



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2019 AND 2018**

INTRODUCTION

Treasury Metals Inc. (TSX: TML) (“Treasury Metals” or “Treasury” or the “Company”) is a Canadian gold exploration and development company focused on its 100% owned Goliath Gold Project. The Project has access to first-rate infrastructure at its location near Dryden in the Kenora Mining Division in northwestern Ontario. Treasury Metals is advancing Goliath through the Canadian permitting process to begin mining production for an open-pit gold mine and subsequent underground operations to be developed in the latter years of mine life. The Company was granted Federal Government Environmental Assessment (EA) approval for the Goliath Gold Project. Key programs during 2019 and 2018 include diamond drilling and field exploration, updated engineering studies, and continuation of the permitting process towards the Company’s stated goals of completing a feasibility study and mine permits on the Goliath Gold Project.

Treasury Metals operates corporate headquarters in Toronto, Ontario, and a Project Office at the Goliath Gold Project. Treasury Metals is listed on the Toronto Stock Exchange under the trading symbol “TML”, and on the OTCQX® Best Market under the symbol “TSRMF”. Additional corporate information can be found on Treasury Metals Inc.’s website at www.treasuremetals.com.

This Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of Treasury Metals should be read in conjunction with the Company’s interim condensed consolidated financial statements for the nine months ended September 30, 2019 and 2018, including the related notes thereto. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This MD&A is presented as of November 13, 2019. Unless otherwise noted, the currency used is Canadian dollars. This MD&A contains “forward-looking” statements that are subject to risk factors set out in a cautionary note contained herein.

OVERVIEW

During the years 2019 and 2018, the Company’s work programs on the Goliath Gold Project continued with a focus on the steps to evaluate and enhance the project’s feasibility, mine plan and mineral resources, facilitate and confirm the basis for a decision on mine construction, and to reach approval of the Federal EA. Program updates are outlined below:

- ❖ On Oct. 24, 2019, Treasury Metals announced results of its downhole induced polarization (IP) survey program on Goliath Gold Project. The Company’s IP survey determined that zones that host mineralization are extending to depth and along strike. The Company completed a total of 15 drill holes with maximum vertical depths ranging from 100 to 525 metres below surface along a strike length of 1.2 kilometres. Additional focused downhole surveys were completed to increase the resolution of these results. The IP survey results have been integrated into the current geological database and used to aid the targeting in the winter 2019-2020 drill program, scheduled to commence in November 2019. The Company’s Soil Gas Hydrocarbon sampling program that extends approximately 10 km along strike to

the easternmost edge of the property boundary was completed in October 2019 and the samples are currently being analyzed.

- ❖ In the October press release, the Company also provided an update on pre-feasibility level studies, and engineering and mine design activities underway at Goliath.
- ❖ On August 19, 2019, the Canadian Environmental Assessment Agency (“CEAA”) issued a positive statement that the proposed Goliath Gold Project may proceed as outlined in the Environmental Assessment Report, a major step in the permitting process. This decision means that the Company can now focus on the remaining technical studies, exploration programs and construction permitting, and prepare for a construction decision.
- ❖ In addition, the Company has been engaging and working with all the Indigenous communities potentially affected by the Goliath Gold Project to foster a cooperative and productive ongoing relationship. On December 18, 2017, the Company entered into a Memorandum of Understanding with the Métis Nation of Ontario; on January 16, 2019, entered into a Memorandum of Understanding with Eagle Lake First Nation; on March 20, 2019, announced the signing of an Engagement Agreement with Wabauskang First Nation; and, most recently, on June 26, 2019, the Company executed a Memorandum of Understanding with Lac Des Mille Lacs First Nation.
- ❖ On October 16, 2018, the Company provided an updated National Instrument 43-101 Mineral Resource Estimate on Goliath Gold Project. The Mineral Resource Estimate was completed by independent firm P&E Mining Consultants Inc. The 2018 Mineral Resource Estimate is an update to the NI 43-101 Mineral Resource Estimate previously released on August 28, 2015 and includes results from a database representing an additional 98 diamond drill holes totaling 41,500 m of infill drilling completed between 2016 and 2018.
- ❖ During the course of 2018, the Company announced encouraging assay results from three active exploration drilling zones, including results in the East Resource Target area, down dip within the developing C Zone shoot, and additional deep Main Zone infill drilling at the Company’s flagship Goliath Gold Project. Press releases and results are available for viewing on the Company’s website and all material results have been filed on SEDAR, under the Company’s profile at www.sedar.com.
- ❖ Throughout the period, the Company continued to collect baseline environmental data as part of ongoing permit requirements and continued to work with external consultants to design a new exploration program, and to optimize the Project scope and Project economics.

Other key milestones and events in 2019 and 2018:

- ❖ On November 1, 2019, the Company announced it has entered into an agreement with a syndicate of underwriters, pursuant to which they have agreed to purchase 8,100,000 flow-through units of the Company, at a price per flow-through unit of \$0.285, for gross proceeds of \$2,308,500. The \$0.285 price represents a premium of approximately 14% to the closing price of the common shares on the TSX on

October 31, 2019. Each unit shall be comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant shall entitle the holder to acquire one common share of at a price of \$0.45 for a period of 24 months following the closing date which is scheduled on or about November 21, 2019. The net proceeds will be used to advance the Goliath Gold Project including exploration, drilling and certain project activities that are eligible expenditures.

- ❖ In September and May 2019, the Company announced significant exploration results by its Optionee on Treasury's 100% owned Weebigee Gold Project in northwestern Ontario. For complete details, please see section Goldeye Explorations Ltd. Further, in an effort to promote good working relations, the Company's subsidiary Goldeye Explorations Ltd. ("Goldeye") paid its Weebigee Project Optionee G2 Goldfields the costs award of \$926,960 as determined by an Arbitration Panel in a decision dated January 16, 2019.
- ❖ The Company appointed Greg Ferron to the position of Chief Executive Officer and Director of Treasury Metals Inc., effective August 14, 2019.
- ❖ Regarding the Extract loan, on August 14, 2019, a third amendment agreement was closed extending the maturity to November 30, 2022; also, the conversion price of the share has been fixed to \$0.32. See Note 10 of the December 31, 2018, consolidated financial statements for full details of the Term Loan.
- ❖ On June 6, 2019, the Company announced that it had closed concurrent non-brokered private placements. The first private placement was Units comprised of one common share of the Company and a common share purchase warrant for gross proceeds of \$2,134,620.96. The second private placement was flow-through Units comprised of one flow-through Common Share and one half Common Share purchase warrant for proceeds of \$1,371,500 for aggregate gross proceeds from both offerings of \$3,506,120.96.
- ❖ On December 17, 2018, Treasury Metals closed a non-brokered private placement financing. The Company issued 8,348,741 flow-through common shares for total gross proceeds of \$2,254,160 at an issue price of \$0.27 per flow-through share.
- ❖ On September 18, 2018, the Company granted a total of 4,825,000 options to directors, officers, employees and consultants to buy common shares at an exercise price of \$0.40 each and expire on September 18, 2020. The stock options vest 50% at the date of granting and the remaining 50% vest on March 18, 2019.
- ❖ In September 2018, Bob MacDonald resigned as Vice President, Operations. Mark Wheeler, Project Director, and key site personnel will continue in their roles with increased responsibilities.
- ❖ On August 1, 2018, the Company announced the appointment of Interim CEO Greg Ferron, previously the Vice President of Corporate Development, following the departure of the Company's then President and Chief Executive Officer, who had accepted a position with an intermediate gold producer.

- ❖ On June 25, 2018, the Company closed a private placement for aggregate gross proceeds of \$5,000,000 through the issuance of 11,904,762 units at a price of \$0.42 per unit.

PLANS FOR THE YEARS 2019/2020

The Company's key objectives for Goliath and proposed timelines are provided, as follows:

- ❖ **Permitting Progress:** On August 19, 2019, the Canadian Environmental Assessment Agency ("CEAA") issued a positive statement that the proposed Goliath Gold Project may proceed. This decision means that the Company can now focus on the remaining technical studies and permitting, and prepare for a construction decision.
- ❖ **Community Engagement:** Indigenous and community engagement is progressing as part of the continuing development of the Project. Treasury has entered into relationship agreements with the Métis Nation of Ontario, Eagle Lake First Nation, Wabauskang First Nation and Lacs Des Milles Lacs First Nation to ensure effective communication during the Environmental Assessment process and beyond. Similar relationship agreements with other regional Indigenous communities are anticipated as the above milestones are completed. Continued dialogue and communication with public and local stakeholders is anticipated to occur as noted milestones are reached and permitting requirements are identified.
- ❖ **Engineering and Pre/Feasibility Studies:** The studies will incorporate the updated NI 43-101 Resource Estimate as well as additional engineering, production and cost optimization work, finalized metallurgical and grinding testwork and earthworks geotechnical support studies. An update with additional details were provided in a press release dated October 24, 2019.
- ❖ **Exploration:** Completion of down-hole induced polarization (IP) survey across the resource area and follow-up to the 2018 Soil Gas Hydrocarbon survey with an additional soil sampling program. A winter 5,000-metre infill and expansion drilling program will focus on the C Zone East Resource Area where several significant gold intersections have been found, including hole TL18-494 with 111 g/t Au over 1.00m and TL18-488A with 3.87 g/t Au over 4.70 m (see press release dated August 13, 2018), and drill test select down dip targets identified in the downhole IP Survey.
- ❖ **Weebigee:** Treasury Metals and the Company's wholly owned Goldeye subsidiary continue to encourage and facilitate exploration work on the Weebigee gold project. Further, additional community work has continued to ensure the continued beneficial relationship with Sandy Lake First Nation, and long-term support for continued exploratory work. G2 Goldfields Inc. (formerly Sandy Lake Gold), the optionee and operator of the Property, continues to undertake exploration activities including drilling activities, and prospecting.

MINERAL EXPLORATION PROPERTIES

Goliath Gold Project

The Goliath Gold Project (“Goliath” or “the Project”) is located in the Kenora Mining Division in northwestern Ontario, about 20 kilometres east of the City of Dryden and 325 kilometres northwest of the port city Thunder Bay, Ontario, Canada. Goliath Gold Project consists of approximately 5,049 hectares (approximately 50 km²) and covers portions of Hartman and Zealand townships. The Project is comprised of two historic properties now consolidated under the common name Goliath Gold Project, which consists of: the larger Thunder Lake Property, purchased from Teck Resources and Corona Gold Corp., and the Goliath Property, transferred to the Company from Laramide Resources Ltd. The Goliath Gold Project has been expanded from its original size through the staking of mining claims, land purchases and option agreements. The Project is held 100% by the Company, subject to certain underlying royalties and payment obligations on certain patented land parcels, totalling about \$105,000 per year.

Lara Polymetallic Project

The Lara Polymetallic Project, located in the southern region of Vancouver Island, lies about 75 kilometres north of Victoria, 15 kilometres northwest of Duncan and about 12 kilometres west of the Village of Chemainus, Victoria Mining Division, British Columbia, Canada. The Lara Property was comprised of 90 mineral claims at the end of 2013. In 2017, as the claims came up for renewal, only the significant claims were renewed and the Project currently consists of 59 mineral claims.

Goldeye Explorations Limited (a wholly owned subsidiary of Treasury Metals Inc.)

The acquisition of Goldeye Explorations Limited (“Goldeye”) was completed on November 24, 2016. Effective upon closing, Goldeye became a wholly owned subsidiary of Treasury and all of the issued and outstanding common shares of Goldeye were acquired by Treasury. The acquisition provides Treasury with a second high-quality asset, the Weebigee Project, in northwestern Ontario. The Weebigee Project, Goldeye’s principal asset, is a high-grade gold project located near Sandy Lake in northwestern Ontario. Goldeye’s most recent 2019 exploration program by its Optionee, reported significant gold results, following an earlier 2014 Goldeye work program consisting of a 2,200 metre shallow drill program. The Weebigee Project is subject to an option agreement between Sandy Lake Gold Inc. (recently renamed G2 Goldfields Inc.) and Goldeye.

Three other gold exploration properties were inherited with the Goldeye acquisition: Gold Rock/Thunder Cloud; Shining Tree-Fawcett; and, Van Hise/Larder Lake (subsequently dropped), all of which reside in the Province of Ontario. All of these properties are grassroots with no exploration permits in place for more advanced field work, such as diamond drilling.

GOLIATH GOLD PROJECT

On August 19, 2019, the Canadian Environmental Assessment Agency (“CEAA”) issued a positive statement that the proposed Goliath Gold Project may proceed. This decision means that the Company can now focus on the remaining technical studies and permitting, and prepare for a construction decision.

TECHNICAL REPORTS

Mineral Resource Estimate (October 2018)

The 2018 Mineral Resource Estimate is an update to the NI 43-101 Mineral Resource Estimate previously released on August 28, 2015 (the “2015 Mineral Resource Estimate”) and includes results from a database representing an additional 98 diamond drill holes totaling 41,500 m of infill drilling completed between 2016 and 2018.

2018 Mineral Resource Estimate Highlights include:

- ❖ A successful conversion program:
 - Total Measured and Indicated Mineral Resources are now 1,229,800 gold equivalent (“AuEq”) ounces (16.20 Mt at 2.36 g/t AuEq);
- ❖ Measured and Indicated Underground AuEq Ounces increased by 64% from the 2015 Mineral Resource Estimate;
 - Totaling 640,100 AuEq ounces with an average grade of 5.54 g/tonne AuEq (5.39 g/t Au);
 - Open Pit Mineral Resource shell optimized further to contain less waste and could lead to an improved strip ratio;
 - A portion of the increase can be attributed to redefining the boundary between the Underground and Open Pit Mineral Resources resulting in a higher portion of AuEq ounces reported within the Underground Mineral Resource capturing the high grade ounces.
- ❖ Gold Equivalent Grade increase for combined Measured and Indicated Mineral Resources
 - In-Pit: +9.0 % (1.45 g/tonne AuEq);
 - Out of Pit: +8.0 % (5.54 g/tonne AuEq);
 - Total: +34.1 % (2.36 g/tonne AuEq).
 - Silver Grade increase in Measured and Indicated Mineral Resources
- ❖ Mineral Resources at Goliath remain open at depth and has exploration potential for additional mineralized shoots along strike.

The following table summarizes the NI 43-101 Mineral Resource Estimate in the Measured, Indicated and Inferred Mineral Resource classifications:

2018 Mineral Resource Estimate (Notes 1-8)

	Classification	Cut-off Grade AuEq g/t	Tonnes	Au (g/t)	Contained Au (oz)	Ag (g/t)	Contained Ag (oz)	AuEq (g/t)	Contained AuEq (oz)
Pit Constrained	Measured	0.4	762,000	1.91	46,700	8.9	217,000	1.99	48,700
	Indicated	0.4	11,849,000	1.37	522,400	5.5	2,083,000	1.42	541,000
	Meas + Ind	0.4	12,611,000	1.40	569,100	5.7	2,300,000	1.45	589,600
	Inferred	0.4	595,000	1.05	20,100	2.6	50,000	1.08	20,600
Out of Pit	Measured	1.9	163,000	6.42	33,600	25.8	135,000	6.65	34,800
	Indicated	1.9	3,429,000	5.34	589,000	16.6	1,834,000	5.49	605,300
	Meas + Ind	1.9	3,591,000	5.39	622,600	17.1	1,969,000	5.54	640,100
	Inferred	1.9	1,414,000	4.43	201,500	11.4	519,000	4.53	206,100
Total	Measured	0.4&1.9	925,000	2.70	80,300	11.8	352,000	2.81	83,400
	Indicated	0.4&1.9	15,277,000	2.26	1,111,400	8.0	3,917,000	2.33	1,146,300
	Meas + Ind	0.4&1.9	16,202,000	2.29	1,191,700	8.2	4,269,000	2.36	1,229,800
	Inferred	0.4&1.9	2,009,000	3.43	221,600	8.8	569,000	3.51	226,700

1. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
2. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
3. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
4. A gold price of US\$1,250/oz and silver price of US\$17.00/oz based on the July 31, 2018 approximate three year trailing average prices and an exchange rate of US\$0.80=Cdn\$1.00 were utilized in the AuEq cut-off grade calculations of 0.40 g/t AuEq for Pit Constrained (>170 metres elevation above sea level or <230 metres depth from surface) and 1.90 g/t AuEq for Out of Pit Mineral Resources.
5. Open Pit mining costs were assumed at Cdn\$3.45/t for mineralized material, Cdn\$3.30/t for waste rock and Cdn\$2.00/t for overburden, while Underground mining costs were assumed at Cdn\$78.00/t, with process costs of Cdn\$18.15/t, G&A of Cdn\$2.86/t, and process recoveries of 95.5% for gold and 62.6% for silver.
6. The Au:Ag ratio used for AuEq was 1:112.17.
7. A bulk density model averaged 2.76 t/m³ for mineralized material.
8. Totals in the table may not sum due to rounding.

Preliminary Economic Assessment Update (April 2017)

PEA Highlights:

- ❖ After-Tax NPV of CAD\$306 million and IRR of 25% at US\$1,225 per ounce;
- ❖ The PEA benefits from a 44% increase in the Life of Mine (“LOM”) gold production profile, while taking a conservative approach with respect to operating and capital costs compared with the 2012 PEA;
- ❖ Average annual production of 87,850 oz Au over a 13 year combined open pit and underground mine life; peak production exceeding 100,000 oz per year Au from years three to six;

- ❖ LOM head grade of 3.8 g/tonne (Au), an increase of 33% from the 2012 PEA; and
- ❖ Total cash cost is estimated at US\$525 per equivalent gold ounce (“AuEq”) and an all-in sustaining cost (“AISC”), as defined by the World Gold Council, estimated at US\$611 per AuEq;

The optimized mining plan used in the PEA envisions an initial open pit generating immediate revenues to fund underground development. Underground (“UG”) production begins in the second year with the open pit operating over an additional 7 years at a reduced output to supplement UG production to a total of 2,500 tonnes per day over the course of a 13-year total mine life. Total gold production is estimated at 1.14 million ounces of gold and 2.0 million ounces of silver. Initial capital to fund construction is estimated at CAD\$133.2 million with an additional CAD\$132.5 million in sustaining capital over the LOM primarily to fund the underground expansion.

The mine is proposed to produce an average head grade of 3.81 g/t gold and 10.55 g/t silver with Open Pit and UG mining producing average grades of 1.58 g/t and 4.87 g/t of gold, respectively. The infill diamond drilling programs completed to date since an earlier PEA in 2012 (the “2012 PEA”) have resulted in improved project economics and overall confidence in the mine plan. The stripping ratio of waste rock to mill feed has been reduced to 6:1, which represents a 35% improvement over the 2012 PEA. This stripping ratio does not include pre-production stripping of approximately 1.3 million metres cubed of overburden material.

Underground production is envisioned to be carried out at an average rate of 1,600 tonnes per day using the long hole stoping method on 30 metre sublevels. Average underground operating costs have been estimated at \$77/tonne, a 28 per cent increase over the cost assumption in the 2012 PEA. The full Updated Preliminary Economic Assessment was filed on SEDAR on April 17, 2017 (www.sedar.com).

ENVIRONMENTAL, PERMITTING AND DEVELOPMENT ACTIVITIES

A number of exploration and development programs are ongoing for the further advancement of the Goliath Gold Project, as outlined in their respective sections below.

Completion of the Federal Environmental Assessment

Pursuant to the Canadian Environmental Assessment Act 2012, the Goliath Gold Project entered into the federal Environmental Assessment (“EA”) process on November 30, 2012.

The company worked in cooperation with all stakeholders and government agencies for both the creation and refinement of the Environmental Impact Statement (“EIS”) to ensure that all potential effects were appropriately defined, characterized, and, in turn, addressed. Following the submission of the final version of the EIS to the federal government’s Canadian Environmental Assessment Agency (“CEAA”), the Company also addressed “Information Requests” for public stakeholders, Indigenous communities and government agencies/experts to request additional detail or clarification.

Once the Agency was satisfied that the Company had provided all of the necessary information, the Agency published the draft Environmental Assessment Report, which summarized their findings for the assessment of the Project. Following a 30-day public comment period on this report, it was issued as final along with a decision statement from the Minister of the Environment and Climate Change. The decision statement noted that the Goliath Project is able to proceed towards construction including the initiation of the remaining permits needed to begin construction. Further, the Project with mitigation and monitoring proposed will not cause significant effects to the environment. As part of the approval, the decision statement also includes a list of commitments that the company has made and conditions that will need to be met throughout the life of the Project.

This body of additional technical work will also be used in the engagement and consultation process with Indigenous peoples and communities, and the general public for the continued permitting application process for the Goliath Gold Project. This process is ongoing and Treasury Metals continuously communicates with required federal and provincial agencies via phone, correspondence and other meetings, as required.

A meeting was held with Hydro One to confirm power requirements and discuss the connectivity permitting process. Treasury has received verbal confirmation that capacity is available on the local 115 kV line on site and that this location is ideal for a power connection. Contact has been made with the Independent Electricity Systems Operator to begin the electrical connection process.

Treasury Metals also continues to advance technical engineering and environmental programs that supported the Goliath Gold Project's Environmental Impact Statement. These technical programs will also flow into Feasibility Studies and further permitting efforts.

Scoping/Optimization Study:

Treasury continues to refine the technical studies in support of updated economics for the life of the Project. Work is ongoing and is designed to narrow the ore processing and tailings storage options as well as bringing a higher level of confidence to the mining methods and costing for the mining processes. The purpose of evaluating all additional options is to improve project economics by significantly reducing CAPEX requirements for the project and simplifying environmental permitting, especially if cyanide extraction could be eliminated. These study results were also included in the "Alternatives Assessment" as required for the EIS to demonstrate that "all technically feasible" options for the project have been considered.

Metallurgical work and initial testing have indicated that very good gold recovery values could be expected using gravity separation and flotation alone. This study continues to show positive results for metallurgical processes with the Goliath Project. Recoveries using flotation were on the order of 90-92% as compared with previous testing showing greater than 95% gold recovery for a CIL process. The potential use of a gravity-flotation circuit has been included in the metallurgical alternatives assessment as part of the EIS to compare both economic and environmental factors. The CIL processing method was selected as the preferred alternative for submission in the EIS. As part of the EIS, the Company proposes to use reverse osmosis in order to meet regulatory requirements.

Community Relations

Engagement efforts with the Indigenous and public communities has primarily focused on development of key milestones and providing opportunities for all regional communities to identify their input and describe how the Project may affect their land use, and their way of life. Treasury Metals has been in contact with stakeholders, including Indigenous peoples and communities and the general public, throughout the environmental assessment process, and all stages of Project development. Treasury Metals has been in direct contact with all potentially affected Indigenous communities as defined by the Canadian Environmental Assessment Agency (“CEAA”), and the Ministry of Energy, Northern Development and Mines. All prior communication with Indigenous and public stakeholders up to April 2017 has been captured within the revised EIS, Appendix DD and Appendix V.

Current engagement activities have focused on delivery and dissemination of technical work supporting the continuation of the federal permitting phase. Treasury Metals has been in communication with all Indigenous parties, and the company continues to document all efforts to date. All Indigenous communities have been provided all relevant documentation, and the opportunity to access capacity funding has been provided to all Communities. Treasury Metals has agreed in principle to reasonable proposed costs to ensure continued open dialogue and the integral review of the Project and its potential effect to traditional land use purposes within the area.

Treasury Metals has finalized four (4) separate interim funding agreements with Eagle Lake First Nation to support the development of the Project and followed this with the formal execution of a Memorandum of Understanding. In addition to this, in December 2017, Treasury signed a Memorandum of Understanding with the Métis Nation of Ontario. In recent activities, on March 20, 2019, the Company announced the signing of an Engagement Agreement with Wabauskang First Nation. As of June 26, 2019, the Company entered into a Memorandum of Understanding with Lac Des Mille Lacs First Nation. Treasury Metals staff is working cooperatively with all third party and community representatives to secure community input to the Project, and to finalize additional agreements with regional stakeholders as part of the continued development of Goliath.

Treasury Metals, as stated, continues to engage and support capacity funding opportunities to ensure open and transparent dialogue regarding the development of the Project. All efforts have been documented in support of the federal EIS, permitting process, and supporting Project related activities.

EXPLORATION

Since Treasury Metals began drilling the Goliath Gold Project in 2008 to present day, a total of 534 diamond drill holes comprised of 500 newly collared holes, 4 wedge holes, and 30 re-entry holes for a total of 170,051 metres have been drilled on the property. Complete details of drilling results can be found on the Company’s website at www.treasuremetals.com.

The Company has received the results of its initial phase of a regional soil sampling program completed during the 2018 field season. The program focused over the Goliath Gold Deposit and northeast along strike

of the resource area to the regional fold nose. Historically, previous operator Teck found several high-grade gold intersections along this alteration corridor including 45.4 g/t over 1.5 m in hole TL208 and 25.9 g/t over 0.8 m in TL271; and, the area continues to show significant exploration potential. The soil was tested by Activation Laboratories using their Spatiotemporal Geochemical Hydrocarbon (SGH) and UltraTrace-1 multi-element package to provide a basis to characterize the geochemical signature of the Goliath Gold Deposit and explore for similar mineralization signatures along strike. This orientation survey was successful in identifying a strong anomaly, believed to be caused by gold mineralization, over the deposit area with a high level of confidence. These encouraging results have led to the finalization of a second phase of this soil sampling program which will cover the remaining strike length across the Goliath claim package to explore for similar geochemical signatures and which commenced in Q3 2019.

Also, in 2019, Treasury completed a down-hole induced polarization (IP) survey across the deposit area. This program, conducted by Golden Mallard Corporation, used existing holes to help map the high-grade shoots down-dip for future drilling programs, as well as detect any previously unknown nearby mineralized concentrations. This technique has proven successful at locations within the region, notably Harte Gold in its identification of the Middle Zone, an extension located to the east of the Sugar Zone.

The IP survey determined that zones that host mineralization are extending to depth and along strike. The Company completed a total of 15 drill holes with maximum vertical depths ranging from 100 to 525 metres below surface along a strike length of 1.2 kilometres. Additional focused downhole surveys were completed to increase the resolution of these results.

The results from the survey have been integrated into the current geological database and will be used to aid the targeting in the upcoming Q4 2019 drill program, focused on extending the high-grade shoots at depth to expand the current resources and completing additional infill of the C East resource area.

In August 2016, the Company initiated a 5,000 metre program focused primarily on converting underground “Inferred” resource blocks to the “Indicated” category within the main resource area. This program was designed by Treasury Metals and P&E Mining Consultants Inc. (“P&E”) who prepared the 2015 NI 43-101 Mineral Resource Estimate for the Goliath Deposit (Press Release dated August 28, 2015). The drilling program initially targeted high-grade blocks (those with grades of >5.0 g/t AuEq) that reside mainly within, adjacent to and down dip of known Main Zone gold-bearing shoots at vertical depths in excess of 400 m from surface to a maximum depth of around 600 m over a strike length of around 950 m along the main gold deposit. Further, C Zone resource conversion drill targets were also identified for testing.

On October 2, 2017, the Company announced results from its recently completed 4,360 metre condemnation and exploration drilling program at the Company’s flagship Goliath Gold Project. The condemnation program drilled several areas where future mining infrastructure will be situated, including milling and mining operations, and is encouraged by a number of new near surface intersections northeast of the proposed open pit. Gold mineralization was intersected in several drill holes approximately 80 to 350 metres from the proposed open pit. Due to the proximity to the proposed open pit, these and future drilling results, may lead to an eastern expansion of the pit and/or underground operations (“East Resource Target”). There were a number of near surface highlights within the C Zone, located approximately 20-60 metres behind the Main Zone.

On May 30, 2018, the Company released additional assay results from the active infill and resource expansion/exploration drilling program. The title hole of this release, TL18-489, intersected 65.78 g/t over 3.00m including 1.00 m at 196.00 g/t in the C Zone, following up on nearby historical holes TL161-14RE which returned 5.47 g/t over 4.00m, TL17-422 with 4.10 g/t 5.00m, and TL16-420 with 2.72 g/t over 6.00m. The Company is encouraged to see mineralization at the bottom of the C Zone shoot, which is located behind the Main Zone. Further drilling in the area may delineate new gold ounces into inferred resources and eventually the mine plan.

On August 13, 2018, Treasury Metals announced assay results from three active exploration drilling zones, including results in the East Resource Target area, down dip within the developing C Zone shoot, and additional deep Main Zone infill drilling at Goliath Gold Project.

Goliath Gold Project latest eight quarters of exploration and development program expenditures

Goliath Gold Project	Balance	Incurred in three months ending				Balance
	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	30-Sep-19
Metallurgy	240,467	-	-	-	50	240,517
Geochemistry	121,388	-	-	-	-	121,388
Geotechnical	137,649	-	-	-	-	137,649
Hydrogeology	206,336	-	-	-	-	206,336
Environmental	1,150,996	-	-	-	27,309	1,178,305
Environmental Assessment	4,079,389	361,149	279,218	141,558	155,392	5,016,706
Pre-Feasibility & Feasibility	2,012,814	35,990	32,624	25,442	71,230	2,178,101
Drilling and other exploration exp.	22,440,446	134,882	168,083	99,096	360,452	23,202,959
Community Relations	349,946	129,057	137,840	66,809	127,313	810,966
Property purchases and payments	28,374,113	-	104,775	-	-	28,478,887
Dryden - salaries and consultants	7,391,355	107,869	121,189	112,486	93,710	7,826,609
Dryden Infrastructure	3,008,926	75,062	48,010	42,654	28,289	3,202,941
Amortization	422,530	11,091	11,793	11,793	11,793	469,000
Black scholes on options compensation	1,112,311	561	22,757	22,794	21,188	1,179,611
Total Goliath Gold Project	71,048,666	855,661	926,289	522,632	896,726	74,249,974

Goliath Gold Project	Balance	Incurred in three months ending				Balance
	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	30-Sep-18
Metallurgy	240,467	-	-	-	-	240,467
Geochemistry	121,388	-	-	-	-	121,388
Geotechnical	137,649	-	-	-	-	137,649
Hydrogeology	206,336	-	-	-	-	206,336
Environmental	1,150,996	-	-	-	-	1,150,996
Environmental Assessment	2,810,713	202,294	302,160	390,882	373,340	4,079,389
Feasibility	1,065,475	64,745	443,342	339,661	99,591	2,012,814
Drilling and other exploration exp.	19,652,608	211,809	684,589	1,660,551	230,889	22,440,446
Community Relations	207,664	11,690	62,633	17,557	50,403	349,946
Property purchases and payments	28,269,765	-	104,348	-	-	28,374,113
Dryden - salaries and consultants	6,873,637	39,981	121,402	155,895	200,440	7,391,355
Dryden Infrastructure	2,800,109	45,895	49,617	56,148	57,158	3,008,926
Amortization	378,347	11,792	10,797	10,797	10,797	422,530
Black scholes on options compensation	1,050,531	19,322	16,452	16,272	9,734	1,112,311
Total Goliath Gold Project	64,965,685	607,528	1,795,339	2,647,762	1,032,352	71,048,666

LARA POLYMETALLIC PROJECT

The Company inherited the Lara Project in early 2008, as part of the spin-out transaction from Laramide Resources Ltd. The Company, as a gold focused exploration and development company, does not consider this project to be a high priority in terms of its overall corporate strategy. Due to current market conditions, only minimal geological fieldwork has been done on the property. The Company would consider seeking a purchaser or joint venture partner for this non-core project.

In July 2018, Treasury Metals initiated an airborne LiDAR survey with Terra Remote Sensing Inc. (“Terra”) over the entire Lara claim package covering 63.88 km². This survey will not only increase the accuracy of future resource and engineering studies, but also aid in the successful planning and execution of future exploration programs. The survey was successfully flown on July 13, 2018, and the data processed and delivered over the following two months. A full set of 10cm resolution orthophotos comprising of 89 TIF image files, along with 1m resolution elevation contours, and 1m Digital Elevation Model (“DEM”) were provided to Treasury.

Lara Project latest eight quarters of exploration program expenditures

Lara Polymetallic Project - BC	Balance	Incurred in three months ending				Balance
	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	30-Sep-19
Consultants	129,117	-	-	-	5,231	134,348
Surveys	33,140	10,070	-	-	-	43,210
Camp field and land costs	709,678	-	-	-	-	709,678
Total Lara Polymetallic Project - BC	871,935	10,070	-	-	5,231	887,236

Lara Polymetallic Project - BC	Balance	Incurred in three months ending				Balance
	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	30-Sep-18
Consultants	129,117	-	-	-	-	129,117
Surveys	18,034	-	-	-	15,106	33,140
Camp field and land costs	709,178	-	-	-	500	709,678
Total Lara Polymetallic Project - BC	856,329	-	-	-	15,606	871,935

GOLDEYE EXPLORATIONS LIMITED

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 the Weebigee Project. The details of the acquisition are disclosed in Note 8 of the interim condensed consolidated financial statements. The principal project of Goldeye is the Weebigee Project, and additional properties including Gold Rock/Thunder Cloud and Shining Tree-Fawcett; Goldeye also has various NSR interests shown below.

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, which comprises 225 claims. Certain claims are subject to a 1% net smelter return (“NSR”) that is held by a former director of Goldeye.

On April 15, 2015, Goldeye entered into an option agreement (the “GPM Option Agreement”) with GPM Metals Inc. (“GPM”) whereby GPM 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. GPM 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, GPM will have the option to earn an additional 19.9% interest by either funding a bankable feasibility study, or at GPM’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. In July

2016, GPM sold its interest in the Weebigee property to Sandy Lake Gold Inc. (the “Optionee” or “SLG”). In April 2019, SLG announced it changed its company name to G2 Goldfields Inc. (the “Optionee” or “G2”).

Subsequent to Treasury’s acquisition of Goldeye, a number of disputes arose from the Option Agreement: the existence of a force majeure being validly declared; whether or not Sandy Lake Gold had met the first year expenditure requirements; and whether Goldeye met the requirements necessary to participate in 50% of certain additional properties staked by Sandy Lake Gold. These disputes went through an arbitration process that resulted in a decision that a force majeure event had occurred and, therefore, the first year’s expenditure deadline was extended, the first year’s expenditure requirement was met, and that Goldeye had not met the conditions to participate in specific additional property purchases. On January 16, 2019, the Arbitration Panel ruled that SLG is entitled to a costs award of \$926,960 which was recorded in the consolidated statement of operations of the year ended December 31, 2018. To promote working relations going forward, this amount was paid in September 2019.

There continues to be several deficiencies by the Optionee and as a result there are items in dispute pertaining to the Option Agreement. The Company and G2 Goldfields are working towards resolution.

On June 9, 2017 during the course of the above-described arbitration, SLG brought a counterclaim against Goldeye for \$2,000,000 plus pre-judgment and post-judgment interest and costs on a full indemnity basis for breach of contract, including breach of certain representations, warranties, and covenants. No further steps have been taken by SLG to advance the counterclaim so full discovery has not yet taken place. Accordingly, no amounts have been recorded in the interim condensed consolidated financial statements related to this matter.

The Option Agreement is subject to the terms of the exploration agreement signed between Goldeye and Sandy Lake First Nation (“SLFN”) on November 12, 2013. This exploration agreement was renewed for a two-year period on the same terms commencing on November 12, 2014, then renewed on the same terms for a further two-year period. On November 15, 2018, the agreement was signed for a further one year and a further renewal is being negotiated.

Weebigee is a large, relatively unexplored property which covers the most prospective portions of the Sandy Lake Greenstone belt, with similarities to the geology in the Red Lake District. In the Northwest Arm area, numerous gold showings occur within shoreline exposures of quartz-rich felsic pyroclastic units, proximal to a major deformation zone that crosses a folded ultramafic unit under the lake. Where high strain zones are evident, the felsic units show hydrothermal biotite-silica alteration, quartz veining and patchy to pervasive silica flooding, along with the development of distinct blue quartz eyes. It should be noted that much of the geology is obscured by shallow lakes and clay deposits, and the main deformation zones have never been drill tested. In the past, shoreline mapping/prospecting located a number of auriferous quartz tourmaline veins and silicified zones controlled by mafic-ultramafic dyke filled splays or high strain zones crosscutting regional foliations. Crack and seal textures, drag folded and dismembered veins, multi-stage quartz veining and local strong silica replacement zones indicate that hydrothermal alteration occurred during periods of active brittle-ductile deformation along the high strain zones. Geophysics and recent drilling indicate that a folded ultramafic horizon is located just offshore of several of these auriferous high strain zones.

Previous drilling (1988 and earlier) was limited to short holes targeting quartz tourmaline veins on the Bernadette, Wavano and Tully showings. Drilling indicated that the vein hosted gold mineralization persisted to depth, but was generally narrow where intersected (gold intercepts of 7.5 g/t over 0.8 metres, 27 g/t over 0.1 metres and 25.9 g/t over 0.1 metres). Wider zones of auriferous silicification and biotite alteration had seen limited chip sampling (eg. Knoll zone); at Knoll, two historic chip samples had been taken along a sample line across the zone, returning gold values of 19.3 and 8.2 g/t over a total composite length of 5.5 metres. This area was the focus of the 2013 channel sampling and mapping programs, which confirmed the high grade nature of the showing (individual 0.3 m channels assayed 20.9, 22.0 and 34.1 g/t) as well as much more widespread highly anomalous gold mineralization (27 gold channel sample assays greater than 1 g/t). Several 2 to 5 metre wide areas of the Knoll zone show complete silica-biotite replacement of the quartz crystal tuff units, indicating a widespread, long-lived structural and hydrothermal event.

A 23-hole drill program completed during February and March 2014, resulted in a significant high-grade gold discovery at Weebigee. Drilling focused on three showing areas (Knoll, Bernadette, and RvG4) that returned significant gold values from channel sampling in 2013. The following table highlights the gold grades over core interval composites (uncut) from this 2014 drill program:

Zone	Hole	Depth (m)	Interval (m)	Assay (g/t Au)
Knoll	BK 14-07	51.8 - 55.70	3.90	18.69
Knoll	BK 14-05	14.65 - 18.15	3.50	12.45
Knoll	BK 14-16	78.33 - 85.16	6.83	8.59
Knoll	BK 14-11	22.10 - 27.57	5.47	6.71
Knoll	BK 14-12	20.70 - 27.73	7.03	6.76
Bernadette	BK 14-03	34.15 - 35.30	1.15	70.23
Bernadette	BK 14-23	7.85 - 11.70	3.85	10.89
RvG4	BK 14-18	43.56 - 47.53	3.97	23.15
RvG4	BK 14-17	48.68 - 53.19	4.51	9.35

Each of the 15 drill holes at the Knoll Zone intersected significant gold mineralization. Twenty-four core samples assayed over 10 g/t Au, including 1 intersection of 57.9 g/t Au. On the parallel Bernadette Zone, 100 m to the east, 5 individual assays over 10 g/t Au were returned, including one of 131 g/t and one of 230 g/t Au. The RvG4 Zone, on strike and 500 m to the northwest, also returned high-grade gold values with eight core samples over 10 g/t Au, five of which were over 30 g/t Au. Overall, visible gold was noted in 50% of the holes drilled. At Knoll a strike length of 100 metres was tested, with only one hole stepped back to test a vertical depth of 100 metres. All zones remain open in all directions. Additional areas of interest on the Weebigee project include Sandborn Bay, which hosts numerous Cu-Zn showings, some with highly elevated silver values in cherty and cordierite-rich horizons. The Canoxy area and Tully and Tully West showings host gold mineralization related to sulphide and sulphidized iron formation.

In the summer of 2015, a Prospecting and Airborne Survey was completed consisting of 1,274.5 km of horizontal gradiometer and VTEM data collected over two blocks, B and F, on the western part of the Sandy Lake greenstone belt. Line separation was 200 metres with a mean sensor altitude of 45 metres. Third party consultants interpreting the data reported that the EM and magnetic configurations of the system were well suited for the geological environment at Sandy Lake and that data was of good quality.

On May 13, 2019 and September 4, 2019, Treasury Metals announced significant exploration results on its 100% owned Weebigee Gold Project in northwestern Ontario. The optionee earning into the Weebigee Project, G2 Goldfields Inc., reported in the May press release the results of drilling of six holes, totaling 1,980 meters, followed by the September results. The holes are on the Treasury Metals property under Option Agreement with G2. Drilling highlights in May include: From 58 m: 2.4m at 3.89 g/t Au; From 69m: 8.0m at 34.5 g/t Au; From 95.8m: 1.64m at 49.83 g/t Au; and, From 104m: 3.0m at 3.06 g/t Au. Drilling highlights in September include: 0.75 metres of 450 g/t Au and 1.40 metres of 11.85 g/t Au in holes, 19-12 and 19-14. Further details can be found in press releases at www.treasuremetals.com.

Community Relations

Engagement and community relation efforts have been ongoing with Sandy Lake First Nation. Company representatives have conducted communication efforts and multiple community visits as part of these activities. Treasury Metals held a collaborative meeting with leadership of the community and Treasury's Optionee. These meetings have resulted in the current Exploration Agreement in place, as described earlier in this MD&A.

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 legacy claims and the Thunder Cloud property consisting of 1 legacy claim. All claims at the Gold Rock Project are in good standing until 2019 or later.

Shining Tree-Fawcett Project, Ontario

The Shining Tree-Fawcett Project consists of 53 claims in Fawcett, Leonard, MacMurchy and Tyrell townships, near Timmins in northeastern Ontario. Fifty-two of the claims are 100% owned by Goldeye and one claim is 50% owned by Goldeye and 50% owned by third parties. All claims are in good standing. The property is subject to net smelter returns ranging from 2% to 3% on certain claims in this area.

In January and February 2019, Treasury Metals initiated a helicopter-borne Versatile Time Domain Electromagnetic (VTEM plus) and Horizontal Magnetic Gradiometer geophysical survey completed by Geotech Airborne Geophysical Surveys ("Geotech") over the entire Shining Tree-Fawcett claim package covering 50 km². The survey identified a number of conductors across the property that coincide with areas of attractive geological features.

In June 2019, the Company consolidated the Shining Tree-Fawcett property with the acquisition of an option agreement from Platinex Inc. on the northwest portion of the claim block. The 4 km² claim block was previously 50% owned by Treasury with the remaining 50% under option agreement held by Platinex. The non-material transaction creates a simplified ownership structure and is located in an area that contains a number of conductors identified by the survey.

On August 6, 2014, Goldeye received \$30,000 from Creso Resources Inc. (“Creso”) as settlement towards the dispute relating to Creso’s termination of an option agreement on February 1, 2012. The option agreement was originally entered into in January 2010 whereby the Company optioned up to 75% of 23 claims in Tyrrell Township in the Shining Tree-Fawcett Project to Creso.

Other Goldeye Interests

The Company has also the following NSR interests which were held by Goldeye: Sonia-Puma NSR – Region V, Chile; McFaulds Lake NSR – Thunder Bay Mining Division, Ontario; and, MacMurchy Township NSR – Larder Lake Mining Division, Ontario.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table summarizes selected financial data for Treasury Metals for each of the last eight quarters. The information set forth below should be read in conjunction with the September 30, 2019 interim condensed consolidated financial statements and the related notes thereto, prepared by management in accordance with International Financial Reporting Standards. Detailed explanations of quarterly variances are included in each quarterly MD&A filed on SEDAR.

	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	Sep-19	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17
	\$	\$	\$	\$	\$	\$	\$	\$
Other income	73	267	883	-	1,046	-	699	-
Expenses	925,022	710,411	622,491	2,266,775	682,415	1,421,883	1,279,765	984,624
Investments write-off	-	-	-	-	-	-	-	65,018
Loss on debt extinguishment	-	-	-	(112,259)	-	-	-	1,311,635
Fair value change of derivative liability	827,360	(495,134)	5,466	452,474	(142,460)	(962,242)	(123,195)	(1,247,543)
Income tax expense (recovery)	-	-	(61,364)	30,235	-	-	(280,035)	(1,146,129)
Net loss	(1,752,309)	(215,010)	(565,710)	(2,637,225)	(538,909)	(459,641)	(875,836)	32,395
Net loss per share (basic and diluted)\$	(0.01)	0.00	(0.01)	0.00	0.00	0.00	(0.01)	0.00
Other comprehensive income (loss)	(36,318)	(25,424)	(1,596)	(179,232)	(105,837)	(58,369)	105,795	179,872
Total comprehensive loss	(1,788,627)	(240,434)	(567,306)	(2,816,457)	(644,746)	(518,010)	(770,740)	212,267
Mineral properties and deferred costs	79,037,995	78,128,266	77,584,283	76,503,961	75,578,724	74,515,143	72,115,581	70,290,674
Total current liabilities	3,348,865	3,041,113	3,542,018	3,704,689	6,339,052	2,005,184	2,531,538	3,002,512
Total assets	82,154,576	83,461,816	81,019,774	81,623,662	80,306,482	81,926,077	77,215,813	78,183,283

The most significant expense variances quarter to quarter are due to the vesting cost of the various stock option issuances while there is also \$149,734 and \$1,311,635 in Q4 2017 and 2018, respectively, of loss on the Extract/Loinette debt first and second amendments which were treated as debt extinguishments for accounting purposes. The third debt amendment signed on August 14, 2019, is considered a debt modification for which the additional costs are amortized over the remaining life of the debt. There are gains or losses due to the fair value variances of the derivative liabilities; also, there is the amortization of transaction costs and accretion of the convertible debt from Extract/Loinette. Q4 2018 expenses include \$820,325 of a cost award made as a result of the arbitration between Goldeye and Sandy Lake Gold (now “G2 Goldfields”).

The quarterly variations in the other comprehensive income (loss) result from the quarter end adjustments to market value of the shares of Goldgroup Mining Inc., Zinc One Resources Inc. and Millrock Resources Inc. The fluctuation in total assets from one quarter to the next is primarily a function of cash increases through the financing transactions, issuance of shares, the exercise of warrants and options, the valuation at fair market value of the long-term investments, and the use of cash for operating expenses. In addition, the Q3 2019 financial data reflects that the abovementioned cost award was paid to G2 Goldfields in September 2019, as described earlier in this report.

FINANCIAL RESULTS OF OPERATIONS

Three months ended September 30, 2019 compared with three months ended September 30, 2018

The net loss for the three-month period ended September 30, 2019 was \$1,752,309 (2018 – \$538,909). The variance is explained as follows:

- In Q3 2019, office and administrative expenses are \$73,372 higher than Q3 2018, which is explained by the \$28,108 increase in marketing and a \$27,325 non-recurring recovery of HST in 2018 resulting from a sales tax review by a third party.
- Professional fees expense in Q3 2019 is \$34,703 lower than Q3 2018 mainly due to the non-recurring charge in Q3 2018 of \$67,000 fees for tax advice regarding the flow-through assessment by CRA partially offset by \$24,657 of Q3 2019 legal expenses regarding the Weebigee arbitration.
- In Q3 2019, \$201,584 salary and benefits expense is \$51,816 higher than the \$149,768 expenses in Q3 2018 mainly due to the \$37,500 of retroactive salary and bonus paid to the CEO and the allocation of slightly higher administrative salaries.
- In Q3 2019, there is \$53,092 of stock-based compensation expense against \$32,131 in Q3 2018 due to the higher balance of unvested options in 2019.
- In Q3 2019, the accretion and amortization of transaction costs on financing debt is \$7,220 lower than Q3 2018 because at present there is a longer period of accretion due to the second and third debt amendments signed in November 2018 and August 2019, respectively.
- Interest in Q3 2019 is at the same level as Q3 2018 because there have not been any changes in the Extract loan amount or interest rate.

- There is a \$61,086 foreign exchange loss in Q3 2019 versus a \$86,107 gain in Q3 2018 mainly due to the effect of the Canadian dollar weakening against the US dollar in Q3 2019 versus a US dollar weakening against the Canadian dollar in Q3 2018; such variances mainly impact the US dollar debts of the Company.
- In Q3 2019, there is a \$827,360 unrealized loss from the change of the fair value of the derivative liabilities compared to a \$142,460 gain in Q3 2018. The derivative liability is a result of the conversion feature of the US dollar denominated Extract/Loinette convertible debt.

Nine months ended September 30, 2019 compared with nine months ended September 30, 2018

The net loss for the nine-month period ended September 30, 2019 was \$2,533,029 (2018 – \$1,874,386). The variance is explained as follows:

- The office and administrative expenses in 2019 are \$156,651 higher than 2018, which is explained by the \$164,342 increase in investor relations expenses mainly in the marketing services and partially offset by the \$9,308 reduction of regulatory fees with respect to the previous year.
- Professional fees expense in 2019 is \$803,000 lower than 2018 mainly due to the legal expenses regarding the Weebigee arbitration spent in 2018.
- In 2019, \$486,786 salary and benefits expenses are \$196,488 lower than the \$683,274 expenses in 2018 mainly due to the merging of management roles in 2019 partially offset by the retroactive salary and bonus paid in Q3 2018.
- In 2019, there is \$167,389 of stock-based compensation expense against \$99,952 in 2018 due to the higher balance of unvested options in 2019.
- In 2019, the accretion and amortization of transaction costs on financing debt is \$44,566 lower than 2018 because at present there is a longer period of accretion due to the debt amendments signed in November 2018 and August 2019.
- Interest in 2019 is at the same level as 2018 because there have not been any changes in the Extract loan amount or interest rate.
- There is a \$132,332 foreign exchange gain in 2019 versus a \$168,393 loss in 2018 mainly due to the effect of the US dollar weakening against the Canadian dollar in 2019 versus a Canadian dollar weakening against the US dollar in 2018; such variances mainly impact on the US dollar debts of the Company.
- In 2019, there is a \$337,692 unrealized loss from the change of the fair value of the derivative liabilities compared to a \$1,227,897 gain in 2018. The derivative liability is a result of the conversion feature of the US dollar denominated Extract/Loinette convertible debt.
- The deferred tax gain in 2019 of \$61,364 is lower than the \$280,035 gain of 2018, mainly due to the lower premium regarding the flow-through shares issued in December 2018 against the premium of the flow-through issued in December 2017.

FINANCINGS

On November 1, 2019, the Company announced it has entered into an agreement with a syndicate of underwriters (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, 8,100,000 flow-through units (the "Flow-Through Units") of the Company, at a price per Flow-Through Unit of \$0.285 (the "Issue Price"), for gross proceeds of \$2,308,500 (the "Offering"). The Issue Price represents a premium of approximately 14% to the closing price of the Corporation's common shares on the Toronto Stock Exchange on October 31, 2019.

Each Flow-Through Unit shall be comprised of one common share of the Company issued on a flow-through basis ("Flow-Through Share") and one-half of one common share purchase warrant to be issued on a non-flow-through basis (each whole such warrant, a "Warrant"). Each whole Warrant shall entitle the holder thereof to acquire one common share of Treasury at a price of \$0.45 for a period of 24 months following the closing of the Offering, and, at the discretion of the Company, may be subject to acceleration and called prior to the expiry date in the event that the closing price of the Common Shares is \$0.75 or more for twenty consecutive trading days. The Flow-Through Shares will qualify as "flow-through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada).

The Offering is scheduled to close on or about November 21, 2019, or such other date as agreed between the Company and the underwriters, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the Toronto Stock Exchange.

The underwriters will receive on closing of the Offering: (i) a cash commission of 6.0% of the gross proceeds of the Offering, excluding gross proceeds from the issuance of Flow-Through Units on a president's list to be agreed upon by the Company and the Underwriters (the "President's List") for which a commission of 3.0% of such gross proceeds will be paid by the Company to the Underwriters; and (ii) that number of non-transferable compensation options as is equal to (a) 6.0% of the aggregate number of Flow-Through Units sold under the Offering, excluding those Flow-Through Units sold to subscribers on the President's List, and (b) 3.0% of the aggregate number of Flow-Through Units sold under the Offering to participants on the President's List. Each compensation option shall be exercisable into one common share of the Company at a price of \$0.285 per common share for a period of 24 months from the closing date of the Offering.

The financing transactions executed in the reported periods are as follows:

- On June 6, 2019, the Company closed concurrent non-brokered private placements. The first private placement consisted of the issuance of 8,894,254 units at a price of \$0.24 per unit for aggregate gross proceeds of \$2,134,620. The second private placement consisted of the issuance of 5,486,000 flow-through units at a price of \$0.25 per flow-through unit for aggregate gross proceeds of \$1,371,500.
- On December 17, 2018, the Company closed a private placement for aggregate gross proceeds of \$2,254,160 through the issuance of 8,348,741 flow-through common shares at a price of \$0.27 per share. The Flow-Through Shares are subject to a four-month hold period. The Company incurred

\$144,202 of issue costs regarding this private placement. The proceeds will be used to incur Canadian Exploration Expenses qualified as “flow-through mining expenditures” under the Income Tax Act.

- On June 25, 2018, the Company closed a private placement for aggregate gross proceeds of \$5,000,000 through the issuance of 11,904,762 units at a price of \$0.42 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles his holder to acquire one common share at an exercise price of \$0.60 for a period of 60 months from the date of issuance. The Company paid \$138,588 of issue costs regarding this private placement.

LIQUIDITY

As at September 30, 2019, the Company had a working capital deficiency of \$432,663 excluding the non-cash unrenounced flow-through share premium liability and the derivative liability (December 31, 2018 –working capital of \$882,045). As disclosed in the Financing section of this report, in November 2019, it is expected to close a \$2.3 million offering agreed with certain underwriters. On the other hand, on June 6, 2019, the Company closed two concurrent financings of \$2,134,620 and \$1,371,500, respectively. Details of the sources and uses of funds for the period ended September 30, 2019 are presented in the statement of cash flows contained in the Company’s interim condensed consolidated financial statements at September 30, 2019.

Regarding the Extract loan, on August 14, 2019, a third amendment agreement was closed extending the maturity to November 30, 2022; also, the conversion price of the share has been fixed to \$0.32. As consideration, the Company paid to Extract an amendment fee of USD\$44,000 (\$58,630) and issued 600,000 warrants entitling Extract to purchase common shares at an exercise price of \$0.40 per share for a three-year term.

Previously, on November 30, 2018, a second amendment agreement was closed extending the maturity to November 30, 2021. Pursuant to the terms of the extension, US\$2.2 million (CAD\$2.9 million) of the Tranche 1 loan was repaid by Extract to Loinette; therefore, the total debt of US\$4.4 million (CAD\$5.8 million) is entirely owed to Extract; also, the conversion price of the share was fixed to \$0.36. As consideration, the Company paid to Extract an extension fee of \$150,062 and issued 600,000 warrants entitling Extract to purchase common shares at an exercise price of \$0.40 per share for a three-year term.

As at September 30, 2019, and at the date of this report,

- The cash resources of the Company are held in cash with major Canadian financial institutions;
- Accounts receivable and prepaid expenses are comprised mainly of advances to contractors and sales tax receivables from the Government of Canada. Accounts receivable and prepaid expenses have decreased mainly due to the lower advances to contractors which also originates the lower HST receivable in the current period.

- Investments in marketable securities as at September 30, 2019, consist of 552,036 shares of Zinc One Resources Inc. which the Company holds as a result of the exchange of 3,036,200 shares of Forrester Metals Inc., 377,775 shares of Goldgroup Mining Inc., and 217,778 shares of Millrock Resources Inc., all of which have a current market value of \$41,685. The Company may sell its investments to access funds to settle its obligations as they arise.
- The Company's debt to Extract is CAD\$4,546,437 at September 30, 2019, which consists of the US\$4.4 million (CAD\$5.8 million) loan received offset by the unaccreted costs of \$1.3 million. There is also a \$28,227 mortgage balance for which the Company must make annual payments of approximately \$23,000, until October 2020 and a total lease payable of \$19,201 in monthly installments until August 2021. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Company must utilize its current cash reserves, funds obtained from the exercise of warrants and options, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company relies on external financing to generate sufficient operating capital. Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and as such, alternative funding programs are also being pursued by the Company. The Company's management believes it will be able to raise any required funds in the short term. Management will monitor the current market situation and make prudent business decisions as they are required. See "Risk Factors".

The Company's success depends on the successful development of the Goliath Gold Project 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 Project.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table sets forth information concerning the outstanding securities of the Company at the date of this report:

Common Shares of no par value	Number
Shares	159,570,255
Warrants	26,172,421
Options	5,275,000

See Notes 11 to 13 to the September 30, 2019 interim condensed consolidated financial statements for more detailed disclosure of outstanding share data.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended September 30, 2019, there were no off-balance sheet transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

CONTINGENCIES AND COMMITMENT

The Company has made the following commitments as of the date of this MD&A:

- Certain underlying royalties and payment obligations of \$105,000 per year remain on 13 of the 23 patented land parcels.
- The Company is committed to spend \$2,254,160 by December 31, 2019 and \$1,371,500 by December 31, 2020 on Canadian exploration expenses (“CEE”) as part of its flow-through funding agreements dated December 17, 2018 and June 6, 2019; at September 30, 2019 the Company has spent \$1,511,946. All flow-through spending commitments from previous flow-through financings have been fulfilled.
- An audit was initiated by the Canada Revenue Agency (the “CRA”) in December 2016 of the flow-through expenditures incurred by the Company 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. The Company strongly 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 and tax amount, no liability has been recorded in the interim condensed consolidated financial statements.

RELATED PARTY TRANSACTIONS

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.

At September 30, 2019, there is \$3,585 of net accounts payable (2018 – net receivable of \$11,105) from Laramide Resources Ltd., a company having a director, Marc Henderson, and an officer, Dennis Gibson, in common with Treasury Metals. The details of the transactions with Laramide are, as follows:

Periods ended September 30	2019	2018
Office rent paid by Laramide	\$92,691	\$95,663
Shared expenses paid by Laramide on behalf of the Company	\$45,019	\$45,788
Shared expenses paid by the Company on behalf of Laramide	(\$3,321)	(\$12,286)
Net Total	\$134,839	\$129,165

At September 30, 2019, there is \$170 of accounts receivable from Cypherpunk Holdings Inc. (December 31, 2018 – \$192), a company that has an officer and director, Marc Henderson, and an officer, Dennis Gibson, in common with Treasury Metals. During the period, the Company charged \$3,718 of shared expenditures paid on behalf of Cypherpunk Holdings Inc.

Transactions with related parties were conducted in the normal course of operations and are measured at the exchange amounts.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

FINANCIAL INSTRUMENTS

The current bank accounts, accounts receivable and accounts payable are non-interest bearing. The majority of cash and cash equivalents are held in short-term investments bearing interest up to 0.8%.

The principal financial instruments affecting the Company's financial condition and results of operations is currently its cash, which it receives from interest and royalty payments, its investment portfolio and any financing transactions entered into by the Company. These sources of revenue are subject to various risks, including production risks with respect to the royalty payments and market risks with respect to the investment portfolio. The investment portfolio is managed by the Company.

RISKS AND UNCERTAINTIES

The Company's Risks and Uncertainties are disclosed in Treasury Metals Inc.'s Annual Information Form dated April 1, 2019, which is filed on SEDAR and is herein incorporated by reference. Risks are reviewed and updated each quarter when new events or changes in the jurisdictions where the Company operates necessitate new risk analysis. There have been no new risks identified to the date of this MD&A.

OTHER INFORMATION

This discussion and analysis of the financial position and results of operation as at September 30, 2019 should be read in conjunction with the interim condensed consolidated financial statements for the nine months ended September 30, 2019 and 2018. Additional information can be accessed at the Company's website www.treasuremetals.com or through the Company's public filings at www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements are the responsibility of the Company's management, and have been approved by the Board of Directors. The financial statements were prepared by the Company's management in accordance with IFRS. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

DISCLOSURE CONTROLS AND PROCEDURES

Management has designed and evaluated the effectiveness of our disclosure controls and procedures and the internal controls on financial reporting and have concluded that, based on our evaluation, they are sufficiently effective as of September 30, 2019 to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for certifying the design of the Company's internal control over financial reporting ("ICFR") as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" and CSA staff notice 52-316 – "Certification of Design of Internal Control over Financial Reporting".

Our Internal Control over Financial Reporting is intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. Internal Control over Financial Reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of our assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors;
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Financial Officer, has evaluated the design of the Company's internal controls over financial reporting as of September 30, 2019, pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate internal controls over financial reporting for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS except as noted herein. There have been no changes in internal control over financial reporting during the period ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Greg Ferron
Chief Executive Officer
November 13, 2019

Qualified Person

Mark Wheeler, the Company's Director, Projects, is a Qualified Person as defined by NI 43-101, and is responsible for the preparation of, and has reviewed and approved, the technical disclosure in this Management's Discussion and Analysis, unless otherwise indicated.

Cautionary Note Regarding Forward-Looking Statements

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of the Company to fund the capital and operating expenses necessary to achieve the business objectives of the Company, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this management discussion and analysis are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.