



TREASURY
METALS Inc.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

to be held in virtual-only format via live audio conference at <https://web.lumiagm.com/241596957>
at 11:00 a.m. (Toronto time) on August 5, 2020

June 29, 2020

These materials are important and require your immediate attention. They require Shareholders to make important decisions. If you are in doubt as to how to deal with these materials or the matters they describe, please contact your financial, legal, tax or other professional advisors.



LETTER TO SHAREHOLDERS

June 29, 2020

Dear shareholders,

You are invited to attend the annual general and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Treasury Metals Inc. (the “**Company**”) on Wednesday, the 5th of August, 2020, at 11:00 a.m. (Toronto Time), or any adjustment or postponement thereof.

In light of ongoing concerns regarding the spread of COVID-19, one of our primary considerations is to protect the health of Shareholders and, accordingly, we have arranged to use a live audiocast to permit participation at the Meeting. We encourage Shareholders to vote on the matters before the Meeting by proxy and to participate in the Meeting via the URL provided below. Shareholders will be able to ask questions of management at the conclusion of the Meeting as usual. We feel this is the most prudent step to take in the current and rapidly changing environment. Registered Shareholders and duly appointed proxyholders, including non-registered Shareholders who have duly appointed themselves or a third-party as proxyholder, may participate in and listen to the presentation, vote and submit questions in real time during the Meeting by visiting the following URL: <https://web.lumiagn.com/241596957>.

On June 3, 2020 the Company entered into a purchase agreement (the “**Share Purchase Agreement**”) with First Mining pursuant to which the Company agreed to acquire all of the Tamaka Shares (the “**Transaction**”). Through Tamaka and Goldlund Resources Inc., First Mining is the owner of all interest in and certain mineral claims to an exploration property comprising 268 claim blocks located in Northwestern Ontario (the “**Goldlund Property**”). The Goldlund Property is located adjacent to the Company’s Goliath Gold Project.

The Goldlund Property 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 within a 280-square-kilometre 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.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution (the “**Transaction Approval Resolution**”) approving the issuance of: (i) 130,000,000 common shares (the “**Consideration Shares**”) of the Company and 35,000,000 Common Share purchase warrants (the “**Consideration Warrants**”) and together with the Consideration Shares, the “**Consideration Securities**”) with an exercise price of \$0.50 for a period of 36 months following the closing of the Transaction (as defined herein) to be issued to First Mining Gold Corp. (“**First Mining**”) as partial consideration for the purchase of all of the common shares (the “**Tamaka Shares**”) of Tamaka Gold Corporation (“**Tamaka**”) a wholly owned subsidiary of First Mining; and (ii) 32,000,000 subscription receipts of the Company (“**Subscription Receipts**”) to be issued to subscribers under the Private Placement (as defined herein) and up to 1,920,000 compensation option receipts (the “**Compensation Option Receipts**”) to be issued to the underwriters of the Private Placement, in connection with the Transaction, as required under section 604 and subsections 607(i), 611(c) and 611(g) of the TSX Company Manual.

Pursuant to the Share Purchase Agreement, the Company agreed to acquire the Tamaka Shares from First Mining for the Consideration Securities and as additional consideration, the Company and First Mining will enter into a net smelter royalty agreement whereby First Mining will be granted a one and a half percent (1.5%) net smelter return royalty in respect of the Goldlund Property (the “**Royalty**”), with the option for the Company to buy-back 0.5% of the Royalty for \$5.0 million. In addition, First Mining is eligible to receive 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 the Goldlund Property, and the remaining 50% payable upon the extraction of 300,000 tonnes of



processable ore from a mine at the Goldlund Property (collectively, the “**Milestone Payment**”). Closing of the Transaction is expected to occur on or about mid-August 2020.

At the Meeting, Shareholders will be asked to approve a special resolution fixing the number of members of the Board to be elected at six (6) and thereafter empowering the Board to determine from time to time the number of directors within the minimum and maximum numbers provided for in the Articles of the Company (the “**Director Fixing Resolution**”). Shareholders will also be asked to approve: (i) an ordinary resolution electing William Fisher, Marc Henderson, Flora Wood, Christophe Vereecke, Doug Bache and Greg Ferron as directors of the Company for the ensuing year (the “**Board Appointment Resolution**”), with Doug Bache and Greg Ferron resigning as directors of the Company upon completion of the Transaction; and (ii) an ordinary resolution electing Frazer Bouchier, David Whittle and Daniel W. Wilton, nominees of First Mining, as directors of the Company contingent upon completion of the Transaction (the “**Contingent Board Appointment Resolution**”). Also conditional on completion of the Transaction, Shareholders will be asked to approve a special resolution authorizing an amendment to the articles of the Company effecting the consolidation of the Common Shares on a (3) to (1) basis (the “**Consolidation Resolution**”). Shareholders will also be asked to approve an ordinary resolution appointing RSM Canada LLP as auditors to the Company and authorizing the directors to fix their remuneration;

In connection with the Transaction, the Company entered into an engagement letter with Haywood Securities Inc. (“**Haywood**”) as lead underwriter on behalf of a syndicate of underwriters including PI Financial Corp., Sprott Capital Partners LP, and Canaccord Genuity Corp. (the “**Underwriters**”) for the offering on a “bought deal” private placement basis of an aggregate of 32,000,000 Subscription Receipts at a price of \$0.36 (the “**Subscription Price**”) per Subscription Receipt for aggregate gross proceeds of \$11,520,000 (the “**Private Placement**”). Each Subscription Receipt will entitle the holder thereof to receive, upon satisfaction of the Escrow Release Conditions (as defined herein) without payment of additional consideration or further action on the part of such holder, one unit consisting of one Common Share (a “**Private Placement Share**”) and one-half of one Common Share purchase warrant (each whole warrant a “**Private Placement Warrant**”), subject to adjustment in accordance with the terms of the Subscription Receipt Agreement (as defined herein). Each Private Placement Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.60 for a period of 24 months from the later of: (i) the date on which the Escrow Release Conditions are satisfied and (ii) the Qualification Date (the “**Expiry Date**”). If before the Expiry Date the closing price of the Common Shares on the TSX is equal to or greater than \$1.00 per Common Share for a period of twenty (20) consecutive trading days, the Company may elect to accelerate the Expiry Date of the Private Placement Warrants to a date that is not less than thirty (30) calendar days from the date when written notice of such new expiry date is delivered by the Company to the holders of the Private Placement Warrants. The Private Placement Warrants shall be issued pursuant to and governed by the Warrant Indenture. Closing of the Private Placement is expected to occur on or about July 7, 2020. The Company will issue the Underwriters of the Private Placement up to 1,920,000 Compensation Option Receipts. The Compensation Option Receipts shall be exchanged, without payment of any additional consideration, for one compensation option (a “**Compensation Option**”) on the Qualification Date, subject to adjustment. Each Compensation Option shall entitle the holder thereof to purchase one Common Share for a period of 24 months from the later of the date when (i) the Escrow Release Conditions are satisfied and (ii) the Qualification Date, at an exercise price per Common Share equal to the Subscription Price.

The Company has agreed to use commercially reasonable efforts to obtain a receipt from the Ontario Securities Commission (the “**OSC**”) for a final short form prospectus (the “**Qualifying Prospectus**”) qualifying the distribution of the Private Placement Shares and Private Placement Warrants issuable upon exercise of the Subscription Receipts and Common Shares issuable upon exercise of the Compensation Option no later than 5:00 p.m. (Toronto time) on August 18, 2020 (the “**Penalty Time**”). If the Company has not received a receipt for a Qualifying Prospectus from the OSC before the Penalty Time, each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of the subscriber, one unit comprised of 1.1 Private Placement Shares and 0.55 Private Placement Warrants.

In order for the Transaction to proceed and for the Escrow Release Conditions to be satisfied, the Transaction Approval Resolution must be approved by a majority of votes cast by Shareholders, either in person or by proxy at the Meeting, as required by the policies of the Toronto Stock Exchange (the “**TSX**”). Completion of the Transaction, including the



Private Placement and the Consolidation are subject to various conditions including receipt of all necessary regulatory and other third party approvals, including approval of the TSX.

If the Transaction and the Private Placement are completed, First Mining will control approximately 43.3% of the issued and outstanding Common Shares, on a non-diluted basis, and approximately 49.2% of the issued and outstanding Common Shares on a partially-diluted basis, giving effect to the exercise of the Consideration Warrants but not giving effect to the exercise of any convertible securities issued in connection with the Private Placement.

On November 5, 2019, the board of directors of the Company (the “**Board**”) established a special committee of independent directors (the “**Special Committee**”) to consider the Transaction and related matters. The Special Committee was charged with, among other matters, reviewing, directing and supervising the process to be carried out by the Company and its professional advisors in assessing the Transaction, reviewing and considering the proposed structure, terms and conditions of the Transaction, and making a recommendation to the Board with respect to the Transaction.

In evaluating the Transaction, the Board received an independent fairness opinion from Haywood Securities Inc. as of June 3, 2020 (the “**Fairness Opinion**”). After considering the Fairness Opinion, the recommendation by the Special Committee and further discussions with the Company’s external financial and legal advisors, **the Board has unanimously determined that the Transaction is in the best interests of the Company and is fair to Shareholders. The Board unanimously recommends that Shareholders vote FOR the Transaction Approval Resolution.**

The information circular and proxy statement of the Company dated June 29, 2020 (the “**Circular**”) contains a detailed description of the Transaction, the Goldlund Property and the Private Placement. Please give these materials your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors.



TREASURY METALS INC.
The Exchange Tower, 130 King Street West
Suite 3680, Box 99
Toronto, Ontario, Canada M5X 1B1

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Treasury Metals Inc. (the “**Company**”) will be held in a virtual only format, which will be conducted via live audio webcast online at <https://web.lumiagm.com/241596957> on August 5, 2020, at 11:00 a.m. (Toronto Time) for the purpose of:

- (a) receiving the Company’s financial statements for the year ended December 31, 2019 and 2018, and the report of the auditors thereon;
- (b) to consider, and if thought advisable, to pass an ordinary resolution appointing RSM Canada LLP as auditors to the Company and authorizing the directors to fix their remuneration;
- (c) to consider, and if thought advisable, to pass a special resolution to fix the number of members of the board of directors of the Company (the “**Board**”) to be elected at six (6) and thereafter empowering the Board to determine from time to time the number of directors within the minimum and maximum numbers provided for in the Articles of the Company;
- (d) to consider, and if thought advisable, to pass an ordinary resolution electing directors of the Company for the ensuing year;
- (e) to consider, and if thought advisable, to pass an ordinary resolution approving the issuance of: (i) 130,000,000 common shares (“**Common Shares**”) of the Company and 35,000,000 Common Share purchase warrants, exercisable at \$0.50 for 36 months from the closing of the Transaction (as defined herein), to First Mining Gold Corp. (“**First Mining**”) as partial consideration for the purchase of all of the common shares of Tamaka Gold Corporation, a wholly owned subsidiary of First Mining (the “**Transaction**”); and (ii) 32,000,000 subscription receipts of the Company to be issued to subscribers and up to 1,920,000 compensation option receipts of the Company to be issued to underwriters, in connection with a private placement to be completed on a “bought deal” basis in connection with the Transaction;
- (f) to consider, and if thought advisable, to pass an ordinary resolution electing three (3) nominees of First Mining as directors of the Company for the ensuing year, contingent upon completion of the Transaction;
- (g) to consider, and if thought advisable, to pass a special resolution authorizing an amendment to the articles of the Company effecting the consolidation of the Common Shares on a (3) to (1) basis contingent upon completion of the Transaction; and
- (h) transacting such further and other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying management information circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Company’s transfer agent and registrar, TSX Trust Company, Suite 301, 100 Adelaide St. West, Toronto, Ontario, M5H 4H1 not later than 11:00 a.m. (Toronto time) on July 31, 2020, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, however, the Chair is under no obligation to accept or reject any particular late proxy.

In order to: (i) proactively deal with the unprecedented public health impact of coronavirus disease 2019 (also known as “**COVID-19**”); (ii) mitigate risks to the health and safety of our communities, Shareholders and other stakeholders; and (iii) ensure compliance with local laws and orders restricting the size of public gatherings in response to COVID-19, the Company will be convening and conducting a virtual Meeting.

You will not be able to attend the Meeting in person. At the virtual Meeting, registered Shareholders and duly appointed proxyholders, including non-registered Shareholders who have duly appointed themselves or a third-party as proxyholder, regardless of geographic location and equity ownership, will have an equal opportunity to participate, to ask questions, and vote, all in real time, at the Meeting through an online portal.

Non-registered Shareholders must carefully follow the procedures set out in the Circular in order to vote virtually and ask questions through the live audiocast. Guests, including non-registered Shareholders who have not duly appointed themselves as proxyholders, can log into the virtual Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote or ask questions.

Shareholders who are unable to attend the virtual Meeting are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

Only holders of Common Shares of record at the close of business on June 22, 2020 (the “**Record Date**”) will be entitled to vote at the Meeting, and, except as otherwise determined from time to time by directors of the Company, no Shareholders becoming such after the Record Date will be entitled to receive notice of and vote at the Meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action.

Electronic copies of this notice, the Circular and other Meeting materials may be found on the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at <https://treasurymetals.com/investors/annual-and-special-meeting-of-shareholders/>.

Shareholders are reminded to review the Circular before voting.

Shareholders will receive paper copies of a notice package via pre-paid mail containing a notice with information prescribed by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and a form of proxy (if a registered Shareholder) or a voting instruction form (if a non-registered shareholder). The Company will not use procedures known as “stratification” in relation to the use of notice-and-access. Stratification occurs when an issuer using notice-and-access sends a paper copy of the Circular to some Shareholders.

Shareholders may obtain paper copies of the Circular and the Meeting materials free of charge by calling 1-855-664-4654 at any time up until the date of the Meeting, including any adjournment or postponement thereof. Any Shareholder wishing to obtain a paper copy of the Meeting materials should submit their request no later than July 24, 2020 in order to receive paper copies of the Meeting materials in time to vote before the Meeting. Shareholders may also use the toll-free number noted above to obtain more information about the notice-and-access. Under the notice-and-access, Meeting materials will be available for viewing on the Company’s website for one year from the date of posting.

DATED this 29th day of June, 2020.

BY ORDER OF THE BOARD

(Signed)

Marc Henderson
Non-Executive Chairman

TREASURY METALS INC.
The Exchange Tower, 130 King Street West
Suite 3680, Box 99
Toronto, Ontario, Canada M5X 1B1

**MANAGEMENT INFORMATION CIRCULAR FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this management information circular (the “**Circular**”), the pro forma combined financial statements of the Company, and certain material incorporated by reference constitute forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”). These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “will likely result”, “are expected to”, “expects”, “will continue”, “is anticipated”, “anticipates”, “believes”, “estimated”, “intends”, “plans”, “forecast”, “projection”, “pro forma”, “strategy”, “objective” and “outlook”) are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Circular should not be unduly relied upon. These statements speak only as of the date of this Circular. In addition, this Circular may contain forward-looking statements attributed to third party industry sources. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the information and factors discussed throughout this Circular.

Forward-looking statements contained in this Circular and the documents incorporated by reference herein include, without limitation, those that relate to:

- the completion and expected benefits of the Transaction;
- the attributes of the Company following the completion of the Transaction, including the effect of the Transaction on the liquidity, visibility and positioning of the Company as compared against industry peers;
- estimations of mineral reserves and mineral resources and the realization of mineral reserve and mineral resource estimates;
- future exploration and development activities and the expected results of exploration activities;
- the composition of the Board and the committees thereof following completion of the Transaction;
- the closing of the Private Placement and the Company's ability to successfully file a Qualifying Prospectus, qualifying the distribution of the securities underlying the Subscription Receipts and Compensation Option Receipts issuable pursuant to the Private Placement; and
- the completion of the Distribution by First Mining.

Forward-looking statements contained in this Circular are subject to a number of risks including:

- failure to complete the Transaction and the Private Placement in all material respects in accordance with the Share Purchase Agreement and the Subscription Agreements, as applicable, or at all;
- the inability of the Company to obtain necessary regulatory approvals, including approval of Shareholders and of the TSX in connection with the Transaction, the Private Placement and the Consolidation;
- the inability to obtain regulatory approvals and other required approvals in connection with the Private Placement, including approval of Shareholders and of the TSX;
- failure to realize the anticipated benefits of the Transaction;
- volatility in the demand, supply and market prices for mineral deposits;
- the ability to identify new mineral resources and convert mineral resources into mineral reserves;
- volatility in exchange rates;
- liabilities inherent in mining operations;
- incorrect assessments of the value of acquisitions;

- geological, technical, drilling and completions, processing and handling issues associated with mineral activities by third parties;
- claims made or legal actions brought or realized against the Company, its properties or assets, or the Goldlund Property;
- a failure by the Company to hire or retain key personnel;
- general economic, market and business conditions;
- changes in tax or environmental laws or royalty or incentive programs relating to the mining industry;
- the ability of the Company to comply with environmental, safety and other regulatory requirements; and
- the other factors discussed under “*Risk Factors*” in this Circular and in the AIF.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements made by or on behalf of the Company, readers should not place undue reliance on any such forward-looking statements. Statements relating to “reserves” are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. Further, any forward-looking statement is made only as of the date of this Circular and the Company undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The foregoing and other risks are described in more detail in the Annual MD&A (as defined herein) and AIF (as defined herein) under the heading “*Risk Management*” and “*Risk Factors*”, respectively, each of which is available on the Company’s profile on SEDAR at www.sedar.com

The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement.

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GLOSSARY OF TERMS

“**AAS**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Accurassay**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Affiliate**” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to “**control**” another Person if such Person owns, directly or indirectly, more than 50% of the issued share capital or the voting rights attaching to the issued share capital of such other Person or possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term “**controlled**” shall have a similar meaning;

“**AIF**” has the meaning ascribed thereto in “*General Proxy Information – Solicitation of Proxies*”;

“**Ancillary Agreements**” means, collectively, the Royalty Agreement, the Investor Rights Agreement and Voting Support Agreements;

“**Annual MD&A**” means the Company’s management’s discussion and analysis for the financial years ended December 31, 2019 and 2018;

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, (a) any applicable foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), “**Law**”), in each case relating or applicable to such Person, property, transaction, event or other matter, and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“**Beneficial Shareholders**” has the meaning ascribed thereto in “*General Proxy Information – Notice to Beneficial Shareholders*”;

“**BLEG**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Board**” means the board of directors of the Company;

“**Board Appointment Resolution**” means the ordinary resolution, electing management’s nominees to the Board, it being acknowledged that upon closing of the Transaction that Greg Ferron and Doug Bache will resign as directors and the First Mining Nominees will be appointed to the Board in accordance with the Contingent Board Appointment Resolution;

“**Broadridge**” has the meaning ascribed thereto in “*General Proxy Information – Notice to Beneficial Shareholders*”;

“**Business**” means the business of Tamaka and the Tamaka Subsidiary as it is currently conducted, including the exploration for and exploitation of minerals in Ontario;

“**CEO**” has the meaning ascribed thereto in “*Statement of Executive Compensation – Named Executive Officers*”;

“**CFO**” has the meaning ascribed thereto in “*Statement of Executive Compensation – Named Executive Officers*”;

“**Circular**” means this management information circular of the Company dated June 29, 2020;

“**Closing**” means the completion of the purchase and sale of the Tamaka Shares in accordance with the provisions of the Share Purchase Agreement;

“**Closing Date**” means August 7, 2020 or such earlier or later date as may be agreed to in writing by First Mining and the Company;

“**Closing Date Working Capital**” means the amount, whether positive or negative, equal to the total of the Tamaka’s current assets less the total of its current liabilities, on a consolidated basis, as shown on the Closing Date Statement and, for these purposes, “current assets” shall mean cash and cash equivalents, accounts receivable, prepared expenses and inventory and “current liabilities” shall mean accounts payable, accrued expenses, current portion of debt or debt like items, and taxes payable;

“**Closing Date Statement**” means the statement reflecting the estimated Closing Date Working Capital as at 12:01 a.m. on the Closing Date;

“**Closing Time**” means 8:00 a.m. on the Closing Date;

“**Code**” has the meaning ascribed thereto in “*Statement of Corporate Governance Practices – Ethical Business Conduct*”;

“**Common Shares**” has the meaning ascribed thereto in “*General Proxy Information – Solicitation of Proxies*”;

“**Company**” means Treasury Metals Inc.;

“**Company Material Adverse Effect**” means any one or more changes, effects, events, occurrences, circumstances or states of fact, either individually or in the aggregate, that is, or could reasonably be expected to be, material and adverse to the business or the operations, affairs, assets, properties, liabilities, capitalization or condition (financial or otherwise) of the Company and its subsidiaries, either individually or taken as a whole, other than changes, effects, events, occurrences, circumstances or states of fact which result directly from: (i) the announcement, pendency or consummation of the transactions contemplated by the Share Purchase Agreement, or the failure to take actions as a result of any terms or conditions set forth in the Share Purchase Agreement, (ii) changes affecting the mining industry and/or the mining industry in Canada generally, (iii) changes in the general political, economic, financial, currency exchange or market (including the capital, financial, credit or securities market) conditions, (iv) the commencement, continuation, escalation or worsening of any war, armed hostilities, acts of terrorism, earthquakes, pandemic or health crisis (including COVID-19 and all impacts thereof), or similar catastrophes or the incurrence of any other calamity or crisis, (v) a change, or proposed change, in Applicable Law, or the interpretation thereof, (vi) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of First Mining, or (vii) any matter otherwise disclosed herein or provided for in the Share Purchase Agreement; provided, however, that such changes, effects, events, occurrences, circumstances or states of fact referred to in clause (ii), (iii), (iv) or (v) above does not primarily relate only to (or have the effect of primarily relating only to) the Company and/or any of its subsidiaries or disproportionately adversely affects the Company (on a consolidated basis) compared to other companies of similar size to the Company (on a consolidated basis) operating in the mining industry.

“**Company Misrepresentation**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Share Purchase Agreement – Indemnification – Indemnification Provided by the Company*”;

“**Consideration**” means, collectively, the Consideration Shares, Consideration Warrants, Royalty and the Milestone Payment;

“**Consideration Securities**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Share Issuance to First Mining*”;

“**Consideration Shares**” means 130,000,000 Common Shares to be issued in connection with the Transaction;

“**Consideration Warrants**” means 35,000,000 Common Share purchase warrants exercisable at \$0.50 for 36 months from the closing of the Transaction to be issued in connection with the Transaction;

“**Consolidation**” means the consolidation of the Common Shares pursuant to the Consolidation Resolution;

“**Consolidation Resolution**” has the meaning ascribed thereto in “*Particular of Matters to be Acted On – Common Share Consolidation*”;

“**Contingent Board Appointment Resolution**” means the ordinary resolution, electing three (3) First Mining Nominees to the Board, contingent on the closing of the Transaction;

“**Control Person**” has the meaning attributable to such term as in the Securities Act;

“**Compensation Option Receipts**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Compensation Options**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Damages**” means, whether or not involving a third party claim, any direct loss, cost, Liability, claim, interest, fine, penalty, assessment, Tax, damages available at law or in equity (excluding consequential, special and aggravated damages), expense (including consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value.

“**Director**” means a director on the Company’s Board;

“**Distribution**” has the meaning ascribed thereto in “*Summary – The Transaction – Agreements related to the Transaction*”;

“**Engagement Letter**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Escrow Release Conditions**” has the meaning ascribed thereto in “*Summary – Private Placement*”;

“**Escrow Release Deadline**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Escrowed Funds**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Executive Search Committee**” has the meaning ascribed thereto in “*Summary – The Transaction – Agreements related to the Transaction – Investor Rights Agreement – Executive Search Committee*”;

“**Expiry Date**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Fairness Opinion**” means the written opinion of Haywood to the Board, dated June 3, 2020;

“**First Mining**” means First Mining Gold Corp.;

“**First Mining Misrepresentation**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Share Purchase Agreement – Indemnification – Indemnification Provided by First Mining*”;

“**First Mining Nominees**” has the meaning ascribed thereto in “*Summary – The Transaction – Agreements related to the Transaction – Investor Rights Agreement – First Mining Nomination Rights*”;

“**Fixing Resolution**” has the meaning ascribed thereto in “*Summary – The Meeting – The Resolutions*”;

“**Gemslogger**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Governmental Authority**” means: (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise); (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government; (c) any court, tribunal, commission, mediator, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange;

“**Goldlund Property**” means the exploration property comprising 268 claim blocks located in Northwestern Ontario;

“**Goldlund Technical Report**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Concerning the Goldlund Property*”;

“**Goliath Gold Property**” means the exploration property comprising approximately 4,984 hectares located in Northwestern Ontario;

“**Haywood**” means Haywood Securities Inc.;

“**ICP**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Insider**” has the same meaning as found in the Securities Act and also includes associates and affiliates of the insider; and “**issuances to insiders**” includes direct and indirect issuances to insiders;

“**Interim Period**” means the period from the date of execution of the Share Purchase Agreement to the Closing Time;

“**Investor Rights Agreement**” means the Investor Rights Agreement to be entered into on the Closing Date between the Company and First Mining;

“**Kesselrun**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Background to the Transaction*”;

“**Kesselrun Debenture**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Background to the Transaction*”;

“**Legal Proceeding**” means any litigation, proceeding, action, application, suit, investigation, audit, hearing, claim, complaint, deemed complaint or grievance, civil, administrative, regulatory or criminal, or arbitration, mediation or alternative dispute resolution proceeding or other similar proceeding, before or by any Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Locked-Up Shareholders**” means Greg Ferron, Dennis Gibson, Doug Bache, Flora Wood, Marc Henderson, William Fisher and Christophe Vereecke;

“**Meeting**” has the meaning ascribed thereto in “*General Proxy Information – Solicitation of Proxies*”;

“**Milestone Payment**” means the milestone cash payment of \$5.0 million, First Mining is eligible to receive under the Share Purchase Agreement 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 the Goldlund Property and the remaining 50% payable upon the extraction of 300,000 tonnes of processable ore from a mine at the Goldlund Property;

“**Mining Lease**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Concerning the Goldlund Property*”.

“**NEO**” has the meaning ascribed thereto in “*Statement of Executive Compensation – Named Executive Officers*”;

“**Notice of Meeting**” has the meaning ascribed thereto in “*General Proxy Information – Solicitation of Proxies*”;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

“**NI 51-102**” means National Instrument 51-102-*Continuous Disclosure Obligations* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

“**NI 54-101**” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators;

“**NI 58-101**” has the meaning ascribed thereto in “*Statement of Corporate Governance Practices*”;

“**NOBO**” has the meaning ascribed thereto in “*General Proxy Information – Notice to Beneficial Shareholders*”;

“**NP 58-201**” means National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators;

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**OBO**” has the meaning ascribed thereto in “*General Proxy Information – Notice to Beneficial Shareholders*”;

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority;

“**OSC**” means the Ontario Securities Commission;

“**PAG**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Penalty Time**” has the meaning ascribed thereto in “*Summary – Private Placement*”;

“**Person**” is to be broadly interpreted and includes an individual, a corporation, a company, a partnership, a trust, an unincorporated organization or joint venture, a Governmental Authority and the executors, administrators or other legal representatives of an individual in such capacity;

“**Pre-Closing Tax Period**” means a taxation year or other fiscal period that ends on or before the Closing Time and the portion of any Straddle Period ending on or before the Closing Date;

“**Private Placement**” means the private placement on a “bought deal” basis of Subscription Receipts which is expected to close on or about July 7, 2020;

“**Private Placement Share**” has the meaning ascribed thereto in “*Summary – Private Placement*”;

“**Private Placement Warrant**” has the meaning ascribed thereto in “*Summary – Private Placement*”;

“**QA/QC**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Qualification Date**” has the meaning ascribed thereto in “*Summary – Private Placement*”;

“**Qualifying Prospectus**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Record Date**” has the meaning ascribed thereto in “*General Proxy Information – Registered Shareholders and the Record Date*”;

“**Release Notice**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Representative**” when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person;

“**Royalty**” means a 1.5% net smelter returns royalty in perpetuity over all rocks, minerals, ore, concentrate, precious and base metals, elements and other materials removed or recovered from the Goldlund Property through mining, milling, processing, concentrating, smelting or refining activity including, without limitation, uranium and stone, aggregate, quarry materials and construction materials;

“**Royalty Agreement**” means the agreement to be entered into on the Closing Date between First Mining, the Tamaka Subsidiary and the Company pursuant to which the Tamaka Subsidiary will grant First Mining the Royalty;

“**RQD**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Securities Act**” means the Ontario Securities Act, RSO 1990, c S.5

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**SGS**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Share Purchase Agreement**” means the purchase agreement dated June 3, 2020 between First Mining and the Company pursuant to which the Company will acquire all of the issued and outstanding shares of Tamaka, a wholly-owned subsidiary of First Mining that owns a 100% interest in the Goldlund Property as may be amended, modified or supplemented;

“**Special Committee**” means the special committee of the Board formed to consider the Transaction and related matters on November 5, 2019;

“**SRM**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Regarding the Goldlund Property*”;

“**Standstill**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Investor Rights Agreement – Standstill*”;

“**Straddle Period**” means a Tax period that includes, but does not begin or end on, the Closing Date;

“**Subscription Proceeds**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Subscription Receipt Agent**” means TSX Trust Company in its capacity as Subscription Receipt agent under the Subscription Receipt Agreement;

“**Subscription Receipt Agreement**” means the Subscription Receipt agreement to be entered into among Haywood, the Company and Subscription Receipt Agent in connection with the Private Placement;

“**Subscription Receipts**” means an aggregate of up to 32,000,000 subscription receipts of the Company to be issued pursuant to the Private Placement;

“**Tamaka**” means Tamaka Gold Corporation;

“**Tamaka Annual Financial Statements**” means the audited annual financial statements of Tamaka for the years ended December 31, 2019 and December 31, 2018, attached to this Circular as Appendix “C”;

“**Tamaka Interim Financial Statements**” means the unaudited interim financial statements of Tamaka for three months ended March 31, 2020 and March 31, 2019, attached to this Circular as Appendix “C”;

“**Tamaka Annual MD&A**” means the management discussion and analysis of Tamaka for the years ended December 31, 2019 and December 31, 2018, attached to this Circular as Appendix “C”;

“**Tamaka Interim MD&A**” means the management discussion and analysis of Tamaka for three months ended March 31, 2020 and March 31, 2019, attached to this Circular as Appendix “C”;

“**Tamaka Material Adverse Effect**” means any one or more changes, effects, events, occurrences, circumstances or states of fact, either individually or in the aggregate, that is, or could reasonably be expected to be, material and adverse to the Business or the operations, affairs, assets, properties, liabilities, capitalization or condition (financial or otherwise) of Tamaka and the Tamaka Subsidiary, taken as a whole, other than changes, effects, events, occurrences, circumstances or states of fact which result directly from: (i) the announcement, pendency or consummation of the transactions contemplated by the Share Purchase Agreement, or the failure to take actions as a result of any terms or conditions set forth in the Share Purchase Agreement, (ii) changes affecting the mining industry and/or the mining industry in Canada generally, (iii) changes in the general political, economic, financial, currency exchange or market (including the capital, financial, credit or securities market) conditions, (iv) the commencement, continuation, escalation or worsening of any war, armed hostilities, acts of terrorism, earthquakes, pandemic or health crisis (including COVID-19 and all impacts thereof) or similar catastrophes or the incurrence of any other calamity or crisis, (v) a change, or proposed change, in applicable law or the interpretation thereof, (vi) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of the Company, or (vii) any matter otherwise disclosed herein or provided for in the Share Purchase Agreement; provided, however, that such changes, effects, events, occurrences, circumstances or states of fact referred to in clause (ii), (iii), (iv) or (v) above does not primarily relate only to (or have the effect of primarily relating only to) Tamaka (on a consolidated basis) or disproportionately adversely affect Tamaka (on a consolidated basis) compared to other companies of similar size operating in the mining industry;

“**Tamaka Shares**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Share Purchase Agreement – Overview*”;

“**Tamaka Subsidiary**” means Goldlund Resources Inc.;

“**Tax**” and “**Taxes**” means all federal, state, provincial, territorial, county, municipal, local or foreign taxes, duties, imposts, levies, assessments, tariffs and other charges imposed, assessed or collected by a Governmental Authority, including (i) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, severance, stamp, franchise, occupation, premium, capital stock, sales and use, real property, land

transfer, personal property, ad valorem, transfer, escheat payments, unclaimed property, license, profits, windfall profits, environmental, payroll, employment, employer health, pension plan, anti-dumping, countervail, excise, severance, stamp, occupation or premium tax; (ii) all withholdings on amounts paid to or by the relevant person; (iii) all employment insurance premiums, Canada, Quebec and any other pension plan contributions or premiums; (iv) any fine, penalty, interest or addition to tax; (v) any tax imposed, assessed or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing or payment of any such tax, levy, assessment, tariff, duty, deficiency or fee; and (vi) any liability for any of the foregoing as a result of being or having been a member of a combined, consolidated, unitary or similar group, or as a transferee, successor, guarantor or by contract or by operation of law;

“**Technical Committee**” has the meaning ascribed thereto in “*Summary – The Transaction – Agreements related to the Transaction – Investor Rights Agreement – Technical Committee*”;

“**Transaction**” means the acquisition of 100% of the issued and outstanding Tamaka Shares by the Company pursuant to the Share Purchase Agreement;

“**Transaction Agreements**” means, collectively, the Share Purchase Agreement and the Ancillary Agreements;

“**Transaction Approval Resolution**” means the ordinary resolution, the full text of which is attached as Appendix “A” to this Circular approving the issuance of the Consideration Shares and Consideration Warrants to First Mining and approving the issuance of the Subscription Receipts issued pursuant to the Private Placement;

“**Transaction Resolutions**” means, collectively, the Fixing Resolution, the Board Appointment Resolution, the Transaction Approval Resolution, the Contingent Board Appointment Resolution and the Consolidation Resolution;

“**Transfer Agent**” means TSX Trust Company;

“**TSX**” means the Toronto Stock Exchange;

“**TSX Manual**” means the TSX Company Manual;

“**Underwriters’ Fee**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”;

“**Underwriters**” a syndicate of underwriters, led by Haywood Securities Inc., and including PI Financial Corp., Sprott Capital Partners LP, and Canaccord Genuity Corp.;

“**VIF**” has the meaning ascribed thereto in “*General Proxy Information – Notice to Beneficial Shareholders*”;

“**Voting Support Agreements**” means the voting support agreements dated June 3, 2020 between each Locked-Up Shareholder, First Mining and the Company;

“**Warrant Indenture Agent**” means TSX Trust Company in its capacity as Private Placement Warrant agent under the Warrant Indenture;

“**Warrant Indenture**” means the Private Placement Warrant indenture to be entered into between the Company and the Warrant Indenture Agent in connection with the Private Placement; and

“**WSP**” has the meaning ascribed thereto in “*Particulars of Matters to be Acted Upon – The Transaction – Information Concerning Tamaka – Information Concerning the Goldlund Property*”.

SUMMARY

The following is a summary of certain information contained in this Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Circular, including its appendices. Certain capitalized terms used in this summary are defined in the Glossary of Terms of this Circular and its appendices carefully and in their entirety.

The Meeting

Meeting and Record Date

The Meeting will be held in a virtual only format, which will be conducted via live audio webcast online at <https://web.lumiagm.com/241596957> on August 5, 2020, at 11:00 a.m. (Toronto Time). The Board has fixed June 22, 2020 as the record date for determining the Shareholders who are entitled to receive notice of and vote at the Meeting.

The Resolutions

At the Meeting, Shareholders will be asked to:

- (a) receive the Company's financial statements for the year ended December 31, 2019 and 2018, and the report of the auditors thereon;
- (b) to consider, and if thought advisable, to pass an ordinary resolution to appoint RSM Canada LLP as auditors to the Company and authorizing the directors to fix their remuneration;
- (c) to consider, and if thought advisable, to pass a special resolution to fix the number of members of the Board to be elected at six (6) and thereafter empowering the Board to determine from time to time the number of directors within the minimum and maximum numbers provided for in the Articles of the Company (the "**Fixing Resolution**");
- (d) to consider, and if thought advisable, to pass the Board Appointment Resolution;
- (e) to consider, and if thought advisable, to pass the Transaction Approval Resolution;
- (f) to consider, and if thought advisable, to pass the Contingent Board Appointment Resolution, contingent upon completion of the Transaction;
- (g) to consider, and if thought advisable, to pass the Consolidation Resolution, contingent upon completion of the Transaction; and
- (h) transacting such further and other business as may be properly brought before the Meeting or any adjournment thereof.

See "*Particulars of Matters to be Acted Upon*" for a discussion of the Shareholder approval requirements to effect each of these resolutions.

Voting at the Meeting

This Circular is being provided to both registered Shareholders and Beneficial Shareholders. Only registered Shareholders or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Beneficial Shareholders should follow the instructions on the forms they receive from their intermediaries. No other securityholders of the Company are entitled to vote at the Meeting. See "*General Proxy Information*".

Recommendation of the Board

On June 3, 2020, the Board, based in part on the recommendation of the Special Committee and such other matters it considered relevant, unanimously determined that the Transaction is in the best interests of the Company and is fair to the Shareholders. **Accordingly, the Board unanimously recommends that Shareholders vote FOR the Transaction Approval Resolution.**

See “*Particulars of Matters to be Acted Upon – The Transaction – Recommendation of the Board*”.

In the course of their evaluation of the Transaction, the Board and the Special Committee consulted with the Company’s senior management, legal counsel and Haywood, and considered a number of factors including, among others, the following:

- *Consolidation of Two Adjacent Gold Projects.* By acquiring the Goldlund Property pursuant to the Transaction, the Company will be consolidating two significant gold projects in the Kenora Mining Division in Northwestern Ontario, allowing for numerous potential co-development opportunities within an infrastructure-rich region near Dryden, Ontario.
- *Increased Resource Scale.* The combined resource base of the Goliath Gold Property and the Goldlund Property will consist of 2.0 million ounces of gold in the measured and indicated categories, plus an additional 1.1 million ounces of gold in the inferred category, solidifying the combined projects as among the largest undeveloped gold assets in Canada;
- *High Probability of Future Operational Synergies.* With the Goliath Gold Property and Goldlund Property separated by only a two-kilometre distance between property boundaries, the close project proximity should allow for shared infrastructure, workforce and ESG initiatives;
- *Exposure to a Large and Highly Prospective 330-square-kilometre Land Package.* The combined Goliath Gold Property and Goldlund Property land package will cover a prospective 65-kilometre strike length, providing resource expansion potential through additional exploration, including First Mining’s newest discovery at the Miller prospect and the Company’s recent C Zone East expansion drilling success;
- *Strategic Relationship with First Mining.* Upon Closing, First Mining will own an aggregate of 130,000,000 Consideration Shares and 35,000,000 Consideration Warrants, representing ownership of approximately 43.3% of the Common Shares on a non-diluted basis and 49.2% of the Common Shares on a partially-diluted basis, giving effect to the conversion of the Consideration Warrants but not giving effect to the conversion of any securities issued in connection with the Private Placement. In addition, First Mining will continue to be committed to the Company through its involvement at the Board and Technical Committee under First Mining’s rights governed by the Investor Rights Agreement. Through this involvement, First Mining’s track record and expertise will benefit the Company as the Company seeks to advance its assets and resource base;
- *Increased Capital Markets Presence.* Upon completion of the Transaction, the Company will have a broader Shareholder base with expected increased market liquidity and a larger public float than the Company has currently. As of June 2, 2020, the business day prior to the announcement of the Transaction, the Company had a *pro forma* market capitalization of approximately \$88 million assuming the completion of the Transaction compared with the Company’s market capitalization of approximately \$58 million on that date. The Company’s increased capital market presence will provide the Company with access to a broader investor base, more analyst coverage, greater trading liquidity and a lower cost of capital;
- *Technical Review of Assets to be Acquired.* The Company and its third party technical advisors undertook a detailed due diligence review of the assets to be acquired pursuant to the Transaction, covering legal, financial and operational aspects, and included site visits and detailed technical review of such assets;
- *Fairness Opinion.* The Board received the Fairness Opinion which states that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained therein, the Transaction is fair, from

a financial point of view, to the Company;

- *Other Factors.* The Board also considered the Transaction with reference to the current economic, industry and market trends affecting the Company and the assets to be acquired pursuant to the Transaction and information concerning the business, operations, property, assets, financial condition, operating results and prospects of the Company and the assets to be acquired pursuant to the Transaction.

Fairness Opinion

At a meeting held on June 3, 2020, Haywood provided the Board with an oral opinion, subsequently confirmed in writing, that, subject to the assumptions, limitations and qualifications set forth in the Fairness Opinion, the Transaction is fair, from a financial point of view, to the Company. This summary of the Fairness Opinion is qualified by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation to any Shareholder as to how to vote at the Meeting. See “*The Transaction - Fairness Opinion*” and the complete text of the Fairness Opinion, which is attached as Appendix “E” to this Circular and which should be read in its entirety.

Agreements related to the Transaction

The provisions of the Transaction Agreements are the result of arm’s length negotiations conducted among representatives of the Company, First Mining, the Special Committee and their respective legal and financial advisors, as applicable. See “*Particulars of Matters to be Acted Upon – The Transaction – Background to the Transaction*” for a description of the background to the Transaction.

Share Purchase Agreement

On June 3, 2020, the Company and First Mining entered into the Share Purchase Agreement. This Circular contains a summary of certain provisions of the Share Purchase Agreement, qualified in its entirety by the full text of the Share Purchase Agreement, filed on the Company’s profile on SEDAR at www.sedar.com. See “*Particulars of Matters to be Acted Upon – The Transaction – Share Purchase Agreement*”.

Voting Support Agreements

Each director and officer of the Company, who beneficially owns, or controls or directs, directly or indirectly, Common Shares or securities convertible into Common Shares, has entered into Voting Support Agreements with the Company and First Mining pursuant to which they have agreed, among other things, to support the Transaction and vote their Common Shares in favour of the Transaction Approval Resolution. As of June 29, 2020, the Locked-Up Shareholders, collectively, own or exercise control or direction over approximately 5.3% of the voting rights attached to the issued and outstanding Common Shares (on a non-diluted basis). See “*Particulars of Matters to be Acted Upon – The Transaction – Voting Support Agreements*”.

Investor Rights Agreement

First Mining Nomination Rights

Effective as of the Closing Date, the Company and First Mining have agreed to enter into the Investor Rights Agreement. Pursuant to the Investor Rights Agreement, First Mining will have the right to nominate individuals to be elected or appointed to the Board (the “**First Mining Nominees**”). The Company and First Mining have agreed that, effective on the Closing Date, the Board will be reconstituted to consist of seven (7) directors, three (3) of which will be First Mining Nominees. Two (2) of the three (3) nominees of First Mining shall be independent of the Company within the meaning of NI 52-110.

Provided that First Mining continues to beneficially own, directly or indirectly, between 10% and 19.9% of the then issued and outstanding Common Shares, First Mining shall be entitled to designate two (2) First Mining Nominees for election or appointment to the Board at any meeting of Shareholders at which directors of the Company are to be elected.

Provided that First Mining continues to beneficially own, directly or indirectly, greater than or equal to 5% but less than 10% of the then issued and outstanding Common Shares, First Mining shall be entitled to designate one (1) nominee First Mining Nominee for election or appointment to the Board at any meeting of Shareholders at which directors of the Company are to be elected.

For such period of time as First Mining continues to beneficially own, directly or indirectly, 10% or more of the issued and outstanding Common Shares, the Company will be restricted from increasing the size of the Board without the prior written consent of First Mining.

Executive Search Committee

Under the Investor Rights Agreement the Company will agree to constitute an executive search committee of the Board (the “**Executive Search Committee**”), comprised of the Chair of the Board or the Chair of the Nominating and Corporate Governance Committee, one First Mining Nominee and one independent director from the Company. The Executive Search Committee will be responsible for initiating a search for one or more senior executive officers with sufficient experience to undertake the next stage of the Company’s mine engineering and development efforts.

Technical Committee

Under the Investor Rights Agreement the Company will agree to constitute a technical committee (the “**Technical Committee**”), comprised of four (4) members. Provided that First Mining owns, directly or indirectly, more than 19.9% of the issued and outstanding Common Shares, First Mining shall be entitled to appoint two (2) members of the Technical Committee. Provided that First Mining owns, directly or indirectly, between 10% and 19.9% of the issued and outstanding Common Shares, First Mining shall be entitled to appoint one (1) member of the Technical Committee and shall have the right to receive periodic updates from the Technical Committee and information with respect to the Goldlund Property and the Goliath Gold Property, as First Mining may reasonably request from time to time.

The Technical Committee will be responsible for overseeing the development of the Goldlund Property and the Goliath Gold Property and for scoping and approving the work programs for the Goldlund Property and the Goliath Gold Property. Meetings of the Technical Committee will be held at least quarterly and as required to oversee the development of the Goldlund Property and the Goliath Gold Property and to consider and approve the work programs.

Standstill

Under the Investor Rights Agreement, First Mining will agree to, subject to certain customary exceptions, the Standstill with respect to the Common Shares it holds until the earlier of: (i) the date that First Mining holds less than 15% of the issued and outstanding Common Shares; and (ii) the date that the Standstill is terminated in accordance with the Investor Rights Agreement,

Distribution and Listing of Warrants

In addition, First Mining shall use commercially reasonable efforts to distribute a portion of the Consideration Shares and all of the Consideration Warrants to First Mining shareholders on a pro-rata basis (the “**Distribution**”) no earlier than six months but no later than one year after the Closing Date 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. Following the Distribution, the Company will use commercially reasonable efforts to list the Consideration Warrants for trading on the TSX and the OTCQX in the U.S. The TSX has not approved the listing of the Consideration Warrants and there is no assurance that the TSX will approve the listing of the Consideration Warrants.

Resale

Other than pursuant to the Distribution and subject to certain exceptions set forth in the Investor Rights Agreement, First Mining will agree to not dispose of greater than 20% of the Common Shares it owns within any 30 day period, without the consent of the Company.

See “*Particulars of Matters to be Acted Upon – The Transaction – Investor Rights Agreement*”.

Royalty Agreement

On the Closing Date, First Mining, the Tamaka Subsidiary and the Company will enter into the Royalty Agreement, pursuant to which the Tamaka Subsidiary will grant First Mining the Royalty.

At any time during the term of the Royalty Agreement, the Tamaka Subsidiary will have the right to purchase 0.5% of the outstanding Royalty for \$5,000,000, thereby reducing the Royalty to 1.0% of net smelter returns.

Private Placement

In connection with the Transaction, the Company has entered into an agreement with Haywood, as lead underwriter, on behalf of the Underwriters, in connection with a private placement, on a “bought deal” basis, of 32,000,000 Subscription Receipts at a price of \$0.36 per Subscription Receipt for gross proceeds of \$11,520,000.

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action on the part of the holder, one unit of the Company, upon the later of: (a) satisfaction of the Escrow Release Conditions; and (b) the date (the “**Qualification Date**”) that is the earlier of (i) four months and one day after the closing of the Private Placement and (ii) the second business day following the filing of the Qualifying Prospectus. Each unit consists of one Common Share (a “**Private Placement Share**”) and one-half of one Common Share purchase warrant (each whole warrant a “**Private Placement Warrant**”), subject to adjustment in accordance with the terms of the Subscription Receipt Agreement.

Each Private Placement Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.60 for a period of 24 months from the later of: (i) the date on which the Escrow Release Conditions are satisfied and (ii) the Qualification Date (the “**Expiry Date**”). If before the Expiry Date the closing price of the Common Shares on the TSX is equal to or greater than \$1.00 per Common Share for a period of twenty (20) consecutive trading days, the Company may elect to accelerate the Expiry Date of the Private Placement Warrants to a date that is not less than thirty (30) calendar days from the date when written notice of such new expiry date is delivered by the Company to the holders of the Private Placement Warrants. The Private Placement Warrants shall be issued pursuant to and governed by the Warrant Indenture.

The Company has agreed to use commercially reasonable efforts to obtain a receipt from the OSC for a final short form prospectus (the “**Qualifying Prospectus**”) qualifying the distribution of the Private Placement Shares and Private Placement Warrants issuable upon exercise of the Subscription Receipts and Common Shares issuable upon exercise of the Compensation Option Receipts no later than 5:00 p.m. (Toronto time) on August 18, 2020 (the “**Penalty Time**”). If the Company has not received a receipt for a Qualifying Prospectus from the OSC before the Penalty Time, each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of the subscriber, one unit comprised of 1.1 Private Placement Shares and 0.55 Private Placement Warrants.

It is anticipated that pursuant to the terms of the Subscription Receipt Agreement, the gross proceeds from the Private Placement will be delivered to and held by the Subscription Receipt Agent until such time as the Escrow Release Conditions are met.

The Company will use the net proceeds of the Private Placement for exploration and development of the Goliath Gold Project and the Goldlund Gold Project and for general corporate purposes. See “*Particulars of Matters to be Acted Upon – The Transaction – Private Placement*”.

Risk Factors

Shareholders should consider a number of risk factors relating to the Transaction and the Company in evaluating whether to approve the Transaction Approval Resolutions. These risk factors are discussed herein and/or in certain sections of documents publicly filed, which sections are incorporated herein by reference. See “*Risk Factors*”.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by the management of the Company of proxies to be used at the annual general and special meeting (the “**Meeting**”) of holders of common shares of the Company (“**Common Shares**”) to be held in a virtual only format, which will be conducted via live audio webcast online at <https://web.lumiagm.com/241596957> on August 5, 2020, at 11:00 a.m. (Toronto Time) and at any adjournment thereof for the purposes set forth in the enclosed notice of the Meeting (the “**Notice of Meeting**”). Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The information contained in this Circular is given as of June 25, 2020, unless indicated otherwise, and (unless otherwise indicated) all dollar amounts in this Circular are in Canadian dollars.

A copy of the Company’s current AIF is available on the Company’s profile on SEDAR at www.sedar.com. In the alternative, copies will be provided to Shareholders upon written request, delivered to 130 King St. West, Suite 3680, PO Box 99, Toronto, Ontario, Canada, M5X 1B1.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy represent management of the Company. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting may do so by filling in the name of such person in the blank space provided in the proxy. A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit their duly executed form of proxy with the Company’s registrar and transfer agent TSX Trust Company, Suite 301, 100 Adelaide St. West, Toronto, Ontario, M5H 4H1 not later than 11:00 a.m. (Toronto Time) on July 31, 2020 or, if the Meeting is adjourned not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting. A proxy should be executed by the Shareholder or his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, however, the Chair is under no obligation to accept or reject any particular late proxy. Rather than returning the proxy received from the Company, Shareholders may also elect to submit a form of proxy via the Internet.

Shareholders who wish to appoint a third-party proxyholder to represent them at the online Meeting must submit their proxy or VIF (as applicable) prior to registering their proxyholder. **Registering the proxyholder is an additional step once a Shareholder has submitted their proxy/VIF. Failure to register with TSX Trust Company will result in the non-registered Shareholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will not be permitted to vote or ask questions at the Meeting.** To register a proxyholder, Shareholders MUST complete the form found at the following link by 11:00 a.m. on July 31, 2020 (Toronto Time): <https://tsxtrust.com/resource/en/75> and submit the completed form to TSX Trust Company by e-mail to tsxtrustproxyvoting@tmx.com with their proxyholder’s contact information, so that TSX Trust Company may provide the proxyholder with a 12-digit “control number”. Questions about registration may be sent to: tmxeinvestorservices@tmx.com.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof by e-mail at: marc@treasurymetals.com and thereupon the proxy is revoked.

If you are using a 12-digit “control number” to log in to the online Meeting and you accept the terms and conditions presented to you, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote by ballot on the matters put forth at the Meeting.

If you wish to listen to the live audio webcast of the Meeting but **DO NOT** wish to revoke all previously submitted proxies, you may log into the online Meeting as a guest by **NOT** accepting the terms and conditions presented to you. Registered Shareholders who have voted may also log in with their “control number” to submit questions during the meeting. However, if a registered Shareholder does not intend to revoke their submitted instructions they should refrain from participating in the live voting.

A Shareholder attending the Meeting has the right to vote and, if the Shareholder does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

Exercise of Discretion by Proxies

Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if a Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy will be voted accordingly. **Where no choice is specified, the proxy will confer discretionary authority and will be voted FOR:**

- **the appointment of auditors and the authorization of the directors to fix their remuneration;**
- **the Fixing Resolution;**
- **the Board Appointment Resolution;**
- **the Transaction Approval Resolution;**
- **the Contingent Board Appointment Resolution; and**
- **the Consolidation Resolution.**

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Notice-And-Access Rules

The Company has decided to use the notice-and-access method of delivery of meeting materials for the Meeting for registered Shareholders and Beneficial Shareholders (as defined below). The notice-and-access method of delivery of Meeting materials allows the Company to deliver the Meeting materials directly to non-objecting Beneficial Shareholders over the Internet, in accordance with the notice-and-access rules adopted by the Canadian securities regulatory authorities under NI 54-101.

Instead of receiving this Circular, Shareholders will receive a Notice of Meeting with the proxy or VIF, as the case may be, along with instructions on how to access the Meeting materials online. The Company will send the Notice of Meeting and proxy form directly to registered Shareholders. The Company will pay for intermediaries to deliver the Notice of Meeting, VIF (as defined herein) and other Meeting materials requested by non-registered Shareholders. The Circular and other relevant materials are available on the Company’s website (<https://treasurymetals.com/investors/annual-and-special-meeting-of-shareholders/>) and on SEDAR (www.sedar.com) under the Company’s profile.

The Company will not be using stratification as it relates to Notice-and-Access.

Shareholders may request that paper copies of the Meeting materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Meeting materials are posted on the Company’s website. In order to receive a paper copy of the Meeting materials or if you have questions concerning notice-and-access, please call the Company toll free at 1-855-664-4654. Requests for Meeting materials should be received by July 24, 2020 in order to receive the Meeting materials in advance of the Meeting date.

Notice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

In accordance with Canadian securities legislation, the Meeting materials are being sent to both registered and Beneficial Shareholders. There are two types of Beneficial Shareholders; Shareholders who have objected to the disclosure of their identities and share positions (“**OBOs**”) and Shareholders who do not object to the Company knowing who they are (“**NOBOs**”).

Meeting materials have been sent by the Company (or its agent) directly to NOBOs. If you are a NOBO and the Company (or its agent) has sent the Meeting materials directly to you, your personal information has been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions.

The Company intends to pay intermediaries to send proxy-related materials and VIFs to OBOs. Most intermediaries delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares and mails a machine-readable voting instruction form (a “**VIF**”) in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the VIF to Broadridge by mail or facsimile, or to otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a VIF cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker. Beneficial Shareholders who have not duly appointed themselves or a third party as proxyholder will be permitted to log into the virtual Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote or ask questions. See “*General Proxy Information – Important Information about the Virtual Only Meeting*”.**

All references to Shareholders in this Circular and the accompanying instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Registered Shareholders and the Record Date

Registered holders of Common Shares as shown on the Shareholder list of the Company prepared as of the close of business on June 22, 2020 (the “**Record Date**”) will be entitled to vote such Common Shares at the Meeting, except to the extent that the person has transferred the ownership of any of his or her Common Shares after the Record Date, and the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands, not later than ten (10) days before the Meeting, or such shorter period before the Meeting that the by-laws of the Company may provide, that his or her name be included in the list before the Meeting, in which case the transferee is entitled to vote their Common Shares at the Meeting.

Rather than returning the proxy received from the Company, Registered Shareholders may elect to submit a form of proxy via the Internet. Registered Shareholders electing to vote via the Internet must follow the instructions included in the form of proxy received from the Company.

Important Information about the Virtual Only Meeting

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19 and to mitigate risks to the health and safety of our community, Shareholders, employees and other stakeholders, we will hold the Meeting in a virtual-only format, which will be conducted via live audio webcast online at <https://web.lumiagm.com/241596957>. During the audio webcast, Shareholders will be able to hear the Meeting live, and Registered Shareholders and duly appointed proxyholders will be able to submit questions and vote while the Meeting is being held. We hope that hosting a virtual meeting helps enable greater participation by our Shareholders by allowing Shareholders that might not otherwise be able to travel to a physical meeting to attend online, while minimizing the health risk that may be associated with large gatherings.

Registered Shareholders and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online at <https://web.lumiagm.com/241596957>, using password: TML2020 (case sensitive). Non-Registered Shareholders who receive this notice and related materials through their broker or other intermediary should complete and send the form of proxy or VIF, as applicable, in accordance with the instructions provided by their broker or intermediary. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust Company, after submitting their form of proxy or VIF. Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a 12-digit “control number” to participate in the Meeting and only being able to attend as a guest. Non-Registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote or submit questions at the Meeting.

A form of proxy is enclosed for use by Registered Shareholders and, whether or not you expect to virtually attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still virtually attend the Meeting. Please complete and return the form of proxy in the envelope provided. The form of proxy must be executed by the Registered Shareholder or the attorney of such Registered Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, Attention: Proxy Department or by facsimile at (416) 595-9593, not later than 11:00 a.m. (Toronto time) on July 31, 2020 or 48 hours, excluding Saturdays, Sundays and holidays, prior to any adjournment thereof.

You may also vote by proxy using the following methods:

- Online – Go to www.voteproxyonline.com, enter your 12-digit “control number” and provide your voting instructions; or
- Fax – Complete your voting instruction, sign and date the proxy and fax it to TSX Trust Company at 416-595-9593.

A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than any person designated by management of the Company in the form of proxy, to virtually attend and act on such Shareholder’s behalf at the Meeting or at any adjournment thereof. Such right may be exercised by either inserting

such other desired proxyholder's name in the blank space provided on the form of proxy or by completing another proper form of proxy.

Registered Shareholders who wish to appoint a third-party proxyholder (other than the suggested management proxies) to represent them at the Meeting must submit their proxy or VIF prior to registering a proxyholder. Registering a proxyholder is an additional step Registered Shareholders will need to complete after submitting a proxy or VIF. Failure to register a proxyholder will result in the proxyholder not receiving a 12-digit "control number" to participate in the Meeting. To register a proxyholder, Registered Shareholders must visit <https://www.tsxtrust.com/resource/en/75> to obtain a request form and submit the request form to tsxtrustproxyvoting@tmx.com not later than 11:00 a.m. (Toronto time) on July 31, 2020, or if the Meeting is adjourned or postponed, not less 48 hours, excluding Saturdays, Sundays and holidays, prior to such adjourned or postponed Meeting, and provide the Transfer Agent with their proxyholder's contact information so that the Transfer Agent may provide the proxyholder with a 12-digit "control number" via email. Without a 12-digit "control number", proxyholders will not be able to participate online at the Meeting. The online registration details of the proxyholder must match the information provided in the applicable proxy or VIF to be valid.

Given this new format, all Shareholders are strongly advised to carefully read the voting instructions below that are applicable to them.

How to Access and Vote at the Meeting

You will be able to participate in the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone, and the Meeting platform will be supported across browsers and devices that are running the most updated version of the applicable software plugins and meeting the minimum system requirements.

You can vote either at the Meeting or by proxy using your proxy or VIF. The steps that you need to follow to access the Meeting will depend on whether you are a registered Shareholder, a duly appointed proxyholder or a non-registered Shareholder. You must follow the applicable instructions below carefully.

Registered Shareholders

Registered Shareholders can access and vote at the Meeting during the live audiocast as follows:

- Log into <https://web.lumiagm.com/241596957> at least fifteen minutes before the Meeting begins. You should allow ample time to check into the virtual Meeting and to complete the related procedures.
- Click on "I have a control number" and enter your 12-digit control number (your control number is located on your form of proxy).
- Enter the password: TML2020 (case sensitive).
- Follow the instructions to access the Meeting and vote when prompted.

Even if you currently plan to participate in the virtual Meeting, you should consider voting your Common Shares by proxy in advance so that your vote will be counted if you later decide not to attend the Meeting or in the event that you are unable to access the Meeting for any reason. If you access and vote on any matter at the Meeting during the live audiocast, you will revoke any previously submitted proxy.

Duly Appointed Proxyholders

Duly appointed proxyholders, including non-registered Shareholders who have duly appointed themselves or a third-party as proxyholder, can access and vote at the Meeting during the live audiocast as follows:

- Log into <https://web.lumiagm.com/241596957> at least fifteen minutes before the Meeting begins. You should allow ample time to check into the virtual Meeting and to complete the related procedures.

- Enter the control number (the control number will be provided by TSX Trust Company provided that you or your proxyholder has been duly appointed in accordance with the procedures outlined in this Circular).
- Enter the password: TML2020 (case sensitive).
- Follow the instructions to access the Meeting and vote when prompted.

Non-Registered Shareholders

Non-registered Shareholders may view a live audiocast of the Meeting by going to <https://web.lumiagm.com/241596957> and clicking on “I am a guest”.

Asking Questions at the Meeting

The Company believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold the Meeting virtually. Registered Shareholders and duly appointed proxyholders (including non-registered Shareholders who have duly appointed themselves or a third-party as proxyholder), will have an opportunity to ask questions at the Meeting through the virtual platform. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as if the Meeting was held in person.

Difficulties in Accessing the Meeting

During the Meeting, you must ensure you are connected to the Internet at all times in order to vote when polling is commenced on the resolutions put before the Meeting. It is your responsibility to ensure Internet connectivity. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live audiocast, you should consider voting your Common Shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares. At June 25, 2020, the Company had 170,256,055 Common Shares outstanding, each of which carries one vote per Common Share. To the knowledge of the directors and officers of the Company, no person or corporation beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the outstanding Common Shares.

QUORUM FOR MEETING

At any meeting of the Shareholders, a quorum will be two persons present in person or by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting and each entitled to vote at the meeting and holding or representing by proxy not less than 20% of the votes entitled to be cast at the meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting, each of which is described below.

Receipt of Financial Statements

The audited financial statements of the Company for the fiscal year ended December 31, 2019 and 2018 and the report of the auditors thereon will be tabled at the Meeting.

Appointment of Auditor

RSM Canada LLP (which acquired Collins Barrow LLP) is the auditor of the Company and was first appointed auditor of the Company on June 10, 2009. The following table provides detail in respect of audit, audit related, tax and other fees paid by the Company to the external auditors for professional services:

	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
Year ended December 31, 2018	\$42,400	Nil	\$13,650	\$91,874
Year ended December 31, 2019	48,685	Nil	\$4,025	\$63,735

Notes:

- (1) *The aggregate audit fees billed.*
- (2) *The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Company's financial statements including prospectus filings, and are not included under "Audit Fees".*
- (3) *The aggregate fees billed for services related to tax compliance, tax advice and tax planning. The services performed for the fees paid under this category may briefly be described as tax return preparation fees.*
- (4) *The aggregate fees billed for services other than those reported above. The services performed for the fees paid under this category may briefly be described as flow-through accounting services.*

To be adopted, this ordinary resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the appointment of the auditor, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of RSM Canada LLP as the auditor of the Company until the next annual and general meeting of Shareholders and to authorize the directors to fix the auditor's remuneration.

Number of Directors

Shareholders will be asked to approve the Fixing Resolution.

To be adopted, this special resolution is required to be passed by the affirmative vote of not less than 66 2/3% of the votes cast at the Meeting.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with Fixing Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Fixing Resolution.

Election of Directors

The Board currently consists of six directors and the Board has determined that six directors are to be elected at the Meeting. The accompanying form of proxy provides for individual voting on directors rather than slate voting. The Company's majority voting policy provides that a Director who receives a majority of "withhold" votes must tender his or her resignation and the Board will generally accept that resignation, absent exceptional circumstances, and publicly announce its decision by news release. The table states the names of all persons nominated by management for election as Directors, their principal occupations or employment during the past five years, the period or periods of service as Directors and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof. Notwithstanding the foregoing, if the Transaction Approval Resolution is approved at the Meeting, upon closing of the Transaction and if approved by Shareholders, the Board will be immediately reconstituted to consist of William Fisher, Marc Henderson, Flora Wood, Christophe Vereecke, Frazer Bouchier, David Whittle and Daniel W. Wilton, each of whom will hold office until the next annual and general meeting of Shareholders or until his or her successor is duly elected or appointed pursuant to

the by-laws of the Company and in accordance with the Investor Rights Agreement. See “*Particulars of Matters to be Acted Upon – Contingent Election of First Mining Nominees*”.

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾
Doug Bache ⁽²⁾⁽⁴⁾⁽⁵⁾ Burlington, Ontario, Canada	August 2009	Mr. Bache is a Director of the Company, Chairman of the Audit Committee, and a member of the Corporate Governance and Nominating Committee. Mr. Bache is President of Maxum Capital Markets Inc., a private merchant bank that offers corporate finance and strategy advisory services primarily to mining companies. Mr. Bache is also a Director of Marathon Gold Corporation and PharmaCielo Ltd. He was president of Valencia Ventures Inc. from April 2006 to June 2008 and was a Director of Aberdeen International Inc. from January 2006 until September 2008. Mr. Bache was also Treasurer of North American Palladium Ltd. from August 2003 to December 2005.	608,828
Greg Ferron Toronto, Ontario, Canada	August 2019	Mr. Ferron is the Chief Executive Officer of Treasury Metals, and prior thereto the Interim Chief Executive Officer. He is the former Vice President Corporate Development (2011-2018) of the Company. He also served as the Vice President Investor Relations and Corporate Development for Laramide Resources Ltd. (2011-2019).	655,400
William Fisher ⁽³⁾ Toronto, Ontario, Canada	February 2008	Mr. Fisher is a Director of the Company. Mr. Fisher is the Executive Chairman and CEO of GoldQuest Mining Corporation, and a Director of Horizonte Minerals Plc. He was formerly the non-executive chairman of Rame Energy Ltd. (May 2014 to August 2016), a Director of Rockwell Diamonds (November 2008 to April 2010), and a Director of PC Gold (April 2008 to April 2013).	524,203
Marc Henderson ⁽³⁾ Toronto, Ontario, Canada	August 2007	Mr. Henderson is a Director of the Company and Non-Executive Chairman of the Board. Mr. Henderson currently serves as the President, Chief Executive Officer and a Director of Laramide Resources Ltd. and has held this position since May 1995. He was previously (until December 2009) President and CEO of Aquiline Resources Inc. until the sale of that company to Pan American Silver Corp. He is also a Director of Cypherpunk Holdings Inc., and previously a Director with Plateau Uranium (2014 to 2015), Lydian International (2008-2014) and Midpoint Holdings Ltd. (2010 to 2016).	6,020,148

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed⁽¹⁾
Christophe Vereecke ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Paris, France	December 2015	Mr. Vereecke is a Director of the Company, an entrepreneur, and has been involved in the startup of several businesses including co-founder and former chief financial officer of Business Oil Platform, a physical oil trading and logistics company operating in Central and Eastern Europe. Mr. Vereecke's current investment advisory firm, Le Sequoia, specializes in private client fund management focused in the extractive industry, mine royalties, precious metals and the diamond markets. His finance background includes independent consultancy to the wealth management and private equity sectors, and earlier in his career he was a sell side analyst and also a fund manager.	840,000
Flora Wood ⁽²⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	January 2014	Ms. Wood is a Director of the Company and has been Director, Investor Relations at Altius Minerals Corporation for the last three years. She has led Investor Relations and Bondholder Communications activity for publicly traded companies for 15+ years. Prior to Altius, she led Investor Relations (equity and debt) at Sherritt International and held the same role with Inmet Mining until its acquisition by First Quantum Minerals in 2013. Prior to that, she was with Aquiline Resources Inc. (2007 – 2009), and Laramide Resources (2007 – 2010). She is a Board and Audit Committee member of AbraPlata Resource Corp.	322,413

Notes:

- (1) *The information as to voting securities beneficially owned or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*
- (2) *Member of the Company's Audit Committee.*
- (3) *Member of the Company's Compensation Committee.*
- (4) *Member of the Company's Corporate Governance and Nomination Committee.*
- (5) *Member of the Special Committee.*

To the best of the Company's knowledge, none of the above named nominees:

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

To the best of the Company's knowledge, except as disclosed below, none of the above named nominees:

- (a) is at the date hereof, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person

ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Fisher was non-executive Chairman of Rame Energy plc, an AIM listed renewables energy company, with operations in UK and Chile. Rame Energy plc listed in 2014. Following a failed attempt to raise new equity in the aftermath of the UK Brexit referendum, the directors of Rame Energy plc were unable to secure sufficient new working capital to allow the business to continue to trade solvently. On August 4, 2016, the directors applied to the court to have an administrator appointed to allow the business to seek a financing solution. On September 30, 2016, the main operations of the group were sold to a group of international investors.

To the best of the Company's knowledge, none of the above named nominees has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the election of the above-named nominees, the persons named in the enclosed form of proxy intend to vote FOR the above noted nominees.

Management has no reason to believe that any of the nominees will be unable to serve as a Director but, if a nominee is for any reason unavailable to serve as a Director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

Notwithstanding the foregoing, if the Transaction Approval Resolution is approved at the Meeting, upon closing of the Transaction, and if approved by Shareholders, the Board will be immediately reconstituted to consist of William Fisher, Marc Henderson, Flora Wood, Christophe Vereecke, Frazer Bouchier, David Whittle and Daniel W. Wilton each of whom will hold office until the next annual and general meeting of Shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Company and in accordance with the Investor Rights Agreement. See "*Particulars of Matters to be Acted Upon – Contingent Election of First Mining Nominees*".

The Transaction

The Transaction Approval Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the Transaction Approval Resolution as set forth in Appendix "A" to this Circular.

The Board unanimously recommends that Shareholders vote FOR the Transaction Approval Resolution.

To be adopted, this ordinary resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the Transaction Approval Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Transaction Approval Resolution.

If the Transaction Approval Resolution is approved by the affirmative vote of a majority of the votes cast at the Meeting, subject to the satisfaction of the other conditions to closing the Transaction under the Share Purchase Agreement, the Transaction is expected to close on or about mid-August 2020.

In accordance with the Voting Support Agreements, Each director and executive officer of the Company has agreed to vote all of such individual's Common Shares FOR the Transaction Approval Resolution. See "*Particulars of Matters to be Acted Upon – The Transaction – Voting Support Agreements*".

Information Concerning Tamaka

Corporate Structure

Tamaka is incorporated under the OBCA. Tamaka's head and registered office is 100 King Street West, Suite 3400, Toronto, Ontario Canada M5X 1A4. The Tamaka Subsidiary's head and registered office is located at 100 King Street West, 1 First Canadian Place, Suite 3400, Toronto, Ontario Canada M5X 1A4. Tamaka owns 100% of the issued and outstanding equity securities of the Tamaka Subsidiary.

Information Regarding the Goldlund Property

The following description of the Goldlund Property is based on the technical report: *Technical Report and Resource Estimation Update, Goldlund Gold Project, Sioux Lookout, ON* (issue date April 1, 2019, effective date March 15, 2019) (the "**Goldlund Technical Report**"). The report was prepared for First Mining by WSP Canada Inc. ("**WSP**") in accordance with NI 43-101 under the supervision of Todd McCracken, P.Geo., who is a qualified person within the meaning of NI 43-101 and is independent of the Company.

The conclusions, projections and estimates included in this description are subject to the qualifications, assumptions and exclusions set out in the Goldlund Technical Report, except as such qualifications, assumptions and exclusions may be modified in this Circular. We recommend you read the Goldlund Technical Report in its entirety to fully understand the project. The Goldlund Technical Report is available to be downloaded from First Mining's SEDAR profile (www.sedar.com) and from First Mining's website (www.firstmininggold.com).

Project Location and Access

The Goldlund Property is a land package of approximately 280 km². The Goldlund Property has a strike-length of over 50 km in the Wabigoon Subprovince. The Goldlund Property is an Archean lode-gold project located in northwestern Ontario, approximately 60 km northeast from Dryden by road and stretches over several townships of the Patricia Mining and Kenora Mining Divisions of northwestern Ontario. The Goldlund Property is centered at 49.900203 north latitude and 92.341103 west longitude (545800E, 5527400N NAD 83 Zone 15) NTS 52F/16.

Access to the Goldlund Property is by Ontario Provincial Highway 72, approximately 60 km by road from Dryden, or approximately 45 km southwest of Sioux Lookout. A private all-weather gravel road leads from this point to the Goldlund Property. The road into the Goldlund Property would require upgrading to sustain any form of mining operations, but is accessible by two-wheel drive vehicle for exploration. Regularly scheduled passenger air service and charter flights are available to the towns of Dryden and Sioux Lookout.

The property consists of 1,348 mining claims totalling 28,015 ha, 27 patented claims (433 ha), one mining lease (48.56 ha), and one licence of occupation. Tamaka has full surface rights on the 27 patents and 1 mining lease (the "**Mining Lease**"). The *Ontario Mining Act* (2010) grants surface access to a mineral claim without owning the surface rights, with proper consultation with stakeholders in the area. All claims and patents are registered to the Tamaka Subsidiary, a wholly-owned subsidiary of Tamaka.

Underlying royalties affecting the Goldlund Property are:

- 1% NSR payable to an arm's length vendor for 36 claims totalling 576 ha;
- 1% NSR payable to Goldlund Mines Limited on any ore mined above 50 m below the existing shaft collar for 6 patented claims and 3 patented claims covered by the Mining Lease;

- 2.5% NSR payable to Rio Algom Limited for 21 patented claims;
- 2% NSR payable to 1074127 Ontario Limited in accordance with industry practice on the sale of all minerals from the property for 13 mining claims.

The Goldlund Property has two historic shafts that have been capped, an underground portal that has been blocked, a small open pit that is partially flooded, a waste rock stockpile, a mineralized material stockpile, a building housing the original mill on the Goldlund Property, and a small tailing containment facility. All have been overgrown with vegetation.

All permits and licenses to conduct exploration work at the Goldlund Property are in place.

History

Exploration of the Goldlund Property dates back to the 1940s. From the late 1940s up until 1988, intermittent exploration was carried out by various companies mainly on five gold bearing zones. Past work included shaft sinking, driving a ramp, and underground development, including drifting and crosscuts on four levels.

There was a major period of exploration in the area from 1946 to 1952, in response to the discovery of gold mineralization in the southeastern part of Echo Township. The historic Newlund and Windward gold deposits were discovered during this period.

The Newlund prospect saw extensive underground exploration (4,570 m of drifts and crosscuts, 6,220 m of diamond drilling) through five levels, via a 255 m deep shaft. The first level (200 ft.) of the Newlund/Goldlund workings extends for over 3.2 km, connecting on the west with the 68 m shaft of the Windward prospect, crossing the entire Windward claim block.

Virtually no work was carried out on the Echo Township gold prospects from 1952 to 1973.

In 1974, most of the surface facilities were rehabilitated and re-sampled portions of the first and second levels. In total, some 151,000 ft. (approximately 46,000 m) of surface drilling has been completed in 506 holes, and more than 60,000 ft. (approximately 18,300 m) of underground drilling has been completed in 466 holes.

From mid-1982 to early 1985, an underground mine and an open pit mine was operated on the Goldlund Property and processed material through the mill at the site. Production records have been compiled that show underground mine production of approximately 100,000 tons (approximately 90,700 t) at an estimated grade of 0.15 oz./ st (approximately 4.23 g/t) gold together with open pit production of approximately 43,000 st (approximately 39,000 t), at an estimated grade of 0.17 oz./ st (approximately 4.80 g/t) gold. Plant records show that some 132,000 st (approximately 119,750 t) were processed, with 18,000 oz. of recovered gold. The head-grade was 0.15 oz./st gold and mill recovery was reported to be 86.6%. In total, some 1,050 ft. of shaft sinking, 1,385 ft. of driving a ramp and approximately 19,600 ft. of drifting and crosscuts were developed for the production.

Exploration work from the 1940s to present day has also been conducted by various companies on the remaining parts of the Property outside of the immediate Goldlund Deposit area, which include the Quyta, Miles, Franciscan, Laval and Beartrack exploration blocks. Work has included ground and airborne geophysical surveys, geological mapping, outcrop sampling, trenching, soil surveys and diamond drilling.

Geological Setting, Mineralization and Deposit Types

Regional Geology

The Goldlund Property is situated within a northeasterly-projecting arm of the Wabigoon Subprovince extending from Wabigoon Lake to Sioux Lookout. The area is underlain by sedimentary and volcanic rocks, numerous intermediate to mafic sub-volcanic intrusive sheets, and intruded by several granitoid stocks. The stratigraphic assemblage has been subdivided into five principal rock groups:

- Northern Volcanic Belt;
- Northern Sedimentary Group;
- Central Volcanic Belt;
- Southern Sedimentary Group; and
- Southern Volcanic Belt.

The area has been affected by multiple deformational events resulting in a predominately northeasterly structural fabric. Gold exploration dates back to at least the 1940s with the majority of occurrences located in the Central and Southern Volcanic Belts.

The area is comprised of meta-volcanic and meta-sedimentary rocks intruded by several granitoid stocks and many smaller porphyritic and non-porphyritic bodies. The area has been subjected to at least four phases of deformation resulting in a predominantly northeasterly-striking structural grain. Regional and more important local alteration occurred in two pulses; one preceding the earliest deformation and one coinciding with the late deformation. Quartz veining, gold mineralization, and related alteration are related to the later alteration event.

Project Geology

A 3 km wide belt of Precambrian basaltic volcanic rocks strikes northeast across the Goldlund Property. This basaltic formation is bound by Precambrian sediments to the north and to the south, with a wedge of felsic volcanics that occurs between the basalt and sediments to the south of the basalt.

A suite of Leucotonolite to diorite sills (“granodiorite” in mine terminology) have intruded near the contact between the tuffs to the south and the spherulitic lavas to the north. These strata-parallel sills dip from vertical to -80° southward and range from 14 m to 60 m in thickness. A subsidiary suite of sills intrudes narrow tuff beds in spherulitic basalt lavas. These strata-parallel intrusions are known to extend northeastward well beyond the Goldlund Property and south-westward beyond Crossecho Lake where they re-appear just south of Troutfly Lake. It has been postulated that this series of intrusions may occur intermittently over a strike-length of 15 km.

Mineralization

The gold mineralization occurs concentrated in quartz filled cross fractures that strike 010° to 015° and dip northwest at -40° to -75° . Historically it is reported that these gold bearing fractures occur concentrated in zones that extend intermittently at intervals of 200 m to 300 m along the 1.6 km length of the underground workings that has been explored to a vertical depth of 150 m to 200 m on the former Windfall and Goldlund Property.

Gold mineralization occurs in essentially two types of deposits in the area of the Goldlund Property with the most important gold mineralization being associated with quartz vein and stock-work structures.

Gold mineralization at the Goldlund Property is hosted by zones of northeast-trending and gently to moderately northwest-dipping quartz stockworks (comprised of numerous quartz veinlets less than 1 cm to 20 cm thick). The stockwork zones form bands within the dykes that intrude the east-northeast-trending mafic volcanic country rocks. The quartz veins and veinlets contain occasional fine-grained to coarse-grained pyrite. The intervening areas between the quartz veinlets exhibit strong to moderate feldspathic alteration associated with common fine to medium-grained pyrite and magnetite.

The mineralized sills strike generally northeast (065°) and dip steeply to the southeast. The quartz stockwork veins generally strike 010° to 015° and dip northwest at -40° to -75° . This results in a shallow rake within the various zones.

Deposit Type

The identified mineralization fits an Archean shear zone-hosted quartz vein model.

The dominant, and economically most significant type, of the shear zone hosted occurrences are transverse vein arrays within competent rocks and particularly the intermediate to mafic sub-volcanic intrusive sheets. Vein systems occupy tensional fractures related to internal deformation of the competent units as folds tightened during stage three deformation. Vein arrays could be expected to develop near fold hinges, within fold limbs, and along axial planar foliations. The orientations of individual veins within the arrays are affected by their locations within folds.

Exploration

In 2018, First Mining completed a property-wide regional exploration program on the Goldlund Property, including mapping and sampling of previously-identified targets and diamond drilling. A sixteen-hole, 1,944 m drill program was completed between June and September 2018 and tested the Miller, Miles and Eaglelund occurrences.

This regional field exploration program included numerous bush traverses to follow up on historic gold occurrences reported over the Goldlund Property, and it identified numerous targets for further field work at a later date. Between May and July, and September and October of 2018, traverses were made over the Beartrack, Mistango, Quyta, Eaglelund, Miller, Miles, Jacobus Creek, Villbona, Lun-Echo, Goldlund-Eastern, and Camreco South showings. Geological mapping was undertaken and geochemical grab or chip sampling was completed at suitable outcrop locations. The previous geological mapping commissioned in 2012 by Tamaka was also ground-checked for accuracy of outcrop locations and descriptions.

Drilling

First Mining completed its 2017 and 2018 drill programs at the Goldlund Property in two phases. Phase 1 was completed between January 2017 and July 2017 and targeted Zone 7 of the Goldlund deposit, and Phase 2 was completed between June 2017 and March 2018 and primarily targeted Zone 1. Both programs together comprised a total meterage of 40,198 m in 138 holes, and were designed to better understand and define the potential resource in both of these areas of the Goldlund deposit by infill drilling.

The drilling was conducted by Rodren Drilling of Manitoba with HQ sized core. Casings were left in place and capped.

A total of 100 infill holes were drilled during the Phase 1 drill program, for a total meterage of 24,299 m. The target of this program was Zone 7.

The primary goal of this Phase 1 drilling campaign was to upgrade Inferred Resources at Zone 7 into a higher resource category and to better define the geology and gold mineralization. The albitized tonalite (“granodiorite” in mine terminology) and immediate hanging wall and footwall were entirely sampled and assayed to allow for a more accurate resource estimate with no data gaps.

Of the 100 holes, 86 holes intersected intervals of significant gold mineralization, and those holes with no significant gold mineralization encountered have helped to define the extent and further the understanding of the shape and nature of the deposit.

First Mining completed its Phase 2 drilling program on the Goldlund deposit between July 2017 and March 2018. A total of 38 infill holes were drilled over 14,961 m, which were designed to provide greater confidence in the gold mineralization within Zone 1 of the Goldlund deposit. While 33 out of the 38 drillholes intersected gold mineralization, this phase of drilling was limited in extent in order to avoid intersecting historic underground workings. Areas of Zone 1 have previously been mined and therefore contain several levels of existing underground workings. Accordingly, new holes had to be positioned to avoid drilling through existing levels or stopes, and as a result some of the holes may not have reached the key mineralized zones which occur closer to the footwall of the zone.

In addition to the 38 new Zone 1 holes, four Phase 1 holes drilled into Zone 7 (holes GL-17-010, GL-17-051, GL-17-106 and GL-17-108) were extended during the Phase 2 program to test for deeper level mineralization. These were successful in encountering gold mineralization within the deeper portions of the holes, with hole GL-17-010 intersecting 83 metres of 1.35 g/t Au at downhole depths of between 545 m and 628 m.

Two Zone 1 holes also tested for deeper mineralization: GL-17-115 (44 m of 0.78 g/t Au including 16 m at 1.07 g/t Au from 590 to 606 m) and GL-17-119 (2 m at 4.31 g/t Au from 446 to 448 m) which indicate that in Zone 1 as well as Zone 7, significant grades of gold exist below the levels of an open pit.

Also during 2018, First Mining completed a small, property-wide regional exploration and diamond drill program intended to test the regional potential of the Goldlund Property to host significant gold mineralization similar to that demonstrated within the known resource area at the Goldlund Property. This exploratory drill program consisted of 1,944 m of drilling in 16 holes. It was designed to test the Miller, Miles and Eaglelund occurrences and verify historical drillhole and surface anomaly data, and was completed between June and September 2018. The drill program consisted of eight drillholes (MI-18-001 to MI-18-008) at the Miller showing, seven drillholes (EL-18-001 thru EL-18-007) at the Eaglelund showing, and one hole (ML-18-001) designed to drill test under the exploratory pit found at the Miles showing. Drilling totalled 1,256 m at Miller, 638 m at Eaglelund, and 50 m at the Miles target.

The Miller targeted area lies approximately 10 km northeast of the Goldlund resource area, along strike of the lithologic fabric of granodiorite sills/dykes intruded into regional mafic meta-volcanic greenstone which extends over 30 km within the Goldlund Property boundary. This elongate pattern of brittle granodiorite in ductile mafic meta-volcanic rocks is a key mechanism in focusing gold mineralization, as demonstrated in the area of the current Goldlund resource.

Granodiorite at Miller is coarse-grained with strong chlorite and silica alteration predominantly along the contacts with meta-basalt and gabbro in the hanging wall. The contact with metabasalt and gabbro is sheared and strongly foliated.

Quartz-carbonate veining at Miller seems to have a slightly different orientation than that of the Goldlund deposit. Gold-bearing veins at Miller seem to be dominated by steeply 80° - 85° dipping veins which are wider than the shallow 10° - 25° dipping narrow veins. Narrow veins returned higher gold grades from the surface grab sampling. This observation is based only on a limited surface exposure and eight drillholes. Gold-bearing veins at the Goldlund deposit are dominated by the conjugate 20 set and 70 set veins. The 20 set veins are most common but are typically narrow, being just a few cm in width, whereas the 70 set veins although more erratic and discontinuous are typically wider.

Significant gold mineralization was encountered in the Miller drilling, and results have confirmed the same mineralogical associations of gold present in quartz-carbonate-sulphide stockwork veining and adjacent alteration zone in granodiorite which is very similar to that observed at the Goldlund resource area.

The early results from the Miller prospect indicate that the entire width of the sill/dyke appears receptive to gold mineralization and this mineralization remains open along strike in both directions and also at depth. The four drillholes which crosscut the granodiorite from hanging wall to footwall indicate that the entire width of the dyke appears receptive to gold mineralization, while at the Goldlund resource area, gold mineralization tends to occupy only 25% to 40% of the total dyke width.

In addition, while visible gold mineralization and gold tellurides were common in First Mining's 2017-2018 infill drilling program at the Goldlund resource area, the frequency of occurrence of visible gold at Miller was much greater, with visible gold observed in seven out of the total eight holes.

Due to the frequent occurrence of visible gold in the Miller drillholes, and the coarse, nuggety nature of the gold mineralization, First Mining followed up its standard fire assays on selected samples with a more definitive assay protocol of metallic screen fire assay, using a 1,000 g sample size to minimize the high nugget effect characteristic of mineralization at the Goldlund Property. Metallic screen fire assay technique is commonly used to determine both the coarse and fine gold in samples and utilizes a larger volume of the sample than regular fire assay. Samples were chosen for metallic screen analysis either where visible gold was observed in the core, or adjacent to visible gold occurrences,

or where the initial fire assay results did not appear to be representative of the level of gold mineralization observed in the core.

Holes at Eaglelund and Miles were targeted close to the locations of historical drillholes that were drilled in the 1950s and 1980s, several of which reported gold mineralization (although locations and assay results for these holes cannot be verified). Some narrow gold intersections were confirmed by the 2018 drill program, notably in the south west region of the Eaglelund target, with hole EL-18-002 intersecting 1.0 m at 2.22 g/t Au, and hole EL-18-003 intersecting 2.0 m at 6.42 g/t Au. No significant gold mineralization was encountered in the northeast area of drilling, however mapping and drill logging show that the granodiorite sill, the host rock of gold mineralization, is faulted off and replaced by a sheared feldspar porphyry in this area. The faulted portion of the granodiorite sill was not located during this drill campaign, hence additional drilling would be required to delineate this and to better understand the control and distribution of the mineralization at the Eaglelund and Miles prospects.

Sampling, Analysis and Data Verification

The following is a description of the sampling methodology for the Tamaka 2007 – 2008 drilling program:

- Drillers delivered the four-row NQ or NQ2 core boxes to the core logging facility.
- Core lids were removed and the boxes placed on the core logging table in order.
- A technician measured run lengths to confirm block markers.
- The technician recorded the rock quality designation (“**RQD**”) of the core on a computer form.
- Magnetic susceptibility was recorded over the entire hole length at 0.5 m intervals.
- Core was photographed (both wet and dry).
- Logging was completed by the geologist directly into a Microsoft Excel spreadsheet template form. Each drill log was a separate file:
 - logs recorded lithology, structures, alteration and sulphide content; and
 - all geology related markings on the core used a yellow lumber crayon.
- Sample intervals were marked with a red lumber crayon on the core.
- Sample lengths were variable, 20 cm minimum sample length, 1.5 m maximum sample length.
- The samples did not cross lithological boundaries:
 - quartz veins were isolated if possible as well as zones in increased sulphides or alteration;
 - shoulder sample of 1 m was collected on both sides of the mineralized sections; and
 - due to the nature of the mineralization, and from the onset of drilling, the decision was made by Tamaka staff to collect samples continuously from collar to toe of hole.
- Three dedicated technicians were trained on sampling:
 - top-mounted core saw with a four-compartment settling tanks to recycle the water;
 - a sample interval sheet was generated by the geologist logging the core; the sheet contained the Borehole ID, From, To intervals, and sample number;

- the technician verified the sample number from the sample sheet with the sample number from pre-printed sample books provided by the laboratory;
 - the technician cut the core and placed one half in a plastic sample bag and returned the other half to the core box;
 - one sample tag was placed in the sample bag, one sample tag was stapled into the core box at the beginning of the sample interval; and
 - sample bags with sample and sample tag were sealed with fibre tape.
- Quality assurance and quality control (“QA/QC”) samples were inserted into the sample stream. Standards, blanks, field, and crush duplicates were inserted into the sample series using the same number sequence as the samples themselves. A QA/QC sample was inserted every 30 samples and were alternated between crush duplicates, field duplicates, standards, and blanks. Pulp duplicates performed by Accurassay were also incorporated in the program.
 - Samples were placed in rice bags and stored in the core logging facility until shipment.
 - A Tamaka employee delivered the samples to Manitoulin Transport in Dryden for delivery to Accurassay Laboratories (“Accurassay”) in Thunder Bay. Accurassay is an accredited facility, conforming to requirements of CAN P-4E ISO/IEC 17025, and CAN-P-1579.
 - The laboratory returned all coarse rejects and pulps to Tamaka for storage at the Goldlund Property.

The following is a description of the sampling methodology for the Tamaka 2011 drilling program:

- Drill core was delivered by C3 Drilling to the Tamaka core logging facility located on site at the end of every shift.
- Core was put on the core logging tables for logging by the geologist or geological technician.
- A geologist technician checked the block measurements and measures recorded the RQD. Errors in block measurements were reported to the geologists.
- A technician recorded the magnetic susceptibility using a hand-held instrument for each 3 m length of core.
- Certain initial holes were logged into Microsoft Excel spreadsheets and the remainder were logged into a Gemcom© Gemslogger (“Gemslogger”) Microsoft Access database.
- A geologist entered the header information from a planned drillhole spreadsheet.
- A geologist logged the core, recording lithology, alteration, structure, and mineralization in Gemslogger or the spreadsheet and marking the intervals with a grease pen.
- A geologist inserted sample tags for intervals to be sampled, recording these intervals in Gemslogger or the spreadsheet.
- Sample lengths ranged between 0.2 and 2.6 m in length with an average sampling length of around 0.7 m.
- No samples crossed lithological boundaries.
- At least two shoulder samples were taken on either side of the mineralization.

- Sample tags marked with Standard Reference Material (“SRM”), blanks and duplicates were inserted at set intervals by the geologist.
- Core was photographed after logging and sampling was completed; both wet and dry photos were taken.
- Core was then relocated to the core splitting facility.
- A technician then double checked the intervals given in the sample booklet with printed logs from Gemslogger.
- Core was split using a top-mounted diamond saw blade.
- Half of the core was placed in a sample bag while the other half was replaced in the core box.
- Blanks and SRMs were inserted as specified in the sample booklet. Standards, blanks, field, and crush duplicates were inserted into the sample series using the same number sequence as the samples themselves. A QA/QC sample was inserted every 30 samples and were alternated between crush duplicates, field duplicates, standards, and blanks. Pulp duplicates performed by Accurassay were also incorporated in the program.
- For field duplicates, the remaining half of the core was quarter split and placed in a sample bag.
- For coarse duplicates, a sample tag was placed in an empty sample bag.
- The sample tag was stapled to the inside of the sample bag and the sample bag is stapled closed.
- Sample tags were placed in rice bags and stored in crates awaiting shipment.
- Crates were shipped every week to Accurassay Laboratories in Thunder Bay by Manitoulin Transport.
- Downhole surveys were conducted using a Maxibor instrument while the drill rig was still setup on the drill pad.
- Once the drill rig was moved, collar locations were verified using a hand-held GPS.
- Once all the data was finalized in the field, the field databases/spreadsheets were transferred to the office in Thunder Bay where the master database is stored.

The following is a description of the sampling methodology for the Tamaka 2013-2014 drilling program:

- Drillers delivered the four-row NQ or NQ2 core boxes to the core logging facility.
- Core lids were removed and the boxes placed on the core logging table in order.
- A technician measured run lengths to confirm block markers.
- The technician recorded the RQD of the core on a computer form.
- Magnetic susceptibility was recorded over the entire hole length at 0.5 m intervals.
- Core was photographed (both wet and dry).
- Logging was completed by the geologist directly into a Microsoft Excel spreadsheet template form.

- Each drill log was a separate file:
 - logs recorded lithology, structures, alteration and sulphide content; and
 - all geology related markings on the core used a yellow lumber crayon.
- Sample intervals were marked with a red lumber crayon on the core.
- Sample lengths were variable; 20 cm minimum sample length, 1.5 m maximum sample length.
- The samples did not cross lithological boundaries:
 - quartz veins were isolated if possible as well as zones in increased sulphides or alteration;
 - shoulder sample of 1 m were collected on both sides of the mineralized sections; and
 - due to the nature of the mineralization, and from the onset of drilling, the decision was made by Tamaka staff to collect samples continuously from collar to toe of hole.
- Three dedicated technicians were trained on sampling:
 - top-mounted core saw with a four-compartment settling tanks to recycle the water;
 - a sample interval sheet was generated by the geologist logging the core; the sheet contained the Borehole ID, From, To intervals, and sample number;
 - the technician verified the sample number from the sample sheet with the sample number from pre-printed sample books provided by the laboratory;
 - the technician cut the core and placed one half in a plastic sample bag and returned the other half to the core box;
 - one sample tag was placed in the sample bag, one sample tag was stapled into the core box at the beginning of the sample interval;
 - sample bags with sample and sample tag were sealed with fibre tape; and
 - quality assurance and quality control samples were inserted into the sample stream. Standards, blanks, field, and crush duplicates were inserted into the sample series using the same number sequence as the samples themselves. A QA/QC sample was inserted every 30 samples and were alternated between crush duplicates, field duplicates, standards, and blanks. Pulp duplicates performed by Accurassay were also incorporated in the program. A second aliquot of pulp (from the pulps remaining after Accurassay analysis) from samples (predetermined by Fladgate) by Accurassay to be shipped to a separate lab for analysis.
- Samples were placed in rice bags and stored in the core logging facility until shipment.
- A Tamaka employee delivered the samples to Manitoulin Transport in Dryden for delivery to Accurassay in Thunder Bay.
- The laboratory returned all coarse rejects and pulps to Tamaka for storage at the Goldlund Property.

All samples for each of the Tamaka drill programs were processed using both jaw crushers and ring mill pulverizers. Samples received by the lab were processed using the following sample preparation packages:

- Dry, crush (less than 5 kg) 90% -8 mesh (2 mm);
- Split (1,000 g); and
- Pulverize to 90% -150 mesh (106 µm).

The 2007 – 2008 samples were analyzed for gold and silver using a four-acid digestion followed by a 50 g fire assay (FA) with inductively coupled plasma (“**ICP**”) finish.

Certain of the 2011 samples were analyzed using a conventional 30 g Fire Assay with an Atomic Absorption finish for gold and a 0.25 aqua regia digestion with an AA finish for silver. For the remaining 2011 samples, a 50 g conventional fire assay with an AA finish and a 0.25 aqua regia digestion with an AA finish for silver was performed from the 500 g pulp. A second 500 g pulp was analyzed using a gravimetric finish for samples in excess of 10 ppm gold. In total, during the 2011 drill program, 10,914 core samples were sent to the laboratory for analysis.

All 2012 and 2013-2014 samples were analyzed by a 50 g conventional fire assay with an AA finish and a 0.25 aqua regia digestion with an AA finish for silver was performed from the 500 g pulp. A second 500 g pulp was analyzed using a gravimetric finish for samples in excess of 10 ppm gold.

Tamaka’s QA/QC for each of its drilling programs was generally consistent. The QA/QC programs consisted of the insertion of blanks, SRM samples, field duplicates, and crush duplicates into the sample stream at set intervals. SRMs were inserted every 20th sample while blanks were inserted every 27th to 30th sample. Field and crush duplicates were inserted into the sample stream only for the latter portion of the 2011 drilling campaign with a frequency of one field duplicate every 30th sample and one crush duplicate every 32nd sample. In addition to the field-inserted QA/QC program, the laboratories operate their own laboratory QA/QC system. The labs insert quality control materials, blanks and duplicates on each analytical run.

The Tamaka database has gone through several validations. The original data files received prior to the 2010 resource estimate were validated using 103 (10%) of the 1,065 drillholes in the total database. The validation was completed by the author of the Goldlund Technical Report, while he was employed by Tetra Tech. Data verification was completed on collar co-ordinates, end-of-hole depth, down-the-hole survey measurements, “From” and “To” intervals, measurements of assay sampling intervals, and gold grades that were compiled from handwritten drill logs into Microsoft Excel spreadsheets. The error rate of the initial dataset exceeded the acceptable limit of 1% of errors. Most errors were insignificant and related to mistakes in transcription. Tamaka retrieved the dataset from Tetra Tech and corrected the entire dataset before returning the files to Tetra Tech. The second round of validation of the dataset returned no errors.

2011 and 2012 round of validation – All data is now recorded and received digitally, so it is possible to check 100% of the assay data for Tamaka surface holes against the digital assay certificates. There is 100% agreement between the assay certificates and the assay data in the database. The same is true of collar coordinates, survey data, and lithology intervals.

2013 and 2014 round of validation – All data is now recorded and received digitally, so it is possible to check 100% of the assay data for Tamaka surface holes against the digital assay certificates. There is 100% agreement between the assay certificates and the assay data in the database. The same is true of collar coordinates, survey data, and lithology intervals.

The drillhole data was imported into Surpac 6.6, which has a routine that checks for duplicate intervals, overlapping intervals, and intervals beyond the end of hole. The errors identified in the routine were checked against the original logs and corrected.

The following is a description of the sampling methodology for the First Mining 2017 and 2018 Phase 1 and Phase 2 drilling programs:

- HQ diameter (63.5 mm) drill core was cleaned and the run blocks checked. After this, the runs were measured for recovery. The recovery percentage was then used to mark off the adjusted metres within the run.

- The RQD was measured and recorded in an Excel sheet, for importing into Datamine DH Logger software.
- The core was logged for lithology, alteration, minerology, veining and structure, and entered into DH Logger, which synchronizes with First Mining's central Fusion SQL drilling database.
- 2 m sample intervals were marked off, except at lithological contacts, and in zones of poor recovery, where sample size was adjusted accordingly.
- Standards and blanks were inserted in the sample stream at the required intervals.
- Duplicates were inserted between the blanks and standards, alternating between field and laboratory duplicates.
- Core pieces were selected and measured for SG.
- The core was photographed twice, both dry and wet.
- The core was sawn in half onsite, with one half bagged and labelled to be sent for assay. For field duplicates, the core was quartered, and one quarter was sent for the regular assay and the other quarter was sent for the duplicate assay. For the laboratory duplicates, an empty sample bag with a sample ID was sent to the laboratory where a split was taken from the pulverized sample to run a duplicate assay.
- The remaining half core was placed in core boxes which were stored in a secure on-site facility to serve as a permanent record.
- Sample bags were placed in zip-tied rice bags and shipped to SGS Laboratory facilities in Red Lake, Ontario and Burnaby, British Columbia for the fire assay and Bulk Leach Extractable Gold ("BLEG") assaying respectively.
- The laboratory returned all coarse rejects and pulps to First Mining for permanent storage on site at the Goldlund Property.

Samples from the mineralized granodiorite from the First Mining drill program were shipped to SGS Laboratories in Burnaby, BC for BLEG analysis. Samples received by the lab were processed using the following sample preparation packages:

- Crush entire half core sample to 80% -10 mesh (1.68 mm).
- Pulverize 3,000 g in three separate batches of 1 kg each to 85% -200 mesh (0.074 mm).
- Recombine and blend all three batches for homogeneity.
- Re-split into three separate 1 kg batches.
- Send one of the 1 kg splits ("pulps") for BLEG assay (the two remaining 1 kg splits are retained for duplicates).

Samples from the unmineralized volcanics from the First Mining drill program were shipped to SGS Laboratories in Red Lake, Ontario and prepared for fire assay analysis. Samples received were processed as follows:

- Dry, crush (less than 3 kg) to 75% -8 mesh (2 mm);
- Split to 250 g; and

- Pulverize to 85% -150 mesh (106 µm).

The following is a description of the sampling methodology for First Mining's 2018 exploration drilling program at the Miller, Miles Lake and Eaglelund prospects on the Goldlund Property:

- NQ diameter (47.6 mm) drill core was cleaned and the run blocks checked. After this, the runs were measured for recovery. The recovery percentage was then used to mark off the adjusted meters within the run.
- The RQD was measured and recorded in an Excel sheet, for importing into Datamine DH Logger software.
- The core was logged for lithology, alteration, mineralogy, veining and structure directly into DH Logger, which synchronizes with First Mining's central Fusion SQL drilling database.
- 1 m sample intervals were marked off, except at lithological contacts, and in zones of poor recovery, where sample size could be adjusted accordingly.
- Standards and blanks were inserted in the sample stream at the required intervals.
- Duplicates were inserted between the blanks and standards, alternating between field and lab duplicates.
- Core pieces were selected and measured for SG.
- The core was photographed twice, both dry and wet.
- The core was sawn in half onsite, with one half bagged and labelled to be sent for assay. For field duplicates, the core was quartered and one quarter was sent for the regular assay and the other quarter for the duplicate assay. For the lab duplicates, an empty sample bag with a sample ID was sent to the laboratory where a split was taken from the coarse reject or the pulverized sample to run a duplicate assay.
- The remaining half core was placed in core boxes which are stored in a secure on-site facility to serve as a permanent record.
- Sample bags were placed in zip-tied rice bags and shipped to SGS Laboratory facilities in Red Lake, Ontario and Lakefield, Ontario for fire assay analysis.

Samples from the First Mining drill program 2018 drilling at Miller, Eaglelund, and Miles were shipped to SGS Laboratories in Red Lake, Ontario, or Lakefield, Ontario and prepared for fire assay analysis. Samples received by the laboratory for fire assay were processed as follows:

- Dry, crush (less than 3 kg) 75% -8 mesh (2 mm);
- Split to 250 g; and
- Pulverize to 85% -150 mesh (106 µm).

At no time was an employee of First Mining or the Company involved in the preparation of the samples.

The following is a description of the analytical procedure followed for the assay results of First Mining's 2017 and 2018 infill drilling program at the Goldlund Property and the 2018 exploration drilling program at the Miller, Miles Lake and Eaglelund prospects on the Goldlund Property:

For the Phase 1 and Phase 2 infill drill program at the Goldlund Property, samples from the mineralized granodiorite were analyzed for gold using the BLEG methodology, which incorporated a LeachWELL™ reagent. The LeachWELL™ CN test was selected to improve reproducibility of gold assays by using large samples (1,000 g) which are better suited for a nuggety deposit such as Goldlund.

Samples were dried, pulverised and weighed into labeled bottles, and made into a solution by adding water (at a 1:1 solid-liquid ratio), cyanide (5%), LeachWELL™ 60X (2%) and NaOH (0.7%) to the bottle. The sample were vigorously shaken on a bottle roll, for a leach time of two hours, to homogenize the sample with flocculent. Once settled, and a layer of clear solution was available for sampling, a solution sample was taken and read by Atomic Absorption Spectrometry (“AAS”). The grade of the original solid was calculated from the solid/solution ratio and the AAS reading.

The sample’s residue was filtered and washed 3 times to remove the LeachWELL™ solution; this residue was then dried, homogenized and a 200 g split retained for each sample, 50 g of which was analyzed for gold by fire assay. Gold assays for the leach solution and residues are combined for each sample to report a final ‘head grade’ concentration.

A 50 g split from each sample sent to the Burnaby laboratory also underwent ICP multi-element analysis by two-acid aqua regia digestion with ICP-MS and AES finish.

Samples of unmineralized volcanics from the Phase 1 and Phase 2 programs were sent to the SGS laboratory in Red Lake, Ontario for 30 g or 50 g fire assay.

Samples from the 2018 drilling at Miller, Eaglelund and Miles were sent to the SGS laboratories in Red Lake or Lakefield, Ontario for 50 g fire assay.

Due to the frequent occurrence of visible gold in the Miller drillholes, and the coarse, nuggety nature of the gold mineralization, First Mining followed up their standard fire assays on selected Miller samples with a more definitive assay protocol of metallic screen fire assay using a 1,000-g sample size to minimize the high nugget effect characteristic of mineralization at the Goldlund Property. Samples were chosen for metallic screen analysis either where visible gold was observed in the core, or adjacent to visible gold occurrences, or where the initial fire assay results did not appear to be representative of the level of gold mineralization observed in the core. A total of 52 samples from Miller were selected for a metallic screen fire assay run, and of these 52 samples, 12 were selected for a second metallic screen fire assay run. Where two metallic screen fire assays were run on the same sample, an arithmetic average of the two assays was used in the final database. Screened metallic assays for the Miller program were done by SGS at their Cochrane or Lakefield laboratories.

No metallic screen fire assays were done on the Eaglelund or Miles samples.

At no time was an employee of First Mining or the Company involved in the analytical process.

First Mining 2017-2018 QA/QC Program – Goldlund Infill Drilling

The QA/QC program for the 2017-2018 Phase 1 and Phase 2 infill drill programs on the Goldlund deposit consisted of the submission of duplicate samples and check assays, and the insertion of certified reference materials (CRMs) at regular intervals. Blanks and standards were inserted at a rate of one standard for every 20 samples (5% of total) and one blank for every 30 samples (3% of total). Field duplicates from quartered core, as well as ‘pulp’ duplicates taken from 1 kg pulverized splits, were also inserted at regular intervals with an insertion rate of 4% for field duplicates and 4% for pulp duplicates.

In addition to the QA/QC program implemented by First Mining, the laboratories each operate their own internal laboratory QA/QC system, inserting quality control materials, blanks, lab replicates and lab duplicates on each analytical run.

First Mining’s QA/QC for each of its drilling programs was generally consistent. The QA/QC programs consisted of the insertion of blanks, SRM samples, field duplicates, coarse duplicates, pulp duplicates, screened metallics duplicates, check assay duplicates and BLEG residue duplicates into the sample stream at set intervals.

Blanks

Blanks made of barren garden rock purchased from a local hardware store were used. A threshold of ten times the lower detection limit (LDL) was used as a guide to determine potential contamination. Any assays above this threshold were reviewed on a case by case basis to determine if any corrective action was required at that laboratory. As a general rule, for the mineralized rock being assayed at the SGS laboratory in Burnaby, BC, if a single blank or standard was deemed to have failed, that QA/QC sample plus five samples either side in the same batch were sent for reanalysis. If a blank/standard plus one or more consecutive standards were deemed to have failed, then the failed samples plus ten samples either side and all of the samples between, were sent for reanalysis.

For samples from unmineralized zones, which were sent for fire assay at the SGS Red Lake laboratory, if a single standard failed within a batch where the other standards or blanks passed, the entire batch was deemed to have passed and no corrective action was taken.

A total of 611 blanks were submitted from the Phase 1 and Phase 2 programs. Three blanks from the SGS Burnaby laboratory and one from the SGS Red Lake laboratory were above the 10 x LDL threshold and were part of batches that were rerun in accordance with the corrective action protocols detailed above. Overall the laboratory performed well.

Standards

Twelve different standards were used in the Phase 1 and Phase 2 programs, spanning a range of gold grades from 0.05 g/t to 9 g/t, as summarized in Table 11.3 of the Goldlund Technical Report. The majority of the standards were supplied by CDN Resource Laboratories Ltd. (CDN) of Vancouver, BC, with some low-grade standards used for the BLEG residue duplicate program which were sourced from Analytical Solutions Ltd. (ASL) in Toronto. A standard was deemed suspect as a failure if the result fell outside 3 standard deviations ($\pm 3\text{STDEV}$) from its expected value as defined by the standard's certificate. Any assays outside of this threshold were reviewed on a case by case basis to determine if any corrective action was required.

A total of 877 standards were submitted from the Phase 1 and Phase 2 programs. Instead of the sample weight of 1 kg (used for the drill core samples), a 200 g sample weight was used for the standards, ensuring the ratio of the leach solution and sample weight is maintained.

The accepted results provided by the CRM labs are determined by fire assay whereas the Phase 1 and Phase 2 testing was done by CN leach combined with a fire assay of the residue.

QA/QC Results

Overall laboratories performed well with a total of 877 samples submitted with 23 samples and five standards having failed as summarized below:

- One sample from CDN-GS-2R was deemed to have failed and was sent for re-analysis;
- 17 samples from CDN-GS-3P were deemed to have failed, 15 of which were sent for re-analysis;
- One sample from CDN-GS-5M was deemed to have failed and was sent for re-analysis;
- Two samples from CDN-GS-9B were deemed to have failed and were sent for re-analysis;
- One sample and five standards from CDN-GS-1U were deemed to have failed and three of the five failed standards were sent for re-analysis; and
- One sample from CDN-GS-2P was deemed to have failed and appears to have been a result of mislabelling.

Duplicates

After assay results were returned, additional duplicates were run on 1 kg pulverized splits, including BLEG duplicates and screened metallic duplicates. Selected samples were also sent to an independent umpire laboratory (Activation Labs in Thunder Bay and Ancaster, Ontario) for check assay.

Duplicate data is not generally used to trigger quality control failures. Poor reproducibility can be a function of the extreme nugget effect of the Goldlund gold mineralization, and/or the homogeneity of the samples, rather than a reflection of the laboratory's analytical performance. For the BLEG assay program, efforts were made to come as close as possible to a true 'pulp' duplicate by using the sample preparation techniques detailed in Section 11.1.5 of the Goldlund Technical Report. All duplicates, whether they were BLEG duplicates, metallic screens or check duplicates for the umpire laboratory, utilized 1kg splits from the original 3 kg pulverized batch. The only exception to this in the BLEG QA/QC program were the field duplicates which were done on separately-prepared, quarter-core samples. As would be expected in a gold system of this type, there is a much higher variability between the field duplicate samples and their 'parent' assays, when compared to the pulp duplicates.

First Mining 2018 QA/QC Program – Miller, Eaglelund and Miles Drilling

The QA/QC program for the Miller-Eaglelund-Miles drilling consisted of the submission of duplicate samples and the insertion of certified reference materials (CRMs) at regular intervals. Blanks and standards were inserted at a rate of one standard for every 20 samples (5% of total) and one blank for every 30 samples (3% of total). Field duplicates from quartered core, as well as alternating pulp and coarse duplicates (taken from coarse reject materials or pulverized splits) were also inserted at regular intervals, with an insertion rate of 4% for field duplicates and 4% for pulp and coarse duplicates. Check assays were submitted to a second independent laboratory.

In addition to the QA/QC program implemented by First Mining, the laboratories each operate their own internal laboratory QA/QC system, inserting quality control materials, blanks, as well as laboratory replicates and duplicates on each analytical run.

First Mining's QA/QC for each of its drilling programs was generally consistent. The QA/QC programs consisted of the insertion of blanks, SRM samples, field duplicates, coarse duplicates, pulp duplicates, and check assay duplicates into the sample stream at set intervals.

Blanks

Blanks made of barren garden rock purchased from a local hardware store were used. A threshold of ten times the lower detection limit (LDL) was used as a guide to determine potential contamination.

Any assays above this threshold were reviewed on a case by case basis to determine if any corrective action was required at that laboratory. As a general rule, if a single blank or standard was deemed to have failed, that QA/QC sample plus five samples either side in the same batch were sent for reanalysis. If a blank/standard plus one or more consecutive standards were deemed to have failed, then the failed samples plus ten samples either side and all of the samples between were sent for reanalysis.

A total of 49 blanks were submitted as part of the Miller-Eaglelund-Miles QA/QC program. Two samples were found to be above the 10 x LDL threshold, one of which was part of a batch sent for reanalysis.

Standards

Six different standards were used. The standards were all supplied by CDN Resource Laboratories Ltd. of Vancouver. A standard was deemed suspect as a failure if the result falls outside 3 standard deviations ($\pm 3\text{STDEV}$) from its expected value as defined by the standard's certificate. Any assays outside of this threshold were reviewed on a case by case basis to determine if any corrective action was required.

A total of 75 standards were submitted as part of the Miller-Eaglelund-Miles QA/QC program.

QA/QC Results

Overall laboratories performed well with a total of 75 samples submitted with 7 samples falling outside the $\pm 3\text{STDEV}$ tolerance and were part of batches sent for reanalysis as described below:

- Two samples from CDN-GS-5M fell outside the tolerance range and were sent for re-analysis;
- Two samples from CDN-GS-2S fell outside the tolerance range and were sent for re-analysis;
- One sample from CDN-GS-P4E fell outside the tolerance range and was sent for re-analysis; and
- Two samples from CDN-GS-P4G fell outside the tolerance range and were sent for re-analysis.

Mineral Processing and Metallurgical Testing

Tamaka received completed results of three metallurgical studies on the Goldlund Property: a gold deportment study, a scoping study including comminution testing, and a review of the acid-base accounting completed as part of the scoping study.

Reported overall gold extraction for the high-grade samples by gravity separation, flotation of the gravity tailing, and cyanidation of the flotation concentrate ranged from 55% to 74%. Reported overall gold extraction for bulk testing and composites by gravity separation and cyanidation of the entire gravity tailing ranged from 85% to 96%.

The majority of samples were determined to be not Potential Acid Generating (“PAG”), however two samples did have neutralization potential ratios of less than 1 and sulphide-sulphur greater than 12%, indicating that they are PAG. Due to the limited number of samples, these results should be considered preliminary, and further sampling and testing is required to accurately determine whether the tailings would be PAG.

The recommended flowsheet for the Goldlund deposit includes crushing, grinding, gravity separation, and cyanidation (carbon-in-leach) of the gravity tailings.

Mineral Resource Estimates

First Mining compiled all the data used in completing the mineral resource from original source drillhole documents and from plan and section originals and copies. The Goldlund Property has been drilled by 2,195 drillholes. However, only drillholes within the areas of interest and with exploration potential were included in the database. In addition to the drillhole database, a dataset containing underground wall sampling intervals was included. Wall sampling was conducted as continuous samples on both walls and at times at chest and back heights. The wall sampling data was converted into drillhole format to supplement the dataset. All resource estimations were conducted using Surpac™ version 6.8.

A pit shell analysis using a base case of US\$1,350 gold price and a cut-off grade of 0.4 g/t Au, provided a pit constrained Indicated Resource estimate of 12.9 Mt with an average grade of 1.96 g/t Au and an additional pit constrained Inferred Resource of 18.4 Mt with an average grade of 1.49 g/t Au. The following table summarizes the Whittle pit constrained resource:

The Goldlund deposit remains open along strike and to depth.

Classification	Zone	Tonnage	Au g/t	Ounces
Measured	1	-	-	-
	2	-	-	-
	3	-	-	-
	4	-	-	-
	5	-	-	-
	6	-	-	-
	7	-	-	-
	8	-	-	-
	Subtotal	-	-	-
Indicated	1	4,882,400	2.16	330,150
	2	1,642,900	1.76	93,000
	3	-	-	-
	4	1,664,600	2.73	146,100
	5	-	-	-
	7	4,161,600	1.58	210,753
	8	508,600	2.00	29,200
	Subtotal	12,860,000	1.96	809,200
M&I	Subtotal	12,860,000	1.96	809,200
Inferred	1	11,288,000	1.54	558,600
	2	1,028,000	1.22	40,000
	3	1,385,000	1.61	71,666
	4	734,000	2.40	57,000
	5	1,284,000	1.19	49,000
	7	1,928,000	1.29	79,688
	8	715,000	0.90	21,000
	Subtotal	18,362,000	1.49	876,954

Notes:

1. The numbers in the above table are from the updated mineral resource estimate on Goldlund that has an effective date of March 15, 2019, and that was prepared by WSP's Todd McCracken, P.Geo., an independent "qualified person" within the meaning of NI 43-101.
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 both the initial 2017 mineral resource estimate and the updated 2019 mineral resource estimate.
4. Resources are stated as contained within a potentially economic limiting 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.

Recent Developments

In 2019, First Mining completed a 32-hole drill program at Miller, for a total of 6,130 m. Work consisted of in-fill drilling of the area tested in 2018, as well as step-out drilling to the northeast and southwest along strike. The 2019 drilling tested a total strike length of up to 900 m, with drill spacing largely between 25 m and 50 m, and followed on the strong results achieved in 2018, which included 108 m of 2.43 g/t Au, and frequent occurrences of visible gold within the drill core.

Since drilling first commenced on the Miller prospect in 2018, a total of 40 holes (7,386 m) have been drilled, successfully outlining mineralization over a strike length of approximately 450 m. Low grade gold mineralization

encountered in gabbro in hole MI-19-037 (0.17 g/t Au over 15.0 m), which was drilled to test a possible northeast extension of Miller, demonstrates that this northeast area may still be a viable target for follow-up soil and rock sampling.

The drilling at Miller revealed that mineralization in this area differs from that in the Goldlund Main Zone. At Miller, mineralization occurs in a highly silicified granodiorite dyke of varying width, which has been intruded into a gabbro unit that is also highly silicified and sheared. Both the gabbro and granodiorite are hosts to mineralization at Miller, in contrast to the Goldlund Main Zones 1 and 7, for example, where only the granodiorite is mineralized and the gabbro is unmineralized. This recently identified characteristic represents the potential for significant regional exploration upside, since gabbro-hosted mineralization provides a new exploration horizon and is abundant throughout the property. Future exploration will target these prospective areas. A further review of regional targets over the broader property is ongoing, including identifying new geophysical targets for potential follow-up work, which may include geological mapping, rock sampling, and/or drilling.

None of the drill results from Miller were included in the Goldlund Technical Report.

Drill highlights from the holes drilled at Miller in 2019 include:

Hole ID	From (m)	To (m)	Length (m)	Au g/t	Target
MI-19-013	46.0	228.0	182.0	1.09	Miller
<i>including</i>	<i>47.0</i>	<i>48.0</i>	<i>1.0</i>	<i>35.19</i>	
<i>and including</i>	<i>88.0</i>	<i>109.0</i>	<i>21.0</i>	<i>2.73</i>	
MI-19-014	3.0	210.0	207.0	1.57	Miller
<i>including</i>	<i>42.0</i>	<i>91.0</i>	<i>49.0</i>	<i>2.34</i>	
<i>and including</i>	<i>60.0</i>	<i>61.0</i>	<i>1.0</i>	<i>26.43</i>	
<i>and including</i>	<i>142.0</i>	<i>183.0</i>	<i>41.0</i>	<i>4.07</i>	
<i>and including</i>	<i>168.0</i>	<i>169.0</i>	<i>1.0</i>	<i>55.28</i>	
MI-19-015	1.0	168.0	167.0	1.01	Miller
<i>including</i>	<i>108.0</i>	<i>141.0</i>	<i>33.0</i>	<i>1.84</i>	
MI-19-017	32.0	201.0	169.0	0.88	Miller
<i>including</i>	<i>56.0</i>	<i>93.0</i>	<i>37.0</i>	<i>3.42</i>	
<i>and including</i>	<i>83.0</i>	<i>84.0</i>	<i>1.0</i>	<i>65.97</i>	
MI-19-018	18.0	141.0	123.0	0.86	Miller
<i>including</i>	<i>100.0</i>	<i>134.0</i>	<i>34.0</i>	<i>2.08</i>	
<i>and including</i>	<i>113.0</i>	<i>114.0</i>	<i>1.0</i>	<i>12.91</i>	
<i>and including</i>	<i>129.0</i>	<i>130.0</i>	<i>1.0</i>	<i>23.96</i>	
MI-19-019	65.0	101.0	36.0	0.41	Miller
MI-19-020	133.0	139.0	6.0	1.77	Miller
<i>including</i>	<i>134.0</i>	<i>135.0</i>	<i>1.0</i>	<i>8.1</i>	
MI-19-021	111.0	118.0	7.0	0.99	Miller
<i>including</i>	<i>112.0</i>	<i>113.0</i>	<i>1.0</i>	<i>4.78</i>	
MI-19-022	115.0	122.0	7.0	0.82	Miller
<i>including</i>	<i>121.0</i>	<i>122.0</i>	<i>1.0</i>	<i>2.58</i>	
MI-19-024	133.0	140.0	7.0	1.72	Miller
<i>including</i>	<i>133.0</i>	<i>134.0</i>	<i>1.0</i>	<i>5.49</i>	

Hole ID	From (m)	To (m)	Length (m)	Au g/t	Target
<i>and including</i>	139.0	140.0	1.0	6.50	
MI-19-025	53.0	64.0	11.0	0.61	Miller
<i>including</i>	63.0	64.0	1.0	4.54	
<i>and</i>	84.0	85.0	1.0	3.86	
<i>and</i>	101.0	106.0	5.0	0.81	
<i>including</i>	104.0	105.0	1.0	2.04	
MI-19-027	100.0	107.0	7.0	1.50	Miller
<i>including</i>	106.0	107.0	1.0	4.64	
MI-19-028	59.0	77.0	18.0	0.81	Miller
<i>including</i>	69.0	77.0	8.0	1.48	
<i>and including</i>	70.0	71.0	1.0	7.51	
MI-19-030	36.0	40.0	4.0	4.03	Miller
<i>including</i>	38.0	39.0	1.0	15.33	
<i>and</i>	48.0	83.0	35.0	0.25	
<i>including</i>	61.0	63.0	2.0	1.62	
MI-19-032	39.0	143.0	104.0	0.25	Miller
<i>including</i>	79.0	80.0	1.0	3.56	
<i>and including</i>	126.0	127.0	1.0	5.50	
MI-19-034	129.0	141.0	12.0	1.62	Miller
<i>including</i>	133.0	134.0	1.0	18.07	
MI-19-040	60.0	119.0	59.0	1.35	Miller
<i>including</i>	60.0	93.0	33.0	2.23	
<i>and including</i>	80.88	81.88	1.0	6.83	
<i>and including</i>	86.88	87.88	1.0	44.07	

Notes:

1. Assaying for the Miller drill program was completed by SGS Canada Inc. ("SGS") at their laboratory in Lakefield, Ontario. Prepared 50 g samples were analyzed for gold by lead fusion fire assay with an atomic absorption spectrometry finish. Multi-element analysis was also completed on selected holes by two-acid aqua regia digestion with ICP-MS and AES finish.
2. Reported widths are drilled core lengths; true widths are unknown at this time. Assay values are uncut.
3. Intervals for holes MI-19-013, MI-19-014, MI-19-015, MI-19-017 through MI-19-022, MI-19-025, MI-19-032, MI-19-034 and MI-19-040 include results of selected assay repeats. These repeats were done by screened metallic fire assay on 1 kg size samples at the SGS laboratory in Lakefield.

Drill Hole Locations of the Highlighted Holes

Hole ID	Azimuth °	Dip °	Final Depth (m)	UTM East	UTM North
MI-19-013	140	-85	251	554585	5533600
MI-19-014	140	-85	245	554565	5533585
MI-19-015	140	-85	224	554547	5533568
MI-19-017	140	-85	242	554500	5533516
MI-19-018	120	-85	212	554471	5533500
MI-19-019	320	-55	176	554472	5533425
MI-19-020	290	-55	215	554440	5533387

Hole ID	Azimuth °	Dip °	Final Depth (m)	UTM East	UTM North
MI-19-021	320	-60	173	554396	5533364
MI-19-022	320	-60	167	554356	5533327
MI-19-024	320	-60	146	554277	5533273
MI-19-025	140	-65	176	554220	5533373
MI-19-027	140	-60	128	554297	5533437
MI-19-028	140	-45	125	554297	5533437
MI-19-030	140	-45	113	554335	5533480
MI-19-032	0	-90	212	554367	5533434
MI-19-034	0	-90	179	554251	5533338
MI-19-040	287	-45	212	554616	5533525

QA/QC Procedures

The QA/QC program for the 2019 drilling program at Miller consisted of the submission of duplicate samples and the insertion of Certified Reference Materials and blanks at regular intervals. These were inserted at a rate of one standard for every 20 samples (5% of total) and one blank for every 30 samples (3% of total). The standards used in the 2019 Miller drilling program range in grade from 0.5 g/t Au to 9.0 g/t Au, and were sourced from CDN Resource Laboratories in Langley, BC. Blanks were sourced locally from barren granitic material. Field duplicates from quartered core, as well as “coarse” or “pulp” duplicates taken from coarse reject material or pulverized splits, were also submitted at regular intervals with an insertion rate of 4% for field duplicates and 4% for coarse or pulp duplicates. Additional selected duplicates were submitted to an umpire lab for check assaying. SGS also undertook its own internal coarse and pulp duplicate analysis to ensure proper sample preparation and equipment calibration.

The 2019 drill program increased the strike length of mineralization at Miller to approximately 450 m. For further details regarding the assay results, see First Mining’s news releases dated September 25, 2019, November 19, 2019 and February 11, 2020, filed on SEDAR under First Mining’s SEDAR profile at www.sedar.com.

Main Zone Drill Program

After the completion of the 2019 drilling at Miller, the exploration program moved to the Goldlund Main Zone area, and a new drill program is currently underway, due for completion in 2020.

The initial phase of the 2020 drill program consisted of 23 holes (approximately 4,000 m), with the program’s overall focus being to define and extend mineralization in the eastern and western portions of Zones 1, 2, 3 and 4. Prior to entering the Share Purchase Agreement, First Mining was planning a second phase of this work program (the scale of the second phase is yet to be determined, and will be based on pending results). Drilling at the Main Zone is focused on delineating mineralization between the currently-defined zones of the Goldlund deposit.

Results from the first eleven holes of the Goldlund Main Zone drill program were reported in First Mining’s news release dated March 2, 2020. These holes primarily targeted the eastern parts of Zones 2 and 3 as well as the area between these two zones, following up on historical drill intercepts. Of the eleven drillholes reported, gold mineralization has been encountered in nine holes. Hole GL-19-008 intersected 21 m of 5.36 g/t Au within highly mineralized granodiorite and porphyry units, as well as within andesite, and was successful in confirming the high grades within Zone 2 that were encountered in historical drilling. Hole GL-19-010 was drilled to intersect the area between the known mineralized areas at Zones 2 and 3, and encountered significant gold mineralization hosted within andesite (15.0 m at 1.68 g/t Au), before intersecting the mineralized granodiorite and porphyries of Zone 2 towards the base of the hole. The remaining drill holes also show examples of gold mineralization occurring throughout different lithological units, which include andesites, gabbros and felsic porphyries in addition to the granodiorite, which is the principal host of the gold mineralization in Zones 1 and 7.

Highlights from the first eleven holes drilled at the Goldlund Main Zone include:

Hole ID	From (m)	To (m)	Length (m)	Au g/t	Target
GL-19-008	83.00	104.00	21.00	5.36	Main Zone (Zone 2)
<i>including</i>	<i>96.00</i>	<i>97.00</i>	<i>1.00</i>	<i>89.60</i>	
GL-19-010	69.00	84.00	15.00	1.68	Main Zone (Zones 2 and 3)
<i>including</i>	<i>69.00</i>	<i>70.00</i>	<i>1.00</i>	<i>8.02</i>	<i>including</i>
GL-19-013	63.00	77.00	14.00	1.15	Main Zone (Zone 2)
<i>including</i>	<i>75.00</i>	<i>76.00</i>	<i>1.00</i>	<i>9.42</i>	<i>including</i>

Notes:

1. Assaying for the Goldlund 2019-2020 drill program is being completed by SGS at their laboratories in Red Lake, Ontario and Vancouver, BC. Prepared 50 g samples are analyzed for gold by lead fusion fire assay with an atomic absorption spectrometry finish. Multi-element analysis is also being completed on selected holes by two-acid aqua regia digestion with ICP-MS and AES finish.
2. Reported widths are drilled core lengths; true widths are unknown at this time. Assay values are uncut.
3. Intervals for hole GL-19-008 include results of selected assay repeats. These repeats were done by screened metallic fire assay on 1 kg size samples at the SGS laboratory in Vancouver, BC.

Drill Hole Locations of the Highlighted Holes

Hole ID	Azimuth °	Dip °	Final Depth (m)	UTM East	UTM North
GL-19-008	335	-85	125	547722	5528154
GL-19-010	335	-77	176	547746	5528102
GL-19-013	335	-62	101	547774	5528162

QA/QC Procedures

The QA/QC program for the 2019-2020 drilling program at Goldlund consists of the submission of duplicate samples and the insertion of Certified Reference Materials and blanks at regular intervals. These are inserted at a rate of one standard for every 20 samples (5% of total) and one blank for every 30 samples (3% of total). The standards used in the 2019-2020 Goldlund drilling program range in grade from 0.5 g/t Au to 9.0 g/t Au, and are sourced from CDN Resource Laboratories in Langley, BC. Blanks have been sourced locally from barren granitic material. Field duplicates from quartered core, as well as “coarse” or “pulp” duplicates taken from coarse reject material or pulverized splits, are also submitted at regular intervals with an insertion rate of 4% for field duplicates and 4% for coarse or pulp duplicates. Additional selected duplicates are being submitted to an umpire lab for check assaying. SGS also undertakes its own internal coarse and pulp duplicate analysis to ensure proper sample preparation and equipment calibration.

The main Goldlund deposit that hosts the current mineral resource estimate remains open along strike to the northeast, to the southwest, and at depth.

Selected Consolidated Financial Information and Management’s Discussion and Analysis

Financial Information

The following table summarizes certain financial information relating to Tamaka for the fiscal years ended December 31, 2019, and December 31, 2018 and the three month period ended March 31, 2020, based on the Tamaka Annual Financial Statements and Tamaka Interim Financial Statements attached to this Circular as Appendix “C”.

	Three Months ended March 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Revenues:	-	-	-
Loss from Operational Activities:	\$926,000	\$45,697,000	\$86,000
Net Loss:	\$762,000	\$45,696,000	\$83,000
Total Assets:	\$53,765,000	\$53,535,000	\$97,101,000
Total Liabilities:	\$10,266,000	\$10,224,000	\$10,159,000

Management's Discussion and Analysis

Management's Discussion and Analysis of the Tamaka for the years ended December 31, 2019 and 2018 and for the three month period ended March 31, 2020 are attached hereto as Appendix "C".

Authorized, Issued and Outstanding Securities of Tamaka

None of the equity securities of Tamaka or the Tamaka Subsidiary currently trade on, or ever have traded on, any stock exchange, quotation system or other securities market. All of the Tamaka Shares are directly owned by First Mining and have been owned by First Mining for at least the last 12 months. As of the date of this Circular, there are no securities of Tamaka outstanding other than the Tamaka Shares. As of the date of this Circular, there are 2,899,472.94 Tamaka Shares issued and outstanding.

Legal Proceedings

There are no claims, actions, proceedings or investigations pending against Tamaka or the Tamaka Subsidiary or, to the knowledge of the Company, threatened against Tamaka or the Tamaka Subsidiary that, individually or in the aggregate, are material to Tamaka or the Tamaka Subsidiary or the Goldlund Property or that would prevent or materially delay the consummation of the Transaction. To the knowledge of the Company, as of the date of this Circular, Tamaka, the Tamaka Subsidiary and the Goldlund Property are not subject to any outstanding judgment, order, writ, injunction or decree that has had or would be reasonably expected to have a material adverse effect on any of Tamaka, the Tamaka Subsidiary or the Goldlund Property or that would prevent or materially delay consummation of the Transaction.

Regulatory Actions

To the knowledge of the Company, no actions have been commenced by any regulatory body in respect of any matter relating to Tamaka, the Tamaka Subsidiary or the Goldlund Property, within the three years immediately preceding the date of this Circular.

Management Contracts

As a subsidiary of First Mining, the management functions of Tamaka are carried out by the management of First Mining. Following the completion of the Transaction, the management functions of Tamaka will be carried out by the management of the Company.

Non-Arm's Length Party Transactions

No director, officer or promoter of Tamaka has had a material interest, direct or indirect, in any transaction in which the Tamaka or any subsidiary of Tamaka has obtained assets and services from (i) any director, officer or promoter of the Tamaka, (ii) a securityholder disclosed in this Circular as a principal securityholder, either before or after giving effect to the Transaction or, (iii) an associate or affiliate of the persons referred to in (i) and (ii) above.

Auditors of Tamaka

The auditors of Tamaka are PricewaterhouseCoopers LLP, Chartered Professional Accountants. PricewaterhouseCoopers LLP has advised that they are independent with respect to Tamaka within the meaning of the CPABC Code of Professional Conduct.

Background to the Transaction

The Transaction is the result of arm's length negotiations among representatives and legal, tax and financial advisors of the Company and First Mining. The following is a summary of the principal events, meetings, negotiations, discussions and actions among the parties leading up to the execution by the Company and First Mining of the Share Purchase Agreement.

While the Company has historically pursued a strategy of developing the Goliath Gold Property on a stand-alone basis, the Company has taken a proactive approach to managing the inherent difficulties it faces as a junior exploration and development company with a single asset project. The Board has regularly evaluated the strategic direction of the Company and considered potential strategic opportunities, including various financing initiatives and corporate and asset transactions. Given the close proximity of the Goldlund Property, the Company has closely monitored the continual progress and developments of the Goldlund Property intermittently.

Beginning in 2015, management of the Company and the Board attempted to discuss the possibility of a transaction with Tamaka, at which time Tamaka was a private corporation exploring the Goldlund Property. Management of the Company was motivated to engage in discussions with Tamaka regarding a potential business combination because of the close proximity of the Goldlund Property to the Goliath Gold Property and the potential synergies that a combined company could realize. The Company's efforts to engage in a dialogue with Tamaka were largely unsuccessful.

On March 26, 2015, Kesselrun Resources Ltd. ("**Kesselrun**"), a publicly traded corporation, announced its receipt of interest paid by Tamaka on a \$2 million unsecured convertible debenture (the "**Kesselrun Debenture**") that Tamaka had issued to Kesselrun. The Kesselrun Debenture had a fixed interest rate of 10% and a maturity date 7 years from its date of issuance in 2014. The Company discussed the possibility of re-engaging Tamaka in discussions around the Kesselrun Debenture. The Board initiated discussions with Tamaka regarding the Goldlund Property in late 2015.

In February 2016, the Company submitted a non-binding letter of intent proposal regarding a potential transaction with Tamaka. Tamaka rejected this proposal in favour of a competing proposal submitted by First Mining. In June 2016, Tamaka was acquired by First Mining. The Kesselrun Debenture was settled by First Mining.

In January 2019, members of management of the Company and First Mining met to discuss the potential for a transaction between the two companies. On March 20, 2019, the Company and First Mining entered into a mutual confidentiality agreement and, in June 2019, the Company and First Mining began conducting mutual technical due diligence. The Company engaged Haywood to act as its financial advisor in respect of a potential transaction with First Mining on July 4, 2019.

Throughout the remainder of 2019, the Company and First Mining continued discussing the potential transaction, with discussion topics including: (i) potential sequencing at the Goldlund Property; (ii) the federal and provincial permitting process; (iii) logistical considerations, including haulage and power; and (iv) possible transaction structures.

In June and November 2019, various members of management of the Company and their advisors (including representatives from Haywood and other technical consultants) and First Mining, met to continue their respective due diligence review.

In September 2019, the Company and its advisors discussed with First Mining the proposed structure of a transaction under which the Company would acquire the Goldlund Property. On October 4, 2019, the Company, with input from the Board, submitted a draft non-binding proposal.

On November 5, 2019, the Board formed the Special Committee, comprised of Doug Bache (Chair), Flora Wood and William Fisher. The mandate of the Special Committee was to assist management of the Company to evaluate and engage with First Mining on advancing a transaction.

In January 2020, members of management of the Company and their advisors (including representatives from Haywood and other technical consultants) met with First Mining in Vancouver, British Columbia for an extended session to further advance their respective due diligence reviews.

On January 29, 2020, the Board met to review and discuss the Company management's technical due diligence review and findings, discuss the proposed work plan, budget and potential permitting and development strategies for the combined Goliath Gold Property and Goldlund Property. Subsequent to the Board's meeting, the Company submitted a revised non-binding proposal to First Mining with respect to the acquisition of the Goldlund Property.

On March 24, 2020, First Mining and the Company agreed to extend the mutual confidentiality agreement between the parties for an additional six months.

On March 27, 2020, the Company commenced discussions with a third party to pursue a proposed alternative transaction. These discussions were ultimately terminated, in favour of advancing discussions regarding a non-binding letter of interest with First Mining.

On April 6, 2020, First Mining responded to the Company's January 29, 2020 proposal with a counter offer, contemplating a significant increase to the Common Share consideration and a more substantial royalty over the Goldlund Property being granted to First Mining.

On April 22, 2020, the Company reconstituted the Special Committee of the Board substituting Christophe Vereecke for Bill Fisher to maintain independence and to permit the Special Committee to directly lead the negotiation of a potential transaction with First Mining.

Between April 27 and May 8, the Company and First Mining continued to negotiate the terms of a potential transaction. On May 8 2020, the Board formally approved the agreed upon consideration to be issued to First Mining as well as the shareholder and board representation rights that First Mining would be granted. On May 13, 2020, First Mining's board of directors approved the letter of intent and the parties commenced the negotiation of the definitive Transaction Agreements.

On May 1, the Special Committee retained Dentons Canada LLP as its independent legal advisor.

On June 3, 2020, the Special Committee held a meeting, at which Haywood and Dentons Canada LLP were present, to among other things, review the terms of the draft Share Purchase Agreement and the Haywood Fairness Opinion. Following discussion, the Special Committee unanimously resolved to recommend to the Board that the Board approve the Transaction and recommend that the Company Shareholders vote in favour of the Transaction.

Also on June 3, 2020, following the meeting of the Special Committee, the Board held a meeting, at which Haywood, Dentons Canada LLP and McMillan LLP were present, to, among other things, approve the Transaction. In evaluating the Transaction, the Board received an independent Fairness Opinion from Haywood. After considering the Fairness Opinion, the recommendation by the Special Committee and further discussions with the Company's external financial and legal advisors, the Board unanimously determined that the Transaction was in the best interests of the Company and was fair to Shareholders, and approved the Transaction. In the afternoon of June 3, 2020, the Company and First Mining executed the Share Purchase Agreement, which was announced after market close on June 3, 2020.

Issuance of Consideration Shares and Consideration Warrants to First Mining

Under the Share Purchase Agreement, the Company will satisfy a portion of the Consideration for the Tamaka Shares by issuing 130,000,000 Consideration Shares and 35,000,000 Consideration Warrants to First Mining. Each Consideration Warrant is exercisable at \$0.50 to acquire one Common Share for a period of 36 months following the closing of the Transaction. The 130,000,000 Consideration Shares to be issued to First Mining represent dilution of approximately 76.4% to the number of Common Shares issued and outstanding as of June 25, 2020, being 170,256,055. The 130,000,000 Consideration Shares and 35,000,000 Consideration Warrants represent dilution of

approximately 96.9% to the number of Common Shares issued and outstanding as of June 25, 2020, being 170,256,055.

Under the terms of the Investor Rights Agreement, First Mining will agree to use commercially reasonable efforts to complete the Distribution no earlier than six (6) months and no later than one (1) year following the closing of the Transaction. Following the Distribution of the Consideration Warrants, the Company will use commercially reasonable efforts to list the Consideration Warrants for trading on the TSX and the OTCQX in the U.S. The TSX has not approved the listing of the Consideration Warrants and there is no assurance that the TSX will approve the listing of the Consideration Warrants.

The issuance of the Consideration Shares and Consideration Warrants to First Mining will result in First Mining becoming an Insider and a Control Person of the Company immediately upon closing of the Transaction. For such time as First Mining remains a Control Person, First Mining will be restricted in its ability to acquire or dispose of Common Shares. Pursuant to the terms of the Investor Rights Agreement, First Mining has agreed to use commercially reasonable efforts to complete the Distribution. After completion of the Distribution, it is anticipated that First Mining will no longer be a Control Person of the Company. See *“Particulars of Matters to be Acted Upon – The Transaction – Investor Rights Agreement – Distribution”*.

The issuance of the Consideration Securities to First Mining is subject to a number of conditions including Shareholder approval. See *“Particulars of Matters to be Acted Upon – The Transaction – Toronto Stock Exchange”*

Private Placement

In connection with the Transaction, the Company has entered into an agreement (the **“Engagement Letter”**) with Haywood, as lead underwriter, on behalf of the Underwriters, in connection with a private placement, on a “bought deal” basis, of 32,000,000 Subscription Receipts at a price of \$0.36 per Subscription Receipt for gross proceeds of \$11,520,000.

Pursuant to the terms of the Subscription Receipt Agreement, the gross proceeds from the Private Placement will be delivered to and held by the Subscription Receipt Agent until such time as the Escrow Release Conditions have been met.

The Escrow Release Conditions will include: (a) the completion or satisfaction or waiver of all conditions- precedent to the Transaction, other than the release of the Escrowed Funds (as defined herein) to the sole satisfaction of Haywood, on behalf of the Underwriters, acting reasonably; (b) the receipt of all required shareholder and regulatory approvals, as applicable (including the approval required by the TSX), required in connection with (i) the Transaction and (ii) the conditional approval by the TSX for the listing of the Private Placement Shares and Common Shares underlying the Private Placement Warrants; (c) the Company and Haywood, on behalf of the Underwriters, having delivered a joint notice (the **“Release Notice”**) to the Subscription Receipt Agent confirming that the conditions set forth in (a) and (b) above have been met or waived; and (d) the Company having not committed any breach of the underwriting agreement pursuant to which the Subscription Receipts will be sold, to be entered into on or before the closing date of the Private Placement among the Company and the Underwriters that has not been cured within 5 days of the Company’s receipt of written notice from Haywood, on behalf of the Underwriters, specifying in reasonable detail the nature of such breach (collectively, the **“Escrow Release Conditions”**).

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action on the part of the holder, one unit of the Company, consisting of one Private Placement Share and one-half of one Private Placement Warrant, upon the later of: (a) satisfaction of the Escrow Release Conditions; and (b) the Qualification Date, subject to adjustment in order to give effect to the Consolidation (as defined herein), if completed, and in accordance with the terms of the Subscription Receipt Agreement.

Each Private Placement Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.60 for a period of 24 months from the later of: (i) the date when the Escrow Release Conditions are satisfied and (ii) the Qualification Date (the **“Expiry Date”**). If before the Expiry Date the closing price of the Common Shares on the TSX is equal to or greater than \$1.00 per Common Share for a period of twenty (20) consecutive trading days, the

Company may elect to accelerate the Expiry Date of the Private Placement Warrants to a date that is not less than thirty (30) calendar days from the date when written notice of such new expiry date is delivered by the Company to the holders of the Private Placement Warrants. The Private Placement Warrants shall be issued pursuant to and governed by the Warrant Indenture.

The Company has agreed to use commercially reasonable efforts to obtain a receipt from the OSC, as primary regulator on behalf of the securities regulatory authorities in each of the provinces of Canada into which the Subscription Receipts are distributed for a Qualifying Prospectus no later the Penalty Time. If the Company has not received a receipt for a Qualifying Prospectus from the OSC before the Penalty Time, each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of the subscriber, one unit (a “**Penalty Unit**”) comprised of 1.1 Private Placement Shares and 0.55 Private Placement Warrants provided, however, that any fractional entitlement to Private Placement Shares and Private Placement Warrants will be rounded down to the nearest whole Private Placement Share and/or Private Placement Warrant, as the case may be.

The gross proceeds raised in connection with the Private Placement (the “**Subscription Proceeds**”), less: (a) 50% of the Underwriters’ Fee, which shall be paid to the Underwriters; and (b) the expenses of the Underwriters incurred in connection with the Private Placement, will be deposited into escrow with the Subscription Receipt Agent in an interest bearing account (the “**Escrowed Funds**”), pending the satisfaction of the Escrow Release Conditions, in accordance with the provisions of the Subscription Receipt Agreement.

Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds will be released to: (a) Haywood, on its own behalf and on behalf of the Underwriters, as the case may be, in the amount of: (i) 50% of the Underwriters’ Fee plus any *pro rata* interest earned thereon, plus; (ii) any expenses incurred by the Underwriters and not already paid by the Company on the closing date of the Private Placement; and (b) the Company in the amount of the balance of Escrowed Funds after the foregoing deductions are paid to Haywood. In the event the Escrow Release Conditions are not satisfied and the Subscription Receipt Agent does not receive the Release Notice, by 5:00 p.m. (Toronto time) on the date that is 90 days from the closing date of the Private Placement (the “**Escrow Release Deadline**”), or, if prior to such time, the Company advises the Underwriters and the Subscription Receipt Agent or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Subscription Receipt Agent will return to Haywood, on behalf of the subscribers to the Private Placement, the Escrowed Funds, in an amount per subscriber equal to the Purchase Price of the Subscription Receipts held by them and their *pro rata* portion of any interest earned thereon (less any withholding tax, if any). To the extent that the Escrowed Funds (plus accrued interest) are not sufficient to return to the Subscription Proceeds, the Company has agreed to contribute such amounts as are necessary to satisfy any shortfall. Following the return of the Subscription Proceeds, the Subscription Receipts will be automatically terminated and cancelled.

In connection with the Private Placement, the Company will pay the Underwriters a cash commission (the “**Underwriter’s Fee**”) in the amount of 6.0% of the Subscription Proceeds. 50% of the Underwriters’ Fee will form part of the Escrowed Funds and shall be released to the Underwriters upon satisfaction of the Escrow Release Conditions. The Company will also issue to the Underwriters the number of compensation option receipts (the “**Compensation Option Receipts**”) as is equal to 6.0% of the aggregate number of Subscription Receipts issued by the Company under the Private Placement.

The Compensation Option Receipts shall be exchanged, without payment of any additional consideration, for one compensation option (a “**Compensation Option**”) on the Qualification Date, subject to adjustment. Each Compensation Option shall entitle the holder thereof to purchase one Common Share for a period of 24 months from the later of: (i) the date when the Escrow Release Conditions are satisfied and (ii) the Qualification Date, at an exercise price per Common Share equal to the Subscription Price.

The Private Placement will not have an effect on the control of the Company and no new Control Persons or Insiders will be created as a result of the completion of the Private Placement.

The Company will use the net proceeds of the Private Placement for exploration and development of the Goliath Gold Project and the Goldlund Gold Project and for general corporate purposes.

The Private Placement is expected to close on or about July 7, 2020. Completion of the Private Placement is subject to a number of conditions including Shareholder and TSX approval. See “*Particulars of Matters to be Acted Upon – The Transaction – Toronto Stock Exchange*”.

Pro Forma Consolidated Capitalization

The following table summarizes the number and percentage of the Common Shares proposed to be outstanding after giving effect to the Transaction and the Private Placement on a non-diluted basis and on a fully diluted basis, giving effect to the conversion of the Subscription Receipts, the Compensation Option Receipts and all underlying securities into Common Shares.

	Number of Common Shares (non-diluted)	Percentage of Common Shares (non-diluted)	Number of Common Shares (fully-diluted) ⁽¹⁾	Percentage of Common Shares (fully-diluted) ⁽²⁾
Current Shareholders	170,256,055	56.7%	210,932,573	49.0%
Subscribers to the Private Placement	-	-	52,800,000	12.3%
Underwriters of the Private Placement	-	-	1,920,000	0.4%
First Mining	130,000,000	43.3%	165,000,000	38.3%
Total	300,256,055	100%	430,652,573	100%

Notes:

1. Assuming that the Escrow Release Conditions are satisfied prior to the Escrow Release Deadline and a receipt for a Qualifying Prospectus is not received from the OSC prior to the Penalty Time. If a Qualifying Prospectus is received from the OSC prior to the Penalty Time, Subscribers to the Private Placement will hold 48,000,000 Common Shares on a fully-diluted basis.
2. Assuming that the Escrow Release Conditions are satisfied prior to the Escrow Release Deadline and a receipt for a Qualifying Prospectus is not received from the OSC prior to the Penalty Time. If a Qualifying Prospectus is received from the OSC prior to the Penalty Time, Common Shares will be held in the following proportions on a fully-diluted basis: (i) Current Shareholders – 49.5%, (ii) Subscribers to the Private Placement – 11.3%, (iii) Underwriters of the Private Placement – 0.5%, and (iv) First Mining – 38.7%.

In connection with the Transaction, 130,000,000 Consideration Shares will be issued to First Mining, representing dilution of approximately 76.4% to the number of issued and outstanding Common Shares as of June 25, 2020, being 170,256,055 Common Shares.

If all convertible securities issued by the Company in connection with the Transaction and the Private Placement are converted into Common Shares (assuming that the Subscription Receipts are converted into Penalty Units), the Company will issue an aggregate of 219,720,000 Common Shares to First Mining, subscribers to the Private Placement and the Underwriters, representing dilution of approximately 129.1% to the number of issued and outstanding Common Shares as of June 25, 2020, being 170,256,055 Common Shares.

Select Pro Forma Financial Information

The following table sets out certain pro forma financial information for the Company assuming completion of the Transaction and the Private Placement. The following information should be read in conjunction with the unaudited pro forma financial statements of the Company for the three months ended March 31, 2020 and for the year ended December 31, 2019 attached to this Circular as Appendix “D”.

The summary unaudited pro forma condensed consolidated financial information is not intended to be indicative of the results that would have actually occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon completion of the Transaction and the Private Placement may differ from the pro forma information presented below.

The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the Company’s consolidated financial position and results from operations if the events reflected therein

were in effect for the periods presented, nor do they purport to project the Company's consolidated financial position or results from operations for any future period.

	The Company as at March 31, 2020	Tamaka as at March 31, 2020	Pro Forma Adjustments	Company Pro Forma Consolidation
Current Assets	\$1,156,000	\$253,000	\$10,745,000	\$12,154,000
Total Assets	\$84,961,000	\$53,765,000	\$30,099,000	\$168,825,000
Current Liabilities	\$3,395,000	\$10,266,000	\$(8,443,000)	\$5,218,000
Total Liabilities	\$11,868,000	\$10,266,000	\$857,000	\$22,991,000
Shareholders' Equity	\$73,093,000	\$43,499,000	\$29,242,000	\$145,834,000

Toronto Stock Exchange

Subsection 611(c) of the TSX Manual requires security holder approval in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis. Subsection 611(g) of the TSX Manual requires that when calculating the number of securities issued or issuable in payment of the purchase price for an acquisition, any securities issued or issuable upon a concurrent private placement upon which the acquisition is contingent or otherwise linked will be included. Subsection 607(i) of the TSX Manual requires security holder approval for the issuance of warrants to purchase listed securities if the exercise price of such warrants will be less than the market price of the underlying listed securities at the date of the binding agreement obligating the listed issuer to issue the warrants. Further, pursuant to section 604 of the TSX Manual, the TSX will generally require that listed issuers obtain security holder approval for transaction that, in the opinion of the TSX, materially affects control of such listed issuers.

If all convertible securities issued by the Company in connection with the Transaction and the Private Placement are converted into Common Shares (assuming that the Subscription Receipts are converted into Penalty Units), the Company will issue an aggregate of 219,720,000 Common Shares to First Mining, subscribers to the Private Placement and the Underwriters, representing dilution of approximately 129.1% to the number of issued and outstanding Common Shares as of June 25, 2020. As this will result in greater than 25% dilution to number of issued and outstanding Common Shares before giving effect to the Transaction and the Private Placement, and will result in First Mining becoming an Insider and a Control Person of the Company, the issuance of the Consideration Shares and the Consideration Warrants to First Mining under the Share Purchase Agreement, the issuance of the Subscription Receipts to subscribers under the Private Placement and the issuance of the Compensation Option Receipts to the Underwriters must be approved by the majority votes cast by Shareholders, either in person or by proxy, at the Meeting. Additionally, because the Compensation Options will have an exercise price less than the market price of the Common Shares as of the date of the Engagement Letter, Shareholders will be required to approve the issuance of the Compensation Option Receipts.

Reasons for Recommendation of the Board

In making its recommendation that Shareholders vote FOR the Transaction Approval Resolution, the Board carefully considered a number of factors, including those listed below. The Board based its recommendation upon the totality of the information presented to and considered by it in light of its knowledge of the business, financial condition and prospects of the Company, after having undertaken a thorough review of, and having carefully considered the terms of the Transaction, and after consulting with financial and legal advisors, including receiving the Fairness Opinion.

The following summary of the information and factors considered by the Board is not intended to be exhaustive, but includes a summary of the material information and factors considered in the consideration of the Transaction. In view of the variety of factors and the amount of information considered in connection with the consideration of the Transaction, the Board did not find it practicable to, and did not, quantify or otherwise attempt to

assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. **The Transaction was determined to be in the best interests of the Company and fair to Shareholders and unanimously approved by the Board. In addition, the Board was unanimous in its recommendation to the Shareholders to vote FOR the Transaction Approval Resolution.**

- *Consolidation of Two Adjacent Gold Projects.* By acquiring the Goldlund Property pursuant to the Transaction, the Company will be consolidating two significant gold projects in the Kenora Mining Division in Northwestern Ontario, allowing for numerous potential co-development opportunities within an infrastructure-rich region near Dryden, Ontario.
- *Increased Resource Scale.* The combined resource base of the Goliath Gold Property and the Goldlund Property will consist of 2.0 million ounces of gold in the measured and indicated categories, plus an additional 1.1 million ounces of gold in the inferred category, solidifying the combined projects as among the largest undeveloped gold assets in Canada;
- *High Probability of Future Operational Synergies.* With the Goliath Gold Property and Goldlund Property separated by only a two-kilometre distance between property boundaries, the close project proximity should allow for shared infrastructure, workforce and ESG initiatives;
- *Exposure to a Large and Highly Prospective 330-square-kilometre Land Package.* The combined Goliath Gold Property and Goldlund Property land package will cover a prospective 65-kilometre strike length, providing resource expansion potential through additional exploration, including First Mining's newest discovery at the Miller prospect and the Company's recent C Zone East expansion drilling success;
- *Strategic Relationship with First Mining.* Immediately following Closing, First Mining will own an aggregate of 130,000,000 Consideration Shares and 35,000,000 Consideration Warrants, representing ownership of approximately 43.3% of the Common Shares on a non-diluted basis and 49.2% of the Common Shares on a partially-diluted basis, giving effect to the conversion of the Consideration Warrants but not giving effect to the conversion of any securities issued in connection with the Private Placement. In addition, First Mining will continue to be committed to the Company through its involvement at the Board and Technical Committee under First Mining's rights governed by the Investor Rights Agreement. Through this involvement, First Mining's track record and expertise will benefit the Company as the Company seeks to advance its assets and resource base;
- *Increased Capital Markets Presence.* Upon completion of the Transaction, the Company will have a broader shareholder base with expected increased market liquidity and a larger public float than the Company has currently. As of June 2, 2020, the business day prior to the announcement of the Transaction, the Company had a *pro forma* market capitalization of approximately \$88 million assuming the completion of the Transaction compared with the Company's market capitalization of approximately \$50 million on that date. The Company's increased capital market presence will provide the Company with access to a broader investor base, more analyst coverage, greater trading liquidity and a lower cost of capital;
- *Technical Review of Assets to be Acquired.* The Company and its third party technical advisors undertook a detailed due diligence review of the assets to be acquired pursuant to the Transaction, covering legal, financial and operational aspects, and included site visits and detailed technical review of such assets;
- *Fairness Opinion.* The Board received the Fairness Opinion which states that, as of the date of such opinion and subject to the assumptions, limitations and qualifications contained therein, the Transaction is fair, from a financial point of view, to the Company;
- *Other Factors.* The Board also considered the Transaction with reference to the current economic, industry and market trends affecting the Company and the assets to be acquired pursuant to the Transaction and information concerning the business, operations, property, assets, financial condition, operating results and prospects of the Company and the assets to be acquired pursuant to the Transaction.

Fairness Opinion

The Board retained Haywood as financial advisor in connection with the Transaction. Haywood, as part of its engagement, agreed to render the Fairness Opinion in accordance with its customary practice as to the fairness of Transaction. At a meeting held on June 3, 2020, Haywood provided the Board with an oral opinion, subsequently confirmed in writing, to the effect that, based upon and subject to the various assumptions, explanations and limitations set forth in the Fairness Opinion, the Transaction is fair, from a financial point of view, to the Company.

The full text of the Fairness Opinion, which sets forth, among other things, the assumptions made, information reviewed and matters considered, and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached to this Circular as Appendix “E”. The Fairness Opinion is not intended to be and does not constitute a recommendation to any Shareholder as to how to vote or act at the Meeting. The Fairness Opinion was one of a number of factors taken into consideration by the Board and the Special Committee in considering the Transaction. This summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion and Shareholders are urged to read the Fairness Opinion in its entirety.

Engagement of Haywood

Haywood was engaged by the Board on July 4, 2019, to provide the Board with various advisory services in connection with the Transaction including, among other things, the provision of the Fairness Opinion.

On June 3, 2020, Haywood delivered to the Board its oral opinion, later confirmed in writing that, subject to the assumptions and limitations set out in the Fairness Opinion, the Transaction is fair, from a financial point of view, to the Company.

Haywood is to be paid a fee for its services, including a fixed fee for the delivery of the Fairness Opinion and a fee that is contingent on the successful completion of the Transaction. The Board has also agreed to reimburse Haywood for its reasonable out-of-pocket expenses and to indemnify Haywood, its subsidiaries and affiliates, and their respective officers, directors, and employees, against certain expenses, losses, actions, claims, damages and liabilities which may arise directly or indirectly from services performed by Haywood in connection with Haywood’s engagement. The payment of expenses is not dependent on the completion of the Transaction.

Credentials of Haywood

Haywood is one of Canada’s leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions. The individuals primarily responsible for preparing the Fairness Opinion were professionals of Haywood experienced in merger, acquisition, divestiture and fairness opinion matters. The Fairness Opinion represents the opinion of Haywood, the form and content of which have been approved for release by a committee of senior Haywood personnel who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of Haywood

Haywood has advised the Company that neither Haywood, nor any of its affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (British Columbia) or the rules made thereunder) of the Company, First Mining, or any of their respective associates or affiliates. As of the date of the Fairness Opinion, Haywood had not entered into any other agreements or arrangements with the Company or First Mining or any of their affiliates with respect to any future dealings.

Haywood has not acted as agent or underwriter in any financings involving First Mining, or any of its associates or affiliates, during the 24-month period preceding or at any time after the date on which Haywood was first contacted in respect of the Transaction. During the 24-month period preceding or at any time after the date on which the date that Haywood was first contacted by the Company in respect of the Transaction, Haywood participated

in the following equity financings by the Company in which Haywood acted as a co-lead agent and a syndicate underwriter and received compensation:

- Haywood acted as a syndicate underwriter in connection with a “bought deal” private placement of units of the Company, each unit being comprised of one Common Share issued on a flow through basis and one-half of a common share purchase warrant on a non-flow through basis, for gross proceeds of \$2,795,223, which closed on November 21, 2019; and
- Haywood acted as a co-lead agent in connection private placement of Common Shares issued on a flow through basis for gross proceeds \$4,254,500, which closed on December 21, 2017.

Subsequent to the date that Haywood provided the Fairness Opinion, pursuant to the Engagement Letter, the Company engaged Haywood to act as lead underwriter in connection with the Private Placement.

Haywood acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company and/or First Mining or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. In the ordinary course of trading and brokerage activities, Haywood, its associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of the Company, First Mining, or related assets or derivative securities. As an investment dealer, Haywood conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company or First Mining or the Transaction.

Scope of Review of Haywood

In connection with rendering the Fairness Opinion, Haywood reviewed and/or discussed and relied upon, or carried out, among other things: drafts of the Share Purchase Agreement and related documents; certain publicly available business and financial information relating to the Company, First Mining and the assets to be acquired in the Transaction; the financial terms, to the extent publicly available, of certain comparable acquisition transactions; and such other information and other factors as Haywood deemed appropriate. Haywood also participated in discussions with management of the Company regarding the Company’s past and current business operations and the Company’s financial condition and prospects.

Assumptions and Limitations of Haywood

For the purposes of Haywood’s analysis, Haywood relied upon and assumed the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, forecasts and other information, data, advice, opinions and representations obtained by Haywood from public sources, or provided to Haywood by the Company or First Mining, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Company, First Mining, their respective subsidiaries, associates and affiliates, and to the Transaction. Haywood further assumed that all financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Company and Tamaka.

Haywood was not engaged to review and did not review any legal, tax or regulatory aspects of the Share Purchase Agreement and the Fairness Opinion does not address such matters. Haywood further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Company or First Mining or on the contemplated benefits of the Transaction.

Conclusion

The Fairness Opinion states that, based upon Haywood's analysis and subject to the matters Haywood considered relevant, Haywood is of the opinion that, as of the date of the Fairness Opinion, the Transaction is fair, from a financial point of view, to the Company.

Share Purchase Agreement

Overview

The Transaction will be effected pursuant to the Share Purchase Agreement. The Share Purchase Agreement was negotiated at arm's length and contains covenants, representations and warranties of and from each of First Mining and the Company and various conditions precedent with respect to First Mining and the Company. Unless all of such conditions are satisfied or waived by the party for whose benefit such conditions exist, to the extent they may be capable of waiver, the Transaction will not proceed. The following is a summary of certain provisions of the Share Purchase Agreement.

On June 3, 2020, the Company and First Mining entered into the Share Purchase Agreement. Under the Share Purchase Agreement, subject to certain conditions, the Company will acquire from First Mining, all of the outstanding Tamaka Shares. The Tamaka Subsidiary, a wholly owned subsidiary of Tamaka, is the sole legal and beneficial owner of all right, title and interest in and to the Goldlund Property. Under the Share Purchase Agreement, the aggregate consideration payable by the Company for the acquisition of the Tamaka Shares will consist of (i) the Compensation Shares; (ii) the Compensation Warrants; (iii) the Royalty (with with the option for the Company to buy-back 0.5% of the Royalty for \$5.0 million); and (iv) the Milestone Payment, if any.

Representations and Warranties

Representations and Warranties of First Mining

The Share Purchase Agreement contains a number of customary representations and warranties of First Mining relating to, among other things: approval of and authority to carry out the Transaction; due incorporation of First Mining; First Mining's ownership of the Tamaka Shares; Tamaka's ownership of the common shares of the Tamaka Subsidiary; the absence of undisclosed liabilities, conflicting agreements, aboriginal claims and legal proceedings affecting Tamaka, the Tamaka Subsidiary or the Goldlund Property; interest in properties and mineral properties, including the Goldlund Gold Property; compliance with obligations under applicable laws, including securities, tax and environmental laws; regulatory and permit matters affecting the business; anti-corruption matters; financial records; insurance; and intellectual property matters.

Representations and Warranties of the Company

The Share Purchase Agreement contains a number of customary representations and warranties of the Company, relating to, among other things: approval of and authority to carry out the Transaction; due incorporation, capitalization and reporting issuer status of the Company; compliance with obligations under applicable laws, including securities, tax and environmental laws; the absence of undisclosed liabilities, conflicting agreements, cease trade orders, aboriginal claims and legal proceedings affecting the Company or its mineral properties; the Company's interest in properties and mineral properties, including the Goliath Gold Property; regulatory and permit matters affecting the business; anti-corruption matters; and financial records.

Covenants Regarding the Transaction

General

Pursuant to the Share Purchase Agreement, the Company has agreed to certain covenants, including customary covenants relating to the operation of its businesses in the ordinary course and First Mining has agreed to certain covenants related to the operation of Tamaka and its business in the ordinary course as well as customary covenants regarding access to financial and operational information, public announcements, confidentiality,

cooperation with filings and consents, compliance with laws, ensuring that no amounts are owing to or owed by First Mining to Tamaka or the Tamaka Subsidiary and payment of taxes.

Private Placement

Prior to the Closing Date, the Company has covenanted to use commercially reasonable efforts to complete an equity financing (which may be completed by the issuance of subscription receipts of the Company) for aggregate gross proceeds of \$10.0 million.

Debt of the Company

Prior to the Closing Date, the Company has covenanted to use commercially reasonable efforts to repay or to convert into Common Shares the outstanding US\$4.4 million convertible debenture owned by Extract Lending LLC and Extract Capital Master Fund prior to or concurrent with closing of the Transaction.

Non-Solicitation

During the Interim Period, First Mining may not directly or indirectly, solicit or permit any of its Affiliates or Representatives to, directly or indirectly, solicit any offers or proposals relating to the acquisition, directly or indirectly, of the assets, securities or ownership interests of Tamaka or initiate or encourage any inquiry, discussions or negotiations with any third party with respect to the same pursuant to an amalgamation, merger, take-over, statutory arrangement or other transaction. In the event First Mining is approached in respect of any such transaction, it shall immediately notify the Company.

Conditions Precedent to Closing the Transaction

Conditions for the Benefit of the Company

The obligations of the Company to complete the Transaction are subject to the satisfaction of the following conditions precedent, each of which is for the benefit of the Company and may only be waived by it in writing:

- (a) the representations and warranties of First Mining shall be true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall be true and correct as of that date);
- (b) First Mining shall have performed and complied with all of the terms and conditions in the Share Purchase Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all of the documents contemplated in the Share Purchase Agreement, including the Ancillary Agreements;
- (c) during the Interim Period, there shall have been no Tamaka Material Adverse Effect;
- (d) during the Interim Period, there shall have been no order made or any legal proceedings commenced or threatened against the Company or First Mining or against any of their respective Affiliates or any of their respective directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the Transaction;
- (e) during the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by the Share Purchase Agreement illegal or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transaction;
- (f) the Transaction Approval Resolution and the Contingent Board Appointment Resolution will have been passed at the Meeting;

- (g) at Closing Time, the Closing Date Working Capital not be less than zero; and
- (h) resolutions of the shareholders and the board of directors of each of Tamaka and the Tamaka Subsidiary, as applicable, addressing certain corporate deficiencies identified by the Company will have been passed, and the corrective and other remedial actions authorized thereby will have been completed by each of Tamaka and the Tamaka Subsidiary, as applicable, in the manner contemplated in such resolutions, and evidence thereof in form and substance reasonably satisfactory to the Company will have been provided.

Conditions for the Benefit of First Mining

The obligations of First Mining to complete the Transaction are subject to the satisfaction of the following conditions precedent, each of which is for the benefit of First Mining and may only be waived by it in writing:

- (a) the representations and warranties of the Company shall be true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall be true and correct as of that date);
- (b) the Company shall have performed and complied with all of the terms and conditions in the Share Purchase Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to First Mining at the Closing all the documents contemplated in the Share Purchase Agreement, including the Ancillary Agreements;
- (c) during the Interim Period, there shall have been no Company Material Adverse Effect;
- (d) during the Interim Period, there shall have been no order made or any legal proceedings commenced or threatened against the Company or First Mining or against any of their respective Affiliates or any of their respective directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the Transaction;
- (e) during the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by the Share Purchase Agreement illegal or (ii) otherwise prohibiting, preventing or restraining the consummation of the Transaction; and
- (f) the Transaction Approval Resolution and Contingent Board Appointment Resolution will have been passed at this Meeting.

Indemnification

Procedures for direct, third party and tax indemnification claims are provided in the Share Purchase Agreement.

Indemnification Provided by First Mining

Pursuant to the Share Purchase Agreement, First Mining agrees to indemnify the Company and the Company's Affiliates and Representatives and save them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of First Mining contained in the Share Purchase Agreement or any Ancillary Agreement (a "**First Mining Misrepresentation**");
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of First Mining contained in the Share Purchase Agreement or in any Ancillary Agreement;
- (c) any Legal Proceeding to which Tamaka is a party at any time on or prior to the Closing Date, or to which it

becomes a party after the Closing Date arising from facts or circumstances that existed at any time on or prior to the Closing;

- (d) Taxes relating to any Pre-Closing Tax Period; and
- (e) any discrepancy in the Closing Date Statements that results in the Closing Date Working Capital being less than zero.

Indemnification Provided by the Company

Pursuant to the Share Purchase Agreement, the Company agreed to indemnify First Mining and First Mining's Affiliates and Representatives and save them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of the Company contained in the Share Purchase Agreement or any Ancillary Agreement (a "**Company Misrepresentation**"); and
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Company contained in the Share Purchase Agreement or in any Ancillary Agreement.

Limitations on Indemnification Provided by First Mining

The indemnification obligations of First Mining under the Share Purchase Agreement are subject to the following limitations:

- (a) no Damages may be recovered from First Mining in connection with a First Mining Misrepresentation unless and until the accumulated aggregate amount of damages of the Company and the Company's Affiliates and Representatives, arising pursuant to First Mining Misrepresentation exceeds \$500,000 in which event the accumulated aggregate amount of all such damages may be recovered;
- (b) the maximum aggregate amount of damages that may be recovered from First Mining in connection with a First Mining Misrepresentation, other than with respect to claims relating to First Mining's due authorization to complete the Transaction, the due organization and existence of First Mining, First Mining's authority to enter the Share Purchase Agreement and Ancillary Agreements and perform its obligations thereunder, First Mining's ownership of the Tamaka Shares, the due organization and existence of Tamaka, the capitalization of Tamaka, Tamaka's ownership of the Tamaka Subsidiary and Tamaka and the Tamaka Subsidiary's compliance with tax obligations, shall not exceed \$10,000,000; and
- (c) the maximum aggregate amount of damages that may be recovered from First Mining in connection with a First Mining Misrepresentation in connection with the claims not covered by (b) above, shall not exceed \$50,000,000.

Limitations on Indemnification Provided by the Company

The indemnification obligations of the Company under the Share Purchase Agreement are subject to the following limitations:

- (a) no Damages may be recovered from the Company in connection with a Company Misrepresentation unless and until the accumulated aggregate amount of damages of First Mining and First Mining's Affiliates and Representatives, arising pursuant to Company Misrepresentation exceeds \$500,000 in which event the accumulated aggregate amount of all such damages may be recovered;
- (b) the maximum aggregate amount of damages that may be recovered from the Company in connection with a Company Misrepresentation, other than with respect to claims related to the Company's due authorization to complete the Transaction, the Company's authorization to enter the Share Purchase Agreement and the Ancillary Agreements and perform its obligations thereunder, the due organization and existence of the

Company and each of its subsidiaries, the capitalization of the Company and the Company's ownership of its subsidiaries, shall not exceed \$10,000,000; and

- (c) the maximum aggregate amount of damages that may be recovered from the Company in connection with a Company Misrepresentation in connection with the claims not covered by (b) above, shall not exceed \$50,000,000.

Termination of the Share Purchase Agreement

The Share Purchase Agreement provides that it may be terminated at any time prior to the Closing Date:

- (a) by the mutual written agreement of the Company and First Mining;
- (b) by written notice from the Company to First Mining if any condition has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of the Company to comply with its obligations under the Share Purchase Agreement;
- (c) by written notice from First Mining to the Company if any condition has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of First Mining to comply with its obligations under the Share Purchase Agreement; or
- (d) by written notice from the Company or First Mining to the other party if Closing has not occurred on or before September 4, 2020 or such later date as the Company and First Mining have agreed upon in writing.

Expenses

Each party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of the Share Purchase Agreement and the transactions contemplated thereunder.

This description of the Share Purchase Agreement is qualified in its entirety by reference to the Share Purchase Agreement which has been filed by the Company on the Company's profile on the SEDAR website at www.sedar.com.

Voting Support Agreements

Each Voting Support Agreement sets forth, among other things, the terms and conditions upon which each Locked-Up Shareholder has agreed, among other things, to vote all of the Common Shares currently owned, controlled or directed, directly or indirectly, by such Locked-Up Shareholder in favour of the Transaction Approval Resolution. This summary is qualified in its entirety by the full text of the Voting Support Agreements, the form of which is included as Exhibit "A" to the Share Purchase Agreement and can be found on Company's profile on the SEDAR website at www.sedar.com.

The Locked-Up Shareholders, holding approximately 5.3% of the outstanding Common Shares as of June 25, 2020, have entered into a Voting Support Agreement, pursuant to which each Locked-Up Shareholder has agreed, among other things, to vote, consent or otherwise approve (including by written consent in lieu of a meeting), the Common Shares owned legally or beneficially, either directly or indirectly, by each Locked-Up Shareholder, or over which such Locked-Up Shareholder exercises control or direction, either directly or indirectly, in favour of the approval of the Transaction Approval Resolution.

Royalty Agreement

On the Closing Date, First Mining, the Tamaka Subsidiary and the Company will enter into the Royalty Agreement, pursuant to which the Tamaka Subsidiary will grant First Mining the Royalty.

Pursuant to the Royalty Agreement, the Company will provide First Mining with an unconditional guarantee of the Tamaka Subsidiary's due and punctual performance of its obligations thereunder. If the Tamaka Subsidiary, for any reason shall fail, or become unable to duly, punctually and fully perform its obligations under the Royalty Agreement, the Company will become obligated to perform, or cause to be performed, such obligations, subject to the terms, conditions and limitations contained in Royalty Agreement.

At any time during the term of the Royalty Agreement, the Tamaka Subsidiary will have the right to purchase 0.5% of the outstanding Royalty for \$5,000,000, thereby reducing the Royalty to 1.0% of net smelter returns.

This description of the Royalty Agreement is qualified in its entirety by reference to the Royalty Agreement substantially in the form attached Exhibit "B" to the Share Purchase Agreement, which has been filed by the Company on the Company's profile on the SEDAR website at www.sedar.com.

Investor Rights Agreement

On the Closing Date, First Mining and the Company will enter into the Investor Rights Agreement, pursuant to which the Company will grant certain director nomination and governance rights to First Mining.

Board Composition and First Mining Nominees

First Mining will have the right to nominate the First Mining Nominees. The Company and First Mining have agreed that, effective on the Closing Date, the Board will be reconstituted to consist of seven (7) directors, three (3) of which will be First Mining Nominees. Two (2) of the three (3) nominees of First Mining shall be independent of the Company within the meaning of NI 52-110.

The First Mining Nominees appointed to the Board on the Closing Date shall be entitled to serve as directors on the Board until the later of: (a) the Company's next meeting of Shareholders at which directors of the Company are to be elected; and (b) the earlier of (i) the date on which a portion of the Consideration Shares and all of the Consideration Warrants are distributed to First Mining's shareholders (which will occur no earlier than six (6) months and no later than one (1) year following the Closing Date); and (ii) the date that is 12 months following the Closing Date.

Provided that First Mining continues to beneficially own, directly or indirectly, between 10% and 19.9% of the then issued and outstanding Common Shares, First Mining shall be entitled to designate two (2) First Mining Nominees for election or appointment to the Board at any meeting of Shareholders at which directors of the Company are to be elected.

Provided that First Mining continues to beneficially own, directly or indirectly, greater than or equal to 5% but less than 10% of the then issued and outstanding Common Shares, First Mining shall be entitled to designate one (1) nominee First Mining Nominee for election or appointment to the Board at any meeting of Shareholders at which directors of the Company are to be elected.

For such period of time as First Mining continues to beneficially own, directly or indirectly, 10% or more of the issued and outstanding Common Shares, the Company will be restricted from increasing the size of the Board without the prior written consent of First Mining.

Executive Search Committee

The Company has agreed to constitute an Executive Search Committee, comprised of the Chair of the Board or the Chair of the Corporate Governance and Nomination Committee, one First Mining Nominee and one independent director. The Executive Search Committee will be responsible for initiating a search for one or more senior executive officers with sufficient experience to undertake the next stage of the Company's mine engineering and development efforts.

Technical Committee

The Company has agreed to constitute a Technical Committee, comprised of four (4) members. Provided that First Mining owns, directly or indirectly, more than 19.9% of the issued and outstanding Common Shares, First Mining shall be entitled to appoint two (2) members of the Technical Committee. Provided that First Mining owns, directly

or indirectly, between 10% and 19.9% of the issued and outstanding Common Shares, First Mining shall be entitled to appoint one (1) member of the Technical Committee and shall have the right to receive periodic updates from the Technical Committee and information with respect to the Goldlund Property and the Goliath Gold Property, as First Mining may reasonably request from time to time.

The Technical Committee will be responsible for overseeing the development of the Goldlund Property and the Goliath Gold Property and for scoping and approving the work programs for the Goldlund Property and the Goliath Gold Property. Meetings of the Technical Committee will be held at least quarterly and as required to oversee the development of the Goldlund Property and the Goliath Gold Property and to consider and approve the work programs.

Standstill

The Investor Rights Agreement will provide that, subject to certain customary exceptions, until the earlier of: (i) the date that First Mining holds less than 15% of the issued and outstanding Common Shares; and (ii) the date that the Standstill is terminated in accordance with the Investor Rights Agreement, First Mining shall not, alone or in concert with others, without the prior written consent of the Company: (a) acquire, agree to acquire or make any proposal to acquire, directly or indirectly, by purchase or otherwise, additional Common Shares or securities convertible into or exchangeable for Common Shares, or direct or indirect rights or options to acquire additional Common Shares; (b) make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote or seek to advise or influence any other person with respect to the voting of any Common Shares; (c) otherwise act to seek to control the management, Board or policies of the Company; (d) effect, seek, offer or propose any take-over bid, amalgamation, merger, arrangement, business combination, re-organization, restructuring, liquidation, disposition of a material portion of the assets or other extraordinary transaction by or with respect to the Company or any of its subsidiaries; (e) have any discussions or enter into any arrangements, understandings or agreements, whether written or oral, with, or advise, finance, aid, assist, encourage or act in concert with, any other Persons in connection with any of the foregoing; or (f) make any public announcement with respect to the foregoing, except as may be required by applicable law, regulatory authorities or stock exchanges, or take any action that might require the Company to announce the possibility of any of the foregoing (collectively, the “**Standstill**”).

Distribution

In addition, First Mining shall use commercially reasonable efforts to complete the Distribution no earlier than six months but no later than one year after the Closing Date 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. Following the Distribution, the Company will use commercially reasonable efforts to list the Consideration Warrants for trading on the TSX and the OTCQX in the U.S.

The TSX has not approved the listing of the Consideration Warrants and there is no assurance that the TSX will approve the listing of the Consideration Warrants.

Resale

Other than pursuant to the Distribution and subject to certain exceptions set forth in the Investor Rights Agreement, First Mining will agree not to dispose of greater than 20% of the Common Shares it owns within any 30 day period, without the consent of the Company.

Termination

The Investor Rights Agreement and substantially all the rights described above will terminate at such time as First Mining ceases to hold at least 5% of the issued and outstanding Common Shares.

This description of the Investor Rights Agreement is qualified in its entirety by reference to the Investor Rights Agreement Agreement substantially in the form attached Exhibit “C” to the Share Purchase Agreement, which has been filed by the Company on the Company’s profile on the SEDAR website at www.sedar.com.

Contingent Election of First Mining Nominees

Although this Circular contemplates the election of Directors to serve and hold office in connection with the Company’s annual director elections, the Company anticipates that, contingent upon closing of the Transaction, the Board will be reconstituted to be composed of three (3) First Mining Nominees and four (4) nominees of the Company. At the Meeting, Shareholders will be asked to consider and vote on the appointment to the Board of the three (3) First Mining Nominees set out in the table below, contingent on the closing of the Transaction.

The Company anticipates that, concurrently with closing of the Transaction, Greg Ferron and Doug Bache will resign from the Board. For greater certainty, upon closing of the Transaction, the Company anticipates that the Board will be reconstituted to consist of William Fisher, Marc Henderson, Flora Wood, Christophe Vereecke, Frazer Bouchier, David Whittle and Daniel W. Wilton, each of whom will hold office until the next annual and general meeting of Shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Company and in accordance with the Investor Rights Agreement.

The accompanying form of proxy provides for individual voting on the contingent appointment of the First Mining Nominees, rather than slate voting. In accordance with the Company’s majority voting policy, a First Mining Nominee who receives a majority of “withhold” votes must tender his or her resignation and the Board will generally accept that resignation, absent exceptional circumstances, and publicly announce its decision by news release.

Upon closing of the Transaction the Board intends to facilitate the appointment of the First Mining Nominees listed in the table below to the Board by fixing the number of directors at seven (7), through the exercise of the discretion granted to the Board under the Fixing Resolution.

The following table and the notes thereto state the names of the First Mining Nominees nominated for election as Directors contingent on the closing of the Transaction, their principal occupations or employment during the past five years, the period or periods of service as Directors and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed
Frazer Bouchier Aurora, Ontario	N/A	Mr. Bouchier is a registered Professional engineer with over 30 years of domestic and international experience in the mining industry. This has included a healthy mix of both open pit and underground mine environments; plant construction; operations during ramp-up, turnaround, and steady-state phases; and mine closures. This has involved both the precious metals and polymetallic minerals extraction business. His breadth of experience includes both operational field management and executive corporate oversight leadership. In addition to this strong combination of technical, site and corporate level experience underpinned with a skillset in strategic planning and enterprise risk management, his public company and inter-company Board Governance experience is further complemented by his McMaster University accredited Chartered Director Certification. Mr. Bouchier’s most recent executive role was as Chief Operating Officer of Detour Gold from January 2018 until June 2019. In that role, Frazer spearheaded the turn-around of the Detour mine operation, Ontario,	0

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed
		<p>prior to its sale to Kirkland Lake Gold. From 2012 to 2017, Mr. Bouchier held the role of Chief Operating Officer at Nevsun Resources where he provided leadership for the successful gold oxide mining operation and the development of the copper and zinc expansion projects at the Bisha open pit, Eritrea, with impressive first quartile safety metrics for 6 continuous years. He also led the technical due diligence for the highly successful Timok acquisition, in Serbia. Preceding this successful tenure, Frazer was an operational Executive at Wheaton Precious Metals (formerly Silver Wheaton). For the first 16 years of his career, he worked at Placer Dome (subsequently Barrick Gold) where he held positions of increasing responsibility including Mining Manager and General Manager at the Porgera open pit gold mine. Mr. Bouchier has a Bachelor's and Master's degrees in Applied Science and Engineering from the University of Toronto.</p>	
<p>David Whittle North Vancouver, British Columbia</p>	<p>N/A</p>	<p>Mr. Whittle is a Chartered Professional Accountant with over 25 years of senior executive experience in the mining industry, and has been responsible for strategic planning initiatives, operations and all aspects of corporate and financial management and administration. More recently, from 2004 to 2007, he was Chief Financial Officer of Hillsborough Resources Limited, and from 2007 through 2014 was both Chief Financial Officer and Company Ethics Officer of Alexco Resource Corp. Mr. Whittle has served as a director of a number of public companies over his career, primarily in the resource sector, with extensive experience on audit committees, compensation committees and special committees. With respect to his most recent directorships, he is currently on the board of Alio Gold Inc., where he has been a director since 2019 serving as Audit Committee Chair. He was also a director of Mountain Province Diamonds Inc. from 1997 to May 2020, for much of that time serving as Audit Committee Chair and Lead Outside Director. He served as Interim CEO of Mountain Province from June 2017 to May 2018, leading the company through a chief executive transition and the refinancing of its senior debt facility, then resuming his role as an independent director. Mr. Whittle holds a Bachelor of Commerce (Finance) from the University of British Columbia.</p>	<p>0</p>
<p>Daniel W. Wilton</p>	<p>N/A</p>	<p>Dan Wilton has over 25 years of experience in M&A, corporate finance and principal investing in the mining sector, having executed as principal or advised on more than \$10 billion of mergers, acquisitions and</p>	<p>0</p>

Name and Municipality of Residence	Director Since	Principal Occupation during the five preceding years	Common Shares Beneficially Owned, Controlled or Directed
North Vancouver, British Columbia		divestitures and more than \$1 billion of financings. Dan has been the CEO of First Mining Gold since January, 2019. Prior to joining First Mining, he was a Partner at Pacific Road Capital Management, a mining-focused private equity investment firm with approximately \$800 million under management. Dan's previous roles included Managing Director and Head of the Global Mining and Metals Group at National Bank Financial Inc., Managing Director in Business Development at General Electric based in London, England, and other corporate finance and M&A roles at global financial institutions based in Toronto and New York. He currently serves as Vice Chair of the Board of Directors and is Chair of the Audit and Finance Committee for Providence Health Care in Vancouver, Canada. Dan holds a B.Comm (First Class Honours) from Queen's University and an MBA (with Distinction) from INSEAD in France.	

To the best of the Company's knowledge, none of the First Mining Nominees:

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

To the best of the Company's knowledge, except as disclosed below, none of the First Mining Nominees:

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

To the best of the Company's knowledge, none of the above named First Mining Nominees has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties

or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The Board unanimously recommends that Shareholders vote FOR the above noted First Mining Nominees.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the election of the above-named First Mining Nominees, the persons named in the enclosed form of proxy intend to vote FOR the First Mining Nominees.

Management has no reason to believe that any of the First Mining Nominees will be unable to serve as a Director but, if a nominee is for any reason unavailable to serve as a Director, proxies in favour of management will be voted in favour of the remaining nominees and may be voted for a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares are to be withheld from voting in respect of the election of directors.

Common Share Consolidation

At the Meeting, Shareholders will be asked to consider and, if thought advisable, conditional upon the completion of the Transaction, approve a special resolution authorizing an amendment to the articles of the Company effecting the consolidation of the Common Shares a three (3) to one (1) basis the full text of which is set forth in Appendix “B” to this Circular (the “**Consolidation Resolution**”). No fractional post-Consolidation Common Shares will be issued and no cash will be paid in lieu of fractional post-Consolidation Common Shares. Any fractional interest in Common Shares resulting from the Consolidation will be rounded down to the nearest whole Common Share.

The Consolidation is subject to regulatory approval, including approval of the TSX. Assuming approval of the Consolidation is obtained from Shareholders and the TSX, the Consolidation Resolution provides that the Consolidation will take effect on a date to be determined by the Board in its sole discretion. It is anticipated that the Consolidation will take effect immediately following Closing. Trading of the post-Consolidation Common Shares on the TSX is expected to commence as soon as practicable following Closing. If the Consolidation Resolution is approved, no further action on the part of the Shareholders will be required in order for the Consolidation to become effective. In connection with the Consolidation, the Company may be required to obtain a new CUSIP or ISIN number for its Common Shares.

To be adopted, this special resolution is required to be passed by the affirmative vote of not less than 66 2/3% of the votes cast at the Meeting.

Unless a Shareholder directs that his or her Common Shares are to be withheld from voting in connection with the Consolidation Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Consolidation Resolution.

In the event the Transaction is not completed and notwithstanding the approval of the Consolidation by Shareholders, such resolution provides that the Board may, in its sole discretion, amend or revoke the Consolidation and abandon such proposed Consolidation without further approval or action by or prior notice to Shareholders.

Reasons for the Consolidation

The Board anticipates that it will be in the best interests of the Company to effect the Consolidation. The Consolidation will more closely align the issued and outstanding share capital of the Company with the financial value of the Company. The Board also believes that the Consolidation will make investing in the Common Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. If the Consolidation Resolution is approved by the Shareholders, the Consolidation will only be implemented, if at all, upon a determination by the Board that it is in the best interest of the Company and its Shareholders at that time.

Share Certificates

If the Consolidation Resolution is approved by the Shareholders and implemented by the Board, registered Shareholders will be required to exchange their Common Share certificates representing pre-Consolidation Common Shares for new Common Share certificates representing post-Consolidation Common Shares. A letter of transmittal that contains instructions on how to surrender Common Share certificate(s) representing pre-Consolidation Common Shares to the Transfer Agent is enclosed with this Circular and can also be found on the Company's website at <https://treasurymetals.com/investors/annual-and-special-meeting-of-shareholders/>. The Transfer Agent will forward to each registered Shareholder who has sent the required documents a new Common Share certificate representing the number of post-Consolidation Common Shares to which the registered Shareholder is entitled. Until surrendered, each Common Share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the number of whole post-Consolidation Common Shares to which the holder is entitled as a result of the Consolidation. Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) until requested to do so. The method of delivery of certificates representing Common Shares and the letter of transmittal and all other required documents will be at the option and risk of the person surrendering such certificates and documents. It is recommended that Common Share certificates and all other documents required in connection with the Consolidation be delivered, to the extent possible, by hand to the Transfer Agent, at the address noted in the letter of transmittal and a receipt obtained therefor, or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained.

No new Common Share certificates will be issued to a Shareholder until such Shareholder has surrendered the corresponding "old" Common Share certificates, together with a properly completed and executed letter of transmittal, to the Transfer Agent. Consequently, following the Consolidation, Shareholders will need to surrender their old Common Share certificates before they will be able to sell or transfer their Common Shares. If an old Common Share certificate has any restrictive legends on the back thereof, the new Common Share certificate will be issued with the same restrictive legends, if any, that are on back of old Common Share certificate.

If the Consolidation is implemented by the Board, intermediaries will be instructed to effect the Consolidation for Beneficial Shareholders holding Common Shares indirectly. However, such intermediaries may have different procedures than registered Shareholders for processing the Consolidation. If you are a Beneficial Shareholder and have any questions in this regard, the Company encourages you to contact your intermediary.

Other Matters Which May Come Before the Meeting

The Company management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this circular, a Named Executive Officer ("NEO") of the Company means each of the following individuals:

- (a) the chief executive officer ("CEO") of the Company;
- (b) the chief financial officer ("CFO") of the Company;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and

- (d) each individual who would be a NEO under any of the paragraphs above but for the fact that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of that financial year.

During 2019, the Company had the following NEOs: Greg Ferron, CEO, Dennis Gibson, CFO, and Mark Wheeler, Director, Projects.

Compensation Discussion and Analysis

The Compensation Committee of the Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Company's executive officers. The Compensation Committee ensures that the compensation paid to the NEOs is fair and reasonable and is consistent with the Company's compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options as a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long-term performance.

The Company's compensation philosophy is based on the following fundamental principles:

- Compensation programs align with shareholder interests – the Company aligns the goals of executives with maximizing long-term shareholder value;
- Performance sensitive – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
- Offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating the NEOs were developed based on the above-mentioned compensation philosophy and are, as follows:

- to attract and retain highly qualified executive officers;
- to align the interests of executive officers with shareholders' interests and with the execution of the Company's business strategy;
- to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

The Compensation Committee reviews data related to compensation levels and programs of various companies that are similar in size to the Company and operate within the mining exploration and development industry, prior to making its decisions. These companies are used as the Company's primary peer group because they have similar business characteristics or because they compete with the Company for employees and investors. The Compensation Committee also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Company in assessing compensation levels. These other companies are identified under the heading "*Statement of Corporate Governance Practices – Directorships*".

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;

- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for the Compensation Committee's approval.

Elements of Compensation

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2019 financial year, the three basic components of the executive compensation program were:

- fixed salary;
- annual incentives (cash bonus); and
- stock option-based compensation.

Fixed salary comprises a portion of the total cash-based compensation; however, annual incentives and stock option-based compensation represent compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) market performance of the Common Shares. To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each performance target and the Company's performance and assigns compensation based on this assessment and the recommendations of the Compensation Committee.

Fixed Salary

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants. The Company's policy for determining salary for executive officers is consistent with the administration of salaries for all other employees.

Annual Incentives

The Company is not currently awarding any annual incentives by way of cash bonuses. However, the Company, in its discretion, may award such incentives in order to motivate executives to achieve short-term corporate goals. The Compensation Committee and the Board approve annual incentives. The success of NEOs in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Compensation Committee assesses each NEO's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. This assessment is used by the Compensation Committee in developing its recommendations to the Board with respect to the determination of annual bonuses for the NEOs. Where the Compensation Committee cannot unanimously agree, the matter is referred to the full Board for decision. The Board relies heavily on the recommendations of the Compensation Committee in granting annual incentives.

Stock Option-based Compensation

The stock option plan of the Company (the “**Stock Option Plan**”) was first approved by Shareholders on June 10, 2009. The shareholders most recently ratified, confirmed and approved the Stock Option Plan (as amended and restated to that date) and the unallocated entitlements thereunder at the annual general and special meeting of shareholders held on June 13, 2018. The purpose of the Stock Option Plan is to encourage Common Share ownership by directors, senior officers, employees and consultants of the Company and any affiliates and other designated persons. The Stock Option Plan is intended to align the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Common Shares. Stock options may be granted under the Stock Option Plan only to directors, senior officers, employees and consultants of the Company and its

subsidiaries and other designated persons as designated from time to time by the Board. In order to determine the amount of stock options to be granted under the Stock Option Plan, the Compensation Committee considers: (a) the performance of the Company; (b) the performance of the potential stock option recipient; (c) the parameters of the Stock Option Plan; (d) the policies of the TSX; and (e) previous stock option grants. Giving consideration to these factors, the Compensation Committee makes its recommendation respecting stock option grants to the Board. The Board then takes these recommendations into consideration when making its final decisions.

The number of Common Shares which may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares as at the date of the grant of options. The maximum number of Common Shares which may be reserved for issuance to all insiders of the Company under the Stock Option Plan is 10% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis). Any Common Shares subject to an option which is exercised, or for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option exercise price cannot be less than the market price of the Common Shares on the day immediately preceding the day upon which the option is granted, less any discount permitted by the TSX Manual. When stock options are granted, the exercise price of such stock options is set at the market price of the Common Shares on the TSX on preceding the day when the relevant stock options are granted. Stock options granted under the Stock Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries or ceasing to have a designated relationship with the Company, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. The options are non-transferable by any optionee other than pursuant to a will or by the laws of descent and distribution. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, or a merger or other relevant changes in the Company's capitalization. The Board determines when stock options will be granted pursuant to the Stock Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The timing of vesting of stock options varies depending on the specific grant. The Stock Option Plan does not contain any provision for financial assistance by the Company in respect of options granted thereunder.

Subject to Shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. If required, any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the TSX. In addition, the Board may make non-material amendments to the plan. The Board shall have the power and authority to approve amendments relating to the Stock Option Plan or to stock options, without further approval of the Shareholders, to the extent that such amendments relate to:

- (a) altering, extending or accelerating the terms and conditions of vesting of any stock options;
- (b) determining adjustments pursuant to changes in control;
- (c) amending the definitions contained within the Stock Option Plan, including but not limited to the definition of "Eligible Person" under the Stock Option Plan except as provided in amendments requiring Shareholder approval;
- (d) amending or modifying the mechanics of exercise of the stock options;
- (e) amending the terms and conditions of any financial assistance which may be provided by the Company to optionees to facilitate the purchase of Common Shares under the Stock Option Plan, or adding, amending or removing any provisions for such financial assistance;
- (f) effecting amendments of a "housekeeping" nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error, inconsistency or omission in or from the Stock Option Plan;
- (g) effecting amendments necessary to comply with the provisions of applicable laws (including, without limitation, the rules, regulations and policies of the TSX);

- (h) effecting amendments respecting the administration of the Stock Option Plan; and
- (i) effecting amendments necessary to suspend or terminate the Stock Option Plan.

Approval of Shareholders shall be required for the following types of amendments:

- (a) subject to the prior approval of the TSX, increasing the number of Common Shares issuable under the Stock Option Plan, provided that such increase may not cause the maximum aggregate number of Common Shares reserved by the Company for issuance, and which may be purchased upon the exercise of all options, to exceed 10 per cent of the issued and outstanding Common Shares of the Company;
- (b) amending the Stock Option Plan which amendment could result in the aggregate number of Common Shares issued to insiders of the Company within any one year period under the Stock Option Plan together with any other security-based compensation arrangement, or issuable to insiders of the Company at any time under the Stock Option Plan together with any other security-based compensation arrangement, exceeding 10% of the issued and outstanding Common Shares;
- (c) reducing the stock option exercise price of the stock option or cancelling the stock option and replacing such stock option with a lower stock option exercise price under such replacement stock option, except as permitted pursuant to changes in control;
- (d) amending the termination provisions of an stock option, including an extension of the term beyond the originally scheduled expiration date of that stock option;
- (e) amending the listed categories contained as defined as an “Eligible Person”, including any director, officer, employee (part-time or full-time), service provider or consultant of the Company or any subsidiary, which would have the potential of broadening or increasing participation in the Stock Option Plan by insiders of the Company;
- (f) amending the Stock Option Plan’s amendment procedure with respect to those amendments which can be made by the Board and those requiring shareholder approval;
- (g) amending the provisions of the transfer of ownership of options or Common Shares of the Company; and
- (h) making any amendments required to be approved by Shareholders under applicable law (including, without limitation, pursuant to the rules, regulations and policies of the TSX).

Where required by the policies of the TSX, the abovementioned Shareholder approval required shall be by the majority vote of Shareholders excluding any votes cast by insiders of the Company who are entitled to participate as Eligible Persons under the Stock Option Plan or who will specifically benefit from the proposed amendment. In the event of any conflict between what is to be approved by either the Board or the Shareholders, the latter shall prevail to the extent of the conflict.

Subject to Shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time.

Compensation and Measurements of Performance

The Board approves targeted amounts of annual incentives for each NEO at the beginning of each financial year. The targeted amounts are determined by the Compensation Committee based on a number of factors, including comparable compensation of similar companies.

Achievement of predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the NEO. The NEO will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee’s and the Board’s assessment of overall performance. The determination as to whether a

target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

Risks Associated with Compensation Policies and Practices

As of the date of this Circular, the Board had not considered the implications of any risks associated with policies and practices regarding compensation of its executive officers. However, compensation paid to the NEOs has generally ranked below industry benchmarks, and annual incentive bonuses are withheld in years when shareholder returns suffer, including the year ended December 31, 2019.

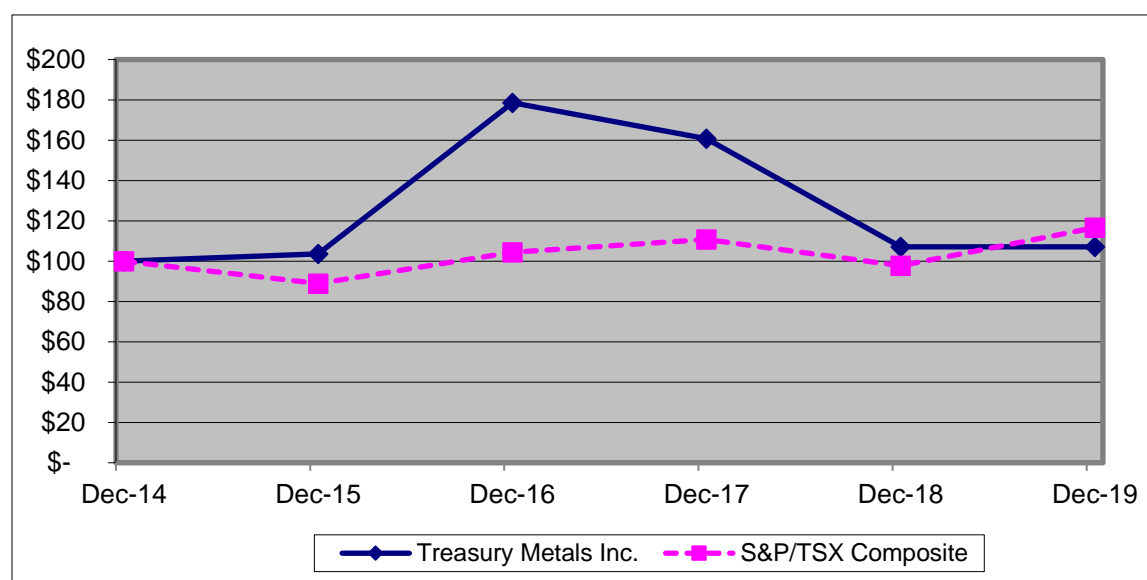
Financial Instruments

The Company has not, to date, adopted a policy restricting its NEOs and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by NEOs or directors. As of the date of this Circular, entitlement to grants of incentive options under the Stock Option Plan is the only equity-based security element awarded to NEOs and directors.

Performance Graph

The following graph compares the cumulative shareholder return on a \$100 investment in Common Shares to the cumulative shareholder return of the S&P/TSX Composite Index, on a monthly basis for the five years ended December 31, 2019.

Cumulative Total Return on \$100 Investment (Cdn.\$)



	Dec. 2015	Dec. 2016	Dec. 2017	Dec. 2018	Dec. 2019
Treasury Metals Inc.	104.00	179.00	161.00	107.00	107.00
S&P/TSX Composite Index	88.91	104.48	110.78	97.75	116.61

As noted above, the Compensation Committee considers a number of factors and performance elements when determining compensation for the NEOs. Although the Company's total shareholder return is one performance

measure that is reviewed, it is not the only consideration in executive compensation deliberations. As a result, a direct correlation between total shareholder return over a given period and executive compensation levels is not anticipated.

Burn Rate

The Burn Rate is calculated as the number of stock options granted in the year as a percentage of the weighted average number of Common Shares outstanding during the year. The Burn Rate for the Company for the years 2019, 2018 and 2017 are 3.1%, 3.7%, and 0.7%, respectively.

The number of stock options issued and outstanding as at December 31, 2019 is 9,675,000 and there are an additional 7,297,893 available to be granted under the Stock Option Plan.

Summary Compensation Table

The following table contains a summary of the compensation paid to the NEOs of the Company during the three most recently completed financial years.

NEO Name and Principal Position	Year	Salary (\$)	Share - based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Greg Ferron, CEO ⁽¹⁾	2017	118,933	Nil	43,201	Nil	Nil	Nil	Nil	162,134
	2018	164,566	Nil	56,000	Nil	Nil	Nil	Nil	220,566
	2019	267,500	Nil	68,400	Nil	Nil	Nil	Nil	335,900
Dennis Gibson, CFO	2017	90,625	Nil	Nil	Nil	Nil	Nil	Nil	90,625
	2018	104,167	Nil	36,000	Nil	Nil	Nil	Nil	140,167
	2019	126,042	Nil	42,750	Nil	Nil	Nil	Nil	168,792
Mark Wheeler, Director, Projects	2017	140,583	Nil	Nil	Nil	Nil	Nil	Nil	140,583
	2018	147,000	Nil	22,000	Nil	Nil	Nil	Nil	169,000
	2019	181,375	Nil	34,200	Nil	Nil	Nil	Nil	215,575
Chris Stewart, former president and CEO ⁽²⁾	2017	360,000	Nil	Nil	Nil	Nil	Nil	Nil	360,000
	2018	299,400	Nil	Nil	Nil	Nil	Nil	Nil	299,400
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert MacDonald, former Vice President Goliath Gold Project ⁽³⁾	2017	102,740	Nil	100,807	Nil	Nil	Nil	Nil	230,547
	2018	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The Company appointed Mr. Greg Ferron to the position of Interim Chief Executive Officer effective August 4, 2018, and subsequently was appointed CEO in August 2019. Prior to this appointment, Mr. Ferron was the Vice President Corporate Development.
- (2) The Company appointed Mr. Chris Stewart the President and Chief Executive Officer effective December 5, 2016. He resigned effective August 4, 2018.
- (3) The Company appointed Mr. Robert MacDonald the Vice President Goliath Gold Project effective June 26, 2017. He resigned effective September 30, 2018.

In the column titled Option-based awards, the Company has calculated the “grant date fair value” amounts using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. The Company chose this methodology because it is recognized as the most common methodology used for valuing options and doing value comparisons.

Calculating the value of stock options using this methodology is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing “grant date fair value” amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the Total Compensation amounts in last column above, which are based in part on the grant date fair value amounts set out in Option-based awards column above.

Incentive Plan Awards

Outstanding Option-Based and Share-based Awards

The following table sets out for each NEO, the incentive stock options (option-based awards) and share-based awards outstanding as at December 31, 2019. These incentive stock options vest 50% every six months from the date of grant. The closing price of the Common Shares on the TSX on December 31, 2019 was \$0.30.

Name	Option-based Awards ⁽¹⁾				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Greg Ferron	150,000	0.62	06/29/20	Nil	Nil	Nil	Nil
	700,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	600,000	0.30	12/19/22	Nil	Nil	Nil	Nil
Dennis Gibson	450,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	375,000	0.30	12/19/22	Nil	Nil	Nil	Nil
Mark Wheeler	275,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	300,000	0.30	12/19/22	Nil	Nil	Nil	Nil

Note:

- (1) The Company has in place a “rolling” Stock Option Plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued Common Shares at the time of grant. As at the date hereof, a maximum of 16,972,893 Common Shares may be reserved for issuance pursuant to the Stock Option Plan and 9,675,000 have been reserved for stock options granted and outstanding to date.
- (2) Calculated using the closing price of the Common Shares on the TSX on December 31, 2019 of \$0.30 and subtracting the exercise price of vested, in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Greg Ferron	Nil	Nil	Nil
Dennis Gibson	Nil	Nil	Nil
Mark Wheeler	Nil	Nil	Nil

Nil value would have been realized upon exercise of option-based awards, share-based awards or non-equity incentive plan compensation to NEOs on the vesting date during the fiscal year ended December 31, 2019.

Employment Agreements

During the fiscal year ended December 31, 2019, the Company had in place the following employment contracts between the Company or any subsidiary or affiliate thereof and its NEOs:

Greg Ferron

Pursuant to an employment agreement effective as of August 13, 2019, the Company engaged the services of Greg Ferron as Chief Executive Officer of the Company at a salary of \$250,000 per year. Mr. Ferron is also eligible to participate in the Stock Option Plan. Mr. Ferron is entitled to short-term incentive performance bonus, and milestone bonus, with criteria established by the Board. Termination payment and other conditions under his position are consistent with the terms of his contract in his former position as Vice President Corporate Development of the Company. Had a change of control occurred or had Mr. Ferron been terminated as at December 31, 2019, Mr. Ferron would have been entitled to \$330,000. In the event Mr. Ferron's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Ferron will be entitled to receive a lump sum amount equal to 18 months of his then current base salary. In addition, any unvested stock options held by Mr. Ferron will vest upon termination of employment without cause or upon a change of control and be exercisable on the terms granted; any provisions of the Stock Option Plan restricting the number of option shares which may be purchased before a particular date will be waived.

Dennis Gibson

Pursuant to an employment agreement effective as of October 15, 2013, the Company engaged the services of Dennis Gibson as Chief Financial Officer of the Company at a salary of \$87,500 per year, which was increased to \$100,000 per year effective September 1, 2017, and to \$125,000 per year effective December 16, 2018. Mr. Gibson is to devote approximately 50% of his time to the affairs of the Company. Mr. Gibson is also eligible to participate in the Stock Option Plan and may receive an annual bonus at the discretion of the Board. In the event Mr. Gibson's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Gibson will be entitled to receive a lump sum amount equal to ten months of his then current base salary plus an amount equal to one month's base salary for every year (or partial year) of service to a maximum of eighteen months. For purposes of this calculation, the first year of employment commenced on March 27, 2006, consistent with the first date of employment by Laramide Resources Ltd. Up to October 15, 2013, at which time Mr. Gibson became an employee of Treasury Metals, Treasury Metals reimbursed Laramide Resources for his services. In addition, any unvested stock options held by Mr. Gibson will vest upon termination of employment without cause or upon a change of control and be exercisable on the terms granted; any provisions of the Stock Option Plan restricting the number of option shares which may be purchased before a particular date will be waived. Had a change of control occurred or had Mr. Gibson been terminated as at December 31, 2019, Mr. Gibson would have been entitled to \$187,500.

Mark Wheeler

Pursuant to an employment agreement effective as of March 1, 2012, the Company engaged the services of Mark Wheeler as Senior Mining Engineer of the Company, and subsequently Director, Projects, on Feb. 4, 2015, with salary \$180,000, effective December 16, 2018. Pursuant to this agreement, Mr. Wheeler is to devote substantially all his time to the business and affairs of the Company. Mr. Wheeler is also eligible to participate in the Stock Option Plan and may receive incentive share options and an annual bonus as determined by the Board or the Compensation Committee and in accordance with the Stock Option Plan. In the event Mr. Wheeler's employment is terminated without cause or upon the occurrence of a change of control of the Company, Mr. Wheeler will be entitled to an amount equal to ten months of his then current base salary plus an amount equal to one month's base salary for every year (or partial year) of service to a maximum of eighteen months. In addition, any unvested stock options held by Mr. Wheeler will vest upon termination of employment without cause or upon change of control and will be exercisable on the terms granted; any provisions of the Stock Option Plan restricting the number of option shares which may be purchased before a particular date will be waived.

Pension Plan Benefits

There are no pension plan benefits in place for the NEOs.

Termination and Change of Control Benefits

Compensation plans with NEOs resulting from the termination of employment of such person or a change in control of the Company are described above in "Employment Agreements".

Director Compensation

The following table describes director compensation for non-executive directors for the year ended December 31, 2019.

Name	Fees earned (\$)	Option-based awards (\$)	All other compensation (\$)	Total compensation (\$)
Doug Bache	26,000	31,350	Nil	57,350
William Fisher	16,000	31,350	Nil	47,350
Marc Henderson	36,000	39,900	Nil	75,900
Christophe Vereecke	22,000	48,450	Nil	70,450
Flora Wood	21,000	31,350	Nil	52,350

Notes:

(1) As a non-independent director, Greg Ferron did not receive director compensation. Compensation received by Greg Ferron as CEO of the Company is disclosed under the heading "Statement of Executive Compensation – Summary Compensation Table"

The directors of the Company are compensated based on a retainer of \$15,000 per year plus committee retainers of \$4,000 per year for each committee on which they serve. In addition, the Chairman of the Audit Committee receives an additional fee of \$6,000 per year and the Chairman of the Compensation Committee receives an additional fee of \$1,000 per year. In October 2013, the Board agreed that the mandate of the Compensation Committee should be expanded to include the role of a Governance Committee and that going forward the fees for this combined committee shall be based on a per meeting fee of \$1,000 rather than on a retainer basis. The expanded role of a Governance Committee was created with the mandate of setting and implementing governance policy, and ensuring that the Board continues to serve the Company as its stage of development matures. Effective May 1, 2015, the Chairman also receives an additional remuneration as Chairman of \$20,000 per annum. Effective, August 2017, the Board established a Corporate Governance and Nominating Committee.

Option-Based and Share-Based Awards to Directors

The following table sets out for each independent director the incentive stock options (option-based awards) and share-based awards outstanding as of December 31, 2019. These incentive stock options vest 50% every six months from the date of grant, with the exception of options granted July 2016 which fully vested at the time of grant. The closing price of the Common Shares on the TSX on December 31, 2019 was \$0.30.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Doug Bache	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	275,000	0.30	12/19/22	Nil	Nil	Nil	Nil
William Fisher	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	275,000	0.30	12/19/22	Nil	Nil	Nil	Nil
Marc Henderson	500,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	350,000	0.30	12/19/22	Nil	Nil	Nil	Nil
Christophe Vereecke	225,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	425,000	0.30	12/19/22	Nil	Nil	Nil	Nil
Flora Wood	375,000	0.40	09/18/20	Nil	Nil	Nil	Nil
	275,000	0.30	12/19/22	Nil	Nil	Nil	Nil

Notes:

(1) As a non-independent director, Greg Ferron did not receive director compensation. Option-based and share-based awards received by Greg Ferron are disclosed under the heading "Statement of Executive Compensation – Incentive Plan Awards – Outstanding Option-Based and Share-Based Awards"

Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Doug Bache	Nil	N/A	N/A
William Fisher	Nil	N/A	N/A
Marc Henderson	Nil	N/A	N/A
Christophe Vereecke	Nil	N/A	N/A
Flora Wood	Nil	N/A	N/A

Notes:

(1) As a non-independent director, Greg Ferron did not receive director compensation. The value of vested or earned option-based and share-based awards received by Greg Ferron is disclosed under the heading "Statement of Executive Compensation – Incentive Plan Awards – Value Vested or Earned During the Year".

Securities Authorized for Issuance under Equity Compensation Arrangements

The following table sets forth certain details as at the end of the fiscal year ended December 31, 2019 with respect to compensation plans pursuant to which equity securities of the Company were authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options and rights	Weighted-average exercise price of outstanding options and rights	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders ⁽¹⁾	9,675,000	\$0.36	7,297,893
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	9,675,000	\$0.36	7,297,893

Note:

(1) The Stock Option Plan provides that the number of Common Shares issuable pursuant to the Stock Option Plan shall be equal to 10% of the issued and outstanding Common Shares.

INSURANCE AND INDEMNIFICATION

Liability insurance is maintained for the Directors of the Company. The current policy of insurance is in effect until September 15, 2020, and the premium of \$24,500 (covering the annual period from September 15, 2019 to September 15, 2020) has been paid by the Company. The aggregate insurance coverage obtained under the policy is limited to \$5,000,000. Under the policy, there is no deductible for individual Directors. However, a deductible of \$50,000 must be absorbed by the Company. No claims have been made or paid under such policy.

The Company has entered into indemnity agreements with each of its Directors, which provide for the indemnification of such individuals from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties as a Director for the Company, subject to certain customary limits. As of the date of this Circular, no claims for indemnification have been made.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2019, indebted to the Company in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the election of directors and the appointment of auditors, no person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any associate of any such director or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director, director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the financial year ended December 31, 2019 or has a material interest, direct or indirect, in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

During the financial year ended December 31, 2019, no management functions of the Company were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is seeking out and exploring mineral bearing deposits with the intention of developing and mining the deposit or proving the feasibility of mining the deposit for others.

NI 58-101 requires the Company to disclose its corporate governance practices by providing in the Circular the disclosure required by Form 58-101F1. NP 58-201 established corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company and the size of its staff progresses and becomes more active in operations.

NI 58-101 requires that the issuer disclose whether or not the issuer has adopted term limits for the board of directors or other mechanisms of board renewal. Each director (if elected) of the Company serves until the next annual and general meeting of Shareholders or until his or her successor is duly elected or appointed. The Board does not currently have a limit on the number of consecutive terms for which a director may sit. The Board expects appropriate levels of turnover through normal processes in the future. Rather than instituting a policy of defining fixed terms or mandatory retirement for directors, the Board will continue ongoing reviews of performance of the Board as a whole, as well as individual performance".

Board

Five (5) of the six (6) members of the Board are considered independent; Greg Ferron is not considered independent because he is CEO of the Company. NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of 5 independent directors. In making the foregoing determinations with respect to the independence of the Company's individual directors, the circumstances of each director have been examined in relation to a number of factors, including a review of the resumes of the directors and the corporate relationships and other directorships held by each of them and their prior involvement (if any) with management of the Company.

The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company's external auditors, legal counsel and to any of the Company's officers. Marc Henderson is the Chair of the Board and is considered independent of the Company. The primary roles and responsibilities of the Chair of the Board include: (a) Chairing Board and shareholder meetings; (b) attending meetings of the committees of the Board if convenient; (c) planning and organizing Board activities including Board meeting agendas; and (d) serving as the Board's spokesperson with the President and Chief Executive Officer.

Board Diversity Policy

In 2014, amendments to NI 58-101 were adopted requiring new disclosure of the representation of women on the Board and in executive officer positions. As at the date of this Circular, one of the Company's six directors is a woman (16.7%), and none (0%) of the executive officers of the Company is a woman.

The Company recognizes the benefits of having a diverse Board, and to date has sought to increase diversity at the Board level informally through the recruitment efforts of the Corporate Governance and Nominating Committee, without a written diversity policy in place. Due to the current limited size of the Board, the Board does not consider it necessary to have a gender diversity policy, but will consider adopting a policy in the future. Furthermore, the Company has not set any objectives for achieving gender diversity. Should a gender diversity policy be considered appropriate for the Company in the future due to increases in the size of the organization, the policy will specifically deal with the objectives for achieving diversity. In order to further its objectives in this regard, the Company is investigating the possibility of adopting a written diversity policy with the objective of increasing diversity at the Board level, with particular emphasis on gender diversity. The Board remains receptive to increasing the representation of women on the Board, taking into account the skills, background, experience and knowledge desired at that particular time by the Board and its committees.

The Company does not support the adoption of quotas or targets regarding gender representation on the Board or in executive officer positions. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board as a whole requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board). With respect to executive officer appointments, the Company recruits, manages and promotes on the basis of an individual's competence, qualification, experience and performance, also with due regard for the benefits of diversity (including the level of representation of women in executive officer positions).

Roles and Responsibilities of the Board

The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management. A significant portion of each regular Board meeting is devoted to strategic plans and opportunities available to the Company. Such discussions enable Directors to gain a fuller appreciation of planning priorities and provide the opportunity for directors to give constructive feedback to management.

In order to ensure that the principal business risks borne by the Company are appropriate, the Board receives and comments on periodic reports from management as to the Company's assessment and management of such risks. The Board considers risk issues and approves corporate policies addressing the management of risk. The Board also reviews the methods and procedures established by management with respect to the control of key risks.

The Board regularly monitors the financial performance of the Company, including receiving and reviewing detailed financial information contained in management reports. The Board, directly and through the Audit Committee, assesses the integrity of the Company's internal control and management information systems.

The Board receives reports regarding the training and monitoring of senior management of the Company and any subsidiaries. Input is received at meetings of the Audit Committee, the Compensation Committee and the Board regarding the performance of senior management. Both the Compensation Committee and the Board have specifically assumed responsibility for reviewing the performance of senior management.

Meetings of the Board of Directors

The independent directors of the Company do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, in order to facilitate open and candid discussion among the independent directors, the independent directors do hold in camera sessions at Board meetings, where the non-independent members and any management participants are asked to recuse themselves from the meeting. In addition, independent directors have met with each other informally or by phone to discuss specific Company initiatives. In the future, independent directors may also consider holding regularly scheduled meetings at which non-independent directors and members of management are not in attendance.

Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish ad hoc committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such ad hoc committee provides leadership for such committee. If determined necessary or appropriate, at the end of or during each meeting of the Board or a committee of the Board, the members of management of the Company and the

non-independent directors of the Company who are present at such meeting leave the meeting in order for the independent directors to meet. In addition, other meetings of the independent directors may be held from time to time if required. No separate meetings of the independent directors have been held since the beginning of the Company's most recently completed financial year, other than by conference call.

The attendance record of each director at all Board meetings held since the beginning of the Company's financial year ended December 31, 2019 is as follows:

Director	Board Meetings Attended/Board Meetings Held	Audit Committee Meetings Attended / Audit Committee Meetings Held	Compensation Committee Meetings Attended / Compensation Committee Meetings Held	Corporate Governance & Nominating Committee Meetings Attended / Corporate Governance & Nominating Committee Meetings Held
Doug Bache	5/5	4/4	N/A	1/1
Greg Ferron ¹	3/3	N/A	N/A	N/A
William Fisher	5/5	N/A	1/1	N/A
Marc Henderson	5/5	N/A	1/1	N/A
Christophe Vereecke	5/5	4/4	1/1	1/1
Flora Wood	5/5	4/4	N/A	1/1

Note:

(1) Greg Ferron was appointed to the Board effective August 14, 2019, and attended all Board meetings following his appointment.

Directorships

Four of the six nominated directors of the Company sit on other boards besides the Company's.

Director	Reporting Issuer (or equivalent)
Doug Bache	Marathon Gold Corporation, PharmaCielo Ltd.
Greg Ferron	None
William Fisher	Horizonte Minerals Plc, GoldQuest Mining Corp.
Marc Henderson	Laramide Resources Ltd., Cypherpunk Holdings Inc.
Christophe Vereecke	None
Flora Wood	AbraPlata Resource Corp.

Two of the three contingently nominated directors of First Mining sit on other boards besides the Company's. As of the date of this Circular, five of the seven persons that the Company anticipates will constitute the Board following the closing of the Transaction sit on other boards besides the Company's.

Director	Reporting Issuer (or equivalent)
William Fisher	Horizonte Minerals Plc, GoldQuest Mining Corp.
Marc Henderson	Laramide Resources Ltd., Cypherpunk Holdings Inc.
Christophe Vereecke	None.
Flora Wood	AbraPlata Resource Corp.
Frazer Bouchier	None.
David Whittle	Alio Gold Inc.
Daniel W. Wilton	First Mining Gold Corp., South Star Mining Corp., Providence Health Care

Position Descriptions

Given the small size of the Company's infrastructure, the Board does not feel that it is necessary at this time to formalize position descriptions for the Chairman of each committee of the Board, or the President and Chief Executive Officer in order to delineate their respective responsibilities. Accordingly, the roles of the Chairman of each committee of the Board and the executive officers of the Company are delineated on the basis of the customary practice.

Orientation and Continuing Education

The Board does not have a formal orientation or education program for its new members or members on an ongoing basis. The Board's continuing education is typically derived from correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "Code") applicable to all directors, officers and employees of the Company. The Code addresses issues such as the following:

- (a) conflicts of interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) fair dealing with the Company's customers, suppliers, subcontractors and competitors;
- (d) compliance with laws, rules and regulations; and
- (e) reporting of any illegal or unethical behavior.

A copy of the Code is available for review at www.sedar.com. The directors of the Company are responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

There has not been any material change reports filed since the beginning of the Company's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Directors recuse themselves from discussions where they have a conflict of interest or may be perceived to have a conflict of interest. The Chair may also request that a director recuse himself or abstain from voting on an issue if the Chair feels that there may be a conflict.

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee currently consists of Doug Bache, Christophe Vereecke and Flora Wood, each considered an independent director.

The Corporate Governance and Nomination Committee identifies, interviews, and makes recommendations to the Board respecting new Board members. The nominees are generally the result of recruitment efforts by the members of the Corporate Governance and Nomination Committee and the Board including both formal and informal discussions among the Corporate Governance and Nomination Committee members, Board members, and management.

Compensation Committee

The Compensation Committee currently consists of William Fisher, Marc Henderson and Christophe Vereecke, and each is considered an independent director.

The Compensation Committee assists the Board in settling compensation of directors and senior executives, and developing and submitting to the Board recommendations with regard to other employee benefits. The

Compensation Committee reviews on an annual basis the adequacy and form of compensation of the senior executives and directors to ensure that such compensation reflects the responsibilities, time commitment and risk involved in being an effective executive officer or director, as applicable. For an overview of the relevant experience of each member of the Compensation Committee, refer to their respective biographies under the heading “*Particulars of Matters to be Acted Upon – Election of Directors*”.

Audit Committee

Further information regarding the Audit Committee is contained in the Company’s AIF, under the heading “Audit Committee Information” and a copy of the Audit Committee charter is attached to the AIF as Schedule “C”. The AIF is available under the Company’s profile at www.sedar.com.

The Audit Committee consists of Doug Bache (Chair), Christophe Vereecke and Flora Wood, each of whom is considered an independent director. All three members of the Audit Committee are financially literate, given their prior and current experience as officers or directors of other public company issuers, and/or their professional experience in financial services and investing. Relevant education and experience of each Audit Committee member may be found in section 11.2 “Composition of the Audit Committee” of the AIF.

The Audit Committee operates under guidelines established by NI 52-110. In addition to carrying out its statutory legal responsibilities (including review of the Company’s annual financial statements), the Audit Committee reviews accounting policies and issues and all financial reporting, including interim financial statements and the Company’s annual and interim management’s discussion and analysis. The Audit Committee meets with the Company’s external auditors (with and without management) and with members of management at least once a year to assist it in the effective discharge of its duties. The Audit Committee also recommends to the Board the firm to be appointed as the Company’s auditor and the terms of its remuneration. Information with respect to external auditor service fees may be found in section 11.4 “Audit Fees” of the AIF. Information with respect to pre-approval policies and procedures is contained in section 11.3 “Pre-Approval Policies and Procedures” of the AIF.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors and committees. This includes reviewing the Board’s decision-making processes and the quality of information provided by management, as well as:

- overseeing strategic planning;
- monitoring the performance of the Company’s assets;
- evaluating the principal risks and opportunities associated with the Company’s business and overseeing the implementation of appropriate systems to manage these risks;
- approving specific acquisitions and divestitures;
- evaluating senior management; and
- overseeing the Company’s internal control and management information systems.

Monitoring and assessing effectiveness occurs on a semi regular basis, at meetings of the Board as well as via informal discussion amongst Board members.

SCIENTIFIC AND TECHNICAL DISCLOSURE

With respect to technical information relating to the Goldlund Property contained in this Circular or in a document incorporated by reference herein, the following is a list of persons or companies named as having prepared or certified a statement, report or valuation and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- Todd McCracken, P.Geo of WSP prepared the technical report entitled “*Technical Report and Resource Estimation Update, Goldlund Gold Project, Sioux Lookout, ON*” dated April 1, 2019 and effective March 15,

2019.

LEGAL MATTERS

Certain legal matters in connection with the Transaction as they pertain to the Company and its affiliates will be passed upon by McMillan LLP. Certain legal matters in connection with the Transaction as they pertain to the Special Committee will be passed upon by Dentons Canada LLP. Certain legal matters in connection with the Transaction as they pertain to First Mining and its affiliates will be passed upon by Blake, Cassels & Graydon LLP.

RISK FACTORS

Risk Factors Relating to the Transaction

There can be no certainty that all conditions to the Transaction will be satisfied. Failure to complete the Transaction could negatively impact the price of the Common Shares or otherwise adversely affect the business of the Company.

Each of the Company and First Mining has the right to terminate the Share Purchase Agreement in certain circumstances. Accordingly, there can be no certainty, nor can the Company provide any assurance, that the Share Purchase Agreement will not be terminated by either the Company or First Mining before the completion of the Transaction. In addition, the completion of the Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Company and First Mining, including Shareholders approving the Transaction Resolutions and TSX approval. There can be no certainty, nor can the Company provide any assurance, that these conditions will be satisfied. If for any reason the Transaction is not completed, the market price of Common Shares may be adversely affected. Certain costs related to the Transaction, such as legal, accounting and certain financial advisor fees, must be paid by the Company even if the Transaction is not completed.

The Company has agreed to comply with certain interim operating covenants.

Pursuant to the Share Purchase Agreement, the Company has agreed to certain interim operating covenants intended to ensure that the Company carries on business in the ordinary course consistent with past practice, except as required or expressly authorized by the Share Purchase Agreement. These operating covenants cover a broad range of activities and business practices. Consequently, it is possible that a business opportunity will arise that is out of the ordinary course or is not consistent with past practices, and that the Company will not be able to pursue or undertake the opportunity due to its covenants in the Share Purchase Agreement.

Mineral resource and mineral reserve figures pertaining to the Goldlund Property are only estimates and are subject to revision based on developing information.

Information pertaining to mineral resources presented in this Circular or incorporated by reference herein, including such information as it pertains to the Goldlund Property, are estimates and no assurances can be given as to their accuracy. Mineral resource figures pertaining to the Goldlund Property have been determined based upon assumed cut-off grades, metal prices and operating costs at the time of calculation, as set out in Goldlund Technical Report. Future production, if any, could differ dramatically from resource and reserve estimates because, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- calculation errors could be made in estimating mineral resources and mineral reserves;
- increases in operating mining costs and processing costs could adversely affect mineral resources and mineral reserves;
- the grade of the mineral resources and mineral reserves may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and

- declines in the market price of the metals may render the mining of some or all of the mineral reserves uneconomic.

Estimated mineral resources may require downward revisions based on changes in metal prices, further exploration or development activity, increased production costs or actual production experience. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and mineral reserve estimates.

Any reduction in estimated mineral resources as a result could require material write downs in investment in the Goldlund Property and increased amortization, reclamation and closure charges, which could have a material and adverse effect on future cash flows for the Goldlund Property and on the Company's earnings, results of operations and financial condition.

Mineralization estimates for the Goldlund Property may require adjustments or downward revisions based upon further exploration or development work or actual future production experience. In addition, the grade of mineralized material ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Extended declines in market prices for gold or other metals may render portions of the Goldlund Property's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in mineralization estimates, or of the ability to extract mineralized material from our properties, could (directly or indirectly) have a material adverse effect on our results of operations or financial condition.

The Company may not realize the benefits of the growth projects of the Goldlund Property.

As part of its strategy, the Company will continue its efforts to develop new gold projects and will have an expanded portfolio of such projects as a result of the Transaction. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, operating, technical and technological risks, uncertainties relating to capital and other costs and financing risks.

The level of production and capital and operating cost estimates relating to the expanded portfolio of growth projects, which are used in establishing mineral reserve estimates for determining and obtaining financing and other purposes, are based on certain assumptions and are inherently subject to significant uncertainties. It is very likely that actual results for the Company's projects will differ from its current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions which could reduce production below, and/or increase capital and/or operating costs above, the Company's current estimates. If actual results are less favourable than the Company currently estimates, the Company's business, results of operations, financial condition and liquidity could be materially adversely impacted.

The integration of Goldlund Property may not occur as planned.

The Share Purchase Agreement was entered into with the expectation that the successful completion of the Transaction will result in the Company benefitting the close project proximity between the Goldlund Property and the Goliath Gold Property. The Company expects to realize operating and other synergies from the consolidation of the Goldlund Property and the Goliath Gold Property. These anticipated benefits will depend in part on whether the Goldlund Property and the Goliath Gold Property can be integrated in an efficient and effective manner. Most operational and strategic decisions and certain staffing decisions with respect to the integration of the Goldlund Property have not yet been made. These decisions and the integration of the Goldlund Property and the Goliath Gold Property will present challenges to management, including the integration of systems and personnel of the companies, and special risks, including possible unanticipated liabilities, unanticipated costs, and the loss of key employees. The Company could be adversely affected if, after completion of the Transaction, operations at the Goldlund Property cannot be adequately consolidated with those at the Goliath Gold Property. As a result of these factors, it is possible that the cost reductions and synergies expected from the combination of the Goldlund Property and the Goliath Gold Property will not be realized. In addition, such synergies assume certain realized long-term gold and commodities

prices and foreign exchange rates. If actual prices were below such assumed prices, the realization of potential synergies could be adversely affected.

The Company may be subject to significant capital requirements and operating risks associated with its expanded operations and its expanded portfolio of growth projects.

The Company must generate sufficient internal cash flows and/or be able to utilize available financing sources to finance its growth and sustain capital requirements. The Company could be required to raise very significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. These financing requirements could adversely affect the Company's credit ratings and its ability to access the capital markets in the future to meet any external financing requirements the Company might have. If there are significant delays in when these projects are completed and are producing on a commercial and consistent scale, and/or their capital costs were to be significantly higher than estimated, these events could have a significant adverse effect on the Company's results of operations, cash flow from operations and financial condition. The Company's mining operations and processing and related infrastructure facilities are subject to risks normally encountered in the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, labour disputes, changes in laws, taxation, technical difficulties or failures, late delivery of supplies or equipment, unusual or unexpected geological formations or pressures, cave-ins, pit-wall failures, rock falls, unanticipated ground, grade or water conditions, flooding, periodic or extended interruptions due to the unavailability of materials and *force majeure* events. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining or processing, losses and possible legal liability. Any prolonged downtime or shutdowns at the Company's operations could materially adversely affect the Company's business, results of operations, financial condition and liquidity.

Title over the Goldlund Property cannot be guaranteed.

Although the Company has taken steps to verify the title to the properties associated with the Goldlund Property, in accordance with industry standards for the current stage of development and exploration of such mines, these procedures do not guarantee title (whether of the target companies or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

There may be potential undisclosed liabilities associated with the Transaction.

In connection with the Transaction, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence (which was conducted prior to the execution of the Share Purchase Agreement). The representations, warranties and indemnities contained in the Share Purchase Agreement have certain survival periods and indemnification thresholds that would need to be met before a misrepresentation would be actionable.

First Mining will obtain significant governance and Board representation rights.

Pursuant to the terms of the Investor Rights Agreement, First Mining will, on the Closing Date, obtain significant governance and Board representation rights. There can be no assurance that such rights will not result in action or failure to take action by the Board that has a material adverse effect on the business, financial condition and operating results of the Company. First Mining's ability to exercise control over the Company could limit the price that an acquirer might be willing to pay in the future for Common Shares and it may have the effect of delaying or preventing a change of control or a take-over bid for the Company.

The holdings of Shareholders will be diluted upon completion of the Transaction and the Private Placement.

The Company will issue up to an aggregate of 219,720,000 Common Shares, on a fully-diluted basis, in connection with the Transaction and the Private Placement. This represents: (a) the Consideration Securities issuable to First Mining as consideration pursuant to the terms of the Share Purchase Agreement; and (b) the Common Shares issuable on the conversion of Subscription Receipts into Common Shares in connection with the Private Placement. The issuance of up to 219,720,000 Common Shares in the aggregate will represent dilution of up to approximately 129.1% of the number of issued and outstanding Common Shares as of June 25, 2020, being 170,256,055. The future

sale of a substantial number of Common Shares by First Mining following the distribution or the perception that such sale could occur could adversely affect prevailing market prices for the Common Shares.

First Mining's significant interest in the Company may impact the liquidity of the Common Shares.

The Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where First Mining did not have the ability to significantly influence or determine matters affecting the Company. Additionally, First Mining's significant voting interest in the Company may discourage transactions involving a change of control of the Company, including transactions in which an investor, as a holder of Common Shares, might otherwise receive a premium for its Common Shares over the then-current market price.

First Mining may not maintain its equity interest in the Company.

First Mining is not contractually committed to maintaining an equity stake in the Company. Subject to compliance with applicable securities laws and the terms of the Investor Rights Agreement, First Mining may sell some or all of the Consideration Securities in the future. No prediction can be made as to the effect, if any, future sales by First Mining of the Consideration Securities or other securities will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Consideration Securities by First Mining, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

Each of the Company and First Mining may terminate the Share Purchase Agreement.

Each of the Company and First Mining has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions precedent, to terminate the Share Purchase Agreement. Accordingly, there can be no certainty, nor can the Company provide any assurance, that the Share Purchase Agreement will not be terminated by either of the Company or First Mining prior to the completion of the Transaction.

Failure to complete the Transaction may adversely affect the market price of the Common Shares.

If, for any reason, the Transaction is not completed or the Transaction's completion is materially delayed and/or the Share Purchase Agreement is terminated, the market price of the Common Shares may be materially and adversely affected. The Company's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company may remain liable for significant costs relating to the Transaction including, among others, legal, accounting and printing expenses.

Risk Factors Relating to the Consolidation

Potential Decline in Market Capitalization

There are numerous factors and contingencies that could affect the prices of the Common Shares, including the Company's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the post-Consolidation Common Shares may not be sustainable at the direct arithmetic result of the Consolidation, and may be lower.

Potential for Adverse Effect on the Liquidity of the Consolidated Shares

If the Consolidation is implemented and the market price of the post-Consolidation Common Shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the post-Consolidation Common Shares will, however, also be based on the Company's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the post-Consolidation Common Shares could be adversely affected by the reduced number of post-Consolidation Common Shares that would be outstanding after the Consolidation.

No Assurance that the Intended Benefits of the Consolidation will be Achieved

Although the Company believes that the Consolidation Resolution will make investing in the Common Shares more attractive to a broader range of institutional and professional investors and other members of the investing public as many brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced shares or which tend to discourage individual brokers from recommending low-priced shares to their clients (for example, such policies and practices may function to make the processing of trades in low-priced shares economically unattractive to brokers), some investors may view the Consolidation Resolution negatively since it would reduce the number of Common Shares available in the public market and could potentially reduce the liquidity of the Common Shares.

While the Consolidation Resolution is intended to increase the trading price of the Common Shares, as noted above, other factors such as the Company's financial results, market perception of the Company's business, general market conditions and general economic conditions may adversely affect the price of the Common Shares post-Consolidation. As a result, there can be no assurance that the Consolidation, if implemented, will result in the intended benefits described above, that the market price of post-Consolidation Common Shares will increase, or that the market price of the post-Consolidation Common Shares will not subsequently decrease in the future.

Effects of the Consolidation

The Consolidation ratio will be the same for all Common Shares. Except for any variances attributable to the rounding up and down of fractional Common Shares, the change in the number of issued and outstanding Common Shares will not materially affect any Shareholder's percentage ownership in the Company, even though such ownership will be represented by a smaller number of post-Consolidation Common Shares. In addition, the Consolidation will not materially affect any Shareholder's proportionate voting rights. Each post-Consolidation Common Share outstanding after the Consolidation will have the same rights and privileges as the pre-Consolidation Common Shares. The exercise or conversion price and the number of Common Shares issuable under any outstanding convertible securities of the Company, including outstanding stock options, restricted stock units, deferred share units and warrants, will be adjusted in accordance with their terms if the Consolidation is implemented.

The implementation of the Consolidation would not affect the total Shareholders' equity of the Company or any components of Shareholders' equity as reflected on the Company's financial statements except to change the number of issued and outstanding Common Shares to reflect the Consolidation.

Risk Factors Relating to the Company

Whether or not the Transaction is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of the risk factors applicable to the Company is contained under the heading "Risk Factors" in the Company's AIF and in the Company's other filings on SEDAR.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Chief Executive Officer of the Company in order to request copies of the Company's financial statements and management's discussion and analysis at The Exchange Tower, 130 King Street West, Suite 3680, Box 99, Toronto, Ontario M5X 1B1, Toronto, Ontario; Telephone: (416) 214-4654 or toll-free (North America) at 1-855-664-4654; Facsimile: (416) 599-4959. Financial information about the Company may be found in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

DIRECTORS' APPROVAL

The contents and the sending of the Notice and this Circular have been approved by the Board. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of circumstances in which it was made.

DATED this 29th day of June, 2020.

(Signed)

Marc Henderson
Non-Executive Chairman

CONSENT OF HAYWOOD SECURITIES INC.

We refer to the fairness opinion of Haywood Securities Inc. dated June 3, 2020 (the “**Fairness Opinion**”), attached as Appendix “E” to the management information circular of Treasury Metals Inc. dated June 29th, 2020 (the “**Circular**”). We consent to the inclusion of the Fairness Opinion in the Circular, to the filing of the Fairness Opinion with the securities regulatory authorities, to the inclusion of a summary of the Fairness Opinion in the Circular and to the reference to the name of our firm contained under the section “Particulars of Matters to be Acted Upon – The Transaction – Fairness Opinion.”

DATED this 29th day of June, 2020.

(Signed)
Haywood Securities Inc.

**APPENDIX “A”
TRANSACTION APPROVAL RESOLUTION**

BE IT RESOLVED THAT AS AN ORDINARY RESOLUTION:

- (1) The issuance by Treasury Metals Inc. (the “**Company**”) of 130,000,000 common shares in the capital of the Company (each a “**Common Share**”) and 35,000,000 warrants to purchase Common Shares (the “**Consideration Warrants**”) with an exercise price of \$0.50 for a period of 36 months following the closing of the Transaction (as defined herein) to First Mining Gold Corp. (“**First Mining**”) as partial consideration for the purchase of all of the common shares of Tamaka Gold Corporation, a wholly owned subsidiary of First Mining (the “**Transaction**”) pursuant to a share purchase agreement dated June 3, 2020 between the Company and First Mining (the “**Share Purchase Agreement**”), as it may be amended, modified or supplemented, which is more particularly described in the management information circular dated June 29, 2020 (the “**Circular**”), is hereby authorized and approved;
- (2) the issuance by the Company of up to 35,000,000 Common Shares upon exercise of the Consideration Warrants, is hereby authorized and approved;
- (3) the issuance by the Company of 32,000,000 subscription receipts (“**Subscription Receipts**”) to subscribers pursuant to the terms of a brokered private placement to be completed on a “bought deal” basis (the “**Private Placement**”), is hereby authorized and approved;
- (4) the issuance by the Company, upon conversion of the Subscription Receipts, of (i) up to 35,200,000 Common Shares and (ii) up to 17,600,000 Common Share purchase warrants (“**Conversion Warrants**”) with an exercise price of \$0.60 for a period of 24 months following the conversion date of the Subscription Receipts, is hereby authorized and approved;
- (5) the issuance by the Company of up to 17,600,000 Common Shares upon exercise of the Conversion Warrants is hereby authorized and approved;
- (6) the issuance by the Company of up to 1,920,000 compensation option receipts (the “**Compensation Option Receipts**”) to certain underwriters in connection with the Private Placement is hereby authorized and approved;
- (7) the issuance by the Company, upon conversion of the Compensation Option Receipts, of up to 1,920,000 compensation options (the “**Compensation Options**”), each granting the holder thereof the right to acquire one Common Share at a price of \$0.36 per Common Share for a period of 24 months following the conversion date of the Subscription Receipts, is hereby authorized and approved;
- (8) the issuance by the Company of up to 1,920,000 Common Shares upon exercise of the Compensation Options is hereby authorized and approved;
- (9) any officer or director (each an “**Authorized Signatory**”) be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such Authorized Signatories determine may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing; and
- (10) subject to the terms and conditions of the Share Purchase Agreement, notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized not to proceed with the Transaction and any of the transactions contemplated by the Share Purchase Agreement in their discretion.

**APPENDIX “B”
CONSOLIDATION RESOLUTION**

BE IT RESOLVED THAT AS A SPECIAL RESOLUTION:

- (1) The Company’s articles of incorporation be amended pursuant to Section 168(1)(h) of the *Business Corporations Act* (Ontario) (“**OBCA**”) to effect a consolidation of all of the issued and outstanding Common Shares on the basis of a ratio of one (1) post-consolidation Common Share for up to three (3) pre-consolidation Common Shares (the “**Consolidation**”), with any resulting fractions of post-Consolidation Common Shares being rounded down to the nearest whole number of post-Consolidation Common Shares and with effect on a date to be determined by the board of directors of the Company (the “**Board**”) at its sole discretion;
- (2) no fractional post-Consolidation Common Shares be issued and no cash paid in lieu of fractional post-Consolidation Common Shares, such that any fractional interest in Common Shares resulting from the Consolidation will be rounded down to the nearest whole Common Share;
- (3) the effective date of such Consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the OBCA or such other date indicated in the articles of amendment provided that, in any event, such date shall be prior to the next annual meeting of shareholders;
- (4) any officer or director of the Company be and hereby is authorized and directed on behalf of the Company to execute or cause to be executed, and to deliver or cause to be delivered, all certificates, notices and other documents, including filing articles of amendment pursuant to the OBCA, and to do or cause to be done all such acts and things, as such officer or director may determine to be necessary, desirable, or useful for the purpose of giving effect to the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents, or the doing of any such act or things;
- (5) any director or officer of the Company be and each is hereby authorized to do all acts and things, to execute, under the seal of the Company or otherwise, to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such persons determine to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolutions; and
- (6) notwithstanding any of the foregoing, the Board is hereby authorized, at its sole discretion and without any further approval of or notice to the shareholders of the Company, to revoke the special resolution at any time.

**APPENDIX “C”
FINANCIAL STATEMENTS AND MD&A OF TAMAKA**

See attached.

Tamaka Gold Corporation

Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(Expressed in thousands of Canadian dollars unless otherwise noted)



Independent auditor's report

To the Shareholder of Tamaka Gold Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Tamaka Gold Corporation and its subsidiary (together, the Company) as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2019 and 2018;
- the consolidated statements of net loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806



Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, British Columbia
June 25, 2020

TAMAKA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS DECEMBER 31, 2019 AND DECEMBER 31, 2018
(Expressed in thousands of Canadian dollars unless otherwise noted)

	December 31, 2019	December 31, 2018
ASSETS		
Current		
Cash and cash equivalents	\$ 45	\$ 76
Accounts and other receivables	84	6
Prepaid expenditures	-	4
Due from related party (Note 5)	-	221
Total current assets	129	307
Non-current		
Mineral property (Note 4)	53,255	96,606
Property and equipment	151	188
Total non-current assets	53,406	96,794
TOTAL ASSETS	\$ 53,535	\$ 97,101
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 294	\$ 48
Due to related party (Note 5)	9,885	10,111
Flow-through share premium liability (Note 11)	45	-
TOTAL LIABILITIES	10,224	10,159
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	84,987	83,562
Contributed surplus (Note 10)	3,900	3,690
Accumulated deficit	(45,576)	(310)
Total shareholders' equity	43,311	86,942
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 53,535	\$ 97,101

Going concern (Note 1)
Subsequent events (Notes 4 and 10)

The consolidated financial statements were approved by the Board of Directors:

Signed: "Keith Neumeier", Director

Signed: "Raymond Polman", Director

The accompanying notes are an integral part of these consolidated financial statements.

TAMAKA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of Canadian dollars unless otherwise noted)

	Year ended December 31, 2019	Year ended December 31, 2018
EXPENDITURES		
Administrative and office	\$ 12	\$ 37
Depreciation	44	49
Mineral property impairment (Note 4)	45,641	-
Loss from operational activities	45,697	86
OTHER ITEMS		
Interest and other expenses	-	1
Interest and other income	(1)	(4)
Loss before income taxes	\$ 45,696	\$ 83
Deferred income tax recovery (Notes 6 and 11)	(430)	-
Net loss and comprehensive loss for the year	\$ 45,266	\$ 83

The accompanying notes are an integral part of these consolidated financial statements.

TAMAKA GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in thousands of Canadian dollars unless otherwise noted)

	Year ended December 31, 2019	Year ended December 31, 2018
Cash flows from operating activities		
Net loss for the year	\$ (45,266)	\$ (83)
Adjustments for:		
Depreciation	44	49
Mineral property impairment (Note 4)	45,641	-
Deferred income tax recovery (Notes 6 and 11)	(430)	-
Operating cash flows before movements in working capital	(11)	(34)
Changes in non-cash working capital items:		
Decrease in prepaid expenditures	-	(5)
(Decrease) increase in accounts payables and accrued liabilities	(12)	12
Total cash used in operating activities	(23)	(27)
Cash flows from investing activities		
Property and equipment purchases	(8)	(29)
Mineral property expenditures (Note 4)	(1,200)	(1,863)
Total cash used in investing activities	(1,208)	(1,892)
Cash flows from financing activities		
Received from related party	1,200	1,800
Repaid to related party	-	(1)
Total cash provided by financing activities	1,200	1,799
Change in cash and cash equivalents	(31)	(120)
Cash and cash equivalents, beginning	76	196
Cash and cash equivalents, ending	\$ 45	\$ 76

Supplemental cash flow information (Note 7)

The accompanying notes are an integral part of these consolidated financial statements.

TAMAKA GOLD CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in thousands of Canadian dollars unless otherwise noted)

	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Total
Balance as at December 31, 2017	1 \$	83,562 \$	3,302 \$	(227) \$	86,637
Loss for the year	-	-	-	(83)	(83)
Share-based compensation allocated from the Parent entity (Note 10)	-	-	388	-	388
Balance as at December 31, 2018	1 \$	83,562 \$	3,690 \$	(310) \$	86,942
Balance as at December 31, 2018	1 \$	83,562 \$	3,690 \$	(310) \$	86,942
Shares issued for the flow-through subscription agreement (Note 10)	1,899,471	1,900	-	-	1,900
Flow-through share premium liability (Note 11)	-	(475)	-	-	(475)
Loss for the year	-	-	-	(45,266)	(45,266)
Share-based compensation allocated from the Parent entity (Note 10)	-	-	210	-	210
Balance as at December 31, 2019	1,899,472 \$	84,987 \$	3,900 \$	(45,576) \$	43,311

The accompanying notes are an integral part of these consolidated financial statements.

TAMAKA GOLD CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tamaka Gold Corporation (the “Company” or “Tamaka”) was incorporated in Canada on August 23, 2005. Tamaka is a wholly-owned subsidiary of First Mining Gold Corp. (“First Mining”) and owns the Goldlund Gold Project (“Goldlund”) located in northwestern Ontario.

These financial statements have been prepared using generally accepted accounting principles that are applicable to a going concern. The Company has incurred operating losses to date and does not generate cash from operations to support its activities. As at December 31, 2019, the Company had a working capital deficiency of \$10,095.

As the Company does not currently have any committed sources of financing, it is dependent on its ultimate parent company, First Mining, for the funding of its activities. There can be no assurance that such funding will be made available to the Company. These factors represent material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

These consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Any such adjustments may be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty the Company or First Mining may be restricted in its ability to raise additional funding. The impact of these factors on the Company over time is not determinable; however, they may have a material impact on the Company’s financial position, results of operations and cash flows in future periods. There may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

These consolidated financial statements include the accounts of the Company and its 100% wholly-owned subsidiary, Goldlund Resources Inc.

The Company’s head office and principal address is located at Suite 2070 – 1188 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4A2.

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, including IFRS 1 First Time Adoption of IFRS. The Company did not apply any optional elections on first time adoption. There was no opening balance sheet impact of adoption and, therefore, no opening balance sheet or reconciliation has been provided. The amounts presented in these financial statements are consistent with the carrying amounts that were included in First Mining’s consolidated financial statements.

These consolidated annual financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss which are stated at their fair value. The consolidated annual financial statements are presented in thousands of Canadian dollars, unless otherwise noted. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar.

The accounts of the Company’s subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

These consolidated annual financial statements were approved by the Board of Directors on June 24, 2020.

3. ACCOUNTING POLICIES

These consolidated annual financial statements have been prepared using the following accounting policies:

a) Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its Canadian exploration programs. Pursuant to the terms of the flow-through share subscription agreements and the *Income Tax Act* (Canada) (the “ITA”), these equity instruments transfer the tax deductibility of qualifying resource expenditures to investors.

Upon the issuance of a flow-through share, the Company bifurcates the flow-through share into i) fair value of capital stock issued, and ii) the residual as a flow-through share premium, which is recognized as a liability.

Upon incurring qualifying expenses the Company derecognizes the flow-through share premium liability and recognizes a credit to deferred tax expense (recovery). Proceeds received from the issuance of flow-through shares are to be used for Canadian resource property exploration expenditures within a certain time period as prescribed by the Government of Canada’s flow-through regulations, as contained in the ITA. The portion of the proceeds received but not yet expended at the end of the Company’s relevant reporting period is disclosed separately in the notes to the financial statements as flow-through expenditure commitments (Note 11). The Company is also subject to Part XII.6 of the ITA, which imposes a tax on flow-through proceeds renounced under the “Look-back Rule”, in accordance with the Government of Canada’s flow-through regulations. When applicable, this tax is accrued until paid.

b) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, at the time of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

TAMAKA GOLD CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

3. ACCOUNTING POLICIES (Continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management elected to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the consolidated statements of net (loss) income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net (loss) income. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The carrying amounts approximate fair value due to the short-term maturities of these instruments.

TAMAKA GOLD CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

3. ACCOUNTING POLICIES (Continued)

d) Mineral Properties

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, wages and salaries, surveying, geological consulting and laboratory costs, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred.

The Company may occasionally enter into option or royalty arrangements, whereby the Company will transfer part of its mineral properties, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

e) Impairment of Non-Financial Assets

Mineral properties are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. An impairment loss is charged to profit or loss.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). As a result, some assets may be tested individually for impairment and some are tested at a cash-generating unit level.

Impairment reviews for the Company's exploration and evaluation stage mineral properties are carried out on a property by property basis, with each property representing a single cash generating unit. An impairment review for an exploration and evaluation asset is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- The right to explore the area has expired or will expire in the near future with no expectation of renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the area is neither planned nor budgeted;
- No commercially viable deposits have been discovered, and the decision had been made to discontinue exploration in the area; and
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

3. ACCOUNTING POLICIES (Continued)

f) Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and, where applicable, the initial estimation of any asset retirement obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciation is recognized in profit or loss on a straight-line basis over the following estimated useful lives:

Buildings	10 years
Machinery and equipment	5 years
Furniture and fixtures	5 years
Vehicles	5 years
Computer equipment	3 years
Computer software	1 year

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

g) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

h) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

TAMAKA GOLD CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

3. ACCOUNTING POLICIES (Continued)

Consideration received from a private placement financing involving units consisting of common shares and warrants is allocated to the share capital and the warrant reserve accounts using the relative fair value method. As prescribed by this method, the consideration is allocated to the value of share capital and warrant reserve on a pro rata basis. The share capital is valued at the closing share price of the Company on the completion date of the private placement and the warrant reserve is valued using the Black-Scholes option pricing model.

i) Accounting Policy Judgments and Estimation Uncertainty

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The use of judgments, estimates and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The following discusses the accounting policy judgment that may result in material changes in the carrying amount of assets or liabilities:

(i) Accounting policy judgement

Impairment of Mineral Properties

In accordance with the Company's accounting policy for its mineral properties, exploration and evaluation expenditures on mineral properties are capitalized. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. The Company applies judgment to determine whether indicators of impairment exist for these capitalized costs.

Management uses several criteria in making this assessment, including the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of mineral properties are budgeted, and evaluation of the results of exploration and evaluation activities up to the reporting date. Based on the proposed transaction involving the Company (Note 4) management identified an indicator of impairment as at December 31, 2019.

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial period:

(ii) Estimation Uncertainty

Impairment Testing

As at December 31, 2019, an impairment test was performed for Goldlund. A market approach was taken whereby a discounted cash flow model was used to determine the recoverable amount of Goldlund, based on the consideration outlined in the Agreement (defined in Note 4). Aspects of the model were prepared internally with assistance from third-party advisors. Both observable and unobservable inputs were used in the model. Note 4 outlines the significant inputs used when performing the mineral property impairment test. These inputs are based on management's best estimates of what an independent market participant would consider appropriate. Changes in these inputs may alter the results of impairment testing, the amount of the impairment charges or reversals recorded in the statement of comprehensive loss and the resulting carrying values of assets.

TAMAKA GOLD CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

4. MINERAL PROPERTY

As at December 31, 2019 and December 31, 2018, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral property:

Balance as at December 31, 2017	\$	93,807
Concessions, taxes and royalties		2
Salaries and other compensation		928
Drilling, exploration, and technical consulting		1,045
Assaying, field supplies, and environmental		596
Travel and other expenditures		228
Balance as at December 31, 2018	\$	96,606

Balance as at December 31, 2018	\$	96,606
Concessions, taxes and royalties		3
Salaries and other compensation		726
Drilling, exploration, and technical consulting		1,085
Assaying, field supplies, and environmental		240
Travel and other expenditures		236
Mineral property impairment		(45,641)
Balance as at December 31, 2019	\$	53,255

The Company has various agreements and commitments with respect to Goldlund, which define annual or future payments in connection with royalty buy-backs or maintenance of property interests.

Royalties which affect the Goldlund Property are:

- 1%, 1.5% or 2% net smelter returns (“NSR”) royalty payable to Alexander Glatz and Joseph Rives for 10 claims, where size of the NSR will be dependent on the mined resource grade;
- 1% NSR payable to Goldlund Mines Limited on any ore mined above 50 m below the existing shaft collar for 6 patented claims and 3 patented claims covered by the mining lease. The Company has a right of first refusal in the event the holder wishes to dispose of its interest in the NSR;
- 2.5% NSR payable to Rio Algom Limited for 19 patented claims and 1 license of occupation. The Company has the right to purchase the NSR in its entirety for \$2,500 and a right of first of refusal in the event that Rio Algom wishes to sell the NSR;
- 2% NSR payable to 1074127 Ontario Limited in accordance with industry practice on the sale of all minerals from the property for 15 mining claims. The Company has the right to purchase 100% of the NSR at any time for \$1,500 and a right of first refusal in the event that the holder wishes to sell the NSR.

On June 3, 2020, First Mining entered into a definitive share purchase agreement (the “Agreement”) with Treasury Metals Inc. (“Treasury Metals”) (TSX: TML), pursuant to which Treasury Metals may acquire all of the issued and outstanding shares of Tamaka. Under the terms of the Agreement, First Mining will receive total consideration comprised of (i) 130 million common shares of Treasury Metals (“TML Shares”); (ii) 35 million common share purchase warrants of Treasury Metals (“TML Warrants”) with an exercise price of \$0.50 for a 3-year term; (iii) a 1.5% NSR royalty on Goldlund (0.5% of which can be bought back by Treasury Metals for \$5 million in cash); and (iv) milestone payments totalling \$5 million, payable in cash, on certain key advancements at Goldlund.

TAMAKA GOLD CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

4. MINERAL PROPERTY (Continued)

Details of the milestone payments are as follows:

- \$2.5 million payable upon receipt of a mining lease to extract material from an open pit mine at Goldlund; and
- \$2.5 million payable upon 300,000 tonnes of ore being extracted from a mine at Goldlund.

Entering into the Agreement was considered an indicator of impairment and evidence of conditions that existed at December 31, 2019. Therefore, during the year ended December 31, 2019, the Company completed an impairment test and recorded an impairment of the Goldlund project amounting to \$45,641 (2018 - \$nil), based on the recoverable amount (the fair value less costs to sell) indicated by the Agreement. In determining the recoverable amount, management estimated the fair value of the 130 million TML Shares based on quoted market prices, the fair value of the 35 million TML Warrants based on a Black-Scholes option valuation and the fair value of the 1.5% royalty and milestone payments totalling \$5 million based on a probability weighted discounted cash flow model. The recoverable amount estimate is sensitive to changes in the milestone payment probably assumptions and the discount rate applied to the associated cash flows of 6.50%. An impairment was determined in accordance with Level 3 of the fair value hierarchy.

As at December 31, 2019, the carrying value of Goldlund is \$53,255 (December 31, 2018 - \$96,606).

5. RELATED PARTY TRANSACTIONS

Included in due to related party as at December 31, 2019 is \$9,885 (2018 - \$10,111) due to First Mining, the ultimate parent of the Company. Included in due from related party as at December 31, 2019 is \$nil (2018 - \$221) due from a company with a common parent. Amounts due to and from related parties are non-interest bearing, unsecured, and due on demand.

6. INCOME TAXES

Taxation in the Company and its subsidiary's operational jurisdiction is calculated at the rate prevailing in the respective jurisdictions. The reconciliation of income taxes calculated at the applicable Canadian federal and provincial statutory rates to the actual income tax expense (recovery) is as follows:

	Year ended December 31, 2019	Year ended December 31, 2018
Net loss before income tax	\$ 45,696	\$ 83
Combined Canadian statutory income tax rate	27.00%	27.00%
Income tax recovery computed at statutory income tax rate	12,338	22
Tax effect of:		
Permanent differences	(57)	(1)
Initial recognition exemption reversal	(9,533)	-
Difference in tax rates in Canadian jurisdictions	(228)	-
Changes in estimate and others	(423)	-
Flow-through share premium liability	430	-
Changes in unrecognized deferred tax assets	(2,097)	(21)
Income tax recovery	\$ 430	\$ -

TAMAKA GOLD CORPORATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

6. INCOME TAXES (Continued)

Deferred tax assets and liabilities are offset if they relate to the same taxable entity and same taxation authority. No deferred tax asset has been recognized in respect to the losses and temporary differences below, as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2019	December 31, 2018
Non-capital loss carryforwards	\$ 2,713	\$ 2,707
Investment tax credits	119	119
Property and equipment	52	40
Mineral property	1,625	-
Total	\$ 4,509	\$ 2,866

As at December 31, 2019, the Company and its subsidiary had unrecognized Canadian non-capital loss carryforwards of approximately \$10,050 (2018 - \$10,030) which expire between the years 2027 and 2039, and unrecognized Canadian investment tax credits of approximately \$163 (2018 - \$163) which expire in 2028.

7. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended December 31, 2019, the significant non-cash investing and financing transactions were as follows:

- Balance due from PC Gold Inc., another subsidiary of First Mining, of \$221 as December 31, 2018 was assigned to First Mining during the 2019 year and recorded net against the Due to First Mining.

Additional cash flow disclosures are as follows:

- Paid or accrued \$nil for income taxes.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, price risk, foreign currency risk, interest rate risk, credit risk, liquidity risk, and capital risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes equity price risk, foreign currency risk and interest rate risk.

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

Equity Price Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is not exposed to equity price risk.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2019 and 2018, the Company had no financial instruments denominated in currency other than Canadian dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings that are subject to fluctuations in market interest rate. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company manages its interest rate risk by maximizing the interest income earned on excess funds while maintaining the necessary liquidity to conduct its day-to-day operations. The Company considers this risk to be immaterial.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets. The Company is primarily exposed to credit risk on its cash. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of this financial assets represents the maximum exposure to credit risk.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company endeavours to ensure that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash (Note 1). All of the Company's liabilities are due in the next year.

The Company manages its liquidity risk by preparing annual estimates of exploration and administrative expenditures and monitoring actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations.

The following table summarizes the maturities of the Company's financial liabilities as at December 31, 2019 based on the undiscounted contractual cash flows:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 – 3 years	4 – 5 years	After 5 years
Accounts payable and accrued liabilities	\$ 294	\$ 294	\$ 294	\$ -	\$ -	\$ -
Due to related party	9,885	9,885	9,885	-	-	-

As at December 31, 2019, the Company held cash and cash equivalents of \$45 (December 31, 2018 - \$76).

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (Continued)

d) Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and retention of its mineral properties. The Company has historically demonstrated the ability to raise new capital through equity issuances and/or through surplus cash as part of its acquisitions. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations.

The Company does not expect its capital resources as of December 31, 2019 to be sufficient to cover its administrative expenditures and carry out exploration activities for the next twelve months. As such, the Company will seek to raise additional capital and believes it will be able to do so, but recognizes the uncertainty attached thereto.

9. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The carrying values of cash, due from related party, accounts payable and accrued liabilities and due to related party approximate fair value due to their short terms to maturity.

10. SHARE CAPITAL

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and Fully Paid

Common shares: 1,899,472 (December 31, 2018 – 1).

On May 29, 2019, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the "May Offering"). Pursuant to the May Offering, the Company issued 1,000,000 common shares of the Company (the "Flow-Through Shares") that qualify as flow-through shares for purposes of the ITA, at a price of \$1.00 per Flow-Through Share. An amount of \$750 was recorded in share capital, and the remaining \$250, representing the implied premium, was recorded as a flow-through share premium liability (Note 11).

10. SHARE CAPITAL (Continued)

On October 2, 2019, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$900 (the “October Offering”). Pursuant to the October Offering, the Company issued 899,471 Flow-Through Shares at a price of \$1.00 per Flow-Through Share. An amount of \$675 was recorded in share capital, and the remaining \$225, representing the implied premium, was recorded as a flow-through share premium liability (Note 11).

Subsequent to year-end, on January 20, 2020, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the “January Offering”). Pursuant to the January Offering, the Company issued 1,000,000 Flow-Through Shares at a price of \$1.00 per Flow-Through Share.

c) Share-based Compensation

Share-based compensation amounting to \$210 (year ended December 31, 2018 - \$388) was allocated from the Parent entity and capitalized to the mineral property.

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the Company’s flow-through share issuances:

	May 29, 2019	October 2, 2019	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -
Liability incurred on flow-through shares issued May 29, 2019	250	-	250
Settlement of flow-through share premium liability upon incurring eligible expenditures	(250)	(180)	(430)
Liability incurred on flow-through shares issued October 2, 2019	-	225	225
Balance, December 31, 2019	\$ -	\$ 45	\$ 45

As at December 31, 2019, the Company had \$179 (December 31, 2018 - \$nil) of flow-through expenditure commitments to fulfill the flow-through requirements. The Company reversed the associated flow-through share premium liability and recognized a deferred income tax recovery of \$430 in the Company’s consolidated financial statements for the year ended December 31, 2019.

TAMAKA GOLD CORPORATION

Management's Discussion & Analysis

For the years ended December 31, 2019 and December 31, 2018

TAMAKA GOLD CORPORATION

This Management's Discussion and Analysis ("MD&A") of Tamaka Gold Corporation ("Tamaka" or the "Company") provides an analysis of Tamaka's financial results and operations for the year ended December 31, 2019.

This MD&A contains forward-looking information, such as statements regarding potential mineralization, exploration results and future plans and objectives of Tamaka that are subject to various risks and uncertainties, including those set forth in "Cautionary Statement Regarding Forward-Looking Information". There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Readers are cautioned not to place undue reliance on this forward-looking information. Readers of this MD&A are advised to read the risk factors described in the "Cautionary Statement on Forward-Looking Information" at the end of the MD&A.

This MD&A should be read in conjunction with the Tamaka's audited consolidated financial statements and the notes thereto for the years ended December 31, 2019 and 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in thousands of Canadian dollars, unless otherwise stated. This MD&A is dated as of June 24, 2020 and all information contained in this MD&A is current as of June 24, 2020.

DESCRIPTION OF BUSINESS AND PROPOSED TRANSACTION

Tamaka was incorporated under the Business Corporations Act of Ontario on August 23, 2005. The ultimate parent of Tamaka is First Mining Gold Corp. ("First Mining"). Tamaka, through its wholly-owned subsidiary, Goldlund Resources Inc. ("Goldlund Resources"), owns the Goldlund Gold Project ("Goldlund") located in northwestern Ontario.

Goldlund is an advanced exploration stage asset located in northwestern Ontario, approximately 60 km northeast of the town of Dryden. The Project currently hosts 809,200 ounces of gold in the Indicated category and 876,954 ounces of gold in the Inferred category. Drilling in 2019 and early 2020 was completed on the Project to better define both the extension of the existing resource area and the regional scale potential. The large land package has considerable exploration potential, with the property extending over a strike-length of over 50 km with multiple exploration targets identified, including the Miller Prospect which was most recently drilled in late 2019. The Project is in an area with excellent infrastructure and is accessible from a provincial highway.

As at December 31, 2019, the consolidated financial statements include the Company's 100%-owned wholly-owned subsidiary, Goldlund Resources.

On June 3, 2020, First Mining entered into a definitive share purchase agreement (the "Agreement") with Treasury Metals Inc. ("Treasury Metals") (TSX: TML), pursuant to which Treasury Metals may acquire all of the issued and outstanding shares of Tamaka (the "Transaction"). Under the terms of the Agreement, First Mining will receive total consideration comprised of (i) 130 million common shares of Treasury Metals ("TML Shares"); (ii) 35 million common share purchase warrants of Treasury Metals ("TML Warrants") with an exercise price of \$0.50 for a 3-year term; (iii) a 1.5% NSR royalty on Goldlund (0.5% of which can be bought back by Treasury Metals for \$5 million in cash); and (iv) milestone payments totalling \$5 million, payable in cash, on certain key advancements at Goldlund.

Details of the milestone payments are as follows:

- \$2.5 million payable upon receipt of a mining lease to extract material from an open pit mine at Goldlund; and
- \$2.5 million payable upon 300,000 tonnes of ore being extracted from a mine at Goldlund.

Entering into the Agreement was considered an indicator of impairment and evidence of conditions that existed at December 31, 2019. Therefore, during the year ended December 31, 2019, the Company completed an impairment

test and recorded an impairment of the Goldlund project amounting to \$45,641 (2018 - \$nil), based on the recoverable amount (fair value less costs to sell) indicated by the Agreement. In determining the recoverable amount, management estimated the fair value of the 130 million TML Shares based on quoted market prices, the fair value of the 35 million TML Warrants based on a Black-Scholes option valuation and the fair value of the 1.5% royalty and milestone payments totalling \$5 million based on a probability weighted discounted cash flow model. The recoverable amount estimate is sensitive to changes in the milestone payment probably assumptions and the discount rate applied to the associated cash flows of 6.50%. An impairment was determined in accordance with Level 3 of the fair value hierarchy.

First Mining intends to distribute up to 70 million TML Shares received under the Transaction, along with all 35 million TML Warrants, to First Mining shareholders within 12 months of closing. Completion of the Transaction is subject to customary closing conditions, including approval of a majority of the votes cast by the shareholders of Treasury Metals at a shareholder meeting, and approval of the Toronto Stock Exchange in connection with the 130 million TML Shares and the 35 million TML Warrants being issued under the Transaction. TML expects to hold an annual general and special meeting of its shareholders in early August, and at such meeting, the shareholders of TML will be asked to approve the Transaction. If the transaction is approved by the shareholders of TML, closing of the Transaction is expected to occur in mid-August 2020.

2019 OPERATING HIGHLIGHTS

Regional Drill Program

In 2019, the Company completed a 32-hole drill program at its Miller prospect at Goldlund, for a total of 6,130 metres ("m"). Miller is located approximately 10 kilometres ("km") northeast and along strike of the current resource area at Goldlund. Work consisted of infill drilling of the area initially tested in 2018, as well as step-out drilling to the northeast and southwest along strike. The 2019 drilling tested a total strike length of up to 900 m, with drill spacing largely between 25 m and 50 m, and followed on the strong results achieved in 2018, which included 108 m of 2.43 g/t gold ("Au"), and frequent occurrences of visible gold within the drill core.

Since drilling first commenced on the Miller prospect in 2018, a total of 40 holes (7,386 m) have been drilled, successfully outlining mineralization over a strike length of approximately 450 m. Low grade gold mineralization encountered in gabbro in hole MI-19-037 (0.17 g/t Au over 15.0 m), which was drilled to test a possible northeast extension of Miller, demonstrates that this northeast area may still be a viable target for follow-up soil and rock sampling.

None of the drill results from Miller were included in the 2019 updated mineral resource estimate for Goldlund.

"Main Zone" Drill Program

After the completion of the 2019 drilling at Miller, the exploration program moved to the Goldlund Main Zone area, and a new drill program is currently underway, due for completion by the end of 2020.

The initial phase of this drill program consisted of 23 holes (approximately 4,000 m), with the overall program's focus being to define and extend mineralization in the eastern and western portions of Zones 1, 2, 3 and 4. The Company is currently planning a second phase of this work program. Drilling at the Main Zone is focused on delineating mineralization between the currently-defined zones of the Goldlund deposit.

The main Goldlund deposit that hosts the current mineral resource estimate remains open along strike to the northeast, to the southwest, and at depth.

Updated Mineral Resource Estimate

On March 27, 2019, First Mining announced the results of an updated mineral resource estimate for Goldlund, which has an effective date of March 15, 2019 and was prepared by WSP Canada Inc. ("WSP") of Sudbury, Ontario (the "2019 Goldlund Resource Estimate"). A summary of the overall changes detailed in the 2019 Goldlund Resource Estimate is as follows:

- In total, indicated resource Au ounces ("oz") increased by 248,700 oz. This increase in oz corresponds to an increase in tonnage of 3,535,900 tonnes from 9,324,100 tonnes at an average grade of 1.87 g/t Au to 12,860,000 tonnes at an average grade of 1.96 g/t Au.
- In total, inferred resource Au oz decreased by 628,400 oz, after adjusting for the proportion of Inferred resource tonnes removed due to the upgrade of certain tonnes to the indicated resource category. This represents an overall reduction in tonnage of 22,533,000 tonnes from 40,895,000 tonnes at an average grade of 1.33 g/t Au to 18,362,000 tonnes at an average grade of 1.49 g/t Au.

In summary, the 2019 Goldlund Resource Estimate incorporated approximately 40,000 m of incremental drilling, the bulk of which was focused on Zone 7. While the increased data density and geological understanding of the deposits resulted in an increased confidence of the resource, adding 3,535,900 tonnes at an average grade of 1.96 g/t Au, it also resulted in a large reduction in the number of tonnes and ounces in the inferred resource category.

2019 FINANCIAL HIGHLIGHTS AND MAJOR ACTIVITIES

Tamaka's net loss for the year ended December 31, 2019 was \$45,266 (December 31, 2018 - \$83). Contributing to the net loss for 2019 is \$45,641 in mineral property impairment (2018 mineral property impairment - \$nil), \$430 in deferred income tax expense recovery (December 31, 2018 - \$nil), and \$44 of depreciation expense (2018 depreciation expense - \$49). The mineral property impairment recorded as at December 31, 2019 relates to entering into the Agreement with Treasury Metals, which indicated a recoverable value of Goldlund as at December 31, 2019 was below its carrying value. The increase in deferred income tax recovery from fiscal 2018 to 2019 relates to a reversal of a flow-through share premium liability in relation to flow-through share subscription agreements dated May 29, 2019 and October 2, 2019.

As at December 31, 2019, the Company's working capital deficiency was \$10,095 (December 31, 2018 - \$9,852), with \$45 being held in cash (December 31, 2018 - \$76).

During 2019, the Company received \$1,200 (2018 - \$1,800) in advances from the Company's parent, First Mining, to fund the drilling activities at Goldlund. The decrease in funding of \$600 from fiscal 2018 to 2019 relates primarily to a change in timing of assaying and technical consulting fees between the periods.

On May 29, 2019, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the "May Offering"). Pursuant to the May Offering, the Company issued 1,000,000 common shares of the Company (the "Flow-Through Shares") that qualify as flow-through shares for purposes of the *Income Tax Act* (Canada), (the "ITA"), at a price of \$1.00 per Flow-Through Share.

On October 2, 2019, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$900 (the "October Offering"). Pursuant to the October Offering, the Company issued 899,471 Flow-Through Shares at a price of \$1.00 per Flow-Through Share.

Subsequent to year-end, on January 20, 2020, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the "January Offering"). Pursuant to the January Offering, the Company issued 1,000,000 Flow-Through Shares" at a price of \$1.00 per Flow-Through Share.

MINERAL PROPERTY BALANCES

The following tables summarizes the mineral property expenditures for the years ended December 31, 2019 and 2018:

Balance as at December 31, 2017	\$	93,807
Concessions, taxes and royalties		2
Salaries and other compensation		928
Drilling, exploration, and technical consulting		1,045
Assaying, field supplies, and environmental		596
Travel and other expenditures		228
Balance as at December 31, 2018	\$	96,606

Balance as at December 31, 2018	\$	96,606
Concessions, taxes and royalties		3
Salaries and other compensation		726
Drilling, exploration, and technical consulting		1,085
Assaying, field supplies, and environmental		240
Travel and other expenditures		236
Mineral property impairment		(45,641)
Balance as at December 31, 2019	\$	53,255

SELECTED ANNUAL INFORMATION

The following table summarizes information regarding the Company's operations for the years ended December 31, 2019 and 2018 prepared based on IFRS:

Year ended	Net loss	Total assets	Total non-current liabilities	Mineral property expenditures	Mineral property impairment
December 31, 2019	\$ 45,266	\$ 53,535	\$ -	\$ 2,290	\$ 45,641
December 31, 2018	\$ 83	\$ 97,101	\$ -	\$ 2,799	\$ -

The Company recorded a net loss of \$45,266 for the year ended December 31, 2019 compared to a net loss of \$83 for the year ended December 31, 2018. The loss increased in the current year due to a mineral property impairment on Goldlund amounting to \$45,641, which was recorded based on the recoverable value indicated by the Agreement with Treasury Metals.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited consolidated financial data for the last eight quarters which have been derived from the financial records of the Company which were prepared based on IFRS applicable to interim financial reporting.

	2019-Q4	2019-Q3	2019-Q2	2019-Q1
Net loss (income)	\$ 45,364	\$ (127)	\$ 13	\$ 16
Mineral property impairment	\$ 45,641	\$ -	\$ -	\$ -
	2018-Q4	2018-Q3	2018-Q2	2018-Q1
Net loss	\$ 11	\$ 27	\$ 21	\$ 24
Mineral property impairment	\$ -	\$ -	\$ -	\$ -

Net loss is comparable quarter to quarter with the exception of 2019-Q4, in which a mineral property impairment was recorded on Goldlund for \$45,641, as a result of the recoverable value indicated by the Agreement with Treasury Metals. In addition, a deferred income tax recovery of \$141 and \$289 was recorded in 2019-Q3 and 2019-Q4, respectively, due to reversal of a flow-through share premium liability.

DISCUSSION OF OPERATIONS

For the year ended December 31, 2019, compared to the year ended December 31, 2018

The Company recorded a net loss of \$45,266 for the year ended December 31, 2019 compared to a net loss of \$83 for the year ended December 31, 2018. The loss increased in the current year due to a mineral property impairment on Goldlund amounting to \$45,641, which was recorded based on the recoverable value indicated by the Agreement with Treasury Metals. In addition, a deferred income tax recovery of \$430 was recorded during the fiscal 2019, due to reversal of a flow-through share premium liability.

Cash used in operating activities during the year ended December 31, 2019 was \$23 (December 31, 2018 - \$27). During the year ended December 31, 2019 the Company capitalized \$45 to mineral property in connection with the reporting of an updated mineral resource estimate for Goldlund. In addition, \$1,721 was capitalized to mineral property in connection with the 2019 drill campaign of approximately 6,100 m. In contrast, the year ended December 31, 2018 included \$1,853 of expenditures capitalized to mineral property in relation to the completion of the Goldlund Phase 2 drilling campaign of approximately 7,000 m.

These financial statements have been prepared using generally accepted accounting principles that are applicable to a going concern. The Company has incurred operating losses to date and does not generate cash from operations to support its activities. As at December 31, 2019, the Company had a working capital deficiency of \$10,095.

As the Company does not currently have any committed sources of financing, it is dependent on its ultimate parent company, First Mining, for the funding of its activities. There can be no assurance that such funding will be made available to the Company. These factors represent material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

The consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Any such adjustments may be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty the Company or First Mining may be restricted in its ability to raise additional funding. The impact of these factors on the Company over time is not determinable; however, they

may have a material impact on the Company's financial position, results of operations and cash flows in future periods. There may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Tamaka's parent, First Mining, is a related party. During the year ended December 31, 2019, Tamaka received contributions of \$1,200 (December 31, 2018 - \$1,800) from First Mining to fund its drilling programs at Goldlund.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

- a) **Credit risk:**
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets. The Company is primarily exposed to credit risk on its cash and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.
- b) **Liquidity risk:**
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company endeavours to ensure that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash. All of the Company's liabilities are due in the next year.
- c) **Foreign currency risk:**
The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at December 31, 2019 and 2018, the Company had no financial instruments denominated in currency other than Canadian dollars.

FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The carrying values of cash, amounts receivable, due from related party, accounts payable and accrued liabilities and due to related party approximate fair value due to their short terms to maturity.

SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The Company's significant accounting policies, judgments and estimates are described in Note 3 of the audited consolidated financial statements for the year ended December 31, 2019.

Changes in accounting policies

There were no changes in the Company's significant accounting policies during the year ended December 31, 2019 that had a material effect on its consolidated financial statements.

Changes in accounting standards not yet adopted

There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's audited consolidated financial statements.

SECURITIES OUTSTANDING

Authorized share capital: The Company can issue an unlimited number of common shares with no par value.

As of June 24, 2020, the Company has 2,899,472 common shares issued and outstanding.

LIMITATIONS OF CONTROLS AND PROCEDURES

Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers are not required to certify the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements or forward-looking information within the meaning of applicable securities laws concerning the Company's beliefs and plans, including but not limited to statements with respect to: completion of the Transaction, receipt of all necessary regulatory and shareholder approvals required in connection with the Transaction, future plans and objectives of Tamaka, potential mineralization, exploration results, the availability of financial resources; capital, operating and cash flow estimates; and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet

determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, intentions or future events or performance are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and should not be relied on as representing the Company's views on any subsequent date. The Company specifically disclaims any intention or any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements

Tamaka Gold Corporation

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2020 and 2019
(Expressed in thousands of Canadian dollars unless otherwise noted)
(Unaudited)

TAMAKA GOLD CORPORATION
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019
(Expressed in thousands of Canadian dollars unless otherwise noted)
(Unaudited)

	March 31, 2020	December 31, 2019
ASSETS		
Current		
Cash and cash equivalents	\$ 167	\$ 45
Accounts and other receivables	86	84
Total current assets	253	129
Non-current		
Mineral property (Note 3)	53,348	53,255
Property and equipment	164	151
Total non-current assets	53,512	53,406
TOTAL ASSETS	\$ 53,765	\$ 53,535
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 397	\$ 294
Due to related party (Note 4)	9,843	9,885
Flow-through share premium liability (Note 9)	26	45
TOTAL LIABILITIES	10,266	10,224
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	85,839	84,987
Contributed surplus (Note 8)	3,998	3,900
Accumulated deficit	(46,338)	(45,576)
Total shareholders' equity	43,499	43,311
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 53,765	\$ 53,535

Going concern (Note 1)
Subsequent event (Note 3)

The consolidated financial statements were approved by the Board of Directors:

Signed: "Keith Neumeyer", Director

Signed: "Raymond Polman", Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TAMAKA GOLD CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	Three months ended March 31,	
	2020	2019
EXPENDITURES		
Administrative and office	\$ 2	\$ 5
Depreciation	13	11
Mineral property impairment (Note 3)	914	-
Loss before income taxes	\$ 929	\$ 16
Deferred income tax recovery	(167)	-
Net loss and comprehensive loss for the period	\$ 762	\$ 16

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TAMAKA GOLD CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	Three months ended March 31,	
	2020	2019
Cash flows from operating activities		
Net loss for the period	\$ (762)	\$ (16)
Adjustments for:		
Depreciation	13	11
Mineral property impairment (Note 3)	914	-
Deferred income tax recovery	(167)	-
Operating cash flows before movements in working capital	(2)	(5)
Changes in non-cash working capital items:		
Decrease in prepaid expenditures	-	4
Increase (decrease) in accounts payables and accrued liabilities	1	(11)
Total cash used in operating activities	(1)	(12)
Cash flows from investing activities		
Property and equipment purchases	(25)	-
Mineral property expenditures (Note 3)	(617)	(39)
Total cash used in investing activities	(642)	(39)
Cash flows from financing activity		
Received from related party	765	20
Total cash provided by financing activity	765	20
Change in cash and cash equivalents	122	(31)
Cash and cash equivalents, beginning	45	76
Cash and cash equivalents, ending	\$ 167	\$ 45

Supplemental cash flow information (Note 5)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TAMAKA GOLD CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

	Number of common shares	Share capital	Contributed surplus	Accumulated deficit	Total
Balance as at December 31, 2018	1 \$	83,562 \$	3,690 \$	(310) \$	86,942
Loss for the period	-	-	-	(16)	(16)
Share-based compensation allocated from the Parent entity (Note 8)	-	-	58	-	58
Balance as at March 31, 2019	1 \$	83,562 \$	3,748 \$	(326) \$	86,984
Balance as at December 31, 2019	1,899,472 \$	84,987 \$	3,900 \$	(45,576) \$	43,311
Shares issued for the flow-through subscription agreement (Note 8)	1,000,000	1,000	-	-	1,000
Flow-through share premium liability (Notes 8 and 9)	-	(148)	-	-	(148)
Loss for the period	-	-	-	(762)	(762)
Share-based compensation allocated from the Parent entity (Note 8)	-	-	98	-	98
Balance as at March 31, 2020	2,899,472 \$	85,839 \$	3,998 \$	(46,338) \$	43,499

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TAMAKA GOLD CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tamaka Gold Corporation (the “Company” or “Tamaka”) was incorporated in Canada on August 23, 2005. Tamaka is a wholly-owned subsidiary of First Mining Gold Corp. (“First Mining”) and owns the Goldlund Gold Project (“Goldlund”) located in northwestern Ontario.

These financial statements have been prepared using generally accepted accounting principles that are applicable to a going concern. The Company has incurred operating losses to date and does not generate cash from operations to support its activities. As at March 31, 2020, the Company had a working capital deficiency of \$10,013.

As the Company does not currently have any committed sources of financing, it is dependent on its ultimate parent company, First Mining, for the funding of its activities. There can be no assurance that such funding will be made available to the Company. These factors represent material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

These condensed interim consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Any such adjustments may be material.

In March 2020, the World Health Organization declared a global pandemic related to the virus known as COVID-19. As the Company does not have production activities, the ability to fund ongoing exploration is affected by the availability of financing. Due to market uncertainty the Company or First Mining may be restricted in its ability to raise additional funding. The impact of these factors on the Company over time is not determinable; however, they may have a material impact on the Company’s financial position, results of operations and cash flows in future periods. There may be heightened risk of mineral property impairment and liquidity or going concern uncertainty.

These condensed consolidated financial statements include the accounts of the Company and its 100% wholly-owned subsidiary, Goldlund Resources Inc.

The Company’s head office and principal address is located at Suite 2070 – 1188 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4A2.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* using policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2019, as some disclosures from the annual consolidated financial statements have been condensed or omitted. There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company’s consolidated financial statements.

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss or fair value through other comprehensive income (loss), which are stated at their fair value. The condensed interim consolidated financial statements are presented in thousands of Canadian dollars, unless otherwise noted.

TAMAKA GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

2. BASIS OF PRESENTATION (Continued)

The functional currency of the Company and its Canadian subsidiary is the Canadian dollar. The use of judgments, estimates and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were substantially the same as those that applied to the audited annual consolidated financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on June 24, 2020.

3. MINERAL PROPERTY

As at March 31, 2020 and December 31, 2019, the Company has capitalized the following acquisition, exploration and evaluation costs on its mineral property:

Balance as at December 31, 2018	\$	96,606
Concessions, taxes and royalties		3
Salaries and other compensation		726
Drilling, exploration, and technical consulting		1,085
Assaying, field supplies, and environmental		240
Travel and other expenditures		236
Mineral property impairment		(45,641)
Balance as at December 31, 2019	\$	53,255
Balance as at December 31, 2019	\$	53,255
Concessions, taxes and royalties		2
Salaries and other compensation		221
Drilling, exploration, and technical consulting		525
Assaying, field supplies, and environmental		176
Travel and other expenditures		83
Mineral property impairment		(914)
Balance as at March 31, 2020	\$	53,348

The Company has various agreements and commitments with respect to Goldlund, which define annual or future payments in connection with royalty buy-backs or maintenance of property interests.

TAMAKA GOLD CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

3. MINERAL PROPERTY (Continued)

Royalties which affect the Goldlund Property are:

- 1%, 1.5% or 2% net smelter returns (“NSR”) royalty payable to Alexander Glatz and Joseph Rives for 10 claims, where size of the NSR will be dependent on the mined resource grade;
- 1% NSR payable to Goldlund Mines Limited on any ore mined above 50 m below the existing shaft collar for 6 patented claims and 3 patented claims covered by the mining lease. The Company has a right of first refusal in the event the holder wishes to dispose of its interest in the NSR;
- 2.5% NSR payable to Rio Algom Limited for 19 patented claims and 1 license of occupation. The Company has the right to purchase the NSR in its entirety for \$2,500 and a right of first of refusal in the event that Rio Algom wishes to sell the NSR;
- 2% NSR payable to 1074127 Ontario Limited in accordance with industry practice on the sale of all minerals from the property for 15 mining claims. The Company has the right to purchase 100% of the NSR at any time for \$1,500 and a right of first refusal in the event that the holder wishes to sell the NSR.

On June 3, 2020, First Mining entered into a definitive share purchase agreement (the “Agreement”) with Treasury Metals Inc. (“Treasury Metals”) (TSX: TML), pursuant to which Treasury Metals may acquire all of the issued and outstanding shares of Tamaka. Under the terms of the Agreement, First Mining will receive total consideration comprised of (i) 130 million common shares of Treasury Metals (“TML Shares”); (ii) 35 million common share purchase warrants of Treasury Metals (“TML Warrants”) with an exercise price of \$0.50 for a 3-year term; (iii) a 1.5% NSR royalty on Goldlund (0.5% of which can be bought back by Treasury Metals for \$5 million in cash); and (iv) milestone payments totalling \$5 million, payable in cash, on certain key advancements at Goldlund.

Details of the milestone payments are as follows:

- \$2.5 million payable upon receipt of a mining lease to extract material from an open pit mine at Goldlund; and
- \$2.5 million payable upon 300,000 tonnes of ore being extracted from a mine at Goldlund.

Entering into the Agreement was considered an indicator of impairment and evidence of conditions that existed at March 31, 2020 and December 31, 2019. During the three months ended March 31, 2020 and year ended December 31, 2019, the Company completed an impairment test and recorded an impairment of the Goldlund project amounting to \$914 and \$45,641, respectively, based on the recoverable amount (the fair value less costs to sell) indicated by the Agreement. In determining the recoverable amount, management estimated the fair value of the 130 million TML Shares based on quoted market prices, the fair value of the 35 million TML Warrants based on a Black-Scholes option valuation and the fair value of the 1.5% royalty and milestone payments totalling \$5 million based on a probability weighted discounted cash flow model. The recoverable amount estimate is sensitive to changes in the milestone payment probably assumptions and the discount rate applied to the associated cash flows of 6.50%. An impairment was determined in accordance with Level 3 of the fair value hierarchy.

As at March 31, 2020, the carrying value of Goldlund is \$53,348 (December 31, 2019 - \$53,255). The change in the carrying value is the result of the time value of money’s impact on the cash flows in the impairment models at the respective dates.

4. RELATED PARTY TRANSACTIONS

Included in due to related party as at March 31, 2020 is \$9,843 (December 31, 2019 - \$9,885) due to First Mining, the ultimate parent of the Company. The amount owing is non-interest bearing, unsecured, and due on demand.

TAMAKA GOLD CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

5. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended March 31, 2020, the significant non-cash investing and financing transactions were as follows:

- First Mining issued 24,220 common shares to a third party for prior Goldlund mineral property acquisition costs. \$4 was capitalized to mineral property in these financial statements.

Additional cash flow disclosures are as follows:

- Paid or accrued \$nil for income taxes.

6. FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

a) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets. The Company is primarily exposed to credit risk on its cash. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of this financial asset represents the maximum exposure to credit risk.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company endeavours to ensure that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash (Note 1). All of the Company's liabilities are due in the next year.

c) Foreign currency risk:

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at March 31, 2020 and December 31, 2019, the Company had no financial instruments denominated in currency other than Canadian dollars.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

TAMAKA GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

7. FAIR VALUE MEASUREMENTS (Continued)

The carrying values of cash, accounts payable and accrued liabilities and due to related party approximate fair value due to their short terms to maturity.

8. SHARE CAPITAL**a) Authorized**

Unlimited number of common shares with no par value.

b) Issued and Fully Paid

Common shares: 2,899,472 (December 31, 2019 – 1,899,472).

On January 20, 2020, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the “January Offering”). Pursuant to the January Offering, the Company issued 1,000,000 common shares of the Company (the “Flow-Through Shares”) that qualify as flow-through shares for purposes of the *Income Tax Act* (Canada), at a price of \$1.00 per Flow-Through Share.

An amount of \$852 was recorded in share capital, and the remaining \$148, representing the implied premium, was recorded as a flow-through share premium liability (Note 9).

c) Share-based Compensation

Share-based compensation amounting to \$98 (three months ended March 31, 2019 - \$58) was allocated from the Parent entity and capitalized to the mineral property.

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the Company’s flow-through share issuances:

	January 20, 2020	May 29, 2019	October 2, 2019	Total
Balance, December 31, 2018	\$ -	\$ -	\$ -	\$ -
Liability incurred for flow-through shares issued May 29, 2019	-	250	-	250
Settlement of flow-through share premium liability upon incurring eligible expenditures		(250)	(180)	(430)
Liability incurred for flow-through shares issued October 2, 2019	-	-	225	225
Balance, December 31, 2019	\$ -	\$ -	\$ 45	\$ 45
Liability incurred for flow-through shares issued January 20, 2020	148	-	-	148
Settlement of flow-through share premium liability upon incurring eligible expenditures	(122)	-	(45)	(167)
Balance, March 31, 2020	\$ 26	\$ -	\$ -	\$ 26

TAMAKA GOLD CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of Canadian dollars unless otherwise noted)

(Unaudited)

9. FLOW-THROUGH SHARE PREMIUM LIABILITY (Continued)

As at March 31, 2020, the Company had \$174 (December 31, 2019 - \$179) of unspent flow-through expenditure commitments.

TAMAKA GOLD CORPORATION
Management's Discussion & Analysis
For the three months ended March 31, 2020

TAMAKA GOLD CORPORATION

This Management's Discussion and Analysis ("MD&A") of Tamaka Gold Corporation ("Tamaka" or the "Company") provides an analysis of Tamaka's financial results and operations for the three months ended March 31, 2020.

This MD&A contains forward-looking information, such as statements regarding potential mineralization, exploration results and future plans and objectives of Tamaka that are subject to various risks and uncertainties, including those set forth in "Cautionary Statement Regarding Forward-Looking Information". There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Readers are cautioned not to place undue reliance on this forward-looking information. Readers of this MD&A are advised to read the risk factors described in the "Cautionary Statement on Forward-Looking Information" at the end of the MD&A.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of Tamaka for the three months ended March 31, 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable to the preparation of interim financial statements, including International Accounting Standard IAS 34 Interim Reporting. The unaudited condensed interim consolidated financial statements should also be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2019, which are prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in thousands of Canadian dollars, unless otherwise stated. This MD&A is dated as of June 24, 2020 and all information contained in this MD&A is current as of June 24, 2020.

DESCRIPTION OF BUSINESS AND PROPOSED TRANSACTION

Tamaka was incorporated under the Business Corporations Act of Ontario on August 23, 2005. The ultimate parent of Tamaka is First Mining Gold Corp. ("First Mining"). Tamaka, through its wholly-owned subsidiary, Goldlund Resources Inc. ("Goldlund Resources"), owns the Goldlund Gold Project ("Goldlund") located in northwestern Ontario.

Goldlund is an advanced exploration stage asset located in northwestern Ontario, approximately 60 km northeast of the town of Dryden. The Project currently hosts 809,200 ounces of gold in the Indicated category and 876,954 ounces of gold in the Inferred category. Drilling in 2019 and early 2020 was completed on the Project to better define both the extension of the existing resource area and the regional scale potential. The large land package has considerable exploration potential, with the property extending over a strike-length of over 50 km with multiple exploration targets identified, including the Miller Prospect which was most recently drilled in late 2019. The Project is in an area with excellent infrastructure and is accessible from a provincial highway.

As at December 31, 2019, the consolidated financial statements include the Company's 100%-owned wholly-owned subsidiary, Goldlund Resources.

On June 3, 2020, First Mining entered into a definitive share purchase agreement (the "Agreement") with Treasury Metals Inc. ("Treasury Metals") (TSX: TML), pursuant to which Treasury Metals may acquire all of the issued and outstanding shares of Tamaka (the "Transaction"). Under the terms of the Agreement, First Mining will receive total consideration comprised of (i) 130 million common shares of Treasury Metals ("TML Shares"); (ii) 35 million common share purchase warrants of Treasury Metals ("TML Warrants") with an exercise price of \$0.50 for a 3-year term; (iii) a 1.5% NSR royalty on Goldlund (0.5% of which can be bought back by Treasury Metals for \$5 million in cash); and (iv) milestone payments totalling \$5 million, payable in cash, on certain key advancements at Goldlund.

Details of the milestone payments are as follows:

- \$2.5 million payable upon receipt of a mining lease to extract material from an open pit mine at Goldlund; and
- \$2.5 million payable upon 300,000 tonnes of ore being extracted from a mine at Goldlund.

Entering into the Agreement was considered an indicator of impairment and evidence of conditions that existed at December 31, 2019. Therefore, during the year ended December 31, 2019, the Company completed an impairment test and recorded an impairment of the Goldlund project amounting to \$45,641 (2018 - \$nil), based on the recoverable amount (the fair value less costs to sell) indicated by the Agreement. During the three months ended March 31, 2020, the Company recorded an impairment of Goldlund amounting to \$914 (three months ended March 31, 2019 - \$nil). In determining the recoverable amount, management estimated the fair value of the 130 million TML Shares based on quoted market prices, the fair value of the 35 million TML Warrants based on a Black-Scholes option valuation and the fair value of the 1.5% royalty and milestone payments totalling \$5 million based on a probability weighted discounted cash flow model. The recoverable amount estimate is sensitive to changes in the milestone payment probably assumptions and the discount rate applied to the associated cash flows of 6.50%. An impairment was determined in accordance with Level 3 of the fair value hierarchy.

First Mining intends to distribute up to 70 million TML Shares received under the Transaction, along with all 35 million TML Warrants, to First Mining shareholders within 12 months of closing. Completion of the Transaction is subject to customary closing conditions, including approval of a majority of the votes cast by the shareholders of Treasury Metals at a shareholder meeting, and approval of the Toronto Stock Exchange in connection with the 130 million TML Shares and the 35 million TML Warrants being issued under the Transaction. TML expects to hold an annual general and special meeting of its shareholders in early August, and at such meeting, the shareholders of TML will be asked to approve the Transaction. If the transaction is approved by the shareholders of TML, closing of the Transaction is expected to occur in mid-August 2020.

2020 QUARTERLY OPERATING HIGHLIGHTS

"Main Zone" Drill Program

Following completion of 2019 drilling at its Miller prospect at Goldlund ("Miller"), the exploration program moved to the Main Zone area at Goldlund in Q4 2019 and continued there in 2020 until the scheduled break in mid-March. On May 31, 2020, the Company recommenced its 2020 drill program with a plan to drill approximately 2,000 metres ("m").

The initial phase of this Main Zone drill program was completed in March 2020 (prior to the field program shutdown at Goldlund due to the COVID-19 pandemic, which coincided with the scheduled mid-March break), and consisted of 39 holes (approximately 7,300 m), with the overall focus of the program being to define and extend mineralization in the eastern and western portions of Zones 1, 2, 3 and 4. Fourteen of these holes (approximately 2,500 m) were drilled in 2019, with a further 25 holes (approximately 4,800 m) drilled during Q1 2020, and these holes primarily targeted the Zone 2 and 3 areas. Drilling at the Main Zone is focused on delineating mineralization between the currently-defined zones of the mineral deposit at Goldlund. The main Goldlund deposit that hosts the current mineral resource estimate remains open along strike to the northeast, to the southwest, and at depth.

MINERAL PROPERTY BALANCES

The following tables summarizes the mineral property expenditures for the three months ended March 31, 2020 and year ended December 31, 2019:

Balance as at December 31, 2018	\$	96,606
Concessions, taxes and royalties		3
Salaries and other compensation		726
Drilling, exploration, and technical consulting		1,085
Assaying, field supplies, and environmental		240
Travel and other expenditures		236
Mineral property impairment		(45,641)
Balance as at December 31, 2019	\$	53,255
Balance as at December 31, 2019	\$	53,255
Concessions, taxes and royalties		2
Salaries and other compensation		221
Drilling, exploration, and technical consulting		525
Assaying, field supplies, and environmental		176
Travel and other expenditures		83
Mineral property impairment		(914)
Balance as at March 31, 2020	\$	53,348

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected unaudited consolidated financial data for the last eight quarters which have been derived from the financial records of the Company which were prepared based on IFRS applicable to interim financial reporting.

	2020-Q1	2019-Q4	2019-Q3	2019-Q2
Net loss	\$ 762	\$ 45,364	\$ (127)	\$ 13
Mineral property impairment	\$ 914	\$ 45,641	\$ -	\$ -
	2019-Q1	2018-Q4	2018-Q3	2018-Q2
Net loss	\$ 16	\$ 11	\$ 27	\$ 21
Mineral property impairment	\$ -	\$ -	\$ -	\$ -

The most significant variance in net loss quarter to quarter is due to a mineral property impairment on Goldlund, and to a lesser extent deferred income tax recoveries. In 2020-Q1 and 2019-Q4, a mineral property impairment was recorded for Goldlund amounting to \$914 and \$45,641, respectively, as a result of the recoverable value indicated by the Agreement with Treasury Metals. In addition, deferred income tax recoveries were recorded in each of 2020-Q1, 2019-Q4 and 2019-Q3, due to reversal of a flow-through share premium liability.

DISCUSSION OF OPERATIONS

For the quarter ended March 31, 2020, compared to the quarter ended March 31, 2019

Tamaka's net loss for the three months ended March 31, 2020 was \$762 (three months ended March 31, 2019 - \$16). Contributing to the net loss for 2020 is \$914 in mineral property impairment (three months ended March 31, 2019 - \$nil), deferred income tax recovery of \$167 (three months ended March 31, 2019 - \$nil) and \$13 of

depreciation expense (three months ended March 31, 2019 - \$11). In 2019, no impairment was recorded until December 31, 2019, and as a result there was no impairment charge during the three months ended March 31, 2019. The mineral property impairment recorded as at March 31, 2020 relates to entering into the Agreement with Treasury Metals, which indicated a recoverable value of Goldlund as at March 31, 2020 and December 31, 2019 was below its carrying value. The increase in deferred income tax recovery from fiscal 2019 to 2020 relates to a reversal of a flow-through share premium liability in relation to a flow-through share subscription agreement between the Company and First Mining dated January 20, 2020.

As at March 31, 2020, the Company's working capital deficiency was \$10,013 (December 31, 2019 - \$10,095), with \$167 being held in cash (December 31, 2019 - \$45). The increase in cash was due to the proceeds received from related party advances, while being offset by \$1 used in operating activities and \$642 used in investing activities.

During the three months ended March 31, 2020, the Company capitalized \$1,005 to mineral property in connection with the 2020 drill campaign of approximately 4,800 m. In contrast, in the prior year period, the Company capitalized \$49 to mineral property in connection with the reporting of an updated mineral resource estimate for Goldlund, which incorporated management salary allocations. The Company received \$1,200 (2018 - \$1,800) in funding from First Mining.

On January 20, 2020, the Company entered into a flow-through share subscription agreement with First Mining, raising aggregate gross proceeds of \$1,000 (the "January Offering"). Pursuant to the January Offering, the Company issued to First Mining 1,000,000 common shares of the Company (the "Flow-Through Shares") that qualify as flow-through shares for purposes of the *Income Tax Act* (Canada) (the "ITA"), at a price of \$1.00 per Flow-Through Share.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Tamaka's parent, First Mining, is a related party. During the three months ended March 31, 2020, Tamaka received contributions of \$765 (three months ended March 31, 2019 - \$20) from First Mining to fund its drilling programs at Goldlund.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

a) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets. The Company is primarily exposed to credit risk on its cash and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets represents the maximum exposure to credit risk.

b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company endeavours to ensure that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash. All of the Company's liabilities are due in the next year.

c) Foreign currency risk:

The Company's functional currency is the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at March 31, 2020 and December 31, 2019, the Company had no financial instruments denominated in currency other than Canadian dollars.

SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The Company's significant accounting policies, judgments and estimates are described in Note 3 of the consolidated financial statements for the year ended December 31, 2019.

SECURITIES OUTSTANDING

Authorized share capital: The Company can issue an unlimited number of common shares with no par value.

As of June 24, 2020, the Company has 2,899,472 common shares issued and outstanding.

LIMITATIONS OF CONTROLS AND PROCEDURES

Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers are not required to certify the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements or forward-looking information within the meaning of applicable securities laws concerning the Company's beliefs and plans, including but not limited to statements with respect to: completion of the Transaction, receipt of all necessary regulatory and shareholder approvals required in connection with the Transaction, future plans and objectives of Tamaka, potential mineralization, exploration results, the availability of financial resources; capital, operating and cash flow estimates; and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, intentions or future events or performance are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause

actual events or results to differ from those expressed or implied by the forward- looking statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and should not be relied on as representing the Company's views on any subsequent date. The Company specifically disclaims any intention or any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

APPENDIX “D”
UNAUDITED PRO FORMA FINANCIAL STATEMENTS OF THE COMPANY FOR THE THREE
MONTHS ENDED MARCH 31, 2020 AND FOR THE YEAR ENDED DECEMBER 31 2019 FOLLOWING
COMPLETION OF THE TRANSACTION AND THE PRIVATE PLACEMENT

See attached.



**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND FOR
THE YEAR ENDED DECEMBER 31, 2019**

**(EXPRESSED IN THOUSANDS OF CANADIAN
DOLLARS)**

TREASURY METALS INC.
PRO FORMA CONSOLIDATED STATEMENT OF LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	Treasury Metals Inc.	Tamaka Gold Corporation	Pro Forma Adjustments	Notes	Pro Forma Consolidated Treasury Metals Inc.
Expenses					
Administrative, office and shareholder services	\$ 317	\$ 2	\$ -		\$ 319
Mineral Property impairment	-	914	-		914
Professional fees	43	-	-		43
Salary and benefits	139	-	-		139
Stock-based compensation	119	-	-		119
Accretion and amortization of long- term debt transaction costs	43	-	-		43
Interest and financing costs	176	-	-		176
Foreign exchange loss (gain)	410	-	-		410
Fair value loss (gain) in non-cash derivative liability	(1,044)	-	-		(1,044)
Depreciation	-	13	-		13
Loss before income taxes	(203)	(929)	-		(1,132)
Deferred income tax (expense) recovery	259	167	-		426
Net income (loss) for the period	\$ 56	\$ (762)	\$ -		\$ (706)
Other comprehensive loss					
Unrealized loss on equity investments, net of taxes	(5)	-	-		(5)
Realized loss on sale of FVTOCI investments	(1)	-	-		(1)
Other comprehensive loss	(6)	-	-		(6)
Total comprehensive loss for the period	\$ 50	\$ (762)	\$ 0		\$ (712)

The accompanying notes are an integral part of these pro forma consolidated financial statements.

TREASURY METALS INC.
PRO FORMA CONSOLIDATED STATEMENT OF LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	Treasury Metals Inc.	Tamaka Gold Corporation	Pro Forma Adjustments	Notes	Pro Forma Consolidated Treasury Metals Inc.
Interest income	\$ 1	\$ 1	\$ -		\$ 2
	<u>1</u>	<u>1</u>	<u>-</u>		<u>2</u>
Expenses					
Administrative, office and shareholder services	\$ 1,182	\$ 12	\$ -		\$ 1,194
Mineral Property impairment	-	45,641	-		45,641
Professional fees	170	-	-		170
Arbitration costs award	107	-	-		107
Salary and benefits	603	-	-		603
Stock-based compensation	334	-	-		334
Accretion and amortization of long- term debt transaction costs	463	-	-		463
Interest and financing costs	539	-	-		539
Foreign exchange loss (gain)	(220)	-	-		(220)
Loss (gain) on debt extinguishment	1,344	-	-		1,344
Fair value loss (gain) in non-cash derivative liability	(975)	-	-		(975)
Depreciation	-	44	-		44
	<u>3,547</u>	<u>45,697</u>	<u>-</u>		<u>49,244</u>
Loss before income taxes	(3,546)	(45,696)	-		(49,242)
Deferred income tax (expense) recovery	(1,297)	430	-		(867)
Net loss for the period	\$ (4,843)	\$ (45,266)	\$ -		\$ (50,109)
Other comprehensive loss					
Unrealized loss on equity investments, net of taxes	(10)	-	-		(10)
Realized loss on sale of FVTOCI investments	(20)	-	-		(20)
Other comprehensive loss	<u>(30)</u>	<u>-</u>	<u>-</u>		<u>(30)</u>
Total comprehensive loss for the period	\$ <u>(4,873)</u>	\$ <u>(45,266)</u>	\$ <u>0</u>		\$ <u>(50,139)</u>

The accompanying notes are an integral part of these pro forma consolidated financial statements.

TREASURY METALS INC.
PRO FORMA CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2020
(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

	Treasury Metals Inc.	Tamaka Gold Corporation	Pro Forma Adjustments	Notes	Pro Forma Consolidated Treasury Metals Inc.
Assets					
Current Assets					
Cash and cash equivalents	\$ 864	\$ 167	\$ 10,745	Note 4 a)	\$ 11,776
Accounts receivable and prepaid expenses	292	86	-		378
	1,156	253	10,745		12,154
Investments	42	-	-		42
Property and equipment	2,414	164	-		2,578
Mineral properties and related deferred costs	81,349	53,348	19,354	Note 4 d), f)	154,051
	\$ 84,961	\$ 53,765	\$ 30,099		\$ 168,825
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities	\$ 1,731	\$ 397	\$ 1,400	Note 4 f)	\$ 3,528
Due to related party	-	9,843	(9,843)	Note 4 e)	-
Short-term debt and current portion of long-term debt	768	-	-		768
Non-cash derivative liability	896	-	-		896
Unrenounced flow-through share premium	-	26	-		26
	3,395	10,266	(8,443)		5,218
Long-term debt	5,307	-	9,300	Note 4 h), i)	14,607
Deferred tax liability	3,166	-	-		3,166
	11,868	10,266	857		22,991
Shareholders' Equity					
Capital stock	97,641	85,839	(19,617)	Note 4 a), b), e), g)	163,863
Contributed surplus	11,261	3,998	2,521	Note 4 c), e), g)	17,780
Deficit	(35,530)	(46,338)	46,338	Note 4 e)	(35,530)
Accumulated other comprehensive loss	(279)	-	-		(279)
	73,093	43,499	29,242		145,834
	\$ 84,961	\$ 53,765	\$ 30,099		\$ 168,825

The accompanying notes are an integral part of these pro forma consolidated financial statements.

TREASURY METALS INC.

PRO FORMA NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

Three Months Ended March 31, 2020 and Year Ended December 31, 2019

1. THE TRANSACTION

The unaudited pro forma consolidated financial statements (the “Pro Forma Statements”) have been prepared in connection with the proposed acquisition (the “Transaction”) whereby Treasury Metals Inc. (“Treasury” or the “Company”) will acquire all of the issued and outstanding shares of Tamaka Gold Corporation (“Tamaka”) from First Mining Gold Corp. (“First Mining”). The details of the Transaction are set below.

On June 3, 2020, the Company entered into a definitive share purchase agreement (the “Agreement”) with First Mining pursuant to which Treasury will acquire all of the issued and outstanding shares of 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.

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 of the Company (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; (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.

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.

Full details of the Transaction are included in the management information circular to which these pro forma statements are an attachment. Closing of the Transaction remains subject to shareholder and other customary regulatory approvals, and is expected to occur in mid-August.

In connection with the above described transaction, on June 15, 2020, the Company announced that it entered into an agreement with a syndicate of underwriters led by Haywood Securities Inc. (the “Underwriters”) in connection with a “bought deal” private placement financing of an aggregate of 27,800,000 Subscription Receipts for gross proceeds of \$10,008,000.

On June 16, 2020, the Company announced that the Underwriters had agreed to increase the size of the previously announced Offering to an aggregate of 32,000,000 Subscription Receipts for aggregate gross proceeds of \$11,520,000.

The Subscription Receipts will be issued pursuant to a Subscription Receipt Agreement to be entered into by the Company, the Underwriters, and a licensed Canadian trust company as subscription receipt agent. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less 50% of the Underwriters’ cash commission and all of the Underwriters’ expenses) will be held in escrow pending satisfaction of all closing conditions.

2. BASIS OF PRESENTATION

The unaudited Pro Forma Statements have been prepared in connection with the Transaction for illustrative purposes only and give effect to the Transaction pursuant to the assumptions described in Note 4.

TREASURY METALS INC.

PRO FORMA NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

Three Months Ended March 31, 2020 and Year Ended December 31, 2019

2. BASIS OF PRESENTATION (Continued)

The unaudited Pro Forma Consolidated Balance Sheet as at March 31, 2020, reflects the Transaction as described in Note 1 as if it was completed on March 31, 2020. The unaudited Pro Forma Statements of Loss and Other Comprehensive Loss for the three months ended March 31, 2020 and for the year ended December 31, 2019 have been prepared as if the Transaction described in Note 1 had occurred on January 1, 2019. The preparation of these unaudited Pro Forma Statements is based on the historical audited consolidated financial statements of Treasury and Tamaka for the year ended December 31, 2019, and the historical unaudited condensed consolidated financial statements of Treasury and Tamaka for the period ended March 31, 2020. Certain elements of the Tamaka historical financial statements have been reclassified in preparation of the unaudited Pro Forma Statements to conform to the financial statement presentation currently adopted by Treasury.

The unaudited Pro Forma Consolidated Balance Sheet of the Company as at March 31, 2020 and unaudited Pro Forma Consolidated Statement of Loss and Other Comprehensive Loss for the year ended December 31, 2019 and for the three-month period ended March 31, 2020 have been prepared from the annual financial statements of Tamaka and Treasury which are in accordance with International Financial Reporting Standards ("IFRS") and interim financial statements of Tamaka and Treasury prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). As it is detailed in the Pro Forma Consolidated Statement of Loss and Other Comprehensive Loss, there is no effect on the results of Treasury or Tamaka as a consequence of the Transaction.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited Pro Forma Statements have been prepared using the significant accounting policies as set out in the audited consolidated financial statements of Treasury as at and for the year ended December 31, 2019.

In preparing the unaudited Pro Forma Statements, a review was undertaken to identify accounting policy differences with Tamaka where the impact was potentially material and could be reasonably estimated. Further accounting policy differences may be identified after consummation and integration of the proposed Transaction. The significant accounting policies of Treasury are believed to conform in all material respects to those of Tamaka.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited Pro Forma Statements reflect the following assumptions and adjustments to give effect to the asset acquisition and the subsequent related financing, as if both had occurred on March 31, 2020 for the unaudited Consolidated Balance Sheet and January 1, 2019 for the unaudited Consolidated Statements of Loss and Other Comprehensive Loss.

- a) Adjustment to reflect the issuance of 32,000,000 units for aggregate gross proceeds of \$11,520,000; the net proceeds of \$10,745,000 reflects the \$775,000 deduction for the estimated closing costs in connection with a private placement financing estimated to be closed on July 7, 2020. As a part of the Transaction, Treasury was required on a best effort basis to complete a \$10 million financing.
- b) Adjustment to reflect the issuance of 130,000,000 Treasury shares to First Mining at \$0.435 each which is the recent closing price before the issuance of this information circular.
- c) Adjustment to reflect the \$5,446,000 fair value of the 35,000,000 warrants issued to First Mining as partial consideration for the Transaction (Note 7 b)).
- d) Adjustment that reflects the \$17,954,000 difference between the total consideration paid over the net identifiable assets acquired.

TREASURY METALS INC.

PRO FORMA NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

Three Months Ended March 31, 2020 and Year Ended December 31, 2019

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS (Continued)

- e) Elimination of the Tamaka shareholders' equity accounts for a total of \$43,499,000 and \$9,843,000 Tamaka related party debt payable to First Mining not to be assumed by Treasury.
- f) Estimated closing costs of the Transaction whereby the Company acquires the issued and outstanding shares of Tamaka, consisting of \$1,400,000 commission payable to brokers.
- g) Adjustment to reflect the \$1,073,194 fair value of the 16,000,000 warrants issued in the private placement financing estimated to be closed on July 7, 2020 (Note 7 a)).
- h) Adjustment to recognize the estimated present value of the 1.5% net smelter Goldlund Royalty payable to First Mining described in Note 6.
- i) Adjustment to recognize the estimated present value of the milestone cash payment to First Mining described in Note 6.

5. PURCHASE PRICE

A summary of the preliminary purchase price for the acquired assets and liabilities assumed is as follows:

Estimated fair value of the 130,000,000 common shares issued to First Mining	\$	56,550
Estimated fair value of the 35,000,000 warrants issued to First mining		5,446
Estimated present value of the payable 1.5% royalty on Goldlund		5,500
Estimated present value of milestone payments		3,800
Purchase price	\$	71,296

The purchase price has been allocated to the following identifiable assets and liabilities based on their estimated fair value at March 31, 2020:

Cash and cash equivalents	\$	167
Accounts receivable and prepaid expenses		86
Property and equipment		164
Mineral properties and related deferred costs		71,302
Accounts payable and other accrued liabilities		(397)
Unrenounced flow-through share premium		(26)
Purchase price allocation	\$	71,296

For the purpose of these Pro Forma Statements, there is a \$17,954,000 difference between the total consideration paid over the net identifiable assets to be acquired which has been included within the estimated fair value of mineral properties. The estimate of the fair value of mineral properties and related deferred costs is preliminary, however, and subject to change. The final purchase price and the fair value of the net assets to be acquired will ultimately be determined after the closing of the Transaction. Therefore, it is likely that the purchase price, including share consideration, and the fair values of assets acquired and liabilities assumed will vary from the values shown above. The actual fair value of the assets and liabilities may differ from the amounts disclosed above in the assumed pro forma purchase price allocation due to changes in fair values, as further analysis is completed. In addition, there is \$1,400,000 of compensation payable to the Company advisors as estimated closing costs of the Transaction which is not included in the purchase price calculation but is added to the mineral properties and related deferred costs account.

TREASURY METALS INC.

PRO FORMA NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)

Three Months Ended March 31, 2020 and Year Ended December 31, 2019

6. LONG-TERM DEBT

As per the terms of the Agreement described in the Note 1, there are two contingent liabilities consisting of:

- a) A payable 1.5% net smelter Goldlund Royalty, with the option for the Company to buy-back 0.5% of it for \$5.0 million. The Company estimates the present value of that liability is \$5.5 million.
- b) 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. The Company estimates the present value of that liability is \$3.8 million.

7. PRO FORMA SHARE CAPITAL AND WARRANTS

The balances at March 31, 2020 are as follows:

Share Capital	Number of Shares	Amount
Issued and outstanding, March 31, 2020	169,728,932	\$ 97,641
Shares issued in private placement, net of fair value of warrants and costs of issuance	32,000,000	9,672
Shares issued to First Mining as a partial consideration	130,000,000	56,550
Pro forma balance of share capital issued and outstanding	331,728,932	\$ 163,863

Warrants	Number of Warrants
Issued and outstanding, March 31, 2020	31,528,639
Warrants issued in private placement a)	16,000,000
Warrants issued to First Mining as partial consideration b)	35,000,000
Pro forma balance of warrants issued and outstanding	82,528,639

a) In connection with the private placement described in Note 1, the Company issued 16,000,000 warrants exercisable within 24 months at a price of \$0.60 per share and were assigned a fair value of \$1,073,194 using the Black-Scholes option pricing model with the following assumptions: share price \$0.36, dividend yield 0%, expected volatility, based on historical volatility 65.1%, a risk free interest rate of 0.30% and an expected life of 2 years.

b) As described in Note 1, the Company issued 35,000,000 warrants to First Mining as partial consideration for the Transaction. The warrants are exercisable within 36 months at a price of \$0.50 per share and were assigned a fair value of \$5,446,000 using the Black-Scholes option pricing model with the following assumptions: share price \$0.435, dividend yield 0%, expected volatility, based on historical volatility 60%, a risk free interest rate of 0.32% and an expected life of 3 years.

TREASURY METALS INC.**PRO FORMA NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED - EXPRESSED IN THOUSANDS OF CANADIAN DOLLARS)****Three Months Ended March 31, 2020 and Year Ended December 31, 2019**

8. PRO FORMA LOSS AND COMPREHENSIVE LOSS PER SHARE

Pro Forma basic loss and diluted loss per share for the three months ended March 31, 2020 and the year ended December 31, 2019 has been calculated based on actual weighted average number of Treasury common shares outstanding for the respective periods; as well as the number of shares issued in connection with the Transaction and the private placement detailed in Note 1, as if such shares had been outstanding since January 1, 2019:

	Three Months Ended March 31, 2020	Year Ended December 31, 2019
Actual weighted average number of Treasury common shares outstanding	169,728,932	154,536,095
Number of Treasury common shares issued to First Mining	130,000,000	130,000,000
Number of Treasury common shares issued on offering	<u>32,000,000</u>	<u>32,000,000</u>
Pro forma weighted average number of Treasury common shares outstanding	<u>331,728,932</u>	<u>316,536,095</u>
Pro forma net loss	\$ (712)	\$ (50,139)
Pro forma net loss and diluted loss per share - In CAD\$	\$ 0.00	\$ (0.16)

**APPENDIX “E”
FAIRNESS OPINION**

See attached.



June 3, 2020

The Board of Directors
Treasury Metals Inc.
130 King Street West, Suite 3680
Toronto, Ontario M5X 1B1

To the Board of Directors:

Haywood Securities Inc. (the “**Advisor**” or “**Haywood Securities**”) understands that Treasury Metals Inc. (the “**Corporation**” and which term shall, to the extent required or appropriate in the context, include the affiliates of the Corporation) proposes to enter into a definitive share purchase agreement (the “**SPA**” and which term shall include the schedules attached thereto) with First Mining Gold Corp. (“**First Mining**”) dated June 3, 2020, pursuant to which the Corporation has agreed to acquire all of the issued and outstanding common shares of Tamaka Gold Corp. (“**Tamaka**”), a wholly owned subsidiary of First Mining that owns a 100% interest in the Goldlund Gold Project (“**Goldlund**”). Under the terms of the SPA, First Mining shall receive (i) 130 million common shares (“**Common Shares**”) of the Corporation (the “**Share Consideration**”); (ii) 35 million Common Share purchase warrants of the Corporation (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 (as hereinafter defined)(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 Corporation 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 (the “**Milestone Payment**”, and together with the Share Consideration, the Warrant Consideration, and the Goldlund Royalty, the “**Consideration**”) in exchange for all the issued and outstanding shares of Tamaka Gold Corp. (the “**Transaction**”). The Transaction will be described in greater detail in a management information circular (the “**Circular**”) to be prepared by the Corporation in compliance with applicable laws, regulations, policies and rules, which Circular will be mailed to the shareholders of the Corporation.

The Board of Directors of the Corporation (the “**Board of Directors**”) has retained Haywood Securities to provide financial advice to the Corporation, including our opinion (this “**Fairness Opinion**”) to the Board of Directors as to the fairness of the Transaction, from a financial point of view, to the Corporation. Haywood Securities has not prepared a valuation of either the Corporation, First Mining, or Tamaka, or any of their respective securities or assets and this Fairness Opinion should not be construed as such.

Engagement

The Corporation initially contacted Haywood Securities regarding a potential advisory assignment in March 2019 and Haywood Securities was formally engaged by the Board of Directors pursuant to an agreement dated

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July 4, 2019 between the Corporation and Haywood Securities (the “**Advisory Agreement**”). Under the Advisory Agreement, Haywood Securities has agreed to provide the Corporation and the Board of Directors with various advisory services in connection with the Transaction including, among other things, the provision of the Fairness Opinion. Following a review of the terms of the Transaction by Haywood Securities, Haywood Securities rendered its oral opinion to the Board of Directors. This Fairness Opinion confirms the oral opinion rendered by Haywood Securities to the Board of Directors on June 3, 2020.

The terms of the Advisory Agreement provide that Haywood Securities is to be paid a fee for its services, including a fixed fee for the delivery of the Fairness Opinion and a fee that is contingent on the successful completion of the Transaction. The Corporation has also agreed to reimburse Haywood Securities for its reasonable out-of-pocket expenses and to indemnify Haywood Securities, its subsidiaries and affiliates, and their respective officers, directors, and employees, against certain expenses, losses, actions, claims, damages and liabilities which may arise directly or indirectly from services performed by Haywood Securities in connection with the Advisory Agreement. The payment of expenses is not dependent on the completion of the Transaction.

Independence of Haywood Securities

Neither Haywood Securities, nor any of our affiliates, is an insider, associate, or affiliate (as those terms are defined in the *Securities Act* (British Columbia) or the rules made thereunder) of the Corporation, First Mining, or any of their respective associates or affiliates. As of the date hereof, Haywood Securities has not entered into any other agreements or arrangements with the Corporation or First Mining or any of their affiliates with respect to any future dealings.

Haywood Securities acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Corporation and/or First Mining or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. In the ordinary course of trading and brokerage activities, Haywood Securities, the associates and affiliates thereof and the officers, directors and employees of any of them at any time may hold long or short positions, may trade or otherwise effect transactions, for their own account, for managed accounts or for the accounts of customers, in debt or equity securities of the Corporation, First Mining, or related assets or derivative securities. As an investment dealer, Haywood Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Corporation or First Mining or the Transaction.

As the Board of Directors of the Corporation is aware, during the 24-month period preceding the date that Haywood Securities was first contacted by the Corporation in respect of the Transaction, Haywood Securities participated in two equity financings by the Corporation in which Haywood Securities acted as a co-lead agent and a syndicate underwriter and received compensation. Haywood Securities has not acted as agent or underwriter in any financings involving First Mining, or any of its associates or affiliates, during the 24-month period preceding the date that Haywood Securities was first contacted in respect of the Transaction.

Credentials of Haywood Securities

Haywood Securities is one of Canada's leading independent investment dealers with operations in corporate finance, equity sales and trading and investment research. Haywood Securities has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions. The opinion expressed herein is the opinion of Haywood Securities, and the individuals primarily responsible for preparing this opinion are professionals of Haywood Securities experienced in merger, acquisition, divestiture and fairness opinion matters.

The Fairness Opinion represents the opinion of Haywood Securities, the form and content of which have been approved for release by a committee of senior Haywood Securities personnel who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Scope of Review and Approach to Analysis

In connection with rendering the Fairness Opinion, Haywood Securities has reviewed and relied upon, or carried out, among other things, the following:

- (a) reviewed the SPA between the Corporation and First Mining, dated June 3, 2020;
- (b) reviewed the disclosure letter of the Corporation, dated June 3, 2020;
- (c) reviewed the disclosure letter of First Mining, dated June 3, 2020;
- (d) reviewed the non-binding letter of intent between the Corporation and First Mining, dated May 12, 2020;
- (e) reviewed the audited consolidated financial statements of the Corporation for the financial years ended December 31, 2019 and 2018;
- (f) reviewed the management's discussion and analysis of the Corporation for the financial years ended December 31, 2019 and 2018;
- (g) reviewed the unaudited consolidated financial statements of the Corporation for the financial quarters ended March 31, 2020, September 30, 2019 and June 30, 2019;
- (h) reviewed the management's discussion and analysis of the Corporation for the financial quarters ended March 31, 2020, September 30, 2019 and June 30, 2019;
- (i) reviewed the management information circular of the Corporation dated May 1, 2019;
- (j) reviewed the annual information form of the Corporation dated March 27, 2020 for the year ended December 31, 2019;
- (k) reviewed the audited consolidated annual financial statements of First Mining for the years ended December 31, 2019 and 2018;
- (l) reviewed the management's discussion and analysis of First Mining for the financial years ended December 31, 2019 and 2018;
- (m) reviewed the unaudited consolidated financial statements of First Mining for the financial quarters ended March 31, 2020, September 30, 2019 and June 30, 2019;
- (n) reviewed the management's discussion and analysis of First Mining for the financial quarters ended March 31, 2020, September 30, 2019 and June 30, 2019;
- (o) reviewed the management information circular of First Mining dated May 6, 2020;

- (p) reviewed the annual information form of First Mining dated March 30, 2020 for the year ended December 31, 2019;
- (q) reviewed certain press releases and other publicly available information relating to the business, financial condition and trading history of each of the Corporation and First Mining and other select public companies we considered relevant;
- (r) reviewed applicable National Instrument 43-101 compliant technical reports of the Corporation and First Mining;
- (s) reviewed corporate presentations of each of the Corporation and First Mining;
- (t) reviewed certain historical financial information and operating data concerning the Corporation and First Mining;
- (u) reviewed certain projected financial information, including without limitation, budgets and financial forecasts, which were prepared and provided by the Corporation;
- (v) reviewed historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of each of the Corporation and Tamaka;
- (w) reviewed certain internal documents which were prepared and provided by the Corporation and First Mining;
- (x) reviewed historical market prices and valuation multiples for the common shares of the Corporation and the common shares of First Mining and compared such prices and multiples with those of certain publicly traded companies that we deemed relevant for the purposes of our analysis;
- (y) reviewed the financial results of the Corporation and First Mining and compared them with publicly available financial data concerning certain publicly traded companies that we deemed relevant for the purposes of our analysis;
- (z) reviewed publicly available financial data for merger and acquisition transactions that we deemed comparable for the purposes of our analysis;
- (aa) reviewed certain industry and analyst reports and statistics that were deemed relevant for the purposes of our analysis; and
- (bb) reviewed and considered such other financial, market, technical and industry information, and conducted such other investigations, analyses and discussions (including discussions with management of the Corporation) as we considered relevant and appropriate in the circumstances.

In addition, Haywood Securities has participated in discussions with members of the Corporation's management team regarding the Corporation, past and current business operations, and the Corporation's financial condition and prospects.

Haywood Securities did not complete a detailed technical due diligence review, and has relied upon the management of the Corporation for all technical due diligence matters, without independent verification. No

physical due diligence of Goldlund was undertaken by Haywood Securities. Haywood Securities has not, to the best of its knowledge, been denied access by the Corporation to any other information under its control requested by Haywood Securities.

Haywood Securities did not meet with the auditors of the Corporation or First Mining and has assumed the accuracy and fair presentation of and relied upon the audited consolidated financial statements of each of the Corporation and First Mining, respectively, and the reports of the auditor thereon.

In our assessment, we considered several techniques and used a blended approach to determine our opinion on the Transaction. We based this Fairness Opinion upon a number of quantitative and qualitative factors.

Assumptions and Limitations

With the approval and agreement of the Board of Directors, we have relied upon and assumed, without assuming responsibility or liability for independent verification, the completeness, accuracy and fair presentation of all financial information, business plans, financial analyses, forecasts and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Corporation or First Mining, their respective subsidiaries, directors, officers, associates, affiliates, consultants, advisors and representatives relating to the Corporation, First Mining, their respective subsidiaries, associates and affiliates, and to the Transaction. The Fairness Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or, subject to the exercise of professional judgment, attempted to verify independently the completeness, accuracy or fair presentation of any such information, data, advice, opinions and representations and assume no responsibility or liability in connection therewith. We have not conducted or been provided with any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of the Corporation or Tamaka under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or the facilities of the Corporation or Tamaka. Haywood Securities expresses no opinion as to the results of any future updated economic studies or other third-party analyses that may be released prior to or following completion of the Transaction, or the market reaction to such results. The technical due diligence investigations conducted by Haywood Securities were limited in scope and relied heavily on the experience of management of the Corporation.

With respect to any financial analyses, forecasts, projections, estimates and/or budgets provided to Haywood Securities and used in its analyses, Haywood Securities notes that projecting future results of any company is inherently subject to uncertainty. Haywood Securities has assumed, however, that such financial analyses, forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions reflect the best currently available estimates and judgments by management as to the expected future results of operations and financial condition of the Corporation and Tamaka. We express no view as to such financial analyses, forecasts, projections, estimates and/or budgets or the assumptions on which they were based.

Haywood Securities was not engaged to review any legal, tax or regulatory aspects of the SPA and the Fairness Opinion does not address such matters. In preparing the Fairness Opinion, we have made several assumptions, including that all of the conditions required to complete the Transaction will be met and that the disclosure provided in the Circular with respect to the Corporation, First Mining and their respective subsidiaries and affiliates and the Transaction will be accurate in all material respects.

We have relied as to all legal matters relevant to rendering our Fairness Opinion upon the advice of counsel. We have further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on the Corporation or First Mining or on the contemplated benefits of the Transaction.

The Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Corporation and Tamaka as they are reflected in the information provided by the Corporation and First Mining and as they were represented to us in our discussions with the management of the Corporation. It should be understood that subsequent developments may affect this Fairness Opinion and that we do not have any obligation to update, revise, or reaffirm this opinion. We are expressing no opinion herein as to the price at which the common shares of the Corporation or First Mining will trade at any future time. In our analyses and in connection with the preparation of the Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Haywood Securities and any party involved in the Transaction.

We have not been asked to prepare and have not prepared a valuation of the Corporation, First Mining or Tamaka or any of the securities or assets thereof and our opinion should not be construed as a “formal valuation” (within the meaning of *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*). Certain senior officers of the Corporation have represented to Haywood Securities that, to the best of their knowledge, there have been no prior valuations (as that term is defined in *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*) or appraisals of the Corporation or any material property of the Corporation or any of its subsidiaries or affiliates, made in the preceding 24 months and in the possession or control or knowledge of the Corporation, which have not been provided to Haywood Securities.

This Fairness Opinion is provided for the use of the Board of Directors of the Corporation only and may not be disclosed, referred or communicated to, or relied upon by, any third-party without our prior written consent. Haywood Securities consents to the inclusion of this Fairness Opinion in the Circular. This Fairness Opinion is given as of the date hereof and Haywood Securities disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of Haywood Securities after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, Haywood Securities reserves the right to change, modify or withdraw the Fairness Opinion.

Haywood Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying this Fairness Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Fairness Conclusion

Based on and subject to the foregoing and such other factors as Haywood Securities considered relevant, Haywood Securities is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the Corporation.

Yours truly,

Haywood Securities Inc.

HAYWOOD SECURITIES INC.

