TREASURY METALS

INCORPORATED

(An exploration stage company)

Unaudited Financial Statements

Three Month Period Ended March 31, 2010

Notice to Reader

Management has compiled the unaudited interim financial information of Treasury Metals Inc. consisting of the interim Balance Sheet as at March 31, 2010 and the interim Statements of Operations and Deficit, Comprehensive Income and Accumulated Comprehensive Loss and Cash Flows for the three months ended March 31, 2010. All amounts are stated in Canadian Dollars. An accounting firm has not reviewed or audited this interim financial information.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited financial statements of Treasury Metals Inc. were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the December 31, 2009 and 2008 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the period end unaudited interim financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Corporation's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over its financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on "Internal Control Over Financial Reporting – Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2010.

CONCLUSION RELATING TO DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of management, including the Chief Executive and Chief Financial Officers, of the effectiveness of the Company's disclosure controls and procedures as defined in the Multilateral Instrument 52-109. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective as at March 31, 2010.

"Scott Jobin-Bevans" "signed"
Chief Executive Officer

"James Fairbairn" "signed"
Chief Financial Officer

Treasury Metals Inc.
(An exploration stage company)

Balance Sheets

As at,		March 31, 2010		December 31, 2009
Assets		**(Unaudited)**		Audited
Current Assets				
Cash and cash equivalents	$	**656,670**	$	1,278,652
Accounts receivable and other assets		**120,784**		130,702
		777,454		1,409,354
Investments (Note 5)		**1,976,972**		1,750,105
Mineral properties and related deferred costs (Note 6)		**36,997,796**		36,461,765
	$	**39,752,222**	$	39,621,224
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9 (i, ii, & iii))	$	**330,992**	$	634,301
Due to Laramide Resources Ltd.(Note 9 (ii))		**3,958**		3,958
		334,950		638,259
Future tax liability (Note 10)		**1,200,000**		950,000
Shareholders' Equity				
Capital stock (Note 7 (a))		**41,837,357**		41,826,205
Shares to be issued (Note 7 (b))		**37,500**		-
Contributed surplus (Note 8)		**1,514,564**		1,596,841
Deficit		**(3,839,035)**		(3,830,100)
Accumulated other comprehensive loss		**(1,333,114)**		(1,559,981)
		38,217,272		38,032,965
	$	**39,752,222**	$	39,621,224

Commitments (Note 11)

Approved by the Board of Directors:

"Doug Bache" "signed"
Director

"Marc Henderson" "signed"
Director

The accompanying notes are an integral part of these unaudited financial statements.

Treasury Metals Inc.
(An exploration stage company)

Statements of Operations and Deficit

Three Month Period Ended March 31,		2010		2009
		(Unaudited)		(Unaudited)
Revenue				
Royalty income - net	$	**162,136**	$	113,349
		162,136		113,349
Expenses				
Administrative, office and shareholder services		**109,559**		127,845
Professional fees		**43,793**		111,945
Salary and benefits		**11,719**		26,089
Stock-based compensation (Note 7 (c))		**6,000**		-
		171,071		265,879
Loss before income taxes		**(8,935)**		(152,530)
Future income tax recovery (Note 10)		**-**		82,232
Net loss		**(8,935)**		(70,298)
Deficit, beginning of period		**(3,830,100)**		(3,123,617)
Deficit, end of period		**(3,839,035)**		(3,193,915)
Loss per share-basic and fully diluted	$	**(0.00)**	$	(0.00)
Weighted average number of shares outstanding		**34,656,605**		26,788,115

The accompanying notes are an integral part of these unaudited financial statements.

Treasury Metals Inc.
(An exploration stage company)

Statements of Comprehensive Income
and Accumulated Comprehensive Loss

Three Month Period Ended March 31,	2010	2009
	(Unaudited)	(Unaudited)
Net loss	$ (8,935)	$ (70,298)
Other comprehensive income		
Change in unrealized loss on investments	226,867	300,635
	226,867	300,635
Comprehensive income	$ 217,932	$ 230,337

Three Month Period Ended March 31,	2010	2009
	(Unaudited)	(Unaudited)
Accumulated comprehensive loss, beginning of period	$ (1,559,981)	$ (3,342,997)
Other comprehensive income for the period	226,867	300,635
Accumulated comprehensive loss, end of period	$ (1,333,114)	$ (3,042,362)

The accompanying notes are an integral part of these unaudited financial statements.

Treasury Metals Inc.
(An exploration stage company)

Statements of Cash Flows

Three Month Period Ended March 31,		**2010**		2009
		(Unaudited)		(Unaudited)
Operating Activities				
Net loss	$	**(8,935)**	$	(70,298)
Adjustments to reconcile net loss to cash flow from operating activities:				
Future income tax recovery		**-**		(82,232)
Stock-based compensation		**(6,138)**		-
Net change in non-cash working capital items:				
Accounts receivable and other assets		**9,918**		254,614
Accounts payable and accured liabilities		**(303,309)**		21,119
Cash flow provided from (used in) operating activities		**(308,464)**		123,203
Financing Activities				
Due to Laramide Resources Ltd.		**-**		24,886
Shares to be issued		**37,500**		24,886
Warrants and options exercised		**185,013**		-
Cash flow provided from financing activities		**222,513**		49,772
Investing Activities				
Acquisitions of mineral properties and related deferred costs		**(536,031)**		(63,259)
Cash flow used in investing activities		**(536,031)**		(63,259)
Net increase (decrease) in cash and cash equivalents		**(621,982)**		109,716
Cash and cash equivalents, beginning of period		**1,278,652**		165,848
Cash and cash equivalents, end of period	$	**656,670**	$	275,564
Supplementary Cash Flow Information:				
Changes in non-cash investing and financing activites:				
Shares issued for purchase of mineral properties	$	**-**	$	-

The accompanying notes are an integral part of these financial statements.

1. *Nature of Operations*

Treasury Metals Inc. (the "Company" or "Treasury Metals") is incorporated under the laws of Ontario. The mineral properties of Treasury Metals are all in the exploration stage and, on the basis of information to date, do not yet have economically recoverable reserves. The recoverability of the amounts shown in the balance sheets for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in its properties and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the properties.

2. Summary of Significant Accounting Policies

Future Accounting Pronouncements

Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS is currently being evaluated.

Business combinations, financial statements & Non-controlling interests

In October 2008, the CICA issued Sections 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". Section 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601 carries forward the existing Canadian guidance on aspects of the preparation of financial statements subsequent to acquisition other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company in the first quarter of fiscal 2011 with earlier adoption permitted. The Company does not expect that the adoption of these new Sections will have a material impact on its financial statements.

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three month period ended March 31, 2010. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, contributed surplus, accumulated other comprehensive loss and deficit, which as at March 31, 2010 totaled $38,217,272 (December 31, 2009 - $38,032,965).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.

4. Financial Risk Factors

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in other assets consist of receivables from unrelated companies. Management believes that the credit risk concentration with respect to financial instruments included in other assets is remote.

The Company has cash and non interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

4. ***Financial Risk Factors*** (continued)

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company’s current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company and its operations and financial performance.

Market Risk

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its investments. The Company's other financial instruments (cash, accounts receivable, accounts payable and accrued liabilities) are not subject to price risk

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has no material currency exposure at March 31, 2010.

Fair Value

The Company has, designated its cash and cash equivalents as held-for-trading and investments as available for sale, which are measured at fair value. Fair value of investments are determined based on transaction value and is categorized as Level 1 measurement. Accounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Accounts payable and accrued liabilities and amounts due to Laramide Resources Ltd. are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value. Fair values of accounts receivable, accounts payable and accrued liabilities and amounts due to Laramide are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements.

As at March 31, 2010, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2010, the Company had current assets of $777,454 (December 31, 2009 - $1,409,354) and current liabilities of $334,950 (December 31, 2009 - $638,259). All of the Company’s financial liabilities and receivables have contractual maturities of less than one year and are subject to normal trade terms. Current working capital of the Company as of March 31, 2010, is $442,504 (December 31, 2009 - $771,095).

4. *Financial Risk Factors* (continued)

Sensitivity Analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Interest rate risk on cash equivalents is minimal as these have fixed interest rates.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

(i) The Company transacts business using the Canadian dollar, and the US dollar and maintains bank accounts in both currencies. As a result, fluctuations in the US dollar against the Canadian dollar could result in unanticipated fluctuations in the financial results of the Company. As at March 31, 2010, if foreign exchange rates had fluctuated by 10% with all other variables held constant, the loss for the three month period ended March 31, 2010 would be changed by $12,000, as a result of a change in foreign exchange gain/loss from cash and cash equivalents.

(ii) The Company's investments are subject to fair value fluctuations. As at March 31, 2010, if the fair value of investments had fluctuated by 10% with all other variables held constant, comprehensive income for three month period ended March 31, 2010 would have changed by $198,000.

5. Investments

The Company's investments are carried at fair value and are comprised of the following:

	Number of Shares		**March 31, 2010**	Number of Shares		Dec 31, 2009
Tiomin Resources Inc. (1)	**-**	$	**-**	2,242,990	$	56,075
Vaaldiam Resources Inc. (1)	**224,298**		**87,476**	-		-
Sierra Minerals Inc.	**6,515,500**		**1,889,496**	6,515,000		1,694,030
		$	**1,976,972**		$	1,750,105

(1) During the three month period ended March 31, 2010, Tiomin shares were exchanged into shares of Vaaldiam Resources Inc. at a rate of one Vaaldiam share for every ten shares outstanding ofTiomin Resources Inc.

2) Subsequent to March 31, Sierra rolled back its shares on a 1 for 2.85 bases and changed its name to Goldgroup Mining Inc.

6. Mineral Properties and Deferred Exploration Expenditures

A detailed breakdown of the Company's mineral properties and deferred exploration expenditures by property is as follows:

	Cerro Colorado Gold Mine	Goliath Gold Project	Lara - BC	Total
Balance, December 31, 2008	$ 11,591	$ 30,960,942	$ 4,010,874	$ 34,983,407
Additions 2009	(11,591)	1,404,855	85,094	1,478,358
Balance, December 31, 2009	**-**	**32,365,797**	**4,095,968**	**36,461,765**
Additions 2010	**-**	**532,940**	**3,091**	**536,031**
Balance, March 31, 2010	**$ -**	**$ 32,898,737**	**$ 4,099,059**	**$ 36,997,796**

Cerro Colorado Gold Mine, Mexico

In 2007, the Company acquired from Laramide a sliding production royalty based on gold prices and the aggregate production from a mine, less direct selling costs. On the first 100,000 ounces produced, Treasury Metals will receive a 2.0% sliding production royalty ("NSR") if gold prices are below US$350 per ounce and a 2.5% sliding production royalty if prices are above US$350 per ounce. Once cumulative production exceeds 100,000 ounces gold, the royalty rate is 2.5% and escalates to 3.0% if the gold price is above US$350 per ounce.

Goliath Gold Project

The Goliath Gold Project is located in the Kenora Mining Division in north-western Ontario, 20 km east of the City of Dryden and 325 km northwest of the port City of Thunder Bay.

The Goliath Gold Project consists of 134 contiguous unpatented mining claims (234 units) and 17 patented land parcels. The total area of the Project is approximately 5,328 hectares (~53 km^2) covering portions of Hartman and Zealand townships. The Project comprises two historic properties which are now consolidated: the larger Thunder Lake Property, purchased from Teck Resources ("Teck") and Corona Gold Corporation ("Corona") and the Laramide Property, transferred to the Company from Laramide. The Project area has been expanded from its original size through additional claim staking and land purchases/options. Certain underlying royalties and payment obligations remain on 15 of the 17 patented land parcels totaling about $108,000 per year.

The Goliath Gold Project comprises three underlying properties: the Laramide Property, Thunder Lake Property and the Brisson Property.

Laramide Property, Ontario

In 2007, the Company acquired from Laramide a 100% interest in certain parcels of land, including surface and mineral rights totalling 411 acres in 3 patented land parcels, located in Zealand Township near Dryden, Ontario (collectively the "Laramide Property"). This interest is subject to a 2.0 - 2.5% NSR retained by the owners.

6. Mineral Properties and Deferred Exploration Expenditures (continued)

Thunder Lake Property, Ontario

In 2007, the Company and Laramide finalized and signed an agreement pursuant to which, Treasury Metals purchased 100% of Corona's and Teck's respective interests in the Thunder Lake West, Thunder Lake East and certain adjacent properties in and around Dryden, Ontario (collectively the "Thunder Lake Property").

Brisson Property, Ontario

In December 2009, the Company acquired a 100% interest in certain parcels of land in the District of Kenora. Under the terms of the agreement, the Company is to make option payments totaling $100,000 and issue common shares of the Company equal to $100,000 based on the market price of the date issue. These payments are required as follows $25,000 and $25,000 worth of common shares on or before December 11, 2009; $20,000 and $25,000 worth of common shares on or before December 11, 2010; $20,000 and $25,000 worth of common shares on or before December 11, 2011; and, $35,000 and $25,000 worth of common shares on or before December 11, 2012. As at March 31, 2010 and December 31, 2009, the Company had paid $25,000 and issued 59,524 common shares of the Company with a market value of $25,000.

Lara Polymetallic Project, British Columbia

In 2007, the Company acquired from Laramide a 100% interest in and to the Lara Property located in the Victoria Mining Division, near Chemainus on southern Vancouver Island, British Columbia. The Lara Polymetallic Project, of which a portion was formerly owned by Laramide, comprises 47 mineral claims covering approximately 8,648 hectares (~87 km^2).

The Company is committed to a 1.0% smelter return royalty, held by Argus Metals Corp. (formerly Bluerock Resources Ltd) on 8 of the mineral claims, historically known as the Chemainus claims, located on Vancouver Island.

7. Capital Stock

(a) Common Shares

Treasury Metals' authorized share capital consists of an unlimited number of Common shares.

The issued and outstanding Common shares are as follows:

	Number of Shares		Stated Value
COMMON SHARES			
Balance, December 31, 2008	26,788,715	$	41,637,509
Issued for cash consideration:			
Issued for cash consideration:			
Private placement - May	4,267,500		853,500
Flow through private placement - December	2,222,222		999,999
Warrants exercised	125,000		37,500
Issued for non-cash consideration:			
Issued with respect to property allocations	995,155		258,650
Commission on private placement non-cash	200,000		34,000
Share issue costs net of future income tax benefits	-		(73,000)
Future tax liability pursuant to flow through shares renunciation	-		(1,603,000)
Fair value assigned to agent warrants issued	-		(45,000)
Fair value assigned to warrants issued	-		(291,000)
Fair value of contributed surplus transferred on exercise of warrants	-		17,047
Balance, December 31, 2009	**34,598,592**		**41,826,205**
Issued for cash consideration:			
Warrants exercised	**511,250**		**160,875**
Options exercised	**40,000**		**12,000**
Future tax liability pursuant to flow through shares renunciation	**-**		**(250,000)**
Fair value of contributed surplus transferred on exercise of warrants and options	**-**		**88,277**
Balance, March 31, 2010	**35,149,842**	**$**	**41,837,357**

7. Capital Stock (continued)

Private Placement – 2009

On May 22, 2009, the Company completed a non-brokered private placement financing by issuing 4,267,500 units at a price of $0.20 per unit for aggregate proceeds of $853,500. Each unit consists of one common share and one-half of one common share purchase warrant of the Company expiring in an eighteen month period. Each whole warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.30. In addition, the Company paid a cash finders fee of $3,000 and 200,000 common shares valued at $34,000.

A fair value of $291,000 was allocated to the warrants under the Black-Scholes option pricing model using the following assumptions: dividend yield 0%; expected volatility 234.40%; a risk free rate of 1.15% and an expected life of eighteen months.

On December 21, 2009, the Company completed a non-brokered private placement financing by issuing 2,222,222 flow-through common shares at a price of $0.45 per flow-through common share for aggregate proceeds of $999,999. In addition, the agent was paid a cash commission equal to 6% of the gross proceeds and was granted 133,333 finders warrants. Each finders warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.45 for two years.

A fair value of $45,000 was allocated to the broker options under the Black-Scholes option pricing model using the following assumptions: dividend yield 0%; expected volatility 192.66%; a risk free rate of 1.36% and an expected life of two years.

Shares Issued with Respect to Property Allocations

Under the terms of the agreement to acquire the Thunder Lake Property, the Company is required to issue common shares of the Company to Corona and Teck to ensure that they maintain their ownership interests in the Company at 10% and 2.27% respectively, until such time that the Company has received $7.5 million in private placement financings. During the period ended March 31, 2010, the Company issued Nil (December 31, 2009 – 935,631) shares with a fair value of $Nil (December 31, 2009 – $233,650) under this agreement on private placement financings of $1,853,500 (December 31, 2009 – $1,853,500). As at March 31, 2010, in the event that the Company completes a private placement financing, the Company is obligated under this agreement to issue shares to Corona and Teck to ensure that they maintain their ownership interests in the Company at 10% and 2.27% respectively, on the next $494,504 (December 31, 2009 - $494,504) of private placement financing by the Company. In addition, under the terms of the Brisson property agreement (see note 6) the Company issued Nil (December 31, 2009 - 59,524) common shares of the Company with a market value of $Nil (December 31, 2009 - $25,000).

(b) Warrants

The outstanding Issued Warrants balance at March 31, 2010, is comprised as follows:

Date of Expiry	Type	No. of Warrants	Exercise Price $
July 2, 2010	Finders Warrants	161,077	2.00
July 2, 2010	Warrants	887,750	0.60
November 22, 2010 (i) (ii)	Warrants	1,522,500	0.30
December 21, 2011	Finders Warrants	133,333	0.45
Total		**2,704,660**	

(i) During the three month period ended March 31, 2010, the Company received proceeds of $37,500 for 125,000 warrants to be exercised at $0.30. These 125,000 shares were issued subsequent to the three month period ended March 31, 2010.
(ii) Subsequent to three month period ended March 31, 2010, the remaining warrants were all exercised for gross proceeds of $419,250.

(c) Options

Treasury Metals has a 10% rolling stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. As at March 31, 2010, the Company has 302,859 (December 31, 2009 – 395,484) options available for issuance under the plan. Continuity of the unexercised options to purchase common shares is as follows:

As at,	**March 31, 2010**		December 31, 2009	
	Weighted Average Exercise Price ($)	**No. of Options**	Weighted Average Exercise Price ($)	No. of Options
Outstanding at beginning of period/year	**0.30**	**3,157,000**	-	-
Transactions during the period/year:				
Granted	**-**	**-**	0.30	3,157,000
Exercised	**0.30**	**(40,000)**	-	-
Outstanding at end of period/year	**0.30**	**3,117,000**	0.30	3,157,000
Exercisable at end of period/year	**0.30**	**3,037,000**	0.30	3,047,000

The following table provides additional information about outstanding stock options at March 31, 2010:

Range of Exercise Prices ($)	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price ($)	No. of Options Currently Exercisable	Weighted Average Exercise Price ($) of Exercisable Options
0.30	**3,117,000**	**4.25**	**0.30**	**3,037,000**	**0.30**

150,000 options granted on September 17, 2009 vest 10% on grant date and 10% per month until fully vested. All other options issued in the year vested immediately.

7. Capital Stock (continued)

(c) Options (continued)

Stock-based compensation

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based compensation costs for the stock options issued during the three month period ended March 31, 2010:

Vesting of options issued in prior year	$	6,000
Stock based compensation -statement of operations	$	6,000

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based compensation costs for the stock options issued during the year ended December 31, 2009:

		June-23-09	Aug-10-09	Sept-17-09	Sept-17-09	Total
Number of options granted		2,842,000	150,000	150,000	15,000	
Risk-free interest rate		2.55%	2.66%	2.59%	2.59%	
Expected life years		5	5	5	5	
Expected volatility		212.73%	227.05%	203.82%	203.82%	
Exercise price	$	0.30	0.30	0.30	0.30	
Expected dividends		-	-	-	-	
Fair value of stock based compensation	$	698,000	25,000	30,000	3,000	756,000
Stock based compensation -statement of operations	$	698,000	25,000	8,000	3,000	734,000
Stock based compensation allocated to deferred costs	$	190,000	-	-	-	190,000

The weighted average grant-date fair value of options granted during the three month period ended March 31, 2010 was $Nil (December 31, 2009 – $0.24) per option issued.

8. Contributed Surplus

Balance at December 31, 2008	$	543,888
Fair value of issued options		734,000
Fair value of issued warrants		336,000
Fair value transferred on exercised warrants		(17,047)
Balance at December 31, 2009		**1,596,841**
Vesting of fair value of issued options - 2009		**6,000**
Fair value transferred on exercised warrants and options		**(88,277)**
Balance at March 31, 2010	**$**	**1,514,564**

9. Related Party Transactions and Balances

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other exploration related services to Treasury Metals.

i) Treasury Metals was charged $102,559 for the three month period ended March 31, 2010 (2009 - $12,000) by a company which an officer and director has an interest. This company provides technical and professional services. These charges are all included in mineral properties and related deferred costs. Included in accounts payable at March 31, 2010, there is an amount of $34,556 (December 31, 2009- $40,599) with respect to these services.

ii) At March 31, 2010, $3,958 was due to Laramide (December 31, 2009 – $3,958). The amounts due to Laramide are the result of expenses paid by Laramide on behalf of Treasury Metals. Laramide charged $17,703 for the three month period ended March 31, 2010 (2009 - $Nil) for offices space and services $54,009 (December 31, 2009 - $Nil) is still included in accounts payable.

iii) During the three month period ended March 31, 2010, $Nil (2009 - $29,000) was charged by a law firm where an officer of Treasury Metals is an employee and other officers charged $15,000 (2009 - $15,000) in professional fees of these amounts $19,264 (December 31, 2009 – $76,585) is in accounts payable at the end of the period. Aquiline Resources Inc. charged $Nil (2009 - $13,000) for offices space and services $54,009 (December 31, 2009 - $84,892) is still included in accounts payable (the Company and Aquiline have several common directors).

Transactions in (i), (ii), and (iii) were conducted in the normal course of operations and are measured at the exchange amounts.

10. Income Taxes

Future Income Tax Recovery

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the period ending March 31, 2010 and year ending December 31, 2009 is as follows:

	2010	2009
	$	$
Loss before income taxes	**(8,935)**	(1,335,483)
Combined Statutory rate	**31.00%**	33.00%
Estimated recovery of income taxes	**(3,000)**	(441,000)
Non-taxable portion of capital loss	**-**	40,000
Difference between current and future tax rates	**-**	52,000
Stock-based compensation	**2,000**	180,000
Other	**29,000**	192,000
Change in valuation allowance	**(28,000)**	(652,000)
Future income tax recovery	**-**	(629,000)

The Canadian statutory income tax rate of 31% (2009 - 33%) is comprised of the federal income tax rate at approximately 18% (2008 – 19%) and the provincial income tax rate of approximately 13% (2008 – 14%). The primary differences which give rise to the future income tax recoveries at March 31, 2010 and December 31, 2009 are as follows:

	2010	2009
	$	$
Future income tax assets		
Share issuance costs and other	**132,000**	132,000
Excess of book value of invesments	**167,000**	195,000
Capital losses carried forward	**350,000**	350,000
Non-capital losses carried forward	**207,000**	207,000
Other	**1,000**	1,000
	857,000	885,000
Less : valuation allowance	**(517,000)**	(545,000)
Net future tax assets	**340,000**	340,000
Future tax liabilities		
Deferred exploration expenses	**(1,540,000)**	(1,290,000)
Net future taxes	**(1,200,000)**	(950,000)

The unamortized balance, for income tax purposes, of the share issuance fees amounts to approximately $527,000 (2008 - $599,000) and will be deductible in Canada over the next 4 years.

10. Income Taxes (continued)

The Company has available for carry forward non-capital losses of $830,000 (2008 - $657,000) and Capital losses of $2,798,000 (2008 - $2,553,000). As at December 31, 2009, the non-capital losses carry forwards expire as follows:

December 31, 2027	$	65,000
December 31, 2028		592,000
December 31, 2029		173,000
	$	830,000

11. Commitments and Contractual Obligations

As of March 31, 2010 the Company is committed to spending approximately $424,000 (December 31, 2009 - $915,000) on Canadian exploration costs by December 31, 2010 as part of its 2009 flow-through funding agreements.