



Treasury Metals

Jan 19th 2015

Goldcorp deal could be precursor of what's to come for Treasury Metals

Goldcorp's (TSE:G) proposed C\$526 million takeover of Probe Mines (CVE:PRB) announced earlier today is certainly good news for other Ontario gold developers in the region with near-term production on the horizon.

Treasury Metals (TSE:TML) is one of these companies, as it continues to progress in its development of the Goliath gold project just 20 km east of Dryden, Ontario.

"The trend of Ontario takeovers is poised to continue due to low political risk, excellent infrastructure, high quality projects and the lower Canadian dollar," said Treasury's VP of corporate development, Greg Ferron, in emailed comments.

"Treasury is one of a few projects currently drilling and permitting in Ontario, with the backing of RMB Resources," he added.

Investors pushed up Treasury's stock after the deal news, up 8.9 percent at 43 Canadian cents as of 11:50am ET.

Goldcorp is adding Probe's Borden Lake deposit in Ontario, which will expand the giant gold miner's Porcupine operation in the Canadian province. The Borden Gold project, located some 200 kilometres southwest of the gold mining hub of Timmins, Ontario, is viewed as one of the most promising New Gold discoveries in Canada. It is also located some 160 kilometres west of Goldcorp's Porcupine mine.

Goldcorp said transporting ore to Porcupine would greatly reduce capital costs and permitting requirements compared to a stand-alone development. It would also put the company in a position to deliver higher-grade ore to Porcupine within a relatively short development period.

Goldcorp is seen as being the most likely to buy assets among gold-mining majors, given a balance sheet that is comparatively debt free and a share price that has outperformed the sector. The current gold climate is certainly conducive to buying, especially for solid, accretive assets with near-term prospects in mining-friendly, established districts like Ontario.

Treasury's Goliath project could be one of these assets Goldcorp and other majors are seeking, as the property is one of the few held by junior developers that has a reasonable capex price tag.

Its preliminary economic assessment in 2012 outlined a project with annual production of 80,000 ounces, and a manageable initial capex of \$91.4 million, making it an attainable project for a company of Treasury's scale.

Following the completion of a resource update in the first half of this year, Treasury is also planning to complete a feasibility study. The company started a phase II drilling program last November, and has outlined plans for a 6,000 to 7,000 metre drill campaign, including infill drilling of the C Zone and western area of the Main zone, as well as some exploratory drilling.

In the upcoming resource update, Treasury is targeting the conversion of about 300,000 inferred ounces to the measured and indicated category. Currently, the resource estimate defines a 1.7 million ounce global resource, based

Price: C\$0.395

Market Cap: C\$31.528M

1 Year Share Price Graph



Share Information

Code: TML

Listing: TSX

Sector: Gold Mining

Website: www.treasuremetals.com

Company Synopsis:

Treasury Metals Inc. (Treasury) is a Canada-based Company. The Company is engaged in the acquisition, exploration and development of mineral resource properties in the Americas. The Company's activities are focused on two exploration projects in Canada - the Goliath Gold Project and Goldcliff Project near Dryden, Ontario.

Author:

Deborah Bacal +44(0)1202770386

action@proactiveinvestors.com



on a report conducted in 2011.

The company is also well on its way with permitting, having submitted the Environmental Impact Statement last October, which is currently undergoing internal review by federal regulatory authorities.

Indeed, Goliath is one of six projects currently in the permitting stage in Ontario, with New Gold's (TSE:NGD) Rainy River, Agnico-Eagle (TSE:AEM) and Yamana's (TSE:YRI) Hammond Reef, Iamgold's (TSE:IMG) Cote, Argonaut Gold's (TSE:AR) Magino and Premier Gold's (TSE:PG) Hardrock projects making up the remainder of the list.

In a recent research report on Treasury by Secutor Capital Management, the broker said: "With an average life of mine grade of 3.05 g/t gold equivalent outlined in the preliminary economic assessment (PEA), and a modest initial capex estimate of \$91.4 million, Goliath is a project which compares favourably against many in this group."

Last December, Treasury also closed a financing for proceeds of \$800,000 to keep its treasury liquid, on top of a \$6 million facility arranged with RMB Resources in February 2014.

Investors have every reason to be encouraged, as the company has completed significant optimization work at Goliath since the preliminary economic assessment in 2012, according to Secutor's report. Treasury will look at potential cost savings scenarios, including using a mining contractor as well as second hand trucks in the upcoming feasibility study.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us ■ +44 (0)1202 770386 ■ action@proactiveinvestors.com

No investment advice

Proactive Investors UK Limited, trading as "Proactiveinvestors United Kingdom", is authorised and regulated by the Financial Services Authority. Registered in England with Company Registration number 05639690. Group VAT registration number 872070825 FSA Registration number 559082. You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.