TREASURY METALS

INCORPORATED

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED MARCH 31, 2014

INTRODUCTION

Treasury Metals Inc. (TSX: TML) ("Treasury Metals" or "Treasury" or the "Company") is a Canadian gold exploration and development company focused on its 100% owned Goliath Gold Project. The Project has access to first-rate infrastructure and is located near Dryden in northwestern Ontario. Treasury Metals is advancing Goliath through the Canadian permitting process for mining production at its open-pit gold mine and 2,500 tpd processing facility. Subsequent underground operations will be developed in the latter years of mine life. Key programs slated for completion in 2014 are further drilling and exploration, feasibility and continuation of the permitting process. Established in 2008, Treasury Metals operates corporate headquarters in Toronto and a Project Office at the Goliath Gold Project. Treasury Metals is listed on the Toronto Stock Exchange under the trading symbol "TML".

More information can be found on Treasury Metals Inc.'s website at www.treasurymetals.com.

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Treasury Metals Inc. should be read in conjunction with the Company's unaudited interim condensed financial statements for the three month period ended March 31, 2014, including the related notes thereto. These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A is presented as of May 14, 2014. Unless otherwise noted, the currency used is Canadian dollars. This MD&A contains "forward-looking" statements that are subject to risk factors set out in a cautionary note contained herein.

PLANS FOR 2014

Over the next eighteen months, the Company will be completing all steps necessary to complete a Feasibility Study and be "shovel-ready" to start building the mine. The cost to do this is expected to be $8.4 million over the next 18 months. In February 2014, the Company announced it completed all conditions for a $6 million feasibility funding facility with RMB Resources Inc. and in addition, in December 2013 the Company announced it had closed a brokered placement of 8,315,500 flow-through common shares. With these two financings, the Company has the funding to complete this plan to be shovel-ready within 18 months.

Specifically, the Company's plans for 2014 are the following:

- In January 2014, the Company announced the recommencement of drilling at the Goliath Gold Project. The initial 10,000 metre program consists of infill and expansion drilling of the Main and C Zones, further delineation of the new high-grade zone discovered in the C Zone and drilling of several targets on the recent Norman property acquisition.

- Also in January 2014, the Company announced it has engaged Tetra Tech WEI Inc. to oversee completion of its Environmental Impact Statement ("EIS") on the Goliath Gold Project. Since the issuance of the EIS

Guidelines by the Canadian Environmental Assessment Agency, Treasury Metals' internal team has been active in the preparation of the EIS and will now work with technical consultants to complete the work. The Tetra Tech group has a Permitting and Approvals office in Winnipeg, Manitoba and has vast experience in environmental permitting and a thorough knowledge of the local area.

- Lycopodium Minerals Canada Ltd. in Toronto, has been selected to conduct a plant optimization and infrastructure study as it pertains to the EIS. The Lycopodium group has a proven track record in the design and construction of operating mines of similar scope and scale.

- WSP Canada Inc. has been selected to design the tailings storage facility and conduct an alternatives assessment review. WSP Canada (formerly Genivar/Cook), in Thunder Bay has notable experience in both the design and construction of tailings facilities. WSP also has significant knowledge of local northwestern Ontario field conditions.

- An Alternatives Assessment report will be included as part of the EIS. This work is being done by Lycopodium and WSP for their respective sections. The Alternatives Assessment will define the optimal mining processes including tailings management methods for development as it pertains to economic calculations, achievability, practicality, and environmental factors. This Alternatives Assessment will also represent a trade-off/optimization study to outline a process that will be taken forward to the Feasibility level. The first alternative to be analyzed focuses on the use of gravity flotation circuits, to be conducted by Gekko Systems Pty. Ltd. of Australia ("Gekko Systems"). These results will complement the previous feasibility level metallurgy for a Carbon In Leach (C.I.L.) processing circuit that yielded greater than 95% total recovery of gold (see press release dated September 17, 2012). The study will provide additional detail to support metallurgical optimization along with the environmental and economic trade-offs between C.I.L. and/or flotation gold extraction circuits. While expected recoveries may be lower using flotation methods, there may be potential upside in lowered capital costs along with environmental benefits by limiting the use of cyanide. Subsequent to this study, Gekko Systems will work towards creating detailed equipment and operating cost estimates for gravity flotation gold extraction process. These results will be used as technical due diligence and will be compared against the conventional C.I.L. method that was previously outlined in the NI 43-101 compliant, updated PEA (2012) on Goliath Gold Project, in a trade-off study to examine any further efficiencies. The potential use of a gravity-flotation circuit will be included in the metallurgical alternatives assessment as part of the Environmental Impact Statement ("EIS").

- Development of the EIS is ongoing with the aforementioned technical consultants. Submission is anticipated to be completed by Q3 2014. Provincial permitting will commence upon the successful submission of the EIS to the Canadian Environmental Assessment Agency.

- Completion of any outstanding baseline reporting.

- In the second half of the year, the Company aims to begin a full Feasibility Study which will include a resource update. The Feasibility Study is anticipated to maintain a shortened timeline due to the significant amount of work that will be put into the alternatives assessment and optimization study.

- Filing assessment reports to keep claims in good standing.
- Reinterpretation of mineralized zones at the Goliath project.
- Recalculating long sections to reflect new interpretations of mineralized zones.
- The Company will also continue to pursue property consolidations and land acquisitions in the immediate area of the Goliath Gold Project.

MINERAL EXPLORATION PROPERTIES

Goliath Gold Project

The Goliath Gold Project ("Goliath" or "the Project") is located in the Kenora Mining Division in northwestern Ontario, about 20 kilometres east of the City of Dryden and 325 kilometres northwest of the port city Thunder Bay, Ontario, Canada. Goliath Gold Project consists of approximately 4,881 hectares (approximately 49 km^2 total) and covering portions of Hartman and Zealand townships. The Project is comprised of two historic properties, which are now consolidated under the common name Goliath Gold Project: the larger Thunder Lake Property, purchased from Teck Resources and Corona Gold Corp., and the Goliath Property, transferred to the Company from Laramide. The Goliath Gold Project has been expanded from its original size through the staking of mining claims, land purchases and option agreements. The Project is held 100% by the Company, subject to certain underlying royalties and payment obligations on certain patented land parcels, currently totalling about $103,500 per year.

Goldcliff Project

The Goldcliff Project ("Goldcliff") represents a new gold discovery in the Kenora Gold District and is located approximately 40 kilometres south-southeast of Dryden, Ontario; it is situated within the Boyer Lake Area of the Kenora Mining District. Goldcliff is accessible via Provincial Highway #502. The Goldcliff Project area comprises four optioned unpatented mining claims and 45 contiguous unpatented mining claims staked by Treasury Metals. Goldcliff totals 570 units and covers approximately 9,120 hectares.

Goldcliff lies within the Eagle-Wabigoon-Manitou Lakes greenstone belt located in the Superior Province of the Canadian Shield. Current government mapping shows the Property as comprising mainly mafic volcanic and related intrusive rocks, cut locally by quartz-feldspar porphyry dykes. There is local strong carbonatization of both mafic volcanic rocks and quartz-feldspar porphyry. Prospecting, trenching and sampling have proven both rock types to be gold-bearing.

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 was comprised of 90 mineral claims at the end of 2013 and in early 2014, as the claims came up for renewal, only the significant claims were renewed and the Project currently consists of 41 mineral claims.

Net Smelter Royalty, Cerro Colorado Gold Mine

The Company owns a 3.0% Net Smelter Royalty (“NSR”) on the Cerro Colorado gold mining operation in Sonora State, Mexico, operated by Goldgroup Mining Inc. Cerro Colorado is a small-scale gold (silver) mine that produces gold from its heap leach operation. The agreement contemplated that Treasury Metals would receive a 2.0% sliding production royalty when gold prices are below USD$350 per ounce and a 2.5% sliding production royalty when prices are above USD$350 per ounce; once cumulative production exceeds 100,000 ounces gold, which was met in 2010, the royalty rate escalates to 3.0%.

The operation produced around 20,000 ounces per year from 2010 to 2012 and dropped to 17,776 ounces in 2013 reflecting the stopping of full scale mining operations late in that year. For 2014 the projection is for less ounces as the focus will be on leaching the existing leach pads.

GOLIATH GOLD PROJECT

HIGHLIGHTS

- Since Treasury Metals began drilling Goliath Gold Project in 2008, a total of 377 diamond drill holes comprised of 353 newly collared holes and 24 re-entry holes for a total of 113,788 metres have been drilled on the property.

- On February 19, 2014, the Company completed all conditions for a $6 million feasibility funding facility (the “Facility”) with RMB Resources Inc. (“RMB”). The Facility, of which an initial $3 million is available immediately and a second tranche of $3 million is available upon completion of specified project milestones, has a term of 2.5 years. This facility together with the $3.3 million flow through share financing completed in late December 2013 provide sufficient funding for the Company to complete all steps necessary to complete an Environmental Impact Statement (“EIS”) and a Feasibility Study and be “shovel-ready” to start building the mine. The cost over the next eighteen months to do this is budgeted to be $8.4 million.

- Immediately after the closing of the flow-through share offering in late December 2013 and final approval of the Feasibility Finance Facility by RMB Resources Inc., the Company moved to engage several consulting engineering firms to complete the technical work required to support an Environmental Impact Statement (“EIS”) and a Feasibility Study.

- In February 2014, a study conducted by Gekko Systems Pty. Ltd. of Australia (“Gekko Systems”), focused on optimizing the use of gravity-flotation circuits at the Goliath Gold Project. These results will complement the previous feasibility level metallurgy for a Carbon In Leach (“C.I.L.”) processing circuit that yielded greater than 95% total recovery of gold. The study will provide additional detail to support metallurgical optimization along with the environmental and economic trade-offs between C.I.L. and/or flotation gold extraction circuits. While expected recoveries may be lower using flotation methods, there may be potential upside in lowered capital costs along with environmental benefits by limiting the use of cyanide.

- A Project Description (“PD”) for the Goliath Gold Project was submitted to the federal government’s Canadian Environmental Assessment Agency (“CEAA”) on November 27, 2012, and officially accepted by the CEAA on November 30, 2012. The Company’s PD initiated the official permitting and approvals process for mine development. Subsequent to the PD filing, the Company received both the CEAA determination to have the Goliath Gold Project subject to an Environmental Assessment (“EA”) and the Environmental Impact Statement (“EIS”) guidelines. The Company is currently working on the completion of the Environmental Impact Statement and expects it to be submitted to the Canadian Environmental Assessment Agency in Q3 2014.

- **Preliminary Economic Assessment** of July 2012 (“PEA”). Highlights include:
  - 10+ year combined open pit and underground mine life with processing throughput averaging 2,500 tonnes per day;
  - Avg. annual production of 80,000 oz gold equivalent, with a LOM head grade of 3.05 g/tonne;
  - Average operating cash cost of $698 per equivalent gold ounce;
  - Life of Mine pre-tax net present value of $199.0 million, internal rate of return of 39.3% and a payback of 2.2 years;
  - Life of Mine after-tax net present value of $144.3 million, internal rate of return of 32.4% and a payback of 2.8 years;
  - Initial capital expenditure of $92 million, including 20% contingency;
  - Estimated gold processing recoveries of 95%.

According to the cautionary statement required by NI 43-101, it should be noted that this assessment is preliminary in nature as it includes inferred mineral resource that cannot be categorized as reserves at this time and as such there is no certainty that the preliminary assessment and economics will be realized. The full PEA is available at the Company’s website and on SEDAR (www.sedar.com).

- **Updated National Instrument 43-101 Resource Estimate** of November 2011 (“NI 43-101”): Indicated mineral resource of 810,000 ounces and Inferred mineral resource of 900,000 ounces of gold and gold equivalent ounces of silver.

OPERATING ACTIVITIES

Environmental, Permitting, and Development Activities

A number of exploration and development programs are ongoing for the further advancement of the Goliath Gold Project.

The Company's ongoing Environmental Baseline Studies, initiated in the fall of 2010, support the permitting process. Environmental studies to date have identified "no fatal flaws" for the Goliath Gold Project.

A Project Description ("PD") for the Goliath Gold Project was submitted on November 27, 2012 to and subsequently accepted on November 30, 2012 by the federal government's Canadian Environmental Assessment Agency ("CEAA"). The Company's PD initiated the official permitting and approvals process for mine development. This milestone marks a significant advancement in the development of the Goliath Gold Project and officially began the federal government's 365-day legislated period for the completion of the Environmental Assessment ("EA") by CEAA. The 365-day review and approval window includes 45 days CEAA used to determine that an EA for the Goliath Project was required. CEAA used the PD to develop the "Guidelines" for an Environmental Impact Statement ("EIS") that Treasury Metals is required to complete as an integral part of the EA process.

Pursuant to the Canadian Environmental Assessment Act, 2012, the PD outlines the proposed Project development plan and will provide a greater understanding of the Project to the appropriate agencies and authorities. The scope of the Project includes initially an open pit for three years followed by a combination of both open pit and underground mining methods that will continue to the end of the total 10 to 12 years of mine life. Processing was outlined to be done using a 2,500 tonne/day C.I.L. plant. The current optimization studies will confirm the possible use of gravity followed by flotation rather than C.I.L. Any associated infrastructure needed to successfully develop and operate the project is described within the document. The PD also outlines the results of more than two years of Treasury Metals environmental baseline studies, anticipated socioeconomic and environmental impacts, as well as consultations and communications to date with local, provincial and federal government agencies, First Nations, the Métis Nation of Ontario and other aboriginal communities and the general public.

Subsequent to the PD filing, the Company received both the CEAA determination to have the Goliath Gold Project subject to an EA and the draft EIS guidelines. On February 21, 2013, the Company received guidelines for the preparation of an EIS pursuant to the Canadian Environmental Assessment Act 2012.

The provincial permitting application development will start when the EIS documents are submitted to the CEAA. Treasury Metals continuously communicates with provincial agencies (MNDM, MOE, MNR) via a weekly conference call and other meetings, as required.

A meeting was held with Hydro One to confirm power requirements and discuss the connectivity permitting process. Treasury has received verbal confirmation that capacity is available on the local 115 kV line on site and that this location is ideal for a power connection. Contact has been made with Independent Electrical Systems Operator to begin the electrical connection process.

Treasury Metals also continues to advance technical engineering and environmental programs to support Goliath Gold Project's Environmental Impact Statement. These technical programs will also flow into a Feasibility Study.

Immediately after the closing of the flow-through share offering in late December 2013 and final approval of the Feasibility Finance Facility by RMB Resources Inc., the Company moved to engage several consulting engineering firms to complete the technical work required to support the Environmental Impact Statement ("EIS") and Feasibility Study.

Treasury Metals is currently conducting a scoping/optimization study to narrow the ore processing and tailings storage options ahead of commencing the full Feasibility Study. This work is complementary to both the EIS and the Feasibility Study work. Additional work is included in these respective key areas: EIS, Feasibility Study and Provincial Permitting.

For the scoping/optimization study, the base case mill is comprised of a 2,700 t/d conventional crushing, grinding, gravity separation and flotation, followed by an industry standard C.I.L. plant and tailings storage facility (TSF). The study will also study the additional options of a) a crushing, grinding, gravity separation and flotation, concentrated cyanide extraction and, b) a crushing, grinding, gravity separation and flotation, with no cyanide extraction or dry stack tailings.

The purpose of evaluating the additional options is to improve project economics by significantly reducing CAPEX requirements for the project and simplifying environmental permitting, especially if cyanide extraction could be eliminated. These study results will also be included in the "Alternatives Assessment" as required for the EIS to demonstrate that "all technically Feasible" options for the project have been considered.

Metallurgical work and initial testing has indicated that very good gold recovery values could be expected using gravity separation and flotation alone. Approximately 220 kg of Goliath Project ore is currently being tested with Gekko Systems of Australia to verify recoveries using gravity separation and flotation. Results will allow Treasury to narrow down to a single processing option for the feasibility study.

<u>Environmental Impact Statement and Feasibility Study</u>

Treasury has engaged several consulting engineering firms to complete the technical studies necessary to complete the EIS and Feasibility Study.

- Tetra Tech WEI Inc. ("TT") is the lead consultant for the preparation of the EIS. Based in Winnipeg, TT has vast experience in mining and environmental permitting and a thorough knowledge of the local area.
- Lycopodium Minerals Canada Ltd. in Toronto has been selected to oversee plant and infrastructure optimization for the project as it pertains to the EIS.
- WSP Canada (formerly Genivar) of Thunder Bay has been selected to design the tailings storage facility ("TSF") and conduct an alternatives assessment review. This work will flow directly into the final Feasibility Study. WSP has conducted a site visit of the Goliath Gold Project and arrangements have been made to complete a site investigation plan, including shallow drilling for soils and geotechnical purposes.
- GCK Consulting in Thunder Bay has been engaged to complete the socioeconomic baseline study.
- AMEC in Toronto is engaged to complete the site's hydrogeology work.

- DST Consulting Engineers Inc. in Thunder Bay is currently preparing final Environmental Baseline Reports for 2012 and 2013.
- Mine Design Engineering is continuing geotechnical studies to be integrated with infill drilling schedule.
- Ecometrix is engaged to complete geochemistry studies and will continue testing key samples for additional data until the final report is completed.
- RWDI is engaged to study baselines for dust, noise and light.
- Keewatin – Aski of Sioux Lookout is commissioned to conduct a traffic survey. Baseline data collection and preparatory work have been completed, as well as the traffic count.
- The mine design consultant for both the open pit and underground phases will be selected in the near future.

Phase 1 of the Feasibility Study has started with the Optimization Study and TSF Alternatives Assessment by Lycopodium and WSP. Phase 2 of the Feasibility Study will begin following a successful submission of the EIS. Infill drilling is currently ongoing to upgrade inferred resources into the measured or indicated categories.

Exploration

In January 2014, the Company announced the recommencement of drilling at the Goliath Gold Project. The initial 10,000 metre program consists of infill and expansion drilling of the Main and C Zones, further delineation of the new high-grade zone discovered in the C Zone and drilling of several targets on the recent Norman property acquisition.

The 2014 Drilling Program Targets include:

- A number of targets on the newly acquired Norman property acquisition, which is adjacent to the current deposit. The property is contiguous to and located along strike and downdip of the eastern end of the mineral resource at Goliath. The Norman acquisition provides first-time access for drilling of an additional 1.6 kilometres of potential deposit strike length. The current resource is interpreted to project towards the NE portion of this newly acquired property.

- Several EM targets across the Goliath property. The conductors were compiled and ranked from a property-wide airborne EM survey flown in 2011.

- Drilling of the recently discovered high-grade area in the C Zone. Previous intersections in the area include the re-entry hole TL164-12RE which returned values of 18.6 g/t Au over 5.2 metres (see press release dated December 11, 2012 and January 29, 2013 for further details). This particular zone, encountered in the central area of the deposit, was a result of extending previous drill holes by approximately 30 to 50 metres past the Main Zone and through the C Zone of the deposit. The new program will focus on further delineation and expansion of the new zone.

- Infill and expansion drilling of both the Main Zone and C Zone is focused on increasing the resource size and upgrading current Inferred resources into the Indicated category. The drill program will include:

  - Final delineation of the open pit and infilling areas of possible pit expansion.

  - Delineation of the newly discovered C Zone ore shoot including the extension of previously drilled holes through the Main Zone which were terminated short of the C Zone.

  - Infill of the Main Zone where required to finalize the underground engineering plan for the Feasibility Study.

The infill and expansion drill program, combined with the other drilling programs since October 2011, will form a new resource update expected in 2014.

Highlights of the drill hole results to date include:

Holes **TL14-349 and 350** delivered intercepts that currently rest outside the proposed C Zone western pit shell. **TL14-350** encountered **6.7 m at 5.39 g/t** at a vertical depth of 60 metres from surface and **TL14-349** intercepted **9.3 m at 2.2 g/t,** approximately 30 metres below TL14-350. Both results continue to potentially add new open pit ounces.

An exploration hole located in a sparsely drilled area outside the indicated boundary of the developing western area of the C Zone, Hole **TL14-346A** intersected **6.4 m at 4.32 g/t.** The Company has reported a number of encouraging intercepts within this developing high-grade area of the C Zone. The C Zone remains a high priority exploration target that continues to remain open to the west and down plunge.

Highlights also include **TL14-353** which intersected **12.25 m at 4.05 g/t** including **6.0 m at 6.51 g/t** in the Hanging Wall of the current Main Zone, followed by an intersection of **3.25 m at 2.69 g/t** in the foot wall. TL14-353 is a delineation hole located in the Main Zone central domain, occurring roughly 200 m down from surface. The Hanging Wall and Foot Wall intersections continue to deliver solid grades while increasing confidence in the proposed underground stopes.

Presently, the Company is completing Geotechnical core drilling for the mine design which will be followed by additional in-fill and expansion drilling in the C Zone and Main Zone. Exploration modelling and targeting also continues along the Goliath Gold Project's mineralized domain trending east-west.

A table of all drilling results is on the Company's website at www.treasurymetals.com.

Goliath Gold Project 2014 Exploration and Development Program Expenditures

Goliath Gold Project	Balance	Incurred in three months ending				Balance
	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	31-Mar-14
Metallurgy	137,942	0	870	0	50,000	188,812
General and administrative	1,785,869	59,927	28,512	101,436	72,949	2,048,693
Amortization	87,398	19,862	19,862	19,862	19,185	166,170
Drilling and geology	16,252,639	45,917	25,272	4,116	460,672	16,788,615
Bankable feasibility	20,704	6,162	28,049	0	3	54,919
Environment	924,162	30,746	20,826	12,480	466,009	1,454,222
Hydrogeology	87,124	34,753	14,120	41,869	36,851	214,717
Geotechnical	45,619	0	350	0	3,046	49,014
Geochemistry	0	43,658	20,059	19,984	12,686	96,388
Preliminary Economic Assessment	255,532	0	0	47,325	(5,564)	297,293
Labour and other payments to consultants	2,450,886	290,978	214,707	261,761	259,978	3,478,311
Acquisitions of properties and data	27,384,340	577	0	190	103,726	27,488,833
Goliath Gold Project	49,432,214	532,581	372,627	509,023	1,479,541	52,325,986

Goliath Gold Project	Balance	Incurred in three months ending				Balance
	31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12	31-Mar-13	31-Mar-13
Metallurgy	24,942	24,277	73,404	15,317	0	137,942
General and administrative	1,404,034	92,010	88,417	101,034	100,373	1,785,869
Amortization	0	0	0	67,536	19,862	87,398
Drilling and geology	12,706,482	1,532,602	163,785	863,687	986,083	16,252,639
Bankable feasibility	0	0	0	0	20,704	20,704
Environment	495,918	171,201	155,453	39,431	62,159	924,162
Hydrogeology	0	28,588	0	0	58,536	87,124
Geotechnical	0	0	0	0	45,619	45,619
Geochemistry	0	0	0	0	0	0
Preliminary Economic Assessment	172,312	0	0	83,220	0	255,532
Labour and other payments to consultants	1,183,446	367,588	358,970	289,810	251,073	2,450,886
Acquisitions of properties and data	27,220,889	50,000	(50,000)	60,000	103,451	27,384,340
Total Goliath Gold Project	43,208,023	2,266,266	790,029	1,520,036	1,647,860	49,432,214

GOLDCLIFF PROJECT

Goldcliff Property	Balance	Incurred in three months ending				Balance
	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	31-Mar-14
Drilling and geology	191,663	765	0	0	0	192,428
Acquisitions of properties and data	128,460	5,000	0	0	5,000	138,460
Camp field and land costs	133,598	1,963	0	0	731	136,292
Total Goldcliff Property	453,721	7,728	0	0	5,731	467,180

Goldcliff Property	Balance	Incurred in three months ending				Balance
	31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12	31-Mar-13	31-Mar-13
Drilling and geology	0	0	0	157,306	34,357	191,663
Acquisitions of properties and data	93,860	34,600	0	0	0	128,460
Camp field and land costs	117,180	616	289	44	15,468	133,598
Total Goldcliff Property	211,040	35,216	289	157,350	49,825	453,721

In June 2010, the Company acquired the right to earn a 100% interest in four unpatented mining claims in the District of Kenora (S. Johnson-Barkauskas Mineral Property Agreement). Under the terms of the Agreement, the Company is to make option payments totalling $90,500 and issue 80,000 common shares of the Company over a four-year period. These payments are required as follows: $8,500 and 20,000 common shares paid on signing of the agreement (paid), $12,000 and 20,000 common shares on or before June 23, 2011 (paid), $20,000 and 20,000 common shares on or before June 23, 2012 (paid), and $50,000 and 20,000 common shares on or before December 23, 2013 (subsequently extended until September 1, 2014). The four unpatented mining claims, totalling 12 units and 192 hectares, are subject to a 2% NSR, of which 1% can be purchased by the Company for $750,000.

In 2012, Treasury conducted a trench mapping and sampling program followed by a drilling program at its 100% owned Goldcliff Project, located approximately 40 kilometres south-southeast of the City of Dryden, Northwestern Ontario in the Kenora Mining District. The initial program commenced in August 2012 and focused on three mineralized showings identified and trenched during the 2011 summer program referred to as the Goldcliff showing, the Ange showing, and the Sulphide showing. Detailed mapping, channel sampling and several 1-2 metre holes were drilled using a handheld drill in an effort to further understand the geology and identify drill targets.

Based on the results of the mapping program and data from the Geophysics flown in 2011, the Company initiated a 9-hole, 1,386 metre drill program in October 2012. One hole was drilled on the Goldcliff showing, six holes on the Ange showing, and two on the Sulphide showing. Various anomalous gold envelopes were intersected as well as an extremely high grade sample from the Ange showing. The third drill hole, GC12-03, intersected a narrow vein with abundant coarse visible gold which produced a sample grading 1,763.4 g/t over 75 cm along with many other anomalous hits.

In light of the high-grade intersection the Company commissioned a staking program. Eight new blocks, comprising 128 units, totaling 2,048 hectares were added contiguous to the northeast portion of the existing property. This raised the total land package to 45 claims, 570 units totaling 9,120 hectares.

With only minimal work being applied to this recently acquired property, Goldcliff has proven to be an extremely viable hunting ground for gold. Its proximity to the Goliath Project is equally attractive because even a smaller deposit could be used to provide feed to an existing mill and provide additional income to the Company.

LARA POLYMETALLIC PROJECT

Lara Polymetallic Project - BC	Balance	Incurred in three months ending				Balance
	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	31-Mar-14
Consultants	56,916	1,570	0	0	1,885	60,371
Surveys	18,034	0	0	0	0	18,034
Camp field and land costs	261,407	3,399	1,382	500	66,345	333,033
Total Lara Polymetallic Project - BC	336,357	4,968	1,382	500	68,230	411,437

Lara Polymetallic Project - BC	Balance	Incurred in three months ending				Balance
	31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12	31-Mar-13	31-Mar-13
Consultants	49,219	0	0	0	7,697	56,916
Surveys	18,034	0	0	0	0	18,034
Camp field and land costs	158,587	203	14,500	0	88,118	261,407
Total Lara Polymetallic Project - BC	225,840	203	14,500	0	95,815	336,357

The Company inherited the Lara Project in early 2008, as part of the spin-out transaction from Laramide Resources Ltd. The Company, as a gold focused exploration and development company, does not consider this project to be a high priority in terms of its overall corporate strategy. Based on current market conditions, the geological fieldwork planned on the property has been put on hold. The Company would consider seeking a purchaser or joint venture partner for this non-core project.

NET SMELTER ROYALTY, CERRO COLORADO GOLD MINE

The Company's NSR revenue was $71,797 for the three month period ended March 31, 2014, as compared with $202,577 in the same period of the year 2013, due to the decrease of gold production from 5,254 ounces in Q1 2013 to 1,844 ounces in Q1 2014. This decrease reflects that full mining operations have ceased at the site and ongoing plans are to leach only the existing leach pads. The royalty funds a portion of corporate overhead costs.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected financial data for Treasury Metals for each of the last eight quarters. The information set forth below should be read in conjunction with the March 31, 2014 interim condensed financial statements and the related notes thereto, prepared by management in accordance with International Financial Reporting Standards. Detailed explanations of quarterly variances are included in each quarterly MD&A filed on SEDAR.

	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	Mar-14	Dec-13	Sep-13	Jun-13	Mar-13	Dec-12	Sep-12	Jun-12
	$	$	$	$	$	$	$	$
Royalty Revenue	71,797	106,507	143,139	271,253	202,577	177,376	193,595	270,055
Gain on sale of investments	0	0	0	0	0	0	0	5,731
Expenses	407,594	397,208	361,056	413,989	484,534	435,259	502,840	525,221
Permanent impairment of available-for-sale investments	0	1,703,398	0	0	0	0	0	0
Income tax expense (recovery)	282,283	(302,000)	0	0	0	137,400	0	825,000
Net loss	(618,080)	(1,692,099)	(217,917)	(142,736)	(281,957)	(395,283)	(309,245)	(1,074,435)
Net loss per share (basic and diluted)	(0.01)	(0.04)	0.00	0.00	0.00	(0.01)	(0.01)	(0.02)
Other comprehensive income (loss)	267,375	1,651,649	17,250	(241,500)	(232,875)	(77,626)	8,625	(836,234)
Total comprehensive loss	(350,705)	(40,450)	(200,667)	(384,236)	(514,832)	(472,909)	(300,620)	(1,910,669)
Mineral properties and deferred costs	53,204,603	51,651,101	51,141,578	50,767,570	50,218,505	48,428,792	46,751,406	45,946,037
Total current liabilities	1,609,209	2,437,369	2,009,899	1,884,593	2,563,898	2,233,375	2,552,815	2,388,266
Total assets	57,986,958	57,800,722	54,767,522	54,932,395	54,309,369	54,427,335	54,451,362	49,094,944

Royalty revenue variances are due to fluctuations in the Cerro Colorado gold revenue NSR due to changes in production. The royalty decrease is due to lower production originated by lower ore grade, a higher strip ratio and a lower recovery rate. Gain on sale of investments relates to realized results on the sale of shares from the investment portfolio; there have not been sales of investments since Q2 2012.

The most significant expense variances quarter to quarter are due to the vesting cost of the various stock option issuances and the $ 1,703,398 write-down of the Goldgroup Mining Inc. shares recorded in Q4 2013.

The quarterly variations in the Other Comprehensive income (loss) result from the quarter end adjustment to market value of the Goldgroup Mining Inc. shares and their reclassification to the statement of operations in Q4 2013.

The fluctuation in Total Assets from one quarter to the next is primarily a function of cash increases through the issuance of shares and the exercise of warrants and options, the valuation at fair market value of the long-term investments, and the use of cash for operating expenses.

FINANCIAL RESULTS OF OPERATIONS

Three months ended March 31, 2014 compared with three months ended March 31, 2013

The net loss for the three-month period ended March 31, 2014 was $618,080 (2013 - $281,957). The variance is explained as follows:

- In Q1 2014 the royalty income is $101,357 lower than Q1 2013 mainly due to lower gold production at Cerro Colorado. Mining operations at Cerro Colorado were stopped in late 2013 and current operations involve only the leaching of existing leach pads.
- In Q1 2014 the salary and benefits expenses are $85,473 higher than Q1 2013 due to the move from consulting and administrative expenses to salary expense of accounting, finance and administrative personnel.
- In 2014 there is $45,529 of stock-based compensation against $38,450 for 2013
- In Q1 2014 there is a deferred tax expense of $282,283 reflecting flow-through share renunciations in the period against no renunciations recorded in Q1 2013.

The effect of the above explained lower income and higher expenses items was partially offset by the following lower expenses:

- In Q1 2014 the administrative, office and shareholders services expenses are $202,584 compared to $320,824 in Q1 2013. The $101,357 lower expenses are mainly due to $159,990 of lower investor relations expenses, which in 2013 included the costs of a radio advertising campaign, IR consultants in the United States and Switzerland, travel to the United States and Switzerland, and attendance of a conference in London. None of these expenses were incurred in 2014. A decrease of $41,671 in investor relations and administration services also resulted from the restructure of the Company's payroll which resulted in consulting fees being moved into salary expenses. 2014 includes $20,524 for payment of taxes on flow-through share renunciations. 2013 included $58,534 for reversals of certain over accrued expenses regarding property tax and Pico Machay transaction.

- Professional fees in Q1 2014 are $51,252 lower than 2013 mainly due to $43,101 of reduction in accounting and financial services due to the restructure of the Company's payroll which resulted in consulting fees being moved into salary expenses, and an $8,149 reduction of audit and legal fees.

FINANCINGS

2014

On April 28, 2014 the Company received $1.5 million of the $3 million initial tranche of the feasibility funding facility (the "Facility") with RMB Resources Inc. A second tranche of $3 million is available upon completion of an updated resource, a mine plan, and cash flow model. The Facility has a term of 2.5 years and will bear interest at CDOR plus 7.50% per annum; also, 2.0% per annum fee will be paid on the available but undrawn amount of the initial $3 million tranche. In connection with this transaction, 1.5 million financier warrants were issued to RMB on February 18, 2014, with an exercise price of $0.395 per common share and an expiry date of August 18, 2017. The issuance of a second set of 1.5 million financing warrants are to be issued at the drawdown of the second $3 million of the Facility. These warrants will be priced at 15% premium at the time of the drawdown notice up to an exercise price of $0.80, at which point the exercise price will be calculated using 0% premium over the 20-day VWAP. A commitment of 2% per annum is payable on any undrawn commitment. A $375,000 arrangement fee was paid at the time of the initial draw.

The Facility is secured by a General Securities Agreement, a debenture, and Collateral Security over the assets of the Company. Additional terms related to the Facility are the ability to pre-pay at any time without penalty, and to cancel all or a part of the undrawn commitment. The Facility requires ongoing regular operational and financial reporting to RMB Resources and also contains default provisions which are normal for this type of transaction and are not considered to be onerous or restrictive for the normal operations of the Company.

2013

On December 20, 2013 the Company closed a brokered placement of 8,315,500 flow-through common shares ("Flow-Through Shares") at an issue price of $0.40 per Flow-Through Share for aggregate gross proceeds of $3,326,200 (the "Offering"). In consideration for the services of the agents the Company paid a cash commission equal to 7% of the gross proceeds received from the sale of the Flow-Through Shares and has issued an aggregate of 201,250 non-transferrable broker warrants, with each broker warrant being exercisable to acquire one common share of the Company at a price of $0.50 per share for a period of 24 months from the closing of the Offering. The net proceeds of the financing from Flow-Through Shares are to be used to incur eligible Canadian Exploration Expenses and flow-through mining expenditures in the gold projects located in the Kenora Mining District of Northwestern Ontario, as defined under the Income Tax Act (Canada), that will be renounced in favour of the purchasers.

On May 1, 2013, the Company completed a non-brokered private placement (the "Offering"). The Offering consisted of 2,638,332 units (the "Units") of the Company at a price of $0.45 per Unit and 1,194,444 flow-through shares (the "Flow-Through Shares") at a price of $0.50 per Flow-Through Share, for total aggregate gross proceeds of $1.78 million. Each Unit consists of one common share in the Company and one half of one common share purchase warrant of the Company exercisable for a period of 36 months from the closing date. Each whole warrant shall be exercisable into one common share of the Company at $0.75 per share. The Units and Flow-Through Shares will be subject to a four-month hold period under applicable securities laws in Canada. The net proceeds raised through the Offering will be for the advancement of the Company's Goliath Gold Project including completion of an Environmental Impact Statement and for general working capital purposes. The Offering was primarily sold to investors in Canada and Europe. The Company paid a finder's fee of 7% cash commission to certain parties with respect to service provided in connection with the Offering.

LIQUIDITY

As at March 31, 2014, the Company has a working capital of $238,321. In addition, the Company has announced a $6 million feasibility funding facility and on April 28, 2014 made the first draw against the facility in the amount of $1.5 million. The Company plans and budget provide that the combination of the working capital, the royalty revenue, and the $6 million feasibility facility will provide the $8.4 million funding necessary to bring the Goliath project to the completion of feasibility and bring the project to a "shovel ready" status within the 18-month plan.

On the date of this MD&A, the cash resources of the Company are held in cash with major Canadian financial institutions.

Accounts receivable and prepaid expenses are comprised mainly of royalty receivable, advances to contractors, prepaid insurance, unamortized financing transaction costs, and sales tax receivables from the Government of Canada. Accounts receivable and prepaid expenses have increased mainly due to the prepayment of expenditures related to the RMB financing transaction, and sales tax receivables have increased as a result of the higher exploration and development activities during the Q1 2014.

Investments in marketable securities as at March 31, 2014 consist of 1,725,000 shares of the TSX listed company Goldgroup Mining Inc. which have a current market value of $405,375. The Company may sell its investments to access funds to settle its obligations as they arise.

The Company has a $500,000 mortgage resulting from the recent Norman property acquisition. This mortgage is due on October 1, 2014 and is included in the current liabilities.

The Company continues to have minimal long-term debt $126,914 at March 31, 2014 but has made its first draw in April 2014 of $1.5 million against the feasibility funding facility. Its credit and interest rate risks are minimal. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company must utilize its current cash reserves, the recently announced feasibility funding facility, income from the NSR on the Cerro Colorado gold mine, funds obtained from the exercise of warrants and 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 over and above the funds received from the NSR 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 “Risk Factors”.

DISCLOSURE OF OUTSTANDING SHARE DATA

Share Capital

The following table sets forth information concerning the outstanding securities of the Company at the date of this report:

Common Shares of no par value	Number
Shares	73,613,350
Warrants	4,477,716
Options	7,159,000

See Notes 12 to 14 to the March 31, 2014 interim condensed financial statements for more detailed disclosure of outstanding share data.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended March 31, 2014 there were no off-balance sheet transactions. 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:

- Under the S. Johnson-Barkauskas mineral property agreement, the Company is required to pay $50,000 and 20,000 common shares on or before September 1, 2014 to acquire a 100% interest in the property, subject to a 2% NSR.
- Certain underlying royalties and payment obligations of $103,500 per year remain on 14 of the 19 patented land parcels.
- As part of the flow-through funding agreements dated on December 23, 2013, the Company is committed to spend approximately $3.3 million on Canadian exploration costs, of which it has already spent $0.7 million at March 31, 2014.

RELATED PARTY TRANSACTIONS

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

At March 31, 2014, there is $6,674 (December 31, 2013 – $7,693) of accounts payable to Laramide Resources Ltd., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with Treasury Metals. During the period ended March 31, 2014, the Company was charged by Laramide for the expenses indicated as follows:

Period ended March 31	2014	2013
Offices rent	24,344	24,417
CFO Services [1]	-	19,983
Investor Relations Services [1]	-	18,306
Accounting Services [1]	-	18,160
Expenses recovery	19,959	96,681
Administration Services [1]	-	12,218
Total	44,304	189,765

[1] For 10 months in 2013, these functions were performed by employees of Laramide Resources Ltd., which was reimbursed for providing the services. In Q4 of 2013, the functions were changed to be the responsibility of employees of Treasury Metals Inc.

Transactions with related parties were conducted in the normal course of operations and are measured at the exchange amounts.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation 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 majority of cash and cash equivalents are held in short-term investments bearing interest up to 1.2%.

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 into 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.

RISKS AND UNCERTAINTIES

The Company's Risks and Uncertainties are disclosed in Treasury Metals Inc.'s Annual Information Form dated March 7, 2014, which is filed on SEDAR and is herein incorporated by reference. These risks are updated each quarter when new events or changes in the jurisdictions where the Company operates necessitate new risk analysis.

OTHER INFORMATION

This discussion and analysis of the financial position and results of operation as at March 31, 2014 should be read in conjunction with the interim condensed financial statements for the period ended March 31, 2014. Additional information can be accessed at the Company's website www.treasurymetals.com or through the Company's public filings at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

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

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 March 31, 2014 to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting".

Our Internal Control 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 of Directors;
- 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. Also, 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 Chief Financial Officer, has evaluated the design of the Company's internal controls over financial reporting as of March 31, 2014 pursuant to the requirements of Multilateral Instrument 52-109.

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.

There have been no changes in Internal Control over Financial Reporting during the period ended March 31, 2014 that have materially affected, or are reasonably likely to materially affect the Company's Internal Control over Financial Reporting.

Martin Walter
President & Chief Executive Officer
May 14, 2014

Qualified Person

Mark Wheeler, the Company's Project Engineer, 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 Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting', "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or *authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.*

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this management discussion and analysis are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.