

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

July 7, 2020

Item 3 News Release

A news release was disseminated on July 7, 2020 through CNW Group Ltd. and subsequently filed on SEDAR. A copy of the news release is attached hereto as Schedule “A”.

Item 4 Summary of Material Change

On July 7, 2020, the Company announced the completion of its \$11.52 million bought deal private placement offering.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On July 7, 2020, the Company announced that it closed its previously announced \$11.52 million bought deal private placement (the “**Offering**”) of 32,000,000 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.36 per Subscription Receipt (the “**Issue Price**”). The Offering was led by Haywood Securities Inc., and included PI Financial Corp., Sprott Capital Partners LP, and Canaccord Genuity Corp. (collectively, the “**Underwriters**”).

The Offering was completed in connection with the Company’s previously announced transaction (the “**Transaction**”) wherein Treasury will acquire all of the outstanding common shares of Tamaka Gold Corporation, a wholly owned subsidiary of First Mining Gold Corp., which holds a 100% interest in the Goldlund Gold Project (“**Goldlund**”), located immediately adjacent to Treasury’s Goliath Gold Project (“**Goliath**”) in Northwestern Ontario. It is currently anticipated that the Transaction will close in early August.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the “**Subscription Receipt Agreement**”) entered into by the Company, the Underwriters, and TSX 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) (the "**Escrowed Funds**") will be held in escrow pending satisfaction of certain conditions, including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Transaction; and (b) the receipt of all required shareholder and regulatory approvals in connection with the Transaction and the Offering ("**Escrow Release Conditions**"). If the Escrow Release Conditions have not been satisfied on or prior to the date that is 90 days after the closing date of the Offering, the holders of Subscription Receipts will receive a cash amount equal to the Issue Price of the Subscription Receipts and any interest that has been earned on the Escrowed Funds.

The Company has agreed to use its commercially reasonable efforts to obtain a receipt from the Ontario Securities Commission (the "**OSC**") on behalf of the applicable provincial securities regulatory authorities (the "**Securities Commissions**") for a (final) prospectus (the "**Qualifying Prospectus**") qualifying the distribution of the common shares of the Company ("**Common Shares**") and Warrants (as defined herein) underlying the Units (as defined herein) issuable upon conversion of the Subscription Receipts and the Underwriters' compensation options ("**Compensation Options**") issuable upon conversion of the Underwriters' compensation option receipts (the "**Compensation Option Receipts**") by 5:00 p.m. (Toronto time) on August 18, 2020 (the "**Qualification Deadline**").

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt shall automatically convert into one unit (a "**Unit**") or one Penalty Unit (as defined below), as applicable, for no additional consideration, upon the later of (the "**Automatic Conversion Date**"):

- (a) the date when the Escrowed Funds are released; and
- (b) the date which is the earlier of:
 - (i) four months and one day after the closing of the Offering; and
 - (ii) the second business day following the filing of the Qualifying Prospectus.

Each Unit will be comprised of one Common Share plus one-half of one Common Share purchase warrant (each whole such purchase warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.60 for a period of 24 months from the Automatic Conversion Date (the "**Expiry Date**"). If, after the Automatic Conversion Date and before the Expiry Date, the closing price of the Common Shares on the Toronto Stock Exchange ("**TSX**") is equal to or greater than \$1.00 per Common Share for a period of twenty (20) consecutive trading days during the exercise period, the Company may elect to accelerate the expiry date of the Warrants to a date that is not less than 30 calendar days from the date when written notice is delivered to the Warrant holders.

In the event the Company has not received a receipt from the OSC on behalf of the Securities Commissions for the Qualifying Prospectus before the Qualification Deadline, each Subscription Receipt will thereafter entitle the holder to receive upon

the conversion thereof, for no additional consideration, one penalty unit (a “**Penalty Unit**”), each Penalty Unit to be comprised of 1.1 Common Shares and 0.55 of a Warrant.

The Subscription Receipts issued under the Offering were offered by way of private placement exemptions in all the provinces of Canada except Quebec and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the *United States Securities Act of 1933*, as amended. The Subscription Receipts, Compensation Option Receipts and the Common Shares and Warrants underlying the Subscription Receipts and the Compensation Options underlying the Compensation Option Receipts are subject to a statutory four-month hold period in accordance with Canadian securities legislation, subject to qualification of the Warrants, Common Shares and Compensation Options under the Qualifying Prospectus.

The Offering was conditionally approved by the TSX on July 6, 2020. Closing of the Transaction remains subject to certain regulatory approvals including approval of the TSX and the shareholders of Treasury.

Disclosure Required by MI 61-101

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

A related party of the Company (the “**Related Party**”), subscribed for an aggregate of 90,000 Subscription Receipts issued pursuant to the Offering.

(b) the purpose and business reasons for the transaction:

The net proceeds of the Offering will be used for the exploration and development of the Goliath and Goldlund projects, and for general corporate purposes.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The completion of the Offering will provide the Company with funds to be used for the exploration and development of the Goliath and Goldlund projects, and for general corporate purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

The Related Party's participation in the Offering consisted of subscriptions for an aggregate of 90,000 Subscription Receipts as set out in Schedule "B" hereto.

- (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

See Schedule "B" attached hereto.

- (e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

A resolution of the board of directors of the Company (the "**Board**") was passed on July 7, 2020 approving the Offering. No special committee was established in connection with the Offering and no materially contrary view or abstention was expressed or made by any director. With respect to the Transaction, for an overview of the process undertaken by the Board and the Special Committee, refer to the Company's information circular dated June 29, 2020 for its annual general and special meeting of shareholders to be held on August 5, 2020.

- (f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than the subscription agreements to purchase the Subscription Receipts pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The participation in the Offering by the Related Party is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of securities being issued to the Related Party nor the consideration being paid by the Related Party exceeded 25% of the Company's market capitalization.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

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

Item 7 Omitted Information

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

Item 8 Executive Officer

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

Item 9 Date of Report

July 14, 2020

Treasury Metals Closes Over-Subscribed \$11.5 Million Bought Deal Financing

TSX: TML
OTCQX: TSRMF

TORONTO, July 7, 2020 /CNW/ - **Treasury Metals Inc.** (TSX: TML) ("**Treasury**" or the "**Company**") is pleased to announce that the Company has closed a \$11.52 million bought deal private placement (the "**Offering**") of 32,000,000 subscription receipts (the "**Subscription Receipts**") at a price of \$0.36 per Subscription Receipt (the "**Issue Price**"). The Offering was led by Haywood Securities Inc., and included PI Financial Corp., Sprott Capital Partners LP, and Canaccord Genuity Corp. (collectively, the "**Underwriters**").

Greg Ferron, CEO of Treasury, stated: "Completion of this financing comes at a transformational time for shareholders as we positively integrate the Goldlund gold project into our development timeline. The proceeds from the financing will fund the completion of a combined Goliath-Goldlund economic study expected within 2020, advance key engineering and environmental baseline data on Goldlund, and complete 25,000 metres of infill and expansion drilling program on the combined projects."

The Offering was completed in connection with the Company's previously announced transaction (the "**Transaction**") wherein Treasury will acquire all of the outstanding common shares of Tamaka Gold Corporation, a wholly owned subsidiary of First Mining Gold Corp., which holds a 100% interest in the Goldlund Gold Project ("**Goldlund**"), located immediately adjacent to Treasury's Goliath Gold Project ("**Goliath**") in Northwestern Ontario. Please refer to the Company's press release dated June 3, 2020 for further information regarding the Transaction. It is currently anticipated that the Transaction will close in early August.

The Subscription Receipts were issued pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**") entered into by the Company, the Underwriters, and TSX 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) (the "**Escrowed Funds**") will be held in escrow pending satisfaction of certain conditions, including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Transaction; and (b) the receipt of all required shareholder and regulatory approvals in connection with the Transaction and the Offering ("**Escrow Release Conditions**"). If the Escrow Release Conditions have not been satisfied on or prior to the date that is 90 days after the closing date of the Offering, the holders of Subscription Receipts will receive a cash amount equal to the Issue Price of the Subscription Receipts and any interest that has been earned on the Escrowed Funds.

The Company has agreed to use its commercially reasonable efforts to obtain a receipt from the Ontario Securities Commission (the "**OSC**") on behalf of the applicable provincial securities regulatory authorities (the "**Securities Commissions**") for a (final) prospectus (the "**Qualifying Prospectus**") qualifying the distribution of the common shares of the Company ("**Common Shares**") and Warrants (as defined herein) underlying the units issuable upon conversion of the Subscription Receipts and the Underwriters' compensation options ("**Compensation Options**") issuable upon conversion of the Underwriters' compensation option receipts (the "**Compensation Option Receipts**") by 5:00 p.m. (Toronto time) on August 18, 2020 (the "**Qualification Deadline**").

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt shall automatically convert into one unit (a "**Unit**") or one Penalty Unit (as defined below), as applicable, for no additional consideration, upon the later of (the "**Automatic Conversion Date**"):

- the date when the Escrowed Funds are released; and
- the date which is the earlier of:
 - four months and one day after the closing of the Offering; and
 - the second business day following the filing of the Qualifying Prospectus.

Each Unit will be comprised of one Common Share plus one-half of one Common Share purchase warrant (each whole such purchase warrant, a "**Warrant**"), with each Warrant entitling the holder thereof to acquire one Common Share at a price of \$0.60 for a period of 24 months from the Automatic Conversion Date (the "**Expiry Date**"). If, after the Automatic Conversion Date and before the Expiry Date, the closing price of the Common Shares on the Toronto Stock Exchange ("**TSX**") is equal to or greater than \$1.00 per Common Share for a period of twenty (20) consecutive trading days during the exercise period, the Company may elect to accelerate the expiry date of the Warrants to a date that is not less than 30 calendar days from the date when written notice is delivered to the Warrant holders.

In the event the Company has not received a receipt from the OSC on behalf of the Securities Commissions for the Qualifying Prospectus before the Qualification Deadline, each Subscription Receipt will thereafter entitle the holder to receive upon the conversion thereof, for no additional consideration, one penalty unit (a "**Penalty Unit**"), each Penalty Unit to be comprised of 1.1 Common Shares and 0.55 of a Warrant.

The net proceeds of the Offering will be used for the exploration and development of the Goliath and Goldlund projects, and for general corporate purposes.

The Offering constituted a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**") as an insider of the Company subscribed for an aggregate of 90,000 Subscription Receipts. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The participants in the Offering and the extent of such participation were not finalized until shortly prior to the completion of the Offering. Accordingly, the Company was not able to publicly disclose details of the nature and

extent of related party participation in the Offering pursuant to a material change report filed at least 21 days prior to the completion of the Offering.

The Subscription Receipts issued under the Offering were offered by way of private placement exemptions in all the provinces of Canada except Québec and in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended. The Subscription Receipts, Compensation Option Receipts and the Common Shares and Warrants underlying the Subscription Receipts and the Compensation Options underlying the Compensation Option Receipts are subject to a statutory four-month hold period in accordance with Canadian securities legislation, subject to qualification of the Warrants, Common Shares and Compensation Options under the Qualifying Prospectus.

The Offering was conditionally approved by the TSX on July 6, 2020. Closing of the Transaction remains subject to certain regulatory approvals including approval of the TSX and the shareholders of Treasury.

To view further details about the Transaction and the Goliath and Goldlund projects, please visit the Company's website at www.treasuremetals.com.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

About Treasury Metals Inc.

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

Forward-Looking Statements

Certain information set forth in this news release contains "forward-looking statements", and "forward-looking information under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include expectations about the timing and completion of the Transaction, the use of proceeds from the Offering, the satisfaction of the Escrow Release Conditions and management's expectations with respect to the Offering and the Transaction, the issuance of a receipt for a Qualifying Prospectus, the necessary approvals for the Offering including the approval of the TSX and shareholders of Treasury and are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by the use of conditional or future tenses or by the use of such words such as "will", "expects", "may", "should", "estimates", "anticipates", "believes", "projects", "plans", and similar expressions, including variations thereof and negative forms. These statements are not guarantees of future performance and undue reliance should not be placed on them.

Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks and uncertainties relating to the completion of the Transaction and the Offering as described herein, the ability of the Company to satisfy all Escrow Release Conditions, obtaining necessary TSX and Treasury shareholder approval of the Offering in connection with the Transaction and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by securities legislation.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

View original content:

<http://www.prnewswire.com/news-releases/treasure-metals-closes-over-subscribed-11-5-million-bought-deal-financing-301089497.html>

SOURCE Treasury Metals Inc.

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For further information: Greg Ferron, CEO & Director, Tel: 416-214-4654, Email: greg@treasuremetals.com, Twitter @TreasureMetals

CO: Treasury Metals Inc.

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Schedule “B”

Name <i>Position</i>	No. of Subscription Receipts Acquired during the Offering	Aggregate Price Paid for Subscription Receipts Acquired during the Offering	No. of Securities Held Prior to the Offering		Percentage of Issued and Outstanding Securities Prior to the Offering		No. of Securities Held After the Offering		Percentage of Issued and Outstanding Securities After the Offering	
			Undiluted	Diluted	Undiluted ¹	Diluted ²	Undiluted	Diluted ³	Undiluted ⁴	Diluted ⁵
Marc Henderson <i>Chair of the Board of Directors</i>	90,000	\$32,400	6,020,148	6,870,148 ⁶	3.53%	4.01%	6,020,148	7,005,148	3.53%	4.09%

¹ Based on 170,445,941 Common Shares outstanding prior to the completion of the Offering.

² Based on the number of Common Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 170,445,941 Common Shares outstanding prior to the completion of the Offering, and (ii) the diluted securities held by the Related Party (not including any Common Shares held by the Related Party) prior to the completion of the Offering.

³ Based on the diluted securities held by the Related Party following the completion of the Offering.

⁴ Based on 170,445,941 Common Shares outstanding following the completion of the Offering.

⁵ Based on the number of Common Shares outstanding on a partially diluted-basis following the completion of the Offering, comprised of: (i) 170,445,941 Common Shares outstanding following the completion of the Offering; and (ii) the diluted securities held by the Related Party following the completion of the Offering.

⁶ Comprised of: (i) 6,020,148 Common Shares held directly, and (ii) 850,000 stock options held directly.