FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company

Treasury Metals Inc. (the "Company")
130 King Street West, Suite 3680
Toronto, Ontario M5X 1B1

ITEM 2 Date of Material Change

May 18, 2011

ITEM 3 News Release

A news release disclosing the material change was issued on May 18, 2011 through the facilities of Marketwire.

ITEM 4 Summary of Material Change

The Company announced that it has entered into an agreement with Aquiline Resources Inc. ("Aquiline"), a wholly-owned subsidiary of Pan American Silver Corp., regarding the acquisition of a 100% interest in the Pico Machay gold project in Peru through the purchase of all of the outstanding shares of Absolut Resources Inc., a subsidiary of Aquiline.

ITEM 5 Full Description of Material Change

Please refer to the news release attached as Schedule "A" for a full description of the material change.

ITEM 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

ITEM 7 Omitted Information

No information has been omitted from this material change report.

ITEM 8 Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Martin Walter
President and Chief Executive Officer
Tel: (416) 214.4654

ITEM 9 Date of Report

May 20, 2011.

SCHEDULE “A”

Please see attached.

TREASURY METALS

INCORPORATED

NEWS RELEASE	**TSX:TML**	May 18, 2011

Treasury Metals to Acquire Pico Machay Gold Project from Pan American Silver

Acquisition supports Americas-Focused Growth Strategy

Toronto, Ontario –Treasury Metals Inc. ("Treasury Metals" or the "Company") announced today it is launching the next phase of its growth strategy and has agreed to purchase 100% of the Pico Machay Gold Project from Pan American Silver Corp., through the acquisition of certain subsidiaries owned by Pan American (the "Transaction").

The Pico Machay Gold Project ("Pico Machay" or the "Project") is a high-sulphidation gold deposit that lies within the northern extent of the Southern Peru Epithermal Gold-Silver Belt, which is one of three epithermal gold-silver belts in Peru that are host to world-class gold deposits, including the producing Yanacocha and Pierina mines. The Project is a near-term mine development stage asset and preliminary engineering and metallurgical test work will support a low cost, low strippingratio, heap leach operation. The region surrounding Pico Machay in the eastern part of the Andean Cordillera has numerous mining operations including GoldFields' and Buenaventura's Chucapaca, Minera IRL's Corihrami, and the Castrovirreyna project.

Commenting on the acquisition, Martin Walter, President and Chief Executive Officer, said,"Treasury Metals will be well-positioned to deliver on a multi-asset growth strategy in the Americas, with near-term production potential at Pico Machay in Peru, and ongoing exploration at the Goliath Gold Project in Dryden, Ontario. These two projects represent a growing global resource of two million ounces of gold plus a considerable amount of exploration potential.We have assembled a talented group of geologists in Dryden to continue advancing our Canadian projects and we have now inherited an experienced development team in Lima, Peru.The Project is located in a jurisdiction which I believe holds vast potential and other companies operating similar epithermal high sulphidation properties include Rio Alto Mining Ltd. andMinera IRL."

Transaction Highlights include:

- The acquisition of Pico Machay represents:
    - Near-term production potential, as a conventional low cost, low stripping ratio, run-of-mine heap leach operation with low capital investment required;
    - Significant potential to increase the current resource which includes Measured and Indicated of 270,000 ounces(Measured 140,000 and Indicated 130,000) and Inferred Resource of 450,000 ounces (using 0.30 g/t gold cut-off);
    - Experienced management team at Treasury Metals who spent considerable time developing Pico Machay in the past;
    - The ability to capitalize quickly on record high gold prices, potential robust operating margins that will fund further exploration and development work both in Ontario and Peru; and
    - Recent metallurgical test work performed by Pan American.
- Treasury Metals is well positioned for further growth in two high-quality jurisdictions:
    - Leverages the experience of Treasury Metals management team in South America;
    - Provides an operating base in Peru to facilitate additional exploration and expansion in South America; and
    - Complements ongoing exploration and consolidation in underexplored Kenora Gold District in Ontario.

Treasury Metals is to pay a total of US$21 million in cash and issue 11.5 million common shares to Pan American in consideration for Pico Machay. Treasury Metals and Pan American have entered into a Definitive Agreement dated May 18,2011 (the "Agreement") relating to the acquisition.

Marc Henderson, Chairman of Treasury Metals, commented, "Our corporate goal has always been to become a diversified Americas-focused gold producer. The acquisition of a near-term mine development stage asset like Pico Machay presented a compelling opportunity in this current gold environment and will result in robust project economics. The management team at Treasury Metals has spent considerable time developing Pico Machay in the past as previous owners during our time at Aquiline Resources Inc., prior to its acquisition by Pan American.This acquisition creates significant value for Treasury Metals shareholders and we will realize significant accretion to our net asset value. Pico Machay complements our gold projects in Ontario, where we are extremely encouraged with the recent exploration results."

The Company views this Transaction as an attractive opportunity for its shareholders given its prior experience with the asset and its established relationships with local communities and government.

Overview of Pico Machay

Pico Machay is a high-sulphidation gold deposit located in the eastern part of the Andean Cordillera in southern Peru within the Province of Huancavelica. The Project consists of 15 mineral concessions covering 4,823 hectares.

The Company expects that Pico Machay can be advanced to production in a short time frame, at minimal capital cost with a short-term payback and provide steady cash flow generation at low operating costs. The Company estimates that Pico Machay has the potential to initially produce 50,000 – 75,000 ounces of gold per year. Furthermore, the majority of permits required to advance development have been obtained and are in good standing.

To date, the majority of drilling has been undertaken to define the main deposit area, with limited testing of possible resource extensions along strike and at depth and has nine high-priority exploration targets identified.The Project contains a Measured and Indicated Resource of 10.66 million tonnes grading 0.78 g/t gold for 270,000 ounces (0.30 g/t gold cut-off) (Measured 140,000 and Indicated 130,0000)and a further Inferred Resource of 23.90 million tonnes grading 0.58 g/t gold for 450,000 ounces."The author considers the choice of cut-off to be prudent, though potentially conservative. Further engineering design work and economic analyses could potentially show that the actual, operating cut-off grade is lower than 0.30 g/t."

Mineral resources for Pico Machay are reported in accordance with the guidelines of the Canadian Securities Administrators National Instrument 43-101, and have been estimated in conformity with generally accepted CIM "Estimation and Mineral Resource and Mineral Reserve Best Practices" guidelines.An independent National Instrument 43-101 technical report and resource estimate on Pico Machay (the "Technical Report") was prepared by A.C.A.Howe International Limited ("Howe"). The mineral resource estimate was completed by Howe's Senior Associate Mining Engineer, Doug Roy,M.A.Sc., P. Eng. and Howe's Associate Project Geologist, Doris Fox, M.Sc., P. Geo., reviewed assay quality control and authored the remainder of the Technical Report. The Technical Report is expected to be filed on Sedarwithin 45 days.

Creating a Growing, Americas-Focused Gold Company

The acquisition of Pico Machayadds a second advanced project, in a mine-friendly jurisdiction, that complements the exploration and development profile of the Company's Goliath Gold Project and Goldcliff property.

The Company will continue to focuson its exploration activities at the Goliath Gold Project in Dryden, Ontario, and is currently conducting a 30,000 metres drill program to infill and expand the current mineral resource which has returned significant high-grade drill results (see press releases dated May 18, 2011, April 28, 2011 and April 12, 2011). In addition, the Company is currently in the process of developing a follow-up program at the GoldcliffProject which returned grab samples of up to 106.4 g/t gold during a 2010 prospecting program. The Company's Vice President of Exploration, Mr. Andrew Cheatle, has assembled a technical team of geologists and assumed the management of day-to-day operations in Dryden.

Additional Transaction Details

Pursuant to the terms of the Agreement, the Company has agreed to pay a total of US$21 million in cash and the issuance of 11.5 million common shares (the "Shares"). Treasury Metals has agreed to issue 1.0 million common shares to Pan American at the time of signing, with the balance of 10.5 common shares to be issued upon the closing of the Transaction. Pan American will hold approximately 19.70% of the issued and outstanding common shares of the Company, calculated prior to taking into account an equity offering that is a condition of completing the Transaction. Treasury Metals will have the right to direct the sale of any of the Shares issued to Pan American for a two-year period following the closing in certain circumstances.

The Transaction is conditional upon, among other things, the receipt of all required regulatory approval, including the approval of the TSX, and the completion by the Company of an equity offering to fund the cash consideration payable to Pan American. It is not expected that Treasury Metals will require shareholder approval to complete the Transaction. The Transaction is anticipated to close no later than July 31, 2011.

Advisors, Counsel and Qualified persons

Treasury Metals' financial advisor is Cormark Securities Inc. and its legal counsel is Heenan Blaikie LLP.

Technical information in this press release related to the Goliath Gold Project has been reviewed and approved by Andrew Cheatle, P.Geo., Vice President, Exploration of Treasury Metals. Information related to the Technical Report on Pico Machay has been reviewed and approved by Doug Roy and Doris Fox, both are independent Qualified Persons under the definitions established by National Instrument 43-101.

To learn more about Treasury Metals, please visit the Company's website at www.treasurymetals.com.

For further information,please contact:

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Forward-looking Statements
This release includes certain statements that may be deemed to be "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that management of the Company expect, are forward-looking statements. Actual results or developments may differ materially from those in forward-looking statements. Treasury Metals disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws.