



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019**

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 and Goldlund Gold Projects. The Goliath Gold 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 2020 and 2019 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. The Goldlund Gold Project is operated from the Goliath Gold Project office, approximately 35 kilometres by road from Goldlund.

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 consolidated financial statements for the nine months ended September 30, 2020 and 2019, including the related notes thereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This MD&A is presented as of October 30, 2020. 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.

Q3 Highlights

The third quarter of 2020 was a transitional one for Treasury. The Company completed the acquisition of the neighbouring Goldlund Gold Project from First Mining Gold Corp., initiated a search for a CEO to lead the next phase of growth, and continued to advance technical work on the Company’s projects, including the Goliath Gold Project (“Goliath”) and the Goldlund Gold Project (“Goldlund”). Highlights for the quarter and subsequent events to the date of this MD&A include:

- ❖ On October 27, 2020, Treasury announced that it had retained Ausenco as the lead engineer for the completion of a combined Preliminary Economic Assessment (the “PEA”) for Goliath and Goldlund. The PEA contemplates the construction of a centrally located processing facility on the Goliath project site, with ore feed to be supplied from both Goliath and Goldlund, with a target scenario of more than

100,000 ounces of gold production per year over a more than 12-year mine life. The PEA is targeted for completion during the first quarter of 2021.

- ❖ On August 17, 2020, the Company announced a planned leadership change, pursuant to which the Company would initiate a search for a new CEO who would be positioned to accelerate development of an integrated Goliath-Goldlund project.
- ❖ On August 7, 2020, the Company closed a \$11.52 million bought deal private placement of 10,666,667 subscription receipts at a price of \$1.08 each. This financing was completed in connection with the share purchase agreement signed with First Mining Gold Corp.
- ❖ On August 7, 2020, the Company closed a definitive share purchase agreement signed with First Mining Gold Corp., pursuant to which Treasury will acquire all of the issued and outstanding shares of Tamaka Gold Corporation, a wholly owned subsidiary of First Mining Gold Corp.

OUTLOOK

Following the acquisition of the Goldlund Gold Project, the fundamental business objective of Treasury Metals has expanded to incorporate the advancement of the combined Goliath and Goldlund projects to a construction decision. During the quarter, the company announced that it had retained Ausenco to lead the completion of a PEA which would evaluate a combined development scenario for the two projects. During the fourth quarter of 2020 and into 2021, the Company intends to continue to advance this study, including several supporting works which will position the business for long-term success.

Key next steps for the completion of the PEA include:

- ❖ Completion of preliminary engineering studies for a combined project, including milling and processing studies, tailings storage, and preliminary mining schedules for open pit and underground mining.
- ❖ Advancement of permitting at the Goldlund Gold Project and environmental baseline studies and drilling at the Goldlund Gold Project.
- ❖ Completion of infill and step-out drilling to support further studies to be used for the pre-feasibility study (“PFS”).

In addition, the company has planned an exploration program which will evaluate certain attractive near-mine targets, including the Miller Project, a potential satellite deposit which is located to the northeast of the Main Zone of the Goldlund Gold Project.

It is currently expected that the PEA will be completed during Q1 2021 with the objective of defining the potential for a project which could produce more than 100,000 ounces per year over a more than 12-year mine life.

Following completion of the PEA, the company intends to initiate a pre-feasibility study which will further evaluate the development alternatives for the project and refine capital and operating cost estimates. Technical work is already underway in support of the PFS in order to ensure that the project advances as rapidly as possible.

The Federal Environmental Assessment having been favorably received in August 2019, the Provincial and construction permitting activities will be ongoing throughout the end of 2020 and 2021. It is expected that applications will be finalized and submitted to relevant authorities throughout 2021 as information on each project becomes available. The Goliath Gold Project is expected to advance in permitting with the currently known baseline and technical information. At the Goldlund Project, additional environmental baseline work will be ongoing with the objective to use this data to commence permitting activities in late 2021. Treasury will continue engagement with local First Nations, Métis and community groups throughout each phase of the development of the projects.

Since early 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Through a thorough review of operating expenses and the scheduling of some expenditures, the Company is focused on prudently managing the Company’s financial resources and planned activities pending a resolution of the COVID-19 pandemic.

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.

Goldlund Gold Project

On August 7, 2020, the Company closed a definitive share purchase agreement with First Mining Gold Corp. (“First Mining”) pursuant to which Treasury acquired all of the issued and outstanding shares of Tamaka Gold Corporation, a wholly-owned subsidiary of First Mining that owns a 100% interest in the Goldlund Gold Project (“Goldlund”), located adjacent to Goliath Gold Project.

The \$91,484,276 purchase price of the transaction was determined as per the fair value of the financial instruments and other non-financial assets and liabilities provided by the Company. In exchange for all of the issued and outstanding common shares of Tamaka, First Mining received from the Company 43,333,333 common shares and 11,666,667 warrants with an exercise price of \$1.50 for a period of 36 months, a 1.5% net smelter returns royalty (“Goldlund Royalty”) with the option for the Company to buy-back 0.5% of the Goldlund Royalty for \$5.0 million, and a milestone cash payment of \$5.0 million, with 50% payable upon receipt of a final and binding mining lease under the Mining Act (Ontario) to extract ore from an open pit mine at Goldlund, and the remaining 50% payable upon the extraction of 300,000 tonnes of ore from a mine at Goldlund. In addition, the Company incurred \$2,317,774 in consulting and legal costs related to the acquisition.

Within 12 months of closing of the Transaction, First Mining intends to distribute up to 23.3 million of the Treasury Metals common shares and all the Treasury Metals Warrants to its shareholders, retaining approximately 20 million Treasury Metals shares following the distribution, leaving First Mining with no more than 19.9% holding of Treasury Metals.

Goldlund hosts a large near-surface gold resource estimated to contain 809,200 ounces of gold in the Indicated category, plus 876,954 ounces of gold in the Inferred category within a 280 km² property package located directly to the northeast of Goliath. The close proximity of the projects, combined with well-developed infrastructure in the region, is expected to generate co-development synergies as the properties are advanced in tandem.

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 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. (renamed G2 Goldfields Inc.) and Goldeye.

Three other gold exploration properties were inherited with the Goldeye acquisition: Gold Rock/Thunder Cloud; Shining Tree-Fawcett (subsequently acquired by Plantinex Inc. in Q3 2020); 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;
 - Totalling 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, including In-Pit: +9.0 % (1.45 g/tonne AuEq); Out of Pit: +8.0 % (5.54 g/tonne AuEq); and, in 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.

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”) under EA guidelines 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 Goliath Gold 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 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 floatation 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. Further, it is anticipated in addition to these agreements referred to in the latter the Company will engage certain identified Indigenous communities in comprehensive agreement discussions focusing on

continued dialogue, education, training, and other Project aspects. Treasury Metals 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 562 diamond drill holes comprised of 528 newly collared holes, 4 wedge holes, and 30 re-entry holes for a total of 180,269 metres have been drilled on the property. Further details can be found at www.treasuremetals.com.

The Company has received the results of the second phase of its Spatiotemporal Geochemical Hydrocarbon (SGH) soil sampling program that covered approximately 5 km of strike length northeast of the Goliath Gold Deposit including 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 program's initial phase was completed during the 2018 field season and included an orientation survey over the resource area to characterize the surficial signature of the gold mineralization at depth. 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. The survey was successful in identifying several anomalies of interest, similar to those identified over the deposit area during the initial orientation survey. Analysis and interpretation are encouraging to date, and are in progress. This will aid in future exploration programs.

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. The IP survey determined 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 as an aid in the targeting in the Q4 2019 drill program, focused on extending the high-grade shoots at depth to expand the current resources and completing additional infill of C East resource area.

On May 30, 2018, the Company released additional assay results from the active infill and resource expansion/exploration drilling program. TL18-489 intersected 65.78 g/t over 3.00 m 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 4.00 m, TL17-422 with 4.10 g/t 5.00 m, and TL16-420 with 2.72 g/t over 6.00 m. The Company is encouraged to see mineralization at the bottom of the C Zone shoot, which is located behind the Main Zone. On August 13, 2018, the Company announced assay results from three 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-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Sep-20
Metallurgy	240,517	-	-	-	-	240,517
Geochemistry	121,388	-	-	-	-	121,388
Geotechnical	137,649	-	-	-	-	137,649
Hydrogeology	206,336	-	-	-	-	206,336
Environmental	1,178,305	7,846	10,936	-	-	1,197,086
Environmental Assessment	5,016,706	14,135	7,316	-	-	5,038,157
Pre-Feasibility & Feasibility	2,178,101	90,104	1,485	-	46,447	2,316,136
Drilling and other exploration exp.	23,202,959	654,334	896,856	85,133	101,977	24,941,259
Community Relations	810,966	13,937	16,554	-	-	808,348
Property purchases and payments	28,478,887	-	104,546	-	-	28,583,433
Dryden - salaries and consultants	7,826,609	127,250	125,477	81,713	118,212	8,279,261
Dryden Infrastructure	3,202,941	61,558	48,227	15,284	87,938	3,415,948
Amortization	469,000	14,242	12,247	12,247	12,247	519,983
Black-Scholes on options compensation	1,179,611	46,143	33,605	31,709	15,031	1,306,099
Total Goliath Gold Project	74,249,974	1,029,549	1,224,140	226,086	381,852	77,111,601

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

GOLDLUND GOLD PROJECT

On August 7, 2020, the Company closed a share purchase agreement with First Mining Gold Corp. for the acquisition of all of the shares of Tamaka Gold Corporation, a subsidiary of First Mining Gold, a public company owning a 100% interest in the Goldlund Gold Project, located adjacent to Goliath Gold Project.

The \$91,484,276 purchase price of the transaction was determined as per the fair value of the financial instruments and other non-financial assets and liabilities provided by the Company. In exchange for all of the issued and outstanding common shares of Tamaka, First Mining received from the Company 43,333,333 common shares and 11,666,667 warrants with an exercise price of \$1.50 for a period of 36 months, a 1.5% net smelter returns royalty (“Goldlund Royalty”) with the option for the Company to buy-back 0.5% of the Goldlund Royalty for \$5.0 million, and a milestone cash payment of \$5.0 million, with 50% payable upon receipt of a final and binding mining lease under the Mining Act (Ontario) to extract ore from an open pit mine at Goldlund, and the remaining 50% payable upon the extraction of 300,000 tonnes of ore from a mine at Goldlund. In addition, the Company incurred in \$2,317,774 for consulting and legal costs related to the acquisition.

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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-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Sep-20
Consultants	134,348	-	-	-	-	134,348
Surveys	43,210	-	-	-	-	43,210
Camp field and land costs	709,678	500	-	-	-	710,178
Total Lara Polymetallic Project - BC	887,236	500	-	-	-	887,736

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

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 consolidated financial statements. The principal project of Goldeye is the Weebigee Project, and additional properties including Gold Rock/Thunder Cloud and Shining Tree-Fawcett (sold in Q3 2020 to Platinex Inc.); 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”). 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 certain additional properties. On January 16, 2019, the Arbitration Panel ruled that SLG is entitled to a costs award of \$926,960 of which \$820,325 was recorded in the consolidated statement of operations of the year ended December 31, 2018. Subsequently, to promote working relations and work activity on the Weebigee property going forward, the award was paid in September 2019.

There continues to be issues in dispute under the Option Agreement, including the detail and amount of expenditures incurred by G2 Goldfields, as well as the status of the transfer of additional Interests paid by the Company. G2 Goldfields and the Company are not in agreement as to whether G2 Goldfields is in compliance with the Option Agreement.

On June 9, 2017 during the course of the above-described arbitration, SLG (now known as G2 Goldfields, as stated above) 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 the Optionee to advance the counterclaim so full discovery has not yet taken place. Accordingly, no amounts have been recorded in the 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 has commenced. SLFN and Goldeye agree that the next renewal agreement is to more fully reflect the ongoing development of the project.

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.

In 2019, G2 Goldfields announced the results from seven new drill holes on September 3, 2019, including the discovery of a new zone of mineralization in the W3 area. Subsequent to the September 3 release, the G2 Goldfields completed drilling an additional four holes totalling approximately 750 meters. All new diamond drill holes were completed in the W3 Zone, 1.8 kilometers east of the W1/W2 area.

Goldeye Project latest eight quarters of exploration program expenditures

Goldeye Project	Balance	Incurred in three months ending				Balance
	30-Jun-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Sep-20
Consultants	10,176	-	-	-	-	10,176
Camp field and land costs	45,428	7,500	33,908	-	7,500	94,336
Other	251,248	15,450	450	5,931	451	273,530
Acquisitions of properties and data	4,084,678	-	-	-	(1,216,038)	2,868,640
Option agreement collections	490,745	-	-	-	-	490,745
Total Goldeye Project	3,900,786	22,950	34,358	5,931	(1,208,087)	2,755,938

Goldeye Project	Balance	Incurred in three months ending				Balance
	30-Jun-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	30-Sep-19
Consultants	10,175	-	-	-	-	10,176
Camp field and land costs	18,750	2,400	7,500	9,456	7,322	45,428
Other	35,265	57,106	137,362	21,066	450	251,248
Acquisitions of properties and data	4,084,678	-	-	-	-	4,084,678
Option agreement collections	490,745	-	-	-	-	490,745
Total Goldeye Project	3,658,123	59,506	144,862	30,522	7,772	3,900,786

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 former Exploration Agreement extension that was in place, as described earlier in this MD&A. Additional efforts are anticipated in 2020 to secure a newly formed Exploration Agreement to continue and strengthen relationships with Sandy Lake First Nation, and engage Keewaywin First Nation.

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.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following tables summarizes the Company's selected financial data for the last eight quarters. The information set forth below should be read in conjunction with the September 30, 2020 and 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-20	Jun-20	Mar-20	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
	\$	\$	\$	\$	\$	\$	\$	\$
Other income	1,642	461	114	-	73	267	883	-
Expenses	898,014	645,732	1,247,164	920,089	925,022	710,411	622,491	2,266,775
Loss (gain) on debt extinguishment	-	-	-	1,344,395	-	-	-	(112,259)
Fair value change of derivative liability	(361,815)	3,941,094	(1,043,936)	(1,313,244)	827,360	(495,134)	5,466	452,474
Income tax expense (recovery)	-	-	(259,375)	1,358,576	-	-	(61,364)	30,235
Net income (loss)	(534,557)	(4,586,365)	56,261	(2,309,816)	(1,752,309)	(215,010)	(565,710)	(2,637,225)
Net loss per share (basic and diluted)	(0.03)	(0.03)	0.00	(0.01)	(0.01)	0.00	(0.01)	(0.02)
Other comprehensive income (loss)	(165,236)	9,514	(6,294)	33,609	(36,318)	(25,424)	(1,596)	(120,088)
Total comprehensive loss	(699,793)	(4,576,851)	49,967	(2,276,207)	(1,788,627)	(240,434)	(803,353)	(2,757,313)
Mineral properties and deferred costs	172,282,198	81,581,510	81,349,492	80,090,994	79,037,995	78,128,266	77,584,283	76,503,961
Total current liabilities	6,470,448	7,208,009	3,394,466	3,762,877	3,348,865	3,041,113	3,542,018	3,704,689
Total assets	184,413,454	84,369,702	84,960,851	84,453,697	82,154,576	83,461,816	81,019,774	81,623,662

The most significant expense variances quarter to quarter are due to the vesting cost of the various stock option issuances while there is also a loss of \$1,344,395 in Q4 2019 and a gain of \$112,259 in Q4 2018 on the Extract/Loinette amendments which were treated as debt extinguishments for accounting purposes. There are also quarterly gains or losses due to the fair value variances of the non-cash derivative liability; also, there is the amortization of transaction costs and accretion of the convertible debt from Extract/Loinette. The 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 Q3 2020, the acquisition of the Goldlund Gold Project closed, originating the increase of the mineral properties and deferred costs assets.

Financial results of operations for the three months ended September 30, 2020 compared with the three months ended September 30, 2019

The net loss for the three-month period ended September 30, 2020 was \$534,557 (2019 –\$1,752,309). The variance is explained as follows:

- In Q3 2020, office and administrative expenses are slightly lower than Q3 2019.
- Professional fees expense in Q3 2020 of \$133,531 is \$45,124 higher than Q3 2019 mainly due to the \$21,000 accruals of the interim audits of the Q1, Q2, and Q3 financial statements performed in relation to the acquisition of the Goldlund Gold Project, and the \$91,250 of fees paid for the CEO searching, partially offset by lower legal costs regarding the Goldeye arbitration issue.
- In Q3 2020, there is \$98,962 of higher salary and benefits against Q3 2019 mainly due to bonuses payments to some employees.
- In Q3 2020, the stock-based compensation expense is slightly lower than Q3 2019 due to the similar balance of unvested options.
- In Q3 2020, the accretion and amortization of transaction costs on financing debt is \$45,830 lower than Q3 2019 mainly because the period of accretion is longer after the amendment of August 2019.
- Interest and commitment fees in Q3 2020 of \$177,310 is \$46,846 higher than the \$130,464 of Q3 2019 mainly due to the \$29,765 interest on short-term loans in addition to \$18,805 of interest regarding late payments to certain vendors.
- There is a \$110,623 foreign exchange gain in Q3 2020 versus a \$61,086 loss in Q3 2019 mainly due to the 2.1% CAD revaluation against the USD in Q3 2020, versus its 1.2% devaluation in Q3 2019. The CAD revaluation has a positive effect on the US dollar debts of the Company.
- In Q3 2020, there is a \$361,815 unrealized gain from the change of the fair value of the non-cash derivative liabilities compared to a \$827,360 unrealized loss in Q3 2019. The derivative liability is a result of the conversion feature of the US dollar denominated Extract convertible debt.

Financial results of operations for the nine months ended September 30, 2020 compared with the nine months ended September 30, 2019

The net loss for the nine-month period ended September 30, 2020 was \$5,064,661 (2019 – \$2,533,029). The variance is explained as follows:

- In the nine-month period ended September 30, 2020, office and administrative expenses are \$38,856 higher than 2019, which is mainly explained by the higher investor relations consultant expenses.
- Professional fees expense in the nine-month period ended September 30, 2020 of \$192,546 is \$44,351 higher than Q3 2019 mainly due to the \$21,000 accruals of the interim audits of the Q1, Q2 and Q3 financial statements performed in relation to the acquisition of the Goldlund Gold Project, and the \$91,250 of fees paid for the CEO searching, partially offset by lower legal costs regarding the Goldeye arbitration issue.
- In the nine-month period ended September 30, 2020, there is \$129,759 of higher salary and benefits against 2019 mainly due to bonuses payments to some employees and higher allocation of the expenses paid by Laramide in the current year.
- In the nine-month period ended September 30, 2020, there is \$114,340 of higher stock-based compensation expense against 2019 due to the higher balance of unvested options during the current year.
- In the nine-month period ended September 30, 2020, the accretion and amortization of transaction costs on financing debt is \$122,670 lower than 2019 mainly because the period of accretion is longer after the amendment of August 2019, also in the current year there is a \$17,752 favourable adjustment to the present value of the Extract convertible debt.
- Interest and commitment fees in the nine-month period ended September 30, 2020 of \$485,954 is \$78,631 higher than 2019 mainly due to the \$45,000 commitment fees and \$29,765 incurred in the current year for the short-term loans.
- There is a \$117,387 foreign exchange loss in the nine-month period ended September 30, 2020 versus a \$132,332 gain in 2019 mainly due to the 2.7% CAD devaluation against the USD in the nine-month period ended September 30, 2020, versus its 2.9% revaluation in 2019. The CAD devaluation has a negative effect on the US dollar debt of the Company.
- In the nine-month period ended September 30, 2020, there is a \$2,535,343 unrealized loss from the change of the fair value of the non-cash derivative liabilities compared to a \$337,692 in 2019. The derivative liability is a result of the conversion feature of the US dollar denominated Extract convertible debt.
- The deferred tax gain in the nine-month period ended September 30, 2020 of \$259,375 is higher than the \$61,364 gain of 2019, mainly due to the higher premium regarding the two flow-through financings of the period 2019 versus the one flow-through transaction of the year 2018.

FINANCINGS

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

- On August 7, 2020, the Company closed a private placement for aggregate gross proceeds of \$11.52 million through the issuance of 10,666,667 units at a price of \$1.08 per unit. Each unit consisted of one common share and one half common share purchase warrants entitling the holder to acquire one common share at an exercise price of \$1.80 for a period of 24 months from the date of issuance. The private placement was completed in connection with the share purchase agreement signed with First Mining Gold Corp. The Company incurred \$1,867,099 in issue costs regarding this private placement.
- During the period, 1,538,329 options and 417,129 warrants were exercised from which the Company received total proceeds of around \$2.3 million.
- On March 26, 2020, the Company signed three promissory notes for a total of \$750,000 due and payable on September 26, 2020 bearing an annual interest rate of 15% starting on June 26, 2020. The Company paid a total of \$45,000 of commitment fees representing 6% of the principal. The notes and the accrued interest were repaid on maturity.
- On November 21, 2019, the Company closed a private placement for aggregate gross proceeds of \$2,795,233 through the issuance of 3,269,267 flow-through units at a price of \$0.855 per flow-through unit. On November 26, 2019, the Company closed an additional subscription for aggregate gross proceeds of \$100,000 through the issuance of 116,959 flow-through units at a price of \$0.855 per flow-through unit. Each flow-through unit consisted of one common share and one half common share purchase warrant. Each full warrant entitles his holder to acquire one common share at an exercise price of \$1.35 for a period of 24 months from the date of issuance 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 \$2.25 or more for twenty consecutive trading days. The Company incurred \$288,158 in issue costs regarding this private placement.
- On June 6, 2019, the Company closed concurrent non-brokered private placements. The first private placement consisted of the issuance of 2,964,751 units at a price of \$0.72 per unit for aggregate gross proceeds of \$2,134,621. The second private placement consisted of the issuance of 1,828,667 flow-through units at a price of \$0.75 per flow-through unit for aggregate gross proceeds of \$1,371,500.

LIQUIDITY

As at September 30, 2020, the Company had net working capital of \$7,064,689 excluding the non-cash unrenounced flow-through share premium liability and the non-cash derivative liability (December 31, 2019 \$520,057).

Regarding the Extract loan, on August 15, 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 \$0.96. As consideration, the Company paid to Extract an amendment fee of USD\$44,000 (\$58,630).

As at September 30, 2020, 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

increased mainly due to the higher advances to contractors which also originates the higher HST receivable in the current period.

- Investments in marketable securities, as at September 30, 2020, consist of 147,778 shares of Millrock Resources Inc., 16,500,000 and 5,000,000 of shares and warrants of Platinex Inc., respectively, all of which have a current fair value of \$1,259,052.
- The Company's debt to Extract is CAD\$5,123,092 at September 30, 2020, which consists of the USD\$4.4 million (CAD\$5.9 million) loan received offset by the unaccreted costs of \$0.8 million. Accounts payable and accrued liabilities are short-term and non-interest bearing.
- The Company is committed to spend \$4,266,723 by December 31, 2021 on Canadian exploration expenses ("CEE") as part of its flow-through funding agreements dated June 6, and November 21, 2019. At September 30, 2020, the Company has spent \$1,419,832.
- In light of the current COVID-19 pandemic, the Company is evaluating all spending to ensure that its financial resources are maintained throughout this pandemic.

August 2020 Financing:

On August 7, 2020, the Company closed a private placement for aggregate gross proceeds of \$11,520,000 through the issuance of 10,666,667 units at a price of \$1.08 per unit. The Company incurred \$1,867,099 of issue costs regarding this private placement. The net proceeds of this financing are to be used for the exploration and development of the Goliath Gold and Goldlund Gold Projects. Specifically, the following are the planned use of the funding:

<u>Goliath Gold Project</u>	
Prefeasibility Engineering Studies	\$600,000
Environmental Work	\$750,000
Exploration Drilling	\$1,300,000
Surface Exploration Field Work	\$500,000
Metallurgy	<u>\$329,000</u>
Total Exploration and Development of the Goliath Gold Project	\$3,479,000

<u>Goldlund Gold Project:</u>	
Exploration Drilling	\$ 3,000,000
Environmental Baseline	\$350,000
Geochemical	\$275,000
Community Relations	\$250,000
Resource Estimate	\$100,000
Engineering Test	\$50,000
Reclamation	<u>\$75,000</u>
Total Exploration and Development of the Goldlund Project	\$4,100,000

General Corporate and Working Capital	<u>\$3,021,000</u>
Total	<u>\$10,600,000</u>

Each of the uses of proceeds summarized above is representative of the estimated cost to move the Goliath Gold Project towards a construction decision. The anticipated use of proceeds for the exploration and development of the Goldlund Project is intended to develop the Goldlund Project on a path parallel to that of the Goliath Gold Project.

In addition to the net proceeds from the August 2020 financing, in the quarter, the Company received \$1,843,495 from the exercise of stock options and \$251,815 from the exercise of warrants.

In the quarter, the Company paid off \$779,765 of short-term promissory notes including interest, approximately \$1.6 million of payables, \$2.3 million of closing costs related to the acquisition of the Goldlund Gold Project and almost \$0.9 million of regular quarterly administration and salary costs. As at the date of this report the Company has approximately \$7 million of cash resources.

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	112,531,708
Warrants	27,499,082
Options	1,491,667

See Notes 12 to 14 to the September 30, 2020 interim condensed consolidated financial statements for more detailed disclosure of outstanding share data.

OFF-BALANCE SHEET TRANSACTIONS

During the period ended September 30, 2020, 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 \$4,266,723 by December 31, 2021 on Canadian exploration expenses (“CEE”) as part of its flow-through funding agreements dated June 6, and November 21, 2019. At September 30, 2020, the Company has spent \$1,419,832. 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 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, 2020, there is \$37,720 of accounts payable to Laramide Resources Ltd. (December 31, 2019 – \$1,933), 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:

Nine months ended September 30	2020	2019
Office rent paid by Laramide	\$106,517	\$92,691
Shared expenses paid by Laramide on behalf of the Company	\$150,078	\$45,019
Shared expenses paid by the Company on behalf of Laramide	(\$20,737)	(\$3,321)
Net Total	\$235,858	\$134,389

At September 30, 2020, there is \$207 of accounts receivable from Cypherpunk Holdings Inc. (December 31, 2019 - \$61), 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 \$1,416 of shared expenditures paid on behalf of Cypherpunk Holdings Inc. (2019 - \$3,718).

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 March 27, 2020, 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, 2020 should be read in conjunction with the consolidated financial statements for the nine months ended September 30,

2020 and 2019. 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, 2020 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, 2020, 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, 2020 that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

Greg Ferron
Chief Executive Officer
October 30, 2020

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.