

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

Treasury Metals Inc. (the “**Company**” or “**Treasury**”)  
130 King Street West  
Suite 3680, Box 99  
Toronto, Ontario  
M5X 1B1

**Item 2 Date of Material Change**

June 3, 2020

**Item 3 News Release**

A news release was disseminated on June 3, 2020 through CNW Group Ltd. and subsequently filed on SEDAR. A copy of the news release is attached hereto as Schedule A.

**Item 4 Summary of Material Change**

On June 3, 2020, the Company entered into a definitive share purchase agreement (the “**Agreement**”) with First Mining Gold Corp. (“**First Mining**”) pursuant to which Treasury will acquire all of the issued and outstanding shares of Tamaka Gold Corporation (“**Tamaka**”), a wholly-owned subsidiary of First Mining that owns a 100% interest in the Goldlund Gold Project (“**Goldlund**”), located adjacent to Treasury’s Goliath Gold Project (the “**Transaction**”).

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

Under the terms of the Agreement, the Company will acquire all of the issued and outstanding shares of Tamaka from First Mining for consideration consisting of: (i) 130 million common shares (“**Common Shares**”) of the Company (the “**Share Consideration**”); (ii) 35 million Common Share purchase warrants of the Company (the “**Warrants**”), with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.50 for a period of 36 months following the closing of the Transaction (the “**Warrant Consideration**”); (iii) a 1.5% net smelter returns royalty covering all of the Goldlund claims (the “**Goldlund Royalty**”), with the option for the Company to buy-back 0.5% of the Goldlund Royalty for \$5.0 million; and (iv) a milestone cash payment of \$5.0 million, with 50% payable upon receipt of a final and binding mining lease under the *Mining Act* (Ontario) to extract ore from an open pit mine at Goldlund, and the remaining 50% payable upon the extraction of 300,000 tonnes of ore from a mine at Goldlund.

Concurrent with closing of the Transaction, the Company and First Mining will enter into an investor rights agreement (the “**Investor Rights Agreement**”) pursuant to which the Company’s board of directors (the “**Board of Directors**”) shall be reconstituted to consist of seven individuals, with First Mining entitled to nominate three directors, two of which shall be “independent” within the meaning of National Instrument 52-110 *Audit Committees*. The Company will be entitled to appoint the chair of the Board of Directors. Additionally, (i) for so long as First Mining holds greater than 10% of the issued and outstanding Common Shares, First Mining shall have the right to nominate two nominees for election as directors of the Company; and (ii) for so long as First Mining holds greater than 5% but less than 10% of the issued and outstanding Common Shares, First Mining shall have the right to nominate one nominee for election as a director of the Company.

Pursuant to the Investor Rights Agreement, First Mining shall use commercially reasonable efforts to distribute a portion of the Share Consideration and all of the Warrant Consideration to First Mining shareholders on a pro-rata basis following the closing of the Transaction (the “**Distribution**”). The Distribution shall occur no earlier than six months but no later than one year after completion of the Transaction, with First Mining retaining ownership of Common Shares equal to no greater than 19.9% of the then issued and outstanding Common Shares on a partially diluted basis, subject to regulatory and tax advice. Following the Distribution of the Warrant Consideration, the Company will use commercially reasonable efforts to list the Warrants for trading on the Toronto Stock Exchange (the “**TSX**”) and the OTCQX in the US. First Mining has also agreed to certain standstill and resale provisions with respect to the Common Shares it controls. The Investor Rights Agreement shall terminate in the event that First Mining holds less than 5% of the issued and outstanding Common Shares.

Upon closing of the Transaction, it is anticipated that the Company will consolidate its Common Shares on a 3 for 1 basis, subject to the receipt of all necessary approvals.

All of the directors and officers of the Company, holding in aggregate 5.1% of the issued and outstanding Common Shares, have entered into customary voting support agreements to vote in favour of the Transaction at a meeting of the Company’s shareholders expected to be held in early August, 2020 to approve the Transaction. Full details of the Transaction will be included in a management information circular (the “**Circular**”) to be filed by the Company with regulatory authorities and mailed to the Company’s shareholders in accordance with applicable securities laws. It is expected that the Circular will be mailed to the Company’s shareholders by late June, 2020.

Closing of the Transaction remains subject to shareholder and other customary regulatory approvals, and is expected to occur in mid-August.

Please refer to Schedule A for additional details.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Subsection 7.1(2) of National Instrument 51-102 has not been relied upon.

**Item 7 Omitted Information**

No information has been omitted on the basis that it is confidential information.

**Item 8 Executive Officer**

Greg Ferron  
Chief Executive Officer  
Tel: 416.214.4654  
Email: greg@treasurymetals.com

**Item 9 Date of Report**

June 15, 2020

# Schedule A

## Treasury Metals to Acquire Neighboring Goldlund Project, Consolidating an Emerging Canadian Gold District

TSX: TML  
OTCQX: TSRMF

TORONTO, June 3, 2020 /CNW/ - **Treasury Metals Inc.** (TSX: TML) ("**Treasury**" or the "**Company**") is pleased to announce that the Company has entered into a definitive share purchase agreement (the "**Agreement**") with First Mining Gold Corp. ("**First Mining**") pursuant to which Treasury will acquire all of the issued and outstanding shares of Tamaka Gold Corporation, a wholly-owned subsidiary of First Mining that owns a 100% interest in the Goldlund Gold Project ("**Goldlund**"), located adjacent to Treasury's Goliath Gold Project ("**Goliath**") in Northwestern Ontario (the "**Transaction**").

Goldlund hosts a large near-surface gold resource estimated to contain 809,200 ounces of gold in the Indicated category, plus 876,954 ounces of gold in the Inferred category (refer to full resource disclosure at the end of this release) within a 280 km<sup>2</sup> property package located directly to the Northeast of Goliath. The close proximity of the projects, combined with well-developed infrastructure in the region, is expected to generate substantial co-development synergies as the properties are advanced in tandem.

Under the terms of the Agreement, First Mining shall receive: (i) 130 million common shares ("**Common Shares**") of Treasury (the "**Share Consideration**"); (ii) 35 million Common Share purchase warrants of Treasury (the "**Warrants**"), with each Warrant entitling the holder thereof to purchase one Common Share at an exercise price of \$0.50 for a period of 36 months following the closing of the Transaction (the "**Warrant Consideration**"); (iii) a 1.5% net smelter returns royalty covering all of the Goldlund claims (the "**Goldlund Royalty**"), with the option for Treasury to buy-back 0.5% of the Goldlund Royalty for \$5.0 million; and (iv) a milestone cash payment of \$5.0 million, with 50% payable upon receipt of a final and binding mining lease under the *Mining Act* (Ontario) to extract ore from an open pit mine at Goldlund, and the remaining 50% payable upon the extraction of 300,000 tonnes of ore from a mine at Goldlund.

### Transaction Highlights

- Consolidation of two adjacent gold assets, allowing for numerous potential co-development opportunities within an infrastructure-rich area of Northwestern Ontario.
- Combined resource base of 2.0 million ounces of gold in the Measured & Indicated ("**M+I**") categories, plus an additional 1.1 million ounces of gold in the Inferred category (refer to resource disclosure for both projects at the end of this release), solidifying the Goliath-Goldlund project as among the largest undeveloped gold assets in Canada.
- Enhanced focus on near-surface resources in tandem, including a +140% increase in M+I resources amenable to open pit mining methods.
- High probability of future operational synergies, with only a 2 km distance between property boundaries.
- Exposure to a large and highly prospective land package at Goldlund, with potential to further expand resources through additional exploration along a combined 65 km strike-length within a 330 km<sup>2</sup> consolidated land package, including First Mining's newest discovery at the Miller prospect and Treasury's recent C Zone East expansion success.
- Transformative scale to enhance investor visibility and positioning amongst peers, plus a broadened shareholder base.
- Treasury's Goliath project has received environmental assessment ("**EA**") approval by the Federal Government of Canada, and provincial permits are advancing.

Greg Ferron, CEO & Director of Treasury, commented: "We are excited to bring about the amalgamation of our two adjacent gold assets located in one of the world's top mining jurisdictions with gold trading near all time highs in Canadian dollar terms, our operating currency. This combination recognizes the advanced stage of Goliath with a completed Federal EA, and importantly will result in significant synergies between the Goliath-Goldlund deposits and greater development flexibility owing to the scale and proximity of resources at Goldlund. Upon completion of the Transaction, the Company looks forward to discussions with Indigenous and community partners to aid in the responsible development of these exciting projects."

Dan Wilton, CEO & Director of First Mining, further added: "We are very excited to be part of this regional consolidation in Ontario. Combining our Goldlund asset with Goliath creates an attractive opportunity to immediately establish shareholder value through the potential synergies that these two assets share, given their regional proximity. We look forward to having our shareholder base directly benefit from the exciting growth and development of the projects, and to First Mining becoming a partner and significant shareholder of Treasury."

### Transaction Details

Concurrent with closing of the Transaction, Treasury and First Mining will enter into an investor rights agreement (the "**Investor Rights Agreement**") pursuant to which the Treasury board of directors (the "**Board of Directors**") shall be reconstituted to consist of seven individuals, with First Mining entitled to nominate three directors, two of which shall be "independent" within the meaning of National Instrument 52-110 *Audit Committees*. Treasury will be entitled to appoint the chair of the Board of Directors. Additionally, (i) for so long as First Mining holds greater than 10% of the issued and outstanding Common Shares, First Mining shall have the right to nominate two nominees for election as directors of Treasury; and (ii) for so long as First Mining holds greater than 5% but less than 10% of the issued and outstanding Common Shares, First Mining shall have the right to nominate one nominee for election as a director of Treasury.

Pursuant to the Investor Rights Agreement, First Mining shall use commercially reasonable efforts to distribute a portion of the Share Consideration and all of the Warrant Consideration to First Mining shareholders on a pro-rata basis following the closing of the Transaction (the "**Distribution**"). The Distribution shall occur no earlier than six months but no later than one year after completion of the Transaction, with First Mining retaining ownership of Common Shares equal to no greater than 19.9% of the then issued and outstanding Common Shares on a partially diluted basis, subject to regulatory and tax advice. Following the Distribution of the Warrant Consideration, Treasury will use commercially reasonable efforts to list the Warrants for trading on the Toronto Stock Exchange (the "**TSX**") and the OTCQX in the US. First Mining has also agreed to certain standstill and resale provisions with respect to the Common Shares it controls. The Investor Rights Agreement shall terminate in the event that First Mining holds less than 5% of the issued and outstanding Common Shares.

Upon closing of the Transaction, it is anticipated that Treasury will consolidate its Common Shares on a 3 for 1 basis, subject to the receipt of all necessary approvals.

The boards of directors of both Treasury and First Mining have each determined that the proposed Transaction is in the best interest of their respective shareholders, having taken into account advice from their financial and legal advisors, as applicable, and have each unanimously approved the Transaction.

All of the directors and officers of Treasury, holding in aggregate 5.1% of the issued and outstanding Common Shares, have entered into customary voting support agreements to vote in favour of the Transaction at a meeting of Treasury shareholders expected to be held in early August, 2020 to approve the Transaction. Full details of the Transaction will be included in a management information circular (the "**Circular**") to be filed by Treasury with regulatory authorities and mailed to Treasury shareholders in accordance with applicable securities laws. It is expected that the Circular will be mailed to Treasury shareholders by late June, 2020.

Closing of the Transaction remains subject to shareholder and other customary regulatory approvals, and is expected to occur in mid-August.

### Conference Call and Webcast

A joint webcast will be held by management of both Treasury and First Mining to discuss the merits of the Transaction on Thursday, June 4, 2020 at 7 a.m. Pacific time / 10 a.m. Eastern time. Shareholders, analysts, investors and media are invited to join the live webcast by registering using the following link: [https://us02web.zoom.us/webinar/register/6115911943755/WN\\_KvP-WkxLTluyraffdhHqAA](https://us02web.zoom.us/webinar/register/6115911943755/WN_KvP-WkxLTluyraffdhHqAA)

After registering, you will receive a confirmation email containing details to access the webinar via conference call or webcast.

A presentation to accompany the conference call and webcast can be accessed via either the Treasury or First Mining websites at [www.treasuremetals.com](http://www.treasuremetals.com) or [www.firstmininggould.com](http://www.firstmininggould.com). A replay of the joint webcast will be available on both websites following the conclusion of the call.

## Advisors and Counsel

Haywood Securities Inc. is acting as financial advisor to Treasury, and has provided a fairness opinion to the Board of Directors that, as of the date thereof and subject to the assumptions, limitations and qualifications set out therein, the Transaction is fair, from a financial point of view, to Treasury. Dentons Canada LLP is acting as legal counsel to the Special Committee of the Board of Directors and McMillan LLP is acting as legal counsel to Treasury.

Cormark Securities Inc. is acting as financial advisor to First Mining. Blake, Cassels & Graydon LLP is acting as Canadian legal counsel and Dorsey & Whitney LLP is acting as US legal counsel to First Mining.

## Qualified Persons

Mark Wheeler, P.Eng., Director of Projects, and Adam Larsen, P.Geol., Exploration Manager, are both "Qualified Persons" for the purposes of National Instrument 43-101 Standards of Disclosure for Mineral Project ("NI 43-101"), and have reviewed and approved the scientific and technical disclosure contained in this news release on behalf of Treasury.

## About Treasury Metals Inc.

Treasury Metals Inc. is a gold focused company with assets in Canada and is listed on the TSX under the symbol "TML" and on the OTCQX® Best Market under the symbol TSRMF. Treasury's flagship Goliath Gold Project is located in Northwestern Ontario. The project benefits substantially from excellent access to the Trans-Canada Highway, related power and rail infrastructure, and close proximity to several communities including Dryden, Ontario. Treasury plans on the initial development of an open pit gold mine with subsequent underground operations. The Company also owns several other projects throughout Canada, including Lara Polymetallic Project, Weebigee Gold Project, and grassroots gold exploration properties Gold Rock/Thunder Cloud and Shining Tree properties.

## Technical Disclosure

P&E Mining Consultants Inc. was commissioned by Treasury to issue an updated mineral resource estimate and complete a technical report for the mineral deposit at Goliath. The technical report, titled "Updated Mineral Resource Estimate for the Goliath Gold Project, Kenora Mining District, Northwestern Ontario" with an effective date of July 1, 2019, can be found under Treasury's SEDAR profile at [www.sedar.com](http://www.sedar.com), and on Treasury's website at [www.treasuremetals.com](http://www.treasuremetals.com). The report has been prepared in accordance with NI 43-101, Companion Policy 43-101CP to NI 43-101, and Form 43-101F of NI 43-101.

The Goliath technical report included the following resource estimate:

	Classification	Cut-Off (g/t AuEq)	Tonnes	Grade (g/t Au)	Contained (oz Au)	Grade (g/t Ag)	Contained (oz Ag)	Grade (g/t AuEq)	Contained (oz AuEq)
In Pit	Measured	0.40	762,000	1.91	47,000	8.86	217,000	1.99	49,000
	Indicated	0.40	11,849,000	1.37	522,000	5.47	2,083,000	1.42	541,000
	<b>MHI</b>	<b>0.40</b>	<b>12,611,000</b>	<b>1.40</b>	<b>569,000</b>	<b>5.67</b>	<b>2,300,000</b>	<b>1.45</b>	<b>590,000</b>
	Inferred	0.40	595,000	1.05	20,000	2.63	50,000	1.08	21,000
Underground	Measured	1.90	163,000	6.42	34,000	25.81	135,000	6.65	35,000
	Indicated	1.90	3,429,000	5.34	589,000	16.64	1,834,000	5.49	605,000
	<b>MHI</b>	<b>1.90</b>	<b>3,591,000</b>	<b>5.39</b>	<b>623,000</b>	<b>17.05</b>	<b>1,969,000</b>	<b>5.54</b>	<b>640,000</b>
	Inferred	1.90	1,414,000	4.43	201,000	11.42	519,000	4.53	206,000
<b>Total</b>	Measured	0.40 & 1.90	925,000	2.70	80,000	11.84	352,000	2.81	83,000
	Indicated	0.40 & 1.90	15,277,000	2.26	1,111,000	7.98	3,917,000	2.33	1,146,000
	<b>MHI</b>	<b>0.40 &amp; 1.90</b>	<b>16,202,000</b>	<b>2.29</b>	<b>1,192,000</b>	<b>8.20</b>	<b>4,269,000</b>	<b>2.36</b>	<b>1,230,000</b>
	Inferred	0.40 & 1.90	2,009,000	3.43	222,000	8.81	569,000	3.51	227,000

Notes from the Goliath resource estimate:

1. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
2. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
4. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
5. The mined tonnage by historical underground drifts was not removed as the amount was insignificant to this Mineral Resource Estimate.
6. A gold price of US\$1,275/oz and silver price of US\$16.50/oz based on the June 30, 2019 three-year trailing average prices and an exchange rate of US\$1.00=Cdn0.77 were utilized in the AuEq cut-off grade calculations of 0.40 g/t AuEq for Open Pit and 1.90 g/t AuEq for Underground Mineral Resources.
7. Open Pit mining costs were assumed at C\$3.45/t for mineralized material, C\$3.30/t for waste rock and C\$2.00/t for overburden, while Underground mining costs were assumed at C\$77.00/t, with process costs of C\$18.15/t, G&A of C\$2.86/t, and process recoveries of 95.5% for gold and 62.6% for silver.
8. The Au/Ag ratio used for AuEq was 1:112.17.
9. A bulk density model averaged 2.78 t/m<sup>3</sup> for mineralized material.
10. Totals in the table may not sum due to rounding.

WSP Canada Inc. was commissioned by First Mining to issue an updated mineral resource estimate and complete a technical report for the mineral deposit at Goldlund. The technical report, which is titled "Technical Report and Resource Estimation Update, Goldlund Gold Project, Sioux Lookout, Ontario" with an effective date of March 15, 2019, can be found under First Mining's SEDAR profile at [www.sedar.com](http://www.sedar.com), and on First Mining's website at [www.firstmininggould.com](http://www.firstmininggould.com). The report has been prepared in accordance with NI 43-101, Companion Policy 43-101CP to NI 43-101, and Form 43-101F of NI 43-101.

The Goldlund technical report included the following resource estimate:

Classification	Zone	Cut-Off (g/t Au)	Tonnes	Grade (g/t Au)	Contained (oz Au)	
Indicated	1	0.40	4,882,400	2.16	330,150	
	2	0.40	1,642,900	1.76	93,000	
	4	0.40	1,664,600	2.73	146,100	
	7	0.40	4,161,600	1.58	210,753	
	8	0.40	508,600	2.00	29,200	
	<b>Total Indicated</b>	<b>0.40</b>	<b>12,860,000</b>	<b>1.96</b>	<b>809,200</b>	
	Inferred	1	0.40	11,286,000	1.54	558,600
		2	0.40	1,028,000	1.22	40,000
3		0.40	1,385,000	1.61	71,666	
4		0.40	734,000	2.40	57,000	
5		0.40	1,284,000	1.19	49,000	
7		0.40	1,928,000	1.29	79,688	
8		0.40	715,000	0.90	21,000	
<b>Total Inferred</b>		<b>0.40</b>	<b>18,362,000</b>	<b>1.49</b>	<b>876,954</b>	

Notes from the Goldlund resource estimate:

1. Based on the technical report titled "Technical Report and Resource Estimation Update, Goldlund Gold Project, Sioux Lookout, Ontario" with an effective date of March 15, 2019, which was prepared for First Mining by WSP Canada Inc. in accordance with NI 43-101, and which is available under First Mining's SEDAR profile at [www.sedar.com](http://www.sedar.com).
2. The overall stripping ratio for the whittle pit is 4.71:1.
3. A base case cut-off grade of 0.4 g/t Au was used for this updated mineral resource estimate.
4. Resources are stated as contained within a conceptual pit shell using a metal price of US\$1,350 per ounce of gold, mining costs of US\$2.00 per tonne, processing plus G&A costs of US\$15.40 per tonne, 93% recoveries and an average pit slope of 48 degrees.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.
6. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

## Forward-Looking Statements

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

These statements in this release include the anticipated benefits of the Transaction to Treasury and its shareholders, the timing and anticipated receipt of required regulatory and shareholder approvals for the Transaction; the ability of Treasury and First Mining to satisfy the conditions to, and to complete, the Transaction as proposed; the completion of the consolidation of the Treasury shares; the anticipated timing of the mailing of the information circular regarding the Transaction and of the closing of the Transaction; the anticipated timing and the completion of the Distribution; the listing of the Warrants; the ability to achieve synergies, the quantity and grade of the gold resources and the ability to expand resources through the exploration of a combined 65 km of strike-length.

In respect of the forward-looking information concerning the anticipated completion of the proposed Transaction and the anticipated timing thereof, Treasury and First Mining have provided them in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the time required to prepare and mail shareholder meeting materials, including the required information circular; the ability of the parties to receive, in a timely manner, the necessary regulatory and shareholder approvals; and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary shareholder, regulatory or other approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Transaction. Accordingly, readers should not place undue reliance on the forward-looking information contained in this news release concerning these times.

Since forward-looking information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risk that the Transaction may not close when planned or at all or on the terms and conditions set forth in the purchase agreement; the failure to obtain the necessary shareholder and regulatory approvals required in order to proceed with the transaction; the synergies expected from the Transaction not being realized; business integration risks; operational risks in development, exploration and production for precious metals; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of resource estimates; health, safety and environmental risks; gold price and other commodity price and exchange rate fluctuations; environmental risks; competition; incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations.

Actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward looking information will transpire or occur, or if any of them do so, what benefits may be derived therefrom and accordingly, readers are cautioned not to place undue reliance on the forward looking information.

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CO: Treasury Metals Inc.

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