

TSX: TML

TORONTO, March 31, 2016 /CNW/ - [Treasury Metals Inc.](#) ("Treasury" or the "Company") is pleased to announce it has entered into a binding term sheet with Loinette Company Leasing Ltd. ("Loinette") and Extract Capital Master Funds Ltd. ("Extract") (together, the "Lenders"), with Extract acting as agent to the Lenders, to arrange a buy-out and increase of the existing loan facility with RMB Australia Holdings Limited ("RMB") due on June 20th, 2016 in respect of which CAD\$5.0 million (approx. US\$3.78 million) is currently outstanding and to further advance the project feasibility study and permitting for the Goliath Gold Project. The total financing to be provided by the Lenders (the "Loan"), including the amount to buy-out RMB, is US\$4,400,000 (approx. CAD\$5.7 million).

The closing date of the Loan is targeted to be in approximately 30 days (the "Closing Date") and remains subject to customary conditions and definitive legal documentation.

The key terms of the Loan are as follows:

- US\$4,400,000 secured Loan due 15 months from the Closing Date
- US\$2,200,000 principal amount of the Loan is convertible by the Lenders at any time, into the Company's common shares at C\$0.588 per share, representing a 25% premium above the five-day volume weighted average price ("VWAP") based on the week end March 14, 2016
- Average interest rate of 7.75% per annum plus US 12-month LIBOR
- An arrangement fee of US\$175,000 on the Closing Date
- Issuance of 220,000 common shares on the Closing Date
- Issuance of 250,000 warrants on the Closing Date, each of which will entitle Extract, for a period of 3 years, to purchase a common share of Treasury at an exercise price of C\$0.9408 per share representing a 100% premium above the 5-day VWAP based on the week end March 14, 2016

In conjunction with this transaction, the Lenders will be assigned the security and warrants currently held by RMB.

The Loan provides the Lender a production fee on gold and silver produced at the Goliath Gold Project. The Company will have the option to repurchase the production fee without repayment of the Loan during the first nine months at US\$350,000.

Alternatively, concurrently with the repayment of the Loan in full, the Company will also have the option to repurchase the production fee for a lump sum payment equal to:

- US\$250,000 if the Loan is repaid in full on or before 6 months from the Closing Date;
- US\$750,000 if the Loan is repaid after 6 months and on or before 15 months from the Closing Date; or
- US\$1,000,000 if the Loan is repaid after 15 months from the Closing Date.

The production fee is based on US\$10 per ounce of gold and US\$0.125 per ounce of silver produced from the life of the Goliath Gold Project.

The Loan, the issuance of the warrants and the issuance of the common shares are subject to all necessary regulatory approvals, including approval of the Toronto Stock Exchange.

Treasury continues to advance mine permitting, technical engineering and environmental programs in conjunction with the project feasibility study of the Goliath Gold Project.

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

About Loinette and Extract:

Loinette is an asset-based funding solutions company with its principal business focused on mine equipment finance and Extract is a leading natural resource fund manager with a concentration in the junior mining sector.

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.]

SOURCE [Treasury Metals Inc.](#)

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