



TREASURY METALS

INCORPORATED

NEWS RELEASE

TSX: TML

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Treasury Metals Provides Project Update and Announces Loan Extension

Toronto, Canada – Treasury Metals Inc. (“Treasury” or the “Company” - http://www.commodity-tv.net/c/search_adv/?v=297403) is pleased to provide a number of important corporate and project updates.

Permitting Progress

The Company and AMEC Foster Wheeler (“AMEC”) have completed the information request responses and accompanying technical support as part of the Federal Government of Canada's Environmental Assessment process (“Federal EA”). The responses include significant additional project related work completed in order to provide responses to comments and questions received from both the government technical review and public open house processes. This additional work will also be used as part of the ongoing engagement and consultation with the respective Aboriginal communities.

Production Fee Buy Back

The Company is also reporting that it exercised its option to repurchase an outstanding US\$10/oz Au production fee with Extract Advisors LLC (“Extract”) and Loinette Company Leasing Ltd. (“Loinette”) (collectively the “Lenders”) for total consideration of US\$350,000. The production fee buy back eliminates the future cost of the production fee in its entirety and enhances the overall project economics at Goliath Gold Project.

Term Loan Extension

On May 5, 2017, the Company entered into a binding term sheet (the “Loan Extension”) in connection with the Company’s existing US\$4.4 million term loan which is comprised of two tranches (the “Term Loan”) with the Lenders. The Loan Extension will amend, among other terms, the maturity date of the Term Loan, extending it to April 2, 2019, from September 20, 2017. The Loan Extension will be superseded with a definitive agreement to be entered into by the Company and the Lender on or around May 19, 2017 (the “Closing Date”). The terms of the Loan Extension will be subject to TSX approval.

Pursuant to the terms of the Loan Extension, US\$2.2 million of the Term Loan shall be convertible at the election of the Lenders into common shares in the capital of the Company (the “Common Shares”) at a conversion price fixed at C\$0.90 per Common Share, representing approximately a 37.5% premium to the closing price of the Common Shares on May 5, 2017 prior to entering into the binding term sheet (“Tranche 1”).

The remaining principal amount of US\$2.2 million of the Term Loan shall be unchanged and continue to be convertible into Common Shares at a price equal to C\$0.588 per Common Share and will have no further amendments (“Tranche 2”).

Pursuant to the terms of the Loan Extension, the applicable interest rate in respect of Tranche 2 has been reduced to LIBOR (minimum 200 basis points) plus 6.5% from 8.5%.

As consideration to the Lenders for entering into the Loan Extension, the Company will pay the Lenders the following (a) an extension fee of US\$88,000 in consideration for an extension to the maturity date, (b) US\$14,000 in connection with the reduction to the applicable interest rate; and (c) issue to the Lenders an aggregate of 1 million common share purchase warrants (the “Warrants”), entitling the Lenders to purchase Common Shares as set out below:

- Issuance of 300,000 Warrants on the Closing Date for a period of 3 years, to purchase a Common Share at an exercise price of C\$0.75 per Common Share;
- Issuance of 400,000 Warrants on the Closing Date for a period of 3 years, to purchase a Common Share at an exercise price of C\$0.85 per Share; and
- Issuance of 300,000 Warrants on the Closing Date for a period of 18 months, to purchase a Common Share at an exercise price of C\$0.77 per Share.

Chris Stewart, President and Chief Executive Officer, commented, “We are pleased with the progress being made by our team on the Federal EA permitting work as well as the other milestones that were communicated in our Strategic Update press release on March 1st. We remain focused on advancing the Goliath Project towards a construction decision in H2 of 2018.”

To view further details about the Company and Goliath Gold Project, please visit the Company’s website at www.treasuremetals.com.

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About Treasury Metals Inc.:

Treasury Metals Inc. is a gold focused exploration and development company with assets in Ontario, Canada and is listed on the Toronto Stock Exchange (“TSX”) under the symbol “TML”. Treasury Metals Inc.’s 100% owned Goliath Gold Project in northwestern Ontario is slated to become one of Canada’s next producing gold mines. With first-rate infrastructure currently in place and gold mineralization extending to surface, Treasury Metals plans on the initial development of an open pit gold mine to feed a 2,500 per day processing plant with subsequent underground operations in the latter

years of the mine life. Treasury Metals is currently in the mine permit process on the Goliath Gold Project.

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Forward-looking Statements

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

