



**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE THREE MONTHS ENDED

MARCH 31, 2021 AND 2020

**(UNAUDITED - EXPRESSED IN CANADIAN
DOLLARS)**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying interim condensed consolidated financial statements of Treasury Metals Inc. were prepared by management in accordance with International Financial Reporting Standards. The most significant of these standards have been set out in the Note 2 of these interim condensed consolidated financial statements. Any applicable changes in accounting policies have also been disclosed in these financial statements. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

The Board of Directors is responsible for ensuring management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over its financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on "Internal Control Over Financial Reporting Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as at March 31, 2021.

CONCLUSION RELATING TO DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of management, including the Chief Executive and Chief Financial Officers, of the effectiveness of the Company's disclosure controls and procedures as defined in the National Instrument 52-109. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective as at March 31, 2021.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

	March 31, 2021	December 31, 2020
Assets		
Current Assets		
Cash and cash equivalents (Note 4)	\$ 18,156,658	\$ 4,437,345
Accounts receivable and prepaid expenses (Note 5)	1,075,162	719,680
Investments - current (Note 6)	<u>1,103,126</u>	<u>1,022,315</u>
	20,334,946	6,179,340
Non-current investments (Note 6)	203,125	437,500
Property and equipment (Note 7)	2,522,826	2,548,145
Mineral properties and related deferred costs (Note 8)	<u>176,007,807</u>	<u>173,724,630</u>
	<u>\$ 199,068,704</u>	<u>\$ 182,889,615</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 1,898,547	\$ 1,193,650
Short-term debt and current portion of long-term debt (Note 11)	2,218	3,642
Non-cash derivative liability (Note 11)	<u>1,855,850</u>	<u>3,680,193</u>
	3,756,615	4,877,485
Long-term debt (Note 11)	<u>4,631,359</u>	<u>4,959,393</u>
	8,387,974	9,836,878
Shareholders' Equity		
Capital stock (Note 12)	188,120,102	187,969,705
Special warrants (Note 13)	16,470,588	-
Contributed surplus (Note 14 & Note 15)	24,020,647	23,655,291
Deficit	(37,547,386)	(38,342,602)
Accumulated other comprehensive loss	<u>(383,221)</u>	<u>(229,657)</u>
	<u>190,680,730</u>	<u>173,052,737</u>
	<u>\$ 199,068,704</u>	<u>\$ 182,889,615</u>

Nature of Operations and Going Concern (Note 1)
 Commitments and Contractual Obligations and Contingencies (Note 18)

SIGNED ON BEHALF OF THE BOARD

(Signed) "Marc Henderson"
 Director

(Signed) "Flora Wood"
 Director

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

Three Months Ended March 31,	2021	2020
Expenses		
Administrative, office and shareholder services	\$ 320,015	\$ 316,799
Professional fees	39,613	42,992
Salary and benefits	545,516	139,003
Stock-based compensation (Note 15)	330,621	119,340
Accretion and amortization of long-term debt transaction costs (Note 11)	78,980	42,676
Interest and financing costs	120,510	175,677
Foreign exchange loss (gain)	(59,130)	410,563
Gain on debt modification (Note 11)	(136,798)	-
Fair value gain in non-cash derivative liability (Note 11)	<u>(2,034,543)</u>	<u>(1,043,936)</u>
Income (loss) before income tax	795,216	(203,114)
Deferred income tax recovery	-	259,375
Net income for the period	<u>\$ 795,216</u>	<u>\$ 56,261</u>
Gain per share - basic and diluted	\$ 0.01	\$ 0.00
Weighted average number of shares outstanding	112,720,476	56,576,311

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE LOSS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

Three Months Ended March 31,	2021	2020
Net income for the period	\$ 795,216	\$ 56,261
Other comprehensive income (loss)		
Unrealized loss on equity investments, net of taxes	(153,564)	(5,547)
Realized loss on sale of FVTOCI investments	-	(747)
Other comprehensive loss for the period	(153,564)	(6,294)
Total comprehensive income for the period	\$ 641,652	\$ 49,967

TREASURY METALS INC.

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**

	Common Shares	Capital Stock	Special Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2020	56,576,310	\$ 97,640,878	\$ -	\$ 11,108,238	\$ (35,586,509)	\$ (272,355)	\$ 72,890,252
Stock-based compensation	-	-	-	152,945	-	-	152,945
Net income for the period	-	-	-	-	56,261	-	56,261
Other comprehensive loss	-	-	-	-	-	(6,294)	(6,294)
Balance, March 31, 2020	56,576,310	\$ 97,640,878	\$ -	\$ 11,261,183	\$ (35,530,248)	\$ (278,649)	\$ 73,093,164
Units issued for cash in private placements (Note 12)	10,666,666	11,520,000	-	-	-	-	11,520,000
Issued with respect to assets acquisition (Note 12)	43,333,333	79,300,000	-	9,866,502	-	-	89,166,502
Share issue cash costs (Note 12)	-	(982,381)	-	(296,026)	-	-	(1,278,407)
Issuance of compensation warrants (Note 14)	-	(541,506)	-	541,506	-	-	-
Issuance of warrants (Note 14)	-	(1,826,482)	-	1,826,482	-	-	-
Stock options exercised (Note 12)	1,576,662	1,877,994	-	-	-	-	1,877,994
Fair value of stock options exercised (Notes 12 and 13)	-	398,222	-	(398,222)	-	-	-
Warrants exercised	468,175	473,820	-	-	-	-	473,820
Fair value of warrants exercised	-	109,160	-	(109,160)	-	-	-
Stock-based compensation (Note 15)	-	-	-	963,026	-	-	963,026
Net loss for the year	-	-	-	-	(2,812,354)	-	(2,812,354)
Other comprehensive income	-	-	-	-	-	48,992	48,992
Balance, December 31, 2020	112,621,146	\$ 187,969,705	\$ -	\$ 23,655,291	\$ (38,342,602)	\$ (229,657)	\$ 173,052,737
Net cash from special warrants issuance (Note 13)	-	-	16,470,588	-	-	-	16,470,588
Stock options exercised (Note 15)	100,000	90,000	-	-	-	-	90,000
Fair value of stock options exercised (Note 15)	-	34,200	-	(34,200)	-	-	-
Warrants exercised (Note 14)	13,699	14,606	-	-	-	-	14,606
Fair value of warrants exercised (Note 14)	-	11,591	-	(11,591)	-	-	-
Rounding adjustment (Note 12)	(61)	-	-	-	-	-	-
Stock-based compensation (Note 15)	-	-	-	411,147	-	-	411,147
Net income for the period	-	-	-	-	795,216	-	795,216
Other comprehensive loss	-	-	-	-	-	(153,564)	(153,564)
Balance, March 31, 2021	112,734,784	\$ 188,120,102	\$ 16,470,588	\$ 24,020,647	\$ (37,547,386)	\$ (383,221)	\$ 190,680,730

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

Three Months Ended March 31,	2021	2020
Cash and cash equivalents (used in) provided by:		
Operating Activities		
Net income for the period	\$ 795,216	\$ 56,261
Adjustments for:		
Deferred income tax recovery	-	(259,375)
Stock-based compensation	330,621	119,340
Accretion and amortization of long-term debt transaction costs (Note 11)	78,980	42,676
Gain on debt modification	(136,798)	-
Fair value change in non-cash derivative liability	(2,034,543)	(1,043,936)
Foreign exchange on long-term debt (Note 11)	(59,220)	440,140
Net change in non-cash working capital items:		
Accounts receivable and prepaid expenses	(355,482)	(32,730)
Accounts payable and accrued liabilities (Note 10)	704,897	398,415
Net cash used in operating activities	<u>(676,329)</u>	<u>(279,209)</u>
Financing Activities		
Cash received from special warrants issued, net of costs (Note 13)	16,470,588	-
Proceeds from sale of investments	-	15,090
Proceeds from the exercise of options	90,000	-
Proceeds from the exercise of warrants	14,606	-
Proceeds from short-term loans, net of commitment fees (Note 11)	-	735,000
Long-term debt repayments	(2,218)	(8,680)
	<u>16,572,976</u>	<u>741,410</u>
Investing Activities		
Purchase of investments	-	(22,675)
Acquisition of property and equipment	(3,060)	-
Acquisition of mineral properties and related deferred costs	(2,174,274)	(1,212,645)
	<u>(2,177,334)</u>	<u>(1,235,320)</u>
Increase (decrease) in cash and cash equivalents	13,719,313	(773,119)
Cash and cash equivalents, beginning of the period	4,437,345	1,636,845
Cash and cash equivalents, end of the period	\$ 18,156,658	\$ 863,726

TREASURY METALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

Three Months Ended March 31,	2021	2020
Supplementary cash flow information		
Changes in non-cash activities:		
Stock-based compensation capitalized to mineral properties and related deferred costs (Note 15)	<u>\$ 80,526</u>	<u>\$ 33,605</u>
Amortization capitalized to mineral properties and related deferred costs (Note 7)	<u>\$ 28,379</u>	<u>\$ 12,247</u>

TREASURY METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
Three Months Ended March 31, 2021 and 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Treasury Metals Inc. (the "Company" or "Treasury Metals") is incorporated under the laws of Ontario and listed on the Toronto Stock Exchange under the symbol "TML". The address of the Company's registered office is 130 King Street West, Suite 3680, Toronto, Ontario, Canada. The mineral properties of Treasury Metals are all located in Canada and are in the exploration stage and, on the basis of information to date, do not yet have economically recoverable reserves. The recoverability of the amounts shown on the balance sheets for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in its properties and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the properties. The Company's success depends on the successful development of the properties and corresponding permitting and feasibility study. Based upon its current operating and financial plans, management of the Company believes that it will have sufficient access to financial resources (debt and equity) to fund the Company's planned operations and development of the Goliath Gold Complex.

The interim condensed consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenue from operations. At March 31, 2021, the Company's working capital is \$18,434,181 (December 31, 2020 - \$4,982,048) excluding the non-cash unrenounced flow-through share premium liability and the non-cash derivative liability. For the period ended March 31, 2021, the Company incurred a net income of \$795,216 (2020 - \$56,261), has cash outflows from operations of \$676,329 (2020 - \$279,209), has not yet achieved profitable operations, had accumulated losses of \$37,547,386 (December 31, 2020 - \$38,342,602) and expects to incur further losses in the development of its business. Should the Company be unable to raise sufficient financing to maintain operations, the Company may be unable to realize the carrying value of its net assets. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These interim condensed consolidated financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries, or on its ability to raise capital to fund operations, in future periods. While the Company's operations have not been significantly impacted by the COVID19 outbreak, it is not possible to reliably estimate the ongoing effect on the Company's operation.

On May 10, 2021, the Board of Directors approved the interim condensed consolidated financial statements for the periods ended March 31, 2021 and 2020.

TREASURY METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
Three Months Ended March 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and do not include all the information required for full annual financial statements by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 which includes the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies are presented as Note 2 in the audited consolidated financial statements for the year ended December 31, 2020 and have been consistently applied in the preparation of these interim condensed consolidated financial statements.

Principles of Consolidation

The interim condensed consolidated financial statements include all entities over which the Company has control. For accounting purposes, control is established by an investor when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are no longer consolidated on the date control ceases.

The interim condensed consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries Goldeye Explorations Ltd., Silvereye Explorations Ltd, Tamaka Gold Corp. and Goldlund Resources Inc. In March 2021, Treasury Metals Inc., Tamaka Gold Corp. and Goldlund Resources Inc. were amalgamated.

Intercompany balances and any unrealized gains and losses or income and expenses arising from intercompany transactions are eliminated in preparing the interim condensed consolidated financial statements.

Basis of Preparation

These interim condensed consolidated financial statements are presented in Canadian dollars which is also the functional currency of the Company and its wholly owned Canadian subsidiaries.

The financial statements are prepared on the historical cost basis except for financial instruments which are measured at their fair value, as explained in the accounting policies set out in this note.

The accounting policies have been applied consistently to the years presented in the interim condensed consolidated financial statements excepted as noted below.

Reverse Stock Split

On August 11, 2020, the Company effected a 1-for-3 reverse stock split of its common stock. On the effective date of the reverse stock split, (i) each 3 shares of the outstanding common stock were reduced to one share of common stock; (ii) the number of shares of common stock into which each outstanding warrant or option to purchase common stock is exercisable were proportionately reduced on a 3-to-1 basis; and (iii) the exercise price of each outstanding warrant or option to purchase common stock was proportionately increased on a 1-to-3 basis. All of the share numbers, share prices, and exercise prices have been adjusted, on a retroactive basis, to reflect this 1-for-3 reverse stock split. Also, all note disclosures related to the quantity or unit value of issued or exercised shares, options and warrants, including loss per share and the input variables to calculate the Black-Scholes valuations have been retroactively adjusted for the years presented to give effect to this reverse stock split.

TREASURY METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
Three Months Ended March 31, 2021 and 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Acquisition / Business Combination

In accordance with *IFRS 3 - Business Combination*, a transaction is recorded as a business combination if the assets acquired and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Where there are no such integrated activities, the transaction is treated as an asset acquisition. The acquisition of Tamaka Gold Corporation as further described in Note 9 was recorded as an asset acquisition whereby the cost of the net assets acquired was allocated to the fair value of the identifiable assets acquired.

Foreign Currency Translation

Foreign currency transactions are initially recorded into the functional currency at the transaction date exchange rate. At year end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the balance sheet date's exchange rate and non-monetary assets and liabilities at the historical rate. These foreign currency adjustments are recognized in net loss of the consolidated statement of operations.

3. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings.

Impairment in mineral properties and related deferred costs - Management uses significant judgment in determining whether there is any indication that mineral properties and related deferred costs may be impaired.

Debt modification - From time to time, the Company pursues amendments to its credit agreements based on prevailing market conditions. Such amendments, when completed, are considered by the Company to be debt modifications or extinguishments. The accounting treatment of a debt modification depends on whether the modified terms are substantially different than the previous terms. Terms of an amended debt agreement are considered to be substantially different based on qualitative factors, or when the discounted present value of the cash flows under the new terms discounted using the original effective interest rate, is at least ten percent different from the discounted present value of the remaining cash flows of the original debt. If the modification is not substantially different, it will be considered as a modification with any costs or fees incurred adjusting the carrying amount of the liability and amortized over the remaining term of the liability. If the modification is substantially different then the transaction is accounted for as an extinguishment of the old debt instrument with a gain/loss to the carrying amount of the liability being recorded in the consolidated statements of operations immediately. Also, the transaction costs related to the debt extinguishment are recorded in the profit and loss accounts.

Stock-based compensation, warrants and derivative liabilities - The Company generally utilizes the Black-Scholes option pricing model to determine the fair values of the stock-based payments, warrants and derivative liabilities. The Company uses significant judgement in the evaluation of the input variables in the Black-Scholes calculation which includes: risk free interest rate, expected stock price volatility, expected life, expected dividend yield.

TREASURY METALS INC.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

Three Months Ended March 31, 2021 and 2020

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Flow-through shares – The Company may issue flow through shares to fund a portion of its capital expenditure program. Pursuant to the terms of the flow through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. The difference between the value ascribed to flow through shares issued and the value that would have been received for common shares with no tax attributes is initially recognized as a liability. When the expenditures are incurred, the liability is drawn down, a deferred tax liability is recorded equal to the estimated amount of deferred income tax payable by the Company as a result of the renunciation and the difference is recognized as a deferred tax expense.

Deferred income taxes - In assessing the probability of realizing deferred income taxes, the Company makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, the Company gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred taxes. The Company reassesses unrecognized income tax at each reporting period.

Equity vs. Liability - The Company makes estimates and utilizes assumptions in determining whether warrants issued by the Company as part of a unit should be classified as an equity instrument or a liability.

Going Concern - The Company applies judgment in assessing whether material uncertainties exist that would cause doubt as to whether the Company could continue as a going concern.

4. CASH AND CASH EQUIVALENTS

The balances are comprised as follows:

	March 31, 2021	December 31, 2020
Cash	\$ 18,119,853	\$ 4,400,540
Funds in trust	6,805	6,805
Cashable GIC	30,000	30,000
	\$ 18,156,658	\$ 4,437,345

5. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

The balances are comprised as follows:

	March 31, 2021	December 31, 2020
Prepaid expenses and other advances	\$ 288,800	\$ 171,321
Harmonized sales tax	785,366	548,152
Due from Cypherpunk Holdings Inc. (Note 16)	996	207
	\$ 1,075,162	\$ 719,680

TREASURY METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
Three Months Ended March 31, 2021 and 2020

6. INVESTMENTS

The Company's investments are classified as fair value through other comprehensive income ("FVTOCI") and are carried at fair value. The balance is comprised of the following:

	Number of Shares	March 31, 2021	Number of Shares	December 31, 2020
Millrock Resources Inc. - Shares	147,778	\$ 14,038	147,778	\$ 16,994
Platinex Inc. - Shares	16,500,000	1,072,500	16,500,000	1,155,000
Platinex Inc. - Consideration Warrants (i)	2,000,000	59,528	2,000,000	127,636
Platinex Inc. - Secondary Warrants (i)	3,000,000	160,185	3,000,000	160,185
Total investments		\$ 1,306,251		\$ 1,459,815
Less: Non-current investments (ii)		\$ (203,125)		\$ (437,500)
Investments - current		\$ 1,103,126		\$ 1,022,315

(i) At March 31, 2021, the 2 million Consideration Warrants and 3 million Secondary Warrants were assigned a fair value of \$59,528 and \$160,185, respectively, using the Black-Scholes option pricing model with the following assumptions: share price \$0.065, dividend yield 0%, expected volatility, based on historical volatility 205.53%, a risk free interest rate of 0.23% and an expected life of 1.3 years.

(ii) At March 31, 2021 there are 3,125,000 Platinex Inc. shares with \$203,125 of fair value to be released after March 31, 2022; accordingly, they are presented as non-current investments.

7. PROPERTY AND EQUIPMENT

Cost	Land	Building	Furniture and equipment	Vehicles	Total
At January 1, 2021	\$ 1,496,909	\$ 1,268,916	\$ 337,163	\$ 209,213	\$ 3,312,201
Additions	-	-	3,060	-	3,060
At March 31, 2021	\$ 1,496,909	\$ 1,268,916	\$ 340,223	\$ 209,213	\$ 3,315,261
Accumulated amortization					
At January 1, 2021	\$ -	\$ (367,685)	\$(249,476)	\$ (146,895)	\$ (764,056)
Amortization for the year	-	(9,802)	(13,581)	(4,996)	(28,379)
At March 31, 2021	\$ -	\$ (377,487)	\$(263,057)	\$ (151,891)	\$ (792,435)
Net book value at March 31, 2021	\$ 1,496,909	\$ 891,429	\$ 77,166	\$ 57,322	\$ 2,522,826

TREASURY METALS INC.
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)
Three Months Ended March 31, 2021 and 2020

7. PROPERTY AND EQUIPMENT (Continued)

Cost	Land	Building	Furniture and equipment	Vehicles	Total
At January 1, 2020	\$ 1,496,909	\$ 1,183,512	\$ 164,983	\$ 143,181	\$ 2,988,585
Additions	-	85,404	172,180	66,032	323,616
At December 31, 2020	\$ 1,496,909	\$ 1,268,916	\$ 337,163	\$ 209,213	\$ 3,312,201
Accumulated amortization					
At January 1, 2020	\$ -	\$ (299,593)	\$ (130,748)	\$ (131,887)	\$ (562,228)
Amortization for the year	-	(68,092)	(118,728)	(15,008)	(201,828)
At December 31, 2020	\$ -	\$ (367,685)	\$ (249,476)	\$ (146,895)	\$ (764,056)
Net book value at December 31, 2020	\$ 1,496,909	\$ 901,231	\$ 87,687	\$ 62,318	\$ 2,548,145

8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS

As at March 31, 2021 and December 31, 2020, the accumulated costs with respect to the Company's interest in mineral properties, consisted of the following:

	Balance January 1, 2021	Additions net of recoveries	Balance March 31, 2021
Goliath Gold Project	\$ 78,379,133	\$ 1,106,377	\$ 79,485,510
Goldlund Gold Project	91,668,813	1,233,540	92,902,353
Weebigee Project	2,788,448	(56,740)	2,731,708
Lara Polymetallic Project - BC	888,236	-	888,236
	\$ 173,724,630	\$ 2,283,177	\$ 176,007,807
	Balance January 1, 2020	Additions net of recoveries	Balance December 31, 2020
Goliath Gold Project	\$ 75,279,523	\$ 3,099,610	\$ 78,379,133
Goldlund Gold Project (i)	\$ -	\$ 91,668,813	91,668,813
Weebigee Project (ii)	3,923,735	(1,135,287)	2,788,448
Lara Polymetallic Project - BC	887,736	500	888,236
	\$ 80,090,994	\$ 93,633,636	\$ 173,724,630

(i) The year 2020 additions include \$90,882,421 of the mineral properties and related deferred costs at the acquisition date of Tamaka Gold Corporation that owns a 100% interest in the Goldlund Gold Project, as described in Note 10.

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8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

(ii) During the year 2020, the Company sold the mining claims located in the Shining Tree District in Northern Ontario and three net smelter royalties. See more details in the Shining Tree Project summary of this Note.

Goliath Gold Project

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

The Goliath Gold Project, prior to claim conversion as part of the third phase of the Ontario Ministry of Northern Development and Mines' Mining Act Modernization process, consisted of 126 contiguous unpatented mining claims and 23 patented land parcels. The Company converted 11 mining claims into 3 mining leases during 2016 resulting in the decrease of the mining claims from 137 to 126. Post conversion, the project consists of 240 single cell mining claims and 30 boundary cell mining claims. Patented land and mining leases remain unaffected by the claim conversion process. The total area of the project is approximately 5,049 hectares (~50 km²) covering portions of Hartman and Zealand townships. The project comprises three historic properties which are now consolidated into one property: the larger Thunder Lake Property, the Laramide Property transferred in 2007 to the Company from Laramide Resources Ltd. ("Laramide"), and the Brisson Property acquired in 2009. The project area has been expanded from its original size through additional claim staking and land purchases/options. Certain underlying royalties and payment obligations remain on 13 of the 23 patented land parcels totaling approximately \$105,000 per year.

On October 21, 2014, the Company filed its Environmental Impact Statement ("EIS") with the Canadian Environmental Assessment Agency ("CEAA") and on April 25, 2015, the CEAA confirmed that the EIS conformed to its guidelines. As a result, the Project moved into the public comment period and technical reviews by various federal agencies.

On May 14, 2018, Treasury Metals announced as part of the mine permitting process, the Company formally submitted responses to the Information Requests along with a revised Environmental Impact Statement ("EIS") to the Canadian Environmental Assessment Agency ("CEAA"). On May 11, 2018, CEAA confirmed the EIS meets their completeness requirements to move onto the technical review of the documentation. Subsequent to this technical review, as a normal part of the EA process on July 6, 2018 CEAA returned a further series of comments and questions as part of the 2nd round of Information Requests ("IR#2"). The IR#2 paused the legislated timeline for EA completion at approximately 26 weeks remaining of government time to complete the review and issue a decision notice. On March 14th, 2019 CEAA accepted the company's submitted responses to the IR#2. This acceptance means the EIS is undergoing formal review by CEAA and the Goliath Gold Project is now within the legislated timeline period for the completion of Federal Environmental Assessments.

On August 19, 2019, the CEAA issued a positive statement for the Goliath Gold Project announcing that proposed Goliath Gold Project may proceed. This decision meant that Treasury Metals Inc. can now focus on the remaining technical studies and permitting, and to prepare for a future construction decision.

On October 17, 2018 the Company provided an updated National Instrument 43-101 Mineral Resource Estimate on Goliath Gold Project. The 2018 Mineral Resource Estimate was an update to the NI 43-101 Mineral Resource Estimate previously released on August 28, 2015.

An updated Preliminary Economic Assessment ("PEA") which reflects the consolidation of the Goldlund project with the Goliath project was completed and the resulting technical report was filed on SEDAR in March 2021.

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8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Laramide Property, Ontario

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

Thunder Lake Property, Ontario

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

Brisson Property, Ontario

In December 2009, the Company acquired a 100% interest in certain parcels of land in the District of Kenora. Under the terms of the agreement, the Company made option payments totaling \$100,000 and issued common shares of the Company equal to \$100,000 based on the market price at the date of issue.

Lara Polymetallic Project, British Columbia

In 2007, the Company acquired from Laramide Resources Ltd. a 100% interest in the Lara Property located in the Victoria Mining Division, near Chemainus on southern Vancouver Island, British Columbia. The Lara Polymetallic Project comprises 59 mineral claims covering approximately 6,392 hectares (~64 km²) at March 31, 2021.

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

In early 2011 the annual mining leases on a significant portion of the property were not renewed. As a consequence, the estimated non-recoverable costs associated with this project were written off in 2010. At present, the Company has renewed the mining leases of the most significant areas of this property. The expenditures are mainly related to the property renewals; there was no work done on the property.

Goldeye Explorations

On November 24, 2016, the Company closed the acquisition of all of the issued and outstanding common shares of Goldeye Explorations Limited ("Goldeye") a public company that holds certain properties.

Goldeye consists of three projects, the Weebigee Project, Sandy Lake, the West Shining Tree Project, Larder Lake Mining Division, Ontario, and the Gold Rock Project, Kenora Mining Division, Ontario. Also included in Goldeye are NSR interests in Sonia-Puma NSR, Region V, Chile; McFaulds Lake NSR, Thunder Bay Mining Division, Ontario; and MacMurchy Township NSR, Larder Lake Mining Division, Ontario.

The principal asset of Goldeye is the Weebigee Project in Northwestern Ontario and all of the consideration paid in the Goldeye's acquisition was allocated to the Weebigee Project.

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8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Weebigee Project

The Weebigee Project is located near Sandy Lake, north of Red Lake in Northwestern Ontario. The Company holds a 100% interest in the property through its wholly owned subsidiary Goldeye, which comprises 182 claims. Certain claims are subject to a 2% net smelter return ("NSR") that is held by a former director of Goldeye. On November 12, 2013, the Company entered into an exploration agreement with Sandy Lake First Nations ("SLFN") with respect to the Company's exploration of the Weebigee Project. This exploration agreement was renewed for a two-year period on the same terms commencing on November 12, 2014 and again on November 12, 2016 and in November 15, 2018 was renewed for a further one year. A further renewal is being worked out but there is a delay due to COVID 19 outbreak.

On April 15, 2015, Goldeye entered into an option agreement (the "GPM Option Agreement") with GPM Metals Inc. ("GPM") subsequently renamed G2 Goldfields ("G2") whereby G2 has an option to earn a 50.1% interest in the Weebigee Project by paying a total of \$550,000 in cash (\$50,000, \$100,000, \$150,000 and \$250,000 received in 2015, 2016, 2017 and 2018, respectively) and \$25,000 in shares (issued in 2015) to Goldeye over a period of four years. G2 must also complete a minimum of \$5,000,000 in exploration expenditures over a four-year term. In addition, if the first option is exercised, G2 will have the option to earn an additional 19.9% interest by either funding a bankable feasibility study, or at G2's option, paying Goldeye an additional \$1,500,000 in cash and completing a minimum additional \$3,000,000 in exploration expenditures over the next two years. The GPM Option Agreement is subject to the terms of the exploration agreement signed between Goldeye and G2 on November 12, 2013. In July 2016, G2 sold its interest in the Weebigee property to Sandy Lake Gold Inc. ("SLG").

In November 2020 the Company and G2 agreed that G2 had met the expenditure requirements to earn a 50.1% interest in the Weebigee Project and a Joint Venture Agreement was signed reflecting the G2 50.1% interest and Goldeye's 49.9% interest. G2 remains as the operator of the Project. In conjunction with this Joint Venture Agreement, G2 dropped its \$2 million counterclaim against Goldeye.

On April 9, 2021, G2 announced the spin-out its interest in the Sandy Lake project, which included its 50.1% interest in the Weebigee project to S2 Minerals Inc. ("S2").

Gold Rock Project, Kenora Mining Division, Ontario

The Company's 100% owned Gold Rock Project is located near Dryden, Ontario and comprises two properties, the Gold Rock property, consisting of 20 claims and the Thunder Cloud property consisting of 1 claim. All claims at the Gold Rock Project are in good standing until 2019 or later and the Company has applied for extensions which are delayed due to the COVID 19 outbreak.

Shining Tree Project – Larder Lake Mining Division, Ontario

On July 15, 2020, a mining investment agreement (the "Purchase Agreement") was closed, by which the Company sold to Platinex Inc. the 208 unpatented mining claims located in the Shining Tree District, Northern Ontario (the "Mining Claims") and three net smelter royalties (the "Royalties").

The Mining Claims total approximately 5,045 Ha. (12,466 ac.) and are located adjacent to Platinex's Shining Tree property. The Royalties consist of a 100% interest in three royalty agreements, consisting of (i) a 2% net smelter royalty in respect of the Sonia-Puma Property held by Minera Goldeye Chile Limitada; (ii) a 1% net smelter royalty in respect of nine mineral claims forming part of the McFaulds Lake Project held by AurCrest Resources Inc.; and (iii) a 2% net smelter royalty in respect of 29 mineral claims located in MacMurphy Township, Ontario held by Golden Harp Resources Inc.

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8. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

In consideration for acquiring the Mining Claims and the Royalties (the "Acquisition"), Platinex issued to Treasury 12,500,000 common shares ("Consideration Shares") and 5,000,000 non-transferable common share purchase warrants ("Consideration Warrants"). Each Consideration Warrant entitles Treasury to purchase one common share of Platinex at a price of \$0.05 per share for a period of 24 months from the date of issue. If Treasury exercised the Consideration Warrants on or before September 1, 2020, it would receive an additional non-transferable common share purchase warrant (a "Secondary Warrant") for each Consideration Warrant exercised. Each Secondary Warrant entitles the holder to purchase one common share of Platinex at a price of \$0.20 per share for a period of 24 months from the date of the closing of the Acquisition. The Secondary Warrants provide that Treasury shall not exercise the Secondary Warrants if such exercise would result in it owning 20% or more of the issued and outstanding common shares of Platinex.

At July 15, 2020, the fair value of the shares received was \$750,000, the Consideration Warrants and Secondary Warrants were assigned a fair value of \$253,592 and \$212,446, respectively, using the Black-Scholes option pricing model with the following assumptions: share price \$0.06, dividend yield 0%, expected volatility, based on historical volatility 194%, a risk free interest rate of 0.26% and an expected life of 2 years. The \$1,183,977 total fair value of the shares and warrants received net of transactional costs was credited to the mineral properties and related deferred costs account.

9. ACQUISITION OF TAMAKA GOLD CORPORATION

On August 7, 2020, the Company closed a share purchase agreement with First Mining Gold Corp. ("First Mining") for the acquisition of all of the shares of Tamaka Gold Corporation ("Tamaka"), a subsidiary of First Mining that owns a 100% interest in the Goldlund Gold Project ("Goldlund Project"), located adjacent to Goliath Gold Project. In accordance with IFRS 3, *Business Combinations*, this transaction does not meet the definition of a business combination as the assets acquired are not an integrated set of activities with inputs, processes and outputs.

The purchase price of \$91,016,596 was allocated to the assets acquired as per the below chart. In exchange for all of the issued and outstanding common shares of Tamaka, First Mining received from the Company 43,333,333 common shares and 11,666,667 warrants with an exercise price of \$1.50 for a period of 36 months, a 1.5% net smelter returns royalty ("Goldlund Royalty") with the option for the Company to buy-back 0.5% of the Goldlund Royalty for \$5.0 million, and a milestone cash payment of \$5.0 million, with 50% payable upon receipt of a final and binding mining lease under the Mining Act (Ontario) to extract ore from an open pit mine at Goldlund, and the remaining 50% payable upon the extraction of 300,000 tonnes of ore from a mine at Goldlund. In addition, the Company spent \$1,850,094 for consulting and legal costs related to the acquisition.

Pursuant to an Investor Right Agreement, First Mining agreed to distribute a portion of the common shares and warrants received as compensation, to their shareholders no earlier than six months and not later than one year following the acquisition closing. After distribution, First Mining may retain common shares equal to but no greater than 19.9% of the then outstanding common shares.

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9. ACQUISITION OF TAMAKA GOLD CORPORATION (Continued)

Details of the acquisition are as follows:

<u>Consideration</u>	
Fair value of 43,333,333 shares issued by Treasury Metals Inc.	\$ 79,300,000
Fair value of 11,666,667 warrants issued by Treasury Metals Inc.	9,866,502
Transaction costs	1,850,094
Total consideration	<u>\$ 91,016,596</u>
<u>Fair Value of Net Assets Acquired</u>	
Accounts receivable	7,918
Property and equipment	126,257
Mineral properties and related deferred costs	90,882,421
Total net assets acquired	<u>\$ 91,016,596</u>

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The balances are comprised as follows:

	March 31, 2021	December 31, 2020
Trade accounts payable	\$ 1,008,653	\$ 870,946
Accrued liabilities	862,170	296,282
Due to Laramide Resources Ltd. (Note 16)	27,724	26,422
	\$ 1,898,547	\$ 1,193,650

11. SHORT-TERM AND LONG-TERM DEBTS

The present value of the short and long-term debts at March 31, 2021 and December 31, 2020 is as follows:

	Convertible Debt	Lease payable	Total Debt March 31, 2021
Loan amount	\$ 5,533,000	\$ 3,692	\$ 5,536,692
Unaccreted amount	(901,641)	(1,474)	(903,115)
Carrying value of the debt	4,631,359	2,218	4,633,577
Current portion of the debt	-	(2,218)	(2,218)
Long-term debt	\$ 4,631,359	\$ -	\$ 4,631,359

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11. SHORT-TERM AND LONG-TERM DEBTS (Continued)

	Convertible Debt	Mortgage and lease payable	Total Debt December 31, 2019
Loan amount	\$ 5,602,080	\$ 5,908	\$ 5,607,988
Unaccreted amount	(642,687)	(2,266)	(644,953)
Carrying value of the debt	4,959,393	3,642	4,963,035
Current portion of the debt	-	(3,642)	(3,642)
Long-term debt	\$ 4,959,393	\$ -	\$ 4,959,393

Convertible Debt

At March 31, 2021, the convertible debt is US\$4.4 million (CAD\$5,533,000) as per a debt agreement signed in June 2016 with Extract Lending LLC and Extract Capital Master Fund Ltd. (together "Extract"), in addition to the four amendments signed in the subsequent years of which the last ("the fourth amendment") was signed on March 10, 2021. On March 10, 2021, Extract and Sprott Private Resource Lending II ("Sprott") signed a debt assignment agreement by which Extract assigned, transferred, and sold to Sprott USD\$2.2 million owed to Extract by the Company together with all the rights and obligations under the debt agreement.

Under the fourth amendment, certain terms of the Company's convertible debt were changed such as the extension of the debt maturity by seven months to June 30, 2023 and the addition of the ability, at the Company's option, to pay interest in cash; in kind, capitalizing it to the facility or by issuing shares based on the average volume-weighted price of the 5 consecutive trading days to the interest payment ("5 day VWAP"), less a 15% discount.

Under the terms of the debt agreement, the debt may be converted at Extract's and Sprott's option, in part or in full, at any time, into common shares of the Company at \$0.96 per common share and the interest rate is 12-month LIBOR (minimum 200 basis points) plus 6.5%. The debt is secured by a general security agreement, a debenture delivery agreement and demand debenture, which is secured by the Goliath Gold Project property, land, and mining claims in Kenora.

As per the debt agreement, the Company will provide Extract a production fee ("Production Fee") of US\$10 (CAD\$12.73) per each ounce of gold and US\$0.125 (CAD\$0.16) per each ounce of silver produced from the Goliath Project; also the Company had the option to repurchase the Production Fee. In the first quarter of 2017 the Company repurchased the Production Fee for US\$350,000 (CAD\$445,620) which has been capitalized in the mineral properties and related deferred costs account.

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11. SHORT-TERM AND LONG-TERM DEBTS (Continued)

Activity of the financial instrument	March 31, 2021	December 31, 2020
Beginning balance - Debt portion	\$ 4,959,393	\$ 4,819,025
Beginning balance - Non-cash derivative liability	3,680,193	1,939,648
Carrying value of financial instruments	8,639,586	6,758,673
Accretion	58,768	-
Changes in fair value of non-cash derivative liability	(1,740,431)	-
Foreign exchange adjustment	(37,138)	-
Carrying value prior to amendment	6,920,785	6,758,673
Gain on debt modification (i)	(136,798)	-
Fair value of new debt instrument	6,783,987	6,758,673
Accretion	20,212	254,887
Changes in fair value of non-cash derivative liability	(294,112)	1,740,545
Foreign exchange adjustment	(22,878)	(114,519)
Ending balance - Debt portion	\$ 4,631,359	\$ 4,959,393
Ending balance - Non-cash derivative liability	\$ 1,855,850	\$ 3,680,193
Financial instrument - Ending balance	\$ 6,487,209	\$ 8,639,586

(i) Does not include transaction costs incurred on debt amendment.

Under IFRS, the fourth amendment is considered to be a non-substantial modification of the debt, accordingly, the debt instruments were recorded at fair value on the amendment date and the net reduction originated by the amendment was immediately recorded in the gain on debt modification account of the interim condensed consolidated statements of operations. The transaction costs incurred on amendment will be amortized during the remaining period of the debt.

The fair value of the debt component at March 10, 2021, after the fourth amendment, was USD\$3,667,030 (CAD\$4,634,025) based on a market borrowing rate of 15.7%.

Due to the loan being denominated in U.S. dollars, the conversion feature has been presented as a non-cash derivative liability. As at March 31, 2021, the non-cash derivative liability of the debt was assigned a fair value of \$1,855,850 (December 31, 2020 - \$3,680,193) using the Black-Scholes option pricing model with the following assumptions: share price \$0.92 (December 31, 2020 - \$1.36), dividend yield 0%, expected volatility, based on historical volatility 62.7% (December 31, 2020 - 64.7%), a risk free interest rate of 0.22% (December 31, 2020 - 0.20%) and an expected life of 27 months (December 31, 2020 - 23 months). The fair value gain of \$2,034,543 (2020 - \$1,043,936), has been recognized in the consolidated statements of operations. The effective interest rate of the debt is 15.7%.

Lease agreement

	March 31, 2021	December 31, 2020
Lease payable	\$ 3,692	\$ 5,908
Unamortized discount	(1,474)	(2,266)
Fair value of the lease payable	2,218	3,642

In August 2017, the Company signed a four-year lease agreement for a vehicle used at the Goliath Project. At March 31, 2021, the Company is committed to pay \$3,692 through monthly payments until the end of the lease agreement in August 2021. Under IFRS 16, the Company recorded the payable at fair value based on incremental borrowing rate of 20.41%.

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12. CAPITAL STOCK

a) AUTHORIZED

Unlimited common shares

b) ISSUED

COMMON SHARES	Number of Shares	Stated Value
Balance, January 1, 2020	56,576,310	\$ 97,640,878
Balance, March 31, 2020	56,576,310	\$ 97,640,878
Units issued for cash in private placements	10,666,666	11,520,000
Issued with respect to assets acquisition	43,333,333	79,300,000
Share issue cash costs	-	(982,381)
Issuance of compensation warrants	-	(541,506)
Issuance of warrants	-	(1,826,482)
Stock options exercised	1,576,662	1,877,994
Fair value of stock options exercised	-	398,222
Warrants exercised	468,175	473,820
Fair value of warrants exercised	-	109,160
Balance, December 31, 2020	112,621,146	\$ 187,969,705
Stock options exercised	100,000	90,000
Fair value of stock options exercised	-	34,200
Warrants exercised	13,699	14,606
Fair value of warrants exercised	-	11,591
Rounding adjustment (i)	(61)	-
Balance, March 31, 2021	112,734,784	\$ 188,120,102

(i) In connection with the reverse stock split described in the Note 2, a rounding difference of 61 shares was determined; such difference was written off from our records in the current period.

In connection with the acquisition of Tamaka Gold Resources dated August 7, 2020 as described in Note 9, the Company issued 43,333,333 common shares and 11,666,667 warrants as a payment for the transaction. The common shares were valued at their fair market value on the issuance date. See Note 13 regarding the valuation of the warrants.

Private Placements

On August 7, 2020, the Company closed a private placement for aggregate gross proceeds of \$11,520,000 through the issuance of 10,666,667 units at a price of \$1.08 per unit. Each unit consisted of one common share and one half common share purchase warrant. Each full warrant entitles his holder to acquire one common share at an exercise price of \$1.80 for a period of 24 months from the date of issuance. The private placement was completed in connection with the share purchase agreement signed with First Mining Gold Corp. as described in the Note 10. The Company incurred in \$1,278,407 of cash issue costs regarding this private placement.

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13. SPECIAL WARRANTS

On March 10, 2021, the Company closed private placements of an aggregate of 10,631,579 non-flow-through special warrants ("NFT Special Warrants") on a bought deal basis at a price of \$0.95 per NFT Special Warrant and 6,820,000 flow-through special warrants ("FT Special Warrants") at a price of \$1.10 per FT Special Warrant, the total gross proceeds to the Company is \$17,602,000. Each Special Warrant is exercisable to acquire one common share of the Company. The FT Special Warrants will be "flow-through shares" for purposes of the Income Tax Act (Canada).

On May 6, 2021, the Company filed its final short form prospectus and obtained a receipt with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario in connection with the above financing. In accordance with the terms of a special warrant indenture dated as of March 10, 2021, between the Company and TSX Trust Company, as special warrant agent, each Special Warrant will be automatically exercised into one Common Share on May 13, 2021, being the fifth business day after the date of obtaining the Final Receipt.

As consideration for its services in connection with the private placement, the Company paid to the underwriters cash commission fees equal to \$1,018,332; there is also \$113,080 of legal fees and other costs regarding the private placement. The \$16,470,588 net proceeds from this private placement will be used for the exploration and development of the Goliath and Goldlund projects, and for general corporate purposes.

14. WARRANTS

In connection with the acquisition of Tamaka Gold Resources described in Note 9 and dated August 7, 2020, the company issued 11,666,667 warrants, as a partial payment for the transaction, with each warrant entitling the holder to purchase one common share at an exercise price of \$1.50 for a period of 36 months. The warrants were assigned a fair value of \$9,866,502 using the Black-Scholes option pricing model with the following assumptions: share price \$1.83, dividend yield 0%, expected volatility, based on historical volatility 60.44%, a risk-free interest rate of 0.30% and an expected life of 3 years.

In connection with the private placement on August 7, 2020, the Company issued 5,333,333 warrants exercisable within 24 months at a price of \$1.80 per share and were assigned a fair value of \$3,617,724 using the Black-Scholes option pricing model with the following assumptions: share price \$1.83, dividend yield 0%, expected volatility, based on historical volatility 66.6%, a risk-free interest rate of 0.26% and an expected life of 2 years.

In connection with the August 7, 2020 private placement, on August 17, 2020, the Company issued 640,000 compensation warrants exercisable within 24 months at a price of \$1.08 per share. The compensation warrants were assigned a fair value of \$541,506 using the Black-Scholes option pricing model with the following assumptions: share price \$1.67, dividend yield 0%, expected volatility, based on historical volatility 67%, a risk-free interest rate of 0.26% and an expected life of 2 years.

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14. WARRANTS (Continued)

The following table reflects the continuity of warrants for the period and year ended March 31, 2021 and December 31, 2020, respectively:

	Number of Warrants 2020	Number of Warrants 2020	Weighted Average Exercise Price 2020	Weighted Average Exercise Price 2020
Balance, at beginning of year	27,448,028	10,509,544	\$ 1.51	\$ 1.38
Issued, on private placement units (Note 12)	-	5,333,333	-	1.80
Issued on assets acquisition (Note 10)	-	11,666,667	-	1.50
Issued, Compensation warrants	-	640,000	-	1.08
Exercised	(13,699)	-	1.08	-
Exercised	-	(166,667)	-	0.96
Exercised	-	(195,250)	-	1.05
Exercised	-	(69,958)	-	0.86
Exercised	-	(36,300)	-	1.35
Expired	-	(100,000)	-	2.25
Expired	-	(133,333)	-	2.40
Difference in rounding	-	(8)	-	-
Balance at end of the year	27,434,329	27,448,028	\$ 1.51	\$ 1.51

The issued and outstanding warrants are comprised as follows:

Expiry Date	Type	Warrants at March 31, 2021	Warrants at December 31, 2020	Exercise Price
June 6, 2021	Compensation warrants	40,535	40,535	\$ 1.05
June 6, 2021	Compensation warrants	24,468	24,468	\$ 0.96
June 6, 2021	Warrants	786,664	786,664	\$ 1.05
November 21, 2021	Warrants	1,598,333	1,598,333	\$ 1.35
November 21, 2021	Compensation warrants	126,197	126,197	\$ 0.86
November 26, 2021	Warrants	58,479	58,479	\$ 1.35
November 26, 2021	Compensation warrants	7,017	7,017	\$ 0.86
November 30, 2021	Financier warrants	200,000	200,000	\$ 1.20
August 7, 2022	Warrants	5,333,333	5,333,333	\$ 1.80
August 14, 2022	Warrants	200,000	200,000	\$ 1.20
August 17, 2022	Compensation warrants	626,301	640,000	\$ 1.08
June 6, 2023	Warrants	2,798,082	2,798,082	\$ 0.96
June 25, 2023	Warrants	3,968,253	3,968,253	\$ 1.80
August 7, 2023	Warrants	11,666,667	11,666,667	\$ 1.50
		27,434,329	27,448,028	

The weighted average life of the outstanding warrants at March 31, 2021 is 1.9 years (December 31, 2020 - 2.2 years).

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15. STOCK-BASED COMPENSATION

On March 8, 2021, the Company granted 300,000 options to an employee to buy common shares at an exercise price of \$0.95, each expiring on March 8, 2024. The stock options vest 25% at September 8, 2021, 25% at March 8, 2022, 25% at September 8, 2022 and the remaining 25% vest at March 8, 2023. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price \$0.92, dividend yield 0%, expected volatility 59.21% based on historical volatility, a risk free interest rate of 0.49%, and an expected life of 3 years. As a result, the fair value of the options was estimated at \$106,751 and will be recognized in the statement of operations over the periods the options vest.

On February 5, 2021, the Company granted a total of 798,000 options to an officer and certain employees to buy common shares at an exercise price of \$1.35 each, expiring between November 10, 2023 and December 7, 2023. The stock options vest 33.3% at date of granting, 33.3% at November 10, 2021 and the remaining balance 33.34% vest on November 10, 2022. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price \$1.06, dividend yield 0%, expected volatility 61.61% based on historical volatility, a risk free interest rate of 0.32%, and an expected life of 2.76 years. As a result, the fair value of the options was estimated at \$272,255 and will be recognized in the property cost and in the statement of operations over the periods the options vest.

On November 10, 2020, the Company granted a total of 2,588,000 options to directors, officers, employees and consultants to buy common shares at an exercise price of \$1.35 each and expire on November 10, 2023. The stock options have different vesting periods from the date of granting through November 10, 2022. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price \$1.35, dividend yield 0%, expected volatility 60.75% based on historical volatility, a risk free interest rate of 0.25%, and an expected life of 3 years. As a result, the fair value of the options was estimated at \$1,409,612 and will be recognized in the property cost and in the statement of operations over the periods the options vest.

Treasury Metals has a 10% rolling stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. As at March 31, 2021, the Company has an additional 6,255,820 (December 31, 2020 – 7,242,448) options available for issuance under the plan.

During the period ended March 31, 2021, the stock-based compensation charged to mineral properties and related deferred costs amounted \$80,526 (2020 - \$33,605).

The Company estimates expected life of options and expected volatility based on historical volatility, which may differ from actual outcomes.

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15. STOCK-BASED COMPENSATION (Continued)

Continuity of the unexercised options to purchase common shares for the period and year ended March 31, 2021 and December 31, 2020, respectively, is as follows:

	Number of Stock Options 2021	Number of Stock Options 2020	Weighted Average Exercise Price 2021	Weighted Average Exercise Price 2020
Balance, at beginning of period	4,019,667	3,225,000	\$ 1.19	\$ 1.08
Options granted	798,000	2,588,000	1.35	1.35
Options granted	300,000	-	0.95	-
Exercised	-	(1,529,996)	-	1.20
Exercised	(100,000)	(46,666)	0.90	0.90
Expired	-	(21,667)	-	0.90
Expired	-	(45,004)	-	1.20
Expired	-	(150,000)	-	1.86
Rounding adjustment (i)	(9)	-	0.90	-
Balance at end of the period	5,017,658	4,019,667	\$ 1.21	\$ 1.19

(i) In connection with the reverse stock split described in the Note 2, a rounding difference of 9 warrants was determined; in the current period such difference was written off from our records.

The weighted average life of the outstanding options at March 31, 2021 is 2.4 years (December 31, 2020 - 2.5 years).

The outstanding options are comprised as follows:

Grant Date	Expiry Date	Number of Stock Options at March 31, 2021	Number of Stock Options at December 31, 2020	Exercise Price
December 19, 2019	December 19, 2022	1,331,658	1,431,667	0.90
November 10, 2020	November 10, 2023	2,588,000	2,588,000	1.35
February 5, 2021	November 10, 2023	198,000	-	1.35
February 5, 2021	December 7, 2023	600,000	-	1.35
March 8, 2021	March 8, 2024	300,000	-	0.95
		5,017,658	4,019,667	

At March 31, 2021, 2,651,991 of the outstanding options are fully vested and exercisable (December 31, 2020 - 2,486,000).

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16. RELATED PARTY DISCLOSURES

Certain corporate entities that are related to the Company's officers and directors provide services to Treasury Metals. At March 31, 2021, there is \$27,724 of net accounts payable to Laramide Resources Ltd., (December 31, 2020 – \$26,422), a company that has a director and an officer in common with Treasury Metals. During the period, Laramide charged \$94,536 (2020 - \$42,443) for office space rent, and other expenditures paid by Laramide on behalf of the Company and the Company charged \$13,221 of shared expenditures paid on behalf of Laramide (2020 - \$2,795).

At March 31, 2021, there is \$996 of accounts receivable from Cypherpunk Holdings Inc. (December 31, 2020 – \$207), a company that has an officer and director and an officer in common with Treasury Metals. During the period, the Company charged \$881 (2020 - \$109) of shared expenditures paid on behalf of Cypherpunk Holdings Inc.

Transactions with related parties were conducted in the normal course of operations.

17. KEY MANAGEMENT COMPENSATION

Key management includes the Chief Executive Officer, Chief Financial Officer and Directors of the Company.

The compensation payable to key management is shown below:

Periods ended March 31	2021	2020
Salaries	\$ 115,000	\$ 93,750
Director fees	60,250	28,750
Stock-based compensation, at fair value	311,454	-
	\$ 486,704	\$ 122,500

18. COMMITMENTS AND CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

1) The Company is committed to spend \$2,895,223 by December 31, 2021 on Canadian exploration expenses ("CEE") as part of its flow-through funding agreement dated on November 21, 2019. At March 31, 2021, the Company has spent \$2,086,142, leaving a remaining commitment of \$809,081. All flow-through spending commitments from previous flow-through financings have been fulfilled.

2) On March 10, 2021, the Company completed a financing of flow through special warrants of \$7,502,000. The Company is committed to spend such amount by December 31, 2022 on Canadian exploration expenses ("CEE") as part of its flow through funding agreement associated with this financing. At March 31, 2021, the full commitment remains.

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

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18. COMMITMENTS AND CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (Continued)

The Company disputes the CRA's proposed re-characterizations of expenses from CEE to either CDE or operating expenses and has filed a Notice of Objection with the CRA. Due to the uncertainty of the final outcome, no liability has been recorded in the interim condensed consolidated financial statements.

19. FINANCIAL RISK FACTORS

Capital Management

The Company manages its capital structure and makes appropriate adjustments, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers capital from two perspectives: its working capital position and its capital stock, warrant, and stock option components of its shareholders' equity.

At March 31, 2021, the Company has a working capital of \$18,434,181 excluding the non-cash unrenounced flow-through share premium liability and non-cash derivative liability (December 31, 2020 - \$4,982,048); Capital stock and contributed surplus total \$212,140,748 (2020 - \$211,624,996).

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

At March 31, 2021, the Company expects its capital resources and projected future cash flows from financing to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management during the period ended March 31, 2021.

Risk Disclosures

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

Credit Risk

The Company has cash and cash equivalents balance of \$18,156,658 (December 31, 2020 - \$4,437,345) and accounts receivable of \$786,362 (December 31, 2020 - \$548,359). The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. There is no significant credit risk with respect of receivables.

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19. FINANCIAL RISK FACTORS (Continued)

Interest Rate Risk

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

Market Price Risk

The Company has convertible long-term debt denominated in US Dollars. The convertible feature of this long-term debt has been classified as a non-cash derivative liability. Among other variables, the fair value of the non-cash derivative liability is affected by changes in the market price of the Company shares.

Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is primarily the U.S. dollar, the balance of net monetary liabilities in such currency as of March 31, 2021 is \$5,852,081 (December 31, 2020 - \$4,988,134).

Liquidity Risk

The Company is exposed to liquidity risk primarily as a result of its trade accounts payable and its debt. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash and cash equivalents balance of \$18,156,658 (December 31, 2020 - \$4,437,345) to settle current liabilities of \$1,900,765 (December 31, 2020 - \$1,197,292), excluding the non-cash unrenounced flow-through share premium liability. All of the Company's trade accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company relies on external financing to generate sufficient operating capital and the management believes it will be able to raise any required funds in the short-term.

Sensitivity Analysis

As at March 31, 2021 and December 31, 2020, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

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

- i) The Company is exposed to interest rate risk on LIBOR fluctuations for its long-term debt. A variance of 1% in the 12-month LIBOR will affect the annual Company's net comprehensive loss by approximately \$55,330.
- ii) The Company is exposed to foreign currency risk on fluctuations of balances that are denominated in US currency related to cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the net comprehensive loss by \$585,208.
- iii) The Company is exposed to market risk as it relates to its investments held in marketable securities. If market prices had varied by 10% from their March 31, 2021 fair market value positions, the comprehensive loss would have varied by \$130,625.

Fair Value Hierarchy

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

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19. FINANCIAL RISK FACTORS (Continued)

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

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

March 31, 2021:	Level One	Level Two	Level Three
Investments - current	\$ 883,413	\$ 219,713	\$ -
Non-current investments	203,125	-	-
Non-cash derivative liability	-	(1,855,850)	-
	\$ 1,086,538	\$ (1,636,137)	\$ -
December 31, 2020:	Level One	Level Two	Level Three
Investments - current	\$ 734,494	\$ 287,821	\$ -
Non-current investments	437,500	-	-
Non-cash derivative liability	-	(3,680,193)	-
	\$ 1,171,994	\$ (3,392,372)	\$ -

There have been no transfers between levels 1, 2 or 3 during the periods.