TREASURY METALS

INCORPORATED

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2012

DATED: MARCH 21, 2013

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1. PRELIMINARY INFORMATION

1.1 Date of Information

All information in this annual information form ("AIF") is as at December 31, 2012, unless otherwise indicated.

1.2 Forward-Looking Statements

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

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

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

1.3 Currency

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

1.4 Qualified Person

John Chulick, the Company's Head 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 AIF, unless otherwise indicated.

2. CORPORATE STRUCTURE

2.1 Name and Incorporation

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

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

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

2.2 Intercorporate Relationships

The Company has no subsidiaries.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

Fiscal Year ended December 31, 2010

Between the period of January 13 and February 20, 2010, the Company received further high-grade gold assay results from its 4,500 metre (31 drill holes) diamond drilling program that had commenced in 2009. The assay results confirmed gold mineralization along the extension of the Main Zone for over 650 metres west of the Company's Goliath Gold Project in Northwestern Ontario.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL09-81	60.5	62.0	1.5	19.34	Main Zone
TL09-83	16.5	22.5	6.0	5.86	Main Zone
TL09-84	67.5	74.0	6.5	17.80	Main Zone
TL09-86	130.4	131.5	1.1	9.29	Main Zone

Between the period of March 23 and June 23, 2010, the Company completed a 27 hole, 10,344 metre diamond drilling program, aimed at testing and delineating high-grade structures within the Main Zone of the current mineral resource; confirming geophysical targets being generated by surface and borehole induced-polarization surveys; in-fill drilling to begin upgrading resources; and, further testing of the Western Extension.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL10-87	508.0	509.0	1.0	13.85	Main Zone
TL10-88	477.0	478.0	1.0	20.03	Main Zone
TL10-90	501.5	502.5	1.0	8.36	Main Zone
TL10-92	733.05	733.55	0.5	16.12	Main Zone
TL10-98	274.5	285.0	10.5	7.47	Main Zone
TL10-100	300.0	315.0	15.0	5.74	Main Zone
TL10-102	352.5	358.5	6.0	3.38	Main Zone
TL10-108	185.0	185.0	1.0	43.44	Main Zone

On April 28, 2010, the Company received financing of $640,125 through the exercise of 2,133,750 warrants upon the exercise of outstanding warrants at a price of $0.30 per common share.

On June 30, 2010, the Company appointed Mr. Dennis Gibson as Chief Financial Officer ("CFO"). Mr. Gibson holds a Bachelor of Commerce from Concordia University, is a Certified General Accountant and has held various senior financial positions for the past thirty years. Mr. Gibson served as CFO for Aquiline Resources Inc. from April 2006 to December 2009 and also currently serves as CFO for Laramide Resources Ltd. from April 2006.

In June 2010, the Company assembled the Goldcliff Project by acquiring, through a property option agreement, four unpatented mining claims (12 units) and through staking, 22 unpatented mining claims (248 units totalling 4,160 hectares). The Goldcliff Project, located about 40 kilometres south-southeast of Dryden, Ontario, represents a new discovery in the Kenora Gold District and contains several gold showings.

On August 4, 2010, the Company's net smelter royalty in the Cerro Colorado Gold Mine increased to 3%, up from 2.5%, based on the achievement of cumulative production of 100,000 ounces gold at the mine.

On July 13, 2010, the Company received a National Instrument 43-101 ("NI 43-101") compliant Preliminary Economic Assessment (the "2010 PEA") from independent consultant ACA Howe International Limited ("Howe") on the Goliath Gold Project.

The 2010 PEA included a resource estimate for the project, based on diamond drilling completed as at December 2009. Surface resources were defined using a block cut-off grade of 0.5 g/t Au (resources <100 metres deep) and 2.0 g/t Au for underground resources (resources >100 metres deep). The Resource Estimate contains non-diluted underground Indicated Resources of 490,000 tonnes grading 5.7 g/t Au (90,000 ounces) and Inferred Resources of 5,200,000 tonnes grading 4.4 g/t Au (740,000 ounces) and surface Indicated Resources of 2,900,000 tonnes grading 1.9 g/t Au (180,000 ounces) and Inferred Resources of 5,400,000 tonnes grading 1.1 g/t Au (190,000 ounces).

On November 9, 2010, the Company retained Klohn Crippen Berger ("KCB") to produce comprehensive documentation of the existing environmental conditions at the Company's 100% owned Goliath Gold Project through an Environmental Baseline Study ("EBS"). Metallurgical test work was also commenced and samples have been collected and submitted for analysis at G&T Metallurgical Laboratories ("G&T")in British Columbia.

In December 2010, the Company completed a non-brokered private placement (the "Offering") of 1,161,930 units (the "Flow-Through Units") of the Company at a price of $0.70 per Flow-Through Unit and 4,845,536 units (the "Units") of the Company at a price of $0.55 per Unit, for aggregate gross proceeds of $3,478,395. The net proceeds of the Offering are to be used to continue exploring and developing the Company's Goliath Gold Project and for general corporate purposes. Each Flow-Through Unit consists of one Common Share issued on a flow-through basis and one-half of one Common Share purchase warrant (a "Flow-Through Warrant"). Each whole Flow-Through Warrant entitles the holder to purchase one Common Share on a non-flow-through basis at an exercise price of $1.00 for a period of 18 months from the closing date of the Offering, subject to acceleration in certain circumstances. Each Unit consists of one Common Share and one-half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.70 per Warrant Share for a period of 18 months from the closing date of the Offering, subject to acceleration in certain circumstances.

On December 6, 2010, the Company appointed Mr. Martin Walter as Chief Executive Officer ("CEO"). Dr. Scott Jobin-Bevans, former President and CEO, remained in the capacity of President and will continue to serve as a Director. Mr. Walter brings more than 15 years of operational and international mineral and mine development experience to the Company including at Aquiline Resources Inc., where he served as Executive Vice President and Director. Mr. Walter holds a degree in geology from Ballarat University, Australia as well as an MBA from the University of Toronto.

On December 8, 2010, the Company commenced a 20,000 metre diamond drilling program at the Goliath Gold Project. The bulk of the 20,000 metres was aimed at upgrading a significant portion of the gold ounces within the then current resource, from the Inferred category to the Indicated and Measured categories in order to begin a mine feasibility study on the project.

Fiscal Year ended December 31, 2011

On January 6, 2011, the Company announced the hiring of Andrew Cheatle (B.Sc. (Hons),P.Geo.) as Vice President Exploration.

On January 18, 2011, the Company announced the hiring of Greg Ferron as Vice President, Investor Relations and Corporate Development.

On January 21, 2011, the Company recommenced its 20,000 metre diamond drill program initiated in December 2010. In addition, the Company provided an update on the EBS. It announced the completion of the preliminary fall surveys for vegetation, surface water and fauna.

On January 31, 2011, the Company added an additional drill rig to its Goliath Gold Project as part of its 20,000 metre diamond drilling program initiated in December 2010. The additional drill is to expedite the infill drilling program and to test highly prospective exploration targets on the greater than 45 km^2 Goliath Gold Project.

On February 23, 2011, the Company reported the results of the first six drill holes (2,036 metres) from the 20,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL10-117	349.69	350.69	2.00	4.78	Main Zone
TL10-118	86.0	88.48	2.48	5.67	Main Zone
TL11-119	196.0	199.00	3.00	1.51	Main Zone
TL11-120	224.0	230.00	6.00	11.43	Main Zone

TL11-121	265.0	270.00	5.00	9.85	Main Zone
and	282.0	286.00	4.00	2.83	Main Zone
and	352.00	352.00	1.00	10.31	Footwall C Zone
TL11-122	272.00	279.00	7.00	7.65	Main Zone

On March 16, 2011, reported additional drill results from the 20,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-123	297.00	301.00	4.00	2.73	Main Zone
TL11-124b	330.00	335.00	5.00	7.26	Main Zone
TL11-125	376.15	377.15	1.00	26.58	Main Zone
TL11-126	373.00	382.40	9.40	7.00	Main Zone
including	374.58	379.58	5.00	11.84	Main Zone

On March 22, 2011, the Company closed a brokered private placement (the "Offering"), led by Cormark Securities Inc. ("Cormark") as agent. The Offering consisted of 3,125,000 flow-through Common Shares (the "Flow-Through Shares") of the Company at a price of $1.60 per Flow-Through Share, for aggregate gross proceeds of $5,000,000.

On March 28, 2011, the Company reported additional drill results from its current 20,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-128	373.50	376.50	3.00	2.16	Main Zone
TL11-129	351.00	364.00	13.00	2.73	Main Zone
including	358.50	361.50	3.00	6.88	
TL11-130	335.00	342.00	7.00	14.87	Main Zone
TL11-131	388.90	390.40	1.50	9.19	Main Zone
TL11-132	198.00	203.11	5.11	23.22	Main Zone
TL11-133	337.00	339.00	2.00	1.36	Main Zone

On April 4, 2011, the Company announced that it had begun initial metallurgical test work at its Goliath Gold Project. Composite samples consisting of whole main zone intersections of half core taken from seven diamond drill holes with a degree of geographic diversity over the deposit were submitted to G & T. Treasury Metals retained the services of Mr. John Wells to act as a Metallurgical Consultant on the Goliath Gold Project.

On April 11, 2011, the Company acquired the surface rights to 40 acres of land that covers a portion of the eastern extension of the Goliath Gold deposit. These newly acquired lands enable the Company to drill prospective targets on the eastern extension of the deposit that have not in the past been drilled by Treasury Metals. This is in an adjacent area and up-plunge of where previously announced high-grade gold mineralization (e.g. 23.22 g/t Au

over 5.11 m) was intersected by the Company (see press releases February 23, 2011, March 16, 2011 and March 28, 2011 for full results).

On April 12, 2011, the Company reported additional drill results from its current 20,000 metre diamond drilling campaign to upgrade Mineral Resources at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-134	260.46	273.38	12.92	2.50	Main Zone
including	270.38	272.38	2.00	7.78	Main Zone
TL11-135	314.90	331.50	16.60	32.73	Main Zone
including	323.25	328.50	5.25	78.86	Main Zone
TL11-136	261.55	264.96	3.41	5.32	Main Zone
and	273.00	275.00	2.00	3.92	Main Zone

On April 27, 2011, the Company added a third drilling rig to its Goliath Gold Project and expanded the 20,000 metre diamond drilling program to 30,000 metres.

On April 28, 2011, the Company reported additional drill results from the 30,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-137	263.00	267.00	4.00	2.75	Main Zone
TL11-138	302.35	313.00	10.65	1.63	Main Zone
including	305.45	309.00	3.55	2.16	Main Zone
TL11-139	330.00	337.75	7.75	2.85	Main Zone
including	330.00	334.00	4.00	4.48	Main Zone
TL11-140	296.00	298.00	2.00	4.82	Main Zone
and	307.50	320.85	13.35	4.24	Main Zone
including	307.50	316.50	9.00	5.88	Main Zone
TL11-141	359.36	368.00	8.64	6.43	Main Zone

On May 11, 2011, Dr. Scott Jobin-Bevans stepped down as President and as a Director of the Board. Martin Walter, the current Chief Executive Officer ("CEO") who joined the Company in December 2010, assumed the expanded role of President and CEO. Dr. Jobin-Bevans continues to be involved with the Goliath Gold Project as a consultant working with the Company's management team on the development and expansion of the project.

On May 18, 2011, the Company reported additional drill results from the 30,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-142	246.00	251.20	5.20	4.67	Main Zone
TL11-144	413.50	414.00	0.50	2.67	Main Zone

TL11-145	377.00	380.00	3.00	1.94	Main Zone
TL11-146	462.87	466.37	3.50	3.47	Main Zone
TL11-147	251.00	253.50	2.50	10.11	Main Zone
TL11-152	236.00	247.50	11.50	9.09	Main Zone
including	238.00	242.67	4.67	18.51	Main Zone

On May 18, 2011, the Company announced it had agreed to purchase 100% of the Pico Machay Gold Project from Pan American Silver Corp., through the acquisition of certain subsidiaries owned by Pan American. Treasury Metals was to pay a total of US$21 million in cash and issue 11.5 million common shares to Pan American in consideration for Pico Machay. Treasury Metals and Pan American entered into a Definitive Agreement dated May 18, 2011 (the "Agreement") relating to the acquisition.

On June 17, 2011, the Company announced the results of a metallurgical testwork program completed at G&T. The metallurgical test results have demonstrated exceptional gold recoveries from the Goliath Gold Project in northwestern Ontario. The sample is categorized at being non-refractory and free milling, yielding a gold recovery of 96 to 97%. A simple gravity recovery circuit plus cyanide leach of the gravity tailings is identified as the best metallurgical flow-sheet for the Goliath Gold Project.

On June 9, 2011, the Company reported additional drill results from the 30,000 metre diamond drilling campaign at the Goliath Gold Project.

Significant gold intersections include:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-149	79.50	85.30	5.80	0.89	Main Zone
TL11-150	161.00	163.50	2.50	1.95	Main Zone
TL11-151	182.82	188.00	5.18	3.00	Main Zone
and	217.47	218.63	1.16	5.37	Main Zone
TL11-153	142.00	146.80	4.80	2.68	Main Zone
TL11-154	218.79	222.85	4.06	2.48	Main Zone
TL11-156	323.00	327.00	4.00	2.22	Main Zone
TL11-157	346.80	347.80	1.00	6.74	Main Zone
TL11-158	434.00	436.00	2.00	4.50	Main Zone
TL11-159	364.04	365.54	1.50	2.77	Main Zone
TL11-160	247.92	248.92	1.00	13.22	Main Zone
TL11-161	369.21	386.93	17.72	3.49	Main Zone
including	371.90	373.90	2.00	6.29	Main Zone
including	380.90	385.93	5.03	7.58	Main Zone
TL11-162	303.40	304.90	1.50	7.95	Main Zone
TL11-163	463.54	467.23	3.69	1.99	Main Zone
TL11-164	405.00	408.00	3.00	7.54	Main Zone

On June 13, 2011, at the annual general meeting of shareholders of the Company, five directors were re-elected to hold office for the next year. Those directors are Marc Henderson, Douglas Bache, William Fisher, Blaise Yerly

and Peter Walker. The two new board members elected at the meeting were Martin Walter and Harry Burgess.

On July 5, 2011, the Company reported initial drilling results from the western target at the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-164	405.0	409.0	4.0	18.9	Main Zone
TL11-165	117.0	121.2	4.2	1.5	Main Zone-West
TL11-167	175.6	177.4	1.8	6.7	Main Zone-West
TL11-168	213.9	215.9	2.0	3.5	Main Zone-West
TL11-169	407.7	410.1	2.4	13.2	Main Zone
TL11-170	492.1	495.4	3.3	4.3	Main Zone
TL11-171	150.4	152.4	2.0	5.6	Main Zone-West
TL11-172	353.1	355.6	2.5	4.0	Main Zone
TL11-173	280.3	283.7	3.4	16.0	Main Zone-West
TL11-174	485.9	491.5	5.6	1.2	Main Zone

On July 20, 2011, the Company reported two drilling rigs turning on-site. Given the encouraging results to date, Treasury Metals expanded the 30,000 metres drilling program to 40,000 metres.

On July 27, 2011, the Company completed 1,236 kilometres of magnetic and heliborne electromagnetic surveys over both its Goliath Gold Project and its Goldcliff Gold Project in northwestern Ontario. The surveys provide Treasury Metals with additional geological information which, when interpreted, will be used to generate future exploration targets.

On July 29, 2011, the Company announced Treasury Metals and Pan American Silver Corp. ("Pan American") agreed to amend certain terms of the previously announced proposed acquisition by the Company of the Pico Machay Gold Project in Peru. In particular, the parties agreed to amend the terms of Definitive Agreement dated May 18, 2011 to extend the closing date of the transaction to August 31, 2011. In addition, Pan American granted the Company the option to satisfy up to US$10.5 million of the US$21 million cash portion of the purchase price through the issuance of a secured promissory note (the "Note") to Pan American due December 31, 2011, subject to the right of the Company to pre-pay at any time.

On August 5, 2011, the Company filed a preliminary short form prospectus with the securities regulatory authorities in the Provinces of Ontario, British Columbia, Alberta, Manitoba, and Saskatchewan, in connection with a best efforts offering of Common Shares designed to raise gross proceeds of $16 million. The net proceeds from the Offering were to be used to fund the Company's previously announced acquisition of the Pico Machay Gold Project ("Pico Machay") from Pan American Silver Corp., for exploration and development activities at Pico Machay and for general corporate purposes. Cormark and Canaccord Genuity Corp. acted as co-lead agents for the Offering. Final pricing and determination of the number of Shares to be sold pursuant to the Offering were to occur immediately prior to the filing of the final short form prospectus in respect of the Offering.
On August 26, 2011, the Company reported high-grade results at depth in the Eastern Zone and in the developing Western Target at the Goliath Gold Project, with cumulative drilling in the campaign approaching 50,000 metres – up from an initially announced 20,000 metres.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-186A	411.4	421.7	10.3	1.2	Main Zone
including	415.4	419.1	3.7	2.2	Main Zone
TL11-189	242.9	244.9	2.0	2.3	West Zone
TL11-191	348.5	351.8	3.3	2.4	Main Zone
TL11-192	330.3	331.3	1.0	3.6	West Zone
TL11-193	282.1	292.6	10.5	2.9	Main Zone
including	286.1	288.7	2.6	8.2	Main Zone
TL11-194A	549.6	563.1	13.5	2.3	Main Zone
including	549.6	553.2	3.6	4.4	Main Zone
TL11-196	349.7	355.5	5.8	2.0	West Zone
TL11-198	464.4	467.6	3.2	2.3	Main Zone
TL11-199	528.0	534.4	6.4	8.1	Main Zone
including	528.0	532.4	4.4	11.6	Main Zone
TL11-200	279.7	293.1	13.4	3.1	West Zone
including	279.7	284.4	3.7	6.2	West Zone

On August 30, 2011, the Company reported an additional significant drilling result from the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-204A	223.5	229.5	6.0	22.3	Western Zone

On October 4, 2011, the Company reported drilling results from the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-202	125.6	128.6	3.0	1.4	Main Zone - West
TL11-203	375.2	378.2	3.0	2.5	Main Zone - Central
TL11-205	488.6	493.6	5.0	3.4	Main Zone - Central
TL11-207	519.3	525.0	5.7	6.2	Main Zone - Central
TL11-210	310.0	311.0	1.0	5.44	Main Zone - Central
and	407.7	411.1	3.4	2.4	C Zone
TL11-212	206.0	212.0	6.0	1.8	Main Zone - Central
and	230.4	232.2	2.8	2.4	C Zone
TL11-213	230.1	235.6	5.5	8.7	Main Zone - Central
TL11-215	158.0	163.6	5.6	1.1	Main Zone - Central
TL11-216	321.5	330.0	8.5	1.6	Main Zone - Central
and	336.0	342.0	6.0	2.0	Main Zone - Central

On October 26, 2011, the Company reported further drilling results from the Goliath Gold Project.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL11-218	379.0	382.3	3.3	4.4	Main Zone - Central
TL11-220	345.6	349.6	4.0	8.8	Main Zone - Western
and	388.0	393.8	5.8	5.1	C Zone
and	413.5	417.0	3.5	14.9	C Zone
TL11-223	426.8	431.0	4.2	13.1	Main Zone - Central
TL11-226	423.0	426.3	3.3	9.8	Main Zone - Central
TL11-228	481.6	484.5	2.9	2.5	Main Zone - Central

On November 7, 2011, the Company announced it will not be completing the previously announced acquisition of the Pico Machay Gold Project in Peru from Pan American on the terms previously negotiated. As a result, the Company would not be proceeding with the public offering of Common Shares announced on August 5, 2011.

On November 9, 2011, the Company announced an updated National Instrument 43-101 Resource Estimate ("the 2011 Resource Estimate") on its 100% owned Goliath Gold Project. The Resource Estimate was completed by independent consultant Howe. This 2011 Resource Estimate is an update to the NI 43-101 Resource Estimate previously released in July 2010 and includes results from a database representing an additional 60,000 metres totaling 134 new drill holes. The 2011 Resource Estimate takes into account two in-fill focused drilling programs: 12,000 metres completed in 2010 and 48,000 metres in 2011.

The 2011 Resource Estimate highlights include:

- Indicated Mineral Resource of 810,000 ounces of gold and gold equivalent ounces of silver including both potential surface mineable plus underground, an increase of more than 200% from the 2010 Resource Estimate.

- Inferred Mineral Resource of 900,000 ounces of gold and gold equivalent ounces of silver including both potential surface mineable plus underground.

Resources were defined using a block cut-off grade of 0.3 g/tonne Au for surface resources (<150 metres deep) and 1.5 g/tonne Au for underground resources (>150 metres deep). Surface plus underground Indicated Resources total 9.14 million tonnes with an average grade of 2.6 g/tonne Au and 10.4 g/tonne Ag for 760,000 ounces gold and 3,070,000 ounces silver for a total of 810,000 gold equivalent ounces. Surface plus underground Inferred Resources total 15.9 million tonnes with an average grade of 1.7 g/tonne Au and 3.9 g/tonne Ag for 870,000 ounces gold and 1,990,000 ounces silver for a total of 900,000 gold equivalent ounces. For the full details of the 2011 Resource Estimate, see "Mineral Projects."

On December 6, 2011, the Company closed a brokered private placement, led by Cormark and Canaccord Genuity Corp. and included Raymond James Ltd. The offering consisted of 3,521,073 flow-through Common Shares at a price of $1.15 per flow-through Common Share, for aggregate gross proceeds of approximately $4.0 million.

On December 14, 2011, the Company made two senior management appointments within the development and exploration teams to assist the ongoing advancement of the Goliath Gold Project. The appointments include Mr. Norman Bush as Vice President – Goliath Gold Project and Mr. John Chulick to oversee the exploration team.

Fiscal Year ended December 31, 2012

On January 25, 2012, the Company commenced a 20,000 metre drilling program at Goliath Gold Project, in order to test a number of high-priority targets identified outside the resource area. The program initially focused on the west end of the property to test a number of geophysical anomalies as well as down-dip projections from relatively shallow gold mineralization intercepted during previous drilling campaigns. The program was also designed to drill along strike of the current resource area, to the northeast, where historical drilling by Teck Exploration Ltd. indicated prospective high-grade gold mineralization.

On March 21, 2012, Treasury Metals announced the addition of key personnel to the development team for the Goliath Gold Project. The key personnel included: Mark Wheeler, Senior Mining Engineer; Ashley Martin, Senior Project Manager; and, Mackenzie Potter, Environmental Technician.

On May 15, 2012, Treasury Metals announced the services to be provided by A.C.A. Howe International Limited independent mining consultants to lead and manage an updated Preliminary Economic Assessment targeted for completion by the end of June 2012. In addition, the Company announced John Wells was contracted as independent consultant to oversee G&T Metallurgical Services Ltd., which carried out additional advanced stage metallurgical test work to determine a detailed flow sheet for a gravity and C.I.L. process, optimal grind size and process water balances. The Company's Environmental Baseline Studies, initiated in the fall of 2010, continued to be ongoing in order to support the Preliminary Economic Assessment and advanced exploration programs. Further engineering activities and permitting for the advanced exploration programs continue to be under way.

On June 5, 2012, Treasury Metals announced the re-election of the Board of Directors at its Annual and Special Meeting of Shareholders held on May 30, 2012. As well, the Company announced shareholder approval of the re-appointment of Collins Barrow LLP as auditors and the renewal of the amended and restated stock option plan.

On July 9, 2012, Treasury Metals reported 29 diamond drill hole results corresponding to 9,233 metres in the 1st Phase of the 20,000m 2012 exploration program at the Goliath Gold Project. The 1st Phase of the 20,000m exploration program was reported to have (1) encountered both high grade and low grade Au values in a new lithologic sequence in the NE, several kilometres from the present resource. There is approximately 11.5 km of strike length along the prospective auriferous horizon beginning at the end of the eastern resource area and continuing to the far Northeast corner of the property block; (2) indicated the possibility of additional open pit grade material to the west of the current proposed open pit; and (3) the C Zone is of relatively constant thickness with typical plus cut-off grade values along the eastern end of the resource; it is shown projecting towards the newly acquired property towards the northeast.

Reported 1st Phase results correspond to three main exploration target areas and are summarized below.

Fold Zone

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL12-244	179.5	190	10.50	0.26	Fold Zone
and	399	400.5	1.50	2.95	Fold Zone
TL12-245	51	54	3.00	2.27	Fold Zone
and	201	204.4	3.40	1.50	Fold Zone
TL12-246	77.74	78.74	1.00	2.80	Fold Zone
TL12-247	102	104	2.00	6.00	Fold Zone
TL12-248	171.85	180	8.15	0.39	Fold Zone

and	187.5	189	1.50	12.44	Fold Zone
and	191.5	200	8.50	0.33	Fold Zone
TL12-255	36	39	3.00	0.49	Fold Zone
and	46.5	48	1.50	1.51	Fold Zone
and	262.5	267	4.50	0.52	Fold Zone

Western Resource Extension

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL12-230	119.2	124.18	4.98	1.82	Main Zone
TL12-232	440.5	442	1.50	3.83	C Zone
TL12-234	145.82	148.82	3.00	2.80	Hangingwall
and	172	177	5.00	0.92	Main Zone
TL12-235	199.18	202.5	3.32	1.05	C Zone
TL12-236	116	121.5	5.50	0.66	Hangingwall
and	229.5	234	4.50	0.45	Main Zone
TL12-237	176	179	3.00	0.45	Hangingwall
and	298	300	2.00	1.08	Main Zone
TL12-238	347.5	349.75	2.25	1.78	Main Zone
TL12-239	317.28	319.94	2.66	0.73	Hangingwall

Eastern Resource Extension

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL12-240	311	313	2.00	11.62	Footwall
TL12-241	157	165	8.00	0.49	Hangingwall
and	461	463	2.00	3.72	C Zone
TL12-242	289.3	293.4	4.10	0.76	C Zone
TL12-243	135	139	4.00	2.06	Hangingwall
and	488	497.79	9.79	0.66	C Zone
TL216-12RE	99	105.75	6.75	0.49	C Zone
and	108	113	5.00	0.40	C Zone
TL219-12RE	117.99	127.27	9.28	0.47	C Zone
TL220-12RE	120.5	126.5	6.00	0.43	C Zone
TL231-12RE	157	177	20.00	0.29	C Zone
TL234-12RE	148.2	168.25	20.05	0.30	C Zone
TL12-256	146.6	155	8.40	0.74	Main Zone
and	228.75	243.5	14.75	0.40	C Zone

TL12-257	186.29	194.5	8.21	0.55	C Zone
TL12-258	112.55	116.55	4.00	0.68	Main Zone
and	181.87	205.53	23.66	0.56	C Zone
TL12-259	88.75	96.78	8.03	0.63	C Zone
TL12-259	109.07	117.75	8.68	0.62	C Zone

2012 Exploration Program, 1st Phase Highlights:

- Fold Zone. Five holes (1,983 m) were drilled in a NNW fence, 3.1 km to the Northeast of the eastern end of the present resource, to test 1,200 m of lithologic section down to a depth of approximately 300 m, across the strike projection of the auriferous horizon in a structurally complex area described as the Fold Zone. The folded aspect of this area is clearly depicted in last year's airborne EM and aeromag geophysical surveys, and sparse drilling from earlier Teck holes provided additional control. Of particular interest are intercepts of 2m @ 6.00 g/t Au in TL12-247 and 3m @ 2.27 Au in TL12-245. Lithologies tend to be mixed dark meta-seds, mafic meta-volcanics, and amphibolites in this area, and the EM anomaly is caused by a +50m wide semi-massive pyrrhotite horizon as observed in TL12-247; no significant gold values are associated with this interval. Follow-up hole TL12-255 was drilled approximately 30 m to the Northeast of TL12-247; a comparable pyrrhotite interval was also intercepted with spotty gold values in the 0.1 – 0.5 g/t Au range over a 50 m section beginning some 40 m above the sulfide zone.

  The first hole at the western end of the second of three fences across the Fold Zone, TL12-248 (297 m), is also significant in that 2 separate 8 m intercepts reporting 0.39 and 0.33 g/t Au occur in the 28m interval between 172 m – 200 m that also includes a separate intercept of 1.5m @ 12.44 g/t Au. There are encouraging features in hole TL12-248 including intervals of semi-massive sulphides along with local garnets and sphalerite mineralization.

- Western Resource Extension. Ten holes (3765 m) were drilled to test 700 m of strike length in the western extension, either down dip or along strike, beginning on local section L17 +25W which marks the western extent of the current proposed open pit outline. This drilling included a fence of 4 holes to test possible gold mineralization in the footwall banded iron formation, and to test an IP anomaly to the south in the footwall block. The down-dip extent tested was 400 m below surface on the east, and rising to 50 m below surface on the west. From an exploration perspective the most significant results may correspond to TL12-235 (3.32m @ 1.05 g/t Au) which is some 700 m to the west of the proposed main open pit. There are no other Goliath Gold Project drill holes to the west of TL12-235 except for previous Teck hole TL38 (1.5 m of 0.38 g/t Au) located 325 m away along strike. Additional drilling is planned to further delineate this area later in the year.

- Eastern Resource Extension. Thirteen drill holes (3188 m) were drilled along 550 m of strike length on the eastern end of the resource area to test a vertical extent varying from 75 – 400 m below the surface. The primary target for this program has been the C Zone, which is usually about 40 m into the footwall from the Main Zone. The C Zone remains only sparsely tested in this strike segment, and five previously drilled Teck holes were re-entered and extended since previous drilling here frequently stopped after passing through the Main Zone. Results received to date indicate generally modest grade but substantial widths as exemplified by TL12-258 with 23.66 m @ 0.56 g/t Au. Other noteworthy results include 2m @ 11.62 g/t Au in TL12-240; this intercept is interpreted to be in a zone footwall to the C Zone where follow-up drilling to the east is warranted. Follow-up drilling in the C Zone has potential to increase the resource size and upgrade Inferred resources into the Indicated category.

The Company also reported its recent acquisition of approximately 129 hectares of property, expected to close on July 31, 2012, covering highly prospective ground along strike to the Northeast, will extend coverage over previously untested down-dip targets as exploration expands eastward. The new property will also allow for much greater operational flexibility for both mining and infrastructure in the future.

On July 19, 2012, Treasury Metals announced the results of a Preliminary Economic Assessment on the Goliath Gold Project (the "2012 PEA"). The PEA is an update to the July 2010 PEA and incorporates the most recent resource report (NI 43-101 Mineral Resource Estimate released on November 9, 2011). The results demonstrate low initial capital requirements with underground development expenditures being funded by cash flow from open pit operations during the initial three years. The 2012 PEA is based on 51% of the gold ounces outlined in the NI 43-101 Mineral Resource Estimate released on November 9th, 2011. Highlights of the 2012 PEA include:

- 10+ year combined open pit and underground mine life with processing throughput averaging 2,500 tonnes per day ("tpd");
- Avg. annual production of 80,000 oz Au Eq. with a LOM head grade of 3.05 g/tonne (Au Eq.);
- Average operating cash cost of $698 per equivalent gold ounce;
- At US$1,375 per ounce (base case – 3 year trailing average gold), the Life of Mine pre-tax net present value (NPV) of $199.0 million based on a 5% discount rate, internal rate of return (IRR) of 39.3% and a payback of 2.2 years, payback impacted as a result of funding UG development costs;
- At current Au spot, capital payback period is 1.5 years;
- Initial capital expenditure (based on new equipment) of $90 million incl. 20% contingency;
- High recoveries of greater than 95% using standalone gravity/C.I.L with 70% by gravity.

On August 22, 2012, Treasury Metals reported the results of 20 drill holes of diamond drilling from the 2012 exploration program at the Goliath Gold Project. The most significant results in this recent phase of drilling correspond to a new mineralised shoot that early interpretation suggests could be an extension of the C Zone deposit. These results include 7.35m @ 1.39 g/t Au in drill hole TL12-267, and 7.00m @ 3.44 g/t Au in drill hole TL12-268. This new easterly trending mineralised shoot is tentatively interpreted with a 45 – 55 degree rake. The company determined it to be significant because of its close proximity to the proposed open pit outlined in the Company's recent Preliminary Economic Assessment as it adds the potential for new open pit mineable gold ounces. In the Fold Zone, an area approximately 2.5 km to the east and along strike of the current mineral resource boundary, results from 7 drill holes have extended the pattern of mineralization reported previously. Geological lithologies identified in this area are a mixed sequence of pelitic metasediments, amphibolite, and mafic meta-volcanics. Significant sections of near massive pyrrhotite mineralization are frequently encountered in drilling as well as narrow high-grade auriferous horizons or shear zones. These auriferous shear zones are frequently accompanied by sphalerite, galena, and copper sulfides. The best Fold Zone intercept in this drilling phase corresponds to 1.5m @ 17.52 g/t Au in TL12-247 that includes a halo of lower grade mineralization over a total intercept width of 6m located within a highly fractured zone with fractures infilled with pyrite, sphalerite and chalcopyrite.

Eastern Resource Extension

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL12-260	196.55	206.5	9.95	0.73	Eastern Extension
and	212.5	225.5	13.00	0.65	Eastern Extension
TL12-261	146.34	150.75	4.41	5.40	Eastern Extension
and	211.5	226	14.50	0.63	Eastern Extension
TL12-263	158	168	10.00	0.32	Eastern Extension
TL12-264	159.9	162.6	2.70	0.76	Eastern Extension
TL12-265	115	123.5	8.50	0.72	Eastern Extension
and	142.55	145	2.45	0.50	Eastern Extension
TL12-267	39.39	43.4	4.01	0.99	Eastern Extension
and	106.5	111.25	4.75	1.94	Eastern Extension
and	219	226.35	7.35	1.39	Eastern Extension
TL12-268	113	120	7.00	3.44	Eastern Extension
TL12-269	20	22.25	2.25	1.56	Eastern Extension
and	92.08	110.5	18.42	0.55	Eastern Extension
TL12-270	245.75	254.75	9.00	0.62	Eastern Extension
and	267	272.1	5.10	0.71	Eastern Extension
TL12-272	240	241	1.00	2.76	Eastern Extension
TL12-273	88.75	90.75	2.00	1.70	Eastern Extension
and	196.35	201.5	6.52	0.52	Eastern Extension
TL12-274	72	73	1.00	3.10	Eastern Extension
and	238.5	240.5	2.00	1.26	Eastern Extension
TL12-275	178	181.5	3.50	0.59	Eastern Extension
and	278.3	286	7.70	0.52	Eastern Extension
TL12-276	101.5	104	2.50	2.78	Eastern Extension
and	184.5	192.12	7.62	0.33	Eastern Extension

*Intervals do not necessarily indicate true widths. All depths and assays reported at two decimal places

Fold Zone

Significant gold intersections included:

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
TL12-247	21	27	6.00	4.69	Fold Zone
including	22.5	24	1.50	17.52	Fold Zone
TL12-249	36	37.5	1.50	3.32	Fold Zone
TL12-250	85.45	86.45	1.00	5.86	Fold Zone
TL12-251	194	196	2.00	1.21	Fold Zone
TL12-252	52.5	58.5	6.00	0.34	Fold Zone
TL12-253	70.93	71.93	1.00	0.32	Fold Zone
TL12-254	118.5	120	1.50	3.04	Fold Zone
and	267	268.5	1.50	1.73	Fold Zone

*Intervals do not necessarily indicate true widths. All depths and assays reported at two decimal places.

On September 12, 2012, Treasury Metals announced it entered an agreement with Canaccord Genuity Corp., pursuant to which a syndicate of underwriters led by Canaccord will purchase, in any combination, units of the Company at a price of $0.75 per Unit and a minimum of $2.0 million in flow-through common shares of the Company at a price of $0.80 per Flow-Through Share to raise aggregate gross proceeds of $3.0 million. Each Unit shall consist of one common share in the Company and one half of one common share purchase warrant of the Company exercisable for a period of 24 months from the closing date. Each whole warrant shall be exercisable into one common share of the Company at $1.00 per share. In addition, the Company will grant the Underwriter an option to sell additional units (the "Over-Allotment Units") or flow-through common shares (the "Over-Allotment Flow-Through Shares") of the Company, in any combination of Over-Allotment Units or Over-Allotment Flow-Through Shares (and together with the Units and Flow-Through Shares, the "Offered Securities"), to raise additional gross proceeds of up to $2.0 million (the "Over-Allotment Option" and together with the Underwritten Offering. The net proceeds raised through the Offering will be for the advancement of the Company's assets and for general working capital purposes.

On September 13, 2012, Treasury Metals Inc. announced it amended the terms of the previously announced bought deal private placement with a syndicate of underwriters led by Canaccord Genuity Corp. and including Casimir Capital Ltd. and Jennings Capital Inc. (collectively, the "Underwriters") to increase the size of the offering by an additional $2.0 million for total gross proceeds to the Company of $5.0 million (the "Underwritten Offering") in any combination of units and flow-through common shares. In addition, the Underwriters and the Company have agreed to amend the terms of the Offering to allow the Underwriters to sell, in any combination, additional units and flow-through common shares to raise additional gross proceeds of up to $1.0 million (the "Over-Allotment Option" and together with the Underwritten Offering, the "Offering"). If exercised in full, the total size of the Offering would increase to $6.0 million.

On September 17, 2012, the Company announced the results of the advanced level metallurgical testwork program completed at G&T with John Wells overseeing the program on behalf of the Company. The results confirmed excellent gold recoveries from the Goliath Gold Project consistent with the Company's scoping study level work performed in 2011 and the large bulk sample performed by former owner Teck Resources Ltd. The advanced level metallurgical test results could support a Feasibility Study on the Goliath Gold Project in the future. Metallurgical testing focused on assessment of two principal flowsheets that involved gravity concentration and cyanidation unit operations while incorporating optimization of the selected flowsheet. The recovery of gold is consistently high in all tests, and ranged between 93 and 98 per cent. The gravity recovery circuit plus Carbon in Leach (CIL) processing of the gravity tails was identified as the best metallurgical flowsheet for the Goliath Gold Project reporting an average gold extraction of 96 per cent. In addition, a high proportion of the gold reported to a gravity concentrate ranging between 69 and 72 per cent. The results also confirmed that the leach kinetics were rapid and majority of the gold in the gravity tails solubilized within six to ten hours. The test results demonstrated medium hardness ore, low to moderate cyanide and lime consumption, good settling and low viscosity, and all of this is supported by the mineralogy, that shows well liberated gold.

On September 21, 2012, Treasury Metals Inc. announced the completion of the previously announced equity financing, including the full amount of the over-allotment option, for aggregate gross proceeds of $6.0 million. In total, 2,000,000 Units were sold at $0.75 per Unit and 5,625,000 Flow-Through Shares were sold at $0.80 per Flow-Through Share. The Offering was completed through a syndicate of underwriters led by Canaccord Genuity Corp. and including Casimir Capital Ltd. and Jennings Capital Inc. The net proceeds raised through the Offering were designated for the advancement of the Company's assets and for general working capital purposes.

On October 15, 2012, Treasury Metals commenced a diamond core drilling program at its 100% owned Goldcliff Project. The Company completed magnetic and heliborne electromagnetic surveys over both its flagship Goliath Gold and Goldcliff Projects in July 2011. Other exploration programs at Goldcliff in 2011 and 2012 consisted of trenching, sampling and mapping. This new exploration program at Goldcliff has been designed to test a number of drill targets and will consist of approximately 1,000 metres of diamond core drilling.

On October 18, 2012, Treasury Metals announced the acquisition of two strategic properties located adjacent and alongside the Goliath Gold deposit area. Treasury Metals is purchasing a 100% interest of both properties and no net smelter royalty with be assigned. The purchase price for the two acquisitions totals $1.8 million. The first new property, approximately 96 hectares of additional surface and mineral rights, is contiguous to, and located along strike of the eastern end of the mineral resource at Goliath and extends the strike length by an additional 1.6 kilometres. The northeast projection of the Goliath Gold deposit dips south-southeast towards the newly acquired land position and its coverage includes down dip exploration targets. Recent drilling results along the eastern end of the resource, where a new mineralized shoot was identified in the C-Zone, is interpreted to project towards the northeast section of the newly acquired property. Former drilling along the property boundary, by previous owner Teck Exploration Ltd., also demonstrated a number of high-grade gold mineralized intersections. In this press release announcement, the Company announced plans to drill a number of prospective targets on the property, starting in the northeast block. The new property will also provide greater operational flexibility for both mining and infrastructure in the future due to its close proximity to the proposed open pit outlined in the Company's recent preliminary economic assessment. The second acquisition, approximately 65 hectares of additional surface rights, is located northeast of the mineral resource area of the Goliath Gold deposit. This property acquisition increases the Company's operational flexibility for both mining and infrastructure.
The Company also announced on October 18, 2012, that Harry Burgess retired from the board of directors.

On October 29, 2012, Treasury Metals announced recommencement of the 2012 drilling program, starting on the central west portion of the resource area, with the focus for the fourth quarter on three components:

- Primary focus is infill and expansion drilling in the central and western portion of the current resource area, designed to increase the resource size and upgrade Inferred resources into the Indicated category

- The program also included drilling of a number of prospective targets on the newly acquired property adjacent to the current deposit. This new property is contiguous to, and located along strike of the eastern end of the mineral resource at Goliath and its recent acquisition provides first-time access for drilling to an additional 1.6 kilometres of potential deposit strike length.

- The final component of the program will test a select number of prospective targets along the eastern margin of the current resource area where recent drilling has demonstrated attractive high-grade intercepts in a horizon interpreted to lie in the footwall to the C Zone.

On November 26, 2012, Treasury Metals reported a new high grade intersection made in the third drill hole of an initial 9 hole drilling program at the Company's 100% owned Goldcliff Project. This is the Company's first drilling program at the Goldcliff Property and the program was designed to test three prospective areas known as the Goldcliff, Ange and Sulphide zones. The Discovery hole GC 12-03 was the second hole drilled at the Ange zone and has a best weighted average intercept of 4 metres at 332 g/t gold. The most significant results were reported in drill hole GC 12-03 which intercepted coarse gold associated with the mineral galena in a narrow quartz veinlet that is hosted within a siliceous felsic rock at the contact it makes with a brecciated basalt. Coarse gold was visible in the drill core.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	*Interval (m)	Au (g/t)	Comments
GC12-01	76.9	80.0	3.1	0.38	Goldcliff zone
GC12-02	20.0	21.2	1.2	0.49	Ange Zone
GC12- 03	59.0	63.0	4.0	332	Ange Zone
including	60.3	61.1	0.8	1763	Ange Zone

*Intervals do not necessarily indicate true widths. See attached map for drill hole locations. All depths and assays rounded to one decimal place. Typical sample interval approximately 1m; weighted averages use 0.3 g/t Au cut-off.

On December 3, 2012, Treasury Metals announced the Company's Project Description ("PD") of the Goliath Gold Project had been submitted and subsequently accepted by the Canadian Environmental Assessment Agency ("CEAA"). The Company's PD initiates the official permitting and approvals process for mine development. The document is available online on the CEAA website, and is open for public comment at http://www.ceaa-acee.gc.ca/050/details-eng.cfm?evaluation=80019, or on the company's website: www.treasurymetals.com. This milestone marks a significant advancement in the development of Treasury's Goliath Gold Project and officially begins the legislated period for the completion of the Environmental Assessment ("EA") by CEAA, which includes 45 days to determine whether an EA is required, and a period of 365 days to complete the EA. CEAA will use the PD to develop Guidelines that Treasury Metals will follow to create an Environmental Impact Statement ("EIS"), which is required under the government's permitting process. Pursuant to the Canadian Environmental Assessment Act, 2012, the PD outlines the proposed Project development plan and will provide the appropriate agencies and authorities a greater understanding of the project. The scope of the project includes initially an open pit followed by a combination of both open pit and underground mining methods over 10 – 12 years of mine life. Processing will be done using a 2,500 tonne/day C.I.L. plant. 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 the general public.

On December 11, 2012, Treasury Metals reported drilling results that indicated the presence of a high-grade mineralized shoot in the footwall at the Goliath Gold Project. The shoot, located in the central part of the Goliath deposit, has been intersected approximately 50 metres behind the project's Main Mineralised Zone. New interpretation suggests it will form part of the project's mineralised C Zone gold resource. These results are considered significant since this would be the first high-grade zone encountered within the project's sparsely drilled C Zone that parallels the main zone. It has the potential to add mineable gold ounces to the project's planned open pit and underground stopes. The high-grade shoot was encountered as a result of extending previously drilled TL164 that was interpreted to have been cut-off short of intercepting the C Zone. Anomalously high gold values in TL11-220 (3.5 metres at 14.9 g/t Au) were interpreted to be substantially into the footwall beyond the Main Zone and determined follow-up possibilities in the C Zone. A subsequent database review indicates that as many as 80 previously drilled holes throughout the Main Zone (primarily drilled by Teck) have probably been cut-off before intercepting the C Zone as presently interpreted. Recent drill hole intercepts, summarized in the table below, define a high-grade area measuring roughly 100 metres along strike and 150 metres down-dip with an interpreted 70 -75 degree rake to the west. These are the first holes of the Goliath exploration program commenced in late October 2012. Further exploration drilling is being carried out to test the C Zone and possible further footwall extensions in the area of the proposed open pit.

Significant gold intersections included:

Drill Hole	From (m)	To (m)	*Interval (m)	Au (g/t)	Comments
TL08-52-12RE	469.6	472.0	2.4	5.1	Re-entered TML drill hole
TL164-12RE	485.3	502.4	17.1	5.9	Re-entered Teck drill hole
Including	485.3	490.5	5.2	18.6	*VG, pulp metallic assay*
TL12-278	363.0	377.0	14.0	1.9	
Including	370.3	375.4	5.1	3.9	*VG, pulp metallic assay*
TL12-279	435.5	440.2	4.7	3.7	
TL12-280	424.0	474.0	50.0	0.7	
Including	242.0	430.0	6.0	1.9	

*Intervals do not necessarily indicate true widths. See attached map for drillhole locations. All depths and assays rounded to one decimal place. Typical sample interval approximately 1m; weighted averages use 0.3 g/t Au cut-off except for 'included' higher grade sections.

4. GENERAL DESCRIPTION OF THE BUSINESS

4.1 General Overview

The Company is a Canadian-based mineral exploration and development company, with a growth-oriented strategy focused on expanding its gold resources, developing its Canadian mineral properties and potentially acquiring additional advanced gold projects in the Americas.

The Company's flagship asset is the Goliath Gold Project, an advanced stage, high-grade gold deposit near Dryden, Ontario. In addition, Treasury Metals has a satellite project in Ontario, the Goldcliff Project, which is located south of Dryden along the highly prospective Manitou Straits Fault and in the vicinity of the historic Goldrock mining camp. (See "Mineral Projects").

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

Highlights include:

Management and Board of Directors

- The appointment of Mr. Martin Walter as the CEO of the Company in December 2010. He is the former Executive Vice President of Aquiline Resources Inc. ("Aquiline") and co-founder and former Director of Crown Point Ventures Ltd. On May 11, 2011, Mr. Walter assumed the expanded role of President and CEO of Treasury Metals, following the resignation by Dr. Scott Jobin-Bevans as President and as a Director of the Board. Mr. Walter was also elected to the Board of Directors of the Company.

- The appointment of Mr. Norman Bush as Vice President - Goliath Gold Project. Mr. Bush will oversee the project development team with short-term priorities focused on permitting, engineering activities, safety and environmental management systems with the goal of moving the project through the feasibility stage. Mr. Bush is a former Vice President at Domtar LLC and Weyerhaeuser, and General Manager at MacMillan Bloedel Ltd. An engineer with more than 25 years in executive positions across North America, he has extensive government and public affairs experience. He has led teams that completed major capital projects including extensive upgrades and additions to Domtar's world-class pulp mill located in Dryden. Mr. Bush is based out of the exploration office in Dryden and joins an expanding team of engineers and environmental staff.

- Mr. John Chulick, the former Vice President of Exploration at Aquiline, was appointed to oversee the exploration team. Mr. Chulick is an experienced mining exploration geologist with more than 25 years of experience, primarily with precious metal companies including senior level roles with Aquiline and Meridian Gold Inc. ("Meridian"). His previous management experience includes directing surface and underground exploration at Meridian's EI Penon mine in northern Chile and he was directly responsible for building Aquiline's Navidad project into one of the world's largest silver deposits. Mr. Chulick is a registered geologist in the State of California, U.S. Mr. Chulick took on a number of the responsibilities previously performed by Andrew Cheatle, the former Vice President of Exploration, who resigned in November 2011 to assume a President and CEO position within a junior mining company.

- Mr. Greg Ferron, as Vice President of Corporate Development, joined from the Toronto Stock Exchange where he was the Head of Global Mining, Business Development and a Senior Listings Manager of the TSX.

- Mr. Dennis Gibson, B.Comm, CGA, as Chief Financial Officer of the Company since July 1, 2010. He has also been the Chief Financial Officer of Laramide Resources Ltd. since 2006. Mr. Gibson is the

former Chief Financial Officer of Aquiline Resources Inc. (2006-2009), and previously was the Vice President, Chief Financial Officer and Corporate Secretary of Vector Intermediaries Inc., a TSX-V company.

Financings

During the last two years, the Company completed three private placement financings to provide the necessary capital needed to carry out exploration and development programs at the Goliath Gold Project:

- On March 22, 2011, the Company raised $5,000,000 at $1.60 per Common Share.
- On December 6, 2011, the Company raised a further $4,049,234 at $1.15 per Common Share.
- On September 21, 2012, the Company raised $5,000,000 at $0.66 per Common Share.

Operations

- In December 2010, the Company commenced a diamond drilling program of 20,000 metres at the Goliath Gold Project aimed at upgrading a significant portion of the current resource and extending the resource. The diamond drilling program was expanded to 30,000 metres on April 27, 2011 and subsequently increased to 50,000 metres in July 2011. This program was primarily focused on in-fill and expansion drilling within the resource area. The Company reported a number of high-grade intersections throughout the period (see press releases and Company's website for further details).
- The Company completed initial metallurgical test-work at the Goliath Gold Project. The test-work program was conducted at G&T Metallurgical Services Ltd. The metallurgical test results have demonstrated exceptional gold recoveries from the Goliath Gold Project. The tested sample is categorized as being non-refractory and free milling, yielding a gold recovery of 96 to 97%. A simple gravity recovery circuit plus cyanide leach of the gravity tailings was identified as the best metallurgical flow-sheet for the Goliath Gold Project.
- The Company commenced and completed 1,236 kilometres of magnetic and heliborne electromagnetic surveys over its Goliath and Goldcliff Gold Projects in northwestern Ontario. The surveys will provide Treasury Metals with additional geological information which, when interpreted, will be used to generate future exploration targets on both properties.
- The Company initiated the Environmental Baseline Study (EBS) on the Goliath Gold Project, a necessary step on the critical path toward production and obtaining an Advanced Exploration Permit to reopen the existing portal and decline mined by Teck in 1998-99. Progress on the EBS is on track and to date no major issues have arisen from monthly water sampling, or from terrestrial, fauna, floral and soil studies.
- On November 9, 2011, the Company announced the results of the 2011 Resource Estimate, which reports an Indicated Mineral Resource of 810,000 ounces of gold and gold equivalent ounces of silver and an Inferred Mineral Resource of 900,000 ounces of gold and gold equivalent ounces of silver. This new 2011 Resource Estimate represents an increase in Indicated Mineral Resources of more than 200%.
- On July 19, 2012, the Company announced the results of July 2012 Preliminary Economic Assessment. Highlights include a10+ year combined open pit and underground mine life with processing throughput averaging 2,500 tonnes per day, an average. annual production of 80,000 oz gold equivalent with a LOM head grade of 3.05 g/tonne, an average operating cash cost of $698 per equivalent gold ounce, a life of

Mine pre-tax net present value of $199.0, internal rate of return of 39.3% and a payback of 2.2 years, a capital payback period is 1.5 years, an initial capital expenditure of $90 million incl. 20% contingency, and an estimated recoveries of 95%.

- A Project Description ("PD") for the Goliath Gold Project has been submitted to and accepted by the Canadian Environmental Assessment Agency ("CEAA"). 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 EA and the draft EIS guidelines.

- A new high grade intersection made in the third drill hole of an initial 9 hole drilling program at the Goldcliff Project, located approximately 40 kilometres south of the flagship Goliath Gold Project. The Discovery hole GC 12-03 was the second hole drilled at the Ange Zone and has a best weighted average intercept of 4 metres at 332 g/t gold.

- Since late 2010, a total of 70,592 metres have been drilled at the Goliath Gold Project.

Acquisitions

Continued to consolidate its land position at the Goliath Gold Project with the acquisition of additional surface rights to 129 hectares of land that cover a portion of the eastern extension of the deposit.

Employees

Treasury Metals has 13 employees.

4.2 Risk Factors

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

The Company faces numerous exploration, development and operating risks.

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

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

accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

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

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

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

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

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

The occurrence of any of these events may cause the Company to adjust the resource estimates or change its mining plans, which could negatively affect the Company's financial condition and results of operation.

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

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

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

The Company's mineral properties are in the exploration and development stages and are without known bodies of mineral reserves, although a mineral resource has been established on the Goliath Gold Project. Development

of such projects will only follow upon obtaining satisfactory exploration results and the completion of feasibility or other economic studies.

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

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

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

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

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

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

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

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

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

project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

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

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

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

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

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

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

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

The Company is required to obtain and renew governmental permits and licences in order to conduct mining

operations, which is often a costly and time-consuming process.

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

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

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

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

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

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

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

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

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

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

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

Aboriginal Rights and Consultation Issues

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

Shares Reserved For Future Issuance

As at the close of business on December 31, 2012, the Company had the following outstanding warrants:

Date of Expiry	Type	No. of Warrants	Exercise Price $
September 21, 2014	Warrants	1,000,000	$1.00
September 21, 2014	Broker Warrants	457,500	$0.80
Total		**1,475,500**	**$0.93**

The Company also had 4,467,132 options outstanding with an average weighted exercise price of $0.90.

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

5. MINERAL PROJECTS

The Company's only material mineral project is the Goliath Gold Project. Treasury Metals has two other mineral

projects as at the date of this AIF (i) the Lara Project; and (ii) the Goldcliff Project; all as further described below. The Company's primary focus is the exploration and development of the Goliath Gold Project.

5.1 Goliath Gold Project

In 2010, the Company received the NI 43-101 mineral resource estimate and technical report entitled *Technical Report and Preliminary Economic Assessment on the Goliath Gold Project, Kenora Mining Division, Northwestern Ontario, Canada*, dated effective July 9, 2010 (the "Goliath Gold Technical Report"). The Goliath Gold Technical Report was prepared in accordance with NI 43-101 by Doug Roy, Ian D. Trinder, Patrick Hannon and Edward Thornton all of A.C.A. Howe. Each of Doug Roy, Ian D. Trinder, Patrick Hannon and Edward Thornton is a Qualified Person as such term is defined in NI 43-101 and each is independent of the Company.

In 2011, the Company provided an updated National Instrument 43-101 resource estimate on its 100% owned Goliath Gold Project entitled *Technical Report And Mineral Resource Update On The Goliath Gold Project, Kenora Mining Division, Northwestern, Ontario, Canada* dated effective Nov. 9, 2011. Technical information related to the 2011 Resource Estimate has been reviewed and approved by Doug Roy, M.A.Sc., P.Eng., an Associate Mining Engineer with A.C.A. Howe, and who is an independent Qualified Person as defined by NI 43-101, with the ability and authority to verify the authenticity and validity of this data.

The 2011 Resource Estimate is an update to the NI 43-101 Resource Estimate previously released in July 2010, and includes results from a database representing an additional 60,000 metres totaling 134 new drill holes. The 2011 Resource Estimate takes into account two in-fill focused drilling programs: 12,000 metres completed in 2010 and 48,000 metres in 2011.

In July 2012, the Company provided an Updated Preliminary Economic Assessment. Highlights include a10+ year combined open pit and underground mine life with processing throughput averaging 2,500 tonnes per day, an average annual production of 80,000 oz gold equivalent with a LOM head grade of 3.05 g/tonne. The Goliath Project returns an IRR of 32.4% on a post-tax basis and 39.3% on a pre-tax basis. The respective payback periods are 2.8 years and 2.2 years after the start of production. The "break even" price of gold is US$930 per ounce post tax and US$924 on a pre-tax basis where "break even" is the gold price required to produce a zero Net Cash Flow (i.e. all capital is paid back but no profit is incurred). The project also generates a NCF of $249.8 million post-tax and $334.7 million pre-tax. At a 10% discount rate, the project's NPVs are $83.5 million post-tax and $119.9 million pre-tax.

The underlying assumptions and parameters used in Howe's model are included in this AIF under Section 5.2 Executive Summary of the 2012 Updated Preliminary Economic Assessment.

Goliath Report Summary

The Goliath Gold Project, as at the date of this document, consists of 137 contiguous unpatented mining claims (254 units; 4,064 ha) and 19 patented land parcels (817 ha), totalling approximately 4,881 ha (~48 km^2) and covering portions of Hartman and Zealand townships. All claims are currently active and in good standing with MNDMF.

The Goliath Gold Project comprises two historic properties which are now consolidated under the common name Goliath Gold Project: the larger Thunder Lake Property, purchased from Teck and Corona and the Laramide 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 Goliath Gold Project is held 100% by the Company, subject to certain underlying royalties and payment obligations on 14 of the 19 patented land parcels currently totalling about $103,500 per year, and an option on one patented land parcel to earn-in 100%.

For the purposes of the disclosure required under section 5.4 of Form 51-102F2 – Annual Information Form, the Executive Summary from the 2012 Updated Preliminary Economic Assessment, the 2011 updated National Instrument 43-101 Resource Estimate, and the 2010 Goliath Gold Technical Report are reproduced below, and the Company incorporates by reference in this Annual Information Form the disclosure contained in the 2012 Updated Preliminary Economic Assessment, the 2011 updated National Instrument 43-101 Resource Estimate, and the 2010 Goliath Gold Technical Report. The full Updated Preliminary Economic Assessment, Resource Estimate, and Goliath Gold Technical Report can be viewed on the SEDAR website at www.sedar.com.

5.2 Executive Summary of the 2012 Updated Preliminary Economic Assessment

This technical report ("Report") was prepared by A.C.A. Howe International Limited ("Howe") at the request of Mr. Martin Walter, President & CEO of Treasury Metals Inc. ("Treasury" or the "Company"). This Report is specific to the standards dictated by National Instrument 43-101 (NI 43-101), companion policy NI 43-101CP and Form 43-101F (Standards of Disclosure for Mineral Projects) in respect to the Goliath Gold Project (the "Goliath Project" or "Project"). This Report:

- Re-states the NI 43-101 resources estimate reported in Howe's report #955 titles *"Technical Report and Mineral Resource Update on the Goliath Gold Project, Kenora Mining Division, northwestern Ontario, Canada"* and dated November 9th 2011" (Roy and Trinder, 2011; and

- Presents a Preliminary Economic Assessment ("PEA") of the Project based on the above mineral resource estimate for a proposed operation consisting of open pit and underground mining with on-site milling.

The PEA indicates that the proposed Project is of economic interest and recommends continued work by Treasury towards a pre-feasibility study of the Project.

1.1 PROPERTY LOCATION ACCESS AND DESCRIPTION

The Goliath Project, located in northwestern Ontario, lies about 125 kilometres east of the City of Kenora, 20 kilometres east of the City of Dryden, and 325 kilometres northwest of the port City of Thunder Bay, in the Kenora Mining Division, Ontario, Canada.

The Project consists of 137 contiguous unpatented mining claims (254 units – 4,064 hectares) and 19 patented land parcels (approximately 817 hectares) as detailed in Appendix A. The total area of the claim group is approximately 4,881 hectares (approximately 49 km^2) covering portions of Hartman and Zealand townships east of the City of Dryden. Treasury holds the Project 100%, subject to certain underlying royalties and payment obligations remaining on 13 of the 19 patented land parcels. All claims are currently active and in good standing with Ontario's Ministry of Northern Development, Mines and Forestry ("MNDMF").

1.2 PROPERTY HISTORY

There is only limited documentation of exploration activity conducted on the Project area prior to 1989. Previous exploration in the area was either regional in nature or focused mainly on the western portion of the Property. Reconnaissance investigation by Teck Exploration Ltd. (now Teck Resources Limited) geologists in 1989 identified a poorly exposed, broad area of weak mineralization and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. The discovery hole (TL-001) on the Main Zone of the Thunder Lake Deposit was drilled in October, 1990, intersecting multiple horizons of gold mineralization with intersections of 1.5 g/tonne Au over 22.2 metres, 0.9 g/tonne Au over 11.6 metres and 17.5 g/tonne Au over 2.6 metres (Page, 1995). Land acquisition, field surveys, drilling and underground bulk sampling were completed by Teck Resources Limited ("Teck") and its various partners between late 1989 and 1998; the Thunder Lake project was put on hold in 1999.

Total diamond drilling on the Thunder Lake Property from 1990 to 1998 amounted to approximately 78,461.20 metres in 293 drill holes.

In 1998, as part of the underground sampling program, 4 bulk samples from the Main Zone (No. 1 and No.2 shoots) totalling 2,375 tonnes and grading >3.0 g/tonne Au were collected from the underground workings (Page et al., 1999b). The original bulk sample of 2,375 tonnes had an estimated overall grade of 9.07 g/tonne Au or 692 ounces of contained gold (Page et al., 1999b). Metallurgical results obtained on a composite sample of 24 kg from the No. 1 Shoot indicated that cyanidation achieved the best recoveries for gold at 98.7% (Corona, 2001; Hogg, 2002). Gravity and flotation resulted in recoveries of 97.3% Au and gravity alone recovered 69.1% Au (Corona, 2001; Hogg, 2002). Final gold recovery was calculated at 96.85% and silver recoveries were approximately 38% (Corona, 2001).

By 1999, surface and underground exploration and sampling led to the outlining of the Thunder Lake Deposit and the reporting of a historical Inferred Mineral Resource (non-compliant with NI 43-101) containing 2.974 million tonnes grading 6.47 g/tonne Au, using a cut-off of 3.0 g/tonne Au and a minimum thickness of 3.0 m (CAMH, 2007; Gray and Donkersloot, 1999). Howe considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

1.3 GEOLOGICAL SETTING

The Goliath Project is located within the Wabigoon Subprovince of the Archaean Superior Province, northwestern Ontario, and is situated north of the Wabigoon Fault. Much of the Project area is underlain by the Thunder Lake Assemblage, an upper greenschist to lower amphibolite metamorphic grade volcanogenic-sedimentary complex of felsic metavolcanic rocks and clastic metasedimentary rocks (Beakhouse 2000). The assemblage comprises quartz-porphyritic felsic to intermediate metavolcanic rocks represented by biotite gneiss, mica schist, quartz-porphyritic mica schist, a variety of metasedimentary rocks and minor amphibolites. Compositional layering in metasedimentary rocks strikes ~70° to 90° and dips from 70° to 80° south-southeast. The Thunder River Mafic Metavolcanic rocks underlie the south part of the Property. The mafic rocks are generally massive flows but are pillowed locally and include amphibolite and mafic dykes, which are characterised as chlorite schists. Some rocks have been described as ultramafic in character (Hogg, 2002).

1.4 MINERALIZATION

The main zones of mineralization (Thunder Lake Deposit) project to surface approximately 250- 300 metres north of Norman Road. The Main Zone, Footwall Zone (B, C and D subzones), and Hangingwall Zone (H and H1 subzones) of the Thunder Lake Deposit strike approximately east- west, varying between 090° and 072°, with dips that are consistently 72°-78° toward the south or southeast. The main area of gold, silver and sulphide mineralization and alteration occurs up to a maximum drill-tested depth of ~805 metres (TL135) below the surface, over a strike-length of approximately 2,300 metres within the current defined resource area. The historic drilling of Teck and its various partners confirmed that anomalous gold mineralization extends over a strike length of at least 3,500 metres (Corona, 1998) and work by Treasury has shown this anomalous gold mineralization and alteration to extend over a strike length of +5,000 metres.

The mineralized zones are tabular composite units defined on the basis of anomalous to strongly elevated gold concentrations, increased sulphide content and distinctive altered rock units and are concordant to the local stratigraphic units. Stratigraphically, gold mineralization is contained in an approximately 100 to 150 metre wide central zone composed of intensely altered felsic metavolcanic rocks (quartz-sericite and biotite-muscovite schist) with minor metasedimentary rocks. Overlying hangingwall rocks consist of altered felsic metavolcanic rocks (sericite schist, biotite-muscovite schist and metasedimentary rocks),

with the footwall comprising metasedimentary rocks with minor porphyries, felsic gneiss and schist. Gold within the central unit is concentrated in a pyritic alteration zone, consisting of quartz-sericite schist (MSS), quartz- eye gneiss and quartz-feldspar gneiss (Corona, 2001).

The Treasury drilling programs primarily targeted the Main Zone, but the Hangingwall Zone was intersected as was the Footwall Zone by deeper drill holes. Drilling has intersected the Main Zone over a strike length of approximately 2,300 metres and a thickness of 5 to 30 metres. The Main Zone is composed of well-defined pyritic quartz-sericite schist (MSS) separated by less- altered biotite-feldspar schist (BMS). Sulphide mineralization and local visible gold (VG) occurs mainly within the leucocratic bands, but occasionally it is localized in the melanocratic bands enriched with biotite and chlorite. The sulphide content of the mineralized zone is generally 3-5% but locally is up to 15%. Highest gold and silver values are associated with very strong pervasive quartz-sericite alteration. It appears that gold content does not directly correlate with pyrite content, but generally an increase in the gold and silver correlates with an increase in the pyrite and more specifically, the sphalerite content. An increase in chalcopyrite and galena content has a lower correlation to an increase in gold values. Low grade Au-Ag mineralization is pervasive in the Main Zone, Hangingwall Zone and in the Footwall Zone, whereas high-grade gold mineralization (>3 g/tonne) is concentrated in several steeply dipping, steep west-plunging shoots with relatively short strike-lengths (up to 50 metres) and considerable down-plunge continuity. These higher-grade shoots are separated by rock containing lower grade gold mineralization.

The high-grade shoots are interpreted to be the result of tight folding of the mineralized horizon (gold concentrated in fold noses) and appear to occur at regular intervals (Corona, 1998). Very rare flakes of aquamarine green mica (fuchsite: Cr muscovite) occur in the strongly altered sericite alteration with high-grade gold. Usually, mineralized intervals are narrow (up to 0.5 metres) zones enriched with 3-10% visible sulphides (pyrite, sphalerite, galena, chalcopyrite ± arsenopyrite, ± dark grey needles of stibnite) within a wider quartz-sericite or biotite-feldspar sections with fine-grained disseminated pyrite located in the foliation planes.

1.5 EXPLORATION

Prior to Treasury's 2008 exploration program, no exploration work had been completed on the Thunder Lake Property (Thunder Lake East and West) or the Laramide Property since 1999 and 1994, respectively (Sills, 2007). Treasury's 2008 exploration program comprised a property wide airborne magnetic survey, ground IP, and geological surveys over the Thunder Lake deposit area, trenching and diamond drilling totalling 13,203.6 metres. Treasury's 2009 exploration program comprised reconnaissance prospecting, outcrop channel sampling, and diamond drilling totalling 4,612.6 metres. Treasury's 2010 exploration program comprised reconnaissance prospecting, trenching, and diamond drilling totalling 10,228 metres. Treasury's 2011 and 2012 (to June 6, 2012) exploration programs consisted exclusively of diamond drilling totaling 49,926.5 metres and 15,635 metres respectively. Additionally the 2012 drilling included the re- entry (re-drilling) and extension of 5 historical Teck Resources Inc. diamond drill holes for a total of 473 metres.

1.6 MINERAL RESOURCE ESTIMATE

This Report re-states the mineral resource estimate for the Goliath Project prepared by Howe in November, 2011 (Howe Report #955 titled "*Technical Report and Mineral Resource Update on the Goliath Gold Project, Kenora Mining Division, northwestern Ontario, Canada*" and dated November 9th 2011 (Roy and Trinder, 2011)). Howe prepared the mineral resource estimate for the Project based on a combination of historical drill holes and holes drilled by Treasury up to Hole TL11228 that was drilled during 2011.

The mineral resource estimate for the Project is reported at a block cut-off grade of 0.3 g/tonne for

surface resources (less than 150 metres deep) and 1.5 g/tonne for underground resources.

Non-diluted Indicated Mineral Resources (surface plus underground), located within the Main Zone and C-Zone, total 9.1 million tonnes with an average gold grade of 2.6 g/tonne and an average silver grade of 10.4 g/tonne, for 810,000 ounces of gold and gold equivalent.

Non-diluted Inferred Mineral Resources (surface plus underground), from all zones, total 15.9 million tonnes with an average gold grade of 1.7 g/tonne and an average silver grade of 3.9 g/tonne, for 900,000 ounces of gold and gold equivalent.

Category	Surface or Underground	Cut-Off Grade (g/tonne)	Tonnes	Gold Grade (g/tonne)	Silver Grade (g/tonne)	Gold Ounces	Silver Ounces	Gold Equivalent Ounces (of Silver)	Ounces Gold Plus Gold Equivalent
Indicated	Surface	0.30	6,002,000	1.8	7.1	326,000	1,257,000	22,000	348,000
Indicated	Underground	1.50	3,136,000	4.3	18.0	433,000	1,812,000	32,000	465,000
Total Indicated (Rounded)			**9,140,000**	**2.6**	**10.4**	**760,000**	**3,070,000**	**54,000**	**810,000**
Inferred	Surface	0.30	11,093,000	1.0	3.3	352,000	1,184,000	21,000	374,000
Inferred	Underground	1.50	4,789,000	3.3	5.2	514,000	807,000	14,000	528,000
Total Inferred (Rounded)			**15,900,000**	**1.7**	**3.9**	**870,000**	**1,990,000**	**35,000**	**900,000**

Notes for Resource Estimate:

1. Cut-off grade for mineralized zone interpretation was 0.5 g/tonne.
2. Block cut-off grade for surface resources (less than 150 metres deep) was 0.3 g/tonne.
3. Block cut-off grade for underground resources (more than 150 metres deep) was 1.5 g/tonne.
4. Gold price was US$ 1,500 per troy ounce.
5. Zones extended up to 150 metres down-dip from last intercept. Along strike, zones extended halfway to the next cross- section.
6. Minimum width was 2 metres.
7. Non-diluted.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Resource estimate prepared by Doug Roy, M.A.Sc, P.Eng.
10. A specific gravity (bulk density) value of 2.75 was applied to all blocks (based on 194 samples).
11. Non-cut. Top-cut analysis of sample data suggested no top cut was needed because of the absence of high-grade outliers.
12. 1 ounce gold = 57 ounces silver. Silver equivalency parameters: Metallurgical recovery: Gold 95%, Silver 72%; Price: Gold $1500 per ounce, Silver $35 per ounce.

This Report quotes estimates for mineral resources only. There are no mineral reserves prepared or reported in this technical report.

1.7 PROPOSED OPERATION

Howe has reviewed the Goliath Project at the level of a Preliminary Economic Assessment (PEA). The reader is cautioned that this PEA uses Indicated and Inferred Mineral Resources.

NI 43-101 Part 2, Section 2.3(1)(b) and Companion Policy 43-101CP, Part 2, Section 2.3(1) Restricted Disclosure, prohibits the disclosure of the results of an economic analysis that includes or is based on inferred mineral resources, an historical estimate, or an exploration target. However, under NI 43-101, Part 2, Section 2.3(3) and Companion Policy 43-101CP, Part 2 section 2.3(3), the use inferred mineral resources is allowed in a Preliminary Economic Assessment in order to inform investors of the potential of the property.

This PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The proposed operation considered in this PEA includes surface and underground mining of the Goliath Project mineralization and onsite milling. Mining will be by open pit methods initially, with the pit supplying feed to the mill for 4 to 4½ years while lower grade feed is stockpiled. The overall pit will have a generally oval shape with its long axis oriented along the east-west strike of the deposit. Early in Year 2, underground development would begin with underground production commencing in Year 3 supplemented by the low-grade stockpile from surface mining. Underground mining will last for eight years.

Pre-production stripping of overburden and waste rock will take place during the final year of plant construction. The processing plant will then be fed from open pit and underground mining for 10½ years.

Treasury's targets for the proposed mining operation were:

- Capital costs of less than $100 million;
- A mill feed grade of 2 g/tonne or greater; and
- A production rate of 90,000 – 100,000 ounces per year, at least for the first couple of years.

Preliminary mine planning and scheduling were carried out with the aim of achieving these targets or at least coming as close to the targets as possible. The proposed combined open pit and underground mining schedule is as follows:

Combined open pit and underground mining schedule.

		'000 tonnes												
Location		**Pre-Prod.**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Total**
Central Pit	Mill feed, t		875	64										939
Western Pit	Mill feed, t			567	512									1,079
Eastern Pit	Mill feed, t			244	144	292	49							729
Sub-Total, Open Pit	Mill feed, t		875	875	656	292	49							2,747
Underground	Mill feed, t				219	583	583	583	583	583	583	583	226	4,526
Stockpile to Mill	Mill feed, t						243	292	292	292	292	292	63	1,766
Total feed to Mill	Mill feed, t		875	875	875	875	875	875	875	875	875	875	289	9,039
Waste Stripping	t	1,800	11,740	10,300	9,480	7,500	1,210							42,030
Pit to Stockpile	Mill feed, t		767	509	386	88	15							1,766
Total Surface Material Moved	Tonnes	1,800	13,382	11,684	10,523	7,880	1,517	292	292	292	292	292	63	47,954

1.7.1 Surface Mining

A series of nested pits were optimised using the following parameters:

Pit optimisation parameters.

Item	**Value**
Exchange Rate	US$ 1.00 = C$ 1.02
Gold Price	Base Case US$ 1,375 per Ounce For Nested Pits, $875-1625 per Ounce in $50 Increments
Silver Price	US$ 26 per Ounce
Mill Throughput	2,500 tonnes per day
Unconsolidated Overburden Stripping	$4 per Cubic Metre
Mining	$3.15 per tonne (Mineralized Rock) $3.00 per tonne (Waste Rock)
SG	2.75 (Rock) 2.0 (Soil)
Processing (Gravity / Cyanide)	$15.65 per tonne Milled
G&A	$2 per tonne Milled (Added to the Processing Cost During Pit Optimisation)
Maximum Slope Angle	50q (Avg., Including Haul Roads)
Dilution	15% at 0.20 g/tonne Au, 4.3 g/tonne Ag *
Mining Recovery	90%
Milling Recovery	95% Gold 70% Silver
Smelter Return	99%
Smelter Treatment Charge / Selling Cost	1% of Base Case Price: Gold: $14 per ounce Silver: $0.26 per ounce
Tailings Disposal	(Included in Milling Cost)
Waste Rock Reclamation	$0.25 per tonne

The "US$1,175 pit shell" was selected for more detailed analysis partly because the present value of the operation steadily increases down to that pit depth. Deepening the pit beyond the US$1,175 shell does not improve the NPV. In fact, after a certain depth the NPV decreases. In other words, going deeper than the US$1,175 shell would not improve the project's value.

1.7.2 Surface Mining and Scheduling

Various scheduling scenarios were attempted before deciding on the following schedule.

Milling would be carried out at the rate of 2,500 tonnes per day.

Pre-production would consist of stripping 1,800,000 tonnes of waste rock and mining 150,000 tonnes of mineralized rock to produce an initial 60 day mill stockpile. Open pit mining will use standard truck-and-shovel methods.

Mining would begin with the Central Pit and produce almost 90,000 ounces (gold + equivalent) in Year 1.

To meet Treasury's desired mill feed grade and yearly ounce production targets, lower grade material (between 0.5 g/tonne and 1.1 g/tonne) would be sent to a large low-grade stockpile. Rock with grades greater than 1.1 g/tonne would be sent directly to the mill stockpiles.

Because the Western Pit's average grade is slightly lower than the Central Pit's grade, the Eastern Pit (higher average grade) would be mined simultaneously with the Western Pit at a 30:70 ratio, respectively. The Western Pit would be exhausted in the Year 3 (and used for waste rock after mining is complete) with the Eastern Pit finishing at the start of Year 5.

After the end of active surface mining, rock from the low-grade stockpile would be fed into the mill at a rate of 830 tonnes per day to supplement underground production.

1.7.3 Underground Mining and Scheduling

During the second year of open pit production, a decline ramp will be sunk to provide access for underground mining. Sufficient development, including main levels and a ventilation raise, will be completed in time for the underground mine to provide some of the mill feed during the third year. Underground production will be supplemented by recovery of material from the low-grade stockpile.

The underground mining method will be longhole stoping with hydraulic backfill. The level interval is 45 metres vertically. The average stope width is 10.5 metres. Primary stopes will be 10 metres long and the backfill (classified mill tailings) will contain 5% Portland cement. Secondary stopes, 20 metres long, will be filled, but cement will not be required. This plan eliminates the need for rib pillars.

Stoping blocks were outlined at a cut-off grade of approximately 2.5 g/tonne (gold + equivalent). The majority of stopes were in the Main Zone, with other stopes in the B and C zones.

1.7.4 Milling and Recovery

The available metallurgical testwork indicates that the Goliath material is readily amenable to conventional processing and that gravity concentration followed by cyanidation can be used to obtain relatively high gold recovery.

For purposes of this PEA a flowsheet consisting of gravity concentration followed by cyanidation of the gravity tails via carbon-in-leach circuit (CIL) is selected. Selected design parameters for the study are as follows:

Selected design parameters.

Area	Parameter	Value	Units
Grinding	Bond ball mill index	11.1	kWh/t
	Grind (K_{80})	105.0	microns
Gravity	Concentrate	0.1	wt %
Cyanidation	Gold recovery (overall)	95.0	%
	Silver recovery (overall)	70.0	%
	Total cyanidation time	32.0	h

As proposed, crushed feed is ground to a K_{80} of 105 microns in a two stage grinding circuit at a rate of 2,500 tonnes per day or 912,500 tonnes per annum (2,747 tonnes per day at 91% availability). A gravity recovery circuit is incorporated within the grinding circuit for recovery of free gold. The gravity concentrate is leached separately and the product directed to the main gold recovery circuit.

Ground product from the grinding circuit is fed to a CIL circuit for gold extraction. A conventional carbon elution circuit recovers gold that is smelted to yield a doré[1] product.

1.8 ECONOMIC ANALYSIS

An Excel spreadsheet was used to model and analyse the Net Cash Flow (NCF) of the Goliath Project. The model calculates the pre-tax and post-tax NCF as well as the Internal Rate of Return (IRR) and the Net Present Value (NPV) at various discount rates. The repayment period, the minimum gold price required to breakeven, and the IRRs at higher and lower metal prices and operating and capital costs are also calculated.

1.8.1 Results

The Goliath Project returns an IRR of 32.4% on a post-tax basis and 39.3% on a pre-tax basis. The respective payback periods are 2.8 years and 2.2 years after the start of production. The "break even" price of gold is US$930 per ounce post tax and US$924 on a pre-tax basis where "break even" is the gold price required to produce a zero Net Cash Flow (i.e. all capital is paid back but no profit is incurred).

The project also generates a NCF of $249.8 million post-tax and $334.7 million pre-tax. At a 10% discount rate, the project's NPVs are $83.5 million post-tax and $119.9 million pre-tax.

The underlying assumptions and parameters used in Howe's model include:

- All units of measurement are metric unless otherwise stated.
- All dollars are Canadian Dollars unless otherwise stated.
- The gold (US$ 1,375 per troy oz) and silver (US$ 26.00 per troy oz) prices are based on the average London 2nd Fixing for the last three years as of June 30, 2012.
- The United States: Canadian exchange rate (C$1.02: US$1.00) is based on the three year trailing average as of June 30, 2012.
- The model has assumed a four year pre-production period. This allows for two years to complete environmental studies, permitting, a final feasibility study and the time to put financing in place. In the second two years, the model assumes that the company will build the processing plant, supporting infrastructure and strip 1.8 million tonnes of waste.
- The production rate is designed to supply 2,500 tonnes per day (tpd) or 875,000 tonnes per annum of mineralized material to the mill. This generates an open pit life of 2 full years of production plus 3 partial years. In addition, the mine stockpiles 1,766,000 tonnes of lower grade material that is used to supplement the underground operation to satisfy mill feed requirements. The underground mine operates from year 3 to year 11 and produces a total of 4,526,000 tonnes

1 A doré product is a semi-pure alloy of gold and silver created at the mine site and then transported to a refinery for further purification.

of mineralized material. Thus the total mine life is 10.3 years

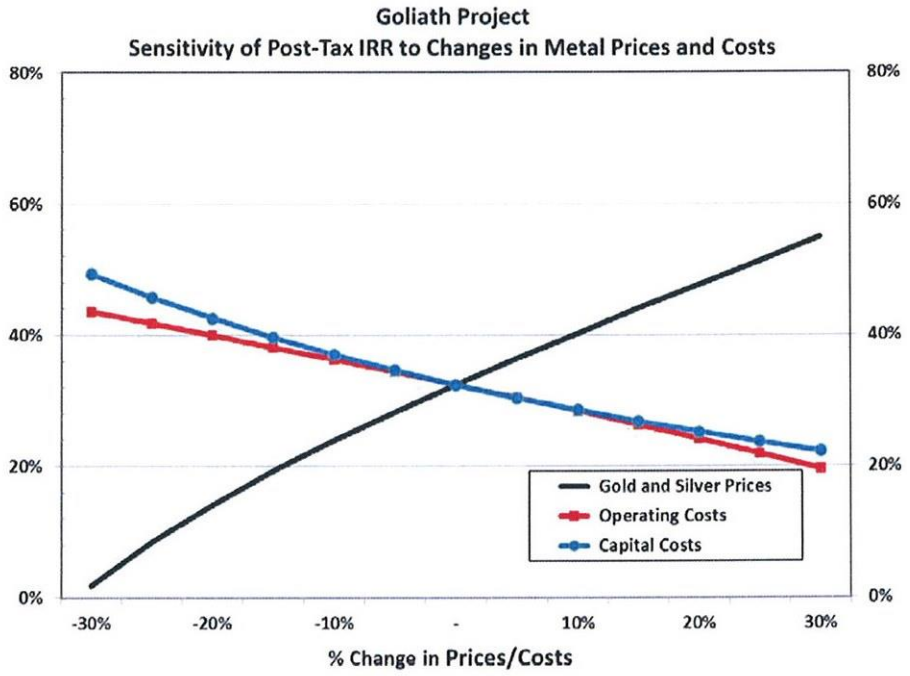
- 42,030,000 tonnes of waste are removed during the life of the open pit operation (including 1.8 million tonnes during development) for a waste: "ore" ratio of 9.3 (including stockpiled mineralized material)
- The Production schedule has been prepared by Messrs.' Brady and Roy of Howe and includes waste and mineralized material tonnages and gold and silver grades for each production year as well by pit and underground
- Mill recoveries are based on gravity concentration followed by cyanidation of the gravity tails via carbon-in-leach circuit (CIL) and are 95% and 70% for gold and silver respectively.
- Howe has estimated costs for gold and silver smelting and refining (including transportation and insurance) at $14.00 and $0.26 per ounce of gold and silver respectively produced by the proposed Goliath mill.
- There are a number of different royalties that apply to various areas of the Goliath property. These royalties are applied to the gold and silver revenues after deducting smelting and refining costs. The average royalty is 0.65% of Net Smelter Revenue (NSR) and at US$1,375 per oz for gold and $26.00 per oz for silver incurs a cost of $7.5 million over the life of the project.
- Capital costs have been developed by Howe and are shown in Section 21.
- Operating costs have been calculated by Howe and are shown in Section 21.
- The model calculates depreciation using the Units of Production (UOP) method. In this method the model calculated depreciation based on the amount of mineralized material milled each year.
- Working Capital is based on
    - Two weeks of precious metal inventory (at the NSR value).
    - Accounts Receivable as four weeks of metal production (at the NSR value).
    - Spare Parts and Supplies as $1.0 million.
    - Less: Accounts Payable as one half of four weeks of operating costs.
- The model calculates Federal and Ontario Corporate taxes and Ontario Mining Taxes. Basically, the Federal and Ontario Corporate taxes are based on net income as calculated for taxes.
- The Federal Income Tax base has been calculated as:
    - Earnings before Depreciation, Amortization and Taxes (EBITDA)
    - Less: Ontario Mining Taxes
    - Less: Capital Cost Allowance (CCA), i.e. depreciation where the two main forms are:
        - Class 41a, 100% Declining Balance (DB); applies to new mines.
        - Class 41b, 30% DB, most ongoing capital costs.
    - Less: Canadian Exploration Expenses (CEE), 100% DB; includes most pre-production exploration expenses plus waste stripping and mine excavations.
    - Less: Canadian Development Expense (CDE), 30% DB; resource acquisition costs as well as sinking mine shafts and major underground haulageways after coming into production.
    - Less: Interest Expense.
    - Equals Net Taxable Income.
    - Federal Corporate Tax is charged at 18% of Net Taxable Income.
    - Note that losses can currently be carried back three years and forward 20 years.
- Ontario Corporate Taxes are calculated on the same basis as Federal Corporate Taxes except:
    - There is a Ontario Resource Allowance Tax Credit equal to 25% of Net Corporate Tax.
    - The Ontario Corporate Tax Rate is 10% for mining operations.
- Ontario Mining Taxes are calculated as:
    - EBITDA.
    - Plus: Royalties payable to other stakeholders (except government royalties).
    - Less: Depreciation charged on New Mining Assets calculated on a Straight Line (SL) basis at 100%.
- Less: Depreciation on Ongoing Mining Assets calculated on a SL basis at 30%.
    - Less: Depreciation on Processing and Transportation Assets calculated on a SL basis at

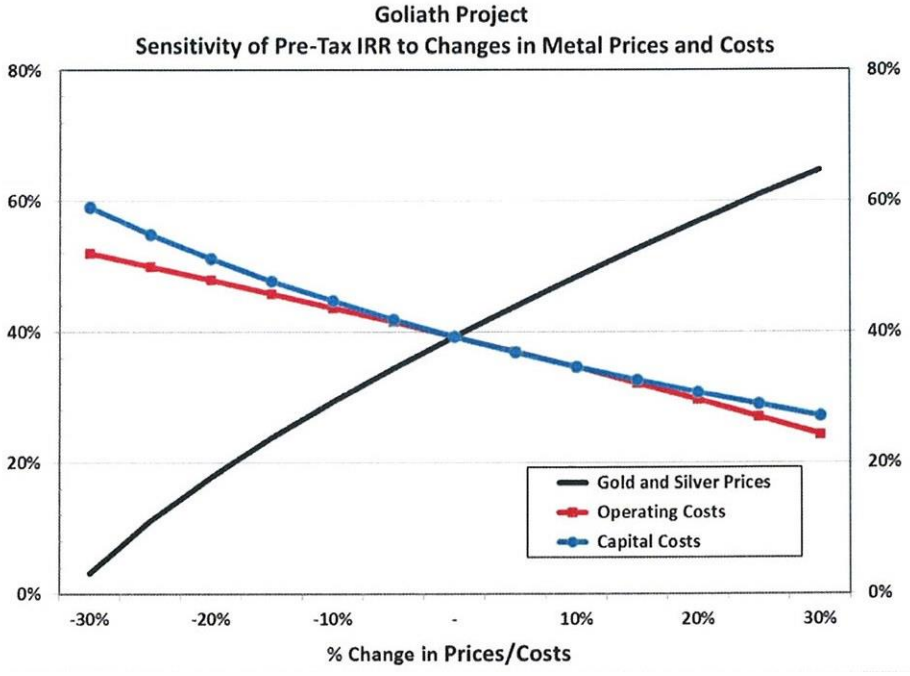
15%.

- Less: Depreciation Exploration and Development Expenses calculated on a DB basis at 100%.
- Less: A Processing Allowance (PA) of 8% of processing and refining assets purchased and installed to date. The minimum PA is 15% of net income at this point with a maximum of 65% of net income at this point.
- The first $10 million of net income at this point is tax free during the first three years of production.
- The taxation rate is 10% of any net profits that exceed $500,000.
- No deduction is allowed for interest expense or royalties paid to third parties.
- Ontario Mining Tax is treated as a royalty rather than a tax as it is applied to the mine itself.

1.8.2 Sensitivity

Howe tested the sensitivity of the Goliath Project IRR to changes in metal prices, operating costs and capital costs. Metal prices and costs were varied up and down by 30%. As would be expected the IRR is more sensitive to changes in metal prices. The changes in operating and capital costs have approximately the same effect on the IRR. For instance, a drop in metal prices of 30%, leads to a post-tax IRR of 1.8% while an increase in metal prices of 30% raises the post- tax IRR to 54.9%. Similarly, an increase in operating costs of 30% drop in the post-tax IRR to 19.6% and a decrease in the operating costs of 30% raises the post-tax IRR to 43.6%.


Goliath Project
Sensitivity of Post-Tax IRR to Changes in Metal Prices and Costs
80%
60%
40%
20%
0%
-30%
-20%
-10%
-
10%
20%
30%
% Change in Prices/Costs
Gold and Silver Prices
Operating Costs
Capital Costs


Goliath Project
Sensitivity of Pre-Tax IRR to Changes in Metal Prices and Costs
80%
60%
40%
20%
0%
-30%
-20%
-10%
-
10%
20%
30%
% Change in Prices/Costs
Gold and Silver Prices
Operating Costs
Capital Costs

1.9 CONCLUSIONS AND RECOMMENDATIONS

Howe's economic modelling and analysis of the Goliath Project reveals the Project could yield a post-tax IRR of 32.4% and a post-tax NPV, discounted at 7.5%, of C$109.9 million. In Howe's opinion the Goliath Project is a potentially very robust one and warrants Treasury's continued advancement of the Project towards an eventual pre-feasibility study.

To proceed with the assessment of the potential development of the Project, Howe recommends surface and underground bulk sampling, and pilot plant testing be undertaken.

For surface work, a portion of the Main Zone would be stripped-off. Geological mapping and sampling would be carried out. A bulk sample of at least 5,000 tonnes would be taken. The sample would be split down to 50-100 tonnes then shipped to a pilot plant laboratory facility.

For underground work, the existing exploration portal, decline, and underground workings could be rehabilitated and used as a starting point from which the B and C-Zones would eventually be accessed for bulk sampling purposes. As with the surface sample, this would be split down to 50-100 tonnes then shipped to a pilot plant laboratory facility.

In addition to the bulk samples, the lateral development and raising needed to collect the samples, plus any test stoping that would be carried out as well, would allow mining and processing parameters to be determined to a preliminary feasibility study level of accuracy (+/- 15-20%). Should the preliminary feasibility study yield positive results, mineral reserves can be identified for the Project.

The grand total budgetary cost for this work is estimated to be in the order of C$3.2 million.

5.3 Executive Summary of the 2011 Resource Estimate

This technical report ("Report") was prepared by A.C.A. Howe International Limited ("Howe") at the request of Mr. Martin Walter, MBA, B.Sc. (Geology), President & CEO of Treasury Metals Inc. ("Treasury" of the "Company"). This Report is specific to the standards dictated by National Instrument 43-101 (NI 43-101), companion policy NI 43-101CP and Form 43-101F (Standards of Disclosure for Mineral Projects) in respect to the Goliath Gold Project (the "Goliath Project" or "Project") and focuses on Howe's updated independent mineral resource estimate of the Thunder Lake mineralized zones within the Goliath Project.

1.1 Property Location Access and Description

The Goliath Gold Project, located in northwestern Ontario, lies about 125 kilometres east of the City of Kenora, 20 kilometres east of the City of Dryden, and 325 kilometres northwest of the port City of Thunder Bay, in the Kenora Mining Division, Ontario, Canada.

The Goliath Project consists of 137 contiguous unpatented mining claims (254 units – 4,064 hectares), 17 patented land parcels (763.9 hectares) and a private land parcel (101 hectares) as detailed in Appendix A. The total area of the claim group is approximately 4,929 hectares (approximately 49 km2) covering portions of Hartman and Zealand townships east of the City of Dryden. Treasury holds the Project 100%, subject to certain underlying royalties and payment obligations remaining on 13 of the 17 patented land parcels. Treasury's 2008 drilling was confined to unpatented claims 1106348 and 1106347, and patented claims 21609, 34461 and 4822. Treasury's 2009 drilling was confined to unpatented claim 1106348 and patented claims 41215 and SV200. Treasury's 2010 and 2011 drilling was confined to unpatented claims 1106348 and 1106347, and patented claims 15395, 41215, 21553, 4822 and SV200. All claims are

currently active and in good standing with Ontario's Ministry of Northern Development, Mines and Forestry ("MNDMF").

1.2 Property History

There is only limited documentation of exploration activity conducted on the Project area prior to 1989. Previous exploration in the area was either regional in nature or focused mainly on the western portion of the Property. Reconnaissance investigation by Teck Exploration Ltd. (now Teck Resources Limited) geologists in 1989 identified a poorly exposed, broad area of weak mineralisation and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. The discovery hole (TL-001) on the Main Zone of the Thunder Lake Deposit was drilled in October, 1990, intersecting multiple horizons of gold mineralisation with intersections of 1.5 g/tonne Au over 22.2 metres, 0.9 g/tonne Au over 11.6 metres and 17.5 g/tonne Au over 2.6 metres (Page, 1995). Land acquisition, field surveys, drilling and underground bulk sampling were completed by Teck Resources Limited ("Teck") and its various partners between late 1989 and 1998; the Thunder Lake project was put on hold in 1999. Total diamond drilling on the Thunder Lake Property from 1990 to 1998 amounted to approximately 78,461.20 metres in 293 drill holes.

In 1998, as part of the underground sampling program, 4 bulk samples from the Main Zone (No. 1 and No. 2 shoots) totalling 2,375 tonnes and grading >3.0 g/tonne Au were collected from the underground workings (Page et al., 1999b). The original bulk sample of 2,375 tonnes had an estimated overall grade of 9.07 g/tonne Au or 692 ounces of contained gold (Page et al., 1999b). Metallurgical results obtained on a composite sample of 24 kg from the No. 1 Shoot indicated that cyanidation achieved the best recoveries for gold at 98.7% (Corona, 2001; Hogg, 2002). Gravity and flotation resulted in recoveries of 97.3% Au and gravity alone recovered 69.1% Au (Corona, 2001; Hogg, 2002). Final gold recovery was calculated at 96.85% and silver recoveries were approximately 38% (Corona, 2001).

By 1999, surface and underground exploration and sampling led to the outlining of the Thunder Lake Deposit and the reporting of a historical Inferred Mineral Resource (non-compliant with NI 43-101) containing 2.974 million tonnes grading 6.47 g/tonne Au, using a cut-off of 3.0 g/tonne Au and a minimum thickness of 3.0 m (CAMH, 2007; Gray and Donkersloot, 1999). Howe considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

1.3 Geological Setting

The Goliath Project is located within the Wabigoon Subprovince of the Archaean Superior Province, northwestern, Ontario and is situated north of the Wabigoon Fault. Much of the Project area is underlain by the Thunder Lake Assemblage, an upper greenschist to lower amphibolite metamorphic grade volcanogenic-sedimentary complex of felsic metavolcanic rocks and clastic metasedimentary rocks (Beakhouse 2000). The assemblage comprises quartz-porphyritic felsic to intermediate metavolcanic rocks represented by biotite gneiss, mica schist, quartz-porphyritic mica schist, a variety of metasedimentary rocks and minor amphibolites. Compositional layering in metasedimentary rocks strikes ~70° to 90° and dips from 70° to 80° south-southeast. The Thunder River Mafic Metavolcanic rocks underlie the south part of the Property. The mafic rocks are generally massive flows but are pillowed locally and include amphibolite and mafic dykes, which are characterised as chlorite schists. Some rocks have been described as ultramafic in character (Hogg, 2002).

1.4 Mineralisation

The main zones of mineralisation (Thunder Lake Deposit) project to surface approximately 250-300 metres north of Norman Road. The Main Zone, Footwall Zone (B, C and D subzones), and Hangingwall

Zone (H and H1 subzones) of the Thunder Lake Deposit strike approximately east-west, varying between 090° and 072°, with dips that are consistently 72°-78° toward the south or southeast. The main area of gold, silver and sulphide mineralisation and alteration occurs up to a maximum drill-tested depth of ~805 metres (TL135) below the surface, over a strike-length of approximately 2,300 metres within the current defined resource area. The historic drilling of Teck and its various partners confirmed that anomalous gold mineralisation extends over a strike length of at least 3,500 metres (Corona, 1998) and work by Treasury has shown this anomalous gold mineralisation and alteration to extend over a strike length of +5,000 metres.

The mineralised zones are tabular composite units defined on the basis of anomalous to strongly elevated gold concentrations, increased sulphide content and distinctive altered rock units and are concordant to the local stratigraphic units. Stratigraphically, gold mineralisation is contained in an approximately 100 to 150 metre wide central zone composed of intensely altered felsic metavolcanic rocks (quartz-sericite and biotite-muscovite schist) with minor metasedimentary rocks. Overlying hangingwall rocks consist of altered felsic metavolcanic rocks (sericite schist, biotite-muscovite schist and metasedimentary rocks), with the footwall comprising metasedimentary rocks with minor porphyries, felsic gneiss and schist. Gold within the central unit is concentrated in a pyritic alteration zone, consisting of quartz-sericite schist (MSS), quartz-eye gneiss and quartz-feldspar gneiss (Corona, 2001).

The Treasury drilling programs primarily targeted the Main Zone, but the Hangingwall Zone was intersected as was the Footwall Zone by deeper drill holes. Drilling has intersected the Main Zone over a strike length of approximately 2,300 metres and a thickness of 5 to 30 metres. The Main Zone is composed of well-defined pyritic quartz-sericite schist (MSS) separated by less-altered biotite-feldspar schist (BMS). Sulphide mineralisation and local visible gold (VG) occurs mainly within the leucocratic bands, but occasionally it is localized in the melanocratic bands enriched with biotite and chlorite. The sulphide content of the mineralised zone is generally 3-5% but locally is up to 15%. Highest gold and silver values are associated with very strong pervasive quartz-sericite alteration. It appears that gold content does not directly correlate with pyrite content, but generally an increase in the gold and silver correlates with an increase in the pyrite and more specifically, the sphalerite content. An increase in chalcopyrite and galena content has a lower correlation to an increase in gold values. Low grade Au-Ag mineralisation is pervasive in the Main Zone, Hangingwall Zone and in the Footwall Zone, whereas high-grade gold mineralisation (>3 g/tonne) is concentrated in several steeply dipping, steep west-plunging shoots with relatively short strike-lengths (up to 50 metres) and considerable down-plunge continuity. These higher-grade shoots are separated by rock containing lower grade gold mineralisation.

The high-grade shoots are interpreted to be the result of tight folding of the mineralised horizon (gold concentrated in fold noses) and appear to occur at regular intervals (Corona, 1998). Very rare flakes of aquamarine green mica (fuchsite: Cr muscovite) occur in the strongly altered sericite alteration with high-grade gold. Usually, mineralised intervals are narrow (up to 0.5 metres) zones enriched with 3-10% visible sulphides (pyrite, sphalerite, galena, chalcopyrite ± arsenopyrite, ± dark grey needles of stibnite) within a wider quartz-sericite or biotite-feldspar sections with fine-grained disseminated pyrite located in the foliation planes.

1.5 Exploration

Prior to Treasury's 2008 exploration program, no exploration work had been completed on the Thunder Lake Property (Thunder Lake East and West) or the Laramide Property since 1999 and 1994, respectively (Sills, 2007). Treasury's 2008 exploration program comprised a property wide airborne magnetic survey, ground IP and geological surveys over the Thunder Lake deposit area, trenching and diamond drilling totalling 13,203.6 metres. Treasury's 2009 exploration program comprised reconnaissance prospecting, outcrop channel sampling and diamond drilling totalling 4,612.6 metres. Treasury's 2010 exploration program comprised reconnaissance prospecting, trenching and diamond drilling totalling 10,228 metres.

Treasury's 2011 exploration program comprised diamond drilling totalling 49,926.5 metres.

1.6 Mineral Resource Estimate

During September-November, 2011, ACA Howe International Limited ("Howe") carried out a resource estimate for the Goliath deposit using historical drilling and current drilling. The resource estimate includes holes up to Hole TL11228, drilled during 2011. The mineral resource estimate was prepared by Doug Roy, M.A.Sc., P.Eng., Associate Mining Engineer with Howe.

Mineralised zones were outlined to enforce geological control during block modelling. The interpretations that ACA Howe (2008 and 2010) made during the previous mineral resource estimates were modified slightly in consideration of the current drilling.

A main zone, two hanging wall zones, and three footwall zones were outlined. Higher grade shoots were observed in the main zone. Therefore, the main zone was broken down into two domains - a higher grade and lower grade domain. The average grade for the higher grade domain was 2.0 g/tonne, while the average grade for the lower grade domain was less than half that value at 0.9 g/tonne.

A number of samples (267) were assayed using both fire assay and pulp metallics. The correlation between the two methods was fairly good with a correlation coefficient of 0.9. Meaning, fire assay tended to give slightly higher grades than pulp metallics. For conservatism, the pulp metallics result was used over the fire assay result.

Because there were relatively few higher grade samples and no indication, from the cumulative normal probability curve, of the presence of outliers, it was felt that an arbitrary top-cut was not necessary. No top-cut was applied because, in the author's opinion, a top-cut would not affect the global estimate.

Variography was carried out on regularised gold assays, with the following results for the main zone:

Direction	Azimuth	Plunge	Data	Model Type	Model Range (m)	Nugget $[Ln(g/tonne)]^2$	Partial Sill $[Ln(g/tonne)]^2$	Fit
Normal to Plane of Mineralisation (Down-hole)	200	-10 (Up)	1.5 metre Regularised	Exponential	5	0.15	1.61	Very Good
Down-Trend	200	80 (Down)	1.5 metre Regularised	Exponential	35	0.15	1.61	Very Good
Along Strike	290	0	1.5 metre Regularised	Exponential	5	0.15	1.61	Poor

Variography was also carried out for silver, which could be a byproduct of gold production. The semi-variogram range was 55 metres. Considering relative metal prices and relative expected processing recovery values, one gram of gold was equal to 57 grams of silver.

Based on 46 samples from the mineralised zones, the average specific gravity ("SG") was calculated as 2.75.

Ordinary block kriging was used for estimating block grades. The grade estimation process was carried out separately for each of the zones. Also, for the Main Zone, the higher grade domain was estimated separately from the lower grade domain.

The grade estimation process was carried out in five "runs" in which the ellipse (really a sphere) radius increased with run. This limited the effect of far-away samples, even when the maximum number of

samples had not been reached, when closer samples were available.

Resource parameters were chosen based on a combination of variography results and the author's judgement. All blocks that were within the outlined mineralised zones were considered to be (at least) Inferred. Geological continuity has been well established for much of the Main Zone and parts of the C Zone. The other zones are less predictable and should stay entirely in the Inferred category, at least until more work indicates otherwise.

Indicated Resources were outlined graphically in the Main Zone on longitudinal sections within areas where the intercept spacing was approximately 35 metres or less in two dimensions. For the C-Zone, the maximum spacing (in two dimensions) for Indicated resources was 25 metres.

Resources were defined using a block cut-off grade of 0.3 g/tonne for surface resources (less than 150 metres deep) and 1.5 g/tonne for underground resources.

Non-diluted Indicated Mineral Resources (Surface plus Underground), located within the Main Zone and C-Zone, totalled 9.1 million tonnes with an average gold grade of 2.6 g/tonne and an average silver grade of 10.4 g/tonne, for 810,000 ounces of gold and gold equivalent.

Non-diluted Inferred Mineral Resources (Surface plus Underground), from all zones, totalled 15.9 million tonnes with an average gold grade of 1.7 g/tonne and an average silver grade of 3.9 g/tonne, for 900,000 ounces of gold and gold equivalent.

Category	Surface or Underground	Cut-Off Grade (g/tonne)	Tonnes	Gold Grade (g/tonne)	Silver Grade (g/tonne)	Gold Ounces	Silver Ounces	Gold Equivalent Ounces (of Silver)	Ounces Gold Plus Gold Equivalent
Indicated	Surface	0.30	6,002,000	1.8	7.1	326,000	1,257,000	22,000	348,000
Indicated	Underground	1.50	3,136,000	4.3	18.0	433,000	1,812,000	32,000	465,000
Total Indicated (Rounded)			**9,140,000**	**2.6**	**10.4**	**760,000**	**3,070,000**	**54,000**	**810,000**
Inferred	Surface	0.30	11,093,000	1.0	3.3	352,000	1,184,000	21,000	374,000
Inferred	Underground	1.50	4,789,000	3.3	5.2	514,000	807,000	14,000	528,000
Total Inferred (Rounded)			**15,900,000**	**1.7**	**3.9**	**870,000**	**1,990,000**	**35,000**	**900,000**

Notes for Resource Estimate:

1. Cut-off grade for mineralised zone interpretation was 0.5 g/tonne.
2. Block cut-off grade for surface resources (less than 150 metres deep) was 0.3 g/tonne.
3. Block cut-off grade for underground resources (more than 150 metres deep) was 1.5 g/tonne.
4. Gold price was $US 1500 per troy ounce.
5. Zones extended up to 150 metres down-dip from last intercept. Along strike, zones extended halfway to the next cross-section.
6. Minimum width was 2 metres.
7. Non-diluted.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Resource estimate prepared by Doug Roy, M.A.Sc., P.Eng.
10. A specific gravity (bulk density) value of 2.75 was applied to all blocks (based on 194 samples).
11. Non-cut. Top-cut analysis of sample data suggested no top cut was needed because of the absence of high-grade outliers.
12. 1 ounce gold = 57 ounces silver. Silver equivalency parameters: Metallurgical recovery: Gold 95%, Silver 72%; Price: Gold $1500 per ounce, Silver $35 per ounce.

The results of block kriging were cross-validated against a nearest-neighbour estimate. Though the global declustered mean was slightly higher than the kriged average block grade, the author was satisfied with the cross-validation results.

A comparison was made with the previous mineral resource estimate that ACA Howe carried out in 2010. The additional drilling caused a shift of some mineral resources that were in the Inferred category into the Indicated category. The net result was an increase in grade and gold content (by 490,000 ounces) for the Indicated category and a decrease in grade and gold content (by 60,000 ounces) for the Inferred category.

The major causes behind the overall net increase in tonnes and metal content were:

- the significant number of new holes and
- the drop in block cut-off grades.

This report quotes estimates for mineral resources only. There are no mineral reserves prepared or reported in this technical report.

1.7 Environmental and Permitting Status

Treasury has commissioned Environmental Base Line Studies using the services of Klohn Crippen Berger ("KCB"). Studies were initiated in the Fall of 2010 and have continued to the date of this report. These studies will examine the health of the ecosystem by studying ground and surface water quality, sediment quality, fisheries, terrestrial resources and soil quality. Completion of these studies and the development of the environmental baseline, along with ongoing community consultation and socio-economic studies, are key requirements for future government permitting of the Property leading to advanced exploration status with the Ontario Ministry of Northern Development and Mines.

1.8 Conclusions and Recommendations

In Howe's opinion, Treasury should continue work to advance the Project, by gathering information and undertaking studies with the view to eventually undertaking a Pre-Feasibility Study.

To proceed with the assessment of the potential development of the Project, Howe recommends surface and underground bulk sampling, and pilot plant testing. The overall objective of the work would be to determine mining and processing parameters to the preliminary feasibility level of accuracy (plus or minus 15-20%). Should the preliminary feasibility be positive, mineral reserves can be identified.

The grand total budgetary cost for this work, including a preliminary feasibility study, is estimated to be $3.2 million.

5.4 Executive Summary of the 2010 Goliath Gold Technical Report

This technical report ("Report") was prepared by A.C.A. Howe International Limited ("Howe") at the request of Dr. Scott Jobin-Bevans, Ph.D., P.Geo., President & CEO of Treasury Metals Inc. ("Treasury" of the "Company"). This Report is specific to the standards dictated by National Instrument 43-101 (NI 43-101), companion policy NI 43-101CP and Form 43-101F (Standards of Disclosure for Mineral Projects) in respect to the Goliath Gold Project (the "Goliath Project" or "Project") and focuses on Howe's updated independent mineral resource estimate of the Thunder Lake mineralized zones within the Goliath Project.

1.1 Property Location Access and Description

The Goliath Gold Project, located in northwestern Ontario, lies about 125 kilometres east of the City of Kenora, 20 kilometres east of the City of Dryden, and 325 kilometres northwest of the port City of Thunder Bay, in the Kenora Mining Division, Ontario, Canada.

The Goliath Gold Project consists of 134 contiguous unpatented mining claims (234 units – 3744 hectares) and 17 patented land parcels (764 hectares). The total area of the claim group is approximately 4,508 hectares (45 km^2) covering portions of Hartman and Zealand townships east of the City of Dryden. Treasury holds the Project 100%, subject to certain underlying royalties and payment obligations remaining on 15 of the 17 patented parcels. Treasury's 2008 drilling was confined to unpatented claims 1106348 and 1106347, and patented claims 21609, 34461 and 4822. Treasury's 2009 drilling was

confined to unpatented claim 1106348 and patented claims 41215 and SV200. All claims are currently active and in good standing with Ontario's Ministry of Northern Development, Mines and Forestry ("MNDMF").

1.2 Property History

There is only limited documentation of exploration activity conducted on the Goliath Gold Project area prior to 1989. Previous exploration in the area was either regional in nature or focused mainly on the western portion of the Goliath Gold Property. Reconnaissance investigation by Teck geologists in 1989 identified a poorly exposed, broad area of weak mineralisation and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. The discovery hole (TL-001) on the Main Zone of the Deposit was drilled in October, 1990, intersecting multiple horizons of gold mineralisation with intersections of 1.5 g/tonne Au over 22.2 metres, 0.9 g/tonne Au over 11.6 metres and 17.5 g/tonne Au over 2.6 metres (Page, 1995). Land acquisition, field surveys, drilling and underground bulk sampling were completed by Teck and its various partners between late 1989 and 1998; the Thunder Lake project was put on hold in 1999. Total diamond drilling on the Goliath Gold Property from 1990 to 1998 amounted to approximately 78,461.20 metre in 293 holes.

In 1998, as part of the underground sampling program, 4 bulk samples from the Main Zone (No.1 and No.2 shoots) totalling 2,375 tonnes and grading >3.0 g/tonne Au were collected from the underground workings (Page et al., 1999b). The original bulk sample of 2,375 tonnes had an estimated overall grade of 9.07 g/tonne Au or 692 ounces of contained gold (Page et al., 1999b). Metallurgical results obtained on a composite sample of 24 kg from the No. 1 Shoot indicated that cyanidation achieved the best recoveries for gold at 98.7% (Corona, 2001; Hogg, 2002). Gravity and flotation resulted in recoveries of 97.3% Au and gravity alone recovered 69.1% Au (Corona, 2001; Hogg, 2002). Final gold recovery was calculated at 96.85% and silver recoveries were approximately 38% (Corona, 2001).

By 1999, surface and underground exploration and sampling led to the outlining of the Deposit and the reporting of a historical Inferred Mineral resource (non-compliant with NI 43-101) containing 2.974 million tonnes grading 6.47 g/tonne Au, using a cut-off of 3.0 g/tonne Au and a minimum thickness of 3.0 m (CAMH, 2007; Gray and Donkersloot, 1999). Howe considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

1.3 Geological Setting

The Goliath Gold Project is located within the Wabigoon Subprovince of the Archaean Superior Province, northwestern, Ontario and is situated north of the Wabigoon Fault. Much of the Project area is underlain by the Thunder Lake Assemblage, an upper greenschist to lower amphibolites metamorphic grade volcanogenic-sedimentary complex of felsic metavolcanic rocks and clastic metasedimentary rocks (Beakhouse, 2000). The assemblage comprises quartz-porphyritic felsic to intermediate metavolcanic rocks represented by biotite gneiss, mica schist, quartz-porphyritic mica schist, a variety of metasedimentary rocks and minor amphibolites. Compositional layering in metasedimentary rocks strikes ~70° to 90° and dips from 70° to 80° south-southeast. The Thunder River Mafic Metavolcanic rocks underlie the south part of the Property. The mafic rocks are generally massive flows but are pillowed locally and include amphibolites and mafic dykes, which are characterised as chlorite schists. Some rocks have been described as ultramafic in character. (Hogg, 2002).

1.4 Mineralisation

The main zones of mineralisation (Deposit) project to surface approximately 250-300 metres north of Norman Road. The Main Zone, Footwall Zone (B,C, and D subzones), and Hangingwall Zone (H and H1 subzones) of the Deposit strike approximately east-west, varying between 090° and 072°, with dips that are consistently 72°-78° toward the south or southeast. The main area of gold, silver and sulphide mineralisation and alteration occurs up to a maximum drill-tested depth of ~805 metres (TL135) below the surface, over a strike length of approximately 2,300 metres within the current defined resource area. The historic drilling of Teck and its various partners confirmed that anomalous gold mineralisation extends over a strike length of at least 3,500 metres (Corona, 1998) and work by Treasury Metals has

shown this anomalous gold mineralisation and alteration to extend over a strike length of +5,000 metres.

The mineralised zones are tabular composite units defined on the basis of anomalous to strongly elevated gold concentrations, increased sulphide content and distinctive altered rock units and are concordant to the local stratigraphic units. Stratigraphically, gold mineralisation is contained in an approximately 100 to 150 metre wide central zone composed of intensely altered felsic metavolcanic rocks (quartz-sericite and biotite-muscovite schist) with minor metasedimentary rocks. Overlying hangingwall rocks consists of altered felsic metavolcanic rocks (sericite schist, biotite-muscovite schist and metasedimentary rocks), with the footwall comprising metasedimentary rocks with minor porphyries, felsic gneiss and schist. Gold within the central unit is concentrated in a pyrite alteration zone, consisting of quartz-sericite schist (MSS), quartz-eye gneiss and quartz-feldspar gneiss (Corona, 2001).

The Treasury Metals 2008 and 2009 drilling programs primarily targeted the Main Zone, but the Hangingwall Zone was intersected as well as the Footwall Zone by deeper drill holes. Drilling has intersected the Main Zone over a strike length of approximately 2,300 metres and a thickness of 5 to 30 metres. The Main Zone is comprised of well-defined pyritic quartz-sericite schist (MSS) separated by less-altered biotite-feldspar schist (BMS). Sulphide mineralisation and local visible gold (VG) occurs mainly within the leucocratic bands, but occasionally it is localized in the melanocratic bands enriched with biotite and chlorite. The sulphide content of the mineralised zone is generally 3-5% but locally is up to 15%. Highest gold and silver values are associated with very strong pervasive quartz-sericite alteration. It appears that gold content does not directly correlate with pyrite content, but generally an increase in the gold and silver correlates with an increase in the pyrite and more specifically, the sphalerite content. An increase in chalcopyrite and galena content has a lower correlation to an increase in gold values. Low grade Au-Ag mineralisation is pervasive in the Main Zone, Hangingwall Zone and Footwall Zone, whereas high-grade gold mineralisation (>3 g/tonne) is concentrated in several steeply dipping, steep west-plunging shoots with relatively short strike-lengths (up to 50 metres) and considerable down-plunge continuity. These higher-grade shoots are separated by rock containing lower grade gold mineralisation.

The high-grade shoots are interpreted to be the result of tight folding of the mineralised horizon (gold concentrated in fold noses) and appear to occur at regular intervals (Corona, 1998). Very rare flakes of aquamarine green mica (fuchsite: Cr muscovite) occur in the strongly altered sericite alteration with high-grade gold. Usually, mineralised intervals are narrow (up to 0.5 metres) zones enriched with 3-10% visible sulphides (pyrite, sphalerite, galena, chalcopyrite ± arsenopyrite, ± dark grey needles of stibnite) within a wider quartz-sericite or biotite-feldspar sections with fine-grained disseminated pyrite located in the foliation planes.

1.5 Exploration

Prior to Treasury Metals' 2008 exploration program, no exploration work had been completed on the Goliath Gold or the Laramide Property since 1999 and 1994, respectively (Sills, 2007). Treasury Metals' 2008 exploration program comprised a property wide airborne magnetic survey, ground IP and geological surveys over the Deposit area, trenching and diamond drilling totalling 13,203.6 metres. Treasury Metals' 2009 exploration program comprised reconnaissance prospecting, outcrop channel sampling and diamond drilling totalling 4,612.6 metres.

1.6 Mineral Resource and Reserve Estimate

During March to May, 2010 Howe carried out a mineral resource estimate update (the "Resource Estimate") for the Deposit using historical drilling and current drilling. This Resource Estimate includes up to drill hole TL0986, drilled during 2009. This Resource Estimate was prepared by Doug Roy, M.A.Sc., P.Eng., Associate Mining Engineer with Howe. Micromine resource modelling software (Version 11.0.4) was used to facilitate the resource estimating process.

A revised drilling database was received from Treasury Metals on January 26, 2010. New data for 41 additional holes (TL0846-TL0986) with an aggregate length of 7,599 metres was incorporated into the existing digital database. Treasury also supplied revised, differential GPS ("DGPS") collar coordinates that were imported to the digital database. All of the newer holes were drilled west of the underground

workings.

Mineralised zones were outlined to enforce geological control during block modelling. A cut-off grade of 0.5 g/tonne Au was used with a minimum horizontal width of two metres. Zones were extended halfway to the next, under-mineralised cross-section and down-dip by a maximum of 150 metres beyond the last intercept.

Interpretations were accomplished by plotting and interpreting hard-copy cross- and longitudinal sections. Those interpretations were digitised and zone intercepts were tagged. To refine that interpretation, the intercept intervals were manually adjusted within the assay file.

Variography was carried out for regularised samples from the Main Zone (1.5 metre composites). Spherical models provided a reasonable fit to the raw data. Attempts were made to calculate directional semi-variograms for the Main Zone. The results were unsatisfactory.

No top-cut was applied because, in the author's opinion, a top-cut would not affect the global estimate.

The specific gravity was 2.78. Treasury determined this average value using 30 samples with a grade of 0.1 g/tonne Au or greater from eight holes from the 2008 diamond drilling program (TL0801-TL0808).

Block models were created that were constrained by the mineralised zone wireframes. The block size is 5x5x5 metres, with two sub-blocks in the east and elevation (strike and dip, respectively) dimensions for a "geological resolution" of 2.5 metres. There are five sub-blocks in the north dimension (the thickness dimension) for a "geological resolution" of 1.0 metre.

Inverse distance weighting, using a power of two is considered an acceptable method for estimating block grades in this deposit.

All blocks within the outlined mineralised zones were included in the Inferred Mineral Resource category. Indicated Resources were outlined graphically on longitudinal sections within areas where the intercept spacing was approximately 25-30 metres or less (slightly shorter than the intercept variogram range of 40 metres).

Resources were defined using a block cut-off grade of 0.5 g/tonne Au for surface resources (<100 metres deep) and 2.0 g/tonne Au for underground resources (>100 metres deep).

Surface plus Underground Indicated Resources total 3.4 million tonnes with an average gold grade of 2.5 g/tonne, for 270,000 ounces. Surface plus Underground Inferred Resources total 10.6 million tonnes with an average gold grade of 2.7 g/tonne, for 930,000 ounces. The Main Zone contains the majority of the resources from both categories.

Zone	Cut-off Grade (g/tonne)	Tonnes Above Cut-off	Average Gold Grade (g/tonne)	Ounces	Average Silver Grade (g/tonne)	Average Copper Grade (g/tonne)	Average Lead Grade (g/tonne)	Average Zinc Grade (g/tonne)
Indicated								
Surface	0.5	2,900,000	1.9	180,000	5.4	86	820	1,700
Underground	2.0	490,000	5.7	90,000	13.8	100	710	1,500
Subtotal, Indicated		3,400,000	2.5	270,000	6.6	88	800	1,670
Inferred								
Surface	0.5	5,400,000	1.1	190,000	2.5	72	360	880
Underground	2.0	5,200,000	4.4	740,000	14.7	90	630	1,220
Subtotal, Inferred		10,600,000	2.7	930,000	8.5	81	490	1,050

Notes:
1. Cut-off grade for mineralised zone interpretation was 0.5 g/tonne.
2. Block cut-off grade for surface resources (less than 100 metres deep) was 0.5 g/tonne.

3. Block cut-off grade for underground resources (more than 100 metres deep) was 2 g/tonne.
4. Gold price was $US 850 per troy ounce.
5. Zones extended up to 150 metres down-dip from last intercept. Along strike, zones extended halfway to the next cross-section.
6. Minimum width was 2 metres.
7. Non-diluted.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
9. Resource estimate prepared by Doug Roy, M.A.Sc., P.Eng.
10. A specific gravity (bulk density) value of 2.78 was applied to all blocks (based on 30 samples).
11. Un-cut. Top-cut analysis of sample data suggested no top cut was needed and removal of high-grade outliers would not materially affect the global block model grade.

No mineral reserves were identified because in the author's opinion, the level of mineral processing work that has been completed thus far does not meet the requirements set out by the CIM's definitions for mineral reserves, which states that the study must contain *adequate* information regarding those factors.

Howe is not aware of any known environmental, permitting, legal, title, taxation, socio-political, marketing, or other issues that may materially affect this Resource Estimate.

1.7 Proposed Mining Operations

As proposed, mining will initially be by surface methods with a target production rate of 1,500 tonnes per day using standard methods of drilling, blasting, and excavating using excavators and truck haulage. This equipment would be leased.

Proposed development for underground mining will commence in Year 1 with production commencing in Year 3. Access will be via a decline with the portal located near the bottom the first small pit to be mined. In Year 3, the surface production rate would drop to 750 tonnes per day, equal to the underground production rate for a combined production rate of 1,500 tonnes per day. Sublevel, long-hole stoping with delayed backfill is recommended as the primary underground mining method.

Optimisation of surface pits was carried out. The dilution and mining recovery[1] values are speculative at this point, but 15% and 95%, respectively, are typical values for this type of deposit.

The base case optimised pit contains 2.2 million non-diluted tonnes of mill feed with an average non-diluted grade of 2.2 g/tonne. The stripping ratio is 7.2:1 and the life of the pit is seven years at the base case production rate of 1,500 tonnes per day with the open pit contributing approximately 50% of the total production.

	Pit 1	Pit 2	Pit 3	Total
Non-Diluted Tonnes	100,000	1,200,000	900,000	2,200,000
Non-Diluted Grade (g/tonne)	2.8	2.4	1.9	2.2
Diluted Tonnes	120,000	1,400,000	1,000,000	2,500,000
Diluted Grade (g/tonne)	2.5	2.2	1.8	2.1
Waste Tonnes	2,000,000	8,900,000	5,000,000	15,900,000
Stripping Ratio	20:1	7.4:1	5.6:1	7.2:1
Years Production	3/12	2 8/12	1 11/12	4 10/12

Notes:
1. Dilution = 15%

Benches and haul roads have been added to the base case optimum pit for a practical, "de-optimised" pit design.

Underground mining is modelled over 6½ years during Years 3-9 inclusive, with development beginning in Year 1. Over the life of the underground mine, 1.75 million tonnes will be mined with an average head grade of 4.3 g/tonne.

[1] Some ore, especially near the contacts, is invariably left behind.

The author recommends that other scenarios be explored. For example, an "underground mining only" option using the existing decline should be explored, among others.

1.8 Proposed Mineral Processing

An underground bulk sample was extracted in 1998 on behalf of Teck and limited preliminary test work was carried out. Howe notes that the head grade of the composite sample was 25 g/tonne – nearly an order of magnitude greater than the average expected head grade of surface and underground sources, therefore the sample cannot be considered representative of the overall deposit. It is Howe's opinion that because only one test was carried out on a non-representative sample, the historic Teck metallurgical test work is of limited value. Further test work is therefore recommended.

A conceptual mill flowsheet is proposed. Gravity separation, followed by flotation has been selected as the recovery method over gravity/cyanidation because of (a) lower capital costs and (b) similar, if not lower operating costs.

1.9 Income Model

The base case gold price used for mine design and economic modelling is $US 850 per ounce. Sensitivity analyses have been carried out to evaluate the economics at lower and higher gold prices.

Initial and life-of-mine capital costs are estimated to be $38 and $59 million, respectively, or $70 million for a 2,000 tonne per day production rate. Surface mine equipment are to be lease, and therefore do not contribute to that amount.

The following results were obtained:

	1500 tpd, $850/oz	1750 tpd, $850/oz	2000 tpd, $850/oz
Capital Cost	$58,700,000	$64,100,000	$69,700,000
Revenue[1]	$42,000,000	$49,000,000	$56,100,000
Per Surface Tonne	$54	$54	$54
Per Underground Tonne	$106	$106	$106
Per Processed Tonne	$80	$80	$80
Direct Operating Cost[1]	$26,400,000	$30,100,000	$34,100,000
Per Surface Tonne	$38	$38	$40
Per Underground Tonne	$63	$60	$57
Per Processed Tonne	$50	$49	$49
Overhead[1]	$2,200,000	$2,200,000	$2,200,000
Per tonne	$4	$4	$3
Gross Margin[1]	$13,300,000	$16,700,000	$19,700,000
Per Surface Tonne	$12	$12	$11
Per Underground Tonne	$39	$42	$46
Per Processed Tonne	$25	$27	$28
$NPV_{0\%}$ (Cumulative After-Tax Profit)	$42,900,000	$45,400,000	$47,300,000
$NPV_{5.0\%}$	$23,000,000	$26,000,000	$28,100,000
$NPV_{7.5\%}$	$15,700,000	$18,700,000	$20,700,000
$NPV_{10.0\%}$	$9,700,000	$12,600,000	$14,500,000
Internal Rate of Return (IRR)	15%	17%	18%
Mine Life (Years)	8	7	6

Notes:
1. Results for Year 3 – the year when underground production begins.

A sensitivity analysis indicates that the economics are most sensitive to changes in revenue factors such as gold price, grade and exchange rate. Economics are less sensitive to changes in operating costs and capital costs.

1.10 Environmental and Permitting Status

Treasury Metals has not yet initiated any environmental or advanced exploration/mine permitting processes at the Goliath Gold Project. Howe engaged Conestoga-Rovers & Associates (CRA) to undertake a Mine Permitting Scoping Study to identify permitting constraints and provide a proposed approach and costing for permitting of the Project.

Permitting constraints were identified through a review of public domain information and documentation of previous studies conducted in the area and provided by Howe. CRA compiled information relative to each constraint to determine the degree to which each of the constraints could impact on the potential development.

The following constraint categories were identified relative to the Goliath Gold Project:

1. *Bio-Physical*
2. *Archaeological and Heritage Resources*
3. *Aboriginal Peoples*
4. *Local Residents*
5. *Present and Future Land Use & Zoning*
6. *Concurrent Developments*
7. *Public Consultation*

The following table summarizes the constraint categories, the Goliath Gold Project phases to which each constraint will pertain and the relative degree of concern (importance) each constraint will have in the permitting process.

Permitting Constraints Summary

Constraint	Project Phases	Relative Concern
Biophysical	All	Moderate - High
Archaeological and Heritage Resources	All	Moderate
Aboriginal Communities	EBS, PC, PM, O	Moderate – High
Local Residents	All	Moderate – High
Present Land Use Zoning	PC, PM	Moderate – High
Proposed Land Use Zoning	PC, PM, O	Low
Other Proposed Developments	PC, PM, D, O	Low
Public Consultation	All	Moderate - High

Project Phases: D – Mine Development; E – Exploration; EBS – Environmental Baseline Studies; O – Mine Operation; PC – Public Consultation; PM – Permitting; All – All above

Based on the available information and their permitting experience, CRA allocates a budget estimate of $750,000 to $900,000 for the EBS, Public Consultation and Permitting phases of the project.

1.11 Conclusions and Recommendations

Howe has reviewed the Goliath Gold Project at the level of a Preliminary Economic Assessment. Surface and underground mining is planned for the deposit. A mining schedule and economic model has been developed for the operation. Howe concludes that under base case assumptions (1,500 tonnes per day,

$US 850 gold), the Project has **potential economic viability.** Results indicate that the base case operation would be profitable with a base case net present value (5% discount rate) of $23 million and an internal rate of return of 15%. A one to one exchange rate for the Canadian:US Dollar was used.

At the base case production rate and $US 1200 gold, the approximate gold price at the time of this report, the NPV is $91 million and the IRR is 43%.

In Howe's opinion, Treasury should continue work to advance the Goliath Gold Project, by gathering information and undertaking studies with the view to eventually undertaking a Pre-Feasibility Study.

To proceed with the assessment of the potential development of the Goliath Gold Project, Howe recommends:

1. Infill drilling to upgrade Inferred Resources to Indicated Resources, and to generate material for metallurgical testing. For Indicated Resources drill hole centres should be a minimum of 25-30 metres apart.
2. Collection of geotechnical information including overburden characteristics, detailed discontinuity measurements, rock strengths and hydrogeology.
3. Additional gravity, flotation and cyanidation mineral processing test work should be carried out and optimised to confirm recoveries used in the economic model. A 200-300 kg sample should be collected from the Main Zone with an average grade of 5-8 g/t Au.
4. The economic model should be optimised by investigating purchase of a used mill instead of constructing a new one.
5. Other mining scenarios should be explored. For example, an "underground mining only" option using the existing decline should be explored, among others.
6. Initiation of environmental baseline studies.

5.5 Lara Polymetallic Project

The Lara Polymetallic Project (the "Lara Project"), located in the southern region of Vancouver Island, lies about 75 km north of Victoria, 15 km northwest of Duncan and about 12 km west of the Village of Chemainus, Victoria Mining Division, British Columbia, Canada.

The Company inherited the Lara Project in early 2008, as part of the spin-out from Laramide and since then had been seeking a purchaser or joint venture partner for this non-core project. As of December 31st, 2012 the Company had spent approximately $240,000 on the Lara Project.

On February 22, 2010, through an administration oversight, mineral claim due dates were overlooked and some claims expired. The Company took immediate action to remedy the oversight and regained a large portion of the original mineral claims. The Company, as a gold focused exploration and development company, does not consider this Lara Project to be a high priority in terms of its overall corporate strategy and has decided to write-off the non-recoverable costs associated with the Lara Project. However it still holds enough interest in the area to justify continuing to work towards the reconstruction of key portions of its previous holdings.

5.6 Goldcliff Project

In June 2010, the Company acquired the right to earn a 100% interest in certain unpatented mining claims in the District of Kenora (Sherridon-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

over a three-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 June 23, 2013. The four unpatented mining claims, totalling 12 units and 192 hectares, are subject to a 2% NSR royalty of which 1% can be purchased by the Company for $750,000.

In addition to the 4 mining claims acquired through the property option agreement, the Company acquired through staking, 100% ownership in 37 unpatented mining claims that are contiguous with the 4 optioned mining claims. Some of the staked claims are subject to a one kilometre area of interest and a 1% NSR (purchasable 100% by the Company for $750,000) as they relate to each of the four optioned claims.

The Goldcliff Project represents a new gold discovery in the Kenora Mining District and is located approximately 40 km south-southeast of Dryden, Ontario; it is situated within the Boyer Lake Area of the Kenora Mining District. Goldcliff Project is accessible via Provincial Highway #502. The Project area comprises four optioned unpatented mining claims and 38 contiguous unpatented mining claims staked by Treasury Metals. The Goldcliff Project totals 403 units and covers approximately 6,448 hectares.

The Goldcliff Project 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.

In May 2010, the Company completed due diligence sampling on the Goldcliff Project. Six locations were visited from which a total of 13 grab samples were collected. Visible gold was found at one location, hosted by gossanous mafic volcanic rocks with ~2% pyrite and minor quartz veining. Other areas were underlain by felsic volcanic rocks with carbonate flooding and 2-3% sulphides; grab samples returned anomalous gold. Of note were several areas of stripping and blasting that contain sheared gossanous mafic volcanic rock with several percent sulphides and brecciated mafic volcanic rocks containing a prominent shear zone and several percent sulphides. Assay results from the 13 grab samples range from 11 ppb to 106,426 ppb Au with 5 of the 13 samples containing anomalous (>100 ppb Au) concentrations of gold. The sample with visible gold assayed 106.4 g/t Au.

The Company had completed magnetic and heliborne electromagnetic surveys over both its flagship Goliath Gold and Goldcliff Projects in July 2011. Exploration programs at Goldcliff in 2011 and 2012 consisted of trenching, sampling and mapping.

In October 2012, the Company commenced a diamond core drilling program. This new exploration program at Goldcliff was designed to test a number of drill targets and consisted of approximately 1,000 metres of diamond core drilling. A new high grade intersection was made in the second drill hole of the initial 9 hole drilling program. The Discovery hole GC 12-03 at the Ange zone, has a best weighted average intercept of 4 metres at 332 g/t gold.

6. DIVIDENDS

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

7. DESCRIPTION OF SHARE STRUCTURE

Authorized Share Capital

The Company is authorized to issue an unlimited number of Common Shares of which 61,465,074 Common Shares are issued and outstanding as at the date of this AIF. In addition, 7,774,632 Common Shares are reserved for issuance upon the exercise of 1,457,500 Common Share purchase warrants and 6,317,132 options of the Company.

Common Shares

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

8. MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "TML". The table below sets forth the high and low trading prices and volume for Common Shares traded through the TSX on a monthly basis for the period commencing on January 1, 2012 and ending on December 31, 2012.

	Price Range and Trading Volume		
2012	**High**	**Low**	**Volume**
January	1.15	0.95	1,033,536
February	1.35	1.08	1,185,191
March	1.20	0.95	1,337,668
April	1.01	.073	949,544
May	0.81	0.68	580,418
June	0.80	0.61	1,506,327
July	0.75	0.60	769,279
August	0.81	0.60	988,905
September	0.92	0.76	590,727
October	0.98	0.82	917,325
November	0.95	0.83	890,462
December	1.00	0.75	805,191

9. ESCROWED SECURITIES

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

10. DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table and the notes thereto set out the name, municipality and country of residence of each director and executive officer of the Company; their current position and office with the Company; their respective principal occupation during the five preceding years; the date on which they were first elected or appointed as a director or officer of the Company:

Name and Municipality of Residence	Position with the Company	Director Since	Principal Occupation during the five preceding years[3][4]	Securities Beneficially Owned, Controlled or Directed[1]
Marc Henderson Ontario, Canada	Chairman and Director	August 2007	Mr. Henderson is a director of the Company and non-executive Chairman of the board of directors. Mr. Henderson currently serves as the President, Chief Executive Officer and a director of Laramide and has held this position since May 1995. He was previously (until December 2009) President and CEO of Aquiline Resources Inc. until the sale of that company to Pan American Silver. Mr. Henderson is also an independent director and Chairman of the Audit Committee of Lydian International Ltd., and he is a director of Javelina Resources Ltd.	3,229,148
Blaise Yerly[2] Corseaux, Switzerland	Director	February 2008	Mr. Yerly is a director of the Company. Mr. Yerly was Chairman and Director of the board of directors of Aquiline Resources Inc. from 1998 until it was sold to Pan American Silver Corp. in December 2009. Mr. Yerly is a director of Javelina Resources Ltd., and also serves as Director on the Board of several privately held companies. Mr. Yerly is the Managing Director of Minosucra LLC since September 1998.	1,151,000

Name and Municipality of Residence	Position with the Company	Director Since	Principal Occupation during the five preceding years[3][4]	Securities Beneficially Owned, Controlled or Directed[1]
Doug Bache [2] [3] Ontario, Canada	Director	August 2009	Mr. Bache is a director of the Company and Chairman of the Audit Committee. Mr. Bache is President of Maxum Capital Markets Inc., a private merchant bank that offers corporate finance and strategy advisory services primarily to mining companies. He was president of Valencia Ventures Inc. from April 2006 to June 2008 and was a director of Aberdeen International Inc. from January 2006 until September 2008. Mr. Bache was also Treasurer of North American Palladium Ltd. from August 2003 to December 2005.	120,000
William Fisher[2][3] Ontario, Canada	Director	February 2008	Mr. Fisher is a director of the Company. Mr. Fisher is currently Chief Executive Chairman and director of GoldQuest Mining Corporation. In May 2008, Mr. Fisher became a director of PC Gold (TSX listed), and he is also a director of Horizonte Minerals (TSX listed). He also acted as Chief Executive Officer and director of GlobeStar Mining Corporation from August 2001 to February 2008, when he resigned from both positions. Mr. Fisher was also Chairman of the board of directors and a director of Aurelian Resources Inc. which was sold to Kinross in September 2008.	112,500
Martin Walter Ontario, Canada	Director and President and Chief Executive Officer	June 2011	Mr. Walter is the Chief Executive Officer of the Company since 2010, as well as President, and Director of the Board since 2011. He was previously (until December 2009) Executive Vice President of Aquiline Resources Inc. until the sale of that company to Pan American Silver.	2,073,166

Name and Municipality of Residence	Position with the Company	Director Since	Principal Occupation during the five preceding years[3][4]	Securities Beneficially Owned, Controlled or Directed[1]
Greg Ferron Ontario, Canada	Vice President Corporate Development	n/a	Vice President of Treasury Metals since 2011, prior thereto Head of Global Mining, Business Development and Senior Listings Manager of Toronto Stock Exchange and TSX-V.	134,000
Dennis Gibson Ontario, Canada	Chief Financial Officer	n/a	Mr. Gibson is the Chief Financial Officer of the Company since July 1, 2010. He is the CFO of Laramide Resources Ltd. since 2006, prior thereto Vice-President, Chief Financial Officer and Corporate Secretary of Vector Intermediaries Inc.; former Chief Financial Officer of Aquiline Resources Inc. (2006-2009); Current CFO of Javelina Resources Ltd.	116,357

Notes:

(1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.

(2) Member of the Company's audit committee.

(3) Member of the Company's compensation committee.

(4) Based on information provided by the individuals.

As a group, the directors and executive officers of the Company beneficially own, control or direct, or exercise control or direction, directly or indirectly, over 6,216,014 Common Shares representing approximately 11.8% of the Company's total issued and outstanding Common Shares.

Cease Trade Orders or Bankruptcies

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

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

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

Mr. Walter, President and Chief Executive Officer of Treasury Metals Inc., was a senior officer and director of Sierra Minerals Inc. ("Sierra") when a management cease trade order was made on April 4, 2007 by the Ontario Securities Commission ("OSC") and on April 15, 2007 by the British Columbia Securities Commission ("BCSC") as a result of the failure of Sierra to file and deliver to shareholders its annual financial statements for the year ended December 31, 2006 and its first quarter interim financial statements for the period ended March 31, 2007. These management cease trade orders were subsequently revoked on June 28, 2007 by the OSC and on June 29, 2007 by the BCSC following the filing of the financial statements as required.

Mr. Gibson, Chief Financial Officer of Treasury Metals Inc., was the CFO of Vector Intermediaries, Inc., a TSX-Venture traded company. Vector Intermediaries Inc. was subject to a Cease Trade Order by the Alberta Securities Commission dated June 20, 2003. The Cease Trade Order was imposed for failure to file audited financial statements for the year ended December 31, 2002 and unaudited financial statements for the period ended March 31, 2003. Following the imposition of the Cease Trade Order, Vector Intermediaries Inc. was sold in receivership, and its securities were de-listed from the TSX-Venture.

Bankruptcies

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

(a) is at the date hereof, or has been within 10 years before the date of this AIF, a director or executive officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

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

Penalties or Sanctions

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

Conflict of Interest

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

11. AUDIT COMMITTEE INFORMATION

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

11.1 Audit Committee

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

11.2 Composition of the Audit Committee

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

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

Name of Member	Relevant Experience and Qualifications
William Fisher	Mr. Fisher is a professional geologist with over 25 years of experience in the mining industry and has served as a director of several public companies. Mr. Fisher has been on the Audit Committee for PC Gold Inc. for 3 years.
Doug Bache (Chairman)	Mr. Bache holds a B. Math and Business Administration degree from the University of Waterloo. Mr. Bache has been involved in financing mining companies and has held financial management, senior officer and director positions with both major and junior mining companies (including Audit Committee memberships) for over 20 years.
Blaise Yerly	Mr. Yerly holds a business school diploma. He has acted as Managing Director, Minosucra LLC (formerly Triumph International Trading Ltd.) from 1998 to present.

11.3 Pre-Approval Policies and Procedures

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

11.4 Audit Fees

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

	Audit Fees[1]	Audit-Related Fees[2]	Tax Fees[3]	All Other Fees[4]
Year ended December 31, 2012	$36,270	$1,957	$9,590	Nil
Year ended December 31, 2011	$37,035	$29,870	$5,350	Nil

Notes:

(1) The aggregate audit fees billed.

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

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

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

12. LEGAL PROCEEDINGS

Management is not aware of any current or contemplated material legal proceedings to which the Company is a party or which any of its property is the subject.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

14. TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Equity Transfer & Trust Company at its Toronto office located at Suite 400, 200 University Avenue, Toronto, Ontario M5H 4H1.

15. MATERIAL CONTRACTS

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

16. INTEREST OF EXPERTS

The Goliath Technical Report was prepared by William Douglas Roy, Ian D. Trinder, P.Geo., Bruce Brady, P.Eng., Gordon Watts, P.Eng. and Alfred S. Hayden, P.Eng., of ACA Howe International Limited, all of whom are independent consulting geologists and engineers, independent of the Company. To the best knowledge of the Company, none of the foregoing persons, has any registered or beneficial interest, direct or indirect in any securities or other property of the Company or of any associates or affiliates of the Company, nor do they expect to receive or acquire any such interests.

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

17. ADDITIONAL INFORMATION

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

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

APPENDIX "A"

TREASURY METALS INC.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Overall Purpose and Objective

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

Authority

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

Membership and Organization

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

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

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

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

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

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

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

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

Roles and Responsibilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) establish procedures for:

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

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

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

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

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

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

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

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

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

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

Communication With Directors

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

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

APPENDIX "B"

GLOSSARY OF TECHNICAL TERMS

In this Annual Information Form:

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

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

NI 43-101	means Canadian Securities Administrators' National Instrument 43-101, Standards of Disclosure for Mineral Projects;
ounce	means troy ounce;
Preliminary Economic Assessment	means the study entitled "Technical Report and Preliminary Economic Assessment on the Goliath Gold Project Kenora Mining Division Northwestern Ontario, Canada for Treasury Metals Incorporated" dated July 9, 2010 and prepared by Douglas Roy, M.A.Sc., P.Eng., Patrick Hannon, M.A.Sc., P.Eng., Edward Thornton, P.Eng. and Ian Trinder, M.Sc., P.Geo. of ACA Howe International Limited, which includes an economic analysis of the potential viability of a Mineral Resource;
Preliminary Feasibility Study	means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve;
Proven Mineral Reserve	means the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. Such study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified;
Pb	means lead;
Qualified Person	means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association;
Sb	means antimony;
ton	means 2,000 pounds;
tonne	means metric tonne, equaling 1,000 kilograms;
tpd	means tonnes per day; and
Zn	means zinc.