



# TREASURY METALS

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INCORPORATED

## **ANNUAL INFORMATION FORM**

FOR THE PERIOD ENDED DECEMBER 31, 2008

DATED: MARCH 31, 2009

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## 1. PRELIMINARY INFORMATION

### 1.1 Date of Information

All information in this annual information form (“AIF”) is as at December 31, 2008, unless otherwise indicated.

### 1.2 Forward-Looking Statements

Certain statements contained in this AIF and the documents incorporated by reference herein that are not historical facts constitute “forward-looking statements”, including but not limited to those statements with respect to the estimation of mineral resources and the plans and objectives of Treasury Metals Inc. (the “**Company**” or “**Treasury**”). Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved.

Forward-looking statements involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from those projected by such forward-looking statements. Such factors include, among others, the actual results of current exploration activities, access to capital and future prices of precious and base metals and those factors discussed in item 4.2 (“**Risk Factors**”) of this AIF.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this AIF based on the opinions and estimates of management, and, except as may be required by applicable securities laws, the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that the forward-looking statements contained in this AIF and the documents incorporated by reference herein will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

### 1.3 Currency

The Canadian dollar is the reporting currency and currency of measurement of the Company. **All monetary amounts are expressed in Canadian dollars unless otherwise indicated.**

### 1.4 Information Incorporated by Reference

Incorporated by reference into this AIF are the audited consolidated financial statements and Management Discussion and Analysis for the Company for the fiscal years ended December 31, 2008 and December 31, 2007 together with the auditor’s report thereon. The financial statements are available for review on the SEDAR website located at [www.sedar.com](http://www.sedar.com).

Documents incorporated by reference in this AIF include all audited and interim financial statements, proxy circulars, news releases and other continuous disclosure documents filed by the Company, copies of which are available on request from the offices of the Company or on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **2. CORPORATE STRUCTURE**

### **2.1 Name and Incorporation**

The Company was incorporated under the name Divine Lake Exploration Inc. by Articles of Incorporation dated December 31, 1997 under the *Business Corporations Act* (Ontario). The articles of the Company were amended on November 13, 2007 to change the name of the Company to Treasury Metals Inc. and on March 20, 2008 to remove certain restrictions on the transfer of the common shares (“**Common Shares**”) of the Company.

The registered and head office of the Company is located at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1.

### **2.2 Intercorporate Relationships**

The Company has no subsidiaries.

## **3. GENERAL DEVELOPMENT OF THE BUSINESS**

### **3.1 Three Year History**

#### Developments in Fiscal Year ended December 31, 2006

The only business or operations of the Company from the time of its incorporation to September 2007, was to hold and carry on exploration activities on the Laramide Goliath Property, which is contiguous to the Thunder Lake Property.

#### Developments in Fiscal Year ended December 31, 2007

#### **Acquisition of Thunder Lake Property**

On September 24, 2007, the Company entered into a purchase agreement (as amended, the “**Purchase Agreement**”) with Corona Gold Corporation (“**Corona**”) and Teck Cominco Limited (“**Teck**”, together with Corona, the “**Vendors**”) with respect to the acquisition by the Company of the Thunder Lake Property from the Vendors. The purchase and sale of the Thunder Lake Property closed on October 3, 2007.

As part of the transactions contemplated by the Purchase Agreement, Laramide Resources Ltd. (“**Laramide**”) agreed to transfer (the “**Spin-off Transaction**”) to the Company certain of its non-uranium assets, including: (i) the Lara Property; (ii) the Goliath Property; (iii) the lesser of (A) one million shares of Aquiline Resources Inc., or (B) that number of common shares of Aquiline Resources Inc. having a market value of \$8,500,000 (941,307 common shares of

Aquiline Resources Inc. having a fair market value of \$8,500,000 were transferred upon completion of the transfer of the Spin-off Assets from Laramide to the Company; (iv) 6,500,000 common shares of Sierra Minerals Inc. and 2,500,000 common shares of Alliance Pacific Resources (now Tiomin Resources Inc.); (v) Laramide's net smelter royalty on gold production of the Sierra Minerals Cerro Colorado mine located in Mexico; and (iv) \$2 million cash (collectively, the "**Spin-off Assets**").

The transfer of the Spin-off Assets, for the purchase price of \$29,245,656.42, was completed on December 27, 2007. In consideration for the transfer of the Spin-off Assets and the payment by Laramide of two cash installments, the Company agreed to pay \$2,025,000 in cash and issued 17,199,611 Common Shares to Laramide at a deemed issue price of \$1.582632 per share.

As consideration for the transfer of the Thunder Lake Property under the Purchase Agreement, as amended, the Company paid the Vendors an aggregate of \$18,411,687 in three equal cash instalments ("**Cash Installments**"). In addition, the Company issued 10% and 2.27% of its outstanding Common Shares at the time of its listing on the Toronto Stock Exchange ("**TSX**") to Corona and Teck, respectively. The first two Cash Installments were paid to the Vendors by Laramide on the Company's behalf (in exchange for which the Company issued 7,216,520 Common Shares to Laramide) and the third Cash Installment was paid to the Vendors directly by the Company. In addition, the Company paid the Vendors' extension fees of \$61,372 and \$76,883 in connection with the Vendors' agreement to extend the date for payment of the third Cash Installment from February 3, 2008 to April 30, 2008.

Until such time as the Company has received aggregate proceeds from the issuance of additional Common Shares of \$2,348,004, the Company has the obligation to issue additional Common Shares to the Vendors in order to allow them to maintain their respective 10% and 2.27% percentage ownership for no additional consideration. Under the Purchase Agreement the Vendors were also granted a pre-emptive right to participate in any future offering of Common Shares in order to give the Vendors an opportunity to maintain their respective percentage interests in the Common Shares.

### **Flow-through Financing**

On December 24, 2007, Laramide completed a private placement of 575,000 flow-through shares at a price of \$7.00 per share for aggregate proceeds of \$4,025,000. Finders' fees of 5%, or \$76,242, were paid on a portion of the financing, in addition to \$43,170 in share issuance costs. The aggregate proceeds of this private placement were held in trust as of December 31, 2007. Laramide assigned the flow-through financing to the Company by subscribing to a private placement of 2,367,647 flow-through Common Shares at a price per common share of \$1.70 and transferred subsequent to the year end, the \$4,025,000 proceeds to the Company.

### Developments in Fiscal Year ended December 31, 2008

#### **Private Placement**

On March 24, 2008, the Company completed a brokered private placement of unit special warrants and flow-through special warrants (the "**Offering**"). Pursuant to the Offering, the Company issued an aggregate of: (i) 1,825,500 unit special warrants at a price of \$2.00 per unit

special warrant; and (ii) 652,607 flow-through special warrants at a price of \$2.30 per flow-through special warrants for gross proceeds of \$5,151,996. Aggregate costs in the amount of \$487,651 were paid in conjunction with this financing. The unit special warrants were converted into 2,281,875 common shares and 912,750 common share purchase warrants and the 652,607 flow-through special warrants were converted into 652,607 common shares on July 2, 2008. Each whole warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$2.75 per Common Share until July 2, 2010.

### **TSX Listing**

In August 2008, Laramide distributed 16,459,167 Common Shares of the Company to Laramide's shareholders of record at the close of business on August 21, 2008 pursuant to a return of capital. The Common Shares of Treasury began trading on the TSX on August 19, 2008.

### **Debt Repayment**

In September, 2008, the Company transferred 842,504 shares of Aquiline Resources Inc. to Laramide in exchange for the cancellation of \$5,055,025.68 of debt owing to Laramide.

## **4. GENERAL DESCRIPTION OF THE BUSINESS**

### **4.1 General Overview**

The Company is a mining exploration company engaged in the acquisition, exploration and development of mineral resource properties in the Americas. The Company's activities are currently focused on two exploration projects in Canada, the "Goliath Gold Project" near Dryden, Ontario, Canada with respect to the Thunder Lake Property and the "Lara Project" on Vancouver Island, British Columbia, Canada with respect to the Lara Property. See "**Mineral Projects**".

Depending upon the availability of necessary financing, the Company may also determine to seek out, evaluate and acquire other mineral exploration properties and projects.

### **4.2 Risk Factors**

The following risk factors should be given special consideration when evaluating trends, risks and uncertainties relating to the Company's business. Any of the following risks could have a material adverse effect upon the Company, its business and future prospects. In addition, other risks and uncertainties not presently known by management of the Company could impair the Company and its business in the future.

### **Limited Operating History**

The Company has no history of earnings. The Company's properties are in the exploration stage and there are no known commercial quantities of mineral reserves on the Company's properties. There can be no assurance that that the Company will discover quantities of minerals on its properties that can be economically produced.

The Company has no experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or

entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places its resource properties into production.

### **Title Risks**

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the Company's mineral properties in accordance with the laws of the jurisdiction in which such properties are situated; therefore, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

### **Additional Funding**

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. Sources of financing available to the Company include equity and debt financings, offering by the Company of an interest in the properties to be earned by another party or parties carrying out further exploration or development thereof or the sale of certain of the Company's assets. There can be no assurance that the Company will be successful in obtaining any additional required funding on terms favourable to the Company, or at all, necessary to conduct its planned or any additional exploration, if warranted, on the Company's exploration properties or to develop mineral resources on such properties if commercially mineable quantities of such resources are located thereon.

### **Exploration and Development**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. All of the claims to which the Company has a right to acquire an interest are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in

part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

## **Production**

Mineral exploration is highly speculative in nature, involves many risks, and frequently does not lead to the discovery of commercial reserves of minerals. While the rewards can be substantial if commercial reserves of minerals are found, there can be no assurance that the Company's past or future exploration efforts will be successful, that any production therefrom will be obtained or continued, or that any such production which is attempted will be profitable.

## **Environmental Regulations, Permits and Licenses**

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to comply fully with all environmental regulations. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, state or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Company to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring

capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

### **Insurance and Uninsured Risks**

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### **Lags**

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production will commence from any such discovery.

### **Infrastructure**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather

phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

### **Competition**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

### **Management**

The success of the Company is currently largely dependent on the performance of its directors and officers. There is no assurance the Company can maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse affect on the Company and its prospects.

### **Commodity Prices**

Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. The effect of these factors on the Company's operations cannot be predicted.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

The value of the Company's securities will be affected by market volatility. There has been no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the offering price for the securities.

### **Conflicts of Interest**

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of applicable corporate law.

## **Dividends**

The Company has not paid any dividends on its Common Shares since incorporation and does not anticipate paying any dividends on its Common Shares in the foreseeable future. The Company has a limited operating history and there can be no assurance of its ability to operate its projects profitably.

## **Speculative Nature of the Securities of the Company**

The securities of the Company are speculative in nature due to the Company's activities. Mineral exploration is highly speculative and involves material risks. The securities of the Company are more suited to persons who can accept the risks inherent in holding shares of a mineral exploration company. No guarantee can be given that an economical viable deposit will be discovered.

## **Estimates of Mineral Resources**

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. The accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation.

Fluctuations in precious or base metal prices, results of drilling, metallurgical testing, and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as anticipated. In addition, there can be no assurance that precious or base metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Any material reductions in estimates of ore reserves and mineral resources, could eventually have a material adverse effect on the Company's results of operations and financial condition.

## **Shares Reserved For Future Issuance**

As at the close of business on December 31, 2008, the Company had no outstanding options and the following outstanding common share purchase warrants:

- 161,077 warrants with an exercise price of \$2.00 per share expiring on June 2, 2010; and
- 913,000 warrants with an exercise price of \$2.75 per share expiring on June 2, 2010.

Options and warrants are likely to be exercised when the market price of the Company's Common Shares exceeds the exercise price of such options or warrants. The exercise price of such options or warrants and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price when it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company's treasury will result in immediate dilution to existing shareholders.

## Volatility of Share Price

The price of the shares of resource companies tends to be volatile. Fluctuations in the world price of precious metals and many other elements beyond the control of the Company could materially affect the price of the Common Shares.

## **5. MINERAL PROJECTS**

None of the Company's properties are at or near production. The principal mineral assets of the Company as at the date of this AIF consist of (i) the Goliath Gold Project; and, (ii) the Lara Project, all as further described below. The Company's primary focus in 2008 and to date is the exploration and development of the Goliath Gold Project.

Treasury's exploration programs and pertinent disclosure of a scientific nature in this AIF were prepared and/or designed and carried out under the overall supervision of Scott Jobin-Bevans, Ph.D., P.Geo., Treasury's President and CEO, who serves as the Qualified Person as defined by National Instrument 43-101 and has reviewed and approved this AIF.

### **5.1 Goliath Gold Project**

The Company received the NI 43-101 Mineral Resource Estimate and Technical Report titled "Report on the Goliath Project, Kenora Mining Division, Northwestern Ontario, Canada" dated effective December 19, 2008 (the "Goliath Technical Report"). The Goliath Technical Report was prepared in accordance with the Canadian Securities Administrator's National Instrument 43-101 ("NI 43-101") by Doug Roy, M.A.Sc., P.Eng. and Ian D. Trinder, M.Sc., P.Geo of A.C.A. Howe International Limited ("Howe"). Each of Doug Roy and Ian Trinder is a qualified person as such term is defined in NI 43-101 and each is independent of the Company. The Goliath Technical Report sets out the property description and location, accessibility, climate, local resources, infrastructure and physiology, history, geological setting, exploration, mineralization, drilling, sampling and analysis, security of samples, mineral resource and reserve estimates, mining operations and exploration and development of the Goliath Gold Project. The Company has submitted the Goliath Technical Report to the TSX and has filed it on SEDAR. The Goliath Technical Report can be viewed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### 2008 Summary of Exploration Activities

Located on the Thunder Lake Property, the Thunder Lake Gold Deposit was the focus of exploration activity through 2008. As of December 31, 2008, the Company completed the following exploration work on the Goliath Gold Project (the "Goliath Project" or "Project"):

- Phase I diamond drilling program totalling 13,049 metres in 55 drill holes, focused on outlining a mineral resource at the Thunder Lake Gold Deposit.
- The first NI 43-101 compliant mineral resource estimate on the Thunder Lake Gold Deposit was completed by independent consultants A.C.A. Howe International Limited and filed on SEDAR in December 2008.

- 2,165 line kilometres of high-resolution airborne magnetometer survey over the entire project area, providing the foundation for property wide targeting and exploration.
- 146.36 line kilometres of surface geophysics (induced-polarization) focusing on the area of the Thunder Lake Gold Deposit.
- Structural and geochemical studies, providing a better understanding of the characteristics of the Thunder Lake Gold Deposit.

Data compilation, integration and interpretation, and report writing continued until the end of 2008. The Company is currently planning for additional diamond drilling (exploration and delineation), property wide exploration, an updated mineral resource estimate (on the basis of new drilling) and a preliminary economic assessment (scoping study) in 2009, along with plans to consider initiating environmental baseline studies.

### *Phase I Diamond Drilling*

The Company's Phase I diamond drilling program commenced on February 15, 2008 and was completed at the end of September 2008. Data compilation, interpretation, report writing, assay results and the associated QAQC monitoring continued through to December 2008. Fifty-five NQ2 holes totalling 13,049 metres were drilled, surveyed and selectively sampled. Diamond drilling was focused on verifying results from historic drilling by Teck Cominco Limited, a former owner of the property, better definition of the lateral and down-dip extents of the Thunder Lake Gold Deposit and in-filling areas on the basis of the historic mineral resource estimate. A total of 11,737 core samples were collected and sent to Accurassay Laboratory in Thunder Bay, Ontario. A summary of selected drill results from Phase I drilling is provided in the following table:

**Table – Selected drill core assays of >8.57 g/t Au (>0.25 oz/t Au), Phase I drilling.**

<b>Drill Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au (g/t)</b>	<b>Ag (g/t)</b>	<b>Zn (%)</b>	<b>Pb (%)</b>
TL0801	66.00	75.00	9.00	13.0	17.4	0.10	0.08
incl.	74.00	75.00	1.00	82.4	64.6	0.02	0.03
TL0803	65.00	65.45	0.45	16.3	184.6	1.80	0.37
TL0807	126.40	126.80	0.40	11.5	<1	0.02	0.01
and	142.00	142.20	0.20	13.1	89.7	1.84	0.91
TL0809	37.00	37.30	0.30	10.8	41.9	0.22	0.16
and	114.60	115.00	0.40	10.6	<1	0.05	0.01
TL0814	73.05	73.60	0.55	38.6	44.6	1.04	0.61
TL0815	50.00	51.50	1.50	9.6	1.6	0.29	0.16
incl.	50.80	51.00	0.20	69.1	6.6	0.79	0.48
TL0817	129.00	130.00	1.00	11.9	0.5	0.01	0.01
TL0819	88.00	89.00	1.00	14.1	20.7	0.57	0.33
TL0820	159.00	159.50	0.50	8.9	2.3	0.07	0.05
TL0822	58.75	59.00	0.25	10.2	52.2	0.18	0.03
and	229.00	230.00	1.00	12.5	0.5	0.09	0.02
TL0823	415.00	416.00	1.00	21.1	0.5	0.09	0.08
TL0824	33.00	35.50	2.50	12.0	49.5	0.88	0.35
incl.	33.90	34.45	0.55	48.0	204.6	3.47	1.40
TL0829	20.00	21.00	1.00	9.0	0.5	0.01	0.01

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)
TL0836	164.30	170.00	5.70	9.14	20.5	0.13	0.10
incl.	165.00	165.85	0.85	36.99	72.2	0.59	0.48
TL0836	170.56	171.48	0.92	11.88	143.5	0.71	0.33
and	173.00	174.00	1.00	10.51	165.7	0.01	0.02
and	176.00	177.00	1.00	12.55	5.7	0.03	0.02
TL0837	74.50	75.00	0.50	17.65	565.4	0.09	0.07
and	203.00	204.00	1.00	9.42	1.3	0.01	0.01

### NI 43-101 Mineral Resource Estimate

Indicated and Inferred Mineral Resources were determined in the Main Zone and parallel zones of the Thunder Lake Gold Deposit, which included up to hole TL0845 of the Company's drill holes (45 drill holes from the 2008 program) and 185 historic (Teck Cominco Limited) drill holes. *Mineral resources are not mineral reserves and by definition do not demonstrate economic viability.* Results of the independent Mineral Resource Estimate are summarized as follows:

**Table - Summary of Thunder Lake Mineral Resources (undiluted).**

Category	Zone	Cut-off Grade (g/tonne Au)	Tonnes Above Cut-off	Average Grade (g/tonne Au)	Ounces Au
<b>Indicated</b>	Main	3.0	560,000	5.9	<b>110,000</b>
Inferred	H	3.0	480,000	4.7	70,000
	Main	3.0	2,520,000	6.4	520,000
	B	3.0	130,000	4.2	18,000
	C	3.0	90,000	4	12,000
	D	3.0	50,000	3.1	5,000
<b>Total Inferred</b>		3.0	3,270,000	5.9	<b>625,000</b>

The estimated zones, in order from hanging wall to footwall (south to north), were the H, Main, B, C and D zones. As modelled, the Main Zone has a strike length of approximately 1,400 metres and extends to a depth of about 775 metres. The majority of drill holes (current and historic) are located within 400 metres of surface with few between 400 metres and 800 metres below surface.

Indicated Resources, located from surface to about 200 metres depth, occur in 3 separate regions of the model that are separated by 50-75 metres of Inferred Resources. Indicated Resources were outlined within areas where the intercept spacing was approximately 25 metres or less. Blocks were categorised as Inferred if they were within 50 metres from a drill hole intercept. The average true width of the entire mineralized envelope of the Main Zone is 7.6 metres.

A summary of the resource model in terms of cut-off gold grade (grade sensitivity) is as follows:

**Table - Cut-off Sensitivities for Thunder Lake Mineral Resources (undiluted).**

<i>Total Indicated Resources – Main Zone</i>			
Block Cut-off (g/tonne Au)	Tonnes Above Cut-off	Average Grade (g/tonne Au)	Ounces Au
6	170,000	10.0	50,000
5	250,000	8.6	70,000
4	360,000	7.4	90,000
<b>3</b>	<b>560,000</b>	<b>5.9</b>	<b>110,000</b>
2	820,000	4.8	130,000
1	1,930,000	2.9	180,000
<i>Total Inferred Resources – All Zones</i>			
Block Cut-off (g/tonne Au)	Tonnes Above Cut-off (Rounded)	Average Grade (g/tonne Au)	Ounces Au
6	1,100,000	9.2	320,000
5	1,600,000	8.2	420,000
4	2,200,000	7.2	510,000
<b>3</b>	<b>3,300,000</b>	<b>5.9</b>	<b>625,000</b>
2	6,700,000	4.1	890,000
1	13,600,000	2.7	1,200,000

For the purposes of the disclosure required under section 5.4 of Form 51-102F2 – Annual Information Form, the Summary from the Goliath Technical Report is reproduced below, and the Company incorporates by reference in this Annual Information Form the disclosure contained in the Goliath Technical Report.

The Goliath Project, located in northwestern Ontario, lies about 125 km east of the City of Kenora, 20 km east of the City of Dryden, and 325 km northwest of the port City of Thunder Bay, in the Kenora Mining Division, Ontario, Canada.

The Goliath Project consists of 116 contiguous unpatented claims (123 units - 1968 ha) and 16 patented land parcels (723 ha). The total area of the claim group is approximately 2591 ha covering portions of the Hartman and Zealand townships east of the City of Dryden. Treasury's 2008 drilling was confined to unpatented claims 1106348 and 1106347, and patented claims 21609, 34461 and 4822. All claims are currently active and in good standing with MNM.

The Goliath Project comprises two underlying properties: the Thunder Lake Property comprising the 116 unpatented claims and 13 patent parcels and, the Laramide Property comprising 3 patent parcels. The Project is held 100% by Treasury. Certain underlying royalties and payment obligations remain on 14 of the 16 patented land parcels.

There is only limited documentation of exploration activity conducted on the Project area prior to 1989. Previous exploration in the area was either regional in nature or focused mainly on the western portion of the Property. Reconnaissance investigation by Teck Exploration Ltd. (now Teck Cominco Ltd.) geologists in 1989 identified a poorly exposed, broad area of weak mineralisation and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. The discovery hole (TL-001) on the Main Zone of the Thunder Lake Deposit was drilled in October, 1990, intersecting multiple horizons of gold mineralisation with intersections of 1.5 g/t over 22.2 m, 0.9 g/t over 11.6 m and 17.5 g/t over 2.6 m (Page, 1995).

Land acquisition, field surveys, drilling and underground bulk sampling were completed by Teck and its various partners between late 1989 and 1998; the Thunder Lake project was put on hold in 1999. Total diamond drilling on the Thunder Lake Property from 1990 to 1998 amounted to approximately 78,461.20 metres in 293 drill holes.

In 1998, as part of the underground sampling program, 4 bulk samples from the Main Zone (No. 1 and No.2 shoots) totalling 2,375 tonnes and grading  $>3.0$  g/t Au were collected from the underground workings (Page et al., 1999b). The original bulk sample of 2,375 tonnes had an estimated overall grade of 9.07 g/t Au or 692 oz Au (Page et al., 1999b). Metallurgical results obtained on a composite sample of 24 kg from the No. 1 Shoot indicated that cyanidation achieved the best recoveries for gold at 98.7% (Corona, 2001; Hogg, 2002). Gravity and flotation resulted in recoveries of 97.3% Au and gravity alone recovered 69.1% Au (Corona, 2001; Hogg, 2002). Final gold recovery was calculated at 96.85% and silver recoveries were approximately 38% (Corona, 2001).

By 1999, surface and underground exploration and sampling led to the outlining of the Thunder Lake Deposit and the reporting of a historical Inferred Mineral Resource (non-compliant with NI43-101) containing 2.974 million tonnes grading 6.47 g/t Au, using a cut-off of 3.0 g/t Au and a minimum thickness of 3.0 m (CAMH, 2007; Gray and Donkersloot, 1999). Howe considers all of the historical resource estimates to be non-compliant with National Instrument 43-101 standards and as such they should not be relied upon.

The Goliath Project is located within the Wabigoon Subprovince of the Archaean Superior Province, northwestern, Ontario and is situated north of the Wabigoon Fault. Much of the Project area is underlain by a lower amphibolite metamorphic grade volcanogenic-sedimentary complex of felsic metavolcanic rocks and clastic metasedimentary rocks (Beakhouse 2000). The assemblage comprises quartz-porphyritic felsic to intermediate metavolcanic rocks represented by biotite gneiss, mica schist, quartz-porphyritic mica schist, a variety of metasedimentary rocks and minor amphibolites. Compositional layering in metasedimentary rocks strikes  $\sim 70^\circ$  to  $90^\circ$  and dips from  $70^\circ$  to  $80^\circ$  south-southeast. The Thunder River Mafic Metavolcanics underlie the south part of the Property. The mafic rocks are pillowed locally and are exposed as amphibolite and mafic dykes, which consists mainly of chlorite or green schist. Some rocks have been described as ultramafic in character (Hogg, 2002).

The main zones of mineralisation (Thunder Lake Deposit) project to surface approximately 250-300 m north of Norman Road. The Main Zone (M and M2 subzones), Footwall Zone (B, C1, C2 and D subzones), and Hangingwall Zone (H and H1 subzones) of the Thunder Lake Deposit strike approximately east-west, varying between  $090^\circ$  and  $072^\circ$ , with dips that are consistently  $72^\circ$ - $78^\circ$  toward the south or southeast. The main area of gold, silver and sulphide mineralisation and alteration occurs up to a maximum drill-tested depth of  $\sim 695$  m (TL0835) below the surface, over a strike-length of 1,700 m within the current defined resource area. The historic drilling of Teck and its various partners confirmed that anomalous gold mineralisation extends over a strike length of at least 3,500 m (Corona, 1998).

The mineralised zones are tabular composite units defined on the basis of anomalous to strongly elevated gold concentrations, increased sulphide content and distinctive altered rock units and are concordant to the local stratigraphic units. Stratigraphically, gold mineralisation is contained in an approximately 100 to 150 metre wide central zone composed of intensely altered felsic

metavolcanics (quartz-sericite and biotite- muscovite schist) with minor metasedimentary rocks. Overlying hangingwall rocks consist of altered felsic metavolcanics (sericite schist, biotite-muscovite schist and metasedimentary rocks), with the footwall comprising metasedimentary rocks with minor porphyries, felsic gneiss and schist. Gold within the central unit is concentrated in a pyritic alteration zone, consisting of quartz-sericite schist (MSS), quartz-eye gneiss and quartz-feldspar gneiss (Corona, 2001).

The Treasury 2008 drill program primarily targeted the Main Zone, but the Footwall Zone was also intersected by deeper holes. Drilling has intersected the Main over a strike length of 1,700 m and a thickness of 5 to 30 metres. The Main Zone is composed of well-defined pyritic quartz-sericite schist (MSS) separated by less-altered biotite-feldspar schist (BMS). Sulphide mineralisation and local visible gold (VG) occurs mainly within the leucocratic bands, but occasionally it is localized in the melanocratic bands enriched with biotite and chlorite. The sulphide content of the mineralised zone is generally 3-5% but locally is up to 15%. Highest gold and silver values are associated with very strong pervasive quartz-sericite alteration. It appears that gold content does not directly correlate with pyrite content, but generally an increase in the gold and silver correlates with an increase in the pyrite and sphalerite content. An increase in chalcopyrite and galena content has a lower correlation to an increase in gold values. Low grade Au-Ag mineralisation is pervasive in the Main Zone, Hangingwall Zone and in the Footwall Zone, whereas high-grade gold mineralisation (>3 g/t) is concentrated in several steeply west-plunging shoots with relatively short strike-lengths (up to 50 m) and considerable down-plunge continuity. These higher-grade shoots are separated by rock containing lower grade gold mineralisation.

The shoots are interpreted to be the result of tight folding of the mineralised horizon (gold concentrated in fold noses) and appear to occur at regular intervals (Corona, 1998). Very rare flakes of aquamarine green mica (fuchsite- Cr muscovite) occur in the strongly altered sericite alteration with high-grade gold. Usually, mineralised intervals are narrow (up to 0.5 m) zones enriched with 3-10% visible sulphides (pyrite, sphalerite, galena, chalcopyrite ± arsenopyrite, ± dark grey needles of stibnite) within a wider quartz- sericite or biotite-feldspar sections with fine grained disseminated pyrite located in the foliation planes.

Prior to Treasury's 2008 exploration program, no exploration work had been completed on the Thunder Lake Property (Thunder Lake East and West) or the Laramide Property since 1999 and 1994, respectively (Sills, 2007). Treasury's 2008 exploration program comprised a property wide airborne magnetic survey, ground IP and geological surveys over the Thunder Lake deposit area, trenching and diamond drilling totalling 13,049 metres.

Seventeen (17) outcrop samples, thirty-two (32) trench channel samples and 25 outcrop channel samples were sent to Accurassay Laboratories Ltd. in Thunder Bay, Ontario, for gold fire assay, ICP, whole rock and rare earth elements analyses. A total of 13,105 samples (11,737 core samples and 1,368 QC samples) were assayed at Accurassay for gold, silver, zinc, lead and trace element geochemistry (a 26 element package). Whole rock analyses were performed on 852 core samples and 92 core samples were analysed for specific gravity.

A Resource Estimate (the "Howe Resource") was prepared by Doug Roy, M.A.Sc., P.Eng., Mining Engineer with Howe, in accordance with CIM Standards on Mineral Resources and Reserves. Only Mineral Resources were estimated – no Reserves were defined.

Treasury provided the drill sample database and the reports upon which the estimate was based. A review of hardcopy and digital data was undertaken and the assay data was interrogated and verified. No major errors were detected.

Mineralised zones were outlined to enforce geological control during block modelling. A polygonal section model was created to facilitate the zone outlining process. Cross-sections were defined over site grid. A “loose” cut-off grade of 2 g/tonne of gold was generally used for the minor zones. For the Main Zone, the entire mineralised envelope was outlined – the cut-off grade was nominally 0.5 g/tonne Au. Zones were extended up- and down-dip by approximately 50 metres beyond the last intercept, halfway to adjacent, under-mineralised sections or on-section intercepts and 50 metres along strike beyond the last section. Outlines were refined using longitudinal sections of the zones.

One main zone and five minor mineralised zones were outlined. The zones had an east-west strike and a sub-vertical dip towards the south. The Main Zone was outlined along a strike length of 1,700 metres and to a depth of almost 800 metres. The average true width of the Main Zone was 7.6 metres.

Samples that were within the interpreted outlines were tagged. To refine the interpretation, the intercept intervals were manually adjusted within the assay file. The zones that were interpreted, from hangingwall to footwall, were the H1, H, Main, B, C and D zones.

Based on 30 mineralised samples from eight holes that Treasury drilled during 2008, an average specific gravity (“SG”) value was calculated as 2.78. That value was used as the average SG for the Howe Resource.

Statistics for underground and diamond drill samples were calculated and reviewed. The mean grade of underground face samples was 2.9 g/tonne Au. Two populations were identified – one very low grade population and a much larger, lognormal distributed population. The mean grade of diamond drill samples that were located within the interpreted mineralised zones, regularised over 1.5 metre intervals, was 1.86 g/tonne Au.

Silver assays were also available for 35% of samples that were within the interpreted zones. The mean value was 16 g/tonne Ag. Higher silver values tended to be found where gold values were also high, but the correlation was poor.

Variography was carried out on the regularised samples from the Main Zone (1.5 metre composites). An exponential model with a range of 29 metres provided a reasonable fit to the omnidirectional raw data.

Three dimensional (“3D”) block models were created for each zone. The block model was one layer thick in the north direction – block thickness values were estimated.

Block grades were estimated using the 1.5-metre-regularised samples from within the interpreted zones. Each zone was a separate domain. Block grades were estimated using ordinary kriging. True thickness and block northing values were estimated using inverse distance weighting (power of two) of the zone intercepts from diamond drilling.

Indicated Resources were outlined graphically on longitudinal sections within areas where the intercept spacing was approximately 25 metres or less (slightly shorter than the variogram range).

Resources were determined using a block cut-off grade of 3 g/tonne Au, as follows:

Category	Cut-off Grade (g/tonne)	Tonnes Above Cut-off	Average Grade (g/tonne)	Ounces
Indicated - Main Zone	3.0	560,000	5.9	110,000
<u>Inferred:</u>				
H1	3.0	-	-	-
H	3.0	480,000	4.7	70,000
Main	3.0	2,520,000	6.4	520,000
B	3.0	130,000	4.2	18,000
C	3.0	90,000	4.0	12,000
D	3.0	50,000	3.2	5,000
Total Inferred	3.0	3,300,000	5.9	625,000

Block model results were compared against bulk sampling results. The average block model grades were 70-84% of the average grades from bulk sampling. Closer agreement (84 % of block grades) came from the higher grade “A” zone located east of the decline. Overall, block estimates agreed fairly closely with bulk sample grades.

The Thunder Lake Property hosts a significant gold resource with potential to increase this resource, both by expanding the known resources and by drill testing other target areas including the under-explored regions northeast and west of the Thunder Lake Deposit.

Caracle Creek International Consulting Inc. (CCIC) has recommended a follow-up program including, geological and geophysical compilation and modelling and, infill and step-out drilling of the Thunder Lake deposit, the west and northeast extensions of the mineralised horizon and geophysical targets. Geophysical surveys and bedrock mapping should be extended east and northeast of Norman Road and eventually property-wide in an effort to define future drill targets.

Howe concurs with CCIC’s recommendations and budget and also recommends additional infill diamond drilling on the Thunder Lake deposit (4,100 metres) to increase the knowledge of the higher grade areas at shallower (<200 m) depths, and along strike toward the west. Also, a Preliminary Economic Assessment should be carried out to determine whether surface mining, underground mining or a combination of both could be carried out economically.

The total cost of CCIC’s and Howe’s recommended programs is budgeted at CAD\$3,760,000.

## 5.2 Lara Project

The Company received the NI 43-101 Mineral Resource Estimate and Technical Report titled “Independent Technical Report and Mineral Resource Estimation, Lara Polymetallic Property, British Columbia, Canada” dated effective April 2, 2008 (the “Lara Technical Report”). The Lara Technical Report was prepared in accordance with the Canadian Securities Administrator’s National Instrument 43-101 (“NI 43-101”) by Stephen Wetherup, B.Sc., P.Geo and Iain Kelso,

H.B.Sc., P.Geo. of Caracle Creek International Consulting Inc. ("CCIC"). Each of Stephen Wetherup and Iain Kelso is a qualified person as such term is defined in NI 43-101 and each is independent of the Company. The Lara Technical Report sets out the property description and location, accessibility, climate, local resources, infrastructure and physiology, history, geological setting, exploration, mineralization, drilling, sampling and analysis, security of samples, mineral resource and reserve estimates, mining operations and exploration and development of the Lara Project. The Company has submitted the Lara Technical Report to the TSX and has filed it on SEDAR. The Lara Technical Report can be viewed on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### Summary of Exploration Activities to Date

Located on the Lara Property is a high-grade polymetallic base metal deposit, referred to as the Lara Deposit (Coronation Trend) that in addition to high-grade zinc contains lead, copper and significant gold and silver concentrations. As the Lara Property has not been the focus of the Company's exploration programs to date, other than claim maintenance, data review and report writing, the Company has not completed any significantly new exploration results on the Lara Project. However, the Company has inherited a considerable amount of historical work completed on the Property by Laramide and other exploration/mining companies. This historic work includes extensive geological and geophysical surveys, over 100,000 meters of drilling and, in the late 1980's a small underground program that ramped in to the deposit and confirmed geological continuity in the two lenses of massive sulphide mineralization. Prior to 2008, Laramide completed a comprehensive data compilation, integration and review program and a 500 line kilometre (property wide) high-resolution electromagnetic-magnetic-radiometric helicopter-borne geophysical survey. Treasury is planning on utilizing this extensive data set to target for future surface exploration and diamond drilling programs but has yet to review and interpret all of the available data.

In addition, Laramide contracted a NI 43-101 compliant mineral resource estimate and Technical Report on the Lara Deposit (Coronation Deposit), which was filed by Laramide on SEDAR in November 2007 and later by the Company in July 2008 (see below for Summary).

The Lara Polymetallic Deposit is located on a relatively small region (<10% of the total area) of the larger Lara Property. In addition to the Lara Deposit target area, there are at least 5 other known areas on the Property that host similar style of mineralization and none of these targets have been systematically tested.

The Company is currently planning on data integration, interpretation and targeting work in 2009 as well as initiation of First Nation and community consultations and environmental baseline studies, subject to its available funds.

For the purposes of the disclosure required under section 5.4 of Form 51-102F2 – Annual Information Form, the Summary from the Lara Technical Report is reproduced below, and the Company incorporates by reference in this Annual Information Form the disclosure contained in the Lara Technical Report.

The Lara Property, located in the southern area of Vancouver Island, lies about 75 km north of the provincial capital, Victoria. The Lara Property is centred at the approximate UTM coordinates (NAD83 Zone 10 North) 432219mE and 5416285mN (48°52'52" N and 123°54'18"

W). The extent of the Lara Property is bound by the UTM coordinates 424753mE/5421005mN and 440335mE/5411720mN and measures approximately 9 km by 16 km. Presently, the Lara Property position totals 6,844 ha of registered mineral claims (legacy and cell) in good standing.

The Lara Property is a high-grade volcanogenic gold and base metal deposit. The Lara Property is underlain by the McLaughlin Ridge Formation (Horne Lake-Cowichan uplift) which is correlative with the Myra Formation (Buttle Lake uplift) sequence of felsic volcanic rocks that hosts the Zn-Pb-Cu-Ag-Au Volcanogenic Massive Sulphide (“VMS”) deposit of Myra Falls (~300 km to the north). The past producing Cu-Pb-Zn mine and mineralized zones at Mt. Sicker, ~2 km southeast of the Property, are also hosted by the felsic volcanic rocks of the McLaughlin Ridge Formation (Belik, 1981; MINFILE, 1990a).

Reported diamond drilling on the Lara Property totals some 101,730 metres in 490 drill holes. The most recent exploration work on the Lara Property was carried out in 1998 by Nucanolan Resources Ltd. who completed a diamond drilling program of 12 drill holes (2,559 metres) with their best reported intersection of 3.16 m @ 2.48% Cu, 1.19% Pb, 12.3% Zn, 49.80 g/t Ag, 2.30 g/t Au. A historic resource (not compliant with NI43-101 standards) was reported in 1998 by Nucanolan Resources Ltd. to be 580,000 tonnes grading 5.87% Zn, 1.22% Pb, 1.01% Cu, 0.138 opt Au (4.3 g/t Au) and 2.92 opt Ag (90 g/t Ag) over and average thickness of 8.3 feet or 2.53 metres ((Archibald, 1999).

A Mineral Resource Estimate was completed on the mineralized zones within the Coronation Trend. Wireframe models were generated for mineralization envelopes in which a continuous zone of >1.0% Zinc-Equivalent could be consistently followed and modelled. In most instances, the significant intersections were reconciled from section to section without the inclusion of low-grade intervals. The Coronation Trend was modelled as six (6) discrete zones with a total strike length of approximately 1,180 metres along a 118° trend. The average dip of the zones is approximately 65° to the north-northeast. The true width of the zone models ranges from 2 to 15 metres and averages approximately 5 metres.

Grade interpolation for the Coronation Trend was completed using the Inverse Power of Distance Method. The results for the Estimate and the associated metal content are reported at 1.0%, 2.0%, and 3.0% Zn Block cut-offs as follows:

**Table - Coronation Trend Mineral Resource Estimate (undiluted).****1% Zn Block Cut-off**

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
<b>Indicated</b>	1,146,700	3.01	32.97	1.05	0.58	1.97
<b>Inferred</b>	669,600	2.26	32.99	0.90	0.44	1.90

**2% Zn Block Cut-off**

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
<b>Indicated</b>	428,600	5.65	47.04	2.25	1.18	2.39
<b>Inferred</b>	207,900	3.99	37.57	1.73	0.84	2.30

**3% Zn Block Cut-off**

Category	Tonnes	Zn (%)	Ag (g/t)	Cu (%)	Pb (%)	Au (g/t)
<b>Indicated</b>	189,600	9.74	60.85	4.44	2.23	3.07
<b>Inferred</b>	91,100	6.15	40.79	3.15	1.45	2.50

**Table -Metal content of Mineral Resource Estimate (undiluted).****1% Zn Block Cut-off**

Category	lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
<b>Indicated</b>	76,143,000	1,216,000	26,595,000	14,561,000	73,000
<b>Inferred</b>	33,422,000	710,000	13,316,000	6,510,000	41,000

**2% Zn Block Cut-off**

Category	lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
<b>Indicated</b>	53,339,000	648,000	21,250,000	11,102,000	33,000
<b>Inferred</b>	18,284,000	251,000	7,911,000	3,832,000	15,000

**3% Zn Block Cut-off**

Category	lbs Zn	oz Ag	lbs Cu	lbs Pb	oz Au
<b>Indicated</b>	40,707,000	371,000	18,575,000	9,340,000	19,000
<b>Inferred</b>	12,341,000	119,000	6,319,000	2,905,000	7,000

On the basis of the current geotechnical review and the Mineral Resource Estimate, CCIC recommends that further exploration work be completed on the Lara Property.

It is CCIC's professional opinion that there remains excellent potential to increase the current Resource Estimate for the Coronation Trend and for the discovery of additional massive sulphide mineralization at depth and along strike of known mineralized zones. Moreover, due to the similarities in structural, lithological and host stratigraphy and similar ore mineralogy to the Mount Sicker past producer and the Myra Falls Mine, there is potential along strike to the northwest and southeast for further discovery of potentially economic massive sulphide zones associated with the McLaughlin Ridge Formation and the Sicker Group. CCIC recommends a work program, totalling approximately CAD\$500,000, to include surface geophysical survey and diamond drilling.

## 6. DIVIDENDS

No dividends on the Common Shares have been paid to date. The Company anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

## 7. DESCRIPTION OF SHARE STRUCTURE

### 7.1 Authorized Share Capital

The Company is authorized to issue an unlimited number of Common Shares of which 26,788,715 Common Shares are issued and outstanding as at the date of this AIF. In addition, 1,074,077 Common Shares are reserved for issuance upon the exercise of Common Share purchase warrants of the Company.

### Common Shares

Holders of Common Shares are entitled to dividends if, as and when declared by the directors, to one vote per share at meetings of shareholders and to receive the remaining property of the Company upon dissolution.

## 8. MARKET FOR SECURITIES

### 8.1 Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol "TML". The table below sets forth the high and low trading prices and volume for the Company's Common Shares traded through the TSX on a monthly basis for the period commencing on August 19, 2008, the initial listing date of the Common Shares on the TSX, and ending on February 28, 2009.

	Price Range and Trading Volume		
	High	Low	Volume
February 2009	0.25	0.11	735000
January 2009	0.3	0.15	709100
December 2008	0.25	0.07	983900
November 2008	0.44	0.09	892600
October 2008	0.26	0.07	937100
September 2008	0.75	0.16	648700
August 2008	0.84	0.61	32500

## 8.2 Prior Sales

The following table sets forth the securities not listed but issued by the Company during the financial year ended December 31, 2008.

Date of Grant	Class of Securities	Number of Securities	Exercise Price	Expiry Date
July 2, 2008	Warrants	161,077	\$2.00	July 2, 2010
July 2, 2008	Warrants	913,000	\$2.75	July 2, 2010

## 9. ESCROWED SECURITIES

Pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* (the “**Escrow Policy**”), each of Laramide, Marc Henderson, Scott-Jobin-Bevans, James Fairbairn, William Fisher, Blaise Yerly, Peter Walker, Linda Montgomery and Chris Irwin (collectively, the “**Principals**”) qualify as “Principals” pursuant to the Escrow Policy. Principals who hold securities carrying more than 1% of the voting rights attached to the Company’s outstanding securities entered into an escrow agreement (the “**Escrow Agreement**”) with the Company and Equity date August 12, 2008. A total of 4,331,634 Common Shares and 87,500 warrants (the “**Escrowed Securities**”) were deposited into escrow with Equity as escrow agent.

The Escrow Agreement provides that the Escrowed Securities may not be sold, transferred, assigned, mortgaged or otherwise dealt with except in limited circumstances provided by the Escrow Agreement. However, a holder of Escrowed Securities may exercise any voting rights attached to his, her or its Escrowed Securities and receive distributions on such Escrowed Securities.

The Escrowed Securities will be released from escrow over time, as follows:

On the August 19, 2008	1/4 of the Escrowed Securities
6 months after the listing date	1/3 of the remaining Escrowed Securities
12 months after the listing date	1/2 of the remaining Escrowed Securities
18 months after the listing date	The remaining Escrowed Securities

There are currently 2,165,818 Common Shares and 43,754 Common Share purchase warrants currently held in escrow.

## 10. DIRECTORS AND OFFICERS

### 10.1 Name, Occupation and Security Holding

The following table and the notes thereto set out the name, municipality and country of residence of each director and executive officer of the Company, their current position and office with the Company, their respective principal occupation during the five preceding years, the date on which they were first elected or appointed as a director or officer of the Company, the approximate number of Common Shares beneficially owned, directly or indirectly, or over which

they exercise control or direction as at the date of this AIF, and the percentage of the total issued and outstanding Common Shares represented by such shares:

<b>Name and Municipality of Residence</b>	<b>Position with the Company</b>	<b>Director or Officer Since</b>	<b>Principal Occupation during the five preceding years<sup>(3)</sup></b>	<b>Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b>
Marc Henderson <sup>(2)</sup> Toronto, Ontario, Canada	Chairman and Director	August 2007	Mr. Henderson is a director of the Company and non-executive Chairman of the board of directors and has been a director since August 2007. Mr. Henderson currently serves as the President, Chief Executive Officer and a director of Laramide and has held this position since May 1995. He is currently also President of Aquiline Resources Inc. and has held this position since 1995.	977,463
Scott Jobin-Bevans Toronto, Ontario, Canada	President, Chief Executive Officer and Director	January 2008	Dr. Jobin-Bevans is President, Chief Executive Officer and a director of the Company and has held these positions since January 2008. From September 2001 until November 2008, Dr. Jobin-Bevans served as Managing Director of Caracle Creek International Consulting Inc. (currently a director). Currently, Dr. Jobin-Bevans is also 1st Vice-President and a director of the Prospectors and Developers Association of Canada. Dr. Jobin-Bevans also served as Vice-President Exploration of Pacific North West Capital Corp. from May 2002 to May 2003, Vice-President Exploration for Takara Resources Inc. and a director of Absolut Resources Corp.	53,131
William Fisher <sup>(2)</sup> Toronto, Ontario, Canada	Director	February 2008	Mr. Fisher is a director of the Company and has held this position since February 2008. Mr. Fisher is currently Chief Executive Officer and a director of Karmin Exploration Inc. and has been Chief Executive Officer since August 2001, and a director since 1995. In May 2008, Mr. Fisher became a director of PC Gold (TSX listed) and in November 2008 he became a director of Rockwell Diamonds (TSX and JSE listed). He also acted as Chief Executive Officer and director of GlobeStar Mining Corporation from August 2001 to February 2008, when he resigned from both positions. Mr. Fisher was also Chairman of the board of directors and a director of Aurelian Resources Inc. which was sold to Kinross in September 2008.	33,000

<b>Name and Municipality of Residence</b>	<b>Position with the Company</b>	<b>Director or Officer Since</b>	<b>Principal Occupation during the five preceding years<sup>(3)</sup></b>	<b>Securities Beneficially Owned, Controlled or Directed<sup>(1)</sup></b>
Blaise Yerly <sup>(2)</sup> Corseaux, Switzerland	Director	February 2008	Mr. Yerly is a director of the Company and has held this position since February 2008. Mr. Yerly is currently Chairman of the board of directors of Aquiline Resources Inc. Mr. Yerly also serves as Managing Director of Minosucra LLC (formerly Triumph International Trading Ltd.) and has held this position since 1998.	162,500
Peter Walker Toronto, Ontario, Canada	Director	February 2008	Mr. Walker is a director of the Company and has held this position since February 2008. Mr. Walker is currently self-employed as a consultant. From July 1993 to March 2005, Mr. Walker was Chairman, director, President and Chief Executive Officer of Corona. Mr. Walker is currently a director of Corona and has held this position since July 1993.	21,895
James Fairbairn Toronto, Ontario, Canada	Chief Financial Officer	June 2008	Mr. Fairbairn is Chief Financial Officer of the Company, is a self-employed chartered accountant, consulting for public companies since 1990. Mr. Fairbairn has acted as Treasurer of CGX Energy Inc. from March 1997 to present; Chief Financial Officer and a director of Vena Resources Inc. from February 2004 to 2008; Chief Financial Officer of Garrison International from May 2005 to December 2006; Chief Financial Officer of Trelawney Resources Inc. from June 2005 to 2008; Treasurer of Ausnoram Holdings Ltd. from January 2001 to June 2005; Chief Financial Officer of Band-Ore Resources Corp. from October 1995 to September 2006; Chief Financial Officer of Canada Lithium Corp. (formerly Black Pearl Minerals Consolidated Inc.) from June 2006 to 2008; Chief Financial Officer of Claim Post Resources from August 2006 to present; Chief Financial Officer of Portage Minerals Inc. from June 2006 to 2008; Chief Financial Officer of Southeast Asia Mining Corp. from August 2006 to present; and director of Schyan Exploration Inc. (formerly Bandolac Mining Company, Ltd.) from August 2006 to present.	Nil

*Notes:*

- (1) *The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Company's audit committee.*
- (3) *Based on information provided by the individuals.*

## **Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below, none of the directors or executive officers:

- (a) is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or chief executive officer or chief financial officer of any company that:
  - (i) was the subject of an order (as defined in Multilateral Instrument 51-102F5) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer, or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer, or chief financial officer.

None of the directors, executive officers or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is at the date hereof, or has been within 10 years before the date of this AIF, a director or executive officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Fairbairn is an officer of Canada Lithium Corp. (formerly Black Pearl Minerals Consolidated Inc.), which on July 30, 2001 and July 23, 2003 became subject to management cease trade orders because that company, in each case, did not file its financial statements, management discussion and analysis and annual information form on time, as required under applicable law. The management cease trade orders were subsequently revoked.

## **11. CONFLICT OF INTEREST**

Certain of the directors of the Company also serve as directors of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Company and such other companies. In addition, such directors

declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

## 12. AUDIT COMMITTEE INFORMATION

Multilateral Instrument 52-110 (“**MI52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

### 12.1 Audit Committee

The Company’s audit committee is directly responsible for overseeing the work of the auditors and must pre-approve all non-audit services, be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and must establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters. The audit committee has not yet adopted a written charter, but intends to do so in compliance with Multilateral Instrument 52-110 – Audit Committees.

The full text of the charter of the Company’s Audit Committee is attached hereto as Schedule “A”.

### 12.2 Composition of the Audit Committee

The current members of the audit committee are Messrs. Fisher, Henderson and Yerly. All the members of the audit committee are considered to be “independent” and “financially literate” as defined in Multilateral Instrument 52-110 – Audit Committees.

The following table describes the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

Name of Member	Relevant Experience and Qualifications
William Fisher	BSc. (hons) Geology Mr. Fisher is a professional geologist with over 25 years of experience in the mining industry and has served as a director of several public companies.
Marc Henderson	Mr. Henderson has a degree in Economics and is a Chartered Financial Accountant (CFA).  Mr. Henderson has been active as a senior officer and director in managing all aspects of junior mining companies (including audit committee memberships) for over 20 years.
Blaise Yerly	Mr. Yerly holds a business school diploma. He has acted as Managing Director, Minosucra LLC (formerly Triumph International Trading Ltd.) from 1998 to present.

### **12.3 Pre-Approval Policies and Procedures**

In the event that the Company wishes to retain the services of the Company's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

### **12.4 Audit Fees**

The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
<b>Year ended December 31, 2008</b>	\$33,500	\$17,300	Nil	Nil
<b>Year ended December 31, 2007</b>	Nil	Nil	Nil	Nil

Audit Fees – payable for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – payable for professional services rendered by the auditors and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees – payable for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – payable for professional services which included accounting advice and advice related to relocating employees.

### **13. LEGAL PROCEEDINGS**

Management is not aware of any current or contemplated material legal proceedings to which the Company is a party or which any of its property is the subject.

### **14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Company other than the transactions between Corona and the Company under the Purchase Agreement, the transfer of assets by Laramide to the Company pursuant to the Spin-off Transaction, the issuance of Common Shares to Laramide in connection with payments pursuant to the Purchase Agreement and an interest free loan by Laramide to the Company in the amount of \$2,000,000. In addition, in September, 2008, the Company

transferred 842,504 shares of Aquiline Resources Inc. to Laramide in exchange for the cancellation of \$5,055,025.68 of debt owing to Laramide.

## **15. TRANSFER AGENT AND REGISTRAR**

The Company's transfer agent and registrar is Equity Transfer & Trust Company at its Toronto office located at Suite 400, 200 University Avenue, Toronto, Ontario M5H 4H1.

## **16. MATERIAL CONTRACTS**

There are no contracts that may be considered material to the Company, other than contracts entered into in the ordinary course of business, that have been entered into by the Company in the past fiscal year or that have been entered into by the Company in a previous fiscal year and are still in effect except as noted below:

1. The Purchase Agreement dated September 24, 2007 as amended on January 16, 2008 and on March 3, 2008;
2. Agency agreement dated March 24, 2008 between the Company, Laramide, Thomas Weisel Partners Canada Inc., Dundee Securities Corporation and Haywood Securities Inc.;
3. Special warrant indenture made as of March 24, 2008 between the Company and Equity Transfer & Trust Company;
4. Warrant indenture made as of March 24, 2008 between the Company and Equity Transfer & Trust Company; and
5. Agreement made as of September 30, 2008 between the Company and Laramide with respect to the sale of 842,504 shares in the capital of Aquiline Resources Inc. by the Company to Laramide in consideration for the cancellation of \$5,055,25.68 of debt.

## **17. INTEREST OF EXPERTS**

The information on the Goliath Gold Project is summarized from the Technical Report prepared by Howe. A copy of the Technical Report can be found on the Company's disclosure page on [www.sedar.com](http://www.sedar.com). The Technical Report was prepared by Doug Roy and Ian Trinder, both of whom are independent consulting geologists, are independent of the Company and have no interest in the Goliath Gold Property. Neither Howe nor the authors of the Technical Report own beneficially, directly or indirectly, more than 1%, respectively, of any class of securities of the Company.

The information on the Lara Project is summarized from the Technical Report prepared by CCIC. A copy of the Technical Report can be found on the Company's disclosure page on [www.sedar.com](http://www.sedar.com). The Technical Report was prepared by Stephen Wetherup and Iain Kelso, both of whom are independent consulting geologists, are independent of the Company and have no interest in the Lara Property. Neither CCIC nor the authors of the Technical Report own beneficially, directly or indirectly, more than 1%, respectively, of any class of securities of the Company.

The auditors of the Company Smith Nixon LLP, Chartered Accountants, Toronto, Ontario and are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

## **18. ADDITIONAL INFORMATION**

Additional information relating to the Company filed under its continuous disclosure obligations is available on SEDAR at [www.sedar.com](http://www.sedar.com) .

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the joint management information circular of the Company for its most recent meetings of shareholders that involved the election of directors, and additional financial information is provided in the financial statements of the Company and management's discussion and analysis for each of their most recently completed financial years, respectively.

## APPENDIX "A"

### TREASURY METALS INC.

#### Charter of the Audit Committee of the Board of Directors

##### OVERALL PURPOSE AND OBJECTIVE

The audit committee (the "**Committee**") will assist the directors (the "**Directors**") of Treasury Metals Inc. (the "**Company**") in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will review the financial accounting and reporting process of the Company, the system of internal controls and management of the financial risks of the Company and the audit process of the financial information of the Company. In fulfilling its responsibilities, the Committee should maintain an effective working relationship with the Directors, management of the Company and the external auditor of the Company as well as monitor the independence of the external auditor.

##### AUTHORITY

1. The audit committee shall have the authority to:
  - (a) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;
  - (b) set and pay the compensation for any advisors employed by the Committee;
  - (c) communicate directly with the internal and external auditor of the Company and require that the external auditor of the Company report directly to the Committee; and
  - (d) seek any information considered appropriate by the Committee from any employee of the Company.
2. The Committee shall have unrestricted and unfettered access to all personnel and documents of the Company and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

##### MEMBERSHIP AND ORGANIZATION

3. The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules and regulations, and stock exchange requirements ("**Applicable Laws**"). In this Charter, the terms "independent" and "financially literate" have the meaning ascribed

to such terms by Applicable Laws, and include the meanings given to similar terms by Applicable Laws, including in the case of the term "independent" the terms "outside" and "unrelated" to the extent such latter terms are applicable under Applicable Laws.

4. The chairman of the Committee will be appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Directors may determine in their business judgment.
5. The secretary of the Committee will be the Secretary of the Company or such other person as is chosen by the Committee.
6. The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.
7. The Committee may invite the external auditor of the Company to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Company.
8. The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee or the external auditor of the Company may call a meeting of the Committee at any time upon 48 hours prior written notice.
9. All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.
10. Minutes shall be kept in respect of the proceedings of all meetings of the Committee.
11. No business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.
12. The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

## **ROLES AND RESPONSIBILITIES**

1. To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall recommend to the Directors:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, and
  - (b) the compensation to be paid to the external auditor of the Company;
  - (c) review the proposed audit scope and approach of the external auditor of the Company and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;

- (d) meet separately and periodically with the management of the Company, the external auditor of the Company and the internal auditor (or other personnel responsible for the internal audit function of the Company) of the Company to discuss any matters that the Committee, the external auditor of the Company or the internal auditor of the Company, respectively, believes should be discussed privately;
- (e) be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Company or performing other audit, review or attest services for the Company, including the resolution of disagreements between management of the Company and the external auditor of the Company regarding any financial reporting matter and review the performance of the external auditor of the Company;
- (f) review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Company;
- (g) review audit issues related to the material associated and affiliated entities of the Company that may have a significant impact on the equity investment therein of the Company;
- (h) meet with management and the external auditor of the Company to review the annual financial statements of the Company and the results of the audit thereof;
- (i) review and determine if internal control recommendations made by the external auditor of the Company have been implemented by management of the Company;
- (j) pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Company or any subsidiary entities thereof by the external auditor of the Company provided that the other members of the Committee are informed of each such non-audit service;
- (k) consider the qualification and independence of the external auditor of the Company, including reviewing the range of services provided by the external auditor of the Company in the context of all consulting services obtained by the Company;
- (l) consider the fairness of the interim financial statements and financial disclosure of the Company and review with management of the Company whether,

- (i) actual financial results for the interim period varied significantly from budgeted or projected results,
  - (ii) generally accepted accounting principles have been consistently applied,
  - (iii) there are any actual or proposed changes in accounting or financial reporting practices of the Company, and
  - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;
- (m) review the financial statements of the Company, management's discussion and analysis and any annual and interim earnings press releases of the Company before the Company publicly discloses such information and discuss these documents with the external auditor and with management of the Company, as appropriate;
- (n) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Company of financial information extracted or derived from the financial statements of the Company, other than the public disclosure referred to in paragraph 4(l) above, and periodically assess the adequacy of those procedures;
- (o) establish procedures for,
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters relating to the Company;
- (p) review and approve the hiring policies of the Company regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;
- (q) review the areas of greatest financial risk to the Company and whether management of the Company is managing these risks effectively;
- (r) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Company;
- (s) review any legal matters which could significantly impact the financial statements of the Company as reported on by counsel and meet with counsel to the Company whenever deemed appropriate;

- (t) institute special investigations and, if appropriate, hire special counsel or experts to assist in such special investigations;
- (u) at least annually, obtain and review a report prepared by the external auditor of the Company describing: the firm's quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Company;
- (v) review with the external auditor of the Company any audit problems or difficulties and management's response to such problems or difficulties;
- (w) discuss the Company's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable; and
- (x) review this charter and recommend changes to this charter to the directors from time to time.

#### **COMMUNICATION WITH DIRECTIONS**

1. The Committee shall produce and provide the Directors with a written summary of all actions taken at each Committee meeting or by written resolution.
2. The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.