

TSX: TML

TORONTO, March 1, 2017 /CNW/ - [Treasury Metals Inc.](#) (TSX: TML) ("Treasury" or the "Company") is pleased to announce a corporate update and project development strategy to further advance the Company's Goliath Gold Project located in Northwestern Ontario. The Company aims to be in a position to make a construction decision during the third quarter of 2018 pending the successful recommendation of a Feasibility Study to be completed at the Goliath Gold Project.

The Company's key objectives for Goliath and proposed timelines are provided, as follows:

Highlights:

- Updated PEA: An updated National Instrument 43-101 Preliminary Economic Assessment ("PEA") by CSA Global Canada Geosciences Ltd. will be released in early March 2017 integrating recent engineering and resource modelling work and providing an up-to-date economic analysis of the Goliath Gold Project. The updated PEA will incorporate the 2015 NI 43-101 Mineral Resource Estimate to highlight the strength of the project along with current operating and capital cost information;
- Phase I 2017 Exploration Program: The Company recently commenced an initial Phase I 5,000 m condemnation and step-out exploration drilling program focusing on a number of "high-priority" near surface targets along strike to the northeast of the main resource area (see Figure A);
- Phase II 2017 Exploration Program: A Phase II 30,000 metre underground infill drilling program is planned to commence by mid-May, 2017. An updated NI 43-101 Resource Estimate incorporating our 2016 exploration, 2017 Phase I and Phase II drilling programs will be completed at the conclusion of this drill program;
- Feasibility Study: The Company anticipates commencing a Feasibility Study on the Goliath Gold Project starting in August 2017 targeting a completion date of June 2018, which will incorporate the updated NI 43-101 Resource Estimate as well as additional engineering, optimization work, finalized metallurgical and grinding testwork and earthworks geotechnical support studies that will be completed over the course of the next sixteen months.
- Permitting Progress: The Company continues to make permitting progress including the submission on February 22, 2017 of draft Information Request responses as part of the Federal Government of Canada's Environmental Impact Statement ("EIS") review;
- Community Engagement: Aboriginal community engagement continues to progress for the stage of the project and long-term relationship agreements are anticipated as the above milestones are completed; and
- Option Exercise: Prior to March 17, 2017, the Company will exercise an option to repurchase an outstanding US\$10/oz Au production fee from Extract Capital Master Fund Ltd. and Loinette Leasing Ltd. for total consideration of US\$350,000, thereby eliminating the future cost of the fee in its entirety and enhancing the overall project economics at Goliath.

Chris Stewart, President and Chief Executive Officer, commented: "We have completed a comprehensive development review and I am pleased to announce that we have created a strategic 18-month plan to advance the Goliath Gold Project towards a construction decision in mid-2018. Concurrently, our permitting has advanced on schedule with the recent federal Information Request submission being an important milestone in this process. We are also excited about the potential to further expand the underground mineral resource area at Goliath, and will be initiating a significant underground infill and expansion drilling program later this year to delineate this potential. Finally, the updated PEA will allow us to communicate the considerable progress made at Goliath in recent years."

"We have a lot of work ahead of us to accomplish these goals, but are confident in our team's ability to meet them. Building strong partnerships with the local community and Aboriginal groups, along with various governmental agencies, will be of paramount importance to us achieving our objectives. We look forward to the opportunity to develop the Goliath Gold Project and transition Treasury into a responsible junior gold producer that will invest and create many jobs in the local communities of Northwestern Ontario."

Exploration Programs

a) Condemnation and Step-Out Exploration Drilling Program (Phase I)

A new interpretation of the geology of the Eastern Alteration Corridor and the preparation of new longitudinal sections of the Main, B and C Zone altered felsic volcanic rock units has identified 27 new potential gold-bearing shoots which are now being drill tested. Significant gold mineralization was previously intersected by a number of historical drill holes, including a hole by Treasury TL12261 that returned 5.40 g/t Au over a sample length of 4.41 m and a Teck Exploration hole TL208 that intersected 4.16 g/t Au over a core length of 7.6 m located just 40 m from surface.

The 39 hole drill program will test the gold potential of these shoots over a strike distance up to 1,700 m from the proposed open

pit. Successful drill testing of these targets may allow Treasury to outline some new significant gold-bearing shoots for follow-up drill testing and near surface resource evaluation.

The current planned drill program and targets are outlined in Figure A.

b) Infill Drilling Program (Phase II)

Following an in-depth review of the H2-2016 infill drill program by Treasury and P&E Mining Consultants Inc. ("P&E"), a Phase II program consisting of 30,000 metres of underground infill drilling has been designed. This program will involve drilling an additional 40 to 50 holes allowing for further resource conversion from inferred to the indicated category and potential expansion of known gold mineralization into areas where gold mineralization was previously unknown.

Further, the mineral resource estimate update will be supplemented by an infill sampling program of existing drill core. A successful second phase of infill core sampling should assist in defining new zones of gold mineralization and is a low cost technique of potentially adding value at this stage of development of the Goliath Gold deposit.

Federal and Provincial Permitting

The Company, along with assistance and direction from AMEC Foster Wheeler ("AMEC"), has submitted a draft of the responses to CEAA for review prior to a formal submission of Information Request responses as part of the Federal Government of Canada's Environmental Assessment process ("Federal EA").

As part of the formal submission, Treasury and AMEC will provide an updated Impact Review report that describes all potential impacts of the project and proposed mitigation measures for each impact. Some of the required work included an updated assessment of the general site layouts and overall water balance as well as completing a geotechnical field program to support onsite infrastructure for both permitting and the Feasibility Study. The Company expects the formal submission of the Information Requests including Impact Review to the Federal government in early May of 2017 following the draft submission made on February 22, 2017.

The Company expects the Federal EA should be completed with a formal decision towards the end of 2018. This timeline includes the anticipated time for the Company to develop and submit responses to requests from the Federal EA process as well as the allotted time for the Government's review.

On a parallel process with the Federal EA, Treasury continues to work on technical reports to support the provincial permitting process. Communication is ongoing with various provincial ministries to confirm the application formats and technical support required for each specific permit that will be granted under provincial authority. Both provincial mine closure plan and tailings storage facility construction reports continue to be advanced.

Treasury expects the provincial permitting process to move in a similar timeline to the federal EA and will provide updates as work progresses.

The strategy and timelines outlined in this press release are contingent upon the Company obtaining the necessary funding to support corporate plans over the next eighteen months as well as the successful Feasibility Study evaluation.

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

About Treasury Metals Inc.:

[Treasury Metals Inc.](http://www.treasuremetals.com) is a gold focused exploration and development company with assets in Canada and is listed on the Toronto Stock Exchange ("TSX") under the symbol "TML". [Treasury Metals Inc.](http://www.treasuremetals.com)'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.

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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.

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