ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2018

DATED: APRIL 1, 2019

TABLE OF CONTENTS

1. PRELIMINARY INFORMATION

1.1 Date of Information

All information in this Annual Information Form ("AIF") is as at December 31, 2018 unless otherwise indicated.

1.2 Forward-Looking Statements

Certain statements contained in this AIF and the documents incorporated by reference herein that are not historical facts constitute "forward-looking statements", including but not limited to those statements with respect to the estimation of mineral resources and the plans and objectives of Treasury Metals Inc. (the "Company" or "Treasury Metals" or "Treasury"). Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

Forward-looking statements involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those projected by such forward-looking statements. Such factors include, among others, the actual results of current exploration activities, access to capital and future prices of precious and base metals and those factors discussed in item 4.2 "Risk Factors" of this AIF.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this AIF, based on the opinions and estimates of management, and, except as may be required by applicable securities laws, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that the forward-looking statements contained in this AIF, and the documents incorporated by reference herein, will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

1.3 Currency

The Canadian dollar is the reporting currency and currency of measurement of the Company. All monetary amounts are expressed in Canadian dollars unless otherwise indicated.

1.4 Qualified Person

Mark Wheeler, the Company's Director, Projects, is a Qualified Person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and is responsible for the preparation of, and has reviewed and approved, the technical disclosure in this AIF, unless otherwise indicated.

2. CORPORATE STRUCTURE

2.1 Name and Incorporation

The Company was incorporated under the name Divine Lake Exploration Inc. by Articles of Incorporation dated December 31, 1997 under the *Business Corporations Act* (Ontario). The articles of the Company were amended on November 13, 2007 to change the name of the Company to Treasury Metals Inc. and on March 20, 2008 to remove certain restrictions on the transfer of the Common Shares ("Common Shares") of the Company.

The registered and head office of the Company is located at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1.

The Company is a reporting issuer in Ontario and British Columbia. Treasury Metals Inc.'s Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol "TML" and on the OTCQX® Best Market under the symbol "TSRMF".

2.2 Intercorporate Relationships

The Company has one wholly owned subsidiary Goldeye Explorations Limited ("Goldeye") which was acquired in November 2016. Goldeye Explorations Limited has two wholly owned subsidiaries, Minera Goldeye Chile Limitada (incorporated in Chile) and Silvereye Explorations Limited (incorporated in Ontario, Canada).

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Fiscal Year ended December 31, 2016

On May 18, 2016, the Company closed a brokered private placement for which it issued 6,258,000 units at a price of $0.48 per unit for aggregate gross proceeds of $3.0 million. In addition, the Company issued, on a non-brokered basis, 2,083,333 units at a price of $0.48 per unit to a strategic financial investor for additional gross proceeds of $1 million, resulting in total gross proceeds raised of $4.0 million.

On June 17, 2016, the Company closed two long-term loan agreements for US$4.4 million with Loinette Company Leasing Ltd. ("Loinette"), Extract Capital Master Fund Ltd. and Extract Lending LLC ("Extract"), with Extract Advisors LLP acting as agent (collectively "The Lenders"). The proceeds were used to repay the $5 million RMB loan, to continue the advancing of the Project feasibility study and permitting, and general working capital purposes.

On July 11, 2016, the Company agreed to a proposal with respect to the acquisition of Goldeye Explorations Limited, a TSX-Venture listed company (TSX-V: GGY) incorporated in Ontario, Canada. Goldeye's principal asset is the Weebigee Project, a high-grade project located near Sandy Lake in northwestern Ontario. The acquisition provides Treasury with a second high-quality asset in northwestern Ontario. The transaction closed November 18, 2016.

A 5,000 metre drill program was initiated in August 2016, focusing primarily on converting underground "Inferred" mineral resource blocks into the "Indicated" category. This drilling program initially targeted high grade blocks (those with grades of >5.0 g/t AuEq) that reside mainly within, adjacent to and down dip of known "Main Zone" gold-bearing shoots at vertical depths in excess of 400 m from surface to a maximum depth of around 600 m over a strike length of around 950 m along the main gold deposit. Successful results of this program would enhance the underground resources in the mine plan for upcoming Feasibility level design studies. Further, C Zone resource conversion drill targets have also been identified for testing. Certain holes will also evaluate possible down dip shoot extensions of known gold mineralization in the main resource area. In addition to the current drill program, and as a transition to the next phase of condemnation/exploration drilling, a geological mapping and sampling program was also completed in an area directly adjacent to and following the easterly extension of the main resource area for another 1.6 km.

In November 2016, Treasury extended the drilling program from the initially planned 5,000 metres to continue to target and convert additional deep underground “Inferred” resources and announced initial results from the first phase of the ongoing infill drilling program, and on February 6, 2017, the Company announced additional results from its infill drilling program.

On November 18, 2016, the Company closed the acquisition of Goldeye Explorations Limited. Goldeye’s principal asset is the Weebigee Project, a high-grade project located near Sandy Lake in northwestern Ontario. Goldeye Explorations Limited, now a wholly owned subsidiary of Treasury Metals, has a Weebigee Project option agreement executed April 15, 2015 (the “GPM Option Agreement”) with GPM Metals Inc. (“GPM”) whereby GPM has an option to earn a 50.1% interest in the Weebigee Project by paying a total of $550,000 in cash ($50,000, $100,000, $150,000 and $250,000 received in 2015, 2016, 2017 and 2018 respectively) and $25,000 in shares (issued in 2015) to Goldeye over a period of four years. GPM must also complete a minimum of $5,000,000 in exploration expenditures over a four-year term. In addition, if the first option is exercised, GPM will have the option to earn an additional 19.9% interest by either funding a bankable feasibility study, or at GPM’s option, paying Goldeye an additional $1,500,000 in cash and completing a minimum additional $3,000,000 in exploration expenditures over the next two years. This option agreement is subject to the terms of the exploration agreement signed between Goldeye and Sandy Lake First Nation on November 12, 2013. This exploration agreement was renewed for a two-year period on the same terms commencing on November 12, 2014 and again on November 12, 2016 and in November 15, 2018 was signed for a further one year.

Subsequent to the GPM Option Agreement, GPM with support and assistance from Goldeye, staked additional claim units (the “Additional Interest”) at Weebigee. On September 3, 2015, Goldeye elected, pursuant to the GPM Option Agreement to have the Additional Interest included as part of the Weebigee property. In April 2016, the Company received $100,000 pursuant to the option agreement with GPM. Goldeye tendered to GPM the amount required to pay for its share of the costs of the Additional Interest but GPM refused to accept the payment on the purported ground that Goldeye had forfeited its rights to the Additional Interest due to untimely payment of such amount. In July 2016, GPM sold its interest in the Weebigee property to Sandy Lake Gold Inc. Subsequent to Treasury’s acquisition of Goldeye, issues arising from the Option Agreement went through an arbitration process that resulted in a decision that a Force Majeure event had occurred and, therefore, the first year’s expenditure deadline was extended, the first year’s expenditure requirement was met, and that Goldeye had not met the conditions to participate in specific additional property purchases. On January 16, 2019 the Arbitration Panel ruled that SLG is entitled to a costs award of $926,960.03. During the course of the above-described arbitration, SLG brought a counterclaim against Goldeye for $2,000,000 plus pre-judgment and post-judgment interest and costs on a full indemnity basis for breach of contract, including breach of certain representations, warranties, and covenants. No further steps have been taken by SLG to advance the counterclaim so full discovery has not yet taken place. Accordingly, no amounts have been recorded in the consolidated financial statements related to this matter.

Throughout the year 2016, the Company continued to collect baseline environmental data and to work with external consultants to design a new exploration program, and to better refine the Project scope and

Project economics.

Former Kirkland Lake Gold Executive Chris Stewart, P.Eng., was appointed President and Chief Executive Officer effective December 5, 2016. Mr. Stewart is a senior executive with more than 24 years of diversified experience in the mining industry.

On December 7, 2016, Treasury announced a non-brokered private placement issuing up to 2,739,726 flow-through common shares ("Flow-Through Share") of the Company at a price of CAD$0.73 per Flow-Through Share, for aggregate gross proceeds of up to CAD$2.0 million (the "Offering"). On December 9, the Company announced that due to strong investor demand, the Company had increased the aggregate gross proceeds to $2.5 million, and on December 21, 2016 closed the private placement of flow-through common shares for aggregate gross proceeds of $2,618,595.

F<u>iscal Year ended December 31, 2017</u>

On February 6, 2017, the Company announced additional results from its 2016 infill drilling program focused on the conversion and expansion of underground "Inferred" Mineral Resources to the "Indicated" category that reside in and adjacent to the known Main Zone and C Zone gold-bearing shoots.

Highlights from the program include:

- Hole TL16413 that intersected 6.54 g/t Au and 7.04 g/t Ag over an intersection length of 11.5 m as tabulated below in a section of the Main Zone containing visible gold confirming the presence of high grade mineralization in this area of the eastern shoot.
- Hole TL16410 returned 10.95 g/t Au and 12.44 g/t Ag over a longer intersection length of 7.0 m. This hole tested a sparsely drilled section of the central shoot area.
- Hole TL16417 assayed the highest silver content of the current program returning 2.26 g/t Au and 104.03 g/t Ag over 3.0 m. TL16406 returned 5.50 g/t Au and 78.97 g/t Ag over a sample length of 4.9 m.
- Visible gold was also observed in hole TL16408A where a section of the C Zone returned 3.66 g/t Au and 2.32 g/t Ag over a core length of 6.0 m. A hanging wall (HW) zone encountered in the same hole returned 4.42 g/t Au and 16.41 g/t Ag over a sample length of 3.14 m.

This program was designed by Treasury Metals and P&E Mining Consultants Inc. ("P&E") who prepared the 2015 NI 43-101 Mineral Resource Estimate for the Goliath Deposit. All results are detailed on the Company's website and the material results have been filed on SEDAR at www.sedar.com.

On March 8, 2017, the Company announced a new updated PEA showing significantly improved economics at the Goliath Project. The full PEA report has been filed on Sedar (sedar.com) on April 17, 2017. Highlights include:

- After-Tax NPV of CAD$306 million and IRR of 25% at US$1,225 per ounce;
- A 44% increase in the Life of Mine ("LOM") gold production profile, while taking a conservative approach with respect to operating and capital costs compared with the 2012 PEA;
- Average annual production of 87,850 oz Au over a 13 year combined open pit and underground mine life; peak production exceeding 100,000 oz per year Au from years three to six;
- LOM head grade of 3.8 g/tonne (Au), an increase of 33% from the 2012 PEA; and
- Total cash cost is estimated at US$525 per equivalent gold ounce ("AuEq") and an all-in sustaining cost ("AISC"), as defined by the World Gold Council, estimated at US$611 per AuEq.

On May 8, 2017, Treasury reported that it exercised its option to repurchase an outstanding US$10/oz Au production fee with Extract Advisors LLC ("Extract") and Loinette Company Leasing Ltd.

("Loinette") (collectively the "Lenders") for total consideration of US$350,000. The production fee buy back eliminates the future cost of the production fee in its entirety and enhances the overall project economics.

On June 8, 2017, Treasury announced that the Company and its lenders, Extract Advisors LLC ("Extract") and Loinette Company Leasing Ltd. ("Loinette" and together with Extract, the "Lenders"), have completed an amendment (the "Loan Extension") to the existing US$4.4 million convertible term loan which is comprised of two tranches (the "Term Loan"). The Loan Extension amended, among other terms, the maturity date of the Term Loan, extending it to April 2, 2019, from September 20, 2017.

Pursuant to the terms of the Loan Extension, US$2.2 million of the Term Loan has been amended to be convertible at the election of the Lenders into common shares in the capital of the Company (the "Common Shares") at a conversion price fixed at CAD$0.90 per Common Share, representing approximately a 37.5% premium to the closing price of the Common Shares on May 5, 2017 prior to entering into the binding term sheet ("Tranche 1"). The remaining principal amount of US$2.2 million of the Term Loan is unchanged and continues to be convertible into Common Shares at a price equal to CAD$0.588 per Common Share and will have no further amendments ("Tranche 2"). The Loan Extension has been superseded with a definitive agreement entered into by the Company and the Lender on June 7, 2017. Further details related to the Term Loan Extension were provided in a press release issued by the Company on May 8, 2017.

On August 23, 2017, the Company announced that its common shares commenced trading on the OTCQX® Best Market under the symbol "TSRMF".

On October 2, 2017, the Company announced results from its recently completed 4,360 metre condemnation and exploration drilling program. The condemnation program drilled several areas where future mining infrastructure will be situated, including milling and mining operations, and the Company is encouraged by a number of new near surface intersections northeast of the proposed open pit.

A number of significant intersections in its active infill sampling program which is designed to assay previously drilled but un-sampled drill core in all zones, prioritizing intervals within and near the proposed open pit. Results include TL10-96 intersecting 11.37 g/t over an intersection length of 4.20 m including 34.80 g/t over 1.30 m within the D Zone and TL10-108 intersecting 31.38 g/t over 3.00 m including 93.40 g/t over 1.0 m in a HW Zone. All results from both the condemnation and infill program are available for viewing in the Complete Assay Table on the Company's website and all material results have been filed on Sedar (www.sedar.com).

On December 18, 2017 the Company announced that it has entered into a Memorandum of Understanding ("MOU") with the Métis Nation of Ontario ("MNO") in relation to the Company's Goliath Gold Project in Northwestern Ontario (the "Project").

On December 21, 2017, Treasury announced that it closed a private placement financing and issued 6.35 million flow-through common shares ("Flow-Through Shares") at an issue price of $0.67 per flow-through share (the "Issue Price") for total gross proceeds of $4,254,500.

Fiscal Year ended December 31, 2018

On March 27, 2018, Treasury Metals announced initial assay results from its active 15,000-meter infill exploration drilling program at the Company's flagship Goliath Gold Project. The Main Zone's infill drill results increased the Company's confidence in the overall resource potential and further supported the Company's understanding that gold continues at depth. The infill results are primarily in the lower extents (400-600 meters) of the central and eastern shoots of the Main Zone drilled from surface. The infill and expansion drilling is focused on the outer edges of the known high-grade shoots and are successfully converting inferred to indicated resources. The Main Zone central shoot remains open at depth, as demonstrated in TL17-460 and TL18-464, with the alteration and mineralized envelope intersected at this depth. Drilling highlights include: East Area: TL18-469: 5.04 g/t over 6 meters; TL18-468: 1.41 g/t over 11.6 meters; and, Central area: TL18-467A: 6.60 g/t over 4.2 meters; TL17-422: 4.10 g/t over 5.0 meters including 18.20 g/t over 1.0 meters in the C Zone; TL 17-422: 3.67 g/t over 4.0 meters; TL18-464: 5.77 g/t over 3.0 meters; TL17-460: 4.80 g/t over 3.0 meters.

In addition to the ongoing infill program, the Company planned to commence an initial 5,000 meters of resource expansion/exploration drilling in April focused on Treasury Metals' high-priority East Resource Target area as follow-up to the successful near surface drilling program that was completed last summer. Gold mineralization was intersected in several drill holes approximately 80 to 350 meters from the proposed open pit both near surface and at depth (see press release dated October 2, 2017). The step out program will be expanded along strike east of the open pit with a second rig once the infill program is completed and as the program is further developed.

On May 1, 2018, Treasury Metals adopted a Shareholder Rights Plan (the "Rights Plan") and also an Advance Notice By-Law. The purpose of the Rights Plan is to provide the shareholders and Board of Directors with adequate time to consider and evaluate any unsolicited bid and to provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid. The Rights Plan has been conditionally accepted by the Toronto Stock Exchange and is effective as of April 30, 2018. The Advance Notice By-Law establishes a framework for advance notice of nominations for directors by the shareholders, in the event shareholders intend to nominate candidates for election as directors of the Company.

The Company also announced on May 1, 2018, that subject to standard conditions, it received approval from the TSX to extend the term of 4,170,666 warrants (each, a "Warrant") to purchase common shares of the Company (each, a "Common Share") set to expire on May 18, 2018 to May 18, 2019. All other terms of the Warrants remain the same. Insiders of the Company do not hold any Warrants. The New Warrant Expiration Date went into effect May 11, 2018. The Warrants were originally issued on May 18, 2016 as part of a private placement of 8,341,333 units (each, a "Unit") at a price of $0.48 per Unit for gross proceeds of $4.0 million. Each Unit was comprised of one Common Share and one half Warrant, with each full Warrant exercisable into one Common Share at an exercise price of $0.70.

On May 14, 2018, Treasury Metals announced that as part of the mine permitting process, the Company had formally submitted responses to the Information Requests along with a revised Environmental Impact Statement ("EIS") to the Canadian Environmental Assessment Agency ("CEAA"). In May, CEAA confirmed the EIS meets their completeness requirements to move onto the technical review of the documentation. This acceptance means the EIS is undergoing formal review by CEAA and the Goliath Gold Project is now within the legislated timeline period for the completion of Federal Environmental Assessments with approximately 34 weeks remaining of Government review time. Subsequent to this technical review, as a normal part of the EA process on July 6, 2018 CEAA returned a further series of comments and questions as part of the 2nd round of Information Requests (IR#2). The IR#2 paused the legislated timeline for EA completion at approximately 26 weeks remaining of government time to complete the review and issue a decision notice. At December 31, 2018, the timeline remains paused at approximately 26 weeks.

Approximately 95 information requests were submitted as part of IR#2 and encompass specific topics within the EIS. The internal team at Treasury Metals, along with aid of external consultants was engaged in a draft review process of the IR#2 responses such that CEAA would be provided the required information in an expedient manner. CEAA facilitated a number of technical meetings and conference calls to review draft responses prior to submission. As at December 31, 2018 a large portion of these draft response have been reviewed and are ready for submission. The remainder was completed with a formal submission in early 2019.

On May 15, 2018, Treasury Metals Inc. provided additional information further to its 2017 year-end financial statements regarding notification by the Canada Revenue Agency (the "CRA") of its determination in respect of the flow-through spending audit (the "Audit") commenced by the CRA in December 2016 regarding certain expenditures incurred by the Company in the years 2012, 2013, and 2014 that were characterized by the Company as "Canadian Exploration Expenses" ("CEE") for purposes of the Income Tax Act (Canada).

On May 30, 2018, Treasury Metals announced additional drilling results, including 65 g/t Au over 3 metres in high-grade C Zone Shoot from the infill and resource expansion/exploration drilling program at Goliath Gold Project. The Company moved forward on its three objectives in this drilling program, which include: 1) exploration drilling of a downdip potential expansion of the high-grade shoot within the C zone; 2) infill drilling to convert resources and increase confidence in targeted areas within the Main Zone; and 3) exploration drilling along strike and northeast of the proposed open pit. This is a continuation from the drill program that began at the beginning of 2018 of which 11,591m in 17 drill holes had been completed up to the end of the May press release announcement. Successful results from these targets would enhance the current resource within the mine plan for future design studies and help define targets for future expansion. Drilling Highlights in C Zone include: TL18-489: 65.78 g/t over 3.00m including 1.00m @ 196.00 g/t. Hole TL18-489, intersected 65.78 g/t over 3.00m following up on nearby historical holes TL161-14RE which returned 5.47 g/t over 4.00m, TL17-422 with 4.10 g/t 5.00m, and TL16-420 with 2.72 g/t over 6.00m. Further drilling in the area may delineate new gold ounces into inferred resources and eventually the mine plan. The Company's recent Main Zone drilling targeted key locations within the mine plan to convert resources from inferred category to indicated category. TL18-474 is located in the west high-grade shoot, which is the least densely drilled shoot, and intersected 7.56 g/t over 7.00m.

On June 25, 2018, Treasury Metals closed a non-brokered private placement financing. The Company issued 11,904,762 units (the "Units") at a price of $0.42 per Unit for total gross proceeds of $5 million. Each Unit is comprised of one (1) common share in the capital of the Company (each a "Common Share") and one Common Share purchase warrant (each a "Warrant") with each Warrant being exercisable for a period of 60 months after the closing of the Offering to acquire one (1) additional Common Share ("Warrant Share") at a purchase price of $0.60 per Warrant Share.

On Aug 01, 2018, Treasury Metals announced President and CEO Chris Stewart's departure, and the appointment of Interim CEO Greg Ferron.

On Aug 13, 2018, Treasury announced its exploration and infill program is continuing to intercept significant gold mineralization, and provided assay results from three active exploration drilling zones, including results in the East Resource Target area, down dip within the developing C Zone shoot, and additional deep Main Zone infill drilling at the Goliath Gold Project.

On Oct 17, 2018, Treasury Metals announced an updated National Instrument 43-101 Mineral Resource Estimate (the "2018 Mineral Resource Estimate") on its 100% owned Goliath Gold Project. The Mineral Resource Estimate was completed by independent firm P&E Mining Consultants Inc. ("P&E"). The 2018 Mineral Resource Estimate is an update to the NI 43-101 Mineral Resource Estimate previously released on August 28, 2015 (the "2015 Mineral Resource Estimate") and includes results from a database representing an additional 98 diamond drill holes totaling 41,500 m of infill drilling completed between 2016 and 2018. Highlights include:

- A Successful conversion program:
    - Total Measured and Indicated Mineral Resources are now 1,229,800 gold equivalent ("AuEq") ounces (16.20 Mt at 2.36 g/t AuEq). Measured and Indicated Underground AuEq Ounces increased by 64% from the 2015 Mineral Resource Estimate:
    - Totaling 640,100 AuEq ounces with an average grade of 5.54 g/tonne AuEq (5.39 g/t Au);
    - Open Pit Mineral Resource shell optimized further to contain less waste and could lead to an improved strip ratio.
    - A portion of the increase can be attributed to redefining the boundary between the Underground and Open Pit Mineral Resources resulting in a higher portion of AuEq ounces reported within the Underground Mineral Resource capturing the high grade ounces.
- Gold Equivalent Grade increase for combined Measured and Indicated Mineral Resources
    - In-Pit: +9.0 % (1.45 g/tonne AuEq);
    - Out of Pit: +8.0 % (5.54 g/tonne AuEq);
    - Total: +34.1 % (2.36 g/tonne AuEq).
    - Silver Grade increase in Measured and Indicated Mineral Resources
- Mineral Resources at Goliath remain open at depth and has exploration potential for additional mineralized shoots along strike.

Treasury's primary goal for the diamond drill programs has been to increase Mineral Resource confidence and convert AuEq ounces from Inferred to Measured and Indicated Mineral Resource classifications to be included in future engineering studies. These programs were highly successful with a significant upgrade of AuEq ounces to higher confidence classifications and grade improvements both in the open pit and underground Mineral Resource Estimates. A secondary drilling goal of Mineral Resource expansion successfully extended the Deposit east of the Main Zone high-grade mineralized shoots, and continued to demonstrate opportunities for Mineral Resources that could add to future mine plans.

On Nov 26, 2018, Treasury Metals announced the Company entered into a binding term sheet with Extract Capital Master Fund Ltd. and Extract Lending LLC (together "Extract") to extend the maturity date of the Company's existing convertible term loan (the "Term Loan") for three years (the "Loan Amendment"). The Loan Amendment will amend the maturity date of the Term Loan, extending it for a period of three years from the effective date of closing that is anticipated to be on or about November 30, 2018. As part of the Loan Amendment, Extract has also agreed to assume the US$2.2 million portion of the US$4.4 million facility previously held by Loinette Company Leasing Ltd. which has agreed to an early payout without penalty. Pursuant to the terms of the Loan Amendment, the Term Loan shall be convertible at the election of Extract into common shares in the capital of the Company (the "Common Shares") at a conversion price of CAD$0.36 per Common Share, representing approximately a 50% premium to the closing price of the Common Shares (November 23, 2018), which is the closing date of entering into the binding term sheet. All other terms of the Term Loan will remain unchanged.

On Dec. 17, 2018, Treasury Metals closed a $2 Million non-brokered private placement financing. The Company issued 7,682,075 flow-through common shares ("Flow-Through Shares") for total gross proceeds of $2,074,160 at an issue price of $0.27 per Flow-Through Share.

4. GENERAL DESCRIPTION OF THE BUSINESS

4.1 General Overview

Treasury Metals is a Canadian-based mineral exploration and development company, with a growth-oriented strategy focused on expanding its gold resources, developing its Canadian mineral properties and potentially acquiring additional advanced gold projects in the Americas. The Company's flagship asset is the Goliath Gold Project, an advanced stage, high-grade gold deposit near Dryden, Ontario.

The Company's board of directors and management team include seasoned mining industry veterans, with proven track records in finding and developing high-quality assets and building shareholder value.

Recent highlights over the past few years are included below in the following areas: Management and Board of Directors; Financings; and, Operations.

Management and Board of Directors

Greg Ferron was appointed Treasury Metals Inc.'s Interim CEO effective August 1, 2018 following the resignation of CEO Chris Stewart, who was appointed Treasury's President and Chief Executive Officer on December 5, 2016 and a Director effective June 22, 2017. Mr. Stewart took the position of President and Chief Operating Officer at a gold producer based in Canada.

At the Company's Annual and Special Meeting of Shareholders on June 13, 2018, Blaise Yerly did not seek re-election. There are five Directors who continue to sit on the Board: Marc Henderson (Chairman), William Fisher, Doug Bache, Christophe Vereecke and Flora Wood.

Financing

During the past three years, the Company completed five private placement financings, repaid a Feasibility Financing Facility, and amended the long-term loan to provide the necessary capital needed to carry out exploration and development programs at the Goliath Gold Project.

Up to March 31, 2015, the end of the availability date of the Feasibility Financing Facility with RMB Australia Holding Limited, the Company received $3 million from the first tranche and $2 million from the second tranche of the Facility. The Facility had a term of 2.5 years and bore interest at CDOR plus 7.50% per annum; also, a commitment fee of 2.0% per annum was paid on the available, but undrawn amount of each tranche. In connection with the first tranche, 1.5 million financier warrants were issued to RMB on February 18, 2014, with an exercise price of $0.395 per common share and an expiry date of August 18, 2017. A second set of 1.5 million financing warrants were issued at the drawdown of the second tranche of the Facility. These warrants were exercisable at a price of $0.35 per share until May 18, 2018 and assigned a fair value of $167,044 using the Black Scholes option pricing model with the following assumptions: Share price $0.30, dividend yield 0%, expected volatility, based on historical volatility 75.96%, a risk free interest rate of 1.30% and an expected life of 2 years. A $375,000 arrangement fee was paid at the time of the initial draw. The Facility was secured by a General Securities Agreement, a debenture, and Collateral Security over the assets of the Company. Additional terms related to the Facility were the ability to pre-pay at any time without penalty, and to cancel all or a part of the undrawn commitment. The Facility required ongoing regular operational and financial reporting to

RMB Resources and also contained default provisions that are normal for this type of transaction and are not considered to be onerous or restrictive for the normal operations of the Company.

On June 10, 2015, the Company received from RMB a bridge loan of $0.5 million, which matured and was repaid on July 31, 2015. The bridge loan was replaced by another bridge loan in July 2015 of US$390,082 from an arm's length party which was repaid, together with its interests and transaction costs, on October 1, 2015.

In the third quarter of 2015, the Company closed a non-brokered private placement of 2,629,744 units, at a price of $0.45 per unit and a 1.43 million flow-through financing at a price of $0.50 per share for aggregate gross proceeds of $1,183,835 and $715,000, respectively. Each unit consisted of one common share and one-half of a common share warrant of the Company. The warrants have a term of three years and an exercise price of $0.56. In addition, the Company received a $75,000 short-term loan from Wacyba Ltd., a company which had a director in common with the Company; the loan matured and was repayable on December 31, 2015 and bore a monthly interest of 1%. This loan was increased to $165,000, and extended to June 15, 2016, when it was paid in full.

On May 18, 2016, the Company closed a brokered private placement for which it issued 6,258,000 units at a price of $0.48 per unit for aggregate gross proceeds of $3.0 million. In addition, the Company issued, on a non-brokered basis, 2,083,333 units at a price of $0.48 per unit to a strategic financial investor for additional gross proceeds of $1 million, resulting in total gross proceeds raised of $4.0 million.

In connection with the Goldeye acquisition on November 24, 2016, the Company issued 5,058,859 common shares at a fair market value of $3,237,670 in exchange for all of the issued and outstanding common shares of Goldeye.

On June 17, 2016, the Company closed two long-term loan agreements for US$4.4 million with Loinette Company Leasing Ltd. ("Loinette"), Extract Capital Master Fund Ltd. and Extract Lending LLC ("Extract"), with Extract Advisors LLP acting as agent (collectively "The Lenders"). The proceeds were used to repay the $5 million RMB loan, to continue the advancing of the Project feasibility study and permitting, and general working capital purposes.

On December 21, 2016, the Company closed a non-brokered placement for aggregate gross proceeds of $2,618,595 through the issuance of 3,587,117 flow-through common shares at a price of $0.73 per flow-through share.

On May 15, 2017, the Company closed a short-form prospectus offering for aggregate gross proceeds of $8,060,000 through the issuance of 12,400,000 units at a price of $0.65 per unit. Each unit consisted of one common share and one half common share purchase warrant. Each warrant entitles his holder to acquire one common share at an exercise price of $0.95 for a period of 24 months from the date of issuance. The proceeds are to be used in the advancement of the Company's Goliath Gold Project and for general working capital purposes.

On June 7, 2017, a loan extension agreement was completed with Loinette and Extract extending the maturity of both tranches to April 2, 2019, from September 20, 2017. Pursuant to the terms of the extension, US$2.2 million (CAD$2.8 million) of the Tranche 1 loan is convertible, at the election of the lenders, into common shares of the Company at a conversion price fixed at CAD$0.90 per common share. The Tranche 2 principal amount of US$2.2 million (CAD$2.8 million) of the term loan continues to be convertible into common shares at a price equal to CAD$0.588 per common share and have no further amendments. Pursuant to the terms of the Loan Extension, the applicable interest rate in respect of Tranche 2 has been reduced to LIBOR (minimum 200 basis points) plus 6.5% from 8.5%.

On December 21, 2017, the Company closed a private placement for aggregate gross proceeds of $4,254,500 through the issuance of 6,350,000 flow-through common shares at a price of $0.67 per flow through share. The offering was completed through a Syndicate of agents and the flow-through shares are subject to a four-month hold period, which will expire on April 22, 2018.

On June 25, 2018, Treasury Metals closed a non-brokered private placement financing. The Company issued 11,904,762 units (the “Units”) at a price of CAD$0.42 per Unit for total gross proceeds of CAD$5 million. Each Unit is comprised of one (1) common share in the capital of the Company (each a “Common Share”) and one Common Share purchase warrant (each a “Warrant”) with each Warrant being exercisable for a period of 60 months after the closing of the Offering to acquire one (1) additional Common Share (“Warrant Share”) at a purchase price of CAD$0.60 per Warrant Share.

On Dec. 17, 2018, Treasury Metals closed a $2 Million non-brokered private placement financing. The Company issued 7,682,075 flow-through common shares (“Flow-Through Shares”) for total gross proceeds of $2,074,160 at an issue price of $0.27 per Flow-Through Share.

Operations

A Project Description (“PD”) for the Goliath Gold Project was submitted to the federal government’s Canadian Environmental Assessment Agency (“CEAA”) on November 27, 2012, and officially accepted by the CEAA on November 30, 2012. The Company’s PD initiated the official permitting and approvals process for mine development. Subsequent to the PD filing, the Company received both the CEAA determination to have the Goliath Gold Project subject to an Environmental Assessment (“EA”) and the Environmental Impact Statement (“EIS”) guidelines.

The Company had engaged several consulting engineering firms to complete the technical studies necessary to complete the EIS and Feasibility Study.

The Company completed and filed its first Environmental Impact Statement in October 2014, and subsequently incorporated into the volumes of material, more information based on interaction with the regulatory authorities. In 2014, the legislated timeline for completion was officially paused while the Company incorporated requested information. Part of this process included submission of an updated draft V2 of the EIS document to CEAA for review on December 23, 2014, followed by official V3 of the document on March 9, 2015, which subsequently re-started the legislated timeline for completion. Subsequent to this, CEAA returned another round of comments which the Company completed and submitted in April 2015. On April 10, 2015, CEAA confirmed that the Treasury Metals Goliath Project EIS conforms to the CEAA Guidelines. As a result, the Project moved on to the public comment period and technical reviews conducted by various federal government agencies. The public comment period took place in a 30-day period from April 25 to May 24, 2015, and included Indigenous peoples and general public open house meetings lead by CEAA. Treasury Metals and the Company’s consultants who have provided input into the EIS were represented at these meetings to provide technical content for these sessions. Most meetings occurred in the Dryden, Ontario and Wabigoon, Ontario areas.

On June 30, 2015, as a normal part of the EA process, CEAA returned a series of Information Requests stemming from the public comment period and CEAA’s own technical review of the EIS. In June 2016, Wood Environmental (“Wood”) was engaged as a principal consultant to lead the technical work to return responses to CEAA. The Company and its consultants completed a draft submission of the IR responses. Subsequent to a review by CEAA, a substantial body of technical work necessary for a formal submission of the IR responses including a revised EIS document has been submitted to CEAA as of September 2017.

On May 14, 2018, Treasury Metals announced as part of the mine permitting process, the Company formally submitted responses to the Information Requests along with a revised Environmental Impact Statement ("EIS") to the Canadian Environmental Assessment Agency ("CEAA"). On May 11, 2018, CEAA confirmed the EIS meets their completeness requirements to move onto the technical review of the documentation. This acceptance means the EIS is undergoing formal review by CEAA and the Goliath Gold Project is now within the legislated timeline period for the completion of Federal Environmental Assessments with approximately 34 weeks remaining of Government review time. Subsequent to this technical review, as a normal part of the EA process on July 6, 2018 CEAA returned a further series of comments and questions as part of the 2nd round of Information Requests (IR#2). The IR#2 paused the legislated timeline for EA completion at approximately 26 weeks remaining of government time to complete the review and issue a decision notice. As of December 31, 2018, the timeline remains paused at approximately 26 weeks.

Approximately 95 information requests were submitted as part of IR#2 and encompass specific topics within the EIS. The internal team at Treasury Metals, along with aid of their outside consultants was engaged in a draft review process of the IR#2 responses such that CEAA would be provided the required information in an expedient manner. CEAA facilitated a number of technical meetings and conference calls to review draft responses prior to submission. As at December 31, 2018 a large portion of these draft response have been reviewed and are ready for submission. The remainder will be completed with a formal submission in early 2019.

This body of additional technical work will also be used in the engagement and consultation process with Indigenous peoples and communities, and the general public. The provincial permitting application process for the Goliath Gold Project is ongoing and will run in a parallel fashion along with the federal environmental assessment process. Treasury Metals continuously communicates with provincial agencies (MNDM, MOE, MNR) via phone, correspondence and other meetings, as required.

A 5,000 metre drill program was initiated in August 2016, focusing primarily on converting underground "Inferred" mineral resource blocks into the "Indicated" category. This drilling program initially targeted high grade blocks (those with grades of >5.0 g/t AuEq) that reside mainly within, adjacent to and down dip of known "Main Zone" gold-bearing shoots at vertical depths in excess of 400 m from surface to a maximum depth of around 600 m over a strike length of around 950 m along the main gold deposit. Successful results of this program would enhance the underground resources in the mine plan for upcoming Feasibility level design studies. Further, C Zone resource conversion drill targets have also been identified for testing. Certain holes will also evaluate possible down dip shoot extensions of known gold mineralization in the main resource area. In addition to the current drill program, and as a transition to the next phase of condemnation/exploration drilling, a geological mapping and sampling program was also completed in an area directly adjacent to and following the easterly extension of the main resource area for another 1.6 km.

In November 2016, Treasury extended the drilling program from the initially planned 5,000 metres to continue to target and convert additional deep underground "Inferred" resources and announced initial results from the first phase of the ongoing infill drilling program, and on February 6, 2017 announced additional results from its infill drilling program.

Throughout the year 2016, the Company continued to collect baseline environmental data and to work with external consultants to design a new exploration program, and to better refine the Project scope and Project economics.

Since Treasury Metals began drilling at the Goliath Gold Project in 2008 until the date of this report, a total of 477 diamond drill holes comprised of 445 newly collared holes and 29 re-entry holes, and 3 wedges for a total of 143,589 metres have been drilled on the property.

On July 11, 2016, the Company agreed to a proposal with respect to the acquisition of Goldeye Explorations Limited. Goldeye's principal asset is the Weebigee Project, a high-grade project located near Sandy Lake in northwestern Ontario. The acquisition provides Treasury with a second high-quality asset in northwestern Ontario. The transaction closed November 18, 2016.

In March 2017, the Company purchased back the production fee for US$350,000, which had been granted to Extract and Loinette as part of the June 2016 loan transaction.

Also, in March 2017, the Company announced a project development strategy contingent on financing to further advance Treasury's Goliath Gold Project located in Northwestern Ontario. The Company aims to be in a position to make a construction decision during the third quarter of 2018, pending the successful recommendation of a Feasibility Study.

On March 8, 2017, Treasury announced a new updated PEA showing significantly improved economics at the Goliath Project. Highlights include:

- After-Tax NPV of CAD$306 million and IRR of 25% at US$1,225 per ounce
- A 44% increase in the Life of Mine ("LOM") gold production profile, while taking a conservative approach with respect to operating and capital costs compared with the 2012 PEA;
- Average annual production of 87,850 oz Au over a 13 year combined open pit and underground mine life; peak production exceeding 100,000 oz per year Au from years three to six;
- LOM head grade of 3.8 g/tonne (Au), an increase of 33% from the 2012 PEA; and
- Total cash cost is estimated at US$525 per equivalent gold ounce ("AuEq") and an all-in sustaining cost ("AISC"), as defined by the World Gold Council, estimated at US$611 per AuEq.

The optimized mining plan used in the PEA envisions an initial open pit generating immediate revenues to fund underground development. Underground ("UG") production begins in the second year with the open pit operating over an additional 7 years at a reduced output to supplement UG production to a total of 2,500 tonnes per day over the course of a 13-year total mine life. Total gold production is estimated at 1.14 million ounces of gold and 2.0 million ounces of silver. Initial capital to fund construction is estimated at CAD$133.2 million with an additional CAD$132.5 million in sustaining capital over the LOM primarily to fund the underground expansion.

The mine is proposed to produce an average head grade of 3.81 g/t gold and 10.55 g/t silver with Open Pit and UG mining producing average grades of 1.58 g/t and 4.87 g/t of gold, respectively. The infill diamond drilling programs completed to date since the PEA in 2012 (the "2012 PEA") has resulted in improved project economics and overall confidence in the mine plan. The stripping ratio of waste rock to mill feed has been reduced to 6:1, which represents a 35% improvement over the 2012 PEA. This stripping ratio does not include pre-production stripping of approximately 1.3 million m^3 cubed of overburden material. All mined ounces in the open pit are within the Measured and Indicated categories. Seventy per cent of the mineable ounces within the Underground are classified within the Measured and Indicated categories which represent a significant increase from the 2012 PEA. UG production is envisioned to be carried out at an average rate of 1,600 tonnes per day using the long hole stoping method on 30 metre sublevels. Average UG operating costs have been estimated at $77/tonne, a 28% increase over the cost assumption in the 2012 PEA.

A new updated gold mineral Resource Estimate report (the "2018 Resource Estimate") was announced in October 2018. Highlights are total Measured and Indicated Mineral Resources are now 1,229,800 gold equivalent ("AuEq") ounces (16.20 Mt at 2.36 g/t AuEq). Measured and Indicated Underground AuEq Ounces increased by 64% from the 2015 Mineral Resource Estimate:

- Totaling 640,100 AuEq ounces with an average grade of 5.54 g/tonne AuEq (5.39 g/t Au);

- Open Pit Mineral Resource shell optimized further to contain less waste and could lead to an improved strip ratio.
- A portion of the increase can be attributed to redefining the boundary between the Underground and Open Pit Mineral Resources resulting in a higher portion of AuEq ounces reported within the Underground Mineral Resource capturing the high grade ounces.

➢ Gold Equivalent Grade increase for combined Measured and Indicated Mineral Resources
  - In-Pit: +9.0 % (1.45 g/tonne AuEq);
  - Out of Pit: +8.0 % (5.54 g/tonne AuEq);
  - Total: +34.1 % (2.36 g/tonne AuEq).
  - Silver Grade increase in Measured and Indicated Mineral Resources

➢ Mineral Resources at Goliath remain open at depth and has exploration potential for additional mineralized shoots along strike.

Employees

Treasury Metals has fifteen employees.

4.2 Risk Factors

The Company, and the common shares of the Company, should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this annual information form prior to making an investment in the Company. In addition to the other information presented in this Annual Information Form, the following risk factors should be given special consideration when evaluating an investment in any of the Company's securities. These risks are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that management currently deems to be immaterial, may also materially affect the Company's business, financial condition and/or future results.

The Company faces numerous exploration, development and operating risks.

Although the Company's activities are directed towards the development of mineral deposits, its activities also include the exploration for and development of mineral deposits.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

To date, the Company is considered to be a development stage company and has not recorded any revenues from its exploration and development activities nor has the Company commenced commercial production on any of its properties. There can be no assurance that the Company will commence commercial production, generate any revenues or that the assumed levels of expenses will prove to be accurate.

The development of the Company's properties will require the commitment of substantial resources to complete exploration programs and to bring the properties into commercial production. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, some of which are beyond the Company's control.

If mineral resource estimates are not accurate, production may be less than estimated which would adversely affect the Company's financial condition and result of operations.

Mineral resource estimates are imprecise and depend on geological analysis based partly on statistical inferences drawn from drilling, and assumptions about operating costs and metal prices, all of which may prove unreliable. The Company cannot be certain that the resource estimates are accurate and cannot guarantee that it will recover the indicated quantities of metals if commercial production is commenced. Future production could differ dramatically from such estimates for the following reasons: mineralization or formations at the properties could be different from those predicted by drilling, sampling and similar examinations; declines in the market price of gold may render the mining of some or all of the resources uneconomic; and the grade of ore may vary significantly from time to time and the Company cannot give any assurances that any particular quantity of metal will be recovered from the resources. The occurrence of any of these events may cause the Company to adjust the resource estimates or change its mining plans, which could negatively affect the Company's financial condition and results of operation.

The Company's exploration and development properties may not be successful and are highly speculative in nature.

Exploration for gold is highly speculative in nature. The Company's exploration activities involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and the availability of exploration capital. The Company cannot give any assurance that its current or future exploration efforts will result in the discovery of a mineral reserve or new or additional mineral resources, the expansion of current resources or the conversion of mineral resources to mineral reserves.

As well, mineral deposits, even though discovered, may be insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by additional factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors, which may make a mineral deposit unprofitable to exploit.

The Company's mineral properties are in the exploration and development stages and are without known bodies of mineral reserves, although a mineral resource has been established on the Goliath Gold Project. Development of such projects will only follow upon obtaining satisfactory exploration results and the completion of feasibility or other economic studies.

The risks and hazards associated with mining and processing may increase costs and reduce profitability in the future.

Mining and processing operations involve many risks and hazards, including among others:

environmental hazards; mining and industrial accidents; metallurgical and other processing problems; unusual and unexpected rock formations; flooding and periodic interruptions due to inclement or hazardous weather conditions or other acts of nature; mechanical equipment and facility performance problems; and unavailability of materials, equipment and personnel. These risks may result in: damage to, or destruction of, the Company's properties or production facilities; personal injury or death; environmental damage; delays in mining; increased production costs; asset write downs; monetary losses; and legal liability.

The Company cannot be certain that its insurance will cover the risks associated with mining or that it will be able to obtain or maintain insurance to cover these risks at affordable premiums. The Company might also become subject to liability for pollution or other hazards against which it cannot insure or against which the Company may elect not to insure because of premium costs or other reasons. Losses from such events may increase costs and decrease profitability.

The Company may experience higher costs and lower revenues than estimated due to unexpected problems and delays.

New mining operations often experience unexpected problems during the development and start-up phases and such problems can result in substantial delays in reaching commercial production. Delays in construction or reaching commercial production in connection with the Company's development of its mines would increase its operating costs and delay revenue growth.

Future exploration at the Company's projects or elsewhere may not result in increased mineral resources.

The Company intends to upgrade and expand its existing resource base by surface and underground drilling in the immediate vicinity of the presently defined mineral resources. Mineral exploration involves significant risks over a substantial period of time, which even with a combination of careful evaluation, experience and knowledge may not eliminate. Even if the Company discovers a valuable deposit of minerals, it may be several years before production is possible and during that time it may become economically unfeasible to produce those minerals. There is no assurance that current or future exploration programs will result in any new economically viable mining operations or yield new resources to replace and expand current resources.

The Company's vulnerability to changes in metal prices may cause its share price to be volatile and may affect the Company's operations and financial results.

If the Company commences production, the profitability of the Company's operations will be dependent upon the market price of mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of mineral commodities has fluctuated widely in recent years and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and results of operations. Furthermore, reserve calculations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Company's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Company is subject to extensive environmental legislation and the costs of complying with these regulations may be significant. Changes in environmental legislation could increase the costs of complying with applicable regulations and reduce levels of production.

All phases of the Company's operations are subject to environmental regulation. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Environmental legislation relating to land, air and water affects nearly all aspects of the Company's operations. This legislation requires the Company to obtain various operating licenses and also imposes standards and controls on activities relating to exploration, development and production. The cost of obtaining operating licenses and abiding by standards and controls on its activities may be significant. Further, if the Company fails to obtain or maintain such operating licenses or breaches such standards or controls imposed on its activities, it may not be able to continue its operations in its usual manner, or at all, or the Company may be subject to fines or other claims for remediation which may have a material adverse impact on its operations or financial results. While the Company is unaware of any existing material environmental liabilities, it cannot guarantee that no such liabilities currently exist or will occur in the future.

Changes in environmental laws, new information on existing environmental conditions or other events may increase future compliance expenditures or otherwise have a negative effect on the Company's financial condition and results of operations. In addition to existing requirements, it is expected that other environmental regulations will likely be implemented in the future with the objective of further protecting human health and the environment. Some of the issues currently under review by environmental agencies include reducing or stabilizing air emissions, mine reclamation and restoration, and water quality. Other changes in environmental legislation could have a negative effect on production levels, product demand, product quality and methods of production and distribution. The complexity and breadth of these issues make it difficult for the Company to predict their impact. The Company anticipates capital expenditures and operating expenses will increase as a result of compliance with the introduction of new and more stringent environmental regulations. Failure to comply with environmental legislation may result in the issuance of clean up orders, imposition of penalties, liability for related damages and the loss of operating permits. While the Company believes it is in material compliance with existing environmental legislation, it cannot give assurances that it will at all future times be in compliance with all federal and state environmental regulations or that steps to bring the Company into compliance would not have a negative effect on its financial condition and results of operations.

Government approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and are not granted, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Compliance with current and future government regulations may cause the Company to incur significant costs and slow its growth.

The Company's activities are subject to extensive laws and regulations governing matters relating to occupational health, labour standards, prospecting, exploration, production, exports and taxes. Compliance with these and other laws and regulations could require the Company to make significant capital outlays which may slow its growth by diverting its financial resources. The enactment of new adverse regulations or regulatory requirements or more stringent enforcement of current regulations or regulatory requirements may increase costs, which could have an adverse effect on the Company. The Company cannot give assurances that it will be able to adapt to these regulatory developments on a timely or cost effective basis. Violations of these regulations and regulatory requirements could lead to substantial fines, penalties or other sanctions.

The Company is required to obtain and renew governmental permits and licences in order to conduct mining operations, which is often a costly and time-consuming process.

In the ordinary course of business, the Company will be required to obtain and renew governmental permits and licenses for the operation and expansion of existing operations or for the commencement of new operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process. The duration and success of the Company's efforts to obtain and renew permits and licenses are contingent upon many variables not within its control including the interpretation of applicable requirements implemented by the permitting or licensing authority. The Company may not be able to obtain or renew permits and licenses that are necessary to its operations or the cost to obtain or renew permits and licenses may exceed what the Company expects. Any unexpected delays or costs associated with the permitting and licensing process could delay the development or impede the operation of the Company's projects which could adversely affect the Company's revenues and future growth.

The exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations, will require substantial additional financing.

Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of a property interest. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure.

Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

There is no guarantee that title to any of the Company's mineral properties will not be challenged or disputed or that the term of the Company's mineral rights can be extended or renewed.

Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. While the Company intends to take all reasonable steps to maintain title to its mineral properties, there can be no assurance that the Company will be successful in extending or renewing mineral rights on or prior to expiration of their term.

If the Company loses key personnel or is unable to attract and retain additional personnel, the Company's mining operations and prospects could be harmed.

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, additional key financial, administrative and mining personnel as well as additional operations staff will be required. Although the Company believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected.

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than it.

Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Aboriginal Rights and Consultation Issues

Aboriginal rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The government has been notified by several Aboriginal groups that they assert the area comprising the Company's property to be within their traditional territories and accordingly, they assert the right to be consulted by government prior to the issuance of any approvals or permits and to discuss whether any disruption of traditional activities can be avoided or mitigated. These processes may affect the ability of the Company to pursue exploration, development and mining at its properties. The legal basis of such claims is a matter of considerable legal complexity and the impact of the assertion of such land claims cannot be predicted with any degree of certainty at this time. No assurance can be given that the Company's operations will not be delayed or hindered by any potential claims. In addition, no assurance can be given that any recognition of Aboriginal rights whether by way of a negotiated settlement or by judicial pronouncement would not delay or even prevent the Company's exploration, development or mining activities. Managing these issues is an integral part of exploration, development and mining in Canada, and the Company is committed to managing these issues effectively.

5. MINERAL PROJECTS

The Company's only material mineral project is the Goliath Gold Project. Treasury Metals has three other mineral projects as at the date of this AIF, the Lara Project, and the Goldeye subsidiary assets including the Weebigee Project as further described below. The Company's primary focus is the exploration and development of the Goliath Gold Project.

5.1 Goliath Gold Project

The Goliath Gold Project ("Goliath" or "the Project") is located in the Kenora Mining Division in northwestern Ontario, about 20 kilometres east of the City of Dryden and 325 kilometres northwest of the port city Thunder Bay, Ontario, Canada. Goliath Gold Project consists of approximately 4,984 hectares (approximately 50 km^2 total) and covers portions of Hartman and Zealand townships. The Project is comprised of two historic properties now consolidated under the common name Goliath Gold Project, which consists of: the larger Thunder Lake Property, purchased from Teck Resources and Corona Gold Corp., and the Goliath Property, transferred to the Company from Laramide Resources Ltd. The Goliath Gold Project has been expanded from its original size through the staking of mining claims, land purchases and option agreements. The Project is held 100% by the Company. In and around the mine plan there are thirteen claims which are subject to royalties ranging from one to two percent each on the gold mined from each claim. Four of these are actually on the planned mine area and only one of these has any significance. This significant claim royalty is subject to a $50,000 advance royalty payment each year; there is also one claim royalty not on the planned mining area which is also subject to a $50,000 advance royalty payment.

Permitting is presently underway at the Goliath Gold Project. The Company completed and filed its first Environmental Impact Statement in October 2014, and subsequently incorporated into the volumes of material, more information based on interaction with the general public and the regulatory authorities. As discussed in the Operation section earlier in this AIF, on June 30, 2015, as a normal part of the EA process, CEAA returned a series of Information Requests stemming from the public comment period and CEAA's own technical review of the EIS. In June 2016, Wood Environmental ("Wood") was engaged as a principal consultant to lead the technical work to return responses to CEAA. The Company and its consultants completed a draft submission of the IR responses. Subsequent to a review by CEAA, a substantial body of technical work necessary for a formal submission of the IR responses including a revised EIS document has been submitted to CEAA as of September 2017. As part of the process, CEAA has given a preliminary review of the submission and has provided further technical comments.

On May 14, 2018, Treasury Metals announced as part of the mine permitting process, the Company formally submitted responses to the Information Requests along with a revised Environmental Impact Statement ("EIS") to the Canadian Environmental Assessment Agency ("CEAA"). On May 11, 2018, CEAA confirmed the EIS meets their completeness requirements to move onto the technical review of the documentation. This acceptance means the EIS is undergoing formal review by CEAA and the Goliath Gold Project is now within the legislated timeline period for the completion of Federal Environmental Assessments with approximately 34 weeks remaining of Government review time. Subsequent to this technical review, as a normal part of the EA process on July 6, 2018 CEAA returned a further series of comments and questions as part of the 2nd round of Information Requests (IR#2). The IR#2 paused the legislated timeline for EA completion at approximately 26 weeks remaining of government time to complete the review and issue a decision notice. As of December 31, 2018, the timeline remains paused at approximately 26 weeks.

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This body of additional technical work will also be used in the engagement and consultation process with Indigenous peoples and communities, and the general public. The provincial permitting application process for the Goliath Gold Project is ongoing and will run in a parallel fashion along with the federal environmental assessment process.

Updated 2018 Mineral Resource Estimate – October 2018

In October 2018, Treasury Metals announced an updated National Instrument 43-101 Mineral Resource Estimate (the "2018 Mineral Resource Estimate") on its 100% owned Goliath Gold Project. The Mineral Resource Estimate was completed by independent firm P&E Mining Consultants Inc. ("P&E"). The 2018 Mineral Resource Estimate is an update to the NI 43-101 Mineral Resource Estimate previously released on August 28, 2015 (the "2015 Mineral Resource Estimate") and includes results from a database representing an additional 98 diamond drill holes totaling 41,500 m of infill drilling completed between 2016 and 2018. A part of the resource update it was determined that the changes were not material and therefore an updated report was not required. The highlights of the resource update are provided below and further information can be found in the previously released 43-101 comliant resource report from 2015 located at www.sedar.com.

2018 Mineral Resource Estimate Highlights include:

- A successful conversion program:
    - Total Measured and Indicated Mineral Resources are now 1,229,800 gold equivalent ("AuEq") ounces (16.20 Mt at 2.36 g/t AuEq);
- Measured and Indicated Underground AuEq Ounces increased by 64% from the 2015 Mineral Resource Estimate;
    - Totaling 640,100 AuEq ounces with an average grade of 5.54 g/tonne AuEq (5.39 g/t Au);
    - Open Pit Mineral Resource shell optimized further to contain less waste and could lead to an improved strip ratio;
    - A portion of the increase can be attributed to redefining the boundary between the Underground and Open Pit Mineral Resources resulting in a higher portion of AuEq ounces reported within the Underground Mineral Resource capturing the high grade ounces.
- Gold Equivalent Grade increase for combined Measured and Indicated Mineral Resources
    - In-Pit: +9.0 % (1.45 g/tonne AuEq);
    - Out of Pit: +8.0 % (5.54 g/tonne AuEq);
    - Total: +34.1 % (2.36 g/tonne AuEq).
    - Silver Grade increase in Measured and Indicated Mineral Resources
- Mineral Resources at Goliath remain open at depth and has exploration potential for additional mineralized shoots along strike.

The following table summarizes the NI 43-101 Mineral Resource Estimate in the Measured, Indicated and Inferred Mineral Resource classifications:

2018 Mineral Resource Estimate (Notes 1-8)

	Classification	**Cut-off Grade** AuEq g/t	**Tonnes**	**Au** (g/t)	**Contained Au (oz)**	**Ag** (g/t)	**Contained Ag (oz)**	**AuEq** (g/t)	**Contained AuEq (oz)**
Pit Constrained	Measured	0.4	762,000	1.91	46,700	8.9	217,000	1.99	48,700
	Indicated	0.4	11,849,000	1.37	522,400	5.5	2,083,000	1.42	541,000
	Meas + Ind	**0.4**	**12,611,000**	**1.40**	**569,100**	**5.7**	**2,300,000**	**1.45**	**589,600**
	Inferred	0.4	595,000	1.05	20,100	2.6	50,000	1.08	20,600
Out of Pit	Measured	1.9	163,000	6.42	33,600	25.8	135,000	6.65	34,800
	Indicated	1.9	3,429,000	5.34	589,000	16.6	1,834,000	5.49	605,300
	Meas + Ind	**1.9**	**3,591,000**	**5.39**	**622,600**	**17.1**	**1,969,000**	**5.54**	**640,100**
	Inferred	1.9	1,414,000	4.43	201,500	11.4	519,000	4.53	206,100
Total	Measured	0.4&1.9	925,000	2.70	80,300	11.8	352,000	2.81	83,400
	Indicated	0.4&1.9	15,277,000	2.26	1,111,400	8.0	3,917,000	2.33	1,146,300
	Meas + Ind	**0.4&1.9**	**16,202,000**	**2.29**	**1,191,700**	**8.2**	**4,269,000**	**2.36**	**1,229,800**
	Inferred	0.4&1.9	2,009,000	3.43	221,600	8.8	569,000	3.51	226,700

1. *Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
2. *The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.*
3. *The Mineral Resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.*

4. *A gold price of US$1,250/oz and silver price of US$17.00/oz based on the July 31, 2018 approximate three year trailing average prices and an exchange rate of US$0.80=Cdn$1.00 were utilized in the AuEq cut-off grade calculations of 0.40 g/t AuEq for Pit Constrained (>170 metres elevation above sea level or <230 metres depth from surface) and 1.90 g/t AuEq for Out of Pit Mineral Resources.*
5. *Open Pit mining costs were assumed at Cdn$3.45/t for mineralized material, Cdn$3.30/t for waste rock and Cdn$2.00/t for overburden, while Underground mining costs were assumed at Cdn$78.00/t, with process costs of Cdn$18.15/t, G&A of Cdn$2.86/t, and process recoveries of 95.5% for gold and 62.6% for silver.*
6. *The Au:Ag ratio used for AuEq was 1:112.17*
7. *A bulk density model averaged 2.76 t/m^3 for mineralized material.*
8. *Totals in the table may not sum due to rounding.*

Preliminary Economic Assessment Update – April 2017

April of 2017 the company updated the Goliath Project PEA using the 2015 mineral resource estimate. The highlights of the PEA are given below (all currencies are reported in Canadian dollars unless otherwise specified):

- After-Tax NPV of CAD$306 million and IRR of 25% at US$1,225 per ounce;
- The PEA benefits from a 44% increase in the Life of Mine ("LOM") gold production profile, while taking a conservative approach with respect to operating and capital costs compared with the 2012 PEA;
- Average annual production of 87,850 oz Au over a 13 year combined open pit and underground mine life; peak production exceeding 100,000 oz per year Au from years three to six;
- LOM head grade of 3.8 g/tonne (Au), an increase of 33% from the 2012 PEA; and
- Total cash cost is estimated at US$525 per equivalent gold ounce ("AuEq") and an all-in sustaining cost ("AISC"), as defined by the World Gold Council, estimated at US$611 per AuEq;

The optimized mining plan used in the PEA envisions an initial open pit generating immediate revenues to fund underground development. Underground ("UG") production begins in the second year with the open pit operating over an additional 7 years at a reduced output to supplement UG production to a total of 2,500 tonnes per day over the course of a 13-year total mine life. Total gold production is estimated at 1.14 million ounces of gold and 2.0 million ounces of silver. Initial capital to fund construction is estimated at CAD$133.2 million with an additional CAD$132.5 million in sustaining capital over the LOM primarily to fund the underground expansion.

The mine is proposed to produce an average head grade of 3.81 g/t gold and 10.55 g/t silver with Open Pit and UG mining producing average grades of 1.58 g/t and 4.87 g/t of gold, respectively. The infill diamond drilling programs completed to date since the PEA in 2012 (the "2012 PEA") have resulted in improved project economics and overall confidence in the mine plan. The stripping ratio of waste rock to mill feed has been reduced to 6:1, which represents a 35% improvement over the 2012 PEA. This stripping ratio does not include pre-production stripping of approximately 1.3 million metres cubed of overburden material.

Underground production is envisioned to be carried out at an average rate of 1,600 tonnes per day using the long hole stoping method on 30 metre sublevels. Average underground operating costs have been estimated at $77/tonne, a 28 per cent increase over the cost assumption in the 2012 PEA. The full Updated Preliminary Economic Assessment – April 2017 was filed on SEDAR on April 17, 2017 (www.sedar.com).

The Mineral Resource Estimate Sensitivity Data examines the higher grade Mineral Resource potential at open pit and underground cut-off grade of 3.0 g/t AuEq and 0.70 g/t AuEq, respectively.

5.2 Lara Polymetallic Project

The Lara Polymetallic Project (the "Lara Project"), located in the southern region of Vancouver Island, lies about 75 km north of Victoria, 15 km northwest of Duncan and about 12 km west of the Village of Chemainus, Victoria Mining Division, British Columbia, Canada. The Company inherited the Lara Project in early 2008, as part of the spin-out from Laramide and since then had been seeking a purchaser or joint venture partner for this non-core project.

5.3 Goldeye Explorations Limited

On November 24, 2016, the Company closed the acquisition of all of the issued and outstanding common shares of Goldeye Explorations Limited ("Goldeye") a public company incorporated in Ontario, Canada that holds certain properties. The Company, through Goldeye Explorations (a 100% owned subsidiary), acquired the following projects and NSR:

- Weebigee Project
- Van Hise Project – Larder Lake Mining Division, Ontario.
- English Township NSR – Larder Lake Mining Division, Ontario.
- SoniaPuma NSR – Region V, Chile in 2015.
- McFaulds Lake NSR – Thunder Bay Mining Division, Ontario.
- MacMurchy Township NSR – Larder Lake Mining Division, Ontario

The primary property is the Weebigee Project and the Company currently plans to maintain the other properties but has not budgeted for significant exploration on those properties.

Weebigee Project

The Weebigee Project is located near Sandy Lake, north of Red Lake in Northwestern Ontario. The Company holds a 100% interest in the property, which comprises 225 claims. Certain claims are subject to a 1% NSR that is held by a former director of the Company. On November 12, 2013, the Company entered into an exploration agreement with Sandy Lake First Nations ("SLFN") with respect to the Company's exploration of the Weebigee Project. This exploration agreement was renewed for a two-year period on the same terms commencing on November 12, 2014. This agreement was renewed on the same terms for a further two-year period.

On April 15, 2015, Goldeye entered into an option agreement (the "GPM Option Agreement") with GPM Metals Inc. ("GPM") whereby GPM has an option to earn a 50.1% interest in the Weebigee Project by paying a total of $550,000 in cash ($50,000, $100,000, $150,000 and $250,000 received in 2015, 2016, 2017 and 2018 respectively) and $25,000 in shares (issued in 2015) to Goldeye over a period of four years. GPM must also complete a minimum of $5,000,000 in exploration expenditures over a four-year term. In addition, if the first option is exercised, GPM will have the option to earn an additional 19.9% interest by either funding a bankable feasibility study, or at GPM's option, paying Goldeye an additional $1,500,000 in cash and completing a minimum additional $3,000,000 in exploration expenditures over the next two years. This option agreement is subject to the terms of the exploration agreement signed between Goldeye and GPM on November 12, 2013.

Subsequent to the GPM Option Agreement, GPM with support and assistance from Goldeye, staked additional claim units (the "Additional Interest") at Weebigee. On September 3, 2015, Goldeye elected, pursuant to the GPM Option Agreement to have the Additional Interest included as part of the Weebigee property. In April 2016, the Company received $100,000 pursuant to the option agreement with GPM. Goldeye tendered to GPM the amount required to pay for its share of the costs of the Additional Interest but GPM refused to accept the payment on the purported ground that Goldeye had forfeited its rights to the Additional Interest due to untimely payment of such amount. In July 2016, GPM sold its interest in the Weebigee property to Sandy Lake Gold Inc. Subsequent to the acquisition of Goldeye, issues arising from the Option Agreement went through an arbitration process that resulted in a decision that a Force Majeure event had occurred and, therefore, the first year's expenditure deadline was extended, the first year's expenditure requirement was met, and that Goldeye had not met the conditions to participate in specific additional property purchases. On January 16, 2019 the Arbitration Panel ruled that SLG is entitled to a costs award of $926,960.03. During the course of the above-described arbitration, SLG brought a counterclaim against Goldeye for $2,000,000 plus pre-judgment and post-judgment interest and costs on a full indemnity basis for breach of contract, including breach of certain representations, warranties, and covenants. No further steps have been taken by SLG to advance the counterclaim so full discovery has not yet taken place. Accordingly, no amounts have been recorded in the consolidated financial statements related to this matter.

Weebigee is a large, relatively unexplored property which covers the most prospective portions of the Sandy Lake Greenstone belt, with similarities to the geology in the Red Lake District. In the Northwest Arm area, numerous gold showings occur within shoreline exposures of quartz-rich felsic pyroclastic units, proximal to a major deformation zone that crosses a folded ultramafic unit under the lake. Where high strain zones are evident, the felsic units show hydrothermal biotite-silica alteration, quartz veining and patchy to pervasive silica flooding, along with the development of distinct blue quartz eyes. It should be noted that much of the geology is obscured by shallow lakes and clay deposits, and the main deformation zones have never been drill tested. In the past, shoreline mapping/prospecting located a number of auriferous quartz tourmaline veins and silicified zones controlled by mafic-ultramafic dyke filled splays or high strain zones crosscutting regional foliations. Crack and seal textures, drag folded and dismembered veins, multi-stage quartz veining and local strong silica replacement zones indicate that hydrothermal alteration occurred during periods of active brittle-ductile deformation along the high strain zones. Geophysics and recent drilling indicates that a folded ultramafic horizon is located just offshore of several of these auriferous high strain zones. Previous drilling (1988 and earlier) was limited to short holes targeting quartz tourmaline veins on the Bernadette, Wavano and Tully showings. Drilling indicated that the vein hosted gold mineralization persisted to depth, but was generally narrow where intersected (gold intercepts of 7.5 g/t over 0.8 metres, 27 g/t over 0.1 metres and 25.9 g/t over 0.1 metres). Wider zones of auriferous silicification and biotite alteration had seen limited chip sampling (e.g. Knoll zone); at Knoll, two historic chip samples had been taken along a sample line across the zone, returning gold values of 19.3 and 8.2 g/t over a total composite length of 5.5 metres. This area was the focus of the 2013 channel sampling and mapping programs, which confirmed the high grade nature of the showing (individual 0.3 m channels assayed 20.9, 22.0 and 34.1 g/t) as well as much more widespread highly anomalous gold mineralization (27 gold channel sample assays greater than 1 g/t). Several 2 to 5 metre wide areas of the Knoll zone show complete silica-biotite replacement of the quartz crystal tuff units, indicating a widespread, long-lived structural and hydrothermal event.

On May 7, 2016 Goldeye received an exploration permit from Ontario's Ministry of Northern Development and Mines ("MNDM"). The permit was valid through May 6, 2016. On August 10, 2016, MNDM issued a new permit valid through August 9, 2019. The permit can be renewed for an additional three-year period.

The other areas of interest on the Weebigee project include Sandborn Bay, which hosts numerous Cu-Zn showings, some with highly elevated silver values in cherty and cordierite-rich horizons. The Canoxy area and Tully and Tully West showings host gold mineralization related to sulphide and sulphidized iron formation.

<u>Gold Rock Project, Kenora Mining Division, Ontario</u>

The Company's 100% owned Gold Rock Project is located near Dryden, Ontario and comprises two properties, the Gold Rock property, consisting of 20 claims and the Thunder Cloud property consisting of one claim.

West Shining Tree Project – Larder Lake Mining Division, Ontario

The West Shining Tree Project consists of 53 claims in Fawcett, Leonard, MacMurchy and Tyrell townships, near Timmins in Northeastern Ontario. 52 of the claims are 100% owned by Goldeye and one claim is 50% owned by Goldeye and 50% owned by third parties. The property is subject to NSR ranging from 2% to 3% on certain claims in this area. On August 6, 2014, Goldeye received $30,000 from Creso Resources Inc. ("Creso") as settlement towards the dispute relating to Creso's termination of an option agreement on February 1, 2012. The option agreement was originally entered into in January 2010 whereby the Company optioned up to 75% of 23 claims in Tyrrell Township in the Shining Tree Project to Creso.

6. DIVIDENDS

No dividends on the Common Shares have been paid to date. The Company anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

7. DESCRIPTION OF SHARE STRUCTURE

Authorized Share Capital

The Company is authorized to issue an unlimited number of Common Shares of which 145,090,001 Common Shares are issued and outstanding as of the date of this AIF.

In addition, as at December 31, 2018, the Company has 31,672,789 Common Shares reserved for issuance upon the exercise of 26,247,789 Common Share purchase warrants and 5,425,000 options of the Company.

Common Shares

Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of shareholders and to receive the remaining property of the Company upon dissolution.

Shares Reserved For Future Issuance

As at the close of business on December 31, 2018, the Company had the following outstanding warrants:

Date of Expiry	Type	No. of Warrants	Exercise Price $
January 13, 2019	Warrants	212,500	$0.45
January 13, 2019	Warrants	505,286	$0.55
May 15, 2019	Warrants	6,200,000	$0.95
May 15, 2019	Agent Warrants	573,575	$0.65
May 18, 2019	Warrants	4,170,666	$0.70
May 18, 2019	Financier Warrants	750,000	$0.35
June 17, 2019	Warrants	250,000	$0.94
December 21,2019	Agent Warrants	381,000	$0.67

June 7, 2020	Warrants	300,000	$0.75
June 7, 2020	Warrants	400,000	$0.80
November 30, 2021	Financier Warrants	600,000	$0.40
June 25, 2023	Warrants	11,904,762	$0.60
Total			

The Company also had 5,425,000 options outstanding with an average weighted exercise price of $0.42, at December 31, 2018.

Date of Expiry	Type	No. of Options	Exercise Price $
January 16, 2019	Stock Options	150,000	$0.40
June 29, 2020	Stock Options	450,000	$0.62
September 18, 2020	Stock Options	4,825,000	$0.40
Total			

Options and warrants are likely to be exercised when the market price of the Company's Common Shares exceeds the exercise price of such options or warrants. The exercise price of such options or warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price when it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company's treasury will result in immediate dilution to existing shareholders.

8. MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "TML". The table below sets forth the high and low trading prices and volume for Common Shares traded through the TSX on a monthly basis for the period commencing on January 1, 2018 and ending on December 31, 2018.

	Price Range and Trading Volume		
2018	**High**	**Low**	**Volume**
January	0.355	0.21	1,861,243
February	0.25	0.21	1,168,670
March	0.32	0.23	2,822,612
April	0.37	0.29	998,161
May	0.40	0.325	1,489,874
June	0.53	0.395	1,385,715
July	0.48	0.375	3,425,577
August	0.46	0.395	1,661,990
September	0.57	0.425	1,953,685
October	0.58	0.50	1,202,386
November	0.58	0.52	1,055,668
December	0.67	0.55	1,368,588

For details on Warrants and Options outstanding as at December 31, 2018, see section 7 above on this document.

9. ESCROWED SECURITIES

No securities of the Company are subject to escrow as at the date hereof.

10. DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table and the notes thereto set out the name, municipality and country of residence of each director and executive officer of the Company; their current position and office with the Company; their respective principal occupation during the five preceding years; the date on which they were first elected or appointed as a director or officer of the Company: and their Director Classification, as at the date of this report. The term of office of the directors expires at the Company's next annual meeting of shareholders.

Name and Municipality of Residence	**Position with the Company**	**Director Since**	**Principal Occupation during the five preceding years(4)**	**Director Classification**
Marc Henderson (2)(4) Toronto, ON, Canada	Chairman and Director	August 2007	Mr. Henderson is a Director of the Company and non-executive Chairman of the board of directors. Mr. Henderson currently serves as the President, Chief Executive Officer and a Director of Laramide Resources Ltd. and has held this position since May 1995. He was previously (until December 2009) President and CEO of Aquiline Resources Inc. until the sale of that company to Pan American Silver. Mr. Henderson is also a Director and Interim CEO of Cypherpunk Holdings Inc.	Independent
Doug Bache (1)(3)(4) Burlington, ON, Canada	Director	August 2009	Mr. Bache is a Director of the Company, Chairman of the Audit Committee and member of the Corporate Governance and Nominating Committee. Mr. Bache is President of Maxum Capital Markets Inc., a private merchant bank that offers corporate finance and strategy advisory services primarily to mining companies. Mr. Bache is also a Director of Marathon Gold Corporation. He was president of Valencia Ventures Inc. from April 2006 to June 2008 and was a Director of Aberdeen International Inc. from January 2006 until September 2008. Mr. Bache was also Treasurer of North American Palladium Ltd. from August 2003 to December 2005.	Independent

Name and Municipality of Residence	**Position with the Company**	**Director Since**	**Principal Occupation during the five preceding years[(4)]**	**Director Classification**
William Fisher[(2)(4)] Toronto, ON, Canada	Director	February 2008	Mr. Fisher is a Director of the Company. Mr. Fisher is the Executive Chairman and CEO of GoldQuest Mining Corporation and a Director of Horizonte Minerals. He was a Director of PC Gold from 2008-2013. He also acted as Chief Executive Officer and director of GlobeStar Mining Corporation from August 2001 to February 2008. Mr. Fisher was also Chairman of the board of directors of Aurelian Resources Inc. which was sold to Kinross in September 2008.	Independent
Christophe Vereecke[(1)(2)(3)(4)] Paris, France	Director	December 2015	Mr. Vereecke is a director of the Company, an entrepreneur, and has been involved in the startup of several businesses including co-founder and former chief financial officer of Business Oil Platform, a physical oil trading and logistics company operating in Central and Eastern Europe. His current investment advisory firm specializes in private client fund management focused in the extractive industry, mine royalties, precious metals and the diamond markets. His finance background includes independent consultancy to wealth management and private equity sectors, and earlier in his career he was a sell side analyst.	Independent
Flora Wood[(1)(3)(4)] Toronto, ON, Canada	Director	January 2014	Ms. Wood is a Director of the Company and is currently Director, Investor Relations at Altius Minerals Corporation. She has led Investor Relations and Bondholder Communications activity for publicly traded companies for 15+ years, most recently at Sherritt International and Inmet Mining prior to its acquisition by First Quantum Minerals in 2013. Prior to that, she was with Aquiline Resources Inc. (2007 – 2009), and Laramide Resources (2007 – 2010).	Independent
Greg Ferron Toronto, ON, Canada	Interim CEO	Not Applicable	Mr. Ferron is the Interim CEO of Treasury Metals. Mr. Ferron is also the VP Corporate Development for Laramide Resources Ltd. Prior thereto he was the Vice President Corporate Development of Treasury Metals Inc. Previously, he was the Head of Global Mining, Business Development and Senior Listings Manager of Toronto Stock Exchange and TSX-Venture.	Not Applicable

Name and Municipality of Residence	Position with the Company	Director Since	Principal Occupation during the five preceding years(4)	Director Classification
Dennis Gibson Oakville, ON, Ontario	CFO	Not Applicable	Mr. Gibson is the Chief Financial Officer of the Company since July 1, 2010. He is also CFO of Laramide Resources Ltd. since 2006, and CFO of Cypherpunk Holdings Inc. since 2018. He is former Chief Financial Officer of Forrester Metals Inc., from September 2014 to June 2017, and prior thereto Vice-President, Chief Financial Officer and Corporate Secretary of Vector Intermediaries Inc.; and, former Chief Financial Officer of Aquiline Resources Inc. (2006-2009).	Not Applicable

(1) Member of the Company's Audit committee.
(2) Member of the Company's Compensation committee.
(3) Member of the Corporate Governance and Nomination Committee.
(4) Information provided by the individuals.

As a group, the directors and executive officers of the Company beneficially own, control or direct, or exercise control or direction, directly or indirectly, over 7,802,149 Common Shares representing approximately 5.38% of the Company's total issued and outstanding Common Shares.

Cease Trade Orders or Bankruptcies

To the Company's knowledge, except as disclosed below, none of the directors or executive officers is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or chief executive officer or chief financial officer of any company that:

(i) was the subject of an order (as defined in Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer,

other than Dennis Gibson who was a senior officer of Forrester Metals Inc. (formerly Vena Resources Inc.) ("Vena") when a cease trade order was made on April 5, 2016 by the OSC and on April 8, 2016 by the BCSC as a result of the failure of Vena to file and deliver to shareholders its annual financial statements for the year ended December 31, 2015. This management cease trade order was subsequently revoked by the OSC and by the BCSC following the filing of the financial statements as required.

Bankruptcies

To the Company's knowledge, none of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is at the date hereof, or has been within 10 years before the date of this AIF, a director or executive officer of any company 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

(b) has, within the 10 years before this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, no existing director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflict of Interest

Certain of the directors of the Company also serve as directors of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

11. AUDIT COMMITTEE INFORMATION

Multilateral Instrument 52-110 - Audit Committees ("MI 52-110") requires the Company to disclose annually in its Annual Information Form certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

11.1 Audit Committee

The Company's Audit Committee is directly responsible for overseeing the work of the auditors and must pre-approve all non-audit services, be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. The Audit Committee has not yet formally adopted a written charter, but intends to do so in compliance with MI 52-110. The full text of the proposed charter of the Company's Audit Committee is attached hereto as Appendix "A".

11.2 Composition of the Audit Committee

The current members of the Audit Committee are Mr. Bache, Mr. Vereecke, and Ms. Wood. All the members of the Audit Committee are considered to be "independent" and "financially literate" as defined in Multilateral Instrument 52-110 – *Audit Committees*.

The following table describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

Name of Member	Relevant Experience and Qualifications
Doug Bache (Chairman)	Mr. Bache holds a B.Math and Business Administration degree from the University of Waterloo. Mr. Bache has been involved in financing mining companies and has held financial management, executive officer and director positions with both major and junior mining companies (including Audit Committee and Corporate Governance memberships) for over 25 years.
Christophe Vereecke	Mr. Vereecke is an entrepreneur and has been involved in the startup of several businesses including co-founder and former chief financial officer of Business Oil Platform, a physical oil trading and logistics company operating in Central and Eastern Europe. Mr. Vereecke's current investment advisory firm specializes in private client fund management focused in the extractive industry, mine royalties, precious metals and the diamond markets. His finance background includes independent consultancy to the wealth management and private equity sectors, and earlier in his career he was a sell side analyst.
Flora Wood	Ms. Wood was a registered Investment Advisor prior to becoming an Investor Relations officer, and has maintained lead Investor Relations and bondholder relations roles for mid-cap issuers including her current role at Altius Minerals Corp. and prior to that Sherritt International, Harris Steel Group, Inmet Mining and Essar Steel Algoma.

11.3 Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

11.4 Audit Fees

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	Audit Fees(1)	Audit-Related Fees(2)	Tax Fees(3)	All Other Fees(4)
Year ended December 31, 2017	42,000	Nil	74,725	Nil
Year ended December 31, 2016	40,000	Nil	15,824	Nil

Notes:

(1) The aggregate audit fees billed.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Company's financial statements including prospectus filings, and are not included under "Audit Fees".

(3) The aggregate fees billed for services related to tax compliance, tax advice and tax planning. The services performed for the fees paid under this category may briefly be described as tax return preparation fees.

(4) The aggregate fees billed for services other than those reported above. The services performed for the fees paid under this category may briefly be described as flow-through accounting services.

12. PROMOTERS

To the best of the Corporation's knowledge, no person who was a promoter of the Corporation within the last two years:

(a) received anything of value directly or indirectly from the Corporation or a subsidiary; or
(b) sold or otherwise transferred any asset to the Corporation or a subsidiary within the last two years.

13. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management is not aware of any current or contemplated material legal proceedings to which the Company is a party or which any of its property is the subject. As a result of arbitration between the Company's 100% owned subsidiary Goldeye Explorations Ltd. and Weebigee Project Optionee Sandy Lake Gold, the Arbitration Panel's decision ruled on Jan. 16, 2019, that Sandy Lake Gold is entitled to a costs award of $926,690.03.

During the course of this arbitration, Sandy Lake Gold brought a counterclaim against Goldeye for $2,000,000 plus pre-judgment and post-judgment interest and costs on a full indemnity basis for breach of contract, including breach of certain representations, warranties and covenants. No further steps have been taken by Sandy Lake Gold to advance the counterclaim so full discovery has not yet taken place.

Management is not aware of any penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

There have not been any sanctions, penalties, or settlement agreements imposed by a court or regulatory body relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2018.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company.

15. TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is TSX Trust Company at its Toronto office located at Suite 301, 100 Adelaide St. West, Toronto, Ontario M5H 4H1.

16. MATERIAL CONTRACTS

There are no contracts that may be considered material to the Company, other than contracts entered into in the ordinary course of business, that have been entered into by the Company in the past fiscal year or that have been entered into by the Company in a previous fiscal year and are still in effect.

17. INTEREST OF EXPERTS

Technical information related to the PEA contained in this report has been reviewed and approved by Douglas Roy, M.A.Sc., P.Eng., an Associate Mining Engineer with CSA Global, who is an independent Qualified Person as defined by NI 43-101, with the ability and authority to verify the authenticity and validity of this data. The PEA technical has been filed on SEDAR on April 17, 2017. Technical information has also been reviewed and approved by Mark Wheeler, P. Eng., Director Projects, who is a

Qualified Person for the Goliath Gold Project under the definitions established by NI 43-101.

The 2015 Mineral Resource Estimate, dated effective August 28, 2015 and filed on SEDAR on Oct. 9, 2015, was undertaken are Eugene J. Puritch, P.Eng., President of P&E Mining Consultants Inc., Paul Dunbar, P.Geo., independent consultant, Yungang Wu, P.Geo., David Burga, P.Geo., Jarita Barry, P.Geo., Antoine Yassa, P.Geo., and Richard Sutcliffe, PhD, P.Geo., of P&E Mining Consultants Inc. and Alfred S. Hayden, P.Eng., President of EHA Engineering Ltd.. The authors are independent Qualified Persons as defined by NI 43-101, with the ability and authority to verify the authenticity and validity of this data. To the best knowledge of the Company, none of the foregoing persons, has any registered or beneficial interest, direct or indirect in any securities or other property of the Company or of any associates or affiliates of the Company, nor do they expect to receive or acquire any such interests.

The auditors of the Company are RSM Canada LLP (formerly Collins Barrow LLP, Chartered Accountants) Toronto, Ontario and are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario. To the knowledge of the Company, none of the partners and associates of RSM Canada LLP have any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or of any associates or affiliates of the Company, nor do they expect to receive or acquire any such interests.

18. ADDITIONAL INFORMATION

Additional information relating to the Company filed under its continuous disclosure obligations is available on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the management information circular of the Company for its most recent meetings of shareholders that involved the election of directors. Additional financial information is provided in the financial statements of the Company and management's discussion and analysis for its most recently completed financial year.

APPENDIX "A"

TREASURY METALS INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Overall Purpose and Objective

The audit committee (the "Committee") will assist the directors (the "Directors") of Treasury Metals Inc. (the "Company") in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will review the financial accounting and reporting process of the Company, the system of internal controls and management of the financial risks of the Company and the audit process of the financial information of the Company. In fulfilling its responsibilities, the Committee should maintain an effective working relationship with the Directors, management of the Company and the external auditor of the Company, as well as monitor the independence of the external auditor.

Authority

1. The audit committee shall have the authority to:
    - (a) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;
    - (b) set and pay the compensation for any advisors employed by the Committee;
    - (c) communicate directly with the internal and external auditor of the Company and require that the external auditor of the Company report directly to the Committee; and
    - (d) seek any information considered appropriate by the Committee from any employee of the Company.
2. The Committee shall have unrestricted and unfettered access to all personnel and documents of the Company and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

Membership and Organization

1. The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements ("Applicable Laws"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws, including in the case of the term "independent" the terms "outside" and "unrelated" to the extent such latter terms are applicable under Applicable Laws.
2. The chairman of the Committee will be appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgment.
3. The secretary of the Committee will be the Secretary of the Company or such other person as is chosen by the Committee.

4. The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.

5. The Committee may invite the external auditor of the Company to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Company.

6. The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee or the external auditor of the Company may call a meeting of the Committee at any time upon 48 hours prior written notice.

7. All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.

8. Minutes shall be kept in respect of the proceedings of all meetings of the Committee.

9. No business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.

10. The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

Roles and Responsibilities

1. To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall recommend to the Directors:

   (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, and

   (b) the compensation to be paid to the external auditor of the Company;

   (c) review the proposed audit scope and approach of the external auditor of the Company and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;

   (d) meet separately and periodically with the management of the Company, the external auditor of the Company and the internal auditor (or other personnel responsible for the internal audit function of the Company) of the Company to discuss any matters that the Committee, the external auditor of the Company or the internal auditor of the Company, respectively, believes should be discussed privately;

   (e) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor of the Company regarding any financial reporting matter and review the performance of the external auditor of the Company;

   (f) review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Company;

   (g) review audit issues related to the material associated and affiliated entities of the Company that may have a significant impact on the equity investment therein of the Company;

   (h) meet with management and the external auditor of the Company to review the annual financial statements of the Company and the results of the audit thereof;

(i) review and determine if internal control recommendations made by the external auditor of the Company have been implemented by management of the Company;

(j) pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company provided that the other members of the Committee are informed of each such non-audit service;

(k) consider the qualification and independence of the external auditor of the Company, including reviewing the range of services provided by the external auditor of the Company in the context of all consulting services obtained by the Company;

(l) consider the fairness of the interim financial statements and financial disclosure of the Company and review with management of the Company whether,

    (i) actual financial results for the interim period varied significantly from budgeted or projected results,
    (ii) generally accepted accounting principles have been consistently applied,
    (iii) there are any actual or proposed changes in accounting or financial reporting practices of the Company, and
    (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;

(m) review the financial statements of the Company, management's discussion and analysis and any annual and interim earnings press releases of the Company before the Company publicly discloses such information and discusses these documents with the external auditor and with management of the Company, as appropriate;

(n) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Company of financial information extracted or derived from the financial statements of the Company, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;

(o) establish procedures for:

    (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
    (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters relating to the Company;

(p) review and approve the hiring policies of the Company regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;

(q) review the areas of greatest financial risk to the Company and whether management of the Company is managing these risks effectively;

(r) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Company;

(s) review any legal matters which could significantly impact the financial statements of the Company as reported on by counsel and meet with counsel to the Company whenever deemed appropriate;

(t) institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;

(u) at least annually, obtain and review a report prepared by the external auditor of the Company describing: the firm's quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Company;

(v) review with the external auditor of the Company any audit problems or difficulties and management's response to such problems or difficulties;

(w) discuss the Company's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and

(x) review this charter and recommend changes to this charter to the directors from time to time.

Communication With Directors

1. The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.

2. The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.

APPENDIX "B"

GLOSSARY OF TECHNICAL TERMS

In this Annual Information Form:

Ag	means silver;
As	means arsenic;
Au	means gold;
Bi	means bismuth;
Cu	means copper;
Feasibility Study	means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Preliminary Feasibility Study;
g/t	means grams per tonne;
Hg	means mercury;
Indicated Mineral Resource	means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonable assumed;
Inferred Mineral Resources	means that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;
lb	means pound;

m	means metre;
Mo	means molybdenum;
Measured Mineral Resource	means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity;
Mineral Reserves	means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. The term "Mineral Reserve" need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received;
Mineral Resource	means a concentration or occurrence of base and precious metals, natural solid inorganic material, or natural solid fossilized organic material including coal and diamonds in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability;

NI 43-101	means Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects;
ounce	means troy ounce;
Preliminary Economic Assessment	means the study entitled the "Preliminary Economic Assessment Update on the Goliath Gold Project, Kenora Mining Division, Ontario", prepared by CSA Global Canada Geosciences Ltd (CSA Global) with contributions from P&E Mining Consultants Inc. (P&E) of Brampton Ontario at the request of Mr. Chris Stewart, President and CEO of Treasury Metals Inc., and which includes an economic analysis of the potential viability of a Mineral Resource;
Preliminary Feasibility Study	means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve;
Proven Mineral Reserve	means the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. Such study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified;
Pb	means lead;
Qualified Person	means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association;
Sb	means antimony;
ton	means 2,000 pounds;
tonne	means metric tonne, equaling 1,000 kilograms;
tpd	means tonnes per day; and
Zn	means zinc.