TREASURY METALS Inc.

2023

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED June 30, 2023
(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 three and six months ended June 30, 2023. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2023 and 2022 and the notes thereto (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should also be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2022 and 2021 and the related MD&A. 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 August 10, 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.sedarplus.ca, 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 (the "Complex"), which includes the district-scale Goliath Gold Project (Goliath), Goldlund Mine (Goldlund) and Miller Project (Miller). 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 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 Goliath, which concluded that the Project was unlikely to result in significant adverse effects to the environment.

In February 2023, the Company completed an independent prefeasibility study (the "Prefeasibility Study") for the Complex prepared in accordance with Canadian National Instrument 43-101 – *Standards for Disclosure for Mineral Projects* ("NI 43-101"). The technical report entitled "Goliath Gold Complex – NI 43-101 Technical Report and Prefeasibility Study" dated March 27, 2023 with an effective date of February 22, 2023 (the "Technical Report") was filed under the Company's profile on SEDAR at www.sedarplus.ca on March 27, 2023. The Technical Report is the current technical report for the Complex. The Company is continuing additional optimization work to assist in unlocking further value in the Complex and 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 Prefeasibility Study toward commencing 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.

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 had common share purchase warrants that traded on the TSX under the symbol "TML.WT" and also traded on the OTCQX under the symbol "TRYMF". These warrants expired on August 7, 2023 and were delisted from the TSX and OTCQX on August 8, 2023. The Company operates its corporate headquarters in Toronto, Ontario, and a Project Office in Wabigoon, Ontario at the Goliath site. Goldlund is operated from the Goliath 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.

Q2 2023 Highlights

- On June 1, 2023, the Company completed a non-brokered private placement (the "Offering"), raising gross proceeds of approximately $1.41 million through the issuance of 3.11 million common shares ("FT Shares") at a price of $0.452 per FT Share which qualify as "flow-through shares" with respect to "Canadian exploration expenses" within the meaning of the *Income Tax Act* (Canada) (the "ITA"). The gross proceeds raised from the Offering will be used by the Company to fund exploration programs related to the Company's projects that qualify as "Canadian exploration expenses" and "flow-through mining expenditures" (as those terms are defined in the ITA) (the "Qualifying Expenditures"). All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective no later than December 31, 2024. See "*Financings – June 2023 Flow-Through Financing*" in this MD&A for additional details.

- On June 15, 2023, the Company negotiated a sixth amendment to its existing Convertible Debt with Extract Lending LLC and Extract Capital Master Fund Ltd (together, "Extract"). The sixth amendment resulted in the maturity date of the Convertible Debt being extended to June 30, 2026 (previously June 30, 2023). In addition, the interest rate was changed to a fixed rate of 9.75% per annum (previously a 12-month LIBOR (minimum of 200 basis points) plus 6.50%). As partial compensation for the amendment, Extract was awarded 8,220,655 Warrants. These Warrants can be exercised up to June 15, 2026, at an exercise price of $0.441 per share, with each Warrant being exercisable for one common share. See "*Financings - Convertible Debt Extension*" in this MD&A for additional details.

- On June 27, 2023, the Company announced the commencement of its 2023 summer prospecting and mapping program as well as additional exploration results at the Fold Nose Target at the Goliath property(see the Company's news release dated June 27, 2023 for additional details). Results included:
    - 1.03 g/t over 27.00 metres near surface (from 6.0 to 33.0 metres downhole), including 4.76 g/t over 1.50 metres and including 5.60 g/t over 1.50 metres (TL22-641);
    - 0.42 g/t over 38.50 metres (from 227.00-265.50 metres downhole), including 1.69 g/t over 1.50 metres and including 1.65 g/t over 1.00 metres and including 2.03 g/t over 1.00 metres (TL22-637); and
    - 0.61 g/t over 21.0 metres (from 307.50-328.50 metres downhole), including 2.35 g/t over 1.0 metres and including 3.41 g/t over 1.14 metres (TL22-637).

- On June 28, 2023, the Company held its annual general meeting of shareholders. At the meeting, two directors, William (Bill) Fisher and Flora Wood, did not stand for re-election. Two new nominees, Michele Ashby and James (Jim) Gowans, were elected to the Board of Directors (the "Board") of the Company. Detailed information on the 2023 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 12, 2023, as well as filed under the Company's issuer profile on SEDAR at www.sedarplus.ca and posted on the Company's website, along with the other meeting materials, at https://treasurymetals.com/investors/annual-meeting-of-shareholders/.

Subsequent to June 30, 2023:

- On August 7, 2023, the Company's common share purchase warrants that traded on the TSX under the symbol "TML.WT" and also traded on the OTCQX under the symbol "TRYMF" expired and were subsequently delisted from the TSX.

- Subsequent to June 30, 2023 the Company issued 2,747,915 common shares (US$500,000) to SRSR and as part of their quarterly payment obligation.

DEVELOPMENT AND EXPLORATION SUMMARY

Goliath Gold Complex

The Complex consists of the Goliath, Goldlund and Miller properties, which is collectively comprised of 503 mineral claims, 49 patents, five leases and one license of occupation. Together, the properties cover approximately 34,926 hectares. The Complex is located approximately 350 kilometres northwest of Thunder Bay, Ontario in the Northwest Region of the Ministry of Natural Resources and Forestry (MNRF). The Complex can be found on 1:250,000 scale Mapsheets National Topographic System (NTS) 052F (Dryden) and 052K (Lac Seul).

The updated mineral resource estimate for the Complex was released in April 2022, which increased overall Measured and Indicated ounces of gold in pit and underground by 9% (173,000 ounces) and increased overall Inferred ounces of gold by 48% (255,000 ounces). This updated mineral resource formed the basis for the Prefeasibility Study, which outlined a low capital intensity project with total production of 1.175 million ounces of gold and declared an initial mineral reserve estimate of 1.3 million ounces of gold (30.3 million tonnes at 1.3 g/t gold) of proven and probable mineral reserves. See the Technical Report for additional details on the Prefeasibility Study.

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 was initiated in May 2023 with a focus on Goldlund crushing requirements and gold recovery methods and is anticipated to conclude in August 2023. Geotechnical investigations commenced in June 2023 and include extensive geophysical, hydrogeological, and geochemical test work and modeling. This work is also anticipated to conclude in August 2023. Mine geotechnical studies, informed by material property testing of oriented cores are in progress to support optimization of the empirically-based mine designs. 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 (Net Present Value (NPV) and Internal Rate of Return (IRR)) while mitigating project risks as well as simplifying environmental permitting. Work on these studies is anticipated to continue in the second half of 2023.

Goliath Project

The Goliath Project ("Goliath") is located in the Kenora Mining Division in northwestern Ontario, about 20 kilometres east of the City of Dryden and 325 kilometres northwest of the port city Thunder Bay, Ontario, Canada. Goliath, which is within the Complex, consists of approximately 7,601 hectares (approximately 76 km^2) and covers portions of Hartman and Zealand townships. Goliath is comprised of two historic properties, now consolidated under the common name "Goliath Gold Project", which consists of: the larger Thunder Lake Property, purchased from Teck Resources and Corona Gold Corp., and the Goliath property, transferred to the Company from Laramide Resources Ltd. Goliath has been expanded from its original size through the staking of mining claims, land purchases and option agreements. The Goliath Project is held 100% by the Company, subject to certain underlying royalties and payment obligations on certain patented land parcels, totalling approximately $0.1 million per year. Recently, the Company has staked 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. See the Technical Report for additional details.

No drilling was conducted on the Goliath property during the second quarter of 2023. However, the Company plans to reinitiate its drilling programs in Q3 2023 on potential targets across the entire Goliath Gold Complex, including the Goliath property.

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 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.

Goldlund hosts a large near-surface gold resource estimated to contain 940,000 ounces of gold in the Indicated category, plus 703,000 ounces of gold in the Inferred category and also includes 75,000 ounces of gold at the Miller Project in the Indicated category and 5,000 in the Inferred category all within a 271 km2 property package located directly to the northeast of Goliath. The close proximity of the projects, combined with well-developed infrastructure in the region, is expected to generate co-development synergies as the properties are advanced in tandem. The property is subject to certain underlying royalties, including with Sprott Resource and Streaming Royalty Corp ("SRSR"). 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. See the Technical Report for additional details.

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. See the Technical Report for additional details.

No drilling was conducted on the Goldlund property during the second quarter of 2023. However, the Company plans to reinitiate its drilling programs in Q3 2023 on potential targets across the entire Goliath Gold Complex, including the Goldlund property.

MINERAL PROPERTIES

The Company did not acquire any new mineral properties during the three and six-month periods ended June 30, 2023. The below table represents the Company's current mineral properties:

($)	Balance December 31 2022	Additions net of recoveries	Sale of SRSR NSR royalty	Balance June 30 2023
Goliath Project	17,519,860	–	–	17,519,860
Goldlund Project	83,906,996	–	–	83,906,996
Weebigee Project	1,952,352	–	–	1,952,352
Total mineral properties	**103,379,208**	–	–	**103,379,208**

Significant expenses related to exploration and evaluation projects, which are reflected in the Statements of Operations, during the six-month period ended June 30, 2023 are described by category in the following table:

Period ended June 30, 2023 ($)	Goliath Project	Goldlund Project	Weebigee Project	Total
Drilling, Assaying & other exploration	1,251,035	272,695	11,780	1,535,510
Environmental	408,359	–	–	408,359
Community Relations	144,944	–	–	144,944
Prefeasibility and Feasibility Study	887,229	181,774	–	1,069,003
Office and Administration	348,538	–	–	348,538
Sale of SRSR NSR Royalty	–	–	–	–
Write-down of Lara Polymetallic Project	–	–	–	–
Total additions	3,040,105	454,469	11,780	3,506,354

Permitting

The Company continues to work with relevant provincial and federal regulatory agencies to advance technical studies for the Complex. Field studies are ongoing to advance statements made during the Prefeasibility Study and to address the Environmental Assessment ("EA") Decision Statement conditions along with future permitting and approvals. The Goliath Project is proposed to receive material from the formerly operating Goldlund mine and Miller deposit. It is anticipated that the ore feed will not materially influence the EA reviewed through the respective federal process and the Minister's decision.

Environment

Treasury Metals has engaged several technical consultants for the continued 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 applies standard field protocols and scientific methodologies and will address the anticipated information needs of regulatory agencies for the approval of Ontario mining projects.

Baseline and technical data collection for the Goldlund Project is underway . The Company has begun initial phases of environmental baseline data collection at the Miller Project and the characterization of material is ongoing. Baseline data for these projects will support provincial permitting and approvals processes, including potential provincial class environmental assessment if required. In parallel with baseline data collection, the Company is evaluating and exploring its options with regards to the Goldlund Project being a past-producing mine site.

Community Relations

The 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.

Current engagement activities with Indigenous and public communities have focused on building relationships, and delivery and dissemination of Project information. Treasury Metals has been in communication with Eagle Lake First Nation, Lac Seul First Nation, Wabauskang First Nation and Wabigoon Lake Ojibway Nation, and the Company continues to document all efforts to date. Treasury Metals, in cooperation with representatives from Eagle Lake First Nation, continues to implement an Environmental Management Committee for ongoing engagement and consultation on the environmental aspects of the Project. This Committee's mandate is to provide a constructive forum for dialogue, collaborative discussion and communication between project updates and to ensure Indigenous values and traditional knowledge are acknowledge and integrated as appropriate. Treasury Metals' staff is working cooperatively with all 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, Goldlund and Miller Projects. The Company will engage certain identified Indigenous communities in comprehensive agreement discussions focusing on continued dialogue, education, training, and other project aspects. The Company 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 EA, permitting process and supporting project-related activities.

Other Exploration Projects

Weebigee Project

The Company holds the Weebigee Project through Goldeye Explorations Limited ("Goldeye"), its wholly-owned subsidiary. Weebigee is a high-grade gold project and is located 227 km north of Red Lake in Northwestern Ontario. The Weebigee Project was subject to an option agreement between Sandy Lake Gold Inc. (renamed G2 Goldfields Inc.) and Goldeye. The option agreement originally provided, among other things, that G2 could earn up to a 70% interest in the Project by achieving certain milestones. In late 2020, G2 Goldfields completed the expenditures required per the Option Agreement for them to earn-in to a 50.1% ownership of the project and a joint venture agreement between G2 Goldfields and Treasury Metals was executed reflecting the 50.1% and 49.9% ownerships. G2 Goldfields will continue as operator of the project. The 2020 Joint Venture Agreement provided that, among other things, G2 will forgo its rights to acquire any further interest in the project under the option agreement. Both companies also settled outstanding arbitration and planned to move forward in a supportive relationship with the Sandy Lake First Nation in order to advance the project. Through the Agreement, G2 and Goldeye would continue to work collaboratively with SLFN and build on the existing relationship for the mutual benefit of all parties. Sandy Lake First Nation will be an important source of personnel, infrastructure and services for the Project during the early exploration phase, and as the project advances. 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. Accordingly, the Company entered into an updated joint venture agreement with S2 in the fourth quarter of 2022 to confirm the ongoing terms of the joint venture.

Three other gold exploration properties were inherited by the Company with the 2016 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 during the three months ended June 30, 2023.

Gold Rock Project

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 Company completed a prospecting program at the Gold Rock Property in 2022 and launched an Airborne Geophysical program which includes digital line profile data, electromagnetic and magnetic survey. On January 23, 2023, the Company announced results from the 2022 prospecting program at the Gold Rock Property, including surface grab sample returns of 6.75 g/t gold at 397-metre elevation. These new results, coupled with the newly received airborne geophysical survey data, will assist in the planning of the next phase of exploration on the property and will form the basis for assessing the exploration potential at Gold Rock. No work was done on the Gold Rock Project during the three months ended June 30, 2023.

RESULTS OF OPERATIONS

The following table, prepared in accordance with IFRS, sets forth selected consolidation information of the Company as of the three and six months ended June 30, 2023 and June 30, 2022, respectively. The selected consolidated financial information should be read in conjunction with the Financial Statements.

	Three months ended		Six months ended	
($)	June 30 2023	June 30 2022	June 30 2023	June 30 2022
Total Revenue [1]	–	–	–	–
Net income (loss)	(2,905,532)	(4,559,096)	(7,653,142)	(10,150,004)
Net gain (loss) per share - basic and diluted	(0.02)	(0.03)	(0.05)	(0.07)

[1] Treasury Metals is an exploration and development company that is not in commercial production

Financial results of operations for the six-month period ended June 30, 2023 as compared to the six-month period ended June 30, 2022

The net loss for the six months ended June 30, 2023 was $7,653,142, compared to a net loss of $10,150,004 for the six months ended June 30, 2022. The net loss primarily resulted from the following:

- Exploration and evaluation costs decreased during the six months ended June 30, 2023 ($3,506,354) compared to the same period in 2022 ($8,106,900) by $4,600,546, due to lower activity across the various exploration & evaluation departments - specifically on drilling exploration, technical studies and legal and other fees. During the second quarter of 2022, the Company incurred legal fees related to the sale of the Sprott Royalty, while no such charges were incurred in 2023.

- Administrative, office and shareholder services decreased during the six months ended June 30, 2023 by $76,007 ($657,811) compared to the same period in 2022 ($733,818), due to a reduction in travel and conference expenditure, IT-related charges and consulting services.

- Professional fees increased by $118,617 during the six months ended June 30, 2023 ($260,392) compared to the same period in 2022 ($141,775), with increased spend primarily on legal services due to support on the debt amendment and flow-through financing.

- Salaries and benefits increased by $204,930 during the six-month period ended June 30, 2023 ($1,405,931) compared to the same period in 2022 ($1,201,001), due to greater number of employees in 2023 compared to 2022.

- Share-based payment expense was $893,586 for the six-month period ended June 30, 2023 compared to $1,087,795 for the same period in 2022. This decrease is mainly due to a lower exercise price, as the share price was lower in 2023 relative to the comparable period.

- Accretion of long-term debt and obligation spend for the six-month period ended June 30, 2023 ($672,405) was higher by $311,647 than spend for the comparable period in 2022 ($437,994). This spend related to accretion on long-term debt and SRSR payment obligation. In 2022, the SRSR payment obligation only came into effect in the second quarter of 2022.

- During the six-month period ended June 30, 2023, there was a $9,757 unrealized loss from the change in fair value of the derivative liabilities, compared to a $640,325 unrealized gain for the same period in 2022. The unrealized loss for the 2023 period is due to the increase in the expected life of the derivative due to the long-term debt maturity date being extended by three years, as well as change in share price. The derivative liability is a result of the conversion feature of the US$-denominated Extract Resource Lending Corp. convertible debt.

- During the second quarter of 2023, a $464,995 loss related to the long-term debt amendment was recognized in profit and loss for the period. The long-term debt terms were renegotiated, with the maturity date being extended until June 30, 2026, and the interest rate being amended to a fixed rate of 9.75% (see "*Financings – Convertible Debt Extension*" in this MD&A). As partial compensation for the amendment, Extract was awarded 8,220,655 additional bonus warrants. The fair value of the warrants was determined to be $464,995.

- Income from recognition of flow-through premium was $nil in the second quarter of 2023 compared to gain of $1,620,975 in the second quarter of 2022. Both adjustments were a result of the flow-through share premium recovery on eligible flow-through exploration expenditures.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following tables summarize the Company's selected financial data 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 at www.sedarplus.ca.

($)	**Q2 Jun-23**	**Q1 Mar-23**	**Q4 Dec-22**	**Q3 Sep-22**
Expenses	2,935,924	4,707,461	4,349,288	5,781,735
Write-down of mineral properties	–	–	–	–
Fair value change of derivative liability – loss (gain)	(30,393)	40,149	16,035	(63,004)
Income tax (expense) recovery	–	–	(412,121)	352,654
Net income (loss)	(2,905,532)	(4,747,610)	(4,777,444)	(5,366,077)
Net income (loss) per share	(0.02)	(0.03)	(0.03)	(0.04)
Other comprehensive income (loss)	(327,192)	164,704	161,015	(164,383)
Total comprehensive income (loss)	(3,232,724)	(4,582,906)	(4,616,429)	(5,530,460)
Mineral properties	103,379,208	103,379,208	103,379,208	103,379,208
Total current liabilities	3,066,241	9,551,746	9,853,157	9,382,406
Total assets	118,816,551	119,668,426	123,737,443	127,760,407

($)	Q2 Jun-22	Q1 Mar-22	Q4 Dec-21	Q3 Sep-21
Expenses	5,491,384	6,819,920	5,212,976	5,974,408
Loss (gain) on debt extinguishment / modification	100,000	–	–	–
Fair value change of derivative liability – loss (gain)	(361,635)	(278,690)	(250,961)	(673,479)
Income tax (expense) recovery	670,653	950,322	–	–
Net income (loss)	(4,559,096)	(5,590,908)	(4,962,015)	(5,300,929)
Net income (loss) per share	(0.03)	(0.04)	(0.04)	(0.04)
Other comprehensive income (loss)	(100,720)	74,696	267,403	(506,696)
Total comprehensive income (loss)	(4,659,816)	(5,516,212)	(4,694,612)	(5,807,625)
Mineral properties	103,331,950	117,698,408	117,698,408	117,698,408
Total current liabilities	8,866,626	3,556,736	3,995,213	5,218,354
Total assets	132,497,092	127,626,250	132,116,170	132,177,786

The decrease in expenses from Q1 2023 compared to Q2 2023 is largely due to the decrease in exploration and evaluation costs, resulting from lower activity in the second quarter as the Company started work on the value engineering and feasibility-level studies towards the end of the second quarter. In addition, there was a reduction in salaries and benefits and share-based compensation ("SBC") due to annual bonuses, paid in cash and SBC, having been paid in the first quarter of 2023.

The variance in fair value change of derivative liability loss is due to the fair value adjustment related to the convertible debt.

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

The decrease in total current liabilities from $9,551,746 in Q1 2023 to $3,066,241 in Q2 2023 is due to the extension of the maturity date of the convertible debt (see "*Financings – Convertible Debt Extension*" in this MD&A). As a result of the extension, the convertible debt is now classified as a long-term liability in the Financial Statements.

The decrease in total assets from $119,668,426 in Q1 2023 to $118,816,551 in Q2 2023 is primarily due to the reduction in cash and cash equivalents related to operational expenditure incurred during the quarter.

In Q2 2022, mineral properties decreased due to the sale of royalty rights on the mining properties to SRSR (see "*Financings – Sale of Royalty to SRSR*" in this MD&A). This increased total assets in Q2 2022, with a portion of the gross proceeds being recognized against mineral properties and the SRSR payment obligation. The Company is required to make minimum quarterly payments of US$500,000 to SRSR, with this quarterly obligation increasing total liabilities in Q2 2022.

Financial results of operations for the three-month period ended June 30, 2023 as compared to three-month period ended June 30, 2022

The net loss for the three months ended June 30, 2023 was $2,905,532, compared to a net loss of $4,559,096 for the three months ended June 30, 2022. The net loss primarily resulted from the following:

- Exploration and evaluation costs decreased during the three-month period ended June 30, 2023 ($1,140,166) compared to the same period in 2022 ($3,237,250) by $2,097,084, due to less activity across the various exploration and evaluation departments – specifically on drilling exploration, prefeasibility studies and legal and other fees.

- Administrative, office and shareholder services decreased during Q2 2023 by $73,208 ($376,269) compared to Q2 2022 ($449,477), due to a reduction in travel and conference expenditure, IT-related charges and consulting fees.

- Professional fees increased by $127,655 in the three-month period ended 2023 ($205,404) compared to the same period in 2022 ($77,749), with 2023 spend primarily on legal costs due to legal support provided on the debt amendment, flow-through financing and CRA correspondence. Additional professional fees related to audit services due to quarterly financial statement reviews, which did not occur in 2022. Salaries and benefits were consistent over the applicable periods, with $441,156 being spent in the second quarter of 2023 compared to $480,139 in the second quarter of 2022.

- Share-based compensation expense was $255,823 for the three-month period ended June 30, 2023 compared to $376,809 for the same period in 2022. The reduction is due to a combination of a lower number of stock options and restricted share units ("RSUs") granted in the period, as well as with a lower exercise price due to a reduced share price.

- Accretion of long-term debt and obligation spend in the second quarter of 2023 ($311,647) was consistent with spend in the second quarter of 2022 ($357,407). This spend related to accretion on the long-term debt and SRSR payment obligation.

- During the three-month period ended June 30, 2023, there was a $30,393 unrealized gain from the change in fair value of the derivative liabilities, compared to a $361,634 unrealized gain for the same period in 2022. The unrealized loss for the 2023 period is mainly due to the change in the expected life of the derivative due to the long-term debt maturity date being extended by three years. The derivative liability is a result of the conversion feature of the US$-denominated Extract convertible debt.

- During the second quarter of 2023, a $464,995 loss related to the long-term debt amendment was recognized in profit and loss for the period. The long-term debt terms were renegotiated, with the maturity date being extended until June 30, 2026 and the interest rate being amended to a fixed rate of 9.75%. As partial compensation for the amendment Extract was awarded 8,220,655 additional bonus warrants. The fair value of the warrants was determined to be $464,995.

- Income from recognition of flow-through premium was $nil in the second quarter of 2023 compared to gain of $670,653 in the second quarter of 2022. Both adjustments were a result of the flow-through share premium recovery on eligible flow-through exploration expenditures, which were incurred during the period.

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 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 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 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.

During the three months ended June 30, 2023, the Company made a payment of US$500,000 ($674,491) by the issuance of 1,942,683 common shares to Sprott Resource Streaming and Royalty Corp. 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 June 30, 2023, 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 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 contractual obligation to pay SRSR the minimum payment of US$500,000 payable quarterly in cash or Common Shares until the earlier of December 31, 2027 and the date that commercial production is declared.

June 2023 Flow-Through Financing

On June 1, 2023, the Company closed a financing by way of a non-brokered private placement for the aggregate proceeds of $1,408,100 through the issuance of 3,115,265 Common Shares (the "Flow-Through Shares") that qualify as flow-through shares for the purposes of the *Income Tax Act* (Canada) (the "ITA") at a price of $0.452 per Flow-Through Share. The gross proceeds will be used by the Company to fund exploration programs related to the Company's projects that qualify as "Canadian Exploration Expenses" and "flow-through mining expenditures", as those terms are defined in the ITA (the "Qualifying Expenditures"). All Qualifying Expenditures will be renounced in favour of the subscribers of the Flow-Through Shares effective no later than December 31, 2023.

Convertible Debt Extension

On June 15, 2023, the Company signed a sixth amendment (the "Amendment") of the existing Extract convertible term loan which amended, among other things, the maturity date and the interest rate of the long-term loan. The maturity date of the loan was extended by three years, to June 30, 2026 with the interest rate being amended to a fixed rate of 9.75% pa from a floating rate of LIBOR + 6.5%.

Pursuant to the terms of the Amendment, the loan will continue to be convertible at the election of Extract into Common Shares at a conversion price of $0.96 per Common Share. As partial compensation for such amendment, the Company issued to Extract 8,220,655 Warrants; each Warrant being exercisable for one Common Share, at an exercise price equal to $0.441, with an expiration date of June 15, 2026. The fair value of the Warrants was determined to be $464,995.

The Amendment also provides flexibility for the Company to pursue project financing, with the ability to subordinate the loan with project financing or prepay the loan in cash if a suitable intercreditor agreement between Extract and the project financing provider cannot be reached. Such prepayment option is subject to the Company paying a premium equal to the greater of (a) interest on the outstanding principal amount of the loan for the remainder of the loan term, payable in cash, and (b) the fair value of an embedded derivative conversion feature set out in the Amendment as of the prepayment date, payable in cash and/or Common Shares to be priced based on the higher of: (i) the 20-day VWAP for the date immediately prior to the prepayment date; and (ii) the lowest discounted price permitted by the polices of the TSX.

All other terms of the loan remained as per the terms set out in prior agreements.

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 4.95%. 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 audited consolidated financial statements for the year ended December 31, 2022, filed under the Company's issuer profile on SEDAR at www.sedarplus.ca and on the Company's website at www.treasurymetals.com.

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 June 30, 2023, 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 periods ended June 30, 2023.

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 $10,677,367 at June 30, 2023 (December 31, 2022 – $16,020,110). 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 the Company's cashable GIC cash balances are linked to the prime lending rate.

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 June 30, 2023 is $15,951,424 (December 31, 2022 – $16,804,266).

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 June 30, 2023, the Company had a cash and cash equivalents balance of $10,677,367 (December 31, 2022 – $16,020,110) to settle current liabilities of $2,645,680 (December 31, 2022 – $9,830,419), excluding the derivative liability and flow-through premium. 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 June 30, 2023 and December 31, 2022, 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 fluctuations on cashable GIC cash balances. A variance of 1% in prime lending rate will affect the annual Company's net comprehensive loss by approximately $3,138 (2022 – $69,391).

- 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 $1,595,142 (2022 – $1,680,427).

- 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 June 30, 2023 fair market value positions, the comprehensive loss would have varied by $50,195 (2022 – $66,443).

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 June 30, 2023 was $10,677,267, compared to $16,020,110 at December 31, 2022. 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 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 June 30, 2023, the Company had net working capital of $10,074,644 (December 31, 2022 – $7,718,387) (excluding derivative liability and flow-through premium), a change of $6,033,380 over the six-month period.

As of June 30, 2023:

- Accounts receivable and prepaid expenses of $1,541,011 was mainly comprised of sales tax receivables from the Government of Canada and prepaid expenses.
- Investments in marketable securities, as of June 30, 2023, consist of 14,778 shares of Alaska Energy Metals Corp and 16,500,000 shares of Platinex Inc., which collectively have a fair value of $501,946.
- The Company's current portion of debt of $1,882,526 is comprised of the lease liability ($108,014) and current portion of the SRSR payment obligation ($1,774,512).
- Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company is committed to spend $1,408,100 by December 31, 2024 on Canadian exploration expenses ("CEE") as part of the flow-through financing dated on May 15, 2023. At June 30, 2023, the Company had spent $85,857, leaving a remaining commitment of $1,322,242. All flow-through spending commitments from previous flow-through financings have been fulfilled. The Company received $nil from the exercise of stock options and warrants for the three and six months ended June 30, 2023.

During the period ended June 30, 2023, the Company paid $2.32 million of administration expenses, professional fees and salary costs and $3.51 million on 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 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 June 30, 2023.

Fully Diluted Shares

As at	June 30 2023	December 31 2022
Common Shares issued	145,881,142	138,168,087
Warrants outstanding(1)	19,887,321	18,433,000
Stock options outstanding(1)	6,433,770	6,688,109
RSUs outstanding(1)	5,422,543	1,296,293
Total	**177,624,776**	**164,585,489**

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

As of June 30, 2023, the exercise in full of outstanding warrants and stock options would raise a total of approximately $3.6 million; there are 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 August 10, 2023, there were 148,629,057 Common Shares outstanding.

Warrants

During the six-month period ended June 30, 2023, 6,766,335 previously-issued private Warrants, with an average exercise price of $1.45, expired. On August 7, 2023, 11,666,666 listed Warrants, with an exercise price of $1.50, expired.

On June 15, 2023, 8,220,655 Warrants were issued to Extract as partial compensation for the Amendment to the long-term loan agreement. Each Warrant is exercisable for one Common Share, at an exercise price equal to $0.441, with an expiration date of June 15, 2026. The fair value was determined to be $464,995.

As of August 10, 2023, there were 8,220,655 Warrants outstanding with an average exercise price of $0.441. The exercise in full of the remaining outstanding Warrants would raise a total of approximately $3.63 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 Payments

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 second quarter of 2023, the Company granted 75,000 stock options and 375,000 RSUs. As of June 30, 2023, 5,422,543 RSUs were outstanding (December 31, 2022 – 1,296,293 RSUs).

As of June 30, 2023, 6,433,770 stock options were outstanding at an average exercise price of $0.92 (December 31, 2022 – 6,688,109 stock options at an average exercise price of $0.95), of which 5,503,047 stock options were exercisable (December 31, 2022 – 4,534,172 stock options). The exercise in full of the outstanding stock options would raise a total of approximately $5.89 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 August 10, 2023, there were 6,583,770 stock options and 5,422,543 RSUs outstanding.

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

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

OFF-BALANCE SHEET TRANSACTIONS

As of June 30, 2023, the Company did 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 COMMITMENTS

The Company has made the following commitments and contingencies as of June 30, 2023:

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

- The Company is committed to spend $1,408,100 by December 31, 2024 on Canadian exploration expenses ("CEE") as part of the June 1, 2023 flow-through financing. At June 30, 2023, the Company has spent $85,857, leaving a remaining commitment of $1,322,242. 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 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 (Canadian exploration expenses) to operating expenses and a further approximately $2.2 million of CEE to CDE (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 to CDE 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 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]	12,578,000	2,648,000	5,296,000	4,634,000	–
Other Short-Term Debt [2]	9,548,667	–	9,548,667	–	–
Operating Leases [3]	329,265	120,843	120,843	57,585	29,994
Purchase Obligations	–	–	–	–	–
Total Contractual Obligations	**22,455,932**	**2,768,843**	**14,965,510**	**4,691,585**	**29,994**

(1) Represents a US$9.5 million minimum payment obligation with a maturity date December 31, 2027.
(2) Represents a US$7.21 million debt facility with a maturity date extended up to June 30, 2026.
(3) Represents a sub-lease agreement of the administrative offices in Toronto until June 2023 and October 2025, respectively. Also represents vehicle leases until January 2026.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the three and six months ended June 30, 2023 (June, 30, 2022: $nil).

Compensation of Key Management Personnel

The following table summarizes remuneration attributable to key management personnel for the three and six months ended June 30, 2023 and 2022:

	Three months ended		Six months ended	
($)	June 30 2023	June 30 2022	June 30 2023	June 30 2022
Salaries	183,227	152,759	320,121	565,488
Directors' fees	70,383	61,000	134,382	122,000
Other cash compensation	–	–	405,350	–
Stock-based compensation, (RSU)	208,703	–	685,449	–
Stock-based compensation, at fair value	–	–	–	180,896
Total	**462,313**	**213,759**	**1,545,302**	**868,384**

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.

FINANCIAL INSTRUMENTS

The current bank accounts, 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.

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 ended June 30, 2023, 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, 2024. 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 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 expenditures, excluding acquisition costs, where previously exploration and evaluation costs were deferred (capitalized).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Financial Statements are the responsibility of the Company's management and have been approved by the Board. 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.

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 four committees: the Audit Committee; the Compensation Committee; the Corporate Governance and Nominating Committee; and the Technical, Health, Safety and Environment Committee (formed in May 2023). 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 an Anti-Corruption Policy as well as 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 and Audit Committee meets at least four times per year and the other Committees meet as required.

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 June 30, 2023, 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 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 June 30, 2023. 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 June 30, 2023, 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 June 30, 2023, 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. None of these specified measures is a standardized financial measure under 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 the 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 June 30, 2023 and December 31, 2022*:*

As at ($)	**June 30** **2023**	**December 31** **2022**
Current assets	12,720,324	17,548,806
Less: current liabilities(1)	2,645,680	9,830,419
Working capital	**10,074,644**	**7,718,387**

(1) Excluding flow-through premium and derivative liability

RISKS AND UNCERTAINTIES

The business of the Company is subject to a variety of risks and uncertainties. Investment in Common Shares should be considered highly speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of development, production and exploration and the location of its properties in Canada. Readers should carefully consider the risks disclosed in this MD&A, the Company's annual information form ("AIF") for the year ended December 31, 2022, audited annual consolidated financial statements and related management's discussion and analysis for the year ended December 31, 2022 and other publicly-filed documentation regarding the Company available under the Company's issuer profile on SEDAR at www.sedarplus.ca. In addition, the AIF is available upon request from the Company. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or relating to the Company's operations and any of these risk elements could have a material adverse effect on the business of the Company.

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.sedarplus.ca) under the Company's issuer profile.

For additional information on the Complex, please refer to the Prefeasibility Study, available on the Company's website at www.treasurymetals.com and under the Company's issuer profile on SEDAR at www.sedarplus.ca.

QUALIFIED PERSON

Adam Larsen, the Company's Director of Exploration, is a Qualified Person as defined by NI 43-101, and is responsible for the preparation of, and has reviewed and approved, the technical disclosure in this Management's Discussion and Analysis, unless otherwise indicated.

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, potential refinancing or extension of the maturity date of the convertible debt, 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 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 Complex, the results of the Prefeasibility Study, timing to complete a feasibility study on the Complex (if at all), and advancement of exploration activities. As well, all of the results of the Prefeasibility Study 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.sedarplus.ca) 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 Prefeasibility Study; timing and results of a feasibility study on the 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 prefeasibility 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.