TREASURY METALS Inc.

2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in Canadian dollars)

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INTRODUCTION

This management's discussion and analysis ("MD&A") reflects the assessment by management of the activities, consolidated financial condition and consolidated results of the operations of Treasury Metals Inc. ("Treasury Metals" or the "Company") for the year ended December 31, 2022. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2022 and 2021 and the notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures in this MD&A are expressed in Canadian dollars, unless stated otherwise. References to CAD and US$ are to Canadian dollars and United States ("U.S.") dollars, respectively. This MD&A is dated March 27, 2023 and information contained herein is presented as of such date, unless otherwise indicated.

Further information about the Company and its operations is available under the Company's issuer profile on SEDAR at www.sedar.com, on the OTCQX® Best Market ("OTCQX") at www.otcmarkets.com and on the Company's website at www.treasurymetals.com.

DESCRIPTION OF THE BUSINESS

Treasury Metals is a Canadian gold exploration and development company focused on its 100%-owned Goliath Gold Complex (Complex), which includes the district-scale Goliath Project, Goldlund Project and Miller Project. The Complex benefits from access to first-rate infrastructure at its location spanning from the Dryden area to Sioux Lookout, northwestern Ontario, Canada, within the Kenora Mining Division. Treasury Metals is advancing the Goliath Gold Complex projects through their respective permitting processes to advance construction and future mine production for open-pit gold mines and underground operations. In 2019, the Federal Minister of Environment released a Canadian Environmental Assessment Act (CEAA 2012) decision statement for the Goliath Project, which concluded that the project was unlikely to result in significant adverse effects to the environment. Key programs during 2022 included drilling and field exploration, an updated mineral resource estimate, updated engineering studies, continued environmental baseline collection and permitting processes supporting the Company's stated goals of completing a pre-feasibility study and mine permits on the Goliath Gold Complex.

The Company's issued and outstanding common shares ("Common Shares") are listed on the Toronto Stock Exchange (the "TSX") under the symbol "TML" and also trade on the OTCQX under the symbol "TSRMF". In addition, the Company has common share purchase warrants that trade on the TSX under the symbol "TML.WT" and also trade on the OTCQX under the symbol "TRYMF". The Company operates its corporate headquarters in Toronto, Ontario, and a project office in Wabigoon, Ontario at the Goliath Project site. The Goldlund Project is operated from the Goliath Project office, approximately 50 kilometres by road from the Goldlund Project. Additional corporate information can be found on the Company's website at www.treasurymetals.com.

The Company requires equity capital and other financing to fund working capital and development activities, corporate overhead costs, exploration and other costs relating to the advancement of exploration and mining properties. The Company's ability to continue as an active mineral property developer and explorer is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. There is no assurance that financing efforts will be successful, sufficient or on terms acceptable to the Company, or if the Company will attain profitable levels of operation in the future.

This MD&A contains "forward-looking" information that is subject to risk factors set out in a cautionary note contained herein.

2022 HIGHLIGHTS

Financings

- On April 11, 2022, the Company announced the closing of the previously-announced transaction whereby the Company entered into a royalty agreement (the "Sprott Royalty") with an affiliate of Sprott

Resource Streaming and Royalty Corp. ("SRSR") for a US$20 million royalty financing. The funds from the Sprott Royalty will be used to facilitate a decision on construction at the Goliath Gold Complex. Pursuant to the terms of the agreement, SRSR will receive a 2.2% net smelter returns royalty from all minerals produced at the Goliath Gold Complex for the life of the project. The terms of the agreement provide for, among other things, a buyback provision by the Company, a step-down royalty reduction upon achieving certain production targets, minimum payments to SRSR of US$500,000 on a quarterly basis (payable in cash or Common Shares at the election of the Company) until the earlier of December 31, 2027 or achievement of commercial production, and a participation right for further project financing to a maximum of US$40 million by SRSR.

Mineral Resource Estimate

- On April 14, 2022, the Company released an updated mineral resource estimate for the Goliath Gold Complex (the "2022 MRE"). The 2022 MRE, with an effective date of January 17, 2022, was based on a total of 3,185 drill holes measuring 540,329 metres for the Goliath, Goldlund and Miller deposits, incorporating 176 new drill holes and 41,072 metres since the mineral resource estimate set out in the March 2021 Preliminary Economic Assessment (the "PEA") of the Goliath Gold Complex. The 2022 MRE formed the basis for the pre-feasibility study for the Goliath Gold Complex, which was completed in February 2023. See "*Pre-Development: Updated Mineral Resource Estimate for the Goliath Gold Complex*" and "*Pre-Development: Pre-Feasibility for the Goliath Gold Complex"* in this MD&A.

Exploration Highlights

- On February 2, 2022, the Company announced that its 2022 drilling and exploration program would include up to 25,000 metres focused on regional exploration of new targets identified, or on previous targets which have seen limited historical drilling. The Company also provided additional gold results from 40 holes from the Goliath Gold Complex 2021 drilling campaign, including:
  - Hole TL21-559, which intersected 5.5 metres grading 9.55 g/t Au, including 1.5 metres grading 24.40 g/t Au and 1.5 metres grading 8.60 g/t Au in the Main Zone from 162.0 metres to 167.5 metres downhole; and
  - Hole GL-21-078, which intersected 6.8 metres grading 11.58 g/t Au, including 1.5 metres @ 48.8 g/t Au from 242.2 metres to 249.0 metres downhole.

- On February 17, 2022, the Company announced new discoveries at the Goliath Gold Complex. Gold was discovered at the Ocelot target for the first time, and positive gold results were encountered in new drillholes at the previously identified Far East and Fold Nose mineralization. Results included:
  - Far East hole TL21-568 with 6.95 g/t Au over 1.0 metre from 86.0 to 87.0 metres downhole and 0.51 g/t Au over 13.5 metres from 172.5 to 186.0 metres downhole;
  - Fold Nose hole TL21-578 with 0.54 g/t Au over 7.5 metres including 1.24 g/t Au over 1.5 metres from 170.0 to 177.5 metres downhole;
  - Fold Nose hole TL21-576 with 0.23 g/t Au over 28.0 metres from 100.0 to 128.0 metres downhole; and
  - Ocelot hole OC-21-003 with 0.92 g/t Au over 2.0 metres from 79.0 to 81.0 metres downhole on a new target identified by the Treasury Metals Geology team.

- A second new discovery at the Caracal target at the Goliath Gold Complex was announced on March 16, 2022. Results included:
  - CC-21-006, which intersected 1.04 g/t Au over 28.4 metres; including 2.70 g/t Au over 7.0 metres, which includes 4.44 g/t Au over 1.0 metre and 9.14 g/t Au over 1.0 metre; and 7.12 g/t Au over 1.0 metre; and
  - CC-21-009, which intersected 0.48 g/t Au over 7.0 metres; including 1.74 g/t Au over 1.0 metre; and also intersected 3.84 g/t Au over 1.0 metre.

- On April 28, 2022, the Company announced additional results from the Fold Nose exploration program target at the Goliath Gold Complex. Fold Nose hole TL21-579A intersected 10.98 g/t Au over 10.5 metres from 210.0 to 220.5 metres downhole including 74.00 g/t Au over 1.5 metres from 217.5 to 219.0 metres downhole.

- On May 12, 2022, the Company released high grade results from the Far East and South Syncline targets at the Goliath Gold Complex. Highlights included:

  - Far East hole TL22-616 intersected 9.0 metres grading 16.90 g/t Au from 149.6 to 157.5 metres downhole including 0.3 metres with visible gold grading 502.00 g/t Au; and
  - Silver mineralization intersected at Far East, including:
    - TL21-569 intersected 24.2 metres grading 11.6 g/t Ag, including 0.9 metres grading 33.8 g/t, 3.0 metres grading 42.0 g/t and 0.8 metres grading 53.0 g/t Ag; and
    - TL21-572 intersected 7.0 metres grading 9.2 g/t Ag and 6.2 metres grading 13.5 g/t Ag.

- On June 15, 2022, the Company announced additional drilling results from the Far East target at the Goliath Gold Complex, showing near surface Goliath-style alteration and mineralization over approximately 600 metres on strike and open in all directions. Results included:

  - Far East hole TL22-621 intersected 19.8 metres grading 0.70 g/t Au from 184.0 to 203.8 metres downhole, including 8.1 metres grading 1.21g/t Au from 193.2 to 201.3 metres downhole; and
  - Far East hole TL22-617 intersected 15.55 metres grading 0.48 g/t Au near surface from 55.0 to 70.55 metres downhole including 1.0 metres grading 1.58 g/t Au from 57.0 to 58.0 metres downhole and 3.0 metres grading 1.35 g/t Au from 65.0 to 68.0 metres downhole.

- On September 13, 2022, the Company announced the completion of a prospecting program at the Gold Rock Property and the launch of an Airborne Geophysical program starting in late September which would include digital line profile data, electromagnetic and magnetic survey. Following the geophysical survey, the Company planned to begin a regional geological interpretation for Gold Rock which integrates the new datasets for exploration targeting. See "*Other Exploration Projects: Gold Rock Project*" in this MD&A.

- On November 14, 2022, the Company announced exploration results from the Goldlund and Caracal exploration targets (TTG), including:

  - TTG hole GL-21-108 intersected 3.92 g/t Au over 16.0 metres from 5.2 to 21.2 metres downhole, including 6.72 g/t Au over 1.3 metres from 9.0 to 10.3 metres and including 22.20 g/t Au over 1.6 metres from 19.6 to 21.2 metres downhole;
  - TTG hole GL-21-107 intersected 0.96 g/t Au over 21.0 metres from 103.0 to 124.0 metres downhole, including 11.60 g/t Au over 1.0 metre from 114.0 to 115.0 metres and 4.47 g/t Au over 1.0 metre from 122.0 to 123.0 metres downhole;
  - TTG hole GL-21-104 intersected 0.91 g/t Au over 17.4 metres from 64.0 to 81.4 metres downhole, including 8.05 g/t Au over 1.0 metre from 71.0 to 72.0 metres downhole;
  - Caracal hole CC-22-004 intersected 6.71 g/t Au over 1.0 metre from 146.0 to 147.0 metres downhole; and
  - Caracal hole CC-22-002 intersected 0.46 g/t Au over 8.5 metres from 125.0 to 133.5 metres downhole.

Additional details on these exploration results are available electronically on SEDAR (www.sedar.com) under the Company's issuer profile and on the Company website (www.treasurymetals.com).

Corporate Activities

- The Company held its annual general meeting of shareholders on June 28, 2022. At the meeting, two directors—Marc Henderson and Daniel Wilton—did not stand for re-election to the Board of Directors (the "Board") of the Company. Two new nominees, Margot Naudie and Paul McRae, were elected to the Board. Detailed information on the 2022 Board nominees can be found in the Company's Notice of Meeting and Management Information Circular mailed to shareholders as of the meeting's record date, May 2, 2022, as well as filed under the Company's issuer profile on SEDAR at www.sedar.com and posted on the Company's website, along with the other meeting materials at https://treasurymetals.com/investors/annual-meeting-of-shareholders/.

- Also on June 28, 2022, the Company announced that David Whittle, an independent member of the Board since August 2020, had been appointed Chair of the Board, replacing William Fisher (who remains a member of the Board). In addition, Margot Naudie was appointed Chair of the Audit Committee and Christophe Vereecke was appointed Chair of the Compensation Committee.

Subsequent Events

- On February 22, 2023, the Company announced the results of the Pre-Feasibility Study (the "PFS") for the Goliath Gold Complex (see "*Pre-Development: Pre-Feasibility Study for the Goliath Gold Complex*" in this MD&A). The PFS Technical Report, entitled "Goliath Gold Complex – NI 43-101 Technical Report and Prefeasibility Study" and dated March 27, 2023, with an effective date of February 22, 2023, was filed on SEDAR under the Company's profile on March 27, 2023.

OUTLOOK

The fundamental business objective of the Company is to advance the Goliath Gold Complex, which includes the Goliath, Goldlund and Miller Projects, to a construction decision. Engineering study work advanced in 2022, resulting in the completion of the Prefeasibility Study in February 2023. The Company intends to continue additional optimization work to assist in unlocking further value in the PFS and continue exploration activities to look for opportunities to extend the mine plan. The Company also plans to continue to advance trade-off studies, metallurgical test work and geotechnical investigations based on recommendations in the PFS toward a feasibility-level study in 2023, including several supporting works that will position the business for long-term success.

In addition, the Company has planned an exploration program that will evaluate certain attractive near-mine targets, including, but not limited to, the Far East and Fold Nose targets on the Goliath property and the Interlakes and Caracal targets on the Goldlund property.

On August 19, 2019, the Federal Minister of the Environment and Climate Change issued a positive decision statement for the proposed Goliath Project pursuant to the *Canadian Environmental Assessment Act, 2012* review process. The Company is now proceeding with provincial and federal approval processes required to be obtained prior to the commencement of construction and operation of the Goliath Project. At the Goldlund Project, collection of environmental baseline work commenced in 2021 and will continue in 2023 with the objective to use this data to support permitting activities. Treasury Metals will continue engagement with local First Nations, Métis, and community groups throughout each phase of the development of the projects.

SUMMARY OF MINERAL EXPLORATION PROPERTIES

Mineral Resources And Mineral Reserves

Updated Mineral Resource Estimate for the Goliath Gold Complex (April 2022)

On April 14, 2022, the Company announced the 2022 MRE for the Goliath Gold Complex, with an effective date of January 17, 2022. The 2022 MRE was based on a total of 3,185 drill holes measuring 540,329 metres for the Goliath, Goldlund and Miller deposits, incorporating 176 new drill holes and 41,072 metres since the mineral resource estimate set out in the PEA. The 2022 MRE formed the basis for the PFS. Highlights of the 2022 MRE included:

- Increased combined Measured and Indicated mineral resources for the entire Goliath Gold Complex by 9% to 2,138,600 Au ounces;
- Increased Inferred mineral resources for the entire Goliath Gold Complex by 48% to 782,800 Au ounces;
- Increased confidence in the Goliath Project, with an increase to the Measured mineral resources from 105,000 Au ounces to 273,600 Au ounces at an average grade of 1.33 g/t Au;
- Successfully converted the Miller deposit from a 79,000 Au ounce Inferred mineral resource to an Indicated mineral resource of 74,600 Au ounces at 1.10 g/t Au;
- Increased Goldlund Project Indicated mineral resource from 840,000 Au ounces to 940,000 Au ounces at 0.87 g/t Au;
- Increased Goldlund Project Inferred mineral resource from 311,000 Au ounces at 0.66 g/t Au to 703,500 Au ounces at 0.75 g/t Au;
- 62% of the combined Measured and Indicated mineral resource Au ounces are above 1.00 g/t cut-off grade and 40% above 2.20 g/t cut-off grade; and
- Improved geological confidence and better representation of deposits.

The following table summarizes the 2022 MRE in the Measured, Indicated and Inferred mineral resource classifications for the Goliath Gold Complex. Additional information on the 2022 MRE, including the updated mineral resource estimate for each project area, can be found in the Company news releases dated April 14, 2022 and February 22, 2023, available under the Company's issuer profile on SEDAR at www.sedar.com and on the Company's website at www.treasurymetals.com.

Prefeasibility Study for the Goliath Gold Complex (February 2023)

On February 22, 2023, the Company announced the results of the PFS, prepared in accordance with Canadian National Instrument 43-101- Standards of Disclosure for Mineral Projects ("NI 43-101"), for the Goliath Gold Complex. The PFS technical report, entitled "Goliath Gold Complex – NI 43-101 Technical Report and Prefeasibility Study" and dated March 27, 2023, " with an effective date of February 22, 2023, was filed on SEDAR on March 27, 2023 (the "Technical Report"). The PFS was developed by Ausenco Engineering Canada Inc. with collaboration from SRK Consulting (Canada) Inc., SLR Consulting (Canada) Ltd., Minnow Environmental Inc., WSP Canada Inc. and Stantec Inc. These firms provided mineral resource and mineral reserve estimates, design parameters and cost estimates for mine operations, process facilities, waste and tailings storage, permitting, reclamation, equipment selection and operating and capital expenditures. Highlights from the PFS included:

- **Positive Economics –** Unlevered post-tax net present value at a 5% discount rate ("**NPV**") of $336 million and post-tax unlevered internal rate of return ("**IRR**") of 25.4%, using a long-term gold price of US$1,750 per ounce and an exchange rate of US$1.00 to C$1.34.

- **Increased Production –** Average annual production increased from 79,000 ounces to 90,000 ounces per year, with peak production increasing from 119,000 ounces to 128,000 ounces (year 2), compared to the PEA. Total ounces produced increased from 1.065 million ounces to 1.175 million ounces, with increased production in the first nine years of mine life.

- **Initial Mineral Reserve Declared –** Proven and Probable Mineral Reserve of 1.3 million ounces gold (30.3 million tonnes at 1.3 g/t Au).

- **Low Capital ("Capex") Intensity Project –** Estimated Initial capital of $335 million, including a 30% increase to process plant capacity compared to the PEA, with life of mine capital of $552 million including closure costs and salvage values and a post-tax payback period of 2.8 years.

- **Competitive Costs and Profitability –** Cash costs of US$820/oz, All-In Sustaining Costs ("**AISC**") of US$1,008/oz and annual EBITDA and free cash flows of $145 million and $106 million, respectively, over the first five years of production. Life-of-mine free cash flows of $869 million, cash costs of US$935/oz and AISC of US$1,072 on a by-product basis.

The following table provides a summary of the PFS project economics; additional details can be found in the PFS Technical Report:

PFS Project Economic Analysis Summary

Description	Unit	**Life-of-Mine Total / Average**
General Assumptions		
Gold Price	US$/oz	1,750
Silver Price	US$/oz	21
Discount Rate	%	5.0%
Exchange Rate	USD:CAD	0.75
Production		
Mill Head Grade Au	g/t	1.30
Mill Head Grade Ag	g/t	1.77
Mill Recovery Rate Au	%	92.8%
Mill Recovery Rate Ag	%	60.0%
Total Mill Ounces Recovered Au	koz	1,175
Total Mill Ounces Recovered Ag	koz	1,034
Total Average Annual Production Au	koz	90
Total Average Annual Production Ag	koz	80
Operating Costs		
Open Pit Mining Cost	C$/t mined	4.22
Underground Mining Cost	C$/t mined	61.23
Mining Cost (Open Pit + Underground)	C$/t milled	32.83
Goldlund Ore Haulage to Mill	C$/t milled	7.00
Processing Cost	C$/t milled	11.34
G&A Cost	C$/t milled	3.54
Refining and Transport Au	C$/oz Au	5.00
Refining and Transport Ag	C$/oz Ag	0.26
Total Operating Costs	C$/t milled	47.71
Cash Costs and All-in Sustaining Costs (By-Product Basis)		
Operating Cash Costs*	US$/oz Au	935
All-in Sustaining Cost **	US$/oz Au	1,072
Capital Expenditures		
Initial Capital Cost	C$M	335
Sustaining Capital Cost	C$M	198
Closure Capital Cost	C$M	29
Salvage Value	C$M	10
Economics		
Pre-tax NPV @ 5%	C$M	469
Pre-tax IRR	%	29.3%
Pre-tax Payback	years	2.8
Post-tax NPV @ 5%	C$M	336
Post-tax IRR	%	25.4%
Post-tax Payback	years	2.8

Note: * Cash costs consist of mining costs, processing costs, G&A and refining charges and royalties. Cash cost is calculated on a by-product basis. ** AISC includes cash costs plus sustaining capital, closure costs and salvage value. AISC is calculated on a by-product basis. Source: Ausenco, 2023.

Sensitivities and consulting firms and area of responsibility are described in the PFS Technical Report available on SEDAR at www.sedar.com under the Company's issuer profile.

Goliath Gold Complex Mineral Resource Estimate
(Effective: January 17, 2022)

Type	Classification	Cut-off	Tonnes	Au (g/t)	Au (Oz)	Ag (g/t)	Ag (Oz)
Open Pit	Measured	0.25 / 0.3	6,223,000	1.20	239,500	4.70	940,600
	Indicated	0.25 / 0.3	58,546,000	0.82	1,545,000	2.53	1,878,500
	Measured + Indicated	0.25 / 0.3	64,769,000	0.86	1,784,500	2.99	2,819,100
	Inferred	0.25 / 0.3	32,301,000	0.73	754,900	0.80	85,200
Underground	Measured	2.20	170,000	6.24	34,100	22.34	122,100
	Indicated	2.20	2,772,000	3.59	320,000	7.08	580,800
	Measured + Indicated	2.20	2,942,000	3.74	354,100	8.04	702,900
	Inferred	2.20	270,000	3.21	27,900	4.06	6,300
Total	Measured		6,393,000	1.33	273,600	5.17	1,062,700
	Indicated		61,318,000	0.95	1,865,000	2.98	2,459,300
	Measured + Indicated		67,711,000	0.98	2,138,600	3.42	3,522,000
	Inferred		32,571,000	0.75	782,800	0.84	91,500

Notes: **1**. Mineral Resources were estimated by ordinary kriging by Dr. Gilles Arseneau, associate consultant of SRK Consulting (Canada) Inc., Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2019). This estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. Mineral Resources that are not mineral reserves do not have demonstrated economic viability. **2**. Mineral Resource effective date January 17, 2022. **3**. Goliath Open Pit Mineral Resources are reported within an optimized constraining shell at a cut-off grade of 0.25g/t gold that is based on a gold price of US$1,700/oz, a silver price of US$23/oz, and a gold and silver processing recovery of 93.873*Au(g/t)^0.021 and 60% respectively. **4**. Goldlund Open Pit Mineral Resources are reported within an optimized constraining shell at a cut-off grade of 0.3g/t gold that is based on a gold price of US$1,700/oz and a gold processing recovery of 90.344xAu(g/t)^0.0527. **5**. Miller Open Pit Mineral Resources are reported within an optimized constraining shell at a cut-off grade of 0.3 g/t gold that is based on a gold price of US$1,700/oz and a gold processing recovery of 93.873*Au(g/t)^0.021. **6**. Goliath Underground Mineral Resources are reported inside shapes generated from Deswick Mining Stope Optimiser (DSO) at a cut-off grade of 2.2g/t gold that is based on a gold price of US$1,700/oz, a silver price of US$23/oz, and a gold and silver processing recovery of 93.873*Au(g/t)^0.021 and 60% respectively. **7**. Goldlund Underground Mineral Resources are reported inside DSO shapes at a cut-off grade of 2.2g/t gold that is based on a gold price of US$1,700/oz and a gold processing recovery of 90.344xAu(g/t)^0.0527. **8**. Gold and Silver assays were capped prior to compositing based on probability plot analysis for each individual zones. Assays were composited to 1.5 m for Goliath, 2.0 m for Goldlund and 1.0 m for Miller. **9**. Excludes unclassified mineralization located within mined out areas. **10**. Silver grade and ounces are derived from the Goliath tonnage only. **11.** Goliath Open Pit and Goldlund/Miller cut-off grades are 0.25g/t and 0.30g/t, respectively. **12**. All figures are rounded to reflect the estimates' relative accuracy, and totals may not add correctly.

The PFS is based on the combined open pit and underground Measured and Indicated portion of the 2022 MRE. The Proven and Probable Mineral Reserves for the Project are estimated at 30.3 million tonnes at an average grade of 1.3 g/t Au for 1.3 million ounces of contained gold.

Goliath Gold Complex Mineral Reserves Estimate
(Effective: December 31, 2022)

Classification	Quantity (kt)	Au (g/t)	Au (koz)	Ag (g/t)	Ag (koz)
Open Pit – Goliath					
Proven	3,969	1.05	134	3.22	410
Probable	5,580	0.67	119	2.20	395
Proven & Probable	9,549	0.83	254	2.62	805
Open Pit – Goldlund					
Proven	-	-	-	-	-
Probable	16,256	1.19	621	-	-
Proven & Probable	16,256	1.19	621	-	-
Open Pit – Miller					
Proven	-	-	-	-	-
Probable	738	1.03	24	-	-
Proven & Probable	738	1.03	24	-	-
Underground – Goliath					
Proven	596	3.96	76	16.73	321
Probable	3,180	2.85	292	5.85	598
Proven & Probable	3,776	3.03	368	7.56	918
Total					
Proven	4,565	1.43	210	4.98	731
Probable	25,754	1.28	1,057	1.20	993
Proven & Probable	30,319	1.30	1,267	1.77	1,724

Notes: **1**. Mineral reserves with an effective date of December 31, 2022 are founded on and included within the mineral resource estimates, with an effective date of January 17, 2022. **2**. Mineral reserves were developed in accordance with CIM Definition Standards (2014). **3**. Open pit mineral reserves incorporate 10%, 7% and 9% dilution for Goliath, Goldlund and Miller, respectively. Open pit mineral reserves include 1% loss for Goliath and Miller, no losses are included for Goldlund. Goliath underground mineral reserves include 5% dilution and 0% loss for development. For stopes at Goliath underground, the mineral reserves include 15% dilution (both downhole and uphole stopes) and 90% (downhole) and 80% (uphole) recovery. **4.** Open pit mineral reserves are reported based on open pit mining within designed pits above cut-off values of C$15.22/t, C$16.00/t and C$23.63/t for Goliath, Goldlund and Miller, respectively. Goliath underground mineral reserves are reported based on underground mining within designed underground stopes above a mill feed cut-off value of C$107.66/t (inclusive of 15% mining dilution). The cut-off values are based on a gold price of US$1,550/oz Au, a silver price of US$22, transportation costs of C$5/oz Au, payabilities of 99% Au and 97% Ag, LOM average gold recoveries of 94.2% for Goliath, 94.3% for Goldlund and 94.0% for Miller, and a silver recovery of 60% for Goliath. **5**. Underground mineral reserves following Year 13 have been removed from the LOM plan and thus are excluded in the mineral reserve table above. Some low grade Goldlund material above cut-off is not fed to the plant and therefore not included in the mineral reserves. **6.** The Qualified Person for the open pit mineral reserve estimate is Colleen MacDougall, Peng; and the Qualified Person for the underground mineral reserve estimate is Sean Kautzman, Peng, both are SRK Consulting (Canada) Inc. employees. **7**. Rounding may result in apparent summation differences between tonnes, grade and contained metal.

See the PFS Technical Report for additional details on the PFS.

Value Engineering and Feasibility Studies

The Company continues to refine the technical studies in support of updated economics for the life of the Project. Metallurgical test work is ongoing with a focus on Goldlund crushing requirements and project gold recovery methods. Geotechnical investigations have commenced and include extensive geophysical, hydrogeological, and geochemical test work and modeling. Value engineering studies are in progress with the aim to optimize gold recovery, comminution, pit wall slopes, underground ventilation strategy including potential use of battery electric vehicles and water treatment strategies. The purpose of evaluating all additional options is to improve project economics (NPV and IRR) while mitigating project risks as well as simplifying environmental permitting. Completion of these studies is anticipated to continue to feasibility-level studies in 2023.

Goliath Project

The Goliath gold project (the "Goliath Project") is in the Kenora Mining Division in northwestern Ontario, approximately 20 kilometres east of the City of Dryden and 325 kilometres northwest of the port city of Thunder Bay, Ontario. The project covers approximately 6,637 hectares and is defined by mineral rights and surface rights containing two deposits—the Goliath and Goliath East deposit—and covers portions of Hartman and Zealand townships. The Goliath Project is comprised of two historic properties consisting 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 Project has been expanded from its original size through staking of mining claims, land purchases and option agreements.

The mineral rights are 100%-held by Treasury Metals and all mineral rights are in good standing. The property is subject to certain underlying royalties with SRSR and other payment obligations on specific patented land parcels, totalling approximately $105,000 per year. The Company has staked additional claims that connect to the Goldlund property to form one contiguous land package.

The Goliath Project consists of a proposed open pit and an underground mine, with 798,900 and 325,100 ounces of gold in the Measured and Indicated mineral resource category for the open pit and underground mines, respectively. The Goliath Project also includes Inferred mineral resource of 91,500 ounces of gold in both the open pit and underground mines. The Proven and Probable mineral reserves for the Goliath Project are estimated at 9.5 million tonnes at an average grade of 0.83 g/t Au in open pit and 3.8 million tonnes at an average grade of 3.03 g/t Au for a combined total of 0.6 million ounces of contained gold.

Exploration Activities

During the fourth quarter of 2022, approximately 6,900 metres in 21 holes were drilled on the Goliath property; 3,300 metres were drilled in eight holes on the Fold Nose exploration target, and 3,600 metres were drilled in 13 holes on the Far East exploration target.

Drilling on Goliath occurred throughout the year with a total of 18,000 metres in 52 holes completed, starting with 1,000 metres in five holes on Goliath West, which explored for additional high-grade trends to the west along strike of the Goliath Deposit. Stepping out from the deposit area, Treasury Metals followed up on previous years' drilling at the Far East and Fold Nose exploration targets with 5,950 metres in 21 holes on Far East and 4,700 metres in 11 holes on Fold Nose. New targets that previously had no drilling were also tested. The South Ridge Target, with identified soil and geophysical anomalies, was tested with 1,450 metres in four holes. The South Syncline, a large regional fold structure along strike to the south of the Fold Nose, was tested with 3,200 metres in eight holes. An additional 1,700 metres in three holes were allocated to geotechnical studies for the Goliath deposit.

Goliath Project Expenditures

The following tables summarize the last eight quarters of spend on the Goliath Project:

Goliath Project	**Balance**	**Incurred in three months ending**				**Balance**
Exploration and development program expenditures ($)	**31-Dec-21**	**31-Mar-22**	**30-Jun-22**	**30-Sep-22**	**31-Dec-22**	**31-Dec-22**
Metallurgy	259,550	-	-	-	-	259,550
Geochemistry	230,143	45,685	(45,685)	-	-	230,143
Geotechnical	137,649	–	-	-	-	137,649
Hydrogeology	244,448	500	(500)	-	-	244,448
Environmental	1,505,931	–	-	-	-	1,505,931
Environmental Assessment	5,053,640	164,642	384,417	290,437	309,899	6,203,035
Pre-Feasibility & Feasibility	4,686,760	1,762,602	1,142,859	950,801	689,031	9,232,053
Drilling and other exploration exp.	31,252,038	1,521,481	805,576	1,453,769	1,590,231	36,623,095
Community Relations	910,850	65,384	16,299	(54,382)	71,303	1,009,454
Property purchases and payments	28,687,889	104,438	-	-	-	28,792,327
Dryden - salaries and consultants	9,390,645	150,266	(132,303)	(17,963)	-	-
Dryden Infrastructure	3,848,009	132,652	369,159	(185,314)	106,044	4,270,550
Amortization	654,483	30,587	50,941	42,807	242,578	1,021,396
Share-based payments	1,712,471	103,275	43,889	78,531	78,200	2,016,366
Sale of SRSR royalty	-	-	(7,133,229)	23,629	-	(7,109,600)
Total	**88,574,509**	**4,081,512**	**(4,498,577)**	**2,582,315**	**3,087,286**	**93,827,042**

Goliath Project Exploration and development program expenditures ($)	**Balance** 31-Dec-20	**Incurred in three months ending** 31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	**Balance** 31-Dec-21
Metallurgy	259,550	–	–	–	–	259,550
Geochemistry	121,388	–	41,725	16,946	50,084	230,143
Geotechnical	137,649	–	–	–	0	137,649
Hydrogeology	206,336	–	14,075	8,736	15,301	244,448
Environmental	1,270,257	52,579	(11,592)	127,202	67,485	1,505,931
Environmental Assessment	5,053,639	1	–	–	–	5,053,640
Pre-Feasibility & Feasibility	2,806,206	474,853	443,492	735,879	226,330	4,686,760
Drilling and other exploration exp.	25,111,384	105,415	941,349	2,537,981	2,555,909	31,252,038
Community Relations	822,823	12,946	15,147	21,644	38,290	910,850
Property purchases and payments	28,583,433	104,456	–	–	–	28,687,889
Dryden - salaries and consultants	8,490,429	160,212	244,984	176,662	318,358	9,390,645
Dryden Infrastructure	3,498,137	96,548	22,243	103,480	127,604	3,848,009
Amortization	539,478	18,843	28,379	28,379	39,404	654,483
Share-based payments	1,478,424	80,524	72,386	76,652	4,485	1,712,471
Total	**78,379,133**	**1,106,377**	**1,812,188**	**3,833,561**	**3,443,250**	**88,574,509**

Goldlund Project

The Goldlund property, acquired by the Company in 2020, covers approximately 28,289 hectares and is defined by mineral rights that are 100%-held by Treasury Metals. The Goldlund Project includes two open pit deposits—Goldlund Mine and Miller (the "Miller Project")—which covers portions of the Echo and Pickerel townships in Ontario. The Goldlund deposit is approximately 40 kilometres southwest of Sioux Lookout and 40 kilometres northeast of Dryden. The Miller deposit is approximately 30 kilometres southwest of Sioux Lookout and 50 kilometres northeast of Dryden.

Under the provincial system for mining claims, since January 2018, the 142 legacy claims have been converted into 1,342 single-cell mining claims, six boundary-cell mining claims and one multi-cell mining claim. In 2022, many of the Goldlund claims were merged into multi-cell claims, drastically reducing the total number of claims. The property is subject to certain underlying royalties, including with SRSR. The total property area increased slightly due to the addition of newly-staked claims near the southern end of the property

At the Goldlund Project, a proposed open pit hosts a large near-surface gold mineral resource estimated to contain 940,000 ounces of gold of Indicated mineral resource and 703,500 ounces of gold of Inferred mineral resource. The Proven and Probable mineral reserves for the Goldlund Project are estimated at 16.3 million tonnes at an average grade of 1.19 g/t Au for 0.6 million ounces of contained gold.

The Miller Project is a proposed open pit mine located on the Goldlund property. The Miller deposit is situated approximately 10 kilometres northeast and along strike of the Goldlund deposit, containing an Indicated mineral resource of 74,600 ounces of gold and an Inferred mineral resource of 4,500 ounces of gold. The Proven and Probable mineral reserves for the Miller Project are estimated at 0.7 million tonnes at an average grade of 1.03 g/t Au for 0.02 million ounces of contained gold.

Exploration Activities

No drilling was completed on the Goldlund property during the fourth quarter of 2022. In 2022, a total of 2,250 metres was drilled on the Goldlund property; 850 metres in five holes were drilled to support metallurgy studies and 1,400 metres was drilled in four holes on the Wild Cats target, located two kilometres northeast of the Goldlund Deposit.

Goldlund Project Expenditures

The following tables summarize the last eight quarters of spend on the Goldlund Project:

Goldlund Project Exploration program expenditures ($)	**Balance** 31-Dec-21	**Incurred in three months ending** 31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	**Balance** 31-Dec-22
Acquisitions of properties and data	90,882,421	-	-	-	-	90,882,421
Drilling & Assaying	3,447,718	431,882	522,088	588,080	133,000	5,122,768
Environmental	913,193	108,363	(108,363)	-	-	913,193
Consultants	219,473	-	-	-	-	219,473
Pre-Feasibility & Feasibility	267,587	332,436	512,243	335,555	198,761	1,646,582
Community Relations	14,900	-	-	-	-	14,900
Amortization	51,737	-	-	-	-	51,737
Other	138,968	49,319	43,469	3,423	(96,211)	138,968
Sale of SRSR royalty	-	-	(7,133,229)	23,629	-	(7,109,600)
Total	**95,935,997**	**922,000**	**(6,163,792)**	**950,687**	**235,550**	**91,880,442**

Goldlund Project Exploration program expenditures ($)	**Balance** 31-Dec-20	**Incurred in three months ending** 31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	**Balance** 31-Dec-21
Acquisitions of properties and data	90,882,421	–	–	–	–	90,882,421
Drilling & Assaying	286,943	973,089	1,013,686	658,744	515,256	3,447,718
Environmental	74,107	200,005	222,532	255,050	161,499	913,193
Consultants	207,610	2,475	6,913	–	2,475	219,473
Pre-Feasibility & Feasibility	166,469	5,324	65,515	14,637	15,642	267,587
Community Relations	–	14,900	–	–	–	14,900
Amortization	20,708	9,536	21,493	–	–	51,737
Other	30,555	28,211	3,202	36,869	40,131	138,968
Total	**91,668,813**	**1,233,540**	**1,333,341**	**965,300**	**735,003**	**95,935,997**

Environmental Assessments and Permitting

Treasury Metals has engaged several technical consultants for the collection of baseline environmental data for the Goliath, Goldlund and Miller Projects. The objective of the work completed, underway or planned is to characterize the existing physical, biological, and human environment at each of the three mine project locations, expanding on existing information where available. In all cases, the work has/will apply standard field protocols and scientific methodologies and will address the anticipated information needs of regulatory agencies for the approval of Ontario mining projects.

The Goliath Project, *Canadian Environmental Assessment Act, 2012* process commenced in November 2012 with Treasury Metals submission of a Project Description. The Company worked in cooperation with all stakeholders and government agencies for both the creation and refinement of the Environmental Impact Statement ("EIS") under EA guidelines to ensure that all potential effects were appropriately defined, characterized, and, in turn, addressed. Following the submission of the final version of the EIS to the federal government's Canadian Environmental Assessment Agency the Company also addressed "Information Requests" for public stakeholders, Indigenous communities, and government agencies/experts. Treasury Metals received a positive decision statement on August 19, 2019, with the Minister of Environment and Climate Change Canada concluding that the Project is not likely to cause significant adverse environmental effects. Potential benefits of the Project are expected to include employment and business opportunities, as well as tax revenues at all levels of government.

The Goliath Project as presented in the recent PFS differs in that the Goliath Project processing facility is proposed to accept ore from other deposits (specifically deposits from the Goldlund and Miller properties). The Company continues to work with relevant agencies to advance permitting and approvals. At this time, it is not anticipated that any changes to the Goliath Project will affect the current environmental assessment conclusions, nor would it require a review under the *Impact Assessment Act* for a mining expansion. Next steps for the Goliath Project are to proceed with additional environmental studies required to ensure that any changes to the project will meet the Company's EA commitments and the Decision Statement conditions along with furthering the project's permitting and approvals program.

Baseline data collection for the Goldlund Project is underway and will continue through to the permitting of the Project. Treasury Metals has also begun initial phases of environmental baseline data collection at the Miller project focused on the local site conditions as well as the regional area surrounding the proposed open pit such that additional resource growth could be accommodated in the future if required. Baseline data for these Projects will support Provincial permitting and approval processes, provincial EAs if required, and the development of environmental management plans. In parallel with this baseline data collection, the Company is evaluating and exploring its options with regards to the Goldlund Project as a past producer.

Community Relations

The Goliath Gold Complex is located in Treaty #3 (1873), and on land that has been used and occupied since time immemorial by the Anishinaabe Peoples. Treasury Metals recognizes the unique connection between Indigenous Peoples and lands and how mining can affect this connection in various challenging ways. The Company recognizes the collective rights and interests of Indigenous Peoples in line with the United Nations Declaration on the Rights of Indigenous Peoples. The Company is committed to understanding and respecting local communities' cultural heritage, rights and norms, seeking to develop meaningful partnerships and dialogue with the communities associated with Company projects to contribute to social and economic participation and benefits-sharing.

Engagement efforts with the Indigenous and public communities have primarily focused on development of key milestones and providing opportunities for all regional communities to identify their input and describe how the Project may affect their land use, and their way of life. Treasury Metals has been in contact with stakeholders, including Indigenous peoples and communities and the public, throughout the environmental assessment process, and all stages of Project development. Treasury Metals has been in direct contact with all potentially affected Indigenous communities as defined by the Canadian Environmental Assessment Agency, and the Ministry of Northern Development, Mines, Natural Resources and Forestry. All prior communication with Indigenous and public stakeholders up to April 2017 is captured within the revised EIS, Appendix DD and Appendix V.

Current engagement activities have focused on delivery and dissemination of technical work supporting the continuation of the federal and provincial permitting phase. Treasury Metals has been in communication with all Indigenous parties, and the Company continues to document all efforts to date. All Indigenous communities have been provided all relevant documentation, and the opportunity to access capacity funding has been provided to all communities. Treasury Metals has agreed in principle to reasonable proposed costs to ensure continued open dialogue and the integral review of the Project and its potential effect to traditional land use purposes within the area. Further, to support continued participation, representatives from Treasury Metals and Eagle Lake First Nation, participate in an Environmental Management Committee. This Committee's purpose is to provide a suitable avenue for dialogue, and collaborative discussions to ensure Indigenous values and traditional knowledge are integrated into the Project.

Treasury Metals has finalized four separate interim funding agreements with Eagle Lake First Nation to support the communication and review of project-related activities and followed this with the formal execution of a Memorandum of Understanding. In addition to this, in December 2017, the Company signed a Memorandum of Understanding with the Métis Nation of Ontario. On March 20, 2019, the Company announced the signing of an Engagement Agreement with Wabauskang First Nation. As of June 26, 2019, the Company entered a Memorandum of Understanding with Lac des Mille Lacs First Nation. Treasury Metals staff is working cooperatively with third-party and community representatives to secure community input to the Project, and to finalize additional agreements with regional stakeholders as part of the continued development of the Goliath Gold Complex. Treasury Metals has also committed to honouring agreements with Wabigoon Lake Ojibway Nation and Lac Seul First Nation that were previously agreed upon with First Mining Gold Corp. prior to the Tamaka Gold Corporation purchase. Further, it is anticipated in addition to these agreements referred to in the latter the Company will engage certain identified Indigenous communities in comprehensive agreement discussions focusing on continued dialogue, education, training, and other Project aspects. Treasury Metals continues to engage and support capacity-funding opportunities to ensure open and transparent dialogue regarding the development of the Project. All efforts have been documented in support of the federal EIS, permitting process, and supporting project-related activities.

Goldeye Explorations Limited

On November 24, 2016, Treasury Metals completed the acquisition of all the issued and outstanding common shares of Goldeye Explorations Ltd. ("Goldeye"), a public company that held certain properties, including the Weebigee Project. The Weebigee Project is a high-grade gold project located near Sandy Lake in northwestern Ontario and is comprised of 140 claims. Certain claims are subject to a 2% net smelter return royalty ("NSR") that is held by a former director of Goldeye. The Weebigee Project was subject to an option agreement between Sandy Lake Gold Inc. (renamed G2 Goldfields Inc. ("G2")) and Goldeye and, in 2020, the optionee fulfilled its expenditure requirement to earn a 50.1% ownership in the project. A joint venture was executed in November 2020 to reflect the 50.1% ownership by G2 and the 49.9% ownership by Goldeye. On April 9, 2021, G2 announced the spin-out of its Sandy Lake Project (which included its interest in the Weebigee Project) to S2 Minerals Inc. ("S2"). Consequently, S2 has taken the place of G2 in the Joint Venture Agreement and has become the operator of the Project.

Weebigee is a large, relatively unexplored property that 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 indicate that a folded ultramafic horizon is located just offshore of several of these auriferous high strain zones.

Three other gold exploration properties were inherited by the Company with the Goldeye acquisition (Gold Rock/Thunder Cloud, Shining Tree-Fawcett (subsequently acquired by Platinex Inc. in Q3 2020) and Van Hise/Larder Lake (subsequently dropped)), all of which reside in the Province of Ontario. All these properties are grassroots with no exploration permits in place for more advanced field work, such as diamond drilling. No work was done on these properties in 2022.

Goldeye Project Expenditures

The following tables summarize the last eight quarters of exploration spend on the Goldeye Project:

Goldeye Project	**Balance**	**Incurred in three months ending**				**Balance**
Exploration program expenditures ($)	**31-Dec-21**	**31-Mar-22**	**30-Jun-22**	**30-Sep-22**	**31-Dec-22**	**31-Dec-22**
G2 -Joint Venture	27,357	–	–	–	–	27,357
Camp field and land costs	97,935	–	–	–	1,839	99,774
Other	273,980	–	–	–	–	273,980
Acquisitions of properties and data	2,825,581	–	–	–	–	2,825,581
Option agreement collections	(490,745)	–	–	–	–	(490,745)
Total	**2,734,108**	–	–	–	1,839	**2,735,947**

Goldeye Project Exploration program expenditures ($)	**Balance**	**Incurred in three months ending**				**Balance**
	31-Dec-20	**31-Mar-21**	**30-Jun-21**	**30-Sep-21**	**31-Dec-21**	**31-Dec-21**
G2 -Joint Venture	10,176	17,181	–	–	–	27,357
Camp field and land costs	94,336	1,200	1,050	1,198	151	97,935
Other	273,980	–	–	–	–	273,980
Acquisitions of properties and data	2,900,701	(75,120)	–	–	–	2,825,581
Option agreement collections	(490,745)	–	–	–	–	(490,745)
Total	**2,788,448**	**(56,739)**	**1,050**	**1,198**	**151**	**2,734,108**

Gold Rock Project, Kenora Mining Division, Ontario

The Company's 100%-owned Gold Rock project is located near Dryden, Ontario and comprises two properties: the Gold Rock property (consisting of 20 legacy claims) and the Thunder Cloud property (consisting of one legacy claim); all claims at the Gold Rock project are in good standing. The Gold Rock Property is located in the historic Gold Rock Mining Camp which is hosted in the Eagle-Wabigoon-Manitou Lakes greenstone belt. The property covers the Manitou anticline which is a large-scale regional fold adjacent to the Manitou Straits Shear Zone. Regional folds often act as excellent traps for gold mineralization. Shear zones or faults act as fluid conduits for mineralizing fluids during the formation of gold deposits. The Manitou Straits Shear Zone is interpreted to be approximately 4-5 km wide composed of anastomosing discrete shear zones that trend northeast through the Gold Rock Mining Camp. Mapping had shown additional shear zones running through the Gold Rock Property. Several historic mines are located proximal to the regional shear zone structures and historic test pits and shafts are located throughout the area.

The Company conducted prospecting and mapping at the Gold Rock Property during the summer of 2022. Sixty-two samples were collected for geochemical analysis; all samples will be analyzed for gold and 4-acid near total digestion ICP, while representative (less altered and deformed) samples will undergo whole-rock geochemistry. The geochemical alterations will be compared to the Goliath and Goldlund deposits and other greenstone hosted gold deposits to look for path finder elements and trends. The Company collected five samples which ran over 0.16 g/t gold, including one sample that graded 6.75 g/t gold.

On September 13, 2022, the Company announced the completion of a prospecting program at the Gold Rock Property and completed an Airborne Geophysical program in the fall of 2022 which included digital line profile data, electromagnetic and magnetic survey. The new mapping coupled with the detailed airborne geophysical survey was imperative in ground truthing lithological units and mineralizing structures on the property to assist in the understanding and interpretation of the geophysical anomalies. Historic mines have been located proximal to shear zones on the property, therefore identification of the shear zones on the property will be a key exploration vector. The airborne geophysical survey will assist in planning the next phase of exploration on the property in 2023 and will form the basis for assessing the exploration potential at Gold Rock.

Lara Polymetallic Project

The Lara Polymetallic Project, located in the southern region of Vancouver Island, lies about 75 kilometres north of Victoria, 15 kilometres northwest of Duncan and about 12 kilometres west of the Village of Chemainus, Victoria Mining Division, British Columbia, Canada. The Lara property consisted of 59 mineral claims.

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

In early 2011, the annual mining leases on a significant portion of the property were not renewed. As a consequence, in 2010, the estimated non-recoverable costs associated with this project were written off.

During the second quarter of 2022, the remaining annual mining leases of the property were not renewed. All non-recoverable costs associated with this project were written off as the Company has elected not to continue to explore these properties and has abandoned them.

SELECTED ANNUAL INFORMATION

The following table has been prepared from information in the Company's audited financial statements and summarizes results of operations for the three most recently completed financial years. The Company did not declare any dividends during those periods.

	Year ended December 31		
($)	**2022**	**2021**	**2020**
Total Revenue [1]	–	–	–
Exploration and evaluation costs	14,114,808	14,283,679	3,833,078
Net loss for the year	(20,293,525)	(15,925,579)	(6,589,171)
Loss per share - basic and diluted	(0.15)	(0.13)	(0.08)
Mineral property acquisitions [2]	–	–	91,016,596
Mineral property sales [3]	–	–	1,183,977
Total assets	123,737,443	132,166,170	126,863,393
Long term debt & obligations	9,798.928	5,409,515	4,959,393

[1] Treasury Metals is an exploration and development company that is not in commercial production
[2] Purchase of the Goldlund Project
[3] Sale of Shining Tree Property

Financial results of operations for the year ended December 31, 2022, compared with the year ended December 31, 2021

The net loss for the year ended December 31, 2022 was $20,293,525 (2021 – $15,925,579). The variance is explained as follows:

- Foreign exchange loss of $1,084,930 in 2022 was $1,100,877 higher than 2021 (-$15,947) due to the higher USD/CAD currency rate on liabilities and obligations.

- Exploration and evaluation costs in 2022 amounted to $14,114,808 and remained consistent with spend in 2021 of $14,283,679.

- Administrative, office and shareholder services expenses of $1,533,028 in 2022 were $192,853 higher than 2021 ($1,340,175) primarily due to the higher advertising and marketing spend.

- Professional fees of $251,383 in 2022 were $150,384 lower than the $401,767 of 2021, mainly due to lower legal fees. Professional fees were higher in 2021 due to increase in legal services to support a long-term debt amendment being signed, the issuance of the First Mining common share purchase warrants and as well as other support. Additional support was also provided to assist with the prospectus filing of an equity financing completed in 2021.

- A $767,713 increase in salary and benefits in 2022 ($2,149,737) compared to 2021 ($1,382,024) was primarily due to the increase in employees and officers hired in 2022.

- Share-based compensation expense increased by $892,300 in 2022 to $1,646,833, compared to $754,532 in 2021 due to the issuance of options and RSU's to directors, officers and key employees in 2022 as part of the Company's long-term equity incentive plan.

- Interest and commitment fees in 2022 of $238,923 were $249,071 lower than the $487,994 in 2021 mainly due to interest received on cash investments in 2022, supporting the offset of the interest charges.

- In 2022, there was a $687,294 unrealized gain from the change in the fair value of derivative liabilities, compared to a $3,180,361 unrealized gain in 2021. This continued reduction in derivative liability is a consequence of the lower share price of the Common Shares. The derivative liability is a result of the conversion feature of the USD-denominated Extract and Sprott convertible debt.

- The deferred income tax recovery for 2022 was $1,561,508 compared to nil for 2021 due to release of the flow through share premium in 2022, as a result of the full flow-through income having been fully spent on associated exploration expenditures in 2022. The Company has a significant non-capital loss carry-forward position and other deferred income tax assets which have been allocated to offset deferred income tax liabilities only to the extent allowable. Unrecognized deferred tax assets remain for future use and have not been recognized in the accounts as there is no certainty of realization at this time.

SUMMARY OF QUARTERLY RESULTS

The following tables summarize the Company's financial results for the last eight quarters. The information set forth below should be read in conjunction with the Financial Statements and the related notes thereto, prepared by management in accordance with IFRS. Detailed explanations of quarterly variances are included in each quarterly MD&A filed on SEDAR under the Company's issuer profile.

Selected Quarterly Financial Information ($)	**Q4 Dec-22**	**Q3 Sep-22**	**Q2 Jun-22**	**Q1 Mar-22**
Expenses	4,717,471	5,660,397	5,383,538	6,680,921
Write-down of mineral properties	(788,236)	–	888,236	–
Fair value change of derivative liability – loss (gain)	16,035	(63,004)	(361,635)	(278,690)
Income tax (expense) recovery	(412,121)	352,654	670,653	950,322
Net income (loss)	(4,357,392)	(5,244,739)	(5,239,485)	(5,451,909)
Net income (loss) per share	(0.03)	(0.04)	(0.04)	(0.04)
Other comprehensive income (loss)	161,016	(164,383)	(100,720)	74,696
Total comprehensive income (loss)	(4,196,377)	(5,409,122)	(5,340,205)	(5,377,213)
Mineral properties	103,379,208	102,590,972	102,543,716	117,698,408
Total current liabilities	9,853,157	9,382,406	8,866,626	3,556,736
Total assets	123,737,443	126,972,874	131,708,170	127,622,045

Selected Quarterly Financial Information ($)	**Q4 Dec-21**	**Q3 Sep-21**	**Q2 Jun-21**	**Q1 Mar-21**
Expenses	5,212,976	5,974,408	4,188,699	3,682,760
Loss (gain) on debt extinguishment / modification	–	–	183,895	(136,798)
Fair value change of derivative liability – loss (gain)	(250,961)	(673,479)	(221,378)	(2,034,543)
Income tax (expense) recovery	-	–	–	–
Net income (loss)	(4,962,015)	(5,300,929)	(4,151,216)	(1,511,419)
Net income (loss) per share	(0.04)	(0.04)	(0.04)	(0.01)
Other comprehensive income (loss)	267,403	(506,696)	(373,133)	(153,564)
Total comprehensive income (loss)	(4,694,612)	(5,807,625)	(4,524,349)	(1,664,983)
Mineral properties	117,698,408	117,698,408	117,698,408	117,698,408
Total current liabilities	3,995,213	5,218,354	4,454,993	3,756,615
Total assets	132,166,170	132,177,786	136,329,150	140,759,305

During 2022 the Company voluntarily changed its accounting policy for exploration and evaluation expenditures in accordance with IFRS 6 - Exploration for and Evaluation of Mineral Resources. Previously, the Company deferred (capitalized) these expenditures, including acquisition costs, until such time the mineral properties moved beyond the exploration and evaluation stage, were sold or were determined to be impaired. Costs related to pre-exploration and evaluation activities were expensed. The change in accounting policy impacted the total value of Mineral properties and Total assets, as of December 31, 2021 by $70,434,442.

Other expense variances, quarter to quarter, were due to vesting costs of various stock options and RSU issuances. The strengthening of the U.S. dollar also contributed to foreign exchange losses. Quarterly gains or losses were due to fair value variances of derivative liability and foreign exchange resulting from U.S. dollar exchange rate variations in addition to the accretion and amortization of the convertible debt.

The quarterly variations in the other comprehensive income (loss) result from the quarter end adjustments to the market value of the long-term investments.

Further fluctuations on total assets from one quarter to the next is primarily a function of cash increases through various financing transactions, issuance of shares, the exercise of warrants and options, the valuation at fair market value of the investments, and the use of cash for operating expenses. In Q1 2021, there was a $16.5 million net cash inflow from a private placement. In Q2 2022 the company sold a 2.2% net smelter returns royalty on the properties for gross proceeds of $25.2 million (US$20.0 million).

Financial results of operations for the three months ended December 31, 2022, compared with the three months ended December 31, 2021

The net loss for the three-month period ended December 31, 2022, was $4,357,392 (2021 $4,962,015). The variance is explained as follows:

- Office and administrative expenses of $174,678 in Q4 2022 were lower than $342,887 in Q4 2021 primarily because of a decrease of $52,602 from the travel and meal expenses and a $151,554 increase of interest income.

- Professional fees in Q4 2022 were $69,800 lower than Q4 2021 mainly due to a $48,959 decrease in legal fees.

- Salaries and benefits increased $202,174 in Q4 2022 mainly due to additional hires in 2022.

- Stock-based compensation expense in Q4 2022 increased $401,919 compared to Q4 2021 due to the issuance of RSU's and stock options to directors and new employees.

- Accretion and amortization of transaction costs on financing debt was slightly higher than Q4 2021.

- Interest and commitment fees in Q4 2022 of $180,948 was slightly higher than Q4 2021.

- There was a $194,206 foreign exchange gain in Q4 2022, versus a $30,356 gain in Q4 2021, primarily due to the 1.19% CAD revaluation against the USD in Q4 2022 compared to a 0.49% revaluation in Q4 2021. The CAD revaluation had a significant positive effect on the USD debt of the Company in Q4 2021.

- In Q4 2022, there was a $16,035 unrealized loss from the change in fair value of the derivative liabilities compared to a $250,961 unrealized gain in Q4 2021. The reduction of the derivative liability is mainly due to the lower fair market value of the Company's share price. The derivative liability is a result of the conversion feature of the USD denominated Extract convertible debt.

- The deferred income tax recovery for 2022 was $412,121 compared to nil for 2021 due to release of the flow through share premium in 2022, as a result of the full flow-through income having been fully spent on associated exploration expenditure in 2022. The Company has a significant non-capital loss carry-forward position and other deferred income tax assets which have been allocated to offset deferred income tax liabilities only to the extent allowable. Unrecognized deferred tax assets remain for future use and have not been recognized in the accounts as there is no certainty of realization at this time.

FINANCINGS

Sale of Royalty to SRSR

On April 11, 2022, the Company sold a 2.2% net smelter returns royalty on the properties that comprise the Goliath Gold Complex to SRSR for gross proceeds of $25,178,000 (US$20.0 million) (the "Sprott Royalty").

The Sprott Royalty applies to sales of precious and base metals from all of the claims which comprise the Goliath Gold Complex.

Upon the achievement of 1.5 million ounces of gold production, the Sprott Royalty will automatically reduce by 50% for no additional consideration by the Company. Proceeds will be used to complete ongoing work to deliver a feasibility study for the Goliath Gold Complex and for general corporate and working capital purposes.

Until the earlier of December 31, 2027 and the date that commercial production is declared, the Company will pay to SRSR, US$500,000 (the "Minimum Payments"), on a quarterly basis, in cash or in Common Shares at the Company's sole discretion. If the Company elects to issue Common Shares as payment, the Common Shares would be issued at the greater of (a) a 5% discount to the five-day volume-weighted average price based on the five-day consecutive trading days prior to the date of payment is due and (b) the maximum permitted by the Toronto Stock Exchange. Payments commenced in the third quarter of 2022.

The Company has a one-time option (the "Buy-Down Option") to buy back 50% of the Sprott Royalty, reducing the applicable NSR percentage by 50% and 50% of any remaining minimum payments by exercising the option and paying the applicable amount below:

- On or before December 31, 2024 – US$14.0 million
- From January 1, 2025 until December 31, 2025 – US$16.0 million
- From January 1, 2026 until December 31, 2026 – US$17.0 million
- From January 1, 2027 until December 31, 2027 – US$18.25 million
- From January 1, 2028 until December 31, 2028 – US$19.5 million.

The Buy-Down Option is treated as a financial instrument measured at fair value taking into account the likelihood of the Company exercising the option. As of December 31, 2022, in the absence of environmental approvals and financing to build the mine, it is unlikely management will exercise the Buy-Down Option, and as such, management has ascribed a nil value to it.

The sale of the Sprott Royalty has been divided into two parts for accounting purposes:

- sale of a portion of the Goliath Gold Complex as control over a portion of future gold production is transferred to SRSR for the Sprott Royalty; and

- financial liability, in accordance with IFRS 9 – Financial Instruments, for the Minimum Payments.

FINANCIAL INSTRUMENTS AND RELATED RISKS

Most cash and cash equivalents are held in interest bearing bank accounts, or guaranteed rate investments bearing interest rates of up to 4.70%. Accounts receivable and accounts payable are non-interest bearing.

The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash, which it receives from interest and royalty payments, its investment portfolio and any financing transactions entered by the Company. These sources of revenue are subject to various risks, including production risks with respect to the royalty payments and market risks with respect to the investment portfolio. The investment portfolio is managed by the Company.

All financial instruments are required to be measured at fair value, plus or minus transaction costs, on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques like the Black-Scholes option pricing model or other valuation techniques. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the Financial Statements.

Management of Capital

The Company manages its capital structure and makes appropriate adjustments, based on the funds available to the Company, 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 considers capital from two perspectives: its working capital position and its capital stock, warrant, and stock option components of its shareholders' equity.

To effectively manage the Company's capital requirements, management has put in place a rigorous planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities and planned future capital raises to meet its short-term business requirements, considering its anticipated cash flow from operations and its holding of cash and cash equivalents and marketable securities.

At December 31, 2022, the Company expects its capital resources and projected future cash flows from financing to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans.

The properties in which the Company currently has an interest are in the exploration stage and as such the Company is dependent on external financing to fund its activities. 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 period ended December 31, 2022.

Risk Disclosures

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business.

Credit Risk

The Company had a cash and cash equivalents balance of $16,020,110 (December 31, 2021 – $10,090,415) at December 31, 2022. The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. There is no significant credit risk with respect of receivables.

Interest Rate Risk

The Company has exposure to interest rate risk since its short-term debt has an interest rate based on 12-month LIBOR, subject to an interest floor.

Market Price Risk

The Company has convertible debt and minimum payment obligations denominated in U.S. dollars. The convertible feature of the convertible debt has been classified as a derivative liability. Among other variables, the fair value of the derivative liability is affected by changes in the market price of the Company shares.

Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is primarily the U.S. dollar. The balance of net monetary liabilities in such currency as of December 31, 2022 is $16,804,266 (December 31, 2021 – $5,424,084).

Liquidity Risk

The Company is exposed to liquidity risk primarily because of its trade accounts payable and its debt. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2022, the Company had a cash and cash equivalents balance of $16,020,110 (December 31, 2021 – $10,090,415) to settle current liabilities of $9,830,419 (December 31, 2021 – $1,723,673), excluding the flow-through share premium liability and derivative liability. All the Company's trade accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company relies on external financing to generate sufficient operating capital and the management believes it will be able to raise any required funds in the short-term.

Sensitivity Analysis

As at December 31, 2022 and December 31, 2021, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible" over a 12-month period.

- The Company is exposed to interest rate risk on LIBOR fluctuations for its convertible debt. A variance of 1% in the 12-month LIBOR will affect the annual Company's net comprehensive loss by approximately $69,391(2021 – $59,098).

- The Company is exposed to foreign currency risk on fluctuations of balances that are denominated in U.S. currency related to cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the net comprehensive loss by $1,680,427 (2021 – $542,408).

- The Company is exposed to market risk as it relates to its investments held in marketable securities. If market prices had varied by 10% from their December 31, 2022 fair market value positions, the comprehensive loss would have varied by $66,443 (2021 – $69,383).

Fair Value Hierarchy

The Company has designated its investments as FVTOCI (fair value through other comprehensive income), which are measured at fair value. The non-cash derivative liability is classified as FVTPL (fair value through profit or loss) and is measured at fair value with unrealized gains or losses reported in the consolidated statement of operations.

Accounts payable and accrued liabilities, convertible debt and SRSR payment obligations are considered as other financial liabilities, which are measured at amortized cost which also approximates fair value. The fair value of the debt approximates their carrying amount due to the effective interest rate being close to the market rate.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where fair value measurement is required. Fair value amounts represent point in time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. The carrying value of cash and cash equivalents and investments approximate their fair value.

LIQUIDITY AND CAPITAL RESOURCES

The Financial Statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has no operating cash flow from a producing mine and therefore must utilize its current cash reserves, income from short-term investments, funds obtained from the exercise of convertible securities and other financing transactions to maintain its capacity to meet working capital requirements and planned expenditures, or to fund any further development activities. It is not possible to predict whether future financing efforts will be available on reasonable terms, or at all (see "*Risks and Uncertainties*" in this MD&A).

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern and to realize its assets and discharge its liabilities in the normal course of business and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's cash and cash equivalents at December 31, 2022 was $16,020,110 compared to $10,090,415 at December 31, 2021. On April 14, 2022, the Company sold the Sprott Royalty. Proceeds of the financing will be used to complete ongoing work to deliver a feasibility study for the Goliath Gold Complex, as well as for general and corporate purposes. This additional $25.2 million (US$20.0 million) of funding from the Sprott Royalty significantly improved the Company's liquidity position.

The Company must utilize its current cash reserves, funds obtained from the exercise of warrants and stock options, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, ongoing discretionary and committed exploration programs and to fund any further development activities. The Company relies on external financing to generate sufficient operating capital. Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and as such, alternative funding programs are also being pursued by the Company. The Company's management believes it will be able to raise any required funds in the short term. Management will monitor the current market situation and make prudent business decisions, as they are required. See "*Risks and Uncertainties*" in this MD&A.

The Company does not have any other unused and undisclosed sources of financing.

As of December 31, 2022, the Company had net working capital of $7,718,387 (December 31, 2021 – $10,187,429) (excluding flow-through share premium liability and derivative liability). The change in working capital during the year ended December 31, 2022 was ($2,469,042).

As of December 31, 2022:

- Accounts receivable and prepaid expenses of $864,263 is mainly comprised of sales tax receivables from the Government of Canada and prepaid expenses.
- Investments in marketable securities consist of 147,778 shares of Millrock Resources Inc. and 16,500,000 shares of Platinex Inc., all of which collectively have a fair value of $664,433.
- The Company's current portion of debt of $9,830,419 is mainly comprised of the accounts payable, convertible debt and SRSR payment obligation.
- Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company was committed to spend $6,539,025 by December 31, 2022 on Canadian exploration expenses ("CEE") as part of the flow-through financing dated November 5, 2021. At December 31, 2022, the Company had spent $6,539,025. All flow-through spending commitments from all flow-through financings have been fulfilled.

The Company received nil from the exercise of stock options and warrants as of December 31, 2022.

As of December 31, 2022, the Company paid $3,934,148 million towards of administration and professional fees and salary costs and $14,114,808 million to exploration and evaluation costs.

The Company's liquidity risk with financial instruments is minimal as excess cash is invested in interest-bearing accounts with three major Canadian banks. In addition, amounts receivable are comprised mainly of sales tax receivable and advances to suppliers, which are expected to be received and paid within one year, and interest receivable on cash and cash equivalents.

The Company's success depends on the successful development of the Goliath Gold Complex and the corresponding permitting and feasibility study. Based upon its current operating and financial plans, management of the Company believes that it will have sufficient access to financial resources (debt and equity) to fund the Company's planned operations and development of the projects.

SHARE CAPITAL

The following table sets forth information concerning the outstanding securities of the Company as at December 31, 2022.

Fully Diluted Shares

As at	December 31 2022	December 31 2021
Common Shares issued	138,168,087	137,879,334
Warrants outstanding(1)	18,433,000	24,592,635
Stock options outstanding(1)	6,688,109	5,585,325
RSUs outstanding(1)	1,296,293	–
Total	**164,585,489**	**168,057,294**

(1) Each stock option, RSU and warrant is exercisable for one Common Share

As of December 31, 2022, the exercise in full of outstanding warrants and stock options would raise a total of approximately $14.8 million; there were nil in-the-money stock options or warrants. Management does not know when, or how much will be collected from the exercise of such securities, as this is dependent on the determination of the holder and the market price of the Common Shares.

As of March 27, 2023, there were 140,747,207 Common Shares outstanding.

Warrants

See Notes 15 and 16 to Financial Statements for detailed information on the Company's Warrants.

As of December 31, 2022 and March 27, 2023, there were 18,433,000 warrants outstanding with an average exercise price of $1.48, of which there are 11,666,666 Warrants at an exercise price of $1.50 with an expiry date of August 7, 2023 that exercise on a cashless basis. The exercise in full of the remaining outstanding warrants would raise a total of approximately $9.8 million. Management does not know when and how much will be collected from the exercise of such securities as this is dependent on the determination of the warrant holders and the market price of the Common Shares.

Share-Based Compensation

On June 29, 2021, shareholders of the Company approved the Omnibus Equity Incentive Plan (the "Equity Incentive Plan"), replacing the previous stock option plan of the Company (the "Legacy Plan"). The Legacy

Plan continues to be authorized for the sole purpose of facilitating the vesting and exercise of existing awards previously granted under the Legacy Plan. Once the existing awards granted under the Legacy Plan are exercised or terminated, the Legacy Plan will terminate and be of no further force or effect.

The maximum number of Common Shares issuable under the Equity Incentive Plan shall not exceed 9.9% of the issued and outstanding Common Shares from time to time. The Equity Incentive Plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options and RSUs will increase as the Company's issued and outstanding share capital increases. Under the Equity Incentive Plan, directors, officers, employees, and consultants may be granted stock options and/or RSUs to purchase Common Shares. RSUs may be awarded to an employee or consultant as a discretionary payment in consideration of past or futures services to the Company. Upon vesting, RSUs are converted into Common Shares. Limits have also been set in respect of the maximum number of stock options or RSUs that may be issued to insiders at any time as well as within any one-year period.

During the fourth quarter of 2022, the Company granted 150,000 stock options and 76,753 RSUs. As of December 31, 2022, 1,296,293 RSUs were outstanding (December 31, 2021 – nil RSUs).

As of December 31, 2022, 6,688,109 stock options were outstanding at an average exercise price of $0.95 (December 31, 2021 – 5,585,325 stock options at an average exercise price of $1.16), of which 4,534,172 stock options were exercisable (December 31, 2021 – 3,814,992 stock options). The exercise in full of the outstanding stock options would raise a total of approximately $5.2 million. Management does not know when and how much will be collected from the exercise of such securities as this is dependent on the determination of the option holders and the market price of the Common Shares.

As of March 27, 2023, there were 7,019,429 stock options and 5,292,464 RSUs outstanding.

TRENDS AND RISKS THAT HAVE AFFECTED THE COMPANY'S FINANCIAL CONDITION

See the "Risks and Uncertainties" section of this MD&A for information regarding known trends, demands, commitments, events, or uncertainties that are reasonably likely to have an effect on the Company's business and industry and economic factors affecting the Company's performance.

OFF-BALANCE SHEET TRANSACTIONS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

CONTINGENCIES AND COMMITMENT

The Company has made the following commitments as of the date of this MD&A:

- Certain underlying royalties and payment obligations of $105,000 per year remain on 13 of the 25 patented land parcels.

- The Company was committed to spend $6,539,025 by December 31, 2022 on CEE as part of the flow-through financing dated November 5, 2021. At December 31, 2022, the Company had spent 6,539,025. All flow-through spending commitments from previous flow-through financings have been fulfilled.

- An audit was initiated by Canada Revenue Agency (the "CRA") in December 2016 of the flow-through expenditures incurred by the Company pursuant to the flow-through share financings completed on December 6, 2011, September 21, 2012, May 1, 2013 and December 20, 2013. On March 7, 2018, the Company was advised by the CRA that, out of the total of $12.5 million the Company raised through the flow-through share financings and renounced to subscribers, the CRA had reclassified approximately $1.8 million of CEE to operating expenses and a further approximately $2.2 million of CEE to Canadian Development Expenses. In addition, pursuant to the audit, the CRA has notified the Company that it is liable for Part XII.6 tax in the amount of $477,726 in connection with the shortfall from the disallowed CEE. On July 2, 2021, the CRA sent a Notice of Reassessment that reduced the amount of the unpaid Part XII.6 tax to $430,689.

- On September 30, 2021, the Company commenced an appeal to the Tax Court of Canada to dispute the CRA's reclassification of expenses from CEE (Canadian exploration expenses) to CDE (Canadian development expenses) or operating expenses. The Department of Justice filed its Reply pleading on behalf of the Crown on February 9, 2022, and the current litigation timetable requires the parties to proceed with litigation discovery in 2023. Due to the uncertainty of the outcome, no liability has been recorded in the consolidated financial statements.

Contractual Obligations ($)	**Payments Due by Period**				
	Total	**Less than 1 year**	**1 - 3 years**	**4 - 5 years**	**After 5 Years**
Long Term Debt [(1)]	14,221,200	2,708,800	5,417,600	5,417,600	677,200
Other Short-Term Debt [(2)]	6,775,746	6,775,746	–	–	–
Capital Lease Obligations	–	–	–	–	–
Operating Leases [(3)]	460,914	192,070	228,741	40,103	–
Purchase Obligations	–	–	–	–	–
Other Long-term Obligations	–	—	–	–	–
Total Contractual Obligations	**21,457,860**	**9,676,616**	**5,646,341**	**5,457,703**	**677,200**

(1) Represents a US$10.5 million minimum payment obligation with a maturity date December 31, 2027.
(2) Represents a US$5.0 million Debt Facility with a maturity date extended up to June 30, 2023.
(3) Represents a sub-lease agreement of the administrative offices in Toronto until June 2023 and October 2025, respectively. In addition to vehicle leases until January 2026.

RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended December 31, 2022.

Compensation of Key Management Personnel

The following table summarizes remuneration attributable to key management personnel for the three months and year ended December 31, 2022 and 2021:

	Three months ended		**Year ended**	
($)	**December 31 2022**	**December 31 2021**	**December 31 2022**	**December 31 2021,**
Salaries	151,134	140,000	610,632	658,875
Directors' fees	64,027	63,250	260,315	244,000
Other cash compensation	–	–	257,213	300,000
Stock-based compensation, at fair value(i)	591,316	–	1,197,211	311,454
Total	**806,476**	**203,250**	**2,325,371**	**1,514,329**

(i) Stock Option compensation is disclosed at fair value.
(ii) Directors' fees outstanding at December 31, 2022 is $62,500.

DIVIDENDS

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates and associated assumptions are based on various assumptions including historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. See the Financial Statements for information on the Company's significant judgements in applying accounting policies as well as significant accounting estimates and assumptions.

ADOPTION OF NEW ACCOUNTING STANDARDS

During the quarter and year ended December 31, 2022, no new accounting standards were adopted. Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2023. See the Financial Statements for information on future accounting pronouncements as well as new accounting standards issued and effective.

During the quarter ended December 31, 2022, the Company voluntarily changed its accounting policy for the exploration and evaluation expenditures as accepted under IFRS 6 – Exploration and Evaluation of Mineral Resources. Under the new policy the Company expenses exploration and evaluation expenditure, excluding acquisition costs, where previously exploration and evaluation costs were deferred (capitalized).

RISKS AND UNCERTAINTIES

The Company's business, being the acquisition, exploration, and development of mineral properties in Canada, is speculative and involves a high degree of risk. Certain factors, including but not limited to the ones below, could materially affect the Company's financial condition and/or future operating results, and could cause actual events to differ materially from those described in forward looking statements made by or relating to the Company. See "*Cautionary Note Regarding Forward-Looking Information*" in this MD&A. The reader should carefully consider these risks as well as the information disclosed in the Company's financial statements, the Company's annual information form dated March 27, 2023, and other publicly-filed disclosure regarding the Company, available on SEDAR (www.sedar.com) under the Company's issuer profile.

The Company faces numerous exploration, development and operating risks.

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying concession contracts. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources, and in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Nature of mineral exploration and mining.

The Company's future is dependent on its exploration and development programs. The exploration and development of mineral deposits involve significant financial risks over a prolonged period of time, which may not be eliminated even through a combination of careful evaluation, experience, and knowledge. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required to construct mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary or full feasibility studies on the Company's projects, or the current or proposed exploration programs on any of the properties in which the Company has exploration rights, will result in any profitable commercial mining operations. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing mineral reserves.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; precious metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering material adverse effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

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

Mineral reserve and resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral reserve and resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, and other relevant issues. There are numerous uncertainties inherent in estimating mineral reserve and resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve and resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body, and the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Mineral resources that are not mineral reserves have a greater degree of uncertainty as to their existence and feasibility, have not demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Further, there is a risk that inferred mineral resources will not be upgraded to proven and probable mineral reserves as a result of continued exploration.

Inferred mineral resources are not mineral reserves and do not have demonstrated economic viability. However, it is reasonably expected that the majority of Inferred mineral resources could be upgraded to Indicated mineral resources with continued exploration.

Fluctuations in gold or silver prices, results of drilling, metallurgical testing, and production, the evaluation of mine plans after the date of any estimate, permitting requirements, or unforeseen technical or operational difficulties, may require revision of mineral reserve and resource estimates. Should reductions in mineral reserve or resources occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Mineral reserve and resources should not be interpreted as assurances of mine life or the profitability of current or future operations. Any material reductions in estimates of mineral reserve or resources could have a material adverse effect on the Company's results of operations and financial condition.

No assurance the Company will be able to meet commitments under the Sprott Royalty.

The Company entered into the Sprott Royalty with minimum payments to SRSR of US$500,000 on a quarterly basis that can be satisfied in Common Shares or cash payment until the earlier of December 31, 2027 or achievement of commercial production (see "*Financings – Sale of Royalty to SRSR*" in this MD&A). The Company's ability to meet these payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors. The Company will not be able to control many of these factors, such as economic conditions in the markets in which it operates. The Company cannot be certain that its future cash flow from operations will be sufficient to allow it to make the minimum payments on the Sprott Royalty and meet its other obligations. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default.

Uncertainty on the outcome of Indigenous Nations rights and consultation Issues.

The Company's relationships with the communities in which it operates are critical to ensuring the future success of its existing operations and the construction and development of its projects.

Section 35 of Canada's *Constitution Act, 1982* explicitly recognizes and affirms the existing Aboriginal and treaty rights of the Indigenous peoples of Canada. Aboriginal treaty rights may be asserted over all forms of property tenure with respect to which mining rights have been conferred. The Crown has a legal obligation to consult with Indigenous communities when the Crown contemplates conduct that may adversely affect asserted or established Aboriginal rights, including the granting of permits and authorizations necessary for the Company's operations. The requirement of consultation is to listen to and understand the views and concerns of affected Indigenous groups, and where necessary and possible, modify actions or decisions to avoid unlawful infringement of those rights. These processes may affect the ability of the Company to pursue exploration, development and mining at its properties. The resolution of an assertion that a Crown action impacts Aboriginal or treaty rights is a matter of considerable legal complexity and the result of the assertion of such rights 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 an assertion of Aboriginal or treaty rights. In addition, no assurance can be given that any recognition of Aboriginal or treaty 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.

No assurance the Company will be able to meet commitments under the Term Loan

The Company entered into secured debt (the "Term Loan") (see "*Liquidity and Capital Resources*" in this MD&A) with an interest rate of 12-month LIBOR (minimum 200 basis points) plus 6.5% that can be satisfied in shares, cash interest payment, or capitalizing it to the facility. The Term Loan has a maturity date of June 30, 2023. The Company's ability to meet these payment obligations will depend on its future financial performance, which will be affected by financial, business, economic and other factors. The Company will not be able to control many of these factors, such as economic conditions in the markets in which it operates. The Company cannot be certain that its future cash flow from operations will be sufficient to allow it to make principal and interest payments on its Term Loan and meet its other obligations.

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.

The Company's ability to continue its business operations is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash and cash equivalent balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations.

The advancement, exploration and development of the Company's properties, including continuing exploration and development projects, and, if warranted, construction of mining facilities and the commencement of mining operations, will require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. While the Company has been successful in raising such financing in the past, its ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes, and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the

Company's properties, or even a loss of property interest, which would have a material adverse effect on the Company's business, financial condition, and results of operations.

Information Systems (IT) security breaches could disrupt operations.

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and system defects. The impact of IT systems' interference or disruption could include production downtime, operational delays, destruction or corruption of data, disclosure of personal or commercially sensitive information and data breaches. Although security measures and recovery plans are in place for all of the Company's sites and critical IT systems, any such interference or disruption could have a material impact on the Company's business, operations or financial condition and performance.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attachment, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The outstanding Common Shares could be subject to dilution.

The exercise of stock options, warrants and RSUs already issued by the Company and the issuance of additional equity securities in the future could result in dilution in the equity interests of holders of Common Shares.

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

Mining operations generally involve a high degree of risk. Exploration, development and production operations on mineral properties involve numerous risks, including but not limited to unexpected or unusual geological operating conditions, seismic activity, rock bursts, cave-ins, fires, floods, landslides, earthquakes and other environmental occurrences, risks relating to the shipment of precious metal concentrates or ore bars, and political and social instability, any of which could result in damage to, or destruction of, the mine and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although the Company believes that appropriate precautions to mitigate these risks are being taken, operations are subject to hazards such as equipment failure or failure of structures, which may result in environmental pollution and consequent liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the Company's future profitability and result in increasing costs and a decline in the value of the Common Shares. The Company does not maintain insurance against title, political or environmental risks.

While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks is such that liabilities could exceed policy limits or be excluded from coverage. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, thereby adversely affecting the Company's business and financial condition.

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.

Diseases, epidemics and pandemics (including the COVID-19 pandemic) may adversely impact the Company's operations, financial condition and share price.

The Company's operations and financial performance are dependent on it being able to operate at its projects. In view of the constantly changing situation regarding the COVID-19 pandemic, including further waves of the virus and the emergence of variant forms of the virus, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company's operations and its business.

The COVID-19 pandemic crisis and a continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, disruption in the Company's supply chain, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, government-imposed restrictions, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company and its business. Future crises may be precipitated by any number of causes, including additional epidemic diseases, natural disasters, geopolitical instability, changes to energy prices and/or sovereign defaults. If increased levels of volatility continue, or in the event of a rapid destabilization of global economic conditions, it may result in a material adverse effect on commodity prices, demand for metals, including demand for gold, the availability of credit, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's operations and business and the market price of the Company's securities. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

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 does.

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.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business, financial condition, and results of operations. The extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, the financial statements of the Company or the AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on shareholders of the Company, and third parties with which the Company relies on or transacts, may materialize and may have an adverse effect on the Company's business, results of operation, and financial condition.

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.

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 licences and also imposes standards and controls on activities relating to exploration, development and production. The cost of obtaining operating licences and abiding by standards and controls on its activities may be significant. Further, if the Company fails to obtain or maintain such operating licences 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. Should new or more stringent environmental regulations be introduced, the Company anticipates capital expenditure and operating expenses could increase to maintain regulatory compliance. Failure to comply with environmental legislation may result in the issuance of orders, imposition of penalties, liability for related damages and the loss of 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 licences for the operation and expansion of existing operations or for the commencement of new operations. Obtaining or renewing the necessary government permits is a complex and time-consuming process. The duration and success of the Company's efforts to obtain and renew permits and licences 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 licences that are necessary to its operations or the cost to obtain or renew permits and licences 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 Company's business is dependent on its reputation and social licence to operate.

The Company's reputation and licence to operate is influenced by ongoing responsible, lawful and ethical business conduct. Failure to do so can result in serious consequences, ranging from public allegations of misbehaviour and reputational damage to fines, regulatory intervention or investigation, temporary or permanent loss of licences, litigation and/or loss of business. The Company's Management, standards, policies, controls and training are designed to promote and reinforce a culture across the organization whereby employees are required to act lawfully and encouraged to act respectfully and ethically in a socially responsible manner. The Company has in place a *Code of Conduct and Ethics*, which is provided to all employees, officers, embedded contractors and consultants and training and communications in relation to key policies including, but not limited to, anti-bribery, fraud and sanctions, continuous disclosure and insider trading prohibitions are provided to personnel in high-risk roles to promote an understanding of the Company's legal obligations and acceptable business conduct.

The Company has implemented framework and compliance programs to ensure that adequate controls and procedures are in place to mitigate against potential risks in key risk areas, including anti-bribery and corruption, fraud, conflicts of interest, privacy, and a whistleblower process. However, there is a risk that the Company's employees or contractors will fail to adhere to such policies, standards, and procedures that provide guidance on ethical and responsible business conduct and drive legal compliance, which could have a material adverse impact on financial performance, financial condition and prospects, as well as the

Company's reputation. Reputational loss may lead to increased challenges in developing and maintaining community and landowner relations, decreased investor confidence and negative impacts on the Company's ability to operate and advance its projects, which also may adversely impact the Company's financial performance, financial condition and prospects.

Company culture is a critical factor in achieving the Company's strategic goals. As such, the Company has established aspirations, standards and expectations for its workforce and aims to enhance and shape the Company's culture by focusing on training and awareness of leadership behaviours, organizational systems and workforce engagement. This commitment to enhancing culture is a commitment made by the executive management team, is the responsibility of all senior leaders, and is the expectation of the workforce. Policies and processes reinforce the values and behaviours expected in the workplace.

Not all health and safety risks are covered by insurance.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Company and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Company as an employer. The Company has procedures in place to manage health and safety protocols in order to reduce the risk of occurrence and the severity of any accident and is continually investing time and resources to enhance health and safety at all operations.

The Company has limited insurance policies in place to cover some accidents and regularly monitors the adequacy of such policies; however, not all risks are covered by insurance policies due to either coverage not being available or not being available at commercially reasonable prices.

Global financial conditions could impact the Company's ability to obtain additional financing to complete the development of the project.

Current global financial conditions have been subject to increased volatility, and access to public financing, particularly for junior resource companies, has been negatively impacted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, such financing may not be on terms favourable to the Company. If increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the value and price of the Common Shares could be adversely affected.

There is no guarantee the Company will fulfill its spending commitments from its flow-through financings.

There is no guarantee that the Company's spending on the exploration and development will be considered as eligible flow-through expenditures by the Canada Revenue Agency. Although the Company believes it has and will take reasonable measures to ensure that expenditures claimed as flow-through eligible are correct, these expenditures are often audited and challenged by the tax authorities.

Disputes with option and joint venture agreements could have a negative impact on the Company.

The Company has and may continue to enter into option agreements and/or joint ventures as a means of gaining property interests and raising funds. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a negative impact on the Company.

Under the terms of such option agreements the Company may be required to comply with applicable laws, which may require the payment of maintenance fees and corresponding royalties in the event of exploitation/production. The costs of complying with option agreements are difficult to predict with any degree of certainty; however, were the Company forced to suspend operations on any of its concessions or pay any material fees, royalties or taxes, it could result in a material adverse effect to the Company's business, financial results and condition.

The Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may be a materially adverse impact on the strategic value of the underlying concessions.

Directors and officers could be in a position of conflicts of interest.

Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interest they may have in any project or opportunity of the Company. In addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

No guarantee of effect of outside influences on Infrastructure.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies, as well as the location of population centres and pools of labour, 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 impact the Company's ability to explore its properties, thereby adversely affecting its business and financial condition.

Exposure to a range of climate change risks.

The Company has exposure to a range of climate change risks and opportunities related to the transition to a lower-carbon economy, including political, policy and legal developments, technology, reputation, increased capital costs, costs of inputs and raw materials, availability of equipment supply, access to external funding and insurances, as well as physical risks (such as the risk of water scarcity and extreme weather events). In addition, gold mining operations are energy intensive endeavors by their nature. There are no assurances that the Company will be able to address all climate change risks, which may impact the Company's competitive position, its operating and financial results, and its financial condition.

Compliance with Anti-Corruption Laws and ESTMA

The Company is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian *Corruption of Foreign Public Officials Act*. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company cannot predict the nature, scope or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially or adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company instituted policies with regard to its anti-corruption policies. There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

In addition, the *Canadian Extractive Sector Transparency Measures Act* ("ESTMA"), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Commencing in 2017, mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over C$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to C$250,000 (which may be concurrent). If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties, fines and/or sanctions, which may have a material adverse effect on the Company's reputation.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Financial Statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Financial Statements were prepared in accordance with IFRS and include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, to ensure that the Financial Statements are presented fairly in all material respects.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Management has designed and evaluated the effectiveness of our disclosure controls and procedures and the internal controls on financial reporting and have concluded that, based on our evaluation, they are sufficiently effective as of December 31, 2022, to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Internal Controls over Financial Reporting

The Company's internal controls over financial reporting is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. Internal Control over Financial Reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of our assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting as of December 31, 2022. The Company has designed appropriate internal controls over financial reporting for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein.

As of December 31, 2022, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in National Instrument 52-109 –

Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed. There have been no changes in internal control over financial reporting during the quarter ended December 31, 2022, that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting. The control framework used to evaluate the effectiveness of the design and operation of the Company's internal controls over financial reporting is the 2013 Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission.

NON-IFRS MEASURES

The Company has included various references in this document that constitute "specified financial measures" within the meaning of National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators, such as, for example, Working Capital, Free Cash Flow, EBITDA, Total Cash Cost and All-In Sustaining Cost. None of these specified measures is a standardized financial measure under International Financial Reporting Standards ("IFRS") and these measures might not be comparable to similar financial measures disclosed by other issuers. Each of these measures is intended to provide additional information to the reader and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. Certain non-IFRS financial measures used in this MD&A and common to the gold mining industry are defined below.

Working Capital

The Company has referred to working capital throughout this MD&A to supplement its financial statements, which are presented in accordance with IFRS. Working capital is a non-IFRS performance measure. The Company believes that this measure provides investors with an improved ability to evaluate the performance of the Company.

The following table provides a reconciliation of working capital to the financial statements as at December 31, 2022 and December 31, 2021*:*

As at ($)	**December 31 2022**	**December 31 2021**
Current assets	17,548,806	11,911,102
Less current liabilities[(1)]	9,830,419	1,723,673
Working capital	**7,718,387**	**10,187,429**

(1) Excluding flow-through share premium liability and derivative liability

Cash Costs and Cash Costs Per Ounce

Cash Costs are reflective of the cost of production. Cash Cost reported in the PFS include mining costs, processing & water treatment costs, general and administrative costs of the mine, off-site costs, refining costs, transportation costs and royalties. Cash Costs per Ounce is calculated as Cash Costs divided by payable gold ounces.

All-in Sustaining Costs and All-in Sustaining Cost Per Ounce

AISC is reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the PFS includes cash costs, sustaining capital, expansion capital and closure costs, but excludes corporate general and administrative costs and salvage. AISC per Ounce is calculated as AISC divided by payable gold ounces.

Free Cash Flow

FCF deducts capital expenditures from net cash provided by operating activities. Management believes this to be a useful indicator of our ability to operate without reliance on additional borrowing or usage of existing cash. Free cash flow is intended to provide additional information only and does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate this measure differently.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA excludes from net earnings, income tax expense, financing costs, finance income and depreciation. Management believes that EBITDA is a valuable indicator of our ability to generate income by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose.

CORPORATE GOVERNANCE

Management and the Board recognizes the value of good corporate governance and the need to adopt best practices. The Company is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance. The Board has adopted a board mandate outlining its responsibilities and defining its duties. The Board has three committees: the Audit Committee, the Compensation Committee and the Corporate Governance & Nominating Committee. Each Committee has a committee charter, which outlines the committee's mandate, procedures for calling a meeting, and provides access to outside resources. The Board has also adopted a Code of Conduct and Ethics, which governs the ethical behavior of all employees, management, and directors. Separate trading blackout and disclosure policies are also in place. For more details on the Company's corporate governance practices, please refer to the Company's website (www.treasurymetals.com) and the Statement of Corporate Governance contained in the Company's most recent Management Information Circular. The Company's directors have expertise in exploration, metallurgy, mining, accounting, legal, banking, financing and the securities industry. The Board meets at least four times per year and each Committee meets as required.

ADDITIONAL INFORMATION

Additional information regarding the Company can be found in the AIF dated March 27, 2023 for the financial year ended December 31, 2022, which is available electronically on SEDAR (www.sedar.com) under the Company's issuer profile.

For additional information on the Goliath Gold Complex, please refer to the PFS Technical Report, available on the Company's website at www.treasurymetals.com and under the Company's issuer profile on SEDAR at www.sedar.com

QUALIFIED PERSON AND TECHNICAL INFORMATION

Floyd Varley, P.Eng, Maura Kolb,M.Sc., Director of Exploration and Adam Larsen, P.Geo., Exploration Manager, are each considered a Qualified Person within the meaning of NI 43-101, and have reviewed and approved the technical disclosure in this MD&A, unless otherwise indicated.

Scientific and technical information in this MD&A relating to the PFS is supported by the PFS Technical Report, which was prepared for the Company by Ausenco Engineering Canada Inc., with collaboration from SRK Consulting (Canada) Inc., SLR Consulting (Canada) Ltd., Minnow Environmental Inc., WSP Canada Inc. and Stantec Inc. A copy of the PFS Technical Report, including information on methodology (key assumptions and parameters) is available electronically on SEDAR at www.sedar.com under the Company's issue profile.

CAUTIONARY STATEMENTS

Cautionary Statement Regarding Forward-Looking Information

This MD&A includes certain "forward-looking information" and "forward-looking statements" (collectively, forward-looking statements") within the meaning of Canadian and United States securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this MD&A. Such forward looking statements may include, but not be limited to, statements relating to the future financial or operating performance of the Company, the Company's mineral projects, the future price of metals, the estimation of mineral resources and mineral reserves, the realization of mineral resource and mineral reserve estimates, the timing and amount of estimated future production (if any), capital, operating and exploration expenditures, the impact of COVID-19 on the Company's business or prospects, costs and timing of the development of new deposits, costs and timing of future exploration, use of proceeds from financings, proposed extensions regarding the flow-through funds spend period, the ability of the Company to obtain any outstanding permits or approvals required for its operations on the timing described herein (if at all), the timing and ability of the Company to advance the Goliath Gold Complex towards a construction decision (if at all), requirements for additional capital, government regulation of mining operations and mineral exploration activities, environmental risks, title disputes or claims, limitations of insurance coverage, development of the Goliath Gold Complex, the results of the PFS, timing to complete a feasibility study on the Goliath Gold Complex (if at all), and advancement of exploration activities. As well, all of the results of the PFS constitute forward-looking statements and include future estimates of gross revenue, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries and estimates of capital and operating costs. Often, but not always, forward-looking information can be identified by the use of words and phrases 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 information reflects the Company's beliefs and assumptions based on information available at the time such statements were made. Actual results or events may differ from those predicted in forward-looking information. All of the Company's forward-looking information is qualified by (i) the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below, and (ii) the risks described in the section entitled "Risks and Uncertainties" in this MD&A, the financial statements of the Company, and the sections entitled "Risk Factors" and " Forward-Looking Statements" in the AIF, which are available electronically on SEDAR (www.sedar.com) under the Company's issuer profile.

Although the Company believes that the assumptions underlying the forward-looking information contained in this MD&A are reasonable, this list is not exhaustive of the factors that may affect any forward-looking information. The key assumptions that have been made in connection with forward-looking statements include the following: the significance of drill results and ongoing exploration activities; timing to obtain assay results from labs; ability of exploration activities (including drill results) to accurately predict mineralization; the predictability of geological modelling; the accuracy of the Company's records of its property interests; the global economic climate; the impact of COVID-19 on the Company's business and prospects; metal prices; environmental risks; ability of the Company to meet its financial obligations; community and non-governmental actions; that permits required for the Company's operations will be obtained on a timely basis in order to permit the Company to proceed on schedule with its planned drilling programs; that skilled personnel and contractors will be available as the Company's operations continue to grow; that the price of gold will exceed levels that will render the project of the Company economical; the relevance of the assumptions, estimates and projections in technical reports; the results of the PFS; timing and results of a feasibility study on the Goliath Gold Complex; and that the Company will be able to continue raising the necessary capital to finance its operations and realize on its mineral resource estimates.

Forward-looking information involves known and unknown risks, future events, conditions, uncertainties, and other factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; public health crises; the actual results of current exploration activities; errors in geological modelling; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations of grade or recovery rates; failure of plant and equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

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 information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is given as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events, or results, except as may be required by applicable securities laws. There can be no assurance that forward-looking information 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 information.

Cautionary Statement regarding Mineral Resource Estimates

This MD&A uses the terms measured, indicated and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. The mineral resource estimate disclosed in this MD&A may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing or other relevant issues. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to an indicated or measured mineral resource category, however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "*CIM Definition Standards on Mineral Resources and Mineral Reserves*" incorporated by reference into NI 43-101. Under NI 43-101, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for preliminary economic assessments. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.