



TREASURY METALS

INCORPORATED

NEWS RELEASE

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Treasury Metals Expands Land Position at the Goliath Gold Project, Kenora Gold District

TORONTO, Canada – Treasury Metals Inc. (“Treasury Metals” or the “Company”) is pleased to announce that it has entered into an option agreement (the “Agreement”), pursuant to which Treasury Metals has the right to acquire a 100% interest in the mining rights of certain patented lands (the “Property”) located immediately west and contiguous to its 100% owned Goliath Gold Project. Situated in the Kenora Gold District, the Goliath Gold Project is located about 20 kilometres east of the City of Dryden, Ontario, alongside the Trans-Canada Highway.

The Property adds approximately 800 metres of potential mineralization strike length to the western extension of the Thunder Lake Gold Deposit, which is also open along strike to the northeast and at depth. Only one diamond drill hole, completed in 1992 by Teck Exploration Ltd., is known to have tested for mineralization on the Property. The drill hole, located in approximately in the centre of the Property, reported several sections of quartz-sericite alteration and assays of anomalous gold concentrations, including 180 ppb Au over 7.5 metres. This suggests that the same or similar gold mineralized alteration system found on the Goliath Gold Project to the east continues west into the newly acquired Property. No other drilling or significant exploration work is known to have been completed on the Property.

“Our strategy for the Goliath Project is two-fold; first we plan to add shallow ounces to the current resource by continuing to drill along strike to the northeast and to the west including targeting the recently acquired Property. We also intend to test deeper targets that have the potential to be much higher grade gold resources such as we have seen in other greenstone belts in Ontario,” commented Scott Jobin-Bevans, President and CEO. “Second, we have engaged A.C.A. Howe International Limited to evaluate the economics of the deposit and consider various mining and processing scenarios to advance the project toward feasibility. He added, “We have the largest NI 43-101 compliant gold resource in the Kenora Gold District and we see it as an excellent starting point for consolidation of other gold resources in the region.”

The Kenora Gold District, which includes arguably the second largest greenstone belt in Ontario, is host to more than 40 gold-focused projects that are being explored by more than a dozen exploration companies. Until about 1910, the region was home to more than 50% of Ontario’s gold production. By the mid 1940s gold production in the Kenora Gold District had essentially ceased with only 250,000 total ounces of gold having been produced from this highly prospective region.

“Other major gold camps in Ontario have produced millions to tens of millions of ounces of gold and we believe that with focused, aggressive exploration the Kenora Gold District will yield the same,” commented Scott Jobin-Bevans, President and CEO. “We are excited about moving the Goliath Project forward and building what we hope to be an economic gold deposit. We are also enthusiastic about looking within the Kenora Gold District for additional gold projects.”

Treasury Metals is currently completing a 4,500 metre drilling program (approximately 31 drill holes) on the Goliath Gold Project (see News Release 06/10/09) aimed at testing the gold potential immediately west and along strike of the current resource. Initial assay results from this program were released December 14, 2009. Assay results from the remaining 23 drill holes are pending and will be released in a timely manner along with appropriate exploration updates.

About Treasury Metals

Treasury Metals Inc. is a mineral exploration and development company with a growth-orientated strategy to acquire and develop quality gold assets in the Americas. Treasury Metals' management team is committed to increasing shareholder value through aggressive exploration and development of its Goliath Gold Project and by pursuing strategic opportunities, including potential acquisitions that meet the Company's corporate goals of expansion and growth toward becoming a future mid-tier gold producer.

The Company's flagship project is the 100% owned Goliath Gold Project, an advanced-stage, high-grade gold deposit. The Thunder Lake Gold Deposit contains more than 1.0 million estimated ounces of gold, consisting of 130,000 indicated ounces (820,000 tonnes @ 4.8 g/t Au; Main Zone) and 920,000 inferred ounces (7,000,000 tonnes @ 4.1 g/t Au; All Zones), using a cut-off grade of 2.0 g/t Au (see NI 43-101 report – "Report on the Goliath Project, Kenora Mining Division, Northwestern Ontario, Canada" dated December 19, 2008 – filed on SEDAR). *Mineral resources are not mineral reserves and by definition do not demonstrate economic viability.* Drilling of the TLGD to date has intersected the Main Zone over a strike length of about 1,700 metres, with thicknesses of 0.5 m to 30 metres (average width of 7.6 metres) and a high-grade core with an average width of 1.9 metres.

Treasury Metals also has royalty revenue from Sierra Minerals' (TSX:SIM) Cerro Colorado Mine in Mexico and other monetizable assets. Treasury Metals has a strong shareholder base and its management team and board are seasoned mining industry veterans with proven track records.

Technical information in this press release has been reviewed and approved by Scott Jobin-Bevans, Treasury Metals' President and CEO, who is a qualified person under the definitions established by National Instrument 43-101. For additional information on Treasury Metals and its projects, please visit the Company's website at www.treasuremetals.com.

Forward-looking Statements

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This press release contains statements about our future financial condition, results of operations and business. These are "forward-looking" because we have used what we know and expect today to make a statement about the future. Forward-looking statements usually include words such as may, expect, anticipate, believe or other similar words. We believe the expectations reflected in these forward-looking statements are reasonable. However, actual events and results could be substantially different because of the risks and uncertainties associated with our business or events that happen after the date of this press release. You should not place undue reliance on forward-looking statements. As a general policy, we do not update forward-looking statements except as required by securities laws and regulations.