

FORM 45-106F1
REPORT OF EXEMPT DISTRIBUTION

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

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

Website: www.treasuremetals.com
E-mail: dennis@treasuremetals.com
Telephone: 416-214-4654

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in Ontario and British Columbia.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

<input type="checkbox"/>	Bio-tech		Mining
	Financial Services		<input checked="" type="checkbox"/> exploration/development
<input type="checkbox"/>	investment companies and funds		<input type="checkbox"/> production
<input type="checkbox"/>	mortgage investment companies	<input type="checkbox"/>	Oil and gas
<input type="checkbox"/>	Forestry	<input type="checkbox"/>	Real estate
<input type="checkbox"/>	Hi-tech	<input type="checkbox"/>	Utilities
	Industrial	<input type="checkbox"/>	Other (describe)

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

May 18, 2016

Item 6: For each security distributed:

- (a) describe the type of security,
- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and
- (c) state the exemption(s) relied on.

The Issuer distributed an aggregate 6,258,000 units of the Company ("Units") at a price of \$0.48 per Unit pursuant to a brokered private placement offering. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant shall be exercisable into one common share of the Company at an exercise price of \$0.70 for a period of 24 months from the date of issuance.

The Company paid an aggregate cash commission of \$177,350 and issued an aggregate of 351,480 compensation options (the "Compensation Options") to the agent and certain eligible arm's length finders in connection with the brokered private placement. The Compensation Options are exercisable for 24 months following the closing date at an exercise of \$0.70 per common share.

The Issuer also distributed 2,083,333 Units of the Company on a non-brokered basis at a price of \$0.48 per Unit for gross proceeds of \$1,000,000. Each Unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant shall be exercisable into one common share of the company at an exercise price of \$0.70 for a period of 24 months from the date of issuance. The Company issued 125,000 finder's warrants and paid cash commission of \$60,000 in connection with the non-brokered financing, each finder's warrant being exercisable at a price of \$0.70 each for one common share of the Company expiring May 18, 2018.

The Issuer is relying on the Accredited Investor Exemption under subsection 2.3 of National Instrument 45-106 and Section 73.3(2) of the *Securities Act* (Ontario) and the BC Instrument 45-536 exemption.

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$)	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
Ontario	13	\$0.48	\$273,840.00
Alberta	4	\$0.48	\$50,400.00
British Columbia	32	\$0.48	\$551,520.00
Quebec	1	\$0.48	\$14,400.00
Northwest Territories	1	\$0.48	\$28,800.00
United States	4	\$0.48	\$142,080.00
Belize	1	\$0.48	\$48,000.00
Switzerland	8	\$0.48	\$688,800.00

Germany	3	\$0.48	\$58,320.00
United Kingdom	4	\$0.48	\$115,200.00
Paraguay	1	\$0.48	\$24,000.00
Marshall Islands	1	\$0.48	\$630,000.00
Fiji	1	\$0.48	\$100,080.00
Monaco	1	\$0.48	\$28,800.00
Cayman Islands	2	\$0.48	\$1,249,600.00
Total number of Purchasers	77		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$4,003,840.00

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full name and address of the person being compensated	Compensation paid or to be paid (cash and/or securities)				Total dollar value of compensation (Canadian \$)
	Cash (Canadian \$)	Securities			
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Cormel Capital Sarl 178, Rue de Vevey P.O. Box 229 1630 Bulle 1 Switzerland	\$7,200	15,000 Agent Warrants	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	N/A
Olivier Crottaz Chemin Des Marionnettes 124 La Conversion Vaud 1093, Switzerland	N/A	15,000 Agent Warrants	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	N/A
Workingprocess Inc. 85 King st E., Suite 304 Toronto ON M5C 1G3	\$60,000	125,000 Finder's Warrants	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	N/A

Haywood Securities Inc. 700 - 200 Burrard Street Vancouver, BC V6C 3L6	\$131,198.40	289,890 Compensation Options	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	\$131,198.40
Canaccord Genuity Corp. 2200 - 609 Granville Street Vancouver, BC V7Y 1H2	\$1,296.00	2,700 Compensation Options	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	\$1,296.00
Leede Financial Markets Inc. # 1800 - 1140 W. Pender St. Vancouver, BC V6E 4G1	\$3,600.00	7,500 Compensation Options	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	\$3,600.00
Raymond James Ltd. 925 West Georgia, Suite 2100 Vancouver, BC V6C 3L2	\$727.20	1,515 Compensation Options	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	\$727.20
GMP Securities L.P. 145 King Street W. Suite 300 Toronto, ON M5H 1J8	\$23,940.00	49,875 Compensation Options	\$0.70	NI 45-106, subsection 2.3(1) May 18, 2016	\$23,940.00
Haywood Securities (USA) Inc. 700 - 200 Burrard Street Vancouver, BC V6C 3L6	\$7,948.80	N/A	N/A	NI 45-106, subsection 2.3(1) May 18, 2016	\$7,948.80
TD Securities 77 Bloor Street West, 3 rd Floor Toronto, ON M5S 1M2	\$1,440.00	N/A	N/A	NI 45-106, subsection 2.3(1) May 18, 2016	\$1,440.00

Note: *Each Agent's Warrant, Finder's Warrant and Compensation Option is exercisable into one common share of the Company at an exercise price of \$0.70 and expires on May 18, 2018.*

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

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Certificate

On behalf of the Issuer, I certify that the statements made in this report are true.

Date: May 30, 2016

TREASURY METALS INC.

Name of issuer (please print)

Dennis Gibson, Chief Financial Officer, 416-214-4654

Print name, title and telephone number of person signing

“Dennis Gibson”

Signature

Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

WeirFoulds LLP, Solicitors for the Issuer

Attention: Conor Dooley

Telephone: (416) 947-5013

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

NOTICE - COLLECTION AND USE OF PERSONAL INFORMATION

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

**AUTHORIZATION OF INDIRECT COLLECTION OF PERSONAL INFORMATION
FOR DISTRIBUTIONS IN ONTARIO**

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The Issuer hereby confirms that each purchaser listed in Schedule I of this report:

- (a) has been notified by the issuer:
 - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
 - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
 - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
 - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.