienced in complementary ways in financial presentation and public company financial considerations. Peter Dimmell is involved directly with the budgeting process of the corporation and Dr. Findlay recently achieved his MBA.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Corporation is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, however the Audit Committee has not adopted specific policies and procedures for such approval.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit fees are as follows:

Financial year ending	Audit fees⁽¹⁾	Audit related fees	Tax fees	All other fees
October 31, 2008	\$44,538.00	\$Nil	\$Nil	\$Nil
October 31, 2007	\$22,000	\$Nil	\$Nil	\$Nil

Notes:

(1) The aggregate fees billed by the Corporation's auditor for audit fees.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

Board of Directors

The Board of Directors currently consists of five directors: Lloyd Hillier, Gordon Barnhill, Peter Dimmell, Ted Urquhart and George Findlay. Ted Urquhart and George Findlay are independent directors as defined in NI 58-101 and NI 52-110 and Rob Gillis, if elected, will also be an independent director. Executive officers are deemed to be not independent of the Corporation. Lloyd Hillier, as President, Chairman and CEO, Gordon Barnhill as VP Corporate Affairs and CFO, and Peter Dimmell as VP Exploration of the Corporation are all executive officers and are therefore not independent.

For the recently completed financial year, the Board formally convened for nine meetings in which all directors were present either in person or by telephone. It is the Board's general policy to convene formal board meetings periodically on an *ad hoc* basis during the year on an as needed basis to review and discuss the Corporation's business activities, and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal Board meetings. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, in addition to the Audit Committee, the Board has a Compensation Committee, a Corporate Governance Committee and a Safety and Environmental Committee, discussed below in more detail. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation'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

The directors of the Corporation that are also directors of other reporting issuers are as follows

Director of the reporting issuer	Reporting Issuer	Positions held other than as a director with the reporting issuer	Market traded on
Peter Dimmell	Pele Mountain Resources Inc. Linear Gold Corp. VVC Exploration Corporation	None	TSX-V TSX TSX-V TSX-V
George Findlay	Innovative Properties Inc.	None	TSX-V
Ted Urquhart	Chapleau Resources Ltd.	None	TSX-V

Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Corporation affairs. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Corporation currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.



Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors, and ensure that proposed directors are of the highest ethical standards. The Board also has adopted written code of business conduct and corporate governance.

Nomination of Directors

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

Compensation

Compensation for Board members is determined by the Compensation Committee and in accordance with industry norms and with reference to each individual director's level of involvement with the Corporation.

Other Board Committees

In addition to the Audit Committee, the Corporation has the following standing committees:

Compensation Committee: This committee is composed of Ted Urquhart and George Findlay, both of whom are considered independent directors. This committee is responsible for determining the compensation of the directors, the senior officers and other executive officers of the Corporation. The quantity and quality of the directors' and executive officers' compensation is reviewed on an annual basis and based on comparable industry standards.

Safety and Environmental Committee: This committee is composed of Peter Dimmell, a non-independent director. This committee receives regular reports from management and meets with management each year to review environmental matters. This committee also addresses health and safety issues regarding Corporation employees.

Corporate Governance Committee: This committee is composed of Ted Urquhart and George Findlay, both of whom are considered independent directors. This committee meets annually and is generally responsible for developing, analyzing and reporting to the Board on the Corporation's approach to governance issues and the effectiveness of such practices. An update of the Corporation's corporate governance policies were initiated during the past year and remain a work in progress.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board level.

ADOPTION OF A NEW STOCK OPTION PLAN

Management of the Corporation originally received shareholder approval for its current stock option plan on March 29, 2006. The Corporation believes it is in its best interest to adopt an updated option plan in the form attached hereto as Schedule "A".

APPROVAL AND RATIFICATION OF ACTS OF DIRECTORS

Management of the Corporation proposes that the shareholders ratify, approve and confirm the actions, deeds and conduct of the directors and officers taken on behalf of the Corporation since the last annual general meeting. Accordingly, shareholders will be asked to consider and approve the following resolutions, with or without modification:

“RESOLVED, as an Ordinary Resolution, that:

(a) notwithstanding (i) any failure to properly convene, proceed with, or record any meeting of the Board of Directors of the Corporation for any reason whatsoever, including, without limitation, the failure to properly waive or give notice of a meeting, hold a meeting in accordance with a notice of a meeting, have a quorum present at a meeting, sign the minutes of a meeting or sign a ballot electing a slate of directors; or (ii) any failure to pass any resolution of the directors or shareholders of the Corporation or any by-laws of the Corporation for any reason whatsoever, all approvals, appointments, elections, resolutions, contracts, acts and proceedings enacted, passed, made done or taken since the last annual general meeting as set forth in the minutes of the meetings, or resolutions of the Board of Directors or shareholders of the Corporation or other documents contained in the minutes book and record book of the Corporation, or in the financial statements of the Corporation, and all action heretofore taken in reliance upon the validity of such minutes, documents and financial statements, are hereby sanctioned, ratified, confirmed and approved; and

(b) without limiting the generality of the foregoing, all resolutions, contracts, acts and proceedings of the Board of Directors of the Corporation enacted, made, done or taken since the last annual general meeting as set forth or referred to in the minutes and record books of the Corporation or in the financial statements of the Corporation, are hereby approved, ratified and confirmed.”

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

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.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on the SEDAR website at www.sedar.com. Financial information concerning the Corporation, including the audited comparative financial statements and management's discussion and analysis for the most recently completed financial year can also be found on SEDAR. Shareholders may obtain a copy of the Corporation's audited comparative financial statements and management's discussion and analysis upon request to the Corporation by completing the attached Request for Financial Statements and returning it where indicated.

DATED this 20th day of March, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Lloyd Hillier"

Lloyd Hillier
Chairman, President and CEO



Schedule "A"

**SILVER SPRUCE RESOURCES INC.
(the "Issuer")**

SHAREHOLDERS' ORDINARY RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT the Issuer be and it is hereby authorized to implement the stock option plan attached hereto, as amended to meet any requirements of the TSX Venture Exchange;

BE AND IT IS FURTHER RESOLVED THAT existing stock options granted to certain directors, officers, employees and consultants of the Issuer in the aggregate amount of 6,543,150 are hereby sanctioned, ratified, confirmed and approved;

BE IT FURTHER RESOLVED THAT existing stock options granted to certain directors, officers, employees and consultants of the Issuer in the aggregate amount of 6,543,150 be and are hereby subject to the stock option plan attached hereto; and

BE IT FURTHER RESOLVED THAT any director or any officer of the Issuer be and is hereby authorized for and on behalf of and in the name of the Issuer to execute and deliver under the corporate seal of the Issuer or otherwise all such instruments, documents, directions, undertakings, certificates and writings and to perform and do all such other acts and things as may be considered necessary, desirable or useful in the discretion of the director or officer for the purpose of giving effect to the foregoing.

SILVER SPRUCE RESOURCES INC.

Stock Option Plan

SILVER SPRUCE RESOURCES INC.

1. PURPOSE

The purpose of this stock option plan (the “Plan”) is to encourage common stock ownership in **SILVER SPRUCE RESOURCES INC.** (the “Issuer) by directors, officers, key employees (including part-time) and consultants of the Issuer or any affiliate of the management and profitable grown of its business and to advance the interests of the Issuer by providing additional incentive for superior performance by such persons and to enable the Issuer to attract and retain valued directors, officers and employees by granting options (the “Options” or “Option”) to purchase common shares of the Issuer on the terms and conditions set forth in this Plan and any stock option agreements entered into between the Issuer and the Optionees in accordance with the Plan.

2. ADMINISTRATION

The Board of Directors shall administer the Plan from time to time, of the Issuer (the “Administrator”). No member of the Board of Directors shall by virtue of such appointment be disentitled or ineligible to receive options. The Administrator shall have full authority to interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of Plan, taking into consideration the recommendations of the management, and the decision of the Administrator shall be binding and conclusive. The decision of the Administrator shall be binding, provided that notwithstanding any herein contained, the Administrator may from time to time delegate the authority vested in it under this clause to the President who shall thereupon exercise all of the powers herein given to the Administrator, subject to any express direction by resolution of the Board of Directors in respect of any matters hereunder shall be binding and conclusive for all purposes upon all persons. The senior officers of the Issuer are authorized and directed to do all things and execute and deliver all instruments, undertakings and applications, as they in their absolute discretion consider necessary for the implementation of the Plan.

3. NUMBER OF SHARES SUBJECT TO OPTIONS

The number of common shares reserved for issuance pursuant to this Plan at any given moment in time shall not exceed twenty percent of the currently issued and outstanding common shares of the Issuer (equates to 9,665,793* common shares at the date or record) and the number of common shares under option at any one time shall not exceed the number of common shares then reserved for issuance pursuant to this Plan.

*Total issued and outstanding common shares in the Issuer at the record date is 48,328,963.

4. PARTICIPATION

Options shall be granted under the Plan and Optionees shall be designated from time to time by the Administrator and shall be subject to the approval of such regulatory authorities as may be required. The Administrator shall determine the number of shares available to each Optionee. Optionees who are consultants of the Issuer or an affiliate of the Issuer must either perform services for the Issuer on an ongoing basis or provide, or be expected to provide, a service of value to the Issuer or to an affiliate of the Issuer.

5. LIMITATIONS ON OPTIONS GRANTED

No Options shall be issued pursuant to the Plan where such Options, together with all of the Issuer's other share compensation arrangements, could result at any time in:

- a) the number of shares reserved for issuance pursuant to arrangements granted to insiders exceeding 10% of the outstanding issue, unless the requisite disinterested shareholder approval is granted;
- b) the issuance to any individual, within a 12-month period, of a number of shares exceeding 5% of the outstanding issue, unless the requisite disinterested shareholder approval is granted;
- c) the issuance to any one Consultant, within any 12-month period, of a number of shares exceeding 2% of the issued shares of the Issuer.
- d) the issuance to an Employee, within any 12-month period, conducting Investor Relations Activities of a number of shares exceeding 2% of the issued shares of the Issuer.
- e) the issuance to any one Consultant performing Investor Relations Activities, within a 12-month period, where more than a ¼ of the options will vest in a three-month period.

For the purposes of this paragraph 5:

- i. "insider" means an insider as defined in the *Securities Act* (Nova Scotia), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Issuer, and includes an associate of any person who would be an insider by virtue of this paragraph;
- ii. "share compensation arrangement" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of shares to one or more optionees including a share purchase from treasure which is financially assisted by the Issuer by way of a loan guarantee or otherwise;
- iii. "outstanding issue" is determined on the basis of the number of shares that are outstanding immediately prior to the share issuance in question, excluding shares issued pursuant to share compensation arrangements over the preceding one year period; and
- iv. options granted prior to the Optionee becoming an insider may be excluded in determining the number of shares issuable to insiders.

6. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of each Option granted under the Plan shall be set forth in written Stock Option Agreements between the Issuer and the Optionee. Such terms and conditions shall include the following as well as such other provisions not consistent with the Plan, as may be deemed available by the Administrator:

- a) **Number of Shares Subject to Option:** The number of shares subject to an Option shall be determined from time to time by the Administrator.
- b) **Option Price:** The Option Price of any shares in respect of which an Option may be granted under the Plan shall be not less than the fair market value of the shares at the time the Option is granted. For the purpose of this Paragraph 6, “fair market value” shall be deemed to be the average between the highest and lowest prices at which the Issuer’s common shares are traded on the day the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day on which the Option is granted. In the resolution allocating an Option, the Administrator may determine that the date of grant aforesaid shall be future date determined in the manner specified by such resolution. The Administrator may also determine that the Option Price per share may escalate at a specified rate dependent upon the year in which any Option to purchase common shares may be exercised by the Optionee.
- c) **Payment:** The full purchase price of the shares purchased under the Option shall be paid in cash upon the exercise thereof. A holder of an Option shall have none of the rights of a stockholder until the shares are issued to him. All common shares issued pursuant to the exercise of Options granted or deemed to be granted under the Plan will be so issued as fully paid and non-accessible common shares. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares subject to an Option under this Plan, unless and until certificates for such common shares are issued to him or them under the terms of the Plan.
- d) **Term of Options:** Options may be granted under this Plan exercisable over a period not exceeding ten (10) years. Each Option shall be subject to earlier termination as provided in subparagraph (f) below.
- e) **Exercise of Options:** The exercise of any Option will be contingent upon receipt by the Issuer at its head office of a written notice of exercise, specifying the number of common shares with respect to which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such common shares with respect to which the Option is exercised. An Option may be exercised in full or in part during any year of the term of the Option as provided herein. This Plan shall not confer upon the Optionee any right with respect to continuance as a director, officer, employee or consultant of the Issuer or of any affiliate of the Issuer.
- f) **Termination of Options:** Any Option granted pursuant hereto, to the extent not validly exercised, and save as expressly otherwise provided herein, will terminate on the earlier of the following dates:
 - i. The date of expiration specified in the Stock Option Agreement, being not more than ten (10) years after the date the Option was granted;
 - ii. The date which is the first day on which the Optionee is not an employee, director, officer or consultant of the Issuer except as provided in subparagraph (iii);
 - iii. Six (6) months after the date of the Optionee’s death during which period the Option may be exercised only by the Optionee’s legal representative or the person or persons to whom the deceased Optionee’s rights under the Options shall pass by will or the applicable laws of descent and distribution, and only to the extent the Optionee would have been entitled to exercise it at the time of his death.
- g) **Non-transferability of Options:** No Option shall be transferable by the Optionee other than by will or the laws of descent and distribution and shall be exercisable during his lifetime only by him.

- h) **Applicable Laws or Regulations:** The Issuer's obligation to sell and deliver stock under each Option is subject to compliance by the Issuer and any Optionee with all laws, rules and regulations applying to the authorization, issuance, listing or sale of securities and is also subject to the acceptance for listing of the common shares which may be issued in exercise thereof by each stock exchange upon which shares of the operation are listed for trading
- i) **Reduction in Exercise Price:** Disinterested Shareholder approval will be obtained for any reduction in the exercise price of the Optionee is an Insider of the Issuer at the time of the proposed amendment.
- j) **Bona Fide Employee, Consultant or Management Corporation:** No stock option will be granted to an Optionee who is not a bona fide Employee, Consultant or Management Corporation Employee of the Issuer as the case may be.

7. **ADJUSTMENT IN EVENT OF CHANGE IN STOCK**

Each Option shall contain uniform provisions in such form as may be approved by the Administrator to appropriately adjust the number and kind of shares covered by the Option and the exercise price of shares subject to the Option in the event of a declaration of stock dividends, or stock subdivisions or consolidations or reconstruction or reorganization or recapitalization of the Issuer or other relevant changes in the Issuer's capitalization (other than issuance of additional shares) to prevent substantial dilution or enlargement of the rights granted to the Optionee by such Option. The number of common shares available for Options, the common shares subject to any Option, and the Option Price thereof shall be adjusted appropriately by the Administrator and such adjustment shall be effective and binding for all purposes of the Plan.

8. **AMALGAMATION, CONSOLIDATION OR MERGER**

If the Issuer amalgamates, consolidates with or merges with or into another Issuer, which it reserves the right to do, any common shares receivable on the exercise of an Option granted under the Plan shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Option Price shall be adjusted appropriately the Administrator and such adjustment shall be binding for all purposes of the Plan.

9. **APPROVALS**

The obligation of the Issuer to issue and deliver the common shares in accordance with the Plan is subject to any approvals, which may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer. If any common shares cannot be issued to any Optionee for whatever reason, the obligation of the Issuer to issue such common shares shall terminate and any Option exercise price paid to the Issuer will be returned to the Optionee.

10. **STOCK EXCHANGE RULES, IF ANY**

The rules of any stock exchange upon which the Issuer's common shares are listed shall be applicable to Options granted to Optionees.





