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→ Tonga
→ Konkin Silver
→ Campbell Ridge

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NEWS RELEASE

**SILVER-ZINC MINERALIZATION INTERSECTED WITHIN TONGA
AND KONKIN SILVER PROPERTIES**

January 16, 2006, Vancouver, BC: Silver Grail Resources Ltd. ("Silver Grail") ("SVG"--TSX-V; "KD7"--Frankfurt) and Teuton Resources Corp. ("Teuton") ("TUO":TSX-V; "TFE"--Frankfurt) are pleased to announce geochemical and assay results from 2006 drilling on the Tonga and Konkin Silver properties, situated east of the deepwater port of Stewart, British Columbia. Both properties are jointly owned by Silver Grail and Teuton.

Tonga Drilling: Long Intercepts of Highly Anomalous Silver-Zinc Values

Seven holes totaling 1,368 metres were completed on the Tonga property during the 2006 field season. These holes tested five different targets within a broad area measuring 800 by 1,000 metres marked by multiple geochemical and geophysical anomalies. All holes intersected black siltstones variously mineralized with pyrrhotite and pyrite with trace to minor amounts of sphalerite and trace chalcopyrite. Certain intervals contained from 2 to 10% pyrrhotite, which may account for the strong geophysical responses previously detected by a TEM airborne survey.

Long intercepts of anomalous to highly anomalous silver values, accompanied in places by strongly anomalous zinc values, were recorded in all holes. Selected highlights are summarized in the table below:

Hole (TO-)	From (metres)	To (metres)	Interval (metres)	Lead (%)	Zinc (%)	Silver (g/t)
06-01	3.3	71.3	68.0	--	0.12	2.9
...including	43.3	71.3	28.0	--	0.18	3.0
...including	56.7	64.0	7.3	--	0.20	4.4
06-02	5.2	28.0	22.8	--	0.04	5.2
06-06	157.8	186.7	28.9	0.03	0.23	12.9
...including	157.8	175.9	18.1		0.34	18.2
...including	157.8	165.2	7.4	0.10	0.71	38.8
...including	162.2	163.7	1.5	0.25	2.46	137.5

Of particular note is the 1.5 m interval in Hole T0-06-06 from 162.2 to 163.7 metres which ran 0.25% lead, 2.46% zinc and 137.5 g/t silver (4.01 oz/ton silver). Commenting thereon, D. Cremonese, P.Eng., President of Silver Grail and Teuton stated: "This much higher grade

interval is very encouraging. Considering that this was a first phase, reconnaissance drilling program, obtaining such a result is quite significant. It underscores the potential for discovering a silver-base metal rich deposit nearby in the same stratigraphy.”

Additional assaying is scheduled for certain portions of the core. In addition, during the winter season, the Companies will conduct petrographic tests to explain the nature and character of the mineralization and alteration on the property. Detailed interpretation of the results of the airborne TEM survey conducted last year will complement these studies. Systematic geological mapping accompanied by structural and paleotransport measurements, additional rock sampling and laboratory tests are planned to be conducted at the beginning of the 2007 field season. This work should allow compilation of a 3-D structural geological model of the property and the reconstruction of the configuration of a depositional system in the sedimentary basin during the mineralization epoch, which would be necessary in the design of the next drilling campaign.

Konkin Silver Drilling: New Results Confirm Surface Assays

The 2006 drill program was designed to test up to five separate silver-bearing structures on the Konkin Silver property—the King Konk, Konkin Silver, Niknok, Onkkin and Yoggi Bear zones. Drillhole KS06-01 was collared so as to cut the King Konk structure at shallow depth and the parallel, main Konkin Silver structure at a depth of approximately 150-180 metres. The King Konk was successfully intersected but the hole was stopped well before the Konkin Silver target depth due to the onset of winter conditions. The remaining targets are now rescheduled for drilling in the 2007 field season.

Assay results from Hole KS06-01 are tabulated below:

Hole (KS-)	From (metres)	To (metres)	Interval (metres)	Lead (%)	Zinc (%)	Silver (g/t)
06-01	2.8	10.0	7.2	0.13	0.53	145.1
...including	3.1	5.3	2.2	0.28	0.74	298.4

These results are consistent with surface trenching results from the King Konk which have varied from 4.0 metres grading 144.3 g/t silver to 1.7 metres grading 925.6 g/t silver. By way of comparison, previous trench results from the larger Konkin Silver showing have varied from 4.5 metres grading 86.7 g/t silver to 9.0 metres grading 1,197.7 g/t silver.

A planned program on the Campbell Ridge molybdenum prospect was also re-scheduled for the 2007 field season.

Pioneer Laboratories of Richmond, British Columbia, an accredited facility, performed all of the analyses. A quality control/quality assurance protocol was used in this program including blanks, duplicates and reference standards. D. Cremonese, P.Eng. is the Qualified Person for Silver Grail and Teuton.