

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of Ontario, British Columbia and Alberta, but has not yet become final for the purposes of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities in those jurisdictions. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States of America (the “United States” or “U.S.”). Accordingly, these securities may not be offered, sold or delivered, directly or indirectly, in the “United States” (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, “U.S. Persons” (as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act), or persons in the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This preliminary short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this preliminary short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Treasury Metals Inc. at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario, M5X 1B1, Canada, telephone (416) 214-4654, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

April 20, 2017



TREASURY METALS

INCORPORATED

TSX:TML

Maximum Offering: \$8,060,000
A maximum of 12,400,000 Units

Price: \$0.65 per Unit

This preliminary short form prospectus (this “**Prospectus**”) qualifies the distribution by Treasury Metals Inc. (“**Treasury Metals**” or the “**Corporation**”) through Haywood Securities Inc. and PI Financial Corp. (collectively, the “**Agents**”), on a commercially reasonable efforts basis, of up to a maximum of 12,400,000 units (“**Units**”) of the Corporation at a price of \$0.65 per Unit (the “**Offering Price**”) for maximum gross proceeds of \$8,060,000 (the “**Offering**”). Each Unit consists of one common share of the Corporation (each a “**Unit Share**”) and one-half of one common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”). Each Warrant entitles the holder to purchase one common share of the Corporation (a “**Warrant Share**”) at an exercise price of \$0.95 per Warrant Share for a period of 24 months from the Closing Date (as hereinafter defined), subject to adjustment in certain events. The Warrants will be governed by a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Corporation and TMX Equity Transfer and Trust Company, as warrant agent (the “**Warrant Agent**”). The Unit Shares and the Warrants are immediately separable and will be issued separately. See “*Description of Securities Being Distributed*”.

This Prospectus qualifies the distribution of the Units and the grant of the Agents’ Option (as defined herein). See “*Plan of Distribution*”.

The common shares of the Corporation (the “**Common Shares**”) are listed and posted for trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “TML”. On April 19, 2017, the last complete trading day prior to the public announcement of the Offering (as defined herein) and the date of this Prospectus, the closing price of Common Shares on the TSX was \$0.73.

The Corporation has applied to the TSX for approval of the listing of the Unit Shares and Warrant Shares to be distributed under this Prospectus on the TSX. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX. When used herein, all references to Units, Warrants, Unit Shares and Warrant Shares include any such securities issued or issuable in connection with any exercise of the Agents’ Option, as applicable, unless the context requires otherwise. The Warrants are transferable but will not be listed on any stock exchange or other market.

The terms of the Offering were determined by arm’s length negotiations between the Corporation and the Agents. The Offering is made pursuant to an agency agreement dated April ●, 2017 among the Corporation and the Agents (the “**Agency Agreement**”). See “*Plan of Distribution*”.

	<u>Price to Public</u>	<u>Agents’ Fee⁽¹⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾</u>
Per Unit	\$0.65	\$0.039	\$0.611
Total Offering ⁽³⁾⁽⁴⁾	\$8,060,000	\$483,600	\$7,576,400

Notes:

- (1) In consideration for the services rendered by the Agents in connection with the Offering, the Corporation has agreed to pay the Agents a fee (the “**Agents’ Fee**”) equal to 6.0% of the gross proceeds of the Offering, including the gross proceeds from the sale of any Additional Units (as defined herein) acquired upon exercise of the Agents’ Option. The Corporation may pay the Agents a reduced Agents’ Fee equal to 2.5% of the gross proceeds of the Offering received from certain investors. In addition, the Corporation has agreed to grant to the Agents, as additional compensation, non-transferable compensation warrants (each an “**Agent’s Warrant**”) that will entitle the Agents to purchase such number of Common Shares (each an “**Agent’s Warrant Share**”) of the Corporation as is equal to 5% of the aggregate number of Units sold to purchasers under the Offering, including the Additional Units, if any, other than those Units sold to certain investors for which the Agent’s Warrants will be reduced to 3.0% of the aggregate number of Units sold to such investors under the Offering, including the Additional Units, if any. Each Agent’s Warrant will entitle the Agent to purchase one Agent’s Warrant Share at an exercise price of \$0.65 per Agent’s Warrant Share until the date which is 24 months after the Closing Date. This Prospectus also qualifies the distribution of the Agent’s Warrants.
- (2) Before deducting expenses of the Offering, estimated to be \$150,000, which will be paid from the proceeds of the Offering.
- (3) The Corporation has granted the Agents an option (the “**Agents’ Option**”), entitling the Agents, at any time up to 48 hours prior to the closing of the Offering, to sell up to an additional 1,860,000 Units (the “**Additional Units**”) at the Offering Price. The grant of the Agents’ Option and the Additional Units issuable upon exercise of the Agents’ Option are qualified for distribution under this Prospectus. A purchaser who acquires the Additional Units forming part of the Agents’ Option acquires those Additional Units under this Prospectus. If the Agents’ Option is exercised in full, the total “*Price to Public*”, “*Agents’ Fee*” and “*Net Proceeds to the Corporation*” (before deducting the expenses of the Offering) will be \$9,269,000, \$556,140 and \$8,712,860, respectively. See “*Plan of Distribution*”. Unless the context otherwise requires, all references in this Prospectus to the “Offering” assume the exercise of the Agents’ Option in full.

<u>Agents’ Position</u>	<u>Maximum Number of Units⁽¹⁾</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Agents’ Option	Up to 1,860,000 Additional Units	At any time up to 48 hours prior to the closing of the Offering	\$0.65 per Additional Unit
Agent’s Warrants	Up to 713,000 Agent’s Warrants	24 months after the closing of the Offering	\$0.65 per Agent’s Warrant Share

Note:

- (1) assuming the Agents’ Option is exercised in full and there are no investors where the reduced Agents’ Fee is applied.

The Offering is made on a commercially reasonable efforts basis by the Agents who conditionally offer the Units, if, as and when issued by the Corporation and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement and subject to approval of certain legal matters relating to the Offering on behalf of Treasury Metals by McMillan LLP and by Miller Thomson LLP on behalf of the Agents. All funds received from the subscription for the Units will be deposited and held by the Agents pursuant to the terms and conditions of the Agency Agreement and will not be released until the Agents have consented to such release. **There is no minimum amount of funds that must be raised under the Offering. This means that the Corporation could complete the Offering after raising only a small proportion of the Offering amount set out above.**

Subject to applicable securities legislation, in connection with the Offering, the Agents may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on or before May 11, 2017, or such other date not later than 90 days following the receipt for the final prospectus in respect of the Units (the “**Closing Date**”). See “*Plan of Distribution*”.

In the opinion of counsel to Treasury Metals and counsel to the Agents, based on legislation in effect on the date of this Prospectus and provided certain conditions are met, the Unit Shares and Warrants are qualified investments for certain tax exempt plans as set forth herein under the heading “*Eligibility for Investment*”.

Subject to certain exceptions, certificates in physical or electronic form representing the Unit Shares and Warrants are expected to be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited with CDS on the Closing Date. Subject to certain exceptions, a purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased. A purchaser of Units that is in the United States or a U.S. Person (except purchasers that are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act (“**QIBs**”))) will receive individual physical certificates representing the Units Shares and Warrants comprising the Units registered in such purchaser’s name and bearing a U.S. legend.

The Units Shares comprising the Units sold under the Offering, other than the Units Shares sold to purchasers of Units that are in the United States or U.S. Persons (except purchasers that are QIBs), will be available for delivery in book-entry form through CDS or its nominee, and will be deposited with CDS on the Closing Date. A purchaser of Units that is in the United States or a U.S. Person (except purchasers that are QIBs) will receive individual physical certificates representing the Unit Shares registered in such purchaser’s name and bearing a U.S. legend.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture to be dated the Closing Date between the Corporation and the Warrant Agent.

Warrants sold to purchasers in the United States or who are U.S. Persons (except purchasers that are QIBs) will be represented by individual physical certificates registered in such purchaser’s name and bearing a U.S. legend, and such Warrants may be exercised upon surrender of the Warrant certificate representing such Warrants on or before the Warrant Expiry Time at the principal office of the Warrant Agent, with the notice of exercise completed and executed as indicated, accompanied by payment of the exercise price for the number of Warrant Shares for which the Warrants are being exercised, all in accordance with the terms of the Warrant Indenture.

Warrants sold to purchasers in the non-U.S. portion of the Offering and QIBs will be available for delivery in book-entry form through CDS or its nominee and will be deposited with CDS on the Closing Date. Beneficial holders of Warrants (“**Warrantholders**”) should contact the registered dealer or broker through which such Warrantholder purchased Units for instructions on how to exercise the Warrants held by them.

The Corporation is not required to issue fractional Warrant Shares upon the exercise of Warrants or to pay cash in lieu of the issuance of fractional Warrant Shares. There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Warrants. See “*Plan of Distribution*”, “*Description of Securities Being Distributed – Warrants*” and “*Risk Factors*”.

The Units may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction where it is unlawful. Investors should rely only on the information contained in or incorporated by reference in this Prospectus. Treasury Metals has not authorized anyone to provide investors with different information.

An investment in the securities offered hereunder is highly speculative and involves a number of risks. An investment in the Units should only be made by those persons who can afford a loss of their entire investment. The risk factors identified under the headings “*Risk Factors*” in this Prospectus and “*Forward-Looking*”

Statements” and ***Risk Factors***” in the AIF (as defined herein) should be carefully reviewed and evaluated by prospective purchasers before purchasing the securities being offered hereunder.

Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus. Subject to Treasury Metal’s obligations under applicable Canadian securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Units.

The Corporation’s head office and registered and records office is located at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario, M5X 1B1, Canada.

Unless otherwise specifically stated, all dollar amounts in this Prospectus are expressed in Canadian Dollars.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
GENERAL MATTERS	2
ELIGIBILITY FOR INVESTMENT	2
DOCUMENTS INCORPORATED BY REFERENCE	3
MARKETING MATERIALS	4
DESCRIPTION OF THE CORPORATION	4
CONSOLIDATED CAPITALIZATION	5
PRIOR SALES	6
PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES	7
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	7
USE OF PROCEEDS	9
PLAN OF DISTRIBUTION	10
RISK FACTORS	14
AUDITORS, TRANSFER AGENT AND REGISTRAR	15
INTERESTS OF EXPERTS	15
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS	16
LEGAL PROCEEDINGS	17
PURCHASERS' STATUTORY RIGHTS	17
CERTIFICATE OF THE CORPORATION	C-1
CERTIFICATE OF THE AGENTS	C-2

Except where specifically indicated otherwise, scientific and technical information included in this Prospectus regarding Treasury Metals' mineral properties has been prepared by or under the supervision of Mark Wheeler, P.Eng., Director Projects of the Corporation, and a "qualified person" as defined by Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus 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 objects of Treasury Metals. 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 Corporation to be materially different from those projected by such forward-looking statements.

In particular, this Prospectus contains forward-looking statements relating to:

- the proceeds received from the Offering;
- the use by the Corporation of the net proceeds of the Offering;
- the mining plan for the Goliath Gold Project;
- the terms of the Offering (including the manner of distribution);
- the listing of the Unit Shares and Warrant Shares on the TSX; and
- the anticipated Closing Date.

These forward-looking statements are necessarily based on a number of factors and assumptions, that while considered reasonable by the Corporation as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. With respect to the forward-looking statements, the Corporation has made assumptions which may prove to be incorrect, regarding, among other things:

- the timely receipt of any required regulatory approvals;
- anticipated and unanticipated costs;
- the ability of the Corporation to obtain qualified staff and services in a timely and cost efficient manner;
- the ability of the Corporation to successfully develop the Goliath Gold Project;
- the prices for gold will not fall significantly;
- the assumptions in the financial analysis of the technical reports relating to the Goliath Gold Project, including the 2017 PEA (as defined herein) are correct;
- there being no significant changes in the ability of the Corporation to comply with environmental, safety and other regulatory requirements; and
- the Corporation's ability to achieve its growth strategy.

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Corporation's forward-looking statements are based. Investors are advised to carefully review and consider the risk factors identified in this Prospectus under the heading "Risk Factors" and in the other documents incorporated by reference herein for a discussion of the factors that could cause the Corporation's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Corporation's business, financial condition and

prospects that is included in this Prospectus, including the documents incorporated by reference herein. The forward-looking statements contained in this Prospectus are made as of the date hereof and, accordingly, are subject to change after such date. Although the Corporation believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Corporation on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement.

GENERAL MATTERS

Prospective purchasers should rely only on information contained or incorporated by reference in this Prospectus. Neither the Corporation nor the Agents have authorized any other person to provide prospective purchasers with different information. If a prospective purchaser is provided with different or inconsistent information, the prospective purchaser should not rely on such information. The information contained on the Corporation's website is not intended to be included in or incorporated by reference into this Prospectus and prospective investor should not rely on such information when deciding whether or not to invest in the Units. Neither the Corporation nor the Agents are making an offer to sell in any jurisdiction where the offer or sale is not permitted.

Unless the context otherwise requires, any references in this Prospectus to the "Corporation" or "Treasury Metals" refer to Treasury Metals Inc. and its subsidiaries.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Corporation, and Miller Thomson LLP, counsel to the Agents, based on the provisions on the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") and any proposal to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, as of the date hereof ("**Proposed Amendments**"), the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered disability savings plans ("**RDSPs**"), registered education savings plans ("**RESPs**") and tax-free savings accounts ("**TFSAs**"), all as defined in the Tax Act (collectively, the "**Deferred Income Plans**"), provided that (i) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), and (ii) in the case of the Warrants, the Corporation, and any person with whom the Corporation does not deal at arm's length for the purposes of the Tax Act, is not an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the particular Deferred Income Plan.

Notwithstanding that a Unit Share, Warrant or Warrant Share may be a qualified investment for an RRSP, RRIF or TFSA as discussed above, if the Unit Share, Warrant or Warrant Share is a "prohibited investment" for the purposes of the Tax Act, the holder of a TFSA or the annuitant under an RRSP or RRIF which holds such Unit Share, Warrant or Warrant Shares will be subject to penalty taxes as set out in the Tax Act. A Unit Share, Warrant or Warrant Share will be a prohibited investment for a RRSP, RRIF or TFSA if the annuitant or holder, as the case may be, does not deal at arm's length with the Corporation for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act for purposes of the prohibited investment rules) in the Corporation. Generally, a holder or annuitant will not have a significant interest in the Corporation unless the annuitant or holder and/or persons not dealing at arm's length with the annuitant or holder, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Corporation or a corporation related to the Corporation. However a Unit Share or Warrant Share will not be a "prohibited investment" if such securities are "excluded property" (as defined in the Tax Act for purposes of the prohibited investment rules) for trusts governed by such RRSP, RRIF or TFSA. If certain Proposed Amendments to the Tax Act announced by the Minister of Finance (Canada) on March 22, 2017 are enacted as proposed, the prohibited investment rules will extend to trusts governed by RDSPs and RESPs.

Purchasers who intend to hold Unit Shares, Warrants or Warrant Shares in their Deferred Income Plans, should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of Treasury Metal at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario, M5X 1B1, Canada, telephone (416) 214-4654. In addition, copies of the documents incorporated herein by reference are also available electronically on SEDAR under the Corporation's issuer profile at www.sedar.com.

The following documents are specifically incorporated by reference into this Prospectus:

1. the revised Annual Information Form of Treasury Metals dated March 31, 2017 for the year ended December 31, 2016 (the "**AIF**");
2. the audited annual consolidated financial statements of Treasury Metals for the years ended December 31, 2016 and 2015 together with the notes thereto and the independent auditors' report thereon (the "**Annual Financial Statements**");
3. the management discussion and analysis of Treasury Metals dated March 31, 2017 for the years ended December 31, 2016 and 2015 (the "**Annual MD&A**");
4. the management information circular of Treasury Metals dated April 26, 2016 in respect of the annual and special meeting of shareholders of Treasury Metals held on June 7, 2016;
5. the technical report titled "Preliminary Economic Assessment Update on the Goliath Gold Project, Kenora Mining Division, Ontario" dated April 17, 2017 with an effective date of February 2, 2017;
6. material change report dated April 20, 2017 with respect to the Offering; and
7. the term sheet dated April 20, 2017, filed on SEDAR in connection with the Offering (the "**Marketing Materials**").

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information forms, material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the independent auditors' report thereon, management discussion and analysis of financial condition and results of operations, business acquisition reports, information circulars and annual information forms, if filed by Treasury Metals with the securities commissions or similar authorities in Canada subsequent to the date of this Prospectus and prior to the termination of the Offering, are deemed to be incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

MARKETING MATERIALS

Neither the Marketing Materials, nor any “template version” of any other “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators) that are utilized by the Agents in connection with the Offering, are part of this Prospectus to the extent that the contents of the Marketing Materials or other marketing materials, as the case may be, have been modified or superseded by a statement contained in this Prospectus or any amendment.

In addition, any template version of any marketing materials that is filed under the Corporation’s profile on SEDAR at www.sedar.com with the securities commission or similar authority in Ontario, Alberta and British Columbia, in connection with the Offering after the date of this Prospectus and before the termination of the distribution of the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus.

DESCRIPTION OF THE CORPORATION

Corporate Structure

The Corporation 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 Corporation were amended on November 13, 2007 to change the name of the Corporation to Treasury Metals Inc. and on March 20, 2008 to remove certain restrictions on the transfer of the Common Shares of the Corporation.

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

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

The Corporation has one wholly owned subsidiary Goldeye Explorations Limited (“**Goldeye**”) which was acquired in November 2016. Goldeye has two wholly owned subsidiaries, Minera Goldeye Chile Limitada (incorporated in Chile) and Silvereye Explorations Limited (incorporated in Ontario, Canada).

Description of the Business

Treasury Metals is a gold focused exploration and development corporation with assets in Ontario, Canada and is listed on the TSX under the symbol “TML”. Treasury Metals’ 100% owned Goliath Gold Project in northwestern Ontario is an advanced stage, high-grade gold deposit near Dryden, Ontario. With first-rate infrastructure currently in place and gold mineralization extending to surface, Treasury Metals plans on the initial development of an open pit gold mine to feed a 2,500 per day processing plant with subsequent underground operations in the latter years of the mine life. Treasury Metals is currently in the mine permit process and working towards completion of a Feasibility Study on the Goliath Gold Project. The Corporation’s board of directors and management team include seasoned mining industry veterans, with proven track records in finding and developing high-quality assets and building shareholder value.

Recent Developments

There have been no material developments in the Corporation’s business since March 31, 2017, the date of the Corporation’s 2016 AIF, which have not been disclosed in this Prospectus or in the documents incorporated by reference herein.

On April 17, 2017, the Corporation filed on SEDAR an updated preliminary economic assessment (the “**2017 PEA**”) on its Goliath Gold Project. The 2017 PEA integrates recent engineering and incorporates the technical report titled “*Technical Report and Updated Resource Estimate for the Goliath Gold Project, Kenora Mining Division, Northwestern Ontario for Treasury Metals Inc.*” dated effective August 28, 2015. Highlights of the 2017 PEA include:

- an after-tax net present value at a 5% discount of \$306 million and internal rate of return of 25% at US\$1,225 per ounce gold (“**Au**”);

- a 37% increase in the Life of Mine (“**LOM**”) gold production profile;
- average annual production of 87,850 ounces Au over a 13 year combined open pit and underground mine life;
- peak production exceeding 100,000 ounces per year Au from year three to seven;
- LOM head grade of 3.81 g/tonne (Au), an increase of 33% from the 2012 PEA (as herein defined); and
- total cash cost is estimated at US\$525 per equivalent gold ounce (“**AuEq**”) and an all-in sustaining cost (“**AISC**”), as defined by the World Gold Council, estimated at US\$611 per AuEq.

The mining plan used in the 2017 PEA envisions an optimized open pit generating immediate revenues to fund underground development. Underground (“**UG**”) production begins in the second year with the open pit operating over an additional seven years at a reduced output to supplement UG production to a total of 2,500 tonnes per day over the course of a 13 year total mine life. Total gold production is estimated at 1.14 million ounces of gold and 2.1 million ounces of silver. Initial capital to fund construction is estimated at \$133.2 million with an additional \$132.5 million in sustaining capital over the LOM primarily to fund the underground expansion.

The mine is proposed to produce an average head grade of 3.81 g/t gold and 10.55 g/t silver with open pit and UG mining producing average grades of 1.59 g/t and 4.87 g/t of gold, respectively. The infill diamond drilling programs completed since the preliminary economic assessment completed by the Corporation in 2012 (the “**2012 PEA**”) has resulted in improved project economics and overall confidence in the mine plan. The stripping ratio of waste rock to ore has been reduced to 6:1, which represents a 35% improvement over the 2012 PEA. This stripping ratio does not include pre-production stripping of approximately 1.3 million m³ of overburden material. When all waste rock and overburden material is included, the LOM stripping ratio is 7.9:1. All mineable ounces in the open pit are within the Measured and Indicated categories. Seventy per cent of the mineable ounces within the UG are classified within the Measured and Indicated categories which represent a significant increase from the 2012 PEA. UG production is envisioned to be carried out at an average rate of 1,600 tonnes per day using the long hole stoping method on 30 metre sublevels. Average UG operating costs have been estimated at \$77/tonne, a 28% increase over the cost assumption in the 2012 PEA.

The PEA is incorporated by reference in this Prospectus and is also available electronically on SEDAR under the Corporation’s issuer profile at www.sedar.com.

CONSOLIDATED CAPITALIZATION

Other than the change in share capital of the Corporation that will result from the issuance of the Units, there has been no material change in the share and loan capital of the Corporation since December 31, 2016, being the date of the Annual Financial Statements.

This following table sets forth the capitalization of the Corporation as at December 31, 2016 both before and after giving effect to the Offering. The table should be read in conjunction with the Annual Financial Statements and the Annual MD&A, both of which are incorporated by reference herein.

Designation	As at December 31, 2016 before giving effect to the Offering	As at December 31, 2016 after giving effect to the Offering⁽¹⁾
Common Shares	103,108,383 Common Shares	115,508,383 Common Shares
Stock Options ⁽²⁾	6,859,433 Stock Options	6,859,433 Stock Options
Warrants ⁽²⁾	9,532,910 Warrants	16,352,910 Warrants
Convertible Loan ⁽³⁾	\$2,953,940	\$2,953,940

Notes:

- (1) Based on the issuance of 12,400,000 Units pursuant to the Offering, including the Agents' Warrants. These figures do not include any securities issuable as a result of the exercise of the Agents' Option.
- (2) As at December 31, 2016, the Corporation had 6,859,433 outstanding stock options ("Options") entitling the holders thereof to purchase an aggregate of 6,859,433 Common Shares at a weighted average exercise price of \$0.52 per Common Share. As at December 31, 2016, the Corporation had 9,532,910 outstanding Common Share purchase warrants (the "Existing Warrants") to purchase an aggregate of 9,532,910 Common Shares at a weighted average exercise price of \$0.60 per Common Share. For a description of the Options and Existing Warrants, see the AIF and Annual Financial Statements, which are incorporated by reference herein.
- (3) On June 17, 2016, the Corporation closed a long-term loan agreement for \$5.9 million (USD\$4.4 million) with Extract Lending LLC and Extract Capital Master Fund Ltd. ("Extract") and Loinette Company Leasing Ltd. ("Loinette"). Extract and Loinette each contributed \$2.95 million (USD\$2.2 million) of the loan. The Extract portion of the loan may be converted at Extract's option, in part or in full, at any time, into Common Shares at \$0.588 per Common Share.

PRIOR SALES

For the 12-month period before the date of this Prospectus, the Corporation issued the following Common Shares and securities convertible into Common Shares:

<u>Date of Issuance</u>	<u>Number of Common Shares Issued</u>	<u>Issue/Exercise Price</u>
May 18, 2016 ⁽¹⁾	6,258,000 Common Shares	\$0.48
May 18, 2016 ⁽²⁾	2,083,333 Common Shares	\$0.48
June 17, 2016 ⁽³⁾	220,000 Common Shares	\$0.55
November 24, 2016 ⁽⁴⁾	5,058,859 Common Shares	\$0.64
December 21, 2016 ⁽⁵⁾	3,587,117 Common Shares	\$0.73

Notes:

- (1) Issued pursuant to a brokered private placement of units at a price of \$0.48 per unit, for gross proceeds of \$3 million. Each unit consists of one Common Share and one-half of one Common Share purchase warrant. Each warrant is exercisable into one Common Share at an exercise price of \$0.70 for a period of 24 months from the date of issuance.
- (2) Issued pursuant to a non-brokered private placement of units at a price of \$0.48 per unit, for gross proceeds of \$1 million. Each unit consists of one Common Share and one-half of one Common Share purchase warrant. Each warrant is exercisable into one Common Share at an exercise price of \$0.70 for a period of 24 months from the date of issuance.
- (3) Issued in connection with a long-term debt agreement.
- (4) Issued in connection with the acquisition of Goldeye Explorations Limited (the "Goldeye Acquisition").
- (5) Issued pursuant to a non-brokered private placement of flow-through Common Shares.

<u>Date of Issuance</u>	<u>Number of Warrants Issued</u>	<u>Issue/Exercise Price</u>
May 18, 2016 ⁽¹⁾	3,129,000 Warrants	\$0.70
May 18, 2016 ⁽²⁾	351,480 Compensation Options	\$0.70
May 18, 2016 ⁽³⁾	1,041,667 Warrants	\$0.70
June 17, 2016 ⁽⁴⁾	250,000 Warrants	\$0.94
November 24, 2016 ⁽⁵⁾	348,280 Warrants	\$0.50 - \$1.00

Notes:

- (1) Issued in connection with a brokered private placement of units of the Corporation.
- (2) The Corporation issued compensation options to the agents in connection with a brokered private placement (the "Compensation Options"). Each Compensation Option entitles the holder to acquire one Common Share at an exercise price of \$0.70 per Common Share for a period of 24 months following the date of issuance.
- (3) Issued in connection with a non-brokered private placement of units of the Corporation. Each warrant entitles to holder to acquire one Common Share at an exercise price of \$0.70 per Common Share for a period of 24 months from the date of issuance.
- (4) Issued in connection with a long-term debt agreement. Each warrant entitles the holder to acquire one Common Share at an exercise price of \$0.94 per Common Share until June 17, 2019.
- (5) Issued in connection to the Goldeye Acquisition. The warrants were exercisable at prices between \$0.50 and \$1.00 per Common Share, on various different dates between December 17, 2016 and February 22, 2017. These warrants have expired unexercised.

<u>Date of Issuance</u>	<u>Number of Options Issued</u>	<u>Issue/Exercise Price</u>
July 19, 2016 ⁽¹⁾	2,250,000 Options	\$0.63
November 24, 2016 ⁽²⁾	108,500 Options	\$0.50 - \$1.50
December 5, 2016 ⁽³⁾	1,000,000 Options	\$0.62

Notes:

- (1) Issued pursuant to the Corporation's 10% rolling stock option plan (the "Stock Option Plan") to officers, directors, employees and consultants. The options vest at the date of grant and expire on October 19, 2018.

- (2) Issued in connection with the Goldeye Acquisition. The options were exercisable at prices between \$0.50 and \$1.50 per share, with an expiry date in February 2017. These options have expired unexercised.
- (3) Issued pursuant to the Stock Option Plan to an officer and an employee of the Corporation. 900,000 options have a three-year term, one third vest at date of issuance and two-thirds vest in equal amounts at each anniversary date. 100,000 options have a 22-month term, vest 50% after the first six months and the remaining 50% after twelve months.

PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The outstanding Common Shares are traded on the TSX under the trading symbol “TML”. The following table sets forth the high and low trading prices and aggregate trading volume of the Common Shares as reported by the TSX for the periods indicated:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Trading Volume</u>
April 2016	0.59	0.48	2,769,187
May 2016	0.55	0.47	2,321,812
June 2016	0.60	0.46	2,603,262
July 2016	0.78	0.57	3,364,542
August 2016	0.85	0.68	2,607,458
September 2016	0.80	0.66	1,727,140
October 2016	0.78	0.48	3,776,834
November 2016	0.72	0.55	3,747,094
December 2016	0.66	0.51	2,304,743
January 2017	0.66	0.56	1,392,000
February 2017	0.83	0.61	2,223,200
March 2017	0.84	0.70	3,404,100
April 1 - 19, 2017	0.90	0.72	2,580,192

(source: www.tmxmoney.com)

On April 19, 2017, the last complete trading day prior to the public announcement of the Offering and the date of this Prospectus, the closing price of Common Shares on the TSX was \$0.73.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering consists of 12,400,000 Units at a price of \$0.65 per Unit. In addition, the Corporation has granted to the Agents the Agents’ Option entitling the Agents, at any time up 48 hours prior to the closing of the Offering, to sell up to 1,860,000 Additional Units at the Offering Price. See “*Plan of Distribution*”.

Units

Each Unit will be comprised of one Unit Share and one-half of one Warrant. Each Warrant will entitle the holder to purchase, subject to adjustment in certain circumstances, one Warrant Share at a price of \$0.95 for a period of 24 months following the Closing Date. The Units will separate into Unit Shares and Warrants immediately upon issue.

Common Shares

Treasury Metals has an unlimited number of Common Shares authorized. As of the date of this Prospectus, there are 104,084,848 Common Shares outstanding. Holders of Common Shares are entitled to receive notice of and attend any meeting of the Corporation’s shareholders, to one vote for each Common Share held, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation. None of the Common Shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attaching to any of the Common Shares and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the Common Shares. The Common Shares are not convertible into shares of any other class and are not redeemable or retractable.

Warrants

Each Warrant entitles the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.95 on or before 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date, after which time the Warrants will be void and of no value.

The Warrants will be governed by the Warrant Indenture to be entered into on the Closing Date between the Corporation and the Warrant Agent. The Corporation will designate the Warrant Agent, in its Toronto office, as agent for the Warrants. Prior to closing of the Offering, the Corporation may name any other agent with respect to the Warrants.

The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture. The summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained on request from the Corporation's Corporate Secretary and will be available electronically at ww.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution (other than a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of any outstanding warrants or options);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, of Common Shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of Common Shares or securities, including rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or property or assets and including evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- (i) the reclassification of the Common Shares;
- (ii) the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Corporation's outstanding Common Shares or a change of the Common Shares into other shares); or
- (iii) the transfer of the Corporation's undertakings or assets as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to the Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares. From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Corporation; provided, however, that a holder who is an institutional “accredited investor” (in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act) or a QIB at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

Warrants sold to purchasers in the non-U.S. portion of the Offering and QIBs will be available for delivery in book-entry form through CDS or its nominee and will be deposited with CDS on the Closing Date. Beneficial holders of Warrants should contact the registered dealer or broker through which such Warrantholder purchased Units for instructions on how to exercise the Warrants held by them.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See “*Plan of Distribution*” and “*Risk Factors*”.

The foregoing is a summary of the material provision of the Warrant Indenture, but is not, and does not purport to be, a complete summary and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

USE OF PROCEEDS

Assuming no exercise of the Agents’ Option (in whole or in any part), the net proceeds to Treasury Metals from the sale of the Units are estimated to be \$7,426,400 after deducting the Agents’ Fee of \$483,600 and the estimated expenses of the Offering of \$150,000, in the case of receiving the maximum gross proceeds. See “*Plan of Distribution*”.

The net proceeds are expected to be used as follows:

Proceeds⁽¹⁾

Offering	\$8,060,000
Agents’ Fee.....	\$483,600
Estimated expenses of the Offering	\$150,000
Net Proceeds.....	\$7,426,400

Use of Proceeds

Advancement of Goliath Gold Project.....	\$4,860,700
Working capital, interest and general corporate expenses.....	\$2,565,700
Total.....	\$7,426,400

Notes:

(1) Assuming the Agents’ Option is not exercised (in whole or in any part).

In the event the Agents’ Option is exercised, any additional net proceeds to the Corporation derived from the sale of Additional Units would be used for further development of the Goliath Gold Project and for general corporate purposes.

The net proceeds will be added to the working capital of the Corporation to enhance corporate liquidity until deployed. The allocation of the net proceeds of the Offering may be adjusted within the stated categories of expenditures above depending on, among other things, timing of receipt of required government approvals, availability of equipment and services, and general political and market conditions. Further, while the Corporation intends to use the net proceeds of the Offering as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in the Corporation’s best interest.

The Corporation had negative cash flow from operating activities for the financial year ended December 31, 2016 that was not sufficient to cover its capital expenditures and debt servicing requirements. Operating cash flow may decline in certain circumstances, many of which are beyond the Corporation’s control. If the Corporation does not achieve positive cash flow, it will be necessary for the Corporation to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Corporation or on terms acceptable to the Corporation.

PLAN OF DISTRIBUTION

General

The Corporation has engaged the Agents pursuant to an engagement letter dated April 20, 2017 (which will be superseded by the Agency Agreement) to offer on a commercially reasonable efforts basis upon to a maximum of 12,400,000 Units for aggregate gross proceeds of \$8,060,000 and up to a maximum of 1,860,000 Additional Shares for aggregate gross proceeds of \$9,269,000, should the Agents’ Option be exercised in full. The Offering Price was determine based upon arm’s length negotiations between the Corporation and the Agents. The obligations of the Agents under the Agency Agreement are conditional and may be terminated in their sole discretion on the basis of their assessments of the state of the financial markets, their satisfaction with the results of their due diligence investigations and in certain other stated circumstances. While the Agents have agreed to use their commercially reasonable efforts to sell the Units, the Agents are not obligated to purchase any Units not sold. The Corporation is not required to issue fractional Warrant Shares upon the exercise of Warrants or to pay cash in lieu of the issuance of fractional Warrant Shares.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. In addition, the Warrants will not be listed for trading on any stock exchange following the Closing Date and the Corporation has no intention to apply to any stock exchange for listing. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Warrants.

Under the Agency Agreement, the Corporation has agreed to indemnify and save harmless the Agents, their affiliates, directors, officers, employees, agents and shareholders against certain liabilities, including civil liabilities under the Canadian provincial securities legislation, and to contribute to any payments the Agent may be required to make in respect thereof.

The Offering is not underwritten or guaranteed by any person. The Offering is made on a commercially reasonable efforts basis by the Agents who conditionally offer the Units, if, as and when issued by the Corporation and accepted by the Agents, in accordance with the terms and conditions contained in the Agency Agreement and to the approval of certain legal matters by McMillan LLP, on behalf of the Corporation, and by Miller Thomson LLP, on behalf of the Agents. All funds received from the subscription for the Units will be deposited and held by the Agents pursuant to the terms and conditions of the Agency Agreement and will not be released until the Agents have consented to such release.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Closing Date will occur on or about May 11, 2017 or such earlier or later date as may mutually be agreed to by the Corporation and the Agents but not later than 90 days after the date of the receipt for this Prospectus.

The Corporation has agreed with the Agents not to, directly or indirectly, issue, announce any issue or agree to issue any securities of the Corporation, other than issuances: (i) under existing director or employee stock option, bonus or purchase plans, (ii) under director or employee stock options or bonuses granted subsequently in accordance with regulatory approval, or (iii) as a result of the exercise of currently outstanding share purchase warrants or options or previously scheduled property payments during the period beginning on the date hereof and ending 90 days after the Closing Date without the written agreement of the Agents, such agreement not to be unreasonably withheld.

In addition, according to the Agency Agreement, the Corporation, its officers and directors have agreed in favour of the Agents, for a period of 90 days after the Closing Date not to sell, agree to sell (or announce any intention to do so), any Common Shares or securities exchangeable or convertible into Common Shares of the Corporation without the prior written consent of the Agents, such consent not to be unreasonably withheld.

The Corporation has granted to the Agents an Agents' Option, exercisable in whole or in part, at any time and from time to time in the sole discretion of the Agents, by the Agents giving notice to the Corporation up to 48 hours prior to the closing of the Offering, to sell up to 1,860,000 Additional Units at the Offering Price. This Prospectus also qualifies the distribution of the Agents' Option and the distribution of the Additional Units that may be offered upon the exercise of such option. A purchaser who acquires securities forming part of the Agents' Option acquires those securities under this Prospectus.

If the Agents' Option is exercised in full, the total number of Units sold under the Offering will be 14,260,000, the cumulative gross proceeds will be \$9,269,000, and the net proceeds to the Corporation will be \$8,712,860, before deducting the costs of the Offering.

The Corporation will apply to the TSX for approval of the listing of the Unit Shares and Warrant Shares on the TSX. Listing will be subject to the Corporation fulfilling all of the requirements of the TSX.

The Offering is being made in the provinces of Ontario, Alberta and British Columbia. The Units will be offered in provinces of Ontario, Alberta and British Columbia through those Agents or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Agents. Subject to applicable law, the Agents may offer the Units outside of Canada.

United States

The Units, the Unit Shares and the Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the Warrants, have not been and will not be registered under the U.S. Securities Act or any state securities laws, and the Units, the Unit Shares and the Warrants may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents have agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable United States federal and state securities laws, they will not offer or sell any of the Units, the Unit Shares or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. The Agency Agreement permits the Agents to offer the Units, the Unit Shares and the Warrants outside the United States to non-U.S. Persons in compliance with Regulation S under the U.S. Securities Act. The Agency Agreement also permits the Agents, through U.S. registered broker-dealers, to offer the Units, the Unit Shares and the Warrants to, or for the account or benefit of, persons in the

United States and U.S. Persons to whom the Corporation will sell such securities directly where such persons are Institutional Accredited Investors or QIBs, in compliance with Rule 506(b) of Regulation D and/or Section 4(a)(2) under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units, the Unit Shares or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of such securities within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing to such effect in form and substance satisfactory to the Corporation; provided, however, that a holder who is an Institutional Accredited Investor and/or a QIB at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel in connection with the exercise of Warrants that are a part of those Units.

The Unit Shares, the Warrants and the Warrant Shares issuable upon exercise of the Warrants issued to, or for the account or benefit of, persons in the United States or U.S. Persons will be “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act. Any certificates representing securities that are offered, sold or issued to, or for the account or benefit of, persons in the United States or U.S. Persons will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

Terms used and not otherwise defined in the three preceding paragraphs shall have the meanings ascribed to them by Regulation S under the U.S. Securities Act.

Certificates

Closing of the Offering is anticipated to occur on or about May 11, 2017, or such earlier or later date as the Corporation and the Agents may agree. Except as otherwise provided herein, on the Closing the Unit Shares and Warrants will be issued, registered to CDS or its nominee, and will be electronically deposited with CDS pursuant to the book-entry only system. A purchaser of Units that is in the United States or a U.S. Person (other than purchasers that are QIBs) will receive individual physical certificates representing the Unit Shares and Warrants comprising the Units registered in such purchaser’s name and bearing a U.S. legend

Unless the book-entry only system is terminated as described below, a purchaser that is not in the United States or a U.S. Person and QIBs acquiring a beneficial interest in the Unit Shares and Warrants, will not receive certificates unless certificates are requested. Purchasers of Units that are not in the United States or U.S. Persons and QIBs will not be shown on the records maintained by CDS, except through a CDS participant.

Except with respect to Unit Shares and Warrants issued to purchasers in the United States or that are U.S. Persons and QIBs, beneficial interests in Unit Shares and Warrants will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchaser from the registered dealer from which the Units are purchased in accordance with the practices and procedures of that registered dealer. In addition, the registration of interests in and transfer of such Unit Shares, Warrants and Warrant Shares will be made only through the depository service of CDS.

The Unit Shares, Warrants and Warrant Shares will be issued to beneficial owners thereof in fully registered and certificate form only if: (a) required to do so by applicable law; (including for those Unit Shares, Warrants and Warrant Shares issued to purchasers that are in the United States or that are U.S. Persons) (b) the book-entry only system ceases to exist; (c) CDS advises the Corporation that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Unit Shares, Warrants or Warrant Shares and the Corporation is unable to locate a qualified successor, or (d) the Corporation, at its option, decides to terminate the book-entry only system through CDS.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. Warrants sold to Institutional Accredited Investors may be exercised upon surrender of the Warrant certificate on or before the Warrant Expiry Time at the principal office of the Warrant Agent, with the exercise form on the back of the Warrant certificate completed and executed as indicated, accompanied by payment of the exercise price for the number of Warrant Shares for which the Warrants are being exercised, all in accordance with the terms of the Warrant Indenture.

Warrants sold to purchasers who are not in the United States or U.S. Persons and QIBs will be issued, registered to CDS or its nominee, and will be electronically deposited with CDS pursuant to the book-entry only system. Unless the book-entry only system is terminated as described above, a purchaser that is not in the United States or a U.S. Person or QIBs acquiring a beneficial interest in the Warrants will not receive a certificate, unless a certificate is requested. Purchasers of Warrants who are not in the United States or U.S. Persons and QIBs will not be shown on the records maintained by CDS, except through a CDS participant. A purchaser of Units that is in the United States or a U.S. Person other than QIBs will receive individual physical certificates representing the Unit Shares and Warrants comprising the Units registered in such purchaser's name and bearing a U.S. legend.

Beneficial interests in Warrants sold to purchasers who are not in the United States or U.S. Persons and QIBs will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the Warrants are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of such Warrants will be made only through the depository service of CDS. Beneficial Warrantheolders should contact the registered dealer or broker through which such Warrantheolder purchased Units for instructions on how to exercise the Warrants held by them.

Pricing of the Offering

The Offering Price was negotiated among the Corporation and the Agents. Among the factors considered in determining the Offering Price were the following:

- the market price of the Common Shares;
- prevailing market conditions;
- historical performance and capital structure of the Corporation;
- estimates of the business potential and earnings prospects of the Corporation;
- availability of comparable investments;
- an overall assessment of management of the Corporation; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

Price Stabilization and Passive Market-Making

In connection with the Offering and subject to applicable laws, the Agents may effect transactions that stabilize or maintain the market price of the Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Agents may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and

a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Units may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

Commissions and Expenses

The Corporation has agreed to pay to the Agents the Agents' Fee which is equal to 6.0% of the gross proceeds of the Offering, including the gross proceeds from the sale of any Additional Units (as defined herein) acquired upon exercise of the Agents' Option. The Corporation may pay the Agents a reduced Agents' Fee equal to 3.0% of the gross proceeds of the Offering received from certain investors. In addition, the Corporation has agreed to grant to the Agents, as additional compensation, non-transferable Agent's Warrants that will entitle the Agent to purchase such number of Agent's Warrant Shares of the Corporation as is equal to 5% of the aggregate number of Units sold to purchasers under the Offering, including the Additional Units, if any, other than those Units sold to certain investors for which the Agent's Warrants will be reduced to 2.5% of the aggregate number of Units sold to such investors under the Offering, including the Additional Units, if any. Each Agent's Warrant will entitle the Agent to purchase one Agent's Warrant Share at an exercise price of \$0.65 per Agent's Warrant Share until the date which is 24 months after the Closing Date. This Prospectus also qualifies the distribution of the Agent's Warrants.

The Corporation has also agreed to reimburse the Agents for their reasonable out-of-pocket fees and expenses, including the fees and expenses of their legal counsel, whether or not the Offering is completed. All amounts payable to the Agents will be paid from the proceeds of the Offering

RISK FACTORS

An investment in the Units involves a high degree of risk and should be considered speculative due to the nature of Treasury Metals' business and present stage of exploration and development of its mineral properties. Investors should consult with their own advisors.

The following risk factors affecting the Corporation set out below and incorporated by reference in this Prospectus and in particular the risk factors described in the AIF and other filings of the Corporation should be given special consideration when evaluating trends, risks and uncertainties relating to the Corporation's business. Any of such risks could have a material adverse effect upon the Corporation, its business, properties, condition (financial or otherwise) and future prospects and could cause actual events to differ materially from those described in forward looking statements relating to the Corporation. In addition, other risks and uncertainties not presently known by management of the Corporation could impair the Corporation and its business in the future. These risk factors should be reviewed carefully.

Loss of Investment

An investment in the Units is suitable only for those investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment.

Use of Proceeds

Treasury Metals currently intends to allocate the net proceeds received from the Offering as described under "Use of Proceeds" in this Prospectus. However, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it is believed it would be in the best interests of Treasury Metals to do so as circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of Treasury Metals.

Volatility of Market Price of Common Shares

The market price of Common Shares may fluctuate due to a variety of factors relative to Treasury Metals' business, including announcements of new developments, fluctuations in Treasury Metals' operating results, sales of the

Common Shares in the marketplace, failure to meet analysts' expectations, any public announcements made in regards to the Offering, the impact of various tax laws or rates and general market conditions or the worldwide economy. In recent years, stock markets have experienced significant price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to Treasury Metals' performance.

Forward-Looking Statements May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, assumptions and uncertainties are found in this Prospectus under the heading "*Forward-Looking Statements*".

Future Sales of Common Shares by the Corporation

Treasury Metals may issue additional Common Shares in the future, which may dilute a shareholder's holding in the Corporation. Treasury Metals' articles permit the issuance of an unlimited number of Common Shares and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of Treasury Metals have the discretion to determine the price and the terms of issue of further issuances of Common Shares.

Negative Cash Flow from Operating Activities

The Corporation has received limited revenue to date from the operations on its properties and has negative cash flow from operating activities. There is no certainty that the Corporation will produce revenue, operate profitably or provide a return on investment in the future.

Market for the Common Shares

The Corporation has made application to the TSX for conditional listing approval of the Unit Shares and the Warrant Shares issuable upon exercise of the Warrants to be distributed under this Prospectus on the TSX. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX. There can be no assurance that an active public market for trading in the Common Shares will persist and the share price may decline below the issue price for the Common Shares.

No Market for the Warrants

The Warrants will not be listed for trading on any stock exchange following the closing of the Offering and there is no market through which the Warrants may be sold. The Corporation has no intention to apply to any stock exchange for listing of the Warrants. As a result, purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Corporation's auditor is Collins Barrow Toronto LLP, Chartered Professional Accountants, located at 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7, Canada.

The transfer agent and registrar for the Common Shares is TMX Equity Transfer Services at its Toronto office located at Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1.

INTERESTS OF EXPERTS

Certain legal matters in connection with the issuance of the Units offered hereby will be passed upon on behalf of the Corporation by McMillan LLP and on behalf of the Agents by Miller Thomson LLP. As of the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of each of McMillan LLP and Miller Thomson LLP, as respective groups, beneficially own, directly and indirectly, less than one percent of the outstanding Common Shares.

The following experts are named as having prepared or certified a technical report that is summarized in this Prospectus, either directly or in a document incorporated by reference in this Prospectus:

- 1) Ian Trinder, M.Sc., P.Geo., of CSA Global Geosciences Canada Ltd.;
- 2) Wayne Ghavalas, BSc Eng. (Mining), GDipAppFinInv, MAusIMM, of CSA Global Pty Ltd.;
- 3) William Douglas Roy, M.A.Sc., P.Eng., of CSA Global Canada Geosciences Ltd.;
- 4) Bruce Brady, B. Eng. P.Eng., of CSA Global Geosciences Canada Ltd.;
- 5) Gordon Watts, B.A.Sc., P.Eng., of CSA Global Geosciences Canada Ltd.;
- 6) Chris Campbell-Hicks, FAusIMM, CPMet, MMICA, of CSA Global Pty Ltd.;
- 7) Eugene Puritch, P.Eng., FEC, of P&E Mining Consultants Inc.;
- 8) Yungang Wu, P.Geo., of P&E Mining Consultants Inc.;
- 9) Antoine Yassa, P.Geo., of P&E Mining Consultants Inc.;
- 10) Paul Dunbar, P.Geo., an independent consultant;
- 11) David Burga, P.Geo., an independent consultant;
- 12) Jarita Barry, P. Geo. of P&E Mining Consultants Inc.; and
- 13) Alfred Hayden, P.Eng., of EHA Engineering Ltd.

None of the experts listed above held any registered or beneficial interest, directly or indirectly, in any securities or other property of the Corporation or of one of its associates or affiliates when that expert prepared the technical report or thereafter.

The Corporation's current auditor, Collins Barrow LLP, Chartered Professional Accountants has advised the Corporation that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. To the knowledge of the Corporation, none of the partners and associates of Collins Barrow LLP have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation or of any associates or affiliates of the Corporation, nor do they expect to receive or acquire any such interests.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Messrs. Christophe Vereecke and Blaise Yerly, directors of the Corporation, reside outside of Canada and have appointed the following agent for service of process:

<u>Name of Person or Company</u>	<u>Name and Address of Agent</u>
Christophe Vereecke	Treasury Metals Inc. The Exchange Tower 130 King Street West, Suite 3680, Box 99 Toronto, Ontario, M5X 1B1
Blaise Yerly	Treasury Metals Inc. The Exchange Tower 130 King Street West, Suite 3680, Box 99 Toronto, Ontario, M5X 1B1

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that is incorporated, continued or otherwise organized under the laws of foreign jurisdiction or resides outside Canada, even if the party has appointed an agent for service of process.

LEGAL PROCEEDINGS

Except as provided below, there are no legal proceedings that the Corporation is or was a party to, or that any of its property is or was subject of, during the last completed fiscal year, nor are any such legal proceedings known to the Corporation to be contemplated that involves a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of the Corporation.

On April 15, 2015, Goldeye entered into an option agreement (the “**GPM Option Agreement**”) with GPM Metals Inc. (“**GPM**”) whereby GPM has an option to earn a 50.1% interest in the Weebigee Project by making certain cash and shares payments to Goldeye over a period of three years and meeting certain exploration expenditures over a four year term. Subsequent to the GPM Option Agreement, GPM with support and assistance from Goldeye, staked additional claim units (the “**Additional Interest**”) at Weebigee. On September 3, 2015, Goldeye elected, pursuant to the GPM Option Agreement to have the Additional Interest included as part of the Weebigee property. In April 2016, the Corporation received \$100,000 pursuant to the option agreement with GPM. Goldeye tendered to GPM the amount required to pay for its share of the costs of the Additional Interest but GPM refused to accept the payment on the purported ground that Goldeye had forfeited its rights to the Additional Interest due to untimely payment of such amount. The Corporation and GPM are currently in arbitration to resolve the issue.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision or the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal advisor.

In an offering of Units comprising partly of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the Units is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

April 20, 2017

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of Alberta, British Columbia and Ontario.

(Signed) "*Chris Stewart*"
Chief Executive Officer

(Signed) "*Dennis Gibson*"
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) "*Marc Henderson*"
Marc Henderson

(Signed) "*Christophe Vereecke*"
Christophe Vereecke

CERTIFICATE OF THE AGENTS

April 20, 2017

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of Alberta, British Columbia and Ontario.

HAYWOOD SECURITIES INC.

(Signed) "*Kevin Campbell*"
Managing Director, Investment Banking

PI FINANCIAL CORP.

(Signed) "*Russell Mills*"
Director, Investment Banking