



COMPANY SUMMARY

Location: 20 km east of Dryden, NW ON
 Flagship: Goliath Gold Project
 Ownership: 100 %, royalty-free
 Commodity: Gold, silver
 Status: Pre-feasibility
 Resource: 1.7 Moz at 1.8 g/t Au
 Catalysts: Permitting, project financing, Feasibility Study

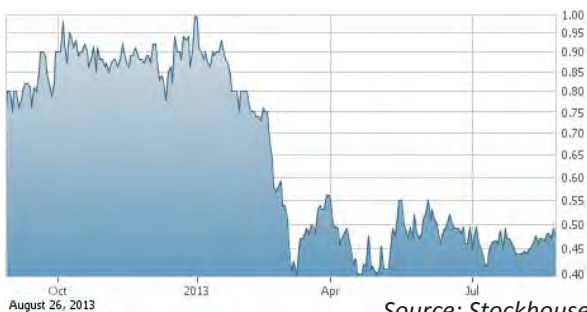
MARKET DATA

Price: \$ 0.48
 Market Cap: \$ 31.2 MM
 Common Shares: 65.1 MM
 Fully Diluted: 68.2 MM
 52 Wk Range: \$ 1.00 - 0.37
 30 Day Avg Vol: 20,000



TOP HOLDERS

Corona Gold Corp	7.35 %
Marc C Henderson	5.25 %
Martin J Walter	3.48 %
Blaise F Yerly	2.64 %
Sprott Asset Management	1.84 %
TD Asset Management	0.48 %



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TREASURY METALS (T-TML)

Rock Talk with Martin Walter, CEO

Martin Walter, CEO of Treasury Metals, discusses the Company's progress for the development of the Goliath Gold Project. The Project is located 20 km from the city of Dryden, 2 km from the Trans-Canada highway, and contains 1.7 million ounces of gold across all categories. The Preliminary Economic Assessment (PEA) used an average grade of 2.87 g/t Au for mineable ounces over a ten year mine life. Treasury's strategy is to start mining as soon as possible by applying a "Western Australian, no-bells-and-whistles" approach. The Goliath Gold project is currently in the permitting stage and will require capital expenditures of \$ 92 million.

You've been in the mining business for over 20 years, working on a number of precious metal projects worldwide. How did you get involved with Treasury Metals?

I'm a geologist by trade. I cut my teeth at the Kalgoorlie gold mines in Western Australia. I was also an exploration geologist in South America and Africa before I ended up in Toronto. In Toronto I met Marc Henderson, who is now the Chairman of Treasury Metals, and the two of us have since been developing junior resource companies for the past 10 or 12 years now.

We had a company called Aquiline Resources. We discovered the largest undeveloped silver deposit on the planet, called Navidad, in Argentina. The Company was then sold to Pan American Silver for \$ 700 million. Aquiline was part of a group of companies, with the parent company being Laramide Resources. All of Treasury Metal's original assets were spun out of Laramide three of four years ago. So in 2011, Marc asked me if I wanted to get involved with Treasury and get the project moving. I had a couple of winners before in the past, and I think we probably have another one here.

What is the strategy for the next 12 months? What are the milestones Treasury is aiming to complete, and what is timing and budget like?

Right now the company is in the pre-feasibility stage. So in the next 12 months, we're working towards completing the Feasibility Study. We're also working towards completing and submitting the Environmental Impact Study (EIS) by the end of this year, as well as the Impact Benefits Agreement (IBA). After those three documents are complete, we hope to have our permits in hand for the Goliath Gold Project. The permitting process takes about 8 months on average after you submit the EIS. We submitted the Project Description (PD) last November which initiated the permitting process. So, we think that in 12 months time we will either have our permits, or we will be knocking on the government's door saying "Give us the permits".

The strategy is to get shovel-ready, to get the project into the construction or pre-construction phase. We're well advanced on that. Given the nature of the project, its location, the fact that it's in Ontario, the second to none infrastructure, and all the rest, it is a project that we can move forward quickly. And the project has a small footprint too; it's not a massive Detour Lake thing. The budget over the next 12 months will be \$ 6 to 8 million.

So the plan is to go straight to a Feasibility Study? Or are you working on the Pre-Feasibility Study right now?

We've almost finished it. We already did two PEA's and our internal team of engineers and environmental professionals, working with external consultants, have continued to advance various programs which will all form part of the Feasibility Study. You can study this thing until the cows come home but really you just need to have damn good look at the economic feasibility of the project.

The Project's grade gives us confidence. We're not the low-grade boys. We're not the sub-one grammers. We're not going to be mining 45,000 tonnes a day at 0.67 g/t Au. That's not our business model at all. Our business model is to keep the grade as close to three grams per tonne. I know that if I can keep the grade at 3 grams coming out of an open-pit, I don't care what part of the world you're in; you're going to make money. You won't make money at a gram or sub-gram - those are the spreadsheet minds at work.

Now the street is slowly coming towards us, but before the street was looking for these big 50,000 tonne per day projects. And that was nuts. We didn't get much attention then, but now it's like, "Show me projects that are manageable". This project is something that we can do. It will be 80,000 ounces a year at three grams, based on the PEA, and it has room for growth in terms of mine life and ounces per year. It's a very low capex, achievable project. If the capex was \$ 300 million, forget it, we wouldn't be here. But we probably have a chance at pulling together somewhere between \$70 million on the low end, to \$100 million on the high end to purchase new equipment and use full-time personnel. We probably have a chance at doing that.



Are you planning to use contractors to mine?

We will do exactly what they do in Kalgoorlie. The blasting and drilling will be contracted out. So the contractors will take care of the emulsion, the blasting, and the drilling. You don't want to run those pneumatic blast rigs. You deal with blown hoses, parts, and down times, and you deal with blast-hole drillers. You just don't want to be in that business. So you contract that out. What we do is control the management, do the grade control, the sampling, we run the mill and we run the trucks. You move the dirt yourself, but the rest you contract out.

Are there any additional studies that you need to complete for the Feasibility Report or for the Environmental Impact Study? Any environmental or engineering studies?

We don't want to get too much engineering going right now. In junior mining, a lot of companies rush to hire engineering firms. They think it's a benefit to have this engineering firm working away, building your project, but it's the wrong thing to do. The minute you hire an engineering firm they're going to invoice you. And they're going to invoice you seriously. So it's better to shorten and tighten up that period of time over which you will require their services. The permits are going to take about 8 to 12 months, so we don't even need to involve an engineering firm for another 6 months. We still would not be behind.

Right now we're trying to get the three main documents done. One is the EIS, and it's big; it's 5,000 to 10,000 pages, so we're chipping away at it. The other document is the Impact Benefits Agreement (IBA) for the First Nations and the other stakeholders affected by the mine, and there are very few. The final document will be the Feasibility Study. We're doing what we can for that in-house since there are certain components from the Feasibility Study that you need for the EIS. You need the closure plan upfront and you need the tailings dam, because obviously the EIS is all about water and tailings, so that sort of work is going ahead.

You figure you have at least another 12 months before the project will be fully permitted. How is permitting progressing?

The permitting process for building mines is all about triggers. For the Federal Government, the main trigger is if the operation will mill more than 600 tpd. If it will, you need to do an EIS and that's what we're doing. Another trigger is building roads. If you're building a road, then you have to do an EIS. Are you building a power line? Are you draining a lake? All of these are triggers and you'll have to do an EIS. The minute you tick the box on any of those, you've got to do a full-blown EIS.

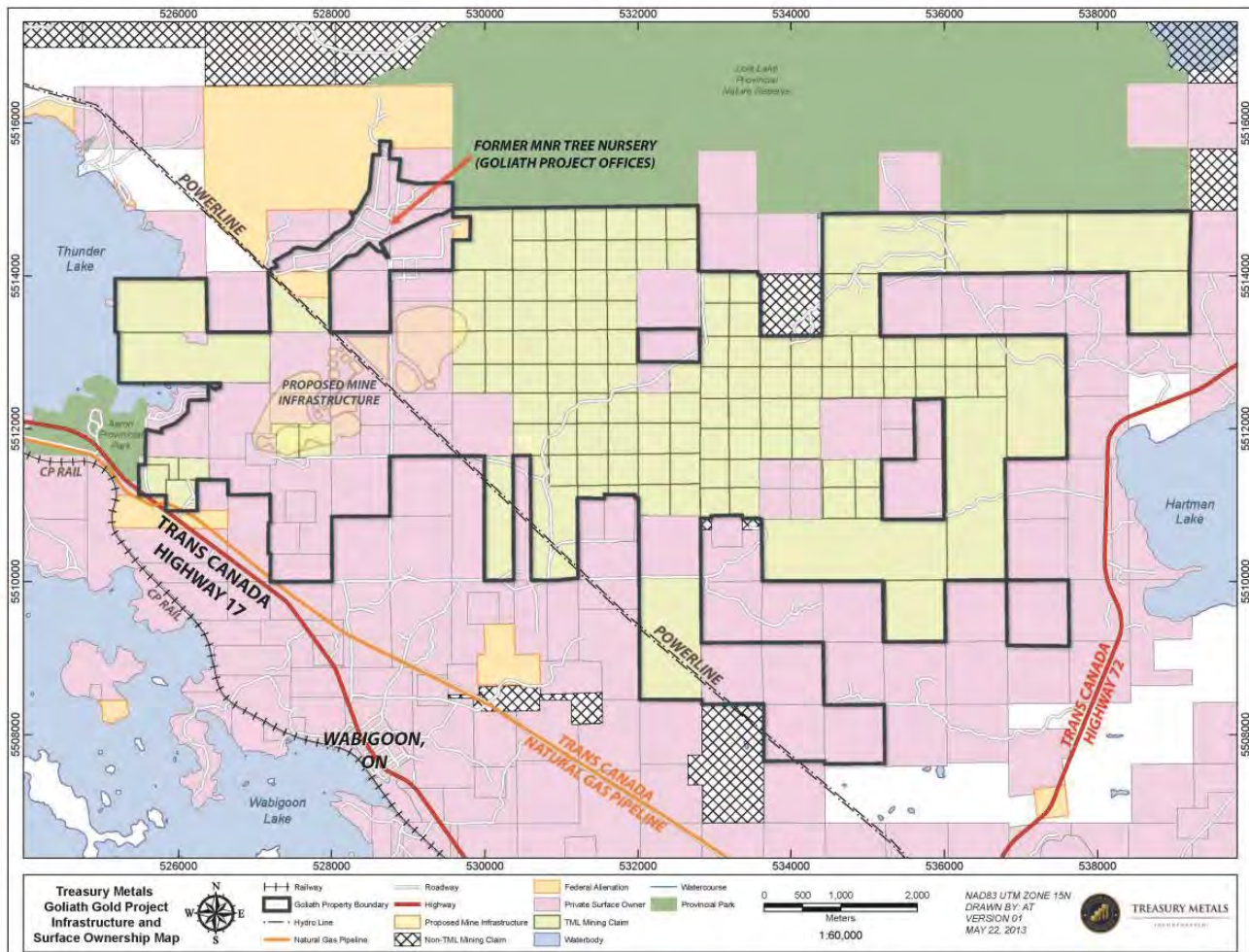
We are not putting power lines in. We're not draining lakes and we're not building roads. We are not even required to do an EIS for the province. We have to do one for the Federal Government. We have to do what's called a Class Environmental Assessment (EA) for the province. We're putting a pipeline in, so we need an Environmental Assessment done on that but it's a very short, much smaller document. We're discharging into a lake, so we have to do an EA on that as well. Projects like Rainy River, where they're building roads and they're putting up power lines have to do a full-blown provincial EIS.



The Goliath operation will be simple; it's a simple carbon-in-leach (CIL) plant. Everything we need will be off the shelf here in Canada. Everything that we need, including the people that are going to build this thing, we can get in Thunder Bay or in Winnipeg. Thunder Bay is 3 and a half hours away and Winnipeg is 4 hours away. The mill, which has already been sourced, is going to be built in Montreal. We put it on the truck and just send it down the road- that is the bonus about being in Ontario.

In Canada, permitting is about time and money spent to complete the appropriate studies. It's not like Argentina. It's not like Africa, where they're like, "Aw jeez you know, you didn't fill that form there in the right colored ink". This is Canada and you can get permits. We are putting together a very thorough document so we know we will, but we've got to go through a very, very stringent process to get them. We have to jump through a lot of hoops and dot the "i's" and cross the "t's".

Goliath Gold Project: Infrastructure



Source: Company Filings



Some companies have criticized the New Ontario mining regulations. Will the new legislation affect the permitting process at all for Treasury?

Those are companies that don't have adequate staff. Some junior exploration companies only have one or two people, and now they have to file all these additional documents. They have to talk to all these First Nations. But we've got a team of skilled professionals based in Dryden that are advancing all aspects of the project in an efficient and experienced manner. But it does add extra cost. The government is trying to get everything to be done up front. And then once it's done and it's passed, then you've got no problems after that. That's really what they're trying to do.

Have you started to explore options for project financing?

All the usual suspects are circling. They all want to give us debt. It's just a matter of what sort of terms we want to take. The more we de-risk the project, the better the terms get, and so right now it's about de-risking the project before we get into serious conversations about project financing. This is in Ontario. It's not a big project and it's on the Trans-Canada Highway. The power is right on the Property, all we have to do is just hook up and plug-in.

Would you considering selling a royalty or a metal stream?

There will never be a streaming deal done on this project while I'm CEO. People put streaming deals on projects when they don't want to build them. You put too much pressure on the mine by putting streaming deals on it. I don't know where that business is going either. It's going to cripple so many projects.

We would sell a royalty, but we won't do it until we get to the construction financing stage, I would think. We're going to finance the project with a combination of equity, debt, and probably sell a 2% NSR royalty. You want to keep the royalties in the company for when you do the feasibility study because it makes the feasibility look so much stronger. So it all plays into each other. You have to go out and chase project financing, debt, equity, and all the rest of the stuff, and make sure you've got the best numbers in your hand. The royalty would just dampen those numbers.

The capital cost for the project is only \$92 million, due to the significant amount of infrastructure already in place. What is the capital cost breakdown?

It's about \$ 60 million for the mill and engineering, and another \$15 million or \$16 million for the trucks and equipment for the open pit. We can't really put this in the feasibility, but we're going to buy trucks from the second-hand government auction. We're going to buy 777's that are only two years old for \$ 300,000 or \$ 400,000 a piece. That's what we do at the end of the day. The biggest dealer of second-hand mining equipment in Canada, a company called RES, is based in Dryden so obviously, we're very close to them as well. The other costs are in the tailings, environmental and closure.



How much will the tailings cost?

We've budgeted tailings at \$ 6 to \$ 8 million, but it's probably going to be more along the lines of \$10 or \$ 12 million. But we're still pretty confident that the project will cost around \$ 100 million to get it started. The biggest cost in this thing, to tell you the truth, will be the closure bond.

And how much do you expect you will have to put up for the closure bond?

Probably \$ 15 million. But there are all sorts of facilities that you can use. That's probably one of the biggest requirements that you have to do. The permits will come on condition that you post that \$ 15 million dollar bond. This will likely be in the form of letters of credit.

Are the tailings posing a bit of a challenge due to the topography?

It's always related to water, at least in this part of the world it is. The tailings are fine and all of our studies are advanced. I mean, the worst case scenario would only be a case of putting a liner down. It's where you discharge the water that's always the issue. There does not appear to be major water issues at Goliath but there is nearby water in larger areas of the project and it is a major focus right now for the company in terms of permitting. We believe that our operation can deal with any issue through mitigation, and we are currently analyzing the impacts. So what's challenging is how you treat that, and how you deal with that, along with the excess water coming out of the tailings. All these issues are about mitigation.

The town is behind the project, 100%. We have two main First Nation groups that we deal with. Both are interested in seeing the project move forward, we just need to work together in order to define the terms that will allow that to happen. There are 8 First Nation groups in total mentioned in the EIS, and we are working with all of these groups to outline their concerns and the possible impacts that the project may have on them.

The Wabigoon Lake Ojibway Nation (WLON) would be one of the groups that you are dealing with at the project?

We have had a lot of meetings and dealings already with WLON. They are an important aspect of the project and at the end of the day, we'll get something signed with them, I would suspect an IBA. The IBA will articulate their role in terms of employment, rights, impacts and benefits from the project. We hired two people from the forestry business, that's how we're handling that. They're experts in IBAs and all the aspects involved with community relations. There are no guarantees, but we are confident that we can come to an understanding with all the surrounding communities to ensure that this Project continues to move forward.



Teck Resources and Corona Gold did a fair amount of exploration in the area. Is the main difference in Treasury's approach the fact that you guys were able to consolidate a lot of the land, whereas before it was more fragmented?

That's one of the big differences for sure. This Project didn't get the green light for detailed exploration until 2008 when all parties: Teck, Corona, and Laramide were involved. The history is interesting because the orebody was discovered in the early 1990's by Teck, who thought it was going to be the next Hemlo. In their short time, they didn't find Hemlo. The Project was subsequently joint-ventured to Corona, and then Laramide came in and staked all the peripheral land around the Corona Block. For 15 years after that, until 2008, the Project sat dormant. Then in August of 2008, Laramide paid Corona \$18 million for its portion of the Property. The land consolidation is really what gave the project the green light, in terms of moving forward, on exploration programs, drilling, adding resources, and all that sort of stuff.

The other interesting part about this is that we own the bulk of the land; the land that hosts the deposit everything that is surrounding it is all patent land. There are only two small Crown Corporation claims in the middle that we're leasing. So the fact that we own the majority of the Property is really good for permitting.

Secondly, the prior management team was made up of just board consultants, and that's certainly not the case now. We take ownership of the Project. We have our own geologists that work 100% for Treasury. We have our own engineers working for Treasury and for no one else. So that also differentiates Treasury from some of the other companies out there, since we do a lot of the work in-house. For example, the Project Description - which is a big, fat, 1000 page document- we did in-house. Since we can do a lot of the work ourselves, we can move the project forward a little quicker.

Another difference in our approach to the Project is that we're looking at the Project as an open-pit mine for the first 6 years of operation. Teck and Corona were looking at it as some skinny, high-grade veins, which is fine for underground, but there is also open-pittable material there as well. We're trying to make things simple; the goal is to just get the Project started and to get into the business of making gold.

We're using starter pits. A starter operation here will be four or five trucks, a couple of diggers, a single circuit CIL, and single circuit crushing with a little gravity circuit in front. That's it. That's a real Kalgoorlie, Western Australian-type attitude. No bells and whistles. Let's just get it going and show the world that we can do this.



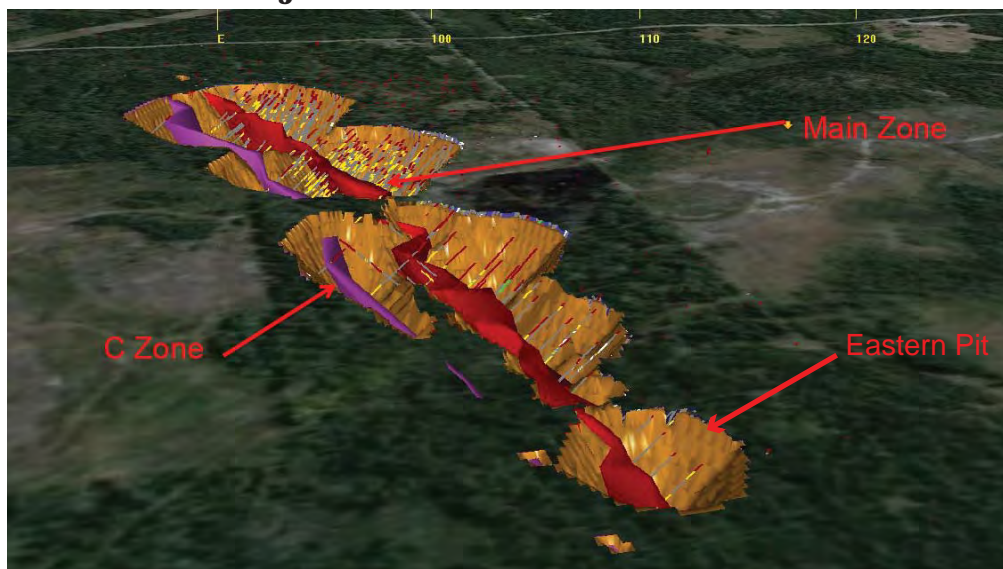
What is the focus for upcoming exploration?

It's a comprehensive approach. We know that the Eastern Pit has a stripping ratio issue. When I say that, I think that we've already addressed that problem since the more ounces we find in the C-Zone, the less of a problem the stripping ratio becomes. We're turning a lot of waste into ore in that area, which is in the footwall. So that's helping enormously to bring that stripping ratio down. Also, the Project has three pits; there is the Eastern Pit, as well as the Central Pit and the Western Pit. The Central Pit and the Western Pit do not have bad stripping ratios at all, and they are the larger pits. The reason why the stripping ratio for the Eastern Pit is high is because of the lack of work that has been done on the top part of the orebody there. So, we've been focusing there for the last six months.

We've done what we do back in Western Australia. At the Eastern Pit, we drilled the first two or three years of dirt off by putting holes in at 60 m, and at 90 m to make sure that when we start mining, we know that the ore will definitely be there for the first three years of the mine. That was the last drill program. Now, what we're doing is upgrading the ounces in the mine plan from Inferred to Indicated. There's about 1.1 or 1.2 million ounces that we think that we can upgrade. So, we're doing another resource update but it will just be for internal use, for gap analysis. It will allow us to look at the whole project and it will help us to determine where we need to drill to upgrade those ounces. That will help us guide the drills in the next drill program which will likely begin sometime in the fall. The engineers need the ounces to be either Measured or Indicated in order to move ahead with the Feasibility.

Additionally, because we spent the last couple of months working on the new resource estimate, we identified a number of new targets. And of course we've noted new targets in the C-Zone, and gaps that need to be drilled there as well, in order to upgrade the resource.

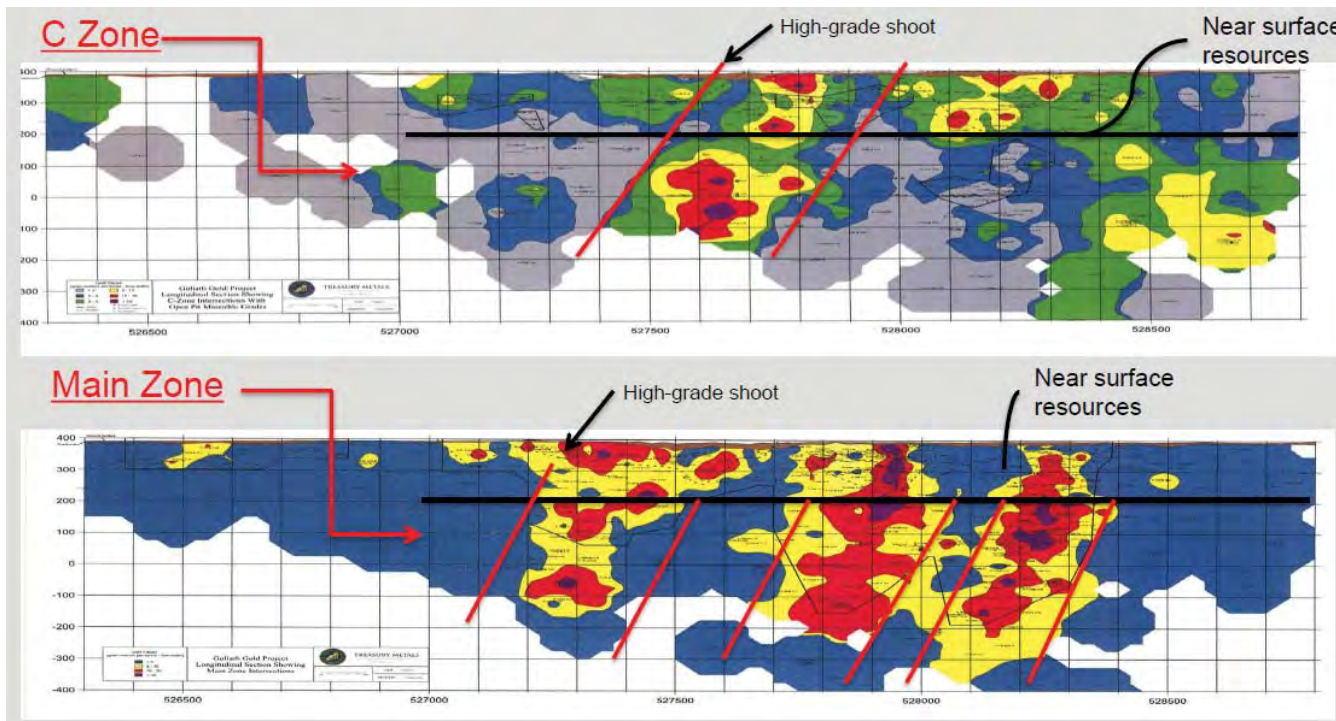
Goliath Gold Project: Main and C Zones



Source: Company Filings



Goliath Gold Project: Cross-Section



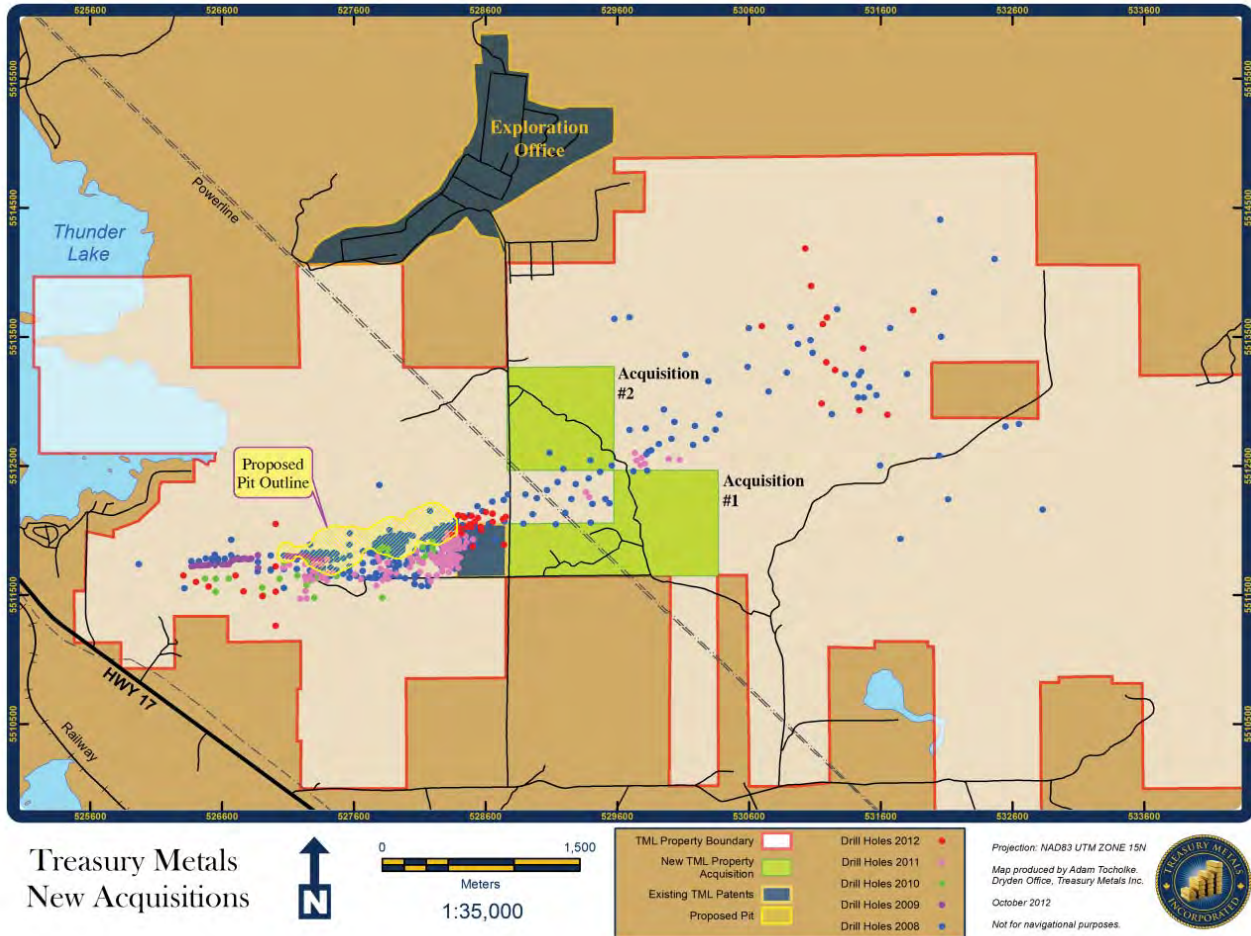
Source: Company Filings

The fall drill program will be a mix of infill and exploration step-outs?

Yes, always. The market likes to see a mix of that. The market doesn't pay you for infill drilling. They want to see you adding ounces to the bottom line. So, we've bought two, new, high potential properties in October of last year as well. The one called the Norman Block is 240 ha. It's adjacent to the current orebody, and it's along strike. It will also be a focus for the upcoming drill program. It's completely virgin. Nobody has ever explored there, drilled there, or has even run a geophysical program over that block ever. Obviously, we wouldn't have purchased those properties if we didn't think that we could find another high-grade shoot there, or even a couple of high-grade shoots.



Goliath Gold Project: Recent Property Acquisitions



Source: Company Filings

What is the potential of the mineralized system as a whole?

Currently, the resource is close to two million ounces. We could push this thing to three million ounces just by drilling at depth. There are four or five high-grade shoots that are all open at depth. So we could go and drill this thing down to 800, 900 m and possibly make it into a far larger resource. So far, the deepest we've drilled is 600 m. But that's expensive drilling and we don't want to do that until we can find some more near-surface dirt. We get better bang for our buck there.

We need to find ounces that are closer to the surface. At surface, the mineralization across our land holdings has been identified for 7 or 8 km. The current deposit only lies along 1.4 km of that. So, we need to get out to the northeast and onto that new Norman Property and start banging out some holes. And each of these high-grade shoots that you find can run around 600,000 to 700,000 ounces in the top 600 m. So if we can find another couple of those, we can really move this project along in terms of overall inventory.



Has the corporate strategy changed at all due to current market conditions?

Right now we're not going as fast as we were in February or January, but we're waiting to see what the market does. We have to put some more money in the till and once we do that, we'll turn the rigs back on. We've drilled 160,000 m or something since I took over. Every time I get money, I drill.

Our cash position is \$ 1 million. We also have that royalty that comes in, which is \$ 60 to \$ 80 thousand a month. The royalty pays for the salaries and for overhead so all the money that we raise we just put straight in the ground.

In the mining business, you're not making money unless you're drilling. If you're not drilling, you're not making money. The same goes in exploration. You have to keep making discoveries.

Thank you Martin



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