TREASURY METALS INC.

(Formerly Divine Lake Exploration Corp.)

(An exploration stage company)

UNAUDITED FINANCIAL STATEMENTS

THREE MONTHS ENDED March 31, 2009 and 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited financial statements of Treasury Metals Inc. (formerly Divine Lake Exploration Corp.) were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the unaudited 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 significant accounting policies of the Company are summarized in Note 3 to the unaudited financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The members of the Audit Committee are not officers of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited financial statements 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, 2009.

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 Multilateral 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, 2009.

TREASURY METALS INC.
(Formerly Divine Lake Exploration Corp.)
(An exploration stage company)

BALANCE SHEETS - Unaudited

	March 31, 2009	December 31, 2008
Assets		
Current Assets		
Cash	$ 250,678	$ 165,848
Short-term investments	9,782	9,782
Accounts receivable and other assets	65,070	319,684
Investments (Note 5)	266,767	169,941
Due from Laramide Resources Ltd. (Note 8 (iv))	-	24,270
	592,297	689,525
Investments (Note 5)	923,505	686,433
Mineral properties and related deferred costs (Note 6)	35,046,666	34,983,407
	$ 36,562,468	$ 36,359,365
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 665,701	$ 644,582
Due to Laramide Resources Ltd.(Note 8 (iv))	615	-
	666,316	644,582
Future tax liability (Note 6)	1,553,571	-
Shareholder's Equity		
Capital stock (Note 7)	40,034,970	41,637,509
Warrants (Note 7)	543,888	543,888
Deficit	(3,193,915)	(3,123,617)
Accumulated other comprehensive (loss)	(3,042,362)	(3,342,997)
	34,342,581	35,714,783
	$ 36,562,468	$ 36,359,365

Nature of Operations (Note 1)
Commitments (Note 11)
Subsequent events (Note 12)

Approved by the Board of Directors

"Marc Henderson" — Director

"William Fisher" — Director

The accompanying notes are an integral part of these financial statements

TREASURY METALS INC.
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STATEMENTS OF OPERATIONS – Unaudited

Three Month Period Ended March 31,	**2009**	**2008**
Revenue		
Interest income	$ 49	$ 32,609
Royalty income - net	113,300	162,176
	113,349	194,785
Expenses		
Administrative and office	127,845	55,746
Professional fees	111,945	16,112
Salary and benefits	26,089	-
Reimbursement of expenses of Laramide	-	43,217
	265,879	115,075
Loss before income taxes	(152,530)	79,710
Future income tax recovery (Note 6)	82,232	-
Net (loss) income	$ (70,298)	$ 79,710
Loss per share-basic and fully diluted (Note 9)	$ (0.00)	$ 0.00

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Three Month Period Ended March 31,	**2009**	**2008**
Net loss	$ (70,298)	$ 79,710
Other comprehensive income (loss), net of taxes		
Change in unrealized loss on investments	300,635	(388,133)
Comprehensive income (loss)	$ 230,337	$ (308,423)

The accompanying notes are an integral part of these financial statements

TREASURY METALS INC.
(Formerly Divine Lake Exploration Corp.)
(An exploration stage company)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - Unaudited

Capital Stock		
Balance at December 31, 2007	$	31,395,656
Allocated fair value of common shares issued on conversion of unit special warrants net of share issuance costs of $487,526		2,638,419
Conversion of flow-through special warrants		1,468,434
Issued on settlement of debenture		6,135,000
Balance, December 31, 2008		**41,637,509**
Future tax liability pursuant to flow through shares		**(1,602,539)**
Balance, March 31, 2009	$	**40,034,970**
Unit Special Warrants		
Balance, December 31, 2007	**$**	**-**
Unit special warrants isued		**4,664,345**
Conversion of units special warrants issued		**(4,664,345)**
Balance, December 31, 2008	**$**	**-**
Deficit		
Balance at December 31, 2007	$	(125,586)
Net loss for the year ended December 31, 2008		(2,998,031)
Balance December 31, 2007		**(3,123,617)**
Net loss for the three month period ened March 31, 2009		**(70,298)**
Balance at December 31, 2008	**$**	**(3,193,915)**
Accumulated Other Comprehensive Income (loss)		
Balance at December 31, 2007	$	262,511
Net change in unrealized gains on available for sale marketable securities, net of income taxes		(3,605,508)
		(3,342,997)
Net change in unrealized gains on available for sale marketable securities, net of income taxes		**300,635**
Balance at March 31, 2009	**$**	**(3,042,362)**
Warrants		
Balance, December 31, 2007	**$**	-
Allocated value 2008		**543,888**
Balance, December 31, 2008 and March 31, 2009	**$**	**543,888**

The accompanying notes are an integral part of these financial statements

TREASURY METALS INC.
(Formerly Divine Lake Exploration Corp.)
(An exploration stage company)

STATEMENTS OF CASH FLOWS - Unaudited

Three Month Period Ended March 31,	**2009**	**2008**
Cash provide by (used in)		
Operating Activities		
Net (loss) income	$ (70,298)	$ 79,710
Future		
Net change in non-cash working capital		
Cash flow form operating activities:		
Future income tax recovery	(82,232)	-
Net change in non-cash working capital items:		
Accounts receivable and other assets	254,614	(143,646)
Accounts payable and accured liabilities	21,119	(5,138)
	123,203	(69,074)
Financing Activities		
Due to Laramide	24,886	(162,161)
Unit special warrants	-	4,664,345
Equity financings, net of issue costs	-	4,025,000
	24,886	8,527,184
Investing Activities		
Purchase of short-term investments	-	(7,500,000)
Acquisitions of mineral properties and related deferred costs	(63,259)	(760,516)
	(63,259)	(8,260,516)
Increase in cash	84,830	197,594
Cash, beginning of year	165,848	104,822
Cash, end of period	$ 250,678	$ 302,416

Supplementary Cash Flow Information:	**2009**	**2008**
Changes in non-cash investing and financing activites:		
Shares issued for conversion of debenture	$	$ -
Shares issued for purchase of investments	-	$ -
Shares issued for purchase of mineral properties	-	$ -
Shares issued for flow through private placement	-	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

On November 13, 2007, the Company's name was changed from Divine Lake Exploration Corp. to Treasury Metals Inc. (the "Company" or "Treasury Metals"). The Company is involved in the exploration and development of mineral properties in Canada. Pursuant to Laramide Resources Ltd's ("Laramide") spin-off of core ownership in the Company on August 21, 2008, Treasury Metals became a publicly traded company listed on the TSX Exchange under the symbol TML.

The mineral properties of Treasury Metals (except for the Cerro Colorado Gold Project in Mexico) are all 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 in 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.

2 CHANGE IN ACCOUNTING POLICIES

Effective January 1, 2008, the Company adopted the new Section 1535 "Capital Disclosures" standards issued by the Canadian Institute of Chartered Accountants. This Section established standards for disclosing information about the Company's capital and how it is managed. The impact of this change is described in note 14 to these financial statements.

In addition, effective January 1, 2008, the Company also adopted the new Section 3862 "Financial Instruments – Disclosures" and Section 3863 "Financial Instruments – Presentation" which replaced Section 3861 Financial Instruments - Disclosure and Presentation". Section 3862 outlines the disclosure requirements for financial instruments and non-financial derivatives. This guidance prescribes an increased importance on risk disclosures associated with recognized and unrecognized financial instruments and how such risks are managed. The presentation requirements under Section 3863 are relatively unchanged from Section 3861. See Note 4 for expanded disclosure.

In June 2007, the CICA amended the Handbook section 1400, Going Concern, to include additional requirements to to assess and disclose an entity's ability to continue as a going concern. Section 1400 is effective for annual reporting periods beginning on or after January 1, 2008.

Future Accounting Pronouncements

The Canadian Accounting Standards Board will require all public companies to adopt International Financial Reporting Standards (IFRS) for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Earlier adoption for fiscal years beginning on or after January 1, 2009, is allowed. Earlier adoption for fiscal years beginning on or after January 1, 2009, is allowed. Companies will be required to provide IFRS comparative information for the fiscal year immediately preceding the year in which they first adopt IFRS. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policy which must be addressed. The Company is currently assessing the impact of this pending change on this financial statements as well as the possibility of early adoption of IFRS.

Goodwill and Intangible Assets

In February 2008, the CICA amended the Handbook section 3064, Goodwill and Intangible Assets which replaces the existing Sections 3062, Goodwill and Other Intangible Assets and 3450 Research and Development Costs. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Company is assessing the impact of this change on its financial statements.

2 CHANGE IN ACCOUNTING POLICIES (Continued)

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The adoption of this abstract had no impact on the Corporation's presentation of its financial position or results of operations as at March 31, 2009.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mineral Properties and Related Deferred Costs

Costs relating to the acquisition, exploration and development of non-producing resource properties held by the Company are capitalized until such time as either economically recoverable reserves are established, the properties are sold or abandoned or the value of the particular property is impaired. The excess of these costs over estimated recoveries is charged to operations. The ultimate recovery of these costs depends on the discovery and development of economic reserves or the sale of the mineral rights. The amounts shown for non-producing resource properties do not necessarily reflect present or future values.

Foreign Exchange

The Company conducts some of its business in Mexico in U.S. dollars. Monetary assets and liabilities have been translated at the exchange rate prevailing at the balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities are translated at historic rates. Losses on foreign exchange for the year are included in the statements of operations.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Areas where management uses subjective judgement include, but are not limited to, recoverability of mineral properties and related deferred costs, future income taxes and the valuation of warrants. Management believes that these estimates are reasonable.

Loss per Share

The Company has adopted the recommendations of the Section 3500 of the Handbook of the Canadian Institute of Chartered Accountants, Earning per Share ("EPS"). This section requires the presentation of both basic and fully diluted EPS on the face of the income statement regardless of the materiality of the difference between them. In addition, the recommendations require the use of the treasury stock method to compute the dilutive effects of options, warrants and similar instruments. The section also requires the disclosure of a reconciliation of any differences between basic and fully diluted EPS. Basic earnings per share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding during the year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company has adopted the liability method of accounting for income taxes as outlined in the provisions of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants. Under this method, current income taxes are recognized for the estimated taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future year for tax purposes that are more than likely to be realized using the substantively enacted income tax rates expected to be in effect when the income tax assets or liabilities are recovered or settled respectively.

Cash

Cash consists of cash at banks and on hand and other highly liquid short-term investments, which may be settled on demand or within a maximum 90-day period from the date of purchase without penalty.

Short – term Investments

Short-term investments are liquid investments with a maturity greater than three months, but less than one year and are recorded at amortized cost.

Revenue Recognition

Royalty revenue consists of a 2.5% sliding production royalty ("NSR") on gold that is produced at the Cerro Colorado Gold Project in Mexico. Revenue is recorded in period the gold is sold. Interest revenue is recognized when earned and gains (losses) on sale of investments are recognized on the transaction date.

Other Stock-based Payments

The Company accounts for other stock-based payments based on the fair value of services granted or the equity instruments issued in exchange for the receipt of goods and services from non-employees by using the stock price and other measurement assumptions at the measurement date, whichever is the more reliably measured.

Stock-based Compensation

The Company recognizes the fair value of stock based compensation over the vesting period of the options. The fair value of the options granted is calculated using the Black-Scholes option pricing model that takes into account the exercise price, expected life of the option, expected volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option.

Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

The Emerging Issues Committee of the Canadian Institute of Chartered Accountants issued EIC146 under which the Company is required to recognize the future income tax liability upon filing renunciation documents with the tax authorities and to treat it as a cost of issuing the flow-through shares.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Asset Retirement Obligations

The Company adopted CICA 3110, "Asset Retirement Obligations" which requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The estimates used in the valuations are based primarily on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

An obligation has not been recorded with respect to asset retirement obligations (i.e. environmental remediation) for the Company's exploration and development properties. This is based on the fact that the mining and processing activities that give rise to the legal obligation have not yet occurred and/or the environmental disturbance which has occurred is not yet significant.

As at March 31, 2009, the Company has not incurred or committed any asset retirement obligations.

Financial Instruments, Comprehensive Income (Loss)

The Company's financial instruments consist of cash which is classified as held for trading and measured at fair value; short-term investments, which are classified as held-to-maturity and are measured at amortized cost; due from Laramide Resources Ltd. and accounts receivable, which are classified as loans and receivables and are measured at amortized cost; investments which are classified as available-for-sale and are measured at fair value; and accounts payable and accrued liabilities which are classified as other liabilities and measured at amortized cost.

Changes in available-for-sale investments are recognized in other comprehensive income until their disposition, at which time they are transferred to net income. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply are recorded at values based on their current bid prices. The Company's investments in equity securities that do not have a quoted market price in an active market are measured at cost.

Transaction Costs

The Company expenses transaction costs relating to its financial instruments.

4. FINANCIAL INSTRUMENT RISK FACTORS

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether. The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company and its operations and financial performance.

4. FINANCIAL INSTRUMENT RISK FACTORS (Continued)

Credit Risk

The Company's credit risk is primarily attributable to short-term investments, receivables, and due from Laramide included in other assets. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Financial instruments included in other assets consist of receivables from unrelated companies. Management believes that the credit risk concentration with respect to financial instruments included in other assets is remote.

Market Risk

Interest Rate Risk

The Company has cash, variable rate short-term investments and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has no material currency exposure at March 31, 2009.

Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its investments. The Company's other financial instruments (cash, short-term investments, accounts receivable, loans receivable, accounts payable and accrued liabilities) are not subject to price risk.

Sensitivity Analysis

The sensitivity analysis shown in the notes below may differ materially from actual results. Interest rate risk on cash equivalents is minimal as these have fixed interest rates.

The Company has designated its cash as held-for-trading, and is measured at fair value. Financial instruments included in other assets are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities. As at December 31, 2008, if the quoted market price of equity investments had decreased/increased by 10% with all other variables held constant, the other comprehensive loss for the twelve months ended December 31, 2008, would have been approximately $100,000 higher/lower.

Liquidity Risk

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, 2009, the Company had current assets of $592,297 (2008 - $689,525) and current liabilities of $666,316 (2008 - $644,582). All of the Company's financial liabilities and receivables have contractual maturities of less than one year and are subject to normal trade terms. Current working capital (deficit) of the Company as of March 31, 2009 is ($74,019) , (2008 $44,944).

4. FINANCIAL INSTRUMENT RISK FACTORS (Continued)

Fair Value

The Company has, designated its cash and short-term investments as held for trading and investments as available for sale, which are measured at fair value. Accounts receivable are classified for accounting purposes as receivables, which are measured at amortized cost which approximates fair market value due to its short-term nature. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are at amortized costs which also approximates fair value due to its short-term nature. The amounts due from Laramide have no specified terms of repayment; as such no fair value can be determined.

5. INVESTMENTS

The Company's investments are carried at fair value and are comprised of the following:

	Number of Shares	Mar 31 2009	Number of Shares	December 31 2008
Tiomin Resources	2,242,990	$ 78,505	2,242,990	$ 36,433
Aquiline Resources Inc.	98,803	266,768	941,307	169,941
Sierra Minerals Inc.	6,500,000	845,000	6,500,000	650,000
		1,190,273		856,374
Less Aquiline Resources Inc. shares classified to current		(266,768)		(169,941)
		$ 923,505		$ 686,433

The Tiomin shares were originally shares and a debenture of Alliance Pacific Resources which became Radiant Resources Inc. which became shares of Tiomin Resources.

6. MINERAL PROPERTIES AND RELATED DEFERRED COSTS

Accumulated costs with respect to the Company's interest in mineral properties owned, leased or under option, consisted of the following:

31-Mar-09	Minera Cerro Colorado	Goliath Project	Lara - BC	Total
Acquisition costs:				
Balance, beginning of 2008	$ 13,636	$ 26,342,882	$ 3,992,315	$ 30,348,833
Additions 2008	(2,045)	-	-	(2,045)
Balance, December 31, 2008	11,591	26,342,882	3,992,315	30,346,788
Additions 2009	-	4,599	-	4,599
Balance, March 31, 2009	11,591	26,347,481	3,992,315	30,351,387
Exploration costs:				
Balance, beginning of year	-	-	-	-
Assaying	-	378,902	8,234	387,136
Line cutting	-	10,667	-	10,667
Drilling	-	2,299,722	-	2,299,722
Surveying	-	39,691	-	39,691
Other	-	671,993	4,507	676,500
Geophysics	-	166,724	-	166,724
Consulting	-	712,590	5,818	718,408
Equipment Rental	-	337,771	-	337,771
Balance, December 31, 2008	-	4,618,060	18,559	4,636,619
Other	-	5,382	-	5,382
Geophysics	-	8,725	-	8,725
Consulting	-	-	15,700	15,700
Geological	-	28,853	-	28,853
Balance, March 31, 2009	-	42,960	15,700	58,660
Total, March 31, 2009	$ 11,591	$ 31,008,501	$ 4,026,574	$ 35,046,666

Goliath Gold Project

The Goliath Gold Project is located in the Kenora Mining Division in north-western Ontario, 20 km east of the City of Dryden, 125 km east of the City of Kenora, and 325 km northwest of the port City of Thunder Bay.

The Goliath Gold Project consists of 116 contiguous unpatented claims (123 units – 1,968 ha) and 16 patented land parcels (723 ha). The total area of the claim group is approximately 2,591 ha covering portions of the Hartman and Zealand townships east of the City of Dryden. The Company’s 2008 drilling was confined to unpatented claims 1106348 and 1106347, and patented claims 21609, 34461 and 4822.

6. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

The Goliath Gold Project comprises two underlying properties: the Thunder Lake Property comprising the 116 unpatented claims and 13 patent parcels and, the Laramide Property comprising 3 patent parcels. Certain underlying royalties and payment obligations remain on 14 of the 16 patented land parcels of about $110,000 per year.

Thunder Lake Property, Ontario

On October 1, 2007, the Company and Laramide finalized and signed an agreement pursuant to which Treasury Metals purchased 100% of Corona Gold Corporation's ("Corona") and Teck (formerly Teck Cominco Limited) respective interests in the Thunder Lake West, Thunder Lake East and certain adjacent properties in and around Dryden, Ontario (collectively the "Thunder Lake Property").

Under the terms of the agreement Corona was to receive from Laramide aggregate cash consideration of $15,000,000 and a 10% interest in Treasury Metals after it became a public company. Teck was to receive cash consideration of $3,411,687 and a 2.27% interest in Treasury Metals, Teck and Corona took out a debenture to secure their position in the final amount of $12,272,229, the debenture was cleared up as follows:

The aggregate consideration for the Properties was paid as follows

i) A cash payment of $6,137,229 at closing (paid through the issuance of shares to Laramide which had made the cash payment);

ii) A cash payment of $6,137,229, 60 days after the closing date (paid through the issuance of shares to Laramide which had made the cash payment);

iii) A cash payment of $6,137,229 (paid); and

iv) 12.27% of the common shares of Treasury Metals on completion of a transaction pursuant to which Treasury Metals becomes a public company. If such a transaction was not completed by March 31, 2008 (extended to April 30, 2008), Corona and Teck had the option of requiring Laramide to issue to Corona and Teck common shares of Laramide with a market value of $6,135,000 ($5,000,000 to Corona and $1,135,000 to Teck) in-lieu of their respective interests in Treasury Metals. Teck and Corona elected to receive 3,286,975 common shares of the Treasury Metals.

Laramide Property, Ontario

In December 2007, the Company acquired from Laramide a 100% interest in certain parcels of land, including surface and mineral rights totaling 411 acres, located in Zealand Township near Dryden, Ontario (collectively the "Laramide Property"; previously referred to as the Goliath Property). This interest is subject to a 2-2.5% NSR retained by the owners. The acquisition cost was $1,326,113 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 780,069 common shares.

Cerro Colorado Gold Mine, Mexico

In December 2007, the Company acquired from Laramide a sliding production royalty based on gold prices and the aggregate production from a mine. On the first 100,000 ounces produced, Treasury Metals will receive a 2% sliding production royalty ("NSR") if gold prices are below US$350 per ounce and a 2.5% sliding production royalty if prices are above US$350 per ounce. These royalty rates escalate to 2.5% and 3% respectively once cumulative production exceeds 100,000 ounces. During 2008, the Company recognized net royalty income of $529,531 (2007 - Nil) net of some specific related charges and is amortizing the related deferred costs over 5 years. The acquisition cost was $13,636 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 8,022 common shares.

6. MINERAL PROPERTIES AND RELATED DEFERRED COSTS (Continued)

Lara Project, British Columbia

In December 2007, the Company acquired from Laramide a 100% interest in and to the Lara Property located in the Victoria Mining Division, near Chemainus on southern Vancouver Island, British Columbia. The property comprises 32 mineral claims covering 6,844 hectares. The acquisition cost was $3,986,938 and was based on the carrying value of Laramide. Consideration for the asset acquired was through the issuance of 2,345,266 common shares.

The Company also acquired from Laramide a 100% interest in eight mineral claims known as the Chemanius claims, located on Vancouver Island. These claims are on properties surrounding the Lara Project. The Company is committed to a 1.0% smelter return royalty.

The Company renounced $4,025,000 and $1,500,996 in 2009 of exploration expenditures and a future tax liability of $1,553,571 was recognized as a reduction in capital stock was reduced by $1,602,539.

7. CAPITAL STOCK

(a) AUTHORIZED - Unlimited common shares
(b) ISSUED

	Number of Shares		Stated Value
COMMON SHARES			
Balance, December 31, 2007	20,567,258	$	31,395,656
Allocated fair value of common shares issued on conversion of unit special warrants net of share issuance costs of $487,526	2,281,275		2,638,419
Conversion of flow-through special warrants	652,607		1,468,434
Issued on settlement of debenture	3,286,975		6,135,000
Balance, December 31, 2008	**26,788,115**	**$**	**41,637,509**
Future tax liability pursuant to flow through shares	**-**		**(1,602,539)**
Balance, March 31, 2009	**26,788,115**	**$**	**40,034,970**

7. CAPITAL STOCK (Continued)

COMMON SHARE PURCHASE WARRANTS

A summary of the Company's common share purchase warrants at December 31, 2008, was as follows:

Date issued	Exercise price	Number	Expiry date	Allocated value
July 2, 2008	$2.00	161,077	July 2, 2010	$100,721
July 2, 2008	$2.75	912,750	July 2, 2010	443,167
				$543,888

On March 24, 2008, the Company completed a brokered private placement of unit special warrants and flow-through special warrants (the "Offering"). Pursuant to the Offering, the Company issued an aggregate of: (a) 1,825,500 unit special warrants at a price of $2.00 per unit special warrant; and (b) 652,607 flow-through special warrants at a price of $2.30 per flow-through special warrant for gross proceeds of $5,151,996. Aggregate cash costs in the amount of $487,651 were paid in conjunction with this financing. The Company issued 161,077 broker warrants, exercisable at $2.00 until July 2, 2010.

A fair value of $100,721 was allocated to the warrants under the Black-Scholes option pricing model using the following assumptions: dividend yield 0%; expected volatility 90%; a risk free rate of 2.74% and an expected life of two years.

i) Each unit special warrant was automatically exercised on July 2, 2008 ("Automatic Exercise Date"), for no additional consideration for one unit.

Each unit was comprised of one 1.25 common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at $2.75 per share until July 2, 2010.

A fair value of $433,167 was allocated to the warrants under the Black-Scholes option pricing model using the following assumptions: dividend yield 0%; expected volatility 90%; a risk free rate of 2.74% and an expected life of two years.

ii) Each flow-through special warrant was automatically exercised for no additional consideration, for one flow-through common share on the Automatic Exercise Date.

iii) The Company issued 3,286,975 common shares at $1.87 per share in settlement of the final payment for the debenture (see note 6).

8. RELATED PARTY TRANSACTIONS AND BALANCES

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other exploration related services to Treasury Metals. These expenditures are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

i) On January 22, 2008, Laramide Resources Ltd. ("Laramide") announced details of the spin-off of certain non-uranium assets to Treasury Metals, the then wholly-owned subsidiary of Laramide.

As part of the transaction, Laramide transferred to Treasury Metals with an effective date of December 27, 2007, all of its shareholdings in Sierra Minerals Inc., Corona Gold Corporation, Tiomin Resources (originally Alliance Pacific Resources), and $8.5 million of its shareholdings in Aquiline Resources Inc. Certain of Laramide's non-uranium assets including the Goliath Gold Project and its polymetallic base metal and gold property known as the Lara Project on Vancouver Island, and Laramide's 2.5% Net Smelter Royalty on gold production of the Sierra Minerals Cerro Colorado mine were also transferred to Treasury Metals.

Investments and mineral properties and related deferred costs were transferred to Treasury Metals at their carrying value. Consideration for the assets transferred was made through the issuance of common shares and the payment of cash. This transaction was not in the normal course of business.

ii) On December 24, 2007, Laramide completed a private placement of 575,000 flow-through shares at a price of $7.00 per share for aggregate proceeds of $4,025,000. Finders' fees of 5%, or $76,242, were paid on a portion of the financing, in addition to $43,170 in share issuance costs. The aggregate proceeds of this private placement were held in trust as of December 31, 2007. Laramide assigned the flow-through financing to Treasury Metals by subscribing to a private placement of 2,367,647 flow-through common shares of Treasury Metals at a price per common share of $1.70 and transferred in 2008, the $4,025,000 proceeds to the Company.

iii) Treasury Metals was charged $12,000 for the period ended March 31, 2009 (2008 - $205,781) by a company which an officer and director has a significant interest. This company provides technical and professional services. These charges are all included in mineral properties and related deferred costs. Included in accounts payable at March 31, 2009, there is an amount of $150,500 (2008 - $204,000) with respect to these services.

iv) At March 31, 2009, $615 was due to Laramide, (2008 – $24,270 was owed from). The amounts due to Laramide are the result of expenses paid by Laramide on behalf of Treasury Metals, cash advanced to Treasury Metals, and for the non-share consideration on the transfer of investments and mineral properties from Laramide to Treasury Metals. Treasury Metals agreed in 2008 to exchange 842,504 common shares of Aquiline Resources Inc. with Laramide for $5.05 million in debt owed to Laramide, resulting in a loss of $2,552,787. This transaction was not in the normal course of business and was recorded at the exchange amount.

v) During the period ended March 31, 2009, $28,762 (2008 - $68,651) was charged by a law firm where an officer of Treasury Metals is an employee and an officers charged $15,000 in professional fees of these amounts $153,000 is in accounts payable at the end of the period. Aquiline Resources Inc. charged $13,000 for offices space, services and accounting personnel, $60,000 of this amount is still included in accounts payable (the Company and Aquiline have several common directors).

Transactions in (iii) and (v) were conducted in the normal course of operations and are measured at the exchange amounts.

9. LOSS PER SHARE

	2009	2008
Weighted average shares outstanding - basic and diluted	26,788,715	20,567,258
Basic and diluted loss per share	$ 0.00	$ 0.00

10. STOCK OPTION PLAN

The Company has established a stock option plan to provide incentive compensation to the Company's directors, officers, employees and consultants.

The exercise price, terms and conditions of the options are established by the board of directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Company. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX on the day prior to their grant. Options granted under the Stock Option Plan may be exercised during a period not exceeding ten years. The options are non-transferable.

The Company has reserved for issuance 10% of the issued and outstanding Common Shares from time to time under the Stock Option Plan. No options have been issued to date. The minutes of the Company approve the granting of options subject to listing as a public company. These options were not granted after becoming a public company.

11. COMMITMENTS

Pursuant to the 2009 renunciation the Company is committed to spending approximately $830,000 on Canadian exploration costs by December 31, 2009 as part of its 2008 flow-through funding agreements.

12. SUBSEQUENT EVENTS

The Company received permission from the TSX to amend the exercise price of 912,750 outstanding common share purchase warrants issued pursuant to a warrant indenture dated as of March 24, 2008, from $2.75 to $0.60. The amendment is pending shareholder approval.

13. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, 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 defines capital to include its working capital position and the capital stock and warrant units component 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, 2008. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be equity, which is comprised of capital stock, warrants, accumulated other comprehensive loss and deficit, which as at March 31, 2009 totalled $34,342,581 (2008 - $35,714,783).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

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

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions.