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

SHORT FORM PROSPECTUS

New Issue

August 13, 2020



10,666,666 Common Shares and 5,333,333 Warrants Issuable upon Conversion of 32,000,000 Subscription Receipts

This short form prospectus (this “**Prospectus**”) is being filed by Treasury Metals Inc. (“**Treasury Metals**” or the “**Corporation**”) to qualify the distribution of 10,666,666 common shares in the capital of the Corporation (the “**Conversion Common Shares**”) and 5,333,333 common share (“**Common Share**”) purchase warrants (the “**Warrants**”) of the Corporation issuable upon the conversion of 32,000,000 issued and outstanding subscription receipts (the “**Subscription Receipts**”) of the Corporation. The Subscription Receipts were issued on July 7, 2020 (the “**Closing Date**”) on a private placement basis (the “**Offering**”) at a price of \$0.36 per Subscription Receipt (the “**Issue Price**”) pursuant to the terms of a subscription receipt agreement (the “**Subscription Receipt Agreement**”) dated July 7, 2020 among the Corporation, Haywood Securities Inc. (“**Haywood**”) and TSX Trust Company (the “**Subscription Receipt Agent**”) and pursuant to an underwriting agreement (the “**Underwriting Agreement**”) dated July 7, 2020 among the Corporation and Haywood as lead underwriter, PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp. (collectively, the “**Underwriters**”).

Each Subscription Receipt entitles the holder thereof to receive, without payment of additional consideration or further action on the part of the holder, one unit of the Corporation (a “**Unit**”) on the later of: (i) the date when the Escrow Release Conditions (as defined herein) are satisfied; and (ii) the Qualification Date (as defined herein) (the “**Automatic Conversion Date**”). Each Unit is comprised of one Conversion Common Share and one-half of one transferable Warrant, with each Warrant entitling the holder thereof to acquire one Common Share (“**Warrant Share**”) at a price of \$1.80 for a period of 24 months from the Automatic Conversion Date (the “**Warrant Expiry Date**”). The Corporation may elect to accelerate the Warrant Expiry Date to a date that is not less than 30 calendar days from the date when written notice of acceleration is delivered to the Warrantholders if the closing price of the Common Shares on the Toronto Stock Exchange (the “**TSX**”) is equal to or greater than \$3.00 per Common Share for a period of twenty (20) consecutive trading days. The Warrants will be issued pursuant to, governed by, and all final definitive terms of the Warrants shall be set forth in, a warrant indenture (the “**Warrant Indenture**”), to be entered into by the Corporation and the TSX Trust Company (“**Warrant Agent**”) in its capacity Warrant Indenture Agent on or before the Automatic Conversion Date.

On August 11, 2020, the Corporation consolidated its Common Shares on a 3 for 1 basis (the “**Consolidation**”).

The Subscription Receipts are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Corporation (other than the Escrowed Funds (as defined herein) upon satisfaction of the Escrow Release Conditions), nor are any commissions or fees payable by the Corporation to the Underwriters, in connection with the distribution of the Common Shares and the Warrants.

The Corporation is a corporation existing under the OBCA (as defined herein). The outstanding Common Shares are listed and posted for trading on the TSX under the symbol “TML” on June 15, 2020, the last complete trading day prior to the public announcement of the Offering, the closing price of Common Shares on the TSX was \$0.405 on a pre-Consolidation basis. On August 12, 2020, the last complete trading day before the date of this Prospectus, the closing price of the Common Shares on the TSX was \$1.71 on a post-Consolidation basis. The terms of the Offering, including the Issue Price were determined by arm’s length negotiation between the Corporation and Haywood, acting on its own behalf and on behalf of the Underwriters. See “*Plan of Distribution*”.

The Offering is being completed in connection with the Corporation’s previously announced transaction on June 3, 2020, wherein the Corporation entered into a share purchase agreement (the “**Goldlund Purchase Agreement**”) with First Mining Gold Corp. (“**First Mining**”) pursuant to which Treasury Metals has agreed to acquire all of the issued and outstanding shares of Tamaka Gold Corporation (“**Tamaka**”), a wholly-owned subsidiary of First Mining that owns a 100% interest in the Goldlund Project (as defined herein), located immediately adjacent to the Corporation’s Goliath Gold Project (as defined herein).

The TSX has conditionally approved the Offering including the listing of the Conversion Common Shares, the Warrant Shares and the Underwriters’ Shares (as defined herein).

	<u>Price to Public</u>	<u>Underwriters’ Fee⁽¹⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾</u>
Per Subscription Receipt	\$0.36	\$0.0216	\$0.3384
Total	\$11,520,000	\$691,200	\$10,828,800

Notes:

- (1) In connection with the Offering, the Corporation has agreed to pay the Underwriters a cash fee equal to 6.0% of the gross proceeds of the Offering (the “**Underwriters’ Fee**”) of which 50% was paid on the Closing Date and of which the remaining 50% was paid on the release of and out of the Escrowed Funds on the Escrow Release Date. On the Closing Date the Corporation issued to the Underwriters an aggregate of 1,920,000 compensation option receipts (the “**Compensation Option Receipts**”) on a pre-Consolidation basis, or 640,000 Compensation Option Receipts on a post-Consolidation basis. Each Compensation Option Receipt shall be exchanged, without payment of any additional consideration, for one compensation option (a “**Compensation Option**”) on the Automatic Conversion Date. Each Compensation Option shall entitle the holder thereof to purchase one Common Share (the “**Underwriters’ Shares**”) for a period of 24 months from the Automatic Conversion Date.
- (2) Excluding interest on the Escrowed Funds (as defined herein) and before deducting expenses of the Offering estimated at \$228,800, including the preparation and filing of this Prospectus and which will be paid from the general working capital of the Corporation.

The following table sets out the number of Common Shares that may be issued by the Corporation to the Underwriters pursuant to the conversion of the Compensation Option Receipts into Compensation Options and subsequent exercise of the Compensation Options into Underwriters’ Shares.

<u>Underwriters’ Position⁽¹⁾</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Compensation Option Receipts	640,000 Underwriters’ Shares	24 months from the Automatic Conversion Date ⁽²⁾	\$1.08 per Compensation Option issued upon conversion of the Compensation Option Receipts

Notes:

- (1) This Prospectus qualifies the distribution of the Compensation Options issuable upon the automatic conversion of the Compensation Option Receipts.
- (2) Each Compensation Option shall entitle the holder thereof to purchase one Underwriters’ Share for a period of 24 months from the Automatic Conversion Date.

The aggregate gross proceeds of the Offering, less 50% of the Underwriters' Fee and all of the Underwriters' reasonable fees and expenses incurred by the Underwriters in connection with the Offering (the "**Escrowed Funds**") were deposited in escrow with the Subscription Receipt Agent pending satisfaction of the Escrow Release Conditions (as defined herein). See "*Plan of Distribution*".

On the Escrow Release Date, the Escrowed Funds were released from escrow by the Subscription Receipt Agent to: (a) Haywood, on its own behalf and on behalf of the Underwriters, as the case may be, in an amount equal to (i) 50% of the Underwriters' Fee with any interest earned thereon; and (ii) any expenses incurred by the Underwriters and not already paid by the Corporation on the Closing Date; (b) the Subscription Receipt Agent, in an amount equal to any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under the Subscription Receipt Agreement; and (c) the Corporation, after payments to Haywood and the Subscription Receipt Agent, the balance of the Escrowed Funds, as directed by the Corporation. See "*Plan of Distribution*".

The Corporation will use the net proceeds of the Offering for exploration and development of the Goliath Gold Project and the Goldlund Project, and for general corporate purposes.

The Corporation has agreed to use its reasonable commercial efforts to obtain a receipt for a final short form prospectus qualifying the issuance and distribution of the Conversion Common Shares, Warrants and Compensation Options in British Columbia and Ontario (the "**Canadian Offering Jurisdictions**") and to obtain a receipt therefor from the Ontario Securities Commission (the "**OSC**") as principal regulator on behalf of the securities regulatory authority in each of the Canadian Offering Jurisdictions by 5:00 p.m. (Toronto time) on August 18, 2020 (the "**Qualification Deadline**").

In the event the Corporation has not received a receipt from the OSC for the final short form prospectus before the Qualification Deadline, each Subscription Receipt will be adjusted pursuant to the terms of the Subscription Receipt Agreement such that each Subscription Receipt will entitle the holder thereof to receive on the Automatic Conversion Date, for no additional consideration, a unit (each, a "**Penalty Unit**") comprised of 1.1 Conversion Common Shares ("**Additional Conversion Common Shares**") and 0.55 of a Warrant ("**Additional Warrants**"), provided, that any fractional entitlement to Additional Conversion Common Shares and Additional Warrants will be rounded down to the nearest whole Additional Conversion Common Share and/or Additional Warrant, as the case may be. This Prospectus qualifies the distribution of any Additional Conversion Common Shares and Additional Warrants upon the conversion of the Subscription Receipts into Penalty Units, if applicable.

On the Closing Date, 31,600,000 Subscription Receipts were registered in the name of "CDS & CO." and were deposited with CDS Clearing and Depository Services Inc. ("**CDS**") as electronic non-certificated inventory positions (the "**Non-Certificated Positions**"). No physical certificates representing Subscription Receipts in Non-Certificated Positions were issued to purchasers of Subscription Receipts. Upon the conversion of the Subscription Receipts in Non-Certificated Positions into Units, the underlying Conversion Common Shares and Warrants will be issued as electronic non-certificated inventory positions registered and deposited with CDS or its nominee, and purchasers will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Subscription Receipts was originally acquired, subject to certain limited exceptions. On the Closing Date, 400,000 Subscription Receipts (on a pre-Consolidation basis) were issued in physical form and the holders thereof will, upon the conversion of such Subscription Receipts into Units, receive physical certificates representing the underlying Conversion Common Shares and Warrants, respectively, that will be registered and issued in the same manner as the overlying Subscription Receipts.

An investment in the securities of the Corporation is highly speculative and involves significant risks that should be carefully considered by prospective investors. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "*Risk Factors*" and "*Cautionary Note Regarding Forward-Looking Statements*". Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are issuable upon conversion of the Subscription Receipts. This

may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations. See “Risk Factors”.

Christophe Vereecke, a director of the Corporation resides outside of Canada. Mr. Vereecke has appointed the following agent for service of process:

Name of Person	Name and Address of Agent
Christophe Vereecke	McMillan LLP, Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario Canada M5J 2T3

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

Certain legal matters in connection with the Offering are being reviewed on behalf of the Corporation by McMillan LLP and on behalf of the Underwriters by Miller Thomson LLP.

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

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GLOSSARY OF TERMS

“**Accurassay**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Sampling, Analysis and Data Verification*”;

“**Additional Conversion Common Shares**” means the Common Shares issuable upon the conversion of the Subscription Receipts on the Automatic Conversion Date provided that the Corporation has not received a receipt from the OSC for a final short form prospectus before the Qualification Deadline;

“**Additional Warrants**” means the Warrants issuable upon the conversion of the Subscription Receipts on the Automatic Conversion Date provided that the Corporation has not received a receipt from the OSC for a final short form prospectus before the Qualification Deadline;

“**AIF**” has the meaning set out under the heading “*Documents Incorporated by Reference*”;

“**Ag**” means silver;

“**Au**” means gold;

“**AuEq**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Mineral Resource and Mineral Reserve Estimates*”;

“**Automatic Conversion Date**” means the Qualification Date;

“**C Zone**” means the c zone of the Goliath Gold Project, as described in the Goliath Technical Report;

“**Canadian Offering Jurisdictions**” means the provinces of British Columbia and Ontario;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CIM**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Mineral Resource and Mineral Reserve Estimates*”;

“**Circular**” has the meaning set out under the heading “*Documents Incorporated by Reference*”;

“**Closing Date**” means July 7, 2020;

“**Common Shares**” means the common shares in the capital of the Corporation;

“**Compensation Options**” means the compensation options issuable upon conversion of the Compensation Option Receipts, each entitling the holder thereof to acquire one Underwriters’ Share at a price of \$1.08 per Underwriters’ Share for a period of 24 months from the Automatic Conversion Date;

“**Compensation Option Receipts**” means the compensation option receipts issued to the Underwriters on the Closing Date, each of which shall be automatically converted into one Compensation Option on the Automatic Conversion Date without payment of any additional consideration;

“**Consolidation**” means the consolidation of Common Shares on a 3 for 1 basis completed on August 11, 2020;

“**Controlling Individual**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Conversion Common Shares**” means the Common Shares issuable upon the conversion of the Subscription Receipts on the Automatic Conversion Date provided that the Corporation has received a receipt from the OSC for a final short form prospectus before the Qualification Deadline;

“**Corporation**” or “**Treasury Metals**” means Treasury Metals Inc.;

“**Credit Facility**” has the meaning set out under the heading “*Consolidated Capitalization*”;

“**CSA Global**” means CSA Global Canada Geosciences Ltd.;

“**DPSP**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Escrowed Funds**” means the aggregate gross proceeds of the Offering, less 50% of the Underwriters’ Fee and all of the Underwriters’ reasonable fees and expenses incurred by the Underwriters in connection with the Offering which were deposited in escrow and held by the Subscription Receipt Agent pursuant to the Subscription Receipt Agreement;

“**Escrow Release Conditions**” means the occurrence of the following events prior to the Escrow Release Deadline:

- (a) the completion or satisfaction or waiver of all conditions precedent to the Transaction, other than the release of the Escrowed Funds, 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 (subject only to standard listing conditions) of the Conversion Common Shares, Warrant Shares and Compensation Option Shares;
- (c) the Corporation and Haywood, on behalf of the Underwriters, having delivered 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 Corporation shall have not committed any breach of this Agreement that has not been cured within 5 days of the Corporation’s receipt of written notice from the Haywood, on behalf of the Underwriters, specifying in reasonable detail the nature of such breach;

“**Escrow Release Date**” means the date, before the Escrow Release Deadline, when the Escrowed Funds are released pursuant to the delivery of the Release Notice to the Escrow Agent, being August 13, 2020;

“**Escrow Release Deadline**” means 5:00 p.m. (Toronto time) on the date which is no more than 90 days following the Closing Date, or such other date as may be agreed to by the Corporation and Haywood;

“**Extract**” has the meaning set out under the heading “*Consolidated Capitalization*”;

“**Fairness Opinion**” means the written fairness opinion of Haywood, dated June 3, 2020, addressed to the board of directors of the Corporation and attached to the Circular as Appendix “E”;

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

“**First Mining Warrants**” has the meaning set out under the heading “*Description of the Corporation – Description of the Corporation – Description of the Goldlund Project*”;

“**Goliath Gold Project**” means the Corporation’s 100% interest in those mineral claims consisting of approximately 4,984 hectares of patented and unpatented claims, located in the Kenora Mining Division, Northwestern Ontario;

“**Goliath Technical Report**” has the meaning set out under the heading “*Technical Information*”;

“**Goldlund Project**” means the exploration property comprising 268 claim blocks located in Northwestern Ontario, of which Tamaka and Tamaka Subsidiary are the beneficial owners;

“**Goliath Project PEA**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – April 2017 Preliminary Economic Assessment Update*”;

“**Goldlund Purchase Agreement**” means the purchase agreement between the Corporation and First Mining, pursuant to which the Corporation will acquire 100% of the issued and outstanding shares of Tamaka;

“**Goldlund Technical Report**” means the technical report entitled “Technical Report and Resource Estimation Update, Goldlund Gold Project, Sioux Lookout, ON” prepared by WSP Canada Inc. under the supervision of Todd McCracken, P. Geo, issued on July 28, 2020 with an effective date of July 22, 2020;

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

“**IRR**” means internal rate of return;

“**Issue Price**” means \$0.36 per Subscription Receipt;

“**Issued Shares**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Issued Warrants**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Main Zone**” means the main zone of the Goliath Gold Project, as described in the Goliath Technical Report;

“**MD&A**” has the meaning set out under the heading “*Documents Incorporated by Reference*”;

“**Mineral Resource Estimate**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Sampling, Analysis and Data Verification*”;

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

“**Non-Certificated Positions**” means electronic non-certificated inventory positions held through CDS;

“**NPV**” means net present value;

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

“**Offering**” means the Corporation’s offering of 32,000,000 Subscription Receipts on a private placement basis pursuant to the Underwriting Agreement;

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

“**P&E**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project*”;

“**Penalty Unit**” means a unit of the Corporation comprised of 1.1 Additional Conversion Common Shares and 0.55 of an Additional Warrant;

“**Prospectus**” means this short form prospectus dated August 13, 2020;

“**QA/QC**” or “**QC**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Sampling, Analysis and Data Verification*”;

“**Qualification Date**” means the date that is the earlier of: (i) four months and one day after the Closing Date; and (ii) the second business day following the filing of a final short form prospectus qualifying the distribution of the Conversion Common Shares, Warrants and Compensation Options;

“**Qualification Deadline**” means 5:00 p.m. (Toronto time) on August 18, 2020;

“**QIB**” means a qualified institutional buyer, as such term is defined under Rule 144A(a)(1) under the U.S. Securities Act;

“**Registered Plans**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Regulation D**” means Regulation D under the U.S. Securities Act;

“**Regulation S**” means Regulation S under the U.S. Securities Act;

“**Release Notice**” means a notice substantially in the form to be set forth as a schedule to the Subscription Receipt Agreement, executed by the Corporation and the Haywood, on behalf of the Underwriters, certifying that the Escrow Release Conditions has been satisfied;

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

“**SMC**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Mineral Processing and Metallurgical Testing*”;

“**Subscription Receipts**” means the 32,000,000 subscription receipts of the Corporation issued pursuant to the Offering;

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

“**Subscription Receipt Agreement**” means the subscription receipt agreement dated July 7, 2020 among the Corporation, Haywood and the Subscription Receipt Agent;

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

“**Tamaka Subsidiary**” means Goldlund Resources Inc., a wholly-owned subsidiary of Tamaka;

“**Tax Act**” has the meaning set out under the heading “*Eligibility for Investment*”;

“**Third Amendment**” has the meaning set out under the heading “*Consolidated Capitalization*”;

“**Transaction**” means the acquisition by the Corporation of 100% of the issued and outstanding shares of Tamaka pursuant to the Goldlund Purchase Agreement which was completed on August 7, 2020;

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

“**UG**” has the meaning set out under the heading “*Description of the Corporation – Description of the Business – Description of the Goliath Gold Project – Mineral Resource and Mineral Reserve Estimates*”;

“**Underwriters**” means, collectively, Haywood, PI Financial Corp., Sprott Capital Partners LP and Canaccord Genuity Corp.;

“**Underwriters’ Fee**” means a cash fee equal to 6.0% of the gross proceeds of the Offering;

“**Underwriters’ Shares**” means the Common Shares issuable upon exercise of the Compensation Options;

“**Underwriting Agreement**” means the underwriting agreement dated July 7, 2020 between the Corporation and the Underwriters;

“**Unit**” means a unit of the Corporation comprised of one Conversion Common Share and one-half of one Warrant;

“**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“**U.S. Person**” means a “U.S. person” as defined in Rule 902(k) of Regulation S;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

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

“**Warrant Expiry Date**” means 24 months from the Automatic Conversion Date;

“**Warrant Share**” means a Common Share issuable upon exercise of a Warrant;

“**Warrantholders**” means the holders of Warrants;

“**Warrants**” means the Common Share purchase Warrants of the Corporation to be issued upon conversion of the Subscription Receipts on the Automatic Conversion Date; and

“**Warrant Indenture**” means the warrant indenture in substantially the form set out in Schedule “C” to the Subscription Receipt Agreement to be entered into on or before the Automatic Conversion Date between the Corporation and the Warrant Agent, as warrant agent, providing for the creation and issue of Warrants.

All dollar amounts set forth in this Prospectus are in Canadian dollars, except where otherwise indicated.

GENERAL MATTERS

In this Prospectus references to the Corporation refer to Treasury Metals Inc. and, where applicable, its subsidiaries; “**Common Shares**” means the common shares of the Corporation; and “**Conversion Common Shares**” means the Common Shares qualified for distribution under this Prospectus.

All capitalized terms referred to above are defined elsewhere in this Prospectus including under “*Glossary of Terms*”.

Readers should rely only on information contained or incorporated by reference in this Prospectus. The Corporation has not authorized anyone to provide the reader with different information. The Corporation is not making an offer of these securities in any jurisdiction where the offer is not permitted. Readers should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date on the front of this Prospectus or the respective dates of the documents incorporated by reference herein. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

TECHNICAL INFORMATION

The scientific and technical information contained in this Prospectus relating to the Goliath Gold Project is supported by, is derived from, and in some instances is a direct extract from the technical report entitled “*Updated Mineral Resource Estimate for the Goliath Gold Project, Kenora Mining Division, Northwestern Ontario*” dated November 18, 2019 (effective date of July 1, 2019), prepared by Eugene Puritch, P.Eng. FEC, CET, Mark Wheeler, P. Eng., Yungang Wu, P.Geo., David Burga, P.Geo., Jarita Barry, P.Geo., Alfred Hayden, P.Eng. and Antoine Yassa, P.Geo. (the “**Goliath Technical Report**”).

The Goliath Technical Report referred to above is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Goliath Technical Report, which has been filed with the applicable Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Corporation’s profile on SEDAR at www.sedar.com.

The scientific and technical information contained in this Prospectus not derived from the Goliath Technical Report was prepared by or under the supervision of Mark Wheeler, P. Eng., one of the authors of the Goliath Technical Report. Mr. Wheeler is a “qualified person” within the meaning of NI 43-101 but is not independent of the Corporation.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus and all documents incorporated by reference herein contain “forward looking statements” or “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information is provided as of the date of this Prospectus and the Corporation does not intend, and does not assume any obligation, to update this forward-looking information, except as required by applicable securities law.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “plan”, “believe”, “aim”, “seek” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Corporation has based these forward-looking statements on current expectations and projections about future events and financial trends that they believe may affect the Corporation’s financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to the Corporation include, among other things, statements relating to:

- the issuance of the Conversion Common Shares and Warrants pursuant to the conversion of the Subscription Receipts and, if applicable, the Additional Conversion Common Shares and Additional Warrant Shares;

- the use of the net proceeds of the Offering;
- the release of Escrowed Funds;
- the potential issuance of Penalty Units;
- the Corporation's ability to successfully undertake future exploration and development activities, including those anticipated to be undertaken with respect to the Goliath Gold Project and the Goldlund Project;
- the Corporation's ability to complete additional technical work on the Goliath Gold Project and Goldlund Project, obtain construction permitting and successfully engage with local First Nations, Metis and community groups;
- the Corporation's ability to integrate the Goliath Gold Project with the Goldlund Project and the timing of any such integration;
- the estimation and realization of mineral resources and mineral reserves; and
- the Corporation's anticipated cash requirements.

Forward-looking statements are based on certain key assumptions and analyses made by the Corporation in light of its experience and perception of historical trends, current conditions and expected future developments and other factors the Corporation believes are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to the Corporation's ability to realize the benefits of the Transaction, general economic, market and business conditions including the market price for gold, the Corporation's ability to identify new mineral resources and convert existing mineral resources into mineral reserves, the ability of the Corporation to maintain its interest in its mineral projects and to obtain and comply with all required permits and licenses, the accuracy of the Corporation's interpretation of drill results, the consistency of future exploration and development with the Corporation's expectations, the accuracy of existing mineral resource and mineral reserve estimates and the ability of the Corporation to obtain additional financing when and as needed.

Although management believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders and prospective purchasers of the Corporation's securities should not place undue reliance on these forward-looking statements. The above list of forward-looking statements is not exhaustive and whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed factors discussed in the sections entitled "Risk Factors" in this Prospectus, in the AIF and the Circular, both of which are incorporated by reference herein.

All forward-looking information contained in this Prospectus and the documents incorporated in this Prospectus by reference is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Corporation disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking information contained herein to reflect any change in expectations, estimates and projections with regard thereto or any changes in events, conditions or circumstances on which any statement is based. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. In addition to the disclosure contained herein, for more information concerning the Corporation's various risks and uncertainties, please refer to the Corporation's periodic public filings available under its profile on SEDAR at www.sedar.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Corporation, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "Tax Act") and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, if issued on the

date hereof, the Conversion Common Shares, the Additional Conversion Common Shares and the Warrant Shares (collectively, the “**Issued Shares**”) and the Warrants and the Additional Warrants (collectively, the “**Issued Warrants**”) would be “qualified investments” under the Tax Act for trusts governed by a “registered retirement savings plan”, “registered retirement income fund”, “registered education savings plan”, “registered disability savings plan”, “tax-free savings account” (collectively, “**Registered Plans**”) or a “deferred profit sharing plan” (“**DPSP**”), each as defined in the Tax Act, provided that: (i) in the case of Issued Shares, such Issued Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the TSX) or the Corporation qualifies as a “public corporation” other than a “mortgage investment corporation” for purposes of the Tax Act; and (ii) in the case of the Issued Warrants, the Issued Shares are qualified investments as described in (i) above and the Corporation is not, and deals at arm’s length with, each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (the “**Controlling Individual**”) will be subject to a penalty tax in respect of Issued Shares or Issued Warrants held in the Registered Plan if such securities are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. The Issued Shares and Issued Warrants will generally be a “prohibited investment” for a Registered Plan if the Controlling Individual: (a) does not deal at arm’s length with the Corporation for the purposes of the Tax Act; or (b) has a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. The Issued Shares will not be a “prohibited investment” if such Issued Shares are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for such Registered Plan.

Persons who intend to hold Issued Shares or Issued Warrants in a Registered Plan or DPSP should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents, filed with the securities commissions or similar authorities in the applicable provinces, are specifically incorporated by reference in, and form an integral part of, this Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus:

1. the audited annual consolidated financial statements of the Corporation for the years ended December 31, 2019 and 2018 together with the notes thereto and the independent auditors’ report thereon;
2. the management discussion and analysis (“**MD&A**”) of the Corporation for the years ended December 31, 2019 and 2018;
3. the amended interim condensed consolidated financial statements of the Corporation for the three months ended March 31, 2020 and 2019;
4. the amended MD&A of the Corporation for the three months ended March 31, 2020 and 2019;
5. the annual information form of the Corporation dated March 27, 2020 for the year ended December 31, 2019 (the “**AIF**”);

6. the management information circular of the Corporation dated June 29, 2020 filed in connection with the annual and special meeting of shareholders of the Corporation to be held on August 5, 2020 (the “**Circular**”);
7. the audited annual consolidated financial statements of Tamaka for the years ended December 31, 2019 and December 31, 2018, attached to the Circular as Appendix “C”;
8. the MD&A of Tamaka for the years ended December 31, 2019 and December 31, 2018, attached to the Circular as Appendix “C”;
9. the unaudited condensed interim consolidated financial statements of Tamaka for three months ended March 31, 2020 and March 31, 2019, attached to the Circular as Appendix “C”;
10. the MD&A of Tamaka for three months ended March 31, 2020 and March 31, 2019, attached to the Circular as Appendix “C”;
11. the material change report of Treasury Metals dated August 11, 2020 relating to the closing of the Transaction;
12. the material change report of Treasury Metals dated July 14, 2020 relating to the closing of the Offering;
13. the material change report of Treasury Metals dated June 22, 2020 relating to the announcement of the Offering; and
14. the material change report of Treasury Metals dated June 15, 2020 relating to the announcement of the Transaction.

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

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

DESCRIPTION OF THE CORPORATION

Corporate Structure

The Corporation was incorporated under the name Divine Lake Exploration Inc. by articles of incorporation dated December 31, 1997 under the OBCA. The articles of the Corporation were amended on November 13, 2007 to

change the name of the Corporation to Treasury Metals Inc. and on March 20, 2008 to remove certain restrictions on the transfer of the Common Shares.

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

The Corporation has one wholly owned subsidiary, Goldeye Explorations Limited, which was acquired by the Corporation in November 2016. Goldeye Explorations Limited has two wholly owned subsidiaries, Minera Goldeye Chile Limitada (incorporated in Chile) and Silvereye Explorations Limited (incorporated under the OBCA).

Description of the Business

Treasury Metals is a gold focused exploration and development corporation with assets in Ontario, Canada and is listed on the TSX under the symbol “TML” and on the OTCQX Best Market under the symbol “TSRMF”. Treasury Metals’ flagship asset is its 100% owned Goliath Gold Project, an advanced stage, high-grade gold deposit near Dryden, Ontario. Treasury Metals is currently in the mine permit process and working towards completion of a feasibility study on the Goliath Gold Project.

For further information regarding the Corporation, see the Corporation’s AIF, and other documents incorporated by reference in this Prospectus available at www.sedar.com under the Corporation’s profile.

Acquisition of Tamaka

On June 3, 2020, the Corporation entered into the Goldlund Purchase Agreement, pursuant to which the Corporation agreed to acquire 100% of the issued and outstanding shares of Tamaka from First Mining. Tamaka holds all right, title and interest in and to the Goldlund Project. The Corporation’s acquisition of Tamaka was completed on August 7, 2020. See “*Description of the Corporation – Description of the Business – Description of the Goldlund Project*”.

Description of the Goliath Gold Project

The following description of the Goliath Gold Project is based on the Goliath Technical Report. The conclusions, projections and exclusions set out in the Goliath Technical Report are subject to the assumptions and exclusions set out in the Goliath Technical Report. It is recommended that readers read the Goliath Technical Report in its entirety to fully understand the Goliath Gold Project. A copy of the Goliath Technical Report is available at www.sedar.com under the Corporation’s profile.

Project Description, Location and Access

The Goliath Gold Project is located 20 kilometres east of the City of Dryden, northwestern Ontario, within the Townships of Zealand and Hartman in the Kenora Mining Division. The Goliath Gold Project is centered at approximately UTM 532441 m E and 5511624 m N NAD83 Zone 15N; 49°45’22” N, 92°32’58” W. The Goliath Gold Project consists of 242 contiguous single cell mining claims and 30 boundary cell mining claims (272 claim units for 4,064 hectares), 19 patented land parcels (approximately 920 hectares) with a total area of approximately 4,984 hectares. The Goliath Gold Project is held 100% by the Corporation, subject to certain underlying royalties and payment obligations on 13 of the 19 patented land parcels, totaling approximately \$103,500 per year.

The Goliath Gold Project benefits from excellent access from the Trans-Canada Highway 17 and close proximity to the City of Dryden. A range of equipment, supplies and services required for mining development is available in Dryden.

The Goliath Gold Project is located in the Canadian Shield at an average elevation of 390 m above sea level with maximum relief of 30 to 40 m. The Goliath Gold Project area climate is typical of a northern continental boreal climate with warm summers and cold winters.

History

There is only limited documentation of exploration activity conducted on the Goliath Gold Project area prior to 1989. Previous exploration in the area was either regional in nature or focused mainly on the western portion of the property. Reconnaissance investigation by Teck Exploration Ltd. (now Teck Resources Limited) geologists in 1989 identified a poorly exposed, broad area of weak surface mineralization and anomalous gold extending through parts of Lots 3 through 8 of Concession IV of Zealand Township. The discovery hole (TL-001) on the Main Zone of the Thunder Lake deposit was drilled in October 1990, intersecting multiple horizons of gold mineralization with intersections of 1.5 g/t Au over 22.2 m, 0.9 g/t Au over 11.6 m and 17.5 g/t Au over 2.6 m (Page, 1995). Land acquisition, field surveys, drilling and underground bulk sampling were completed by Teck Resources Limited and its various partners between late 1989 and 1998; the Thunder Lake project was put on hold in 1999. Total diamond drilling by Teck Resources Limited on the Thunder Lake property from 1990 to 1998 amounted to approximately 97,412 m in 320 drill holes. The program culminated in 1998 with an underground development program. A 275 m long ramp was driven to access the Main Zone and a total of 220 m of drifting was completed along the Main Zone at an approximate vertical depth of 35 m. A 2,355-tonne bulk sample was shipped to the St Andrews Goldfields Ltd.'s mill near Timmins, Ontario for custom milling in the fall of 1999. The custom milled bulk sample had a head grade of 5.63 g/t gold (Au) and 15.28 g/t silver (Ag) as calculated by St Andrew Goldfields Ltd. The gold recovery was calculated at 96.83% and silver at 38.0%.

Geological Setting, Mineralization and Deposit Types

The Goliath Gold Project is located in the Archean Eagle-Wabigoon-Manitou greenstone belt in the Wabigoon Subprovince of the Superior Province. Rocks in the area of the Goliath Gold Project have been grouped into the Thunder Lake assemblage of predominantly meta-sedimentary rocks, and the Thunder River mafic metavolcanic rocks. The Thunder Lake assemblage underlies the majority of the Goliath Gold Project area and comprises quartz-porphyritic felsic to intermediate metavolcanic rocks represented by biotite gneiss, mica schist, quartz-porphyritic mica schist, a variety of metasedimentary rocks and minor amphibolite rocks. Within the Thunder Lake assemblage, a unit dominated by felsic metavolcanic rocks is conformably inter-layered with wacke-siltstone and hosts the majority of gold mineralization at the Goliath Gold Project. All of the rocks have been subjected to folding and moderate to intense shearing with local hydrothermal alteration, quartz veining and sulphide mineralisation. In the immediate area of the deposit, a 100 to 150 m thick unit of intensely deformed and variably altered felsic, fine to medium grained, quartz-feldspar-sericite schist and biotite-quartz-feldspar-sericite schist with minor metasedimentary rocks hosts the most significant gold concentrations in the Main Zone and C Zone of the Goliath Gold Project.

Native gold and silver (electrum) are associated with finely disseminated sulphides, coarse grained pyrite and very narrow light grey translucent "ribbon" quartz veining. The main sulphide phases are pyrite, sphalerite, galena, pyrrotite, minor chalcopyrite and arsenopyrite and dark grey needles of stibnite. The alteration consists of primarily sericitization and silicification in association with the gold mineralization. Chloritization is visible in metamorphosed and altered mafic rocks in the area. Rare flakes of aquamarine green fuchsite occur in the strongly altered sericite alteration and in association with high-grade gold.

At the Goliath Gold Project, the gold-bearing zones strike from 090° to 072° with dips that are consistently 72°-78° south or southeast. The mineralised zones are tabular composite units defined on the basis of moderate to strongly altered rock units, anomalous to strongly elevated gold concentrations, and increased sulphide content and are concordant to the local stratigraphic units. At the Goliath Gold Project, high grade gold mineralization occurs in shoots with relatively short strike-lengths (up to 50 meters) that plunge steeply to the west. The main area of gold, silver and sulphide mineralisation and alteration occurs up to a maximum drill-tested vertical depth of ~805 metres, over a drill-tested strike-length of approximately 2,300 metres within the current defined resource area. Gold mineralized zones remain open at depth.

Exploration and Drilling

Since acquiring the Goliath Gold Project in 2008, the Corporation has completed extensive exploration including geological mapping, diamond drilling, trenching, airborne (EM/mag) and ground geophysical (IP) surveys, downhole geophysical surveys, mobile metal ion soil surveys, metallurgical testing, resource estimation and

environmental studies. A total of 170,135 m has been drilled by the Corporation on the property since 2008 including 501 newly collared holes, 30 re-entry holes and four (4) wedge holes.

The exploration and drilling programs have continued to grow and upgrade the confidence and resource classification in the estimated resource as the Goliath Gold Project. Gold mineralization has been found across numerous zones within the resource area with the majority of the estimated gold resource found within the “Main” and “C” Zones.

Most recent drill programs in 2018 and 2019 consisted of infill and resource conversion drilling within the Main Zone and C Zone and further delineation of the high-grade chutes of each. The program included drill testing of high-grade gold intercepts down plunge of the Main Zone to depths up to 762.0 m (TL18471A) to potentially add to underground resources. Drilling of the underground resource was considered successful in that it provided significant gold intersections in both the Main Zone and C Zone. Upon completion of the program, the Corporation performed a gap analysis to further determine what diamond drilling would be required for future resource conversion from “Inferred” to the “Indicated” classification and assist in further delineating the high-grade chutes of the Main Zone and C Zone.

Additional surface field programs have run in conjunction with diamond drilling at the Goliath Gold Project. Most recently the Corporation completed a down hole induced polarization study with the intent of target generation at depth of the current resource area. This program was considered successful with confirmation of additional targets at a further depth from the currently estimated resource. The Corporation has also completed a multi-phase soil gas hydrocarbon testing program to the east of the resource area. This program was also considered a success in that it has highlighted good amenability to demonstrate elevated results across the top of the known resource area. The subsequent phases tested on a large scale have shown several areas across the property boundary that warrant further testing and follow up.

Sampling, Analysis and Data Verification

The Corporation implemented and monitored a thorough quality assurance/quality control program (“QA/QC” or “QC”) for the diamond drilling and sampling undertaken at the Goliath Gold Project from 2008-2014. QC protocol included the insertion of QC samples into every batch sent for analysis. QC samples included certified reference materials, blanks and duplicates. The Goliath Gold Project was visited by Mr. Antoine Yassa, P.Geo., of P&E and an independent Qualified Person as defined in NI 43-101, on August 13, 2014 and June 24 to 26, 2015. An independent verification sampling program was conducted by Mr. Yassa at that time. Based upon the evaluation of the QA/QC program undertaken by the Corporation, as well as P&E’s due diligence sampling, it is P&E’s opinion that the results are suitable for use in the current mineral resource estimate (the “**Mineral Resource Estimate**”).

All drilling and assay data were provided in the form of Excel data files by the Corporation. The Gems database for this Mineral Resource Estimate, constructed by P&E, consisted of 811 core holes totalling 257,540 metres with 104,316 Au assays and 58,848 Ag assays. Verification of Au assay database records was performed by P&E against original laboratory electronically issued certificates from Activation Laboratories, Thunder Bay and Accurassay Laboratories (“**Accurassay**”), Thunder Bay.

The drill core for the Corporation’s Goliath Gold Project was logged and split with a core saw lengthwise, with the majority of samples ranging from 1.0 m to 1.5 m in length. Half of the core was retained for future verification and the other half was sent to Accurassay Laboratories in Thunder Bay, Ontario, for analysis. All samples to be sent for analysis were bagged and sealed once collected and then placed in rice sacks and sealed. Samples were stored in the Corporation’s field office in Wabigoon, Ontario under the supervision of the Corporation’s staff until they were securely shipped to the laboratory for analysis.

Once the rock samples were received at the Accurassay Lab facilities in Thunder Bay, Ontario, they are entered into Accurassay Laboratories Local Information System (LIMS). The samples are dried in a drying oven, if necessary and the jaw crushed to 8 mesh size and the entire sample pulverized to approximately 90% 150 mesh and then matted to ensure homogeneity. Silica abrasive sand is used to clean out the pulverizing dishes between each sample to prevent cross contamination. The samples are sent to the fire assay laboratory or the wet chemistry laboratory depending on the required analysis.

All analysis performed by Accurassay are accredited by ISO/IEC 17025 guidelines and Accurassay is accountable to the Standards Council of Canada for its quality management.

For the analysis of precious metals (gold), the sample is mixed with a lead based flux fused for one hour and fifteen minutes. Each sample has a silver solution added to it prior to fusion, which allows each sample to produce a precious metal bead after cupellation. The fusing process results are lead buttons that contain all of the precious metals from the sample as well as the silver that was added. The button is then placed in a cupelling furnace where all of the lead is absorbed by the cupel and a silver bead, which contains gold, platinum and palladium and is left in the cupel. The cupel is removed from the furnace and allowed to cool.

Au samples are digested using a nitric and hydrochloric digestion and bulked up with distilled water to a final volume of 3 mL (<http://accurassay.com>). Once the samples have settled they are analyzed for gold using atomic absorption spectroscopy (AAS). Calibration standards for Au are made up from 1,000 ppm certified stock solution. The results for the atomic absorption are checked by the technician. Using electronic transfer the results are forwarded to the data base. A certificate is produced from the laboratory database system (LIMS). The laboratory manager checks the data, validates the certificates and issues the results as a pdf file and an Excel file.

Samples containing more than 5.0 g/t Au are analyzed with the pulp metallic method (2015 drilling program used 6.0 g/t Au used as the threshold limit). Accurassay (<http://accurassay.com>) describes the pulp metallic method as a procedure that is able to overcome the “Nugget Effect” of gold by increasing the sub-sample size to 1,000 g and physically collecting the free gold within the system using a 150 mesh (106 μ) sieve. This procedure is most effective when the whole sample is used for the analysis. The sub-sample is pulverized to ~90% - 150 mesh (106 μ) and subsequently sieved through a 150-mesh (106 μ) screen. The entire +150 metallics portion is assayed along with two duplicate sub-samples of the -150 pulp portion. Results are reported as a weighted average of gold in the entire sample.

Mineral Processing and Metallurgical Testing

The Goliath Gold Project mineralization has been tested in several metallurgical campaigns beginning with the 1998 bulk sample. Testwork has generally returned high gold extractions, indicating excellent amenability to conventional direct cyanidation processing, with or without gravity concentration.

The Corporation has completed several metallurgical tests for the Goliath Gold Project. The most recent of which is considered “Feasibility Metallurgical Testing”, completed by ALS Metallurgy in Kamloops, Canada.

The feasibility metallurgical test program was been completed on a master composite and several variability composite samples from the Goliath Gold Project. The composites were selected to provide a representative sample for the expected run of mine mill feed.

SAG Mill Comminution (“SMC”) test data was generated. On the basis of the SMC test data, the composite was considered to be of medium hardness with respect to breakage in a SAG mill. The A*b parameter, a measure of resistance to impact breakage in the SAG mill, was 50.0.

The Bond ball mill work index measured 10.8 kWh/tonne for the composite. On the basis of this result, the composite would be considered to be medium with respect to energy requirements for breakage in a ball mill. The Bond ball mill work index of the variability composites ranged between 8.9 and 13.9 kWh/tonne. On the basis of these results, the tested samples range in hardness from soft to moderate.

Two alternate process flowsheets were investigated for processing the Goliath Gold Project sample. Gravity concentration cyanidation followed by cyanidation of the gravity circuit tailing was one option. The other utilized whole-of-ore direct cyanidation.

The gravity/cyanidation flowsheet was selected as the process flowsheet after initial comparison tests. Overall gold extraction ranged between 93 and 98 percent, with the majority of the gold in the gravity tailings solubilized within two to six hours.

Grind size optimization, sodium cyanide concentration and sparging gas were all investigated with regards to the effect of gold extraction. The ultimate optimized conditions, as selected by the client, were a grind size of 94µm K80, a sodium cyanide concentration of 1,000 ppm and using air as the sparging medium. The variability composites were subjected to these conditions.

The overall gold extractions for the variability composites varied between 92 and 99 percent. A significant amount of gold in the feed was extracted by the gravity concentrate circuit, being between 66 and 95 percent.

The leach kinetics of the gravity tailings were rapid, with the majority of the gold being solubilized within two to six hours. Reagent consumptions were typically low, being, on average, 0.7 and 0.4 kg/tonne for sodium cyanide and lime, respectively.

Mineral Resource and Mineral Reserve Estimates

This Mineral Resource Estimate for the current study was undertaken by Yungang Wu, P.Geo., Eugene Puritch, P.Eng. and Antoine Yassa, P.Geo. of P&E, all independent Qualified Persons in terms of NI 43-101, from information and data supplied by the Corporation. The effective date of the Mineral Resource Estimate is July 1, 2019.

Based on the previous resource estimate performed by A.C.A Howe International Ltd. in 2011, P&E predetermined to construct two individual sets of mineralization wireframes for potential open pit mining and underground mining above and below 150 m elevation respectively, which were overlapped from surface to 150 m elevation. Mineralization domains were defined by continuous mineralized structures, lithology along strike and down dip, and assay intervals equal to or greater than 0.35 g/t AuEq for the potential open pit mining area, and 1.9 g/t AuEq for the potential underground mining area. The formula applied for AuEq was $AuEq = Au + (Ag/82.68)$ based on trailing average Au and Ag prices of US\$1,397 and US\$22.93 respectively, and 95% recovery for Au and 70% recovery for Ag.

Eleven mineralization zone wireframes for the open pit resource and eight wireframes for the underground resource were constructed for the Mineral Resource Estimate. The wireframes were created from successive sectional polylines on east facing oriented vertical sections with 25 m spacing. Minimum constrained sample length for interpretation was 2.0 m. The average constrained sample length was 1.06 m. In order to regularize the assay sampling intervals for grade interpolation, a one metre compositing length was selected for the drill hole intervals. The composites were calculated for Au and Ag over 1.0 m lengths starting at the first point of intersection between assay data hole and hanging wall of the 3-D zonal constraint. The compositing process was halted upon exit from the footwall of the aforementioned constraint.

Grade capping was investigated on the 1.0 m composite values in the database within the constraining domains to ensure that the possible influence of erratic high values did not bias the database. Gold and silver composite Log-normal histograms were generated for each mineralized zone and gold and silver grade capping values for open pit and underground resource were estimated on a zone by zone basis. The majority of the zones were capped. A semi-variography study was performed as a guide to determining a grade interpolation search strategy. Omni, along strike, down dip and across dip semi-variograms were attempted for each zone using capped composites. Continuity ellipses based on the observed ranges were subsequently generated and used as the basis for estimation search ranges, distance weighting calculations and mineral resource classification criteria. Anisotropy was modeled based on an average strike direction of 080° and -70° South dip.

A total of 517 bulk density measurements from 147 drill holes were provided by the Corporation. A bulk density model was interpolated with the Nearest Neighbour interpolation method using bulk density measurements.

The Goliath Gold Project resource block model was constructed using Geovia Gems V6.7.1 modelling software. The block model consists of separate model attributes for estimated grade, rock type, percent, bulk density and classification. Block dimensions were 5 m x 5 m x 2.5 m for both open pit and underground models. The Au grade blocks of the Main Zone and C Zone were interpolated with ordinary kriging while all other zones were interpolated with inverse distance cubed ($1/d^3$) based on the variogram performance. The Ag grade blocks of all zones were interpolated with inverse distance cubed ($1/d^3$). The Au equivalent blocks (“AuEq”) were determined using the

following formula: $AuEq = Au + (Ag/82.68)$. The Mineral Resources were classified as measured, indicated and inferred based on the geological interpretation, semi-variogram performance and drill hole spacing. The Measured Mineral Resources were classified for the blocks interpolated by the grade interpolation Pass I which used at least 5 composites from a minimum of three drill holes; Indicated Mineral Resources were defined for the blocks interpolated by the grade interpolation Pass II, which used at least three (3) composites from a minimum of two holes; and Inferred Mineral Resources were categorized for all remaining grade populated blocks within the mineralized domains.

The Mineral Resource Estimate was derived from applying an AuEq cut-off grade to the block model and reporting the resulting tonnes and grade for potentially mineable areas. Based on estimated operating costs and gold and silver recoveries, a trailing average gold price of US\$1,397/oz, silver price of US\$22.93/oz and an exchange rate of US\$0.94=C\$1.00, in-pit and underground cut-offs were 0.35 g/t AuEq and 1.90 g/t AuEq respectively. Near-surface resources are constrained within an optimized conceptual pit-shell that utilized measured, indicated and inferred Mineral Resources. Underground Mineral Resources are reported outside of the pit shell.

The Mineral Resource Estimate is tabulated in the table below. P&E considers that the gold and silver mineralization of the Goliath Gold Project is potentially amenable to open pit and underground (“UG”) extraction.

Mineral Resource Estimate ⁽¹⁻¹⁰⁾									
Area	Classification	Cut-off AuEq (g/t)	Tonnes (kt)	Au (g/t)	Contained Au (koz)	Ag (g/t)	Contained Ag (koz)	AuEq (g/t)	Contained AuEq (koz)
In Pit	Measured	0.4	762	1.91	47	8.86	217	1.99	49
	Indicated	0.4	11,849	1.37	522	5.47	2,083	1.42	541
	Meas + Ind	0.4	12,611	1.40	569	5.67	2,300	1.45	590
	Inferred	0.4	595	1.05	20	2.63	50	1.08	21
Underground	Measured	1.9	163	6.42	34	25.81	135	6.65	35
	Indicated	1.9	3,429	5.34	589	16.64	1,834	5.49	605
	Meas + Ind	1.9	3,591	5.39	623	17.05	1,969	5.54	640
	Inferred	1.9	1,414	4.43	201	11.42	519	4.53	206
Total	Measured	0.4+1.9	925	2.70	80	11.84	352	2.81	83
	Indicated	0.4+1.9	15,277	2.26	1,111	7.98	3,917	2.33	1,146
	Meas + Ind	0.4+1.9	16,202	2.29	1,192	8.20	4,269	2.36	1,230
	Inferred	0.4+1.9	2,009	3.43	222	8.81	569	3.51	227

Notes:

- (1) Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.
- (2) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- (3) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- (4) The Mineral Resources in this table were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
- (5) The mined tonnage by historical underground drifts was not removed as the amount was insignificant to this Mineral Resource Estimate.
- (6) A gold price of US\$1,275/oz and silver price of US\$16.50/oz based on the June 30, 2019 three-year trailing average prices and an exchange rate of US\$1.00=Cdn0.77 were utilized in the AuEq cut-off grade calculations of 0.40 g/t AuEq for open pit and 1.90 g/t AuEq for UG Mineral Resources.
- (7) Open pit mining costs were assumed at C\$3.45/t for mineralized material, C\$3.30/t for waste rock and C\$2.00/t for overburden, while UG mining costs were assumed at C\$77.00/t, with process costs of C\$18.15/t, G&A of C\$2.86/t, and process recoveries of 95.5% for gold and 62.6% for silver.
- (8) The Au:Ag ratio used for AuEq was 112.17.
- (9) A bulk density model averaged 2.78 t/m³ for mineralized material.
- (10) Totals in the table may not sum due to rounding.

April 2017 Preliminary Economic Assessment Update

In April 2017, the Corporation and CSA Global updated the Goliath Project preliminary economic assessment using the 2015 mineral resource estimate (the “**Goliath Project PEA**”). The Goliath Project PEA is now considered historic in nature and should not be relied upon. More detailed historic information related to the Goliath Project PEA can be found in Sections 24.8 through 24.13 of the Goliath Technical Report.

Exploration, Development and Production

P&E recommended in the Goliath Technical Report that the Corporation continue with provincial permitting activities in development towards a construction decision. It is also recommended that the Corporation proceed towards advanced engineering studies and the completion of a pre-feasibility level study. Costs for the outstanding work to be completed have been estimated for their respective areas as follows:

Proposed Work Budget	
Work Description	Total Cost (\$)
Prefeasibility Engineering Studies	\$600,000
Environmental Work	\$750,000
Exploration Drilling	\$2,900,000
Surface Exploration Field Work	\$500,000
Metallurgy	\$329,000
Total	\$5,079,000

Current exploration programs at the Goliath Gold Project and Goldlund Project are under review. It is expected that full program details will be publicly released after the closing of the Transaction. Contemplated programs at this time include additional soil gas hydrocarbon testing programs across the full extents of the Goliath Gold Project and additional similar programs on the property spanning the Goliath Gold Project and Goldlund Project. Future drill programs are expected to include both exploration to attempt to extend known mineralization to the east and possibly west of the Goliath Gold Project resource, follow up drilling to further define the recently discovered Miller target at the Goldlund Project. Drilling exploration at the Goldlund Project estimated resource area will focus on the upgrading of resource classification for possible inclusion in future reserves as part of future technical studies and growth drilling within each of the 8 known mineralized zones at the Goldlund Project.

Description of the Goldlund Project

On June 3, 2020, the Corporation entered into the Goldlund Purchase Agreement, pursuant to which the Corporation agreed to acquire 100% of the issued and outstanding shares of Tamaka, a wholly-owned subsidiary of First Mining holding all right, title and interest in and to the Goldlund Project in exchange for: (i) 43,333,333 Common Shares (on a post-Consolidated basis); (ii) 35,000,000 Common Share purchase warrants, each exercisable to acquire one-third of a Common Share (on a post-Consolidated basis) at an exercise price of \$0.50 per one-third of a Common Share (on a post-Consolidated basis), exercisable for a period of 36 months following the closing of the Transaction (the “**First Mining Warrants**”); (iii) a 1.5% net smelter returns royalty over the Goldlund Project with the option for the Corporation to buy back 0.5% of such royalty for \$5.0 million; and (iv) a milestone payment of \$5.0 million, the first half of which will be 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 Project and remaining half of which upon the extraction of 300,000 tonnes of processable ore from a mine at the Goldlund Project. The date when the Corporation acquired Tamaka, for accounting purposes, was August 7, 2020. The Goldlund Project is located adjacent to the Goliath Gold Project. The Corporation intends to evaluate the possibility of consolidating the Goldlund Project with the Goliath Gold Project and explore co-development opportunities.

With respect to the acquisition of Tamaka, there are no material changes to the business affairs that are expected to have a significant effect on the financial performance or position of the Corporation. The Corporation intends to continue developing its Goliath Gold Project towards a construction decision with the Goldlund Project expected to be evaluated for an optimized development in a parallel path to the Goliath Gold Project development. It is expected that each project will operate on a separate basis and will be treated as such to complete the permitting and development process. Additional studies are expected to be conducted to evaluate efficiencies between the two projects and implementation options will be evaluated at such a time when more detailed information is available.

No valuation opinion was obtained within the 12 months preceding the date of this Prospectus to support the consideration to be paid to First Mining by the Corporation in connection with the Corporation's acquisition of Tamaka and the Goldlund Project.

For further information regarding the Goldlund Purchase Agreement and Tamaka, please see Corporation's Circular, and other documents incorporated by reference in this Prospectus available at www.sedar.com under the Corporation's profile.

There have been no material developments in the Corporation's business since March 27, 2020, the date of the Corporation's AIF, which have not been disclosed in this Prospectus or in the documents incorporated by reference herein.

CONSOLIDATED CAPITALIZATION

The following table shows the consolidated capitalization of the Corporation as at March 31, 2020, and as at such date, on an adjusted basis, after giving effect to the Offering and the issuance of Conversion Common Shares and the Warrants.

Designation	As at March 31, 2020	As at March 31, 2020 after giving effect to the Offering	As at March 31, 2020 after giving effect to the Offering, the acquisition of Tamaka, and the conversion of the Subscription Receipts ⁽¹⁾	As at March 31, 2020 after giving effect to effect to the Offering, the acquisition of Tamaka, the conversion of the Subscription Receipts and the Consolidation ⁽²⁾
Common Shares (Authorized unlimited)	169,728,932	169,728,932	331,728,932	110,576,310
Common Shares Underlying Stock Options	\$97,640,878	\$97,640,878	\$135,160,878	\$135,160,878
Common Shares Underlying Warrants	9,675,000	9,675,000	9,675,000	3,225,000
Convertible Loan ⁽³⁾	31,528,639	31,528,639	82,528,639	27,509,546
Subscription Receipts	\$6,242,280	\$6,242,280	\$6,242,280	\$6,242,280
Compensation Option Receipts	0	32,000,000	0	0
Compensation Option Receipts	0	1,920,000	0	0
Compensation Option Receipts	0	0	1,920,000	640,000

Notes:

- (1) Assumes (all on a pre-Consolidation basis): (i) the issuance of 32,000,000 Conversion Common Shares, 16,000,000 Warrants and 1,920,000 Compensation Options upon the conversion of the Subscription Receipts on the Automatic Conversion Date but no exercise of any of the Warrants or Compensation Options; (ii) the issuance of 130,000,000 Common Shares and 35,000,000 Common Share purchase warrants to First Mining pursuant to the terms of the Goldlund Purchase Agreement; and (iii) no issuance of Additional Conversion Common Shares and Additional Warrants.
- (2) Assumes (all on a post-Consolidation basis): (i) the issuance of 10,666,666 Conversion Common Shares, 5,333,333 Warrants and 640,000 Compensation Options upon the conversion of the Subscription Receipts on the Automatic Conversion Date but no exercise of any of the Warrants or Compensation Options; (ii) the issuance of 43,333,333 Common Shares and 35,000,000 First Mining Warrants; and (iii) no issuance of Additional Conversion Common Shares and Additional Warrants.
- (3) At March 31, 2020, convertible debt owed by the Corporation to Extract Lending LLC and Extract Capital Master Fund Ltd. (together, "Extract") is US\$4.4 million (\$6.2 million) in accordance with a debt agreement (as amended, the "Credit Facility") entered into in June 2016 in addition to the three amendments signed in the three subsequent years of which the last (the "Third Amendment") was signed on

August 15, 2019. Pursuant to the Third Amendment, the debt may be converted at Extract's option, in part or in full, at any time, into Common Shares at \$0.96 per Common Share (on a post-Consolidation basis).

There have been no material changes to the Corporation's share and loan capitalization on a consolidated basis since March 31, 2020, other than the issuance of 400,368 Common Shares, on a post-Consolidation basis, pursuant to the exercise of warrants and the issuance of 43,333,333 Common Shares, on a post-Consolidation basis, and 35,000,000 First Mining Warrants exercisable to acquire 11,666,666 Common Shares, on a post-Consolidation basis, in connection with the Transaction.

USE OF PROCEEDS

On the Closing Date, the Escrowed Funds were deposited with the Subscription Receipt Agent and were held in escrow in accordance with the Subscription Receipt Agreement. Until the Escrow Release Date, the Escrowed Funds were held by the Subscription Receipt Agent in one or more segregated interest-bearing bank accounts at one or more Schedule I Canadian chartered banks. On the Escrow Release Date, the Escrowed Funds were released from escrow and paid to the Corporation, less the remaining 50% of the Underwriters' Fee, together with interest on such amount, which will be paid to Haywood on behalf of the Underwriters. See "*Plan of Distribution*".

The net proceeds to the Corporation from the sale of the Subscription Receipts issued pursuant to the Offering were \$10,600,000 after deducting the Underwriters' Fee of \$691,200 and certain expenses of the Offering, including expenses relating to the preparation and filing of this Prospectus, of \$228,800.

The net proceeds from the Offering are expected to be used by the Corporation as set out in the table below:

Use of Proceeds	Approximate Amount (\$)
Exploration and Development of the Goliath Gold Project:	
Prefeasibility Engineering Studies	\$600,000
Environmental Work	\$750,000
Exploration Drilling	\$1,300,000
Surface Exploration Field Work	\$500,000
Metallurgy	\$329,000
Total Exploration and Development of the Goliath Gold Project	\$3,479,000
Exploration and Development of the Goldlund Project:	
Exploration Drilling	\$3,000,000
Environmental Baseline	\$350,000
Geochemical	\$275,000
Community Relations	\$250,000
Resource Estimate	\$100,000
Engineering Test	\$50,000
Reclamation	\$75,000
Total Exploration and Development of the Goldlund Project	\$4,100,000
General Corporate and Working Capital	\$3,021,000
Total:	\$10,600,000

The discrepancies between the use of proceeds disclosed in the table above and the budget recommended in the Goliath Technical Report are a result of the Corporation spending approximately \$1,600,000 on exploration drilling since the Goliath Technical Report was published. The remaining \$1,300,000 of exploration drilling expenditures that are recommended in the Goliath Technical Report are reflected in the table above. Each of the additional uses of proceeds summarized above is representative of the estimated cost to move the Goliath Gold Project towards a construction decision.

The anticipated use of proceeds for the exploration and development of the Goldlund Project is intended to develop the Goldlund Project on a path parallel to that of the Goliath Gold Project. The Corporation's intended use of proceeds for the Goldlund Project differs from the recommendations in the Goldlund Technical Report. The Goldlund Technical Report recommends that \$600,000 be used for general and administrative purposes. These proceeds have been accounted for in the \$3,021,000 which the Corporation intends to use for General Corporate and Working Capital purposes. For the purposes of achieving the Corporation's objectives and milestones for the Goldlund Project, the Corporation has allocated an additional \$625,000 towards environmental baseline and geochemical characterisation.

The Corporation does not intend to use the proceeds of the Offering for regional exploration activities. The Corporation will evaluate potential regional exploration activities in the future.

The allocation of the net proceeds of the Offering may be adjusted depending on, among other things, timing of receipt of required government approvals, availability of equipment and services, and general political and market conditions. Further, while the Corporation intends to use the net proceeds of the Offering as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in the Corporation's best interest. The actual amount that the Corporation spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under "*Risk Factors*".

Until applied, the net proceeds of the Offering will be held as term deposits and as cash balances in the Corporation's bank account. Unallocated funds from the Offering will be added to the working capital of the Corporation, and will be expended at the discretion of management. The Chief Financial Officer of the Corporation is responsible for the supervision of and executing the Corporation's investment policies.

Pursuant to the terms of the Credit Facility, the Corporation is required to apply the proceeds of any offering of equity securities, including the Offering, against the amount then outstanding under the Credit Facility, subject to limited exceptions. On July 7, 2020, Extract waived these provisions of the Credit Facility as they relate to the Offering.

Business Objectives and Milestones

The fundamental business objective of Treasury Metals remains to advance the Goliath Gold Project to a construction decision. The Goldlund Project is expected to provide operational efficiencies with the Goliath Gold Project. As such, the Goldlund Project will require further studies to positively and efficiently evaluate the potential efficiencies of the Goldlund Project into Treasury Metals' development timeline. The net proceeds of the Offering will fund the continued development of engineering studies at Goliath, continued operation of exploration programs, allow the advancement of key engineering and environmental baseline data on the Goldlund Project and complete additional infill and expansion drilling programs on the respective projects.

It is expected that additional economic studies on the respective projects will be completed within 2020 that will allow for the evaluation of efficiencies between the two projects. Several key study areas will be required to be completed, including updated geological estimates, milling and processing facilities, tailings storage and open pit and underground mine schedules. Additional technical work will be ongoing through 2020 to ensure sufficient detail is completed in advance of pre-feasibility level studies to commence in 2021. These include metallurgical, geotechnical and environmental studies.

Provincial and construction permitting activities will be ongoing throughout the end of 2020 and 2021. It is expected that applications will be finalized and submitted to relevant authorities throughout 2021 as information on each project becomes available. The Goliath Project is expected to advance in permitting with the currently known baseline and technical information. Additional environmental baseline work will be ongoing at the Goldlund Project with the objective to use this data to commence permitting activities in late 2021. The Corporation will continue engagement with local First Nations, Metis and community groups throughout each phase of the continued development of the projects.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Canadian Offering Jurisdictions to qualify the distribution of 10,666,666 Conversion Common Shares and 5,333,333 Warrants issuable pursuant to the conversion of 32,000,000 Subscription Receipts previously issued on the Closing Date. This Prospectus qualifies the distribution of any Additional Conversion Common Shares and Additional Warrants upon the conversion of the Subscription Receipts into Penalty Units, if applicable, the distribution of the Compensation Options issuable upon the automatic conversion of the Compensation Option Receipts. The Subscription Receipts were issued pursuant to the Subscription Receipt Agreement among the Corporation, Haywood and the Subscription Receipt Agent. The terms of the Offering,

including the Issue Price were determined by arm's length negotiation between the Corporation and Haywood, acting on its own behalf and on behalf of the Underwriters.

On the Closing Date, the Escrowed Funds were deposited in escrow with the Subscription Receipt Agent pending satisfaction of the following conditions (the "**Escrow Release Conditions**"): (i) the completion or satisfaction or waiver of all conditions precedent to the Transaction, other than the release of the Escrowed Funds, to the sole satisfaction of the Haywood, on behalf of the Underwriters, acting reasonably; (ii) the receipt of all required shareholder and regulatory approvals, as applicable, required in connection with (a) the Transaction and (b) the conditional listing on the TSX (subject only to standard listing conditions) of the Conversion Common Shares, the Warrant Shares and the Underwriters' Shares; (iii) the Corporation and Haywood having delivered the Release Notice (as defined herein) to the Subscription Receipt Agent confirming that the conditions set forth in (i) and (ii) have been met or waived; and (iv) the Corporation having not committed any breach of the Underwriting Agreement (as defined herein) that has not been cured within 5 days of the Corporation's receipt of written notice from the Haywood, on behalf of the Underwriters, specifying in reasonable detail the nature of such breach.

On the Escrow Release Date, the Escrowed Funds were released from escrow by the Subscription Receipt Agent to: (a) Haywood, on its own behalf and on behalf of the Underwriters, as the case may be, in an amount equal to (i) 50% of the Underwriters' Fee with any interest earned thereon; and (ii) any expenses incurred by the Underwriters and not already paid by the Corporation on the Closing Date; (b) the Subscription Receipt Agent, in an amount equal to any remaining remuneration, expenses and disbursements of the Subscription Receipt Agent payable under the Subscription Receipt Agreement; and (c) the Corporation, after payments to Haywood and the Subscription Receipt Agent, the balance of the Escrowed Funds, as directed by the Corporation.

In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation agreed to pay the Underwriters an aggregate cash commission of \$691,200, being 6.0% of the aggregate gross proceeds of the Offering, 50% of which was paid to the Underwriters on the Closing Date and 50% of which will be paid on satisfaction of the Escrow Release Conditions.

As additional compensation, on the Closing Date the Corporation issued to the Underwriters an aggregate of 1,920,000 Compensation Option Receipts on a pre-Consolidation basis or 640,000 Compensation Option Receipts on a post-Consolidation basis. Each Compensation Option Receipt will be automatically converted into one Compensation Option on the Automatic Conversion Date. Each Compensation Option will entitle the holder thereof to acquire one Underwriters' Shares at a price of \$1.08 per Underwriters' Share for a period of 24 months from the Automatic Conversion Date for no additional consideration. This Prospectus also qualifies the distribution of the Compensation Options issuable upon the automatic conversion of the Compensation Option Receipts. No additional commissions or fees are payable by the Corporation to the Underwriters in connection with the distribution of the Conversion Common Shares and the Warrants issuable upon the automatic conversion of the Subscription Receipts.

Pursuant to the Underwriting Agreement, the Corporation has agreed in favour of the Underwriters that until 120 days after the Escrow Release Date, it will not, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than pursuant to previously scheduled property and/or other corporate acquisitions, without the prior written consent of Haywood on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed.

The Corporation's directors and officers also entered into lock-up agreements in favour of the Underwriters, pursuant to which each director and officer agreed not to directly or indirectly sell, or agree to sell or announce any intention to sell or agree to sell any additional Common Shares or any securities convertible into or exchangeable for Common Shares, without the prior written consent of Haywood, on behalf of the Underwriters, which consent will not be unreasonably withheld or delayed, for a period of 120 days from the Escrow Release Date.

The Underwriters and their affiliates have performed investment banking, commercial banking and advisory services for the Corporation from time to time for which they have received customary fees and expenses. The Underwriters and their affiliates may, from time to time, engage in transactions with and perform services for the Corporation in the ordinary course of their business.

On the Closing Date, a total of 31,600,000 Subscription Receipts were registered in the name of “CDS & CO.” and were deposited with CDS as Non-Certificated Positions. No physical certificates representing Subscription Receipts in Non-Certificated Positions were issued to purchasers of Subscription Receipts. Upon the conversion of the Subscription Receipts in Non-Certificated Positions into Units, the underlying Conversion Common Shares and Warrants will be issued as electronic non-certificated inventory positions registered and deposited with CDS or its nominee, and purchasers will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Subscription Receipts was originally acquired, subject to certain limited exceptions. On the Closing Date, a total of 400,000 Subscription Receipts (on a pre-Consolidation basis) were issued in physical form and the holders thereof will, upon the conversion of such Subscription Receipts into Units, receive physical certificates representing the underlying Conversion Common Shares and Warrants, respectively, which will be registered and issued in the same manner as the overlying Subscription Receipts.

All conversions of Subscription Receipts represented by the Non-Certificated Positions shall occur in accordance with CDS rules and procedures. The rights of a holder of Subscription Receipts represented by a Non-Certificated Position shall be converted only through CDS and the CDS participants and shall be limited to those established by law and agreements between such holders and CDS and the CDS participants upon instructions from the CDS participants. Each of the Subscription Receipt Agent and the Corporation may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective holders of Subscription Receipts represented by a Non-Certificated Position and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations under the Subscription Receipt Agreement. The ability of an owner of a beneficial interest in a Subscription Receipt represented by a Non-Certificated Position to pledge such Subscription Receipt or otherwise take action with respect to such owner’s interest in such Subscription Receipt (other than through a CDS participant) may be limited due to the lack of a physical certificate.

The Corporation has agreed to use its reasonable commercial efforts to obtain a receipt for a final short form prospectus qualifying the issuance and distribution of the Conversion Common Shares, Warrants and Compensation Options in the Canadian Offering Jurisdictions and obtain a receipt therefor from the OSC as principal regulator on behalf of the securities regulatory authority in each of the Canadian Offering Jurisdictions by the Qualification Deadline.

In the event the Corporation has not received a receipt from the OSC for the final short form prospectus before the Qualification Deadline, each Subscription Receipt will be adjusted pursuant to the terms of the Subscription Receipt Agreement such that each Subscription Receipt will entitle the holder thereof to receive on the Automatic Conversion Date, for no additional consideration, a Penalty Unit comprised of 1.1 Additional Conversion Common Shares and 0.55 Additional Warrants provided that any fractional entitlement to Additional Conversion Common Shares and Additional Warrants will be rounded down to the nearest whole Additional Conversion Common Share and/or Additional Warrant, as the case may be. This Prospectus qualifies the distribution of any Additional Conversion Common Shares and Additional Warrants upon the conversion of the Subscription Receipts into Penalty Units, if applicable.

On August 11, 2020, the Corporation completed the Consolidation.

The Underwriting Agreement provides that the Corporation will indemnify the Underwriters and their officers, directors, employees, shareholders, partners, advisors and agents and of each of the Underwriters’ associates and affiliates of the Underwriters in certain circumstances.

The Subscription Receipts when issued were not, and the Conversion Common Shares, Additional Conversion Shares (if applicable), Warrants, Additional Warrants (if applicable) and Warrant Shares to be issued, have not been and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States. The Subscription Receipts were offered and sold, and the Conversion Common Shares, Warrants and Warrant Shares will be offered in the United States, or to or for the account or benefit of U.S. Persons and persons within the United States, in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. All Subscription Receipts issued in the United States, or to or for the account or benefit of U.S. Persons and persons in the United States, are, and the Conversion Common Shares, Warrants and Warrant Shares when issued in the United States, or to or for the account or benefit of U.S. Persons and persons in the United States, will be,

“restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act, and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws. Except for securities issued to QIBs who acquired Subscription Receipts under the Offering pursuant to the registration exemption in Rule 144A under the U.S. Securities Act, any such securities that are offered, sold or issued in the United States, or to or for the account or benefit of U.S. Persons and persons in the United States, will be represented by physical certificates bearing a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable state securities laws.

The TSX has conditionally approved listing of the Conversion Common Shares (and, if applicable, the Additional Conversion Common Shares), Warrant Shares and Underwriters’ Shares. Listing is subject to the Corporation fulfilling all of the requirements of the TSX on or before November 2, 2020.

DESCRIPTION OF THE SECURITIES BEING DISTRIBUTED

The Units pursuant to the conversion of the Subscription Receipts will convert into Conversion Common Shares and Warrants on the Automatic Conversion Date.

Description of Subscription Receipts

The Subscription Receipts were created and issued pursuant to the Subscription Receipt Agreement on the Closing Date. The following is a summary of certain material attributes of the Subscription Receipts and provisions of the Subscription Receipt Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Subscription Receipt Agreement, which has been filed by the Corporation with the applicable Canadian securities regulatory authorities and is available under the Corporation’s profile on SEDAR at www.sedar.com.

Pursuant to the terms of the Subscription Receipt Agreement, each Subscription Receipt will be automatically converted, without any further payment or action on the part of the holder, subject to adjustment in certain circumstances, for one Conversion Common Share and one half of one Warrant on the Automatic Conversion Date.

The Subscription Receipt Agreement provides that in the event the Corporation has not received a receipt from the OSC for the final short form prospectus prior to the Qualification Deadline, each Subscription Receipt will be adjusted such that each Subscription Receipt will entitle the holder thereof to receive on the Automatic Conversion Date, for no additional consideration, a Penalty Unit comprised of 1.1 Additional Conversion Common Shares and 0.55 Additional Warrants provided that any fractional entitlement to Additional Conversion Common Shares and Additional Warrants will be rounded down to the nearest whole Additional Conversion Common Share and/or Additional Warrant, as the case may be.

The Subscription Receipt Agreement provides that in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of any form of capital reorganization of the Corporation, including any amalgamation, merger or arrangement or a sale or conveyance of the property or assets of the Corporation, an adjustment shall be made to the terms of the Subscription Receipts such that the holders shall, upon exercise of the Subscription Receipts following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Subscription Receipts prior to the occurrence of those events.

The Subscription Receipt Agreement provides for adjustments to the number of Units issuable upon the conversion of the Subscription Receipts on the Automatic Conversion Date upon the occurrence of certain events, including:

- (a) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares;
- (b) the reduction, combination or consolidation of the Common Shares into a lesser number of Common Shares;

- (c) the issuance of Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend or the making of a distribution to all or substantially all of the holders of Common Shares;
- (d) the fixing of a record date for the issuance of rights, options or warrants to all or substantially all of the holders of the outstanding Common Shares, entitling such holders for a period expiring no more than 45 days from such record date, to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the "Current Market Price" on such record date (provided that the Common Shares are listed on the TSX, the Subscription Receipt Agreement defines the "Current Market Price" as the volume weighted average price per share at which the Common Shares have traded on the TSX during the 10 consecutive trading days (on each of which at least 100 Common Shares are traded in board lots) ending the third trading day before such date); and
- (e) the fixing of a record date for the making of a distribution to all or substantially all of the holders of the outstanding Common Shares of: the issuance or distribution to the holders of all or substantially all of the outstanding Common Shares of: (i) shares of the Corporation of any class other than Common Shares; (ii) rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares; (iii) evidences of indebtedness; or (iv) any property or other assets, subject to limited exceptions.

The Subscription Receipt Agreement also provides for adjustment to the Units issuable upon the conversion of the Subscription Receipts on the Automatic Conversion Date upon the occurrence of the following additional events:

- (a) the reclassification of the Common Shares or a capital reorganization of the Corporation; and
- (b) the amalgamation, arrangement or merger of the Corporation with, or the sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to, another person.

Pursuant to the Subscription Receipt Agreement, the Corporation has agreed that, so long as any Subscription Receipt remains outstanding, it will give notice to the Subscription Receipt Agent and to the holders of Subscription Receipts of its intention to fix a record date for any event that would give rise to an adjustment to the number of Units issued upon conversion of the Subscription Receipts not less than 14 days prior to such applicable record date, other than with respect to the Consolidation.

No fractional Conversion Common Shares or Warrants will be issued upon the conversion of the Subscription Receipts. The holding of Subscription Receipts does not make the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Subscription Receipt Agreement.

The Subscription Receipt Agreement provides that, from time to time, the Corporation and the Subscription Receipt Agent may amend or supplement the Subscription Receipt Agreement for certain purposes, without the consent of the holders of the Subscription Receipts, including providing for the issuance of additional Subscription Receipts, evidencing the succession of any person to the Corporation, setting forth the adjustments provided for in the Subscription Receipt Agreement and making any change to the Subscription Receipt Agreement that is not prejudicial to the interests of the holders of Subscription Receipts as whole. Any amendment or supplement to the Subscription Receipt Agreement that would be prejudicial to the interests of the holders of Subscription Receipts as whole may only be made by "extraordinary resolution", which is generally defined in the Subscription Receipt Agreement as a resolution passed at a meeting of not less than 25% of the Subscription Receipts then outstanding by the votes of holders of Subscription Receipts holding not less than 66⅔% of the aggregate number of the then outstanding Subscription Receipts represented at the meeting and voting on the motion. The Subscription Receipt Agreement also permits an extraordinary resolution to be passed in writing by the holders of not less than 66⅔% of the then outstanding Subscription Receipts.

There is no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulations.

Description of Common Shares

Treasury Metals has an unlimited number of Common Shares authorized. As of the date of this Prospectus, there are 100,309,950 Common Shares outstanding on a post-Consolidation basis. Holders of Common Shares are entitled to receive notice of and attend any meeting of the Corporation's shareholders, to one vote for each Common Share held, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation. None of the Common Shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attaching to any of the Common Shares and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the Common Shares. The Common Shares are not convertible into shares of any other class and are not redeemable or retractable.

Description of Warrants

The Warrants will be issued under and governed by the Warrant Indenture to be dated on or before the Automatic Conversion Date and to be entered into between the Corporation and the Warrant Agent. The following is a summary of certain anticipated attributes of the Warrants and provisions of the Warrant Indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed by the Corporation with the applicable Canadian securities regulatory authorities and available under the Corporation's profile on SEDAR at www.sedar.com following closing the Automatic Conversion Date.

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at a price of \$1.80 per Warrant Share at any time prior to 4:30 p.m. (Toronto time) on the Warrant Expiry Date, subject to adjustment in certain customary events, after which time the Warrants will expire.

The Corporation may elect to accelerate the Warrant Expiry Date to a date that is not less than 30 calendar days from the date on which written notice of acceleration is delivered to the Warrantholders if the closing price of the Common Shares on the TSX is equal to or greater than \$3.00 per Common Share, on a pre-Consolidation basis, for a period of twenty (20) consecutive trading days.

The Corporation will appoint the principal transfer office of the Warrant Agent in Toronto, Ontario as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Corporation may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

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

- (a) the issuance Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Warrant Shares upon exercise of the Warrants or pursuant to the exercise, conversion or exchange of securities of the Corporation outstanding as of the Automatic Conversion Date);
- (b) the subdivision, redivision or change of the Common Shares into a greater number of Common Shares;
- (c) the consolidation, reduction or combination of the Common Shares into a lesser number of Common Shares;
- (d) the issuance to all or substantially all of the holders of its outstanding of the outstanding Common Shares of rights, options or warrants entitling them, for a period expiring not less than 21 days and not more than

90 days after such record date, to subscribe for or purchase Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares, at a price per share to the holder (or at an exchange, exercise or conversion price per share) of less than 95% of the “Current Market Price” (provided that the Common Shares are listed on the TSX, the Warrant Indenture will define “Current Market Price” as the volume weighted average price per share at which the Common Shares have traded during the 10 consecutive trading days (on each of which at least 100 Common Shares are traded in board lots) ending the third trading day before such date); and

- (e) the issuance or distribution to the holders of all or substantially all of the outstanding Common Shares of:
 - (i) shares of the Corporation of any class other than Common Shares; (ii) rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares; (iii) evidences of indebtedness; or (iv) cash, securities or any property or other assets.

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

- (a) the reclassification of the Common Shares, a change in the Common Shares into other shares or securities or a capital reorganization of the Corporation (other than as described above); or
- (b) the amalgamation, consolidation, arrangement, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another person.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 10 days prior to the record date or effective date of such event. The Warrant Agent will then give notice of the particulars or such event to the holders of the Warrants.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or preemptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Corporation and the Warrant Agent may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that is not prejudicial to the rights of any holder. Any amendment or supplement to the Warrant Indenture that would be prejudicial to the interests of the holders of Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution passed at a meeting of the Warrantholders at which there are present in person or by proxy at least two Warrantholders representing at least 20% of the aggregate number of all the then outstanding Warrants and passed by the affirmative votes of Warrantholders representing not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution.

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

Warrants sold to purchasers in the non-U.S. portion of the Offering and QIBs will be available for delivery in book-entry form through CDS or its nominee and will be deposited with CDS on the Automatic Conversion Date.

Beneficial holders of Warrants should contact the registered dealer or broker through which such Warrantholder purchased Subscription Receipts for instructions on how to exercise the Warrants held by them.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants comprising part of the Units that are issuable upon conversion of the Subscription Receipts. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulations.

PRIOR SALES

Common Shares

The following table summarizes details of the Common Shares issued by the Corporation during the 12-month period prior to the date of this Prospectus on a post-Consolidation basis:

Date of Issuance	Security	Price Per Security	Number of Securities
August 7, 2020	Common Shares	N/A	43,333,333
November 21, 2019	Flow-through units	\$0.855	3,269,266
November 26, 2019	Flow-through units	\$0.855	116,959
Total:			46,719,558

Warrants

The following table summarizes details of warrants issued by the Corporation during the 12-month period prior to the date of this Prospectus on a pre-Consolidation basis:

Date of Issuance	Security	Price Per Security	Number of Securities
August 7, 2020	Warrants	\$0.50	35,000,000
November 21, 2019	Warrants	\$0.45	4,903,900
November 26, 2019	Warrants	\$0.45	175,438
November 21, 2019	Compensation Warrants	\$0.285	588,468
November 26, 2019	Compensation Warrants	\$0.285	21,052
August 14, 2019	Warrants	\$0.40	600,000
Total:			41,288,858

Stock Options

The following table summarizes details of stock options issued by the Corporation during the 12-month period prior to the date of this Prospectus on a pre-Consolidation basis:

Date of Issuance	Security	Price Per Security	Number of Securities
December 19, 2019	Stock Options	\$0.30	4,500,000
Total:			4,500,000

Subscription Receipts

The following table summarizes details of Subscription Receipts issued by the Corporation during the 12-month period prior to the date of this Prospectus on a pre-Consolidation basis:

Date of Issuance	Security	Price Per Security	Number of Securities
July 7, 2020	Subscription Receipts	\$0.36	32,000,000
Total:			32,000,000

PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The Common Shares are traded on the TSX under the symbol “TML”. The following table sets forth, on a monthly basis, the reported high and low sale prices (which are not necessarily the closing prices) and the aggregate volume of trading of the Common Shares on the TSX for the periods noted presented on a pre-Consolidation basis.

Period	High (\$)	Low (\$)	Trading Volume
August 1-12 2020	0.66	0.54	4,094,256
July 2020	0.61	0.48	6,635,189
June 2020	0.59	0.32	9,181,745
May 2020	0.33	0.25	6,101,299
April 2020	0.32	0.19	6,977,101
March 2020	0.24	0.15	8,338,484
February 2020	0.30	0.19	10,546,873
January 2020	0.32	0.26	4,859,949
December 2019	0.31	0.26	3,234,343
November 2019	0.29	0.24	3,176,322
October 2019	0.31	0.25	2,268,823
September 2019	0.40	0.29	2,088,980
August 2019	0.42	0.33	2,633,396

On June 15, 2020, the last complete trading day prior to the public announcement of the Offering, the closing price of Common Shares on the TSX was \$0.405 on a pre-Consolidation basis. On August 12, 2020, the last complete trading day before the date of this Prospectus, the closing price of the Common Shares on the TSX was \$1.71 on a post-Consolidation basis.

RISK FACTORS

An investment in securities of the Corporation is highly speculative and involves significant risks. Any prospective investor should carefully consider the risk factors and all of the other information contained below and elsewhere in this Prospectus (including, without limitation, the documents incorporated by reference, and specifically under the sections entitled “Risk Factors” in the Corporation’s AIF and the Corporation’s Circular) before purchasing any of the securities distributed under this Prospectus. The risks described herein and in the documents incorporated by reference in this Prospectus are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business.

Discretion in the Use of Proceeds

Management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, holders of Subscription Receipts will be relying on the judgment of management as to the application of the proceeds of the Offering. If management chooses not to use the proceeds of the Offering for the

purposes described under the heading “*Use of Proceeds*”, Extract may require that the proceeds of the Offering be used to repay the amount owing under the Credit Facility prior to being used for other purposes. Management may use the net proceeds of the Offering in ways that holders of Subscription Receipts may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation’s results of operations may suffer.

Future Sales or Issuances of Securities

The Corporation may sell additional Common Shares or other securities in subsequent offerings. The Corporation may also issue additional securities to finance future activities. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, holders of Common Shares will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per Common Share. The Corporation will be required to use the proceeds of any subsequent offering of securities to repay the amount owing pursuant to the Credit Facility, subject to Extract waiving compliance with the terms of the Credit Facility and permitting the Corporation to use such proceeds for other purposes. There is no guarantee that Extract will grant such a waiver in connection with any subsequent offering of securities of the Corporation.

Market for the Common Shares

Listing of the Conversion Common Shares, Warrant Shares and Underwriters’ Shares on the TSX is subject to the Corporation fulfilling all of the listing requirements of the TSX. There can be no assurance that an active public market for trading in the Common Shares will persist and the Common Share price may decline below the Issue Price on a post-Consolidated basis.

Volatility of Market Price of Common Shares

The market price of Common Shares may fluctuate due to a variety of factors relative to the Corporation’s business, including announcements of new developments, fluctuations in the Corporation’s operating results, sales of the Common Shares in the marketplace, failure to meet analysts’ expectations, any public announcements made in regards to the Offering, the impact of various tax laws or rates and general market conditions or the worldwide economy. In recent years, stock markets have experience significant price fluctuations, which have been unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation’s performance.

No Market for the Warrants

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

INTERESTS OF EXPERTS

Certain legal matters in connection with the Offering will be passed upon on behalf of the Corporation by McMillan LLP and on behalf of the Underwriters by Miller Thomson LLP. As of the date hereof, the partners and associates of McMillan LLP beneficially own, directly and indirectly, less than one percent of the outstanding Common Shares.

In connection with the Transaction, Haywood provided the board of directors of the Corporation with the Fairness Opinion. As of the date hereof, the designated professionals of Haywood as a group beneficially own less than one percent of the Corporation's outstanding securities.

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

- 1) Todd McCracken, P. Geo.;
- 2) Eugene Puritch, P.Eng.;
- 3) Mark Wheeler, P.Eng.;
- 4) Yungang Wu, P.Geo.;
- 5) David Burga, P.Geo.;
- 6) Jarita Barry, P.Geo.;
- 7) Alfred Hayden, P.Eng.; and
- 8) Antoine Yassa, P.Geo.

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

The Corporation's current auditor, RSM Canada LLP, has advised the Corporation that they are independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Tamaka's current auditor, PricewaterhouseCoopers LLP, has advised Tamaka that they are independent in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

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

CONTRACTUAL RIGHT OF RESCISSION

The Corporation has granted each holder of a Subscription Receipt a contractual right of rescission of the prospectus exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipts who acquires Units comprised of Conversion Common Shares and Warrants on the conversion of the Subscription Receipts as described in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this prospectus or an amendment to this prospectus containing a misrepresentation:

- (a) the holder is entitled to rescission of both the conversion of the holder's Subscription Receipts and the private placement transaction under which the Subscription Receipts was initially acquired;
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation or the Underwriters, as the case may be, on the acquisition of the Subscription Receipt; and
- (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Subscription Receipts may have at law.

CERTIFICATE OF THE CORPORATION

August 13, 2020

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

“Greg Ferron”

Greg Ferron
Chief Executive Officer

“Dennis Gibson”

Dennis Gibson
Chief Financial Officer

On Behalf of the Board of Directors

“Marc Henderson”

Marc Henderson
Director

“Bill Fisher”

Bill Fisher
Director

CERTIFICATE OF THE UNDERWRITERS

August 13, 2020

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

HAYWOOD SECURITIES INC.

“Kevin Campbell”

Kevin Campbell
Managing Director, Investment Banking

PI FINANCIAL CORP.

“Russell Mills”

Russell Mills
Director, Investment Banking

SPROTT CAPITAL PARTNERS LP

“Scott Robertson”

Scott Robertson
Partner, Investment Banking

CANACCORD GENUITY CORP.

“Tom Jakubowski”

Tom Jakubowski
Managing Director, Global Head of
Mining Investment Banking