

# Treasury Metals and Blackwol Copper & Goldf to Create New Growth-Focused North American Gold Platform

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TORONTO, May 2, 2024 - [Treasury Metals Inc.](#) (TSX:TML) (OTCQX:TSRMF) ("Treasury" or "TML") and [Blackwolf Copper and Gold Ltd.](#) (TSXV:BWCG) (OTCQB:BWCGF) ("Blackwolf" or "BWCG") are pleased to announce that they have entered into a definitive arrangement agreement dated May 1, 2024 (the "Agreement") to combine the two companies to advance the Goliath Gold Complex Project ("GGC Project") in Ontario towards production with a strengthened leadership, balance sheet and capital markets team (the "Transaction"). The combined company's Niblack Copper-Gold development project in Alaska and other exploration properties also represent promising upside projects for future growth.

## Transaction Highlights:

- **Potential Near-Term Gold Production:** Based on a prefeasibility study conducted in February 2023, the GGC Project is poised for production with a forecasted 13-year mine life. It anticipates producing 109,000 ounces of gold annually at a cash cost<sup>[1]</sup> of US\$892 per ounce and an All-in Sustaining Cost (AISC)<sup>1</sup> of US\$1,037 per ounce during the first nine years. The prefeasibility study projected a net present value (NPV) of \$493 million at a 5% discount rate, and an internal rate of return (IRR) of 33.5% based on a gold price of US\$1,950 per ounce. The project benefits from readily available world class infrastructure and has secured a Federal Environmental Assessment approval. The final feasibility study and permitting processes are currently underway.
- **Strong Financial Position:** The balance sheet will be fortified with a combined cash position of more than C\$10 million, plus a proposed concurrent minimum C\$4 million flow-through financing.
- **Enhanced Capital Markets Focus:** New capital markets strategy to be led by cornerstone investor Frank Giustra complements significant expertise in mine permitting, construction, operations, and exploration to create value for shareholders.
- **Renewed Exploration Commitment:** Exploration efforts are expected to be intensified within the Dryden, Ontario district, focusing on expanding the current resource area. An experienced team will oversee these efforts, aiming to simultaneously advance development and exploration, maximizing dual-track value realization.
- **Growth and Consolidation Strategy:** The companies are actively pursuing a proactive strategy to assess and undertake strategic acquisitions, aiming to accelerate growth and strengthen its industry position.

Pursuant to the Transaction, Treasury will acquire all of the issued and outstanding common shares of Blackwolf. Under the terms of the Agreement, each BWCG share will be exchanged for 0.607 of a TML share. Upon completion of the Transaction, existing TML and BWCG shareholders will own approximately 68.3% and 31.7% of TML respectively (after closing of the transactions described below and prior to the completion of the minimum C\$4 million concurrent financing, which is further described below).

Jeremy Wyeth, President & CEO of Treasury, and expected CEO of the combined company, commented: "This combination represents a positive evolution for Treasury. With the sponsorship of mining and capital markets leader, Frank Giustra, we will undertake a corporate strategy that continues the advanced-stage development of the GGC Project, and introduces a more aggressive exploration strategy across the new portfolio and sets the stage for heightened strategic corporate activity."

Morgan Lekstrom, CEO of Blackwolf, and expected President of the combined company, commented: "This is a tremendous win-win opportunity for Blackwolf and Treasury shareholders. Treasury has done an incredible job of advancing the GGC Project through the start of engineering and permitting, and we are optimistic that it can evolve into a major Canadian gold camp. The combined financial strength and asset portfolio gives us the capital to move into a new stage of growth in a rising gold market. I look forward to working closely with the management team and shareholders, to help the company gain the recognition it deserves."

Frank Giustra, Blackwolf's largest shareholder and expected largest shareholder of the combined company, stated: "This is a strong transaction for Blackwolf and Treasury shareholders that puts the company on the

path of a buy and build strategy that I have implemented many times. We see the GGC Project as buildable and expandable on a district scale. I look forward to continuing to be a supportive shareholder and am excited to join the team as a Strategic Advisor."

### **Transaction Terms**

Pursuant to the terms and conditions of the Agreement, the holders of the issued and outstanding shares of Blackwolf will receive 0.607 of a Treasury share for each one Blackwolf share held (the "Exchange Ratio"). Blackwolf options that are outstanding at the time of completion of the Transaction shall be exchanged for fully vested replacement options exercisable to acquire Treasury shares as adjusted to reflect the Exchange Ratio on substantially the same terms and conditions, and outstanding warrants of Blackwolf will become exercisable, based on the Exchange Ratio, to purchase Treasury shares on substantially the same terms and conditions. The Transaction will be completed pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia). The Transaction will require approval of at least: (i) 66% of the votes cast by Blackwolf shareholders; (ii) 66% of the votes cast by Blackwolf shareholders and option holders, voting as a single class; and (iii) a simple majority of the votes cast by Blackwolf shareholders, excluding the votes cast by certain persons in accordance with Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions. The issuance of shares by Treasury as consideration pursuant to the Transaction is also subject to approval by at least a majority of the votes cast by Treasury shareholders in accordance with TSX requirements. In addition to securityholder and court approvals, the Transaction is subject to applicable regulatory approvals including the TSX and TSX Venture approvals, the completion of the concurrent financing and the satisfaction of certain other closing conditions customary in transactions of this nature.

Senior officers and directors of Blackwolf, along with Frank Giustra, collectively holding approximately 19.13% of the Blackwolf shares outstanding, have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Blackwolf shares and options in favour of the Transaction. Senior officers and directors of Treasury and certain shareholders collectively holding approximately 37.03% of the Treasury shares outstanding, have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Treasury shares in favour of the Transaction.

The Agreement contains customary reciprocal deal-protection provisions including non-solicitation covenants and a right to match any superior proposal as defined in the Agreement. Under certain circumstances, Treasury or Blackwolf would be entitled to a termination fee of C\$500,000.

Complete details of the Transaction will be included in management information circulars to be delivered to both Treasury and Blackwolf securityholders in the coming weeks. It is anticipated that closing of the Transaction, subject to satisfying all necessary conditions and receipt of all required approvals, will take place in Q3 2024.

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issuable in the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

### **Concurrent Financing**

In connection with the Transaction, Treasury proposes to complete a non-brokered private placement consisting of a minimum of approximately 17,391,304 flow-through units ("FT Units") in the capital of Treasury at a price of \$0.23 per FT Unit for aggregate gross proceeds of a minimum of \$4 million (the "Concurrent Financing"). Each FT Unit will consist of one common share that will be issued as "flow-through shares" within the meaning of the Income Tax Act (Canada) (an "FT Share") and one common share purchase warrant (a "Warrant") of Treasury. Each Warrant will be exercisable at a price of \$0.35 for a period of 36 months following the closing of the Concurrent Financing. Frank Giustra will be the lead subscriber to the Concurrent Financing and will be a significant shareholder post closing of the Transaction.

It is expected that the gross proceeds from the sale of the FT Shares will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" (as such terms are defined in the Income Tax Act (Canada)) and "eligible Ontario exploration expenditures" as defined in subsection 103(4) of the Taxation Act, 2007 (Ontario) (the "Qualifying Expenditures") related to Treasury's

Ontario mineral projects. All Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares effective no later than December 31, 2024.

The proceeds of the Concurrent Financing will be used to advance the GGC Project and select exploration programs across the exploration portfolio of Treasury.

The Concurrent Financing is being conducted in all of the provinces and territories of Canada pursuant to applicable prospectus exemptions. Completion of the Concurrent Financing is subject to obtaining the required TSX approvals and satisfaction of customary closing conditions. The FT Shares and Warrants to be issued in connection with the Concurrent Financing, will be subject to a statutory four-month and one day hold period from the closing date.

The securities to be offered in the Concurrent Financing have not been, and will not be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **Amendment to Sprott Royalty Agreement**

Sprott Resources Streaming and Royalty Corp ("Sprott Streaming") and Treasury have agreed to modify the terms of the agreement dated April 11, 2022, whereby Sprott Streaming will forego receiving the quarterly minimum payments under the terms of the agreement for the next four quarterly payments. In exchange, the quarterly minimum payment will increase to US\$675,000 and the last date of payment will be the earlier of the declaration of commercial production, or January 11, 2028. Previously, the terms were for minimum payments of US\$500,000 on a quarterly basis to the earlier of commercial production, or December 31, 2027.

### **Board of Directors & Management of Combined Company**

The combined company's board of directors (the "New Board") will be led by Jim Gowans as Chair and will be comprised of five board members nominated by Treasury and four board members nominated by Blackwolf.

Reporting to the New Board, the combined company will be managed by Jeremy Wyeth as CEO & Director, Morgan Lekstrom as President & Director, and Orin Baranowsky as Chief Financial Officer.

Mr. Wyeth, President and Chief Executive Officer of Treasury since December 2020, was previously Operations Director at Wood Canada Ltd. and an operational executive of De Beers, where he led the development, construction, commissioning and ramp-up of the Victor Diamond Mine in Northern Ontario. He has held various senior management positions, including with Excellon Resources and Anglo American, and served on the boards of Vector Resources Inc., DRA Americas Inc., DRA Brazil and the Ontario Mining Association and is a member of the Board of Treasury.

Mr. Lekstrom, CEO and Director of BWCG since June 2023, has over 17 years of mining and industry experience in progressively senior roles from executive management, project management, operations, and engineering management. Most recently, he was President & CEO of Silver Hammer Mining Corp. and a co-founder of a publicly-traded uranium company. Mr. Lekstrom has an established track record of delivering successes across numerous projects, capital raises and defining of strategic direction for multiple companies. He had senior technical roles at Freeport McMoran's Grasberg site in Indonesia and Rio Tinto's Oyu Tolgoi Project in Mongolia, and he co-led the design, construction and commissioning of a new steel grinding media plant for Arrium (Moly-corp) in Canada and Peru. He played an integral role in the development and revival of Golden Star Resources' Prestea underground mine in Ghana, West Africa.

Mr. Baranowsky, Chief Financial Officer of Treasury since March 2021, has more than 25 years of finance and capital markets experience. Previously, he was the Chief Financial Officer for Blue Thunder Mining Inc. and Chief Financial Officer of Stornoway Diamond Corporation, where he was instrumental in helping raise more than \$1 billion for the construction of the Renard Diamond Mine in northern Québec. He holds an Honours Bachelor of Business Administration degree from Wilfrid Laurier University, is a member of the Chartered Professional Accountants of Ontario and is a CFA Charterholder.

## **Proposed Consolidation**

The combined company also intends to complete a consolidation of its outstanding shares on the basis of one post-consolidation share for every four pre-consolidation shares following the completion of the Transaction and Concurrent Financing.

## **Recommendations by the Board of Directors and Fairness Opinions**

The Agreement has been unanimously approved by the Board of Directors of each of Treasury and Blackwolf after consultation with their respective financial and legal advisors and receipt of the unanimous recommendation from their respective special committee of Board of Directors. Both Boards of Directors unanimously recommend that their respective securityholders vote in favour of the Transaction.

The Board of Directors of Treasury has received a fairness opinion from RWE Growth Partners, Inc. to the effect that, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the consideration to be paid by Treasury pursuant to the Transaction is fair, from a financial point of view, to Treasury.

The Board of Directors of Blackwolf has received a fairness opinion from Evans & Evans, Inc. to the effect that, based upon and subject to the assumptions, limitations, and qualifications stated in such opinion, the consideration to be received by Blackwolf shareholders pursuant to the Transaction is fair, from a financial point of view, to Blackwolf shareholders.

## **Advisors and Counsel**

Haywood Securities Inc. is acting as financial advisor to Treasury. Cassels Brock & Blackwell LLP is acting as Treasury's legal counsel.

DuMoulin Black LLP is acting as legal counsel to Blackwolf and Fiore Management and Advisory Corp. has acted as advisor to Blackwolf in connection with the Transaction and will receive a 2% advisory fee payable in shares. Evans & Evans provided a fairness opinion to Blackwolf's Special Committee and Board of Directors that the Transaction is fair from a financial point of view to the shareholders of Blackwolf subject to the assumptions, limitations and qualifications set out in such fairness opinion.

For more information about Blackwolf and TML, please refer to each company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

## **Niblack Camp Purchase Agreement**

Blackwolf announces it has entered into a purchase and sale agreement (the "Purchase and Sale Agreement") with Matrix Camps and Logistics, Inc. ("Matrix") and Niblack Project LLC ("Niblack"), the Company's wholly owned subsidiary. Pursuant to the Purchase and Sale Agreement, the parties agree to release each other from all prior claims under the camp support and rental agreed dated July 20, 2021 between Matrix and Niblack (the "Prior Agreement") and Niblack shall purchase the camp assets at the Company's Niblack project from Matrix Aviation Solutions Inc. in exchange for (i) Matrix retaining a US\$100,000 deposit paid to Matrix pursuant to the Prior Agreement; and (ii) issuing to Matrix 9,300,000 Blackwolf shares. The Company has also agreed to grant to Matrix a three year exclusivity right to provide camp services at the Company's Niblack project, provided that such services are provided at market rates. In addition to the statutory hold period, 50% the Blackwolf shares issued to Matrix pursuant to the Purchase and Sale Agreement shall be subject to a contractual resale restriction and shall not be sold or otherwise disposed of for a period of one (1) year following the issuance of such Blackwolf shares. The Purchase and Sale Agreement and the issuance of Blackwolf shares to Matrix remain subject to TSXV approval.

## **Niblack Teck Agreement**

Blackwolf's Niblack Copper-Gold project was acquired pursuant to an option agreement (the "Niblack Option Agreement") with Teck Resources Limited and Teck Co, LLC (together, "Teck") dated August 15, 2006, as amended on January 18, 2012. Pursuant to the Niblack Option Agreement, Blackwolf is obligated to pay \$1,250,000 in cash to Teck upon certain change of control and other events. Blackwolf and Teck have entered into an addendum to the Niblack Option Agreement to permit Blackwolf to satisfy this payment by issuing to Teck, immediately prior to closing of the Transaction, the number of Blackwolf shares that is calculated by dividing \$1,250,000 by the 20-day volume-weighted average price (VWAP) of the Blackwolf

shares on the TSXV following the date of this release, subject to TSXV approval. The addendum automatically terminates if the Transaction is terminated.

### **Termination of Harry Option Agreement**

Following the most recent exploration work on the Harry Property, Blackwolf has opted to not continue with the required payment to maintain the option and as a result the Harry Property Option Agreement has been terminated.

### **Technical Disclosure and Qualified Persons**

Adam Larsen, B.Sc., P. Geo., Director of Exploration of Treasury, is a "qualified person" within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and approved the scientific and technical information in this news release on behalf of Treasury. Mr. Larsen has verified the data disclosed in this news release and no limitations were imposed on his verifications process.

### **About Treasury Metals Inc.**

Treasury Metals Inc. is a gold-focused company with assets in Canada. Treasury's Goliath Gold Complex (which includes the Goliath, Goldlund and Miller deposits) is located in Northwestern Ontario. The deposits benefit substantially from excellent access to the Trans-Canada Highway, related power and rail infrastructure and close proximity to several communities including Dryden, Ontario. For information on the Goliath Gold Complex, please refer to the technical report, prepared in accordance with NI 43-101, entitled "Goliath Gold Complex - NI 43-101 Technical Report and Prefeasibility Study" and dated March 27, 2023 with an effective date of February 22, 2023, led by independent consultants Ausenco Engineering Canada Inc. The technical report is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), on the OTCQX at [www.otcmarkets.com](http://www.otcmarkets.com) and on the Company website at [www.treasuremetals.com](http://www.treasuremetals.com).

The Company also owns several other projects throughout Canada, including the Weebigee-Sandy Lake Gold Project JV, and grassroots gold exploration property Gold Rock. Treasury is committed to inclusive, informed and meaningful dialogue with regional communities and Indigenous Nations throughout the life of all our Projects and on all aspects, including creating sustainable economic opportunities, providing safe workplaces, enhancing of social value, and promoting community well-being. For further details about Treasury, please visit the Company's website at [www.treasuremetals.com](http://www.treasuremetals.com).

### **About Blackwolf Copper and Gold Ltd.**

Blackwolf's founding vision is to be an industry leader in transparency, inclusion, and innovation. Guided by our Vision and through collaboration with local and Indigenous communities and stakeholders, Blackwolf builds shareholder value through our technical expertise in mineral exploration, engineering and permitting. The Company holds a 100% interest in the high-grade Niblack copper-gold-zinc-silver VMS project, located adjacent to tidewater in southeast Alaska. In addition, the Company holds a 100% interest in five Hyder Area gold-silver and base metal properties in southeast Alaska. For more information on Blackwolf, please visit the Company's website at [www.blackwolfcopperandgold.com](http://www.blackwolfcopperandgold.com).

*[1] Cash cost and AISC are non-GAAP financial measures and have no standardized meaning under International Financial Reporting Standards ("IFRS") and may not be comparable to similar measures used by other issuers. As the GGC Project is not in production, TML does not have historical non-GAAP financial measures nor historical comparable measures under IFRS, and therefore the foregoing prospective non-GAAP financial measures may not be reconciled to the nearest comparable measures under IFRS. See "Non-IFRS Measures" in Treasury's management's discussion and analysis for the year ended December 31, 2023 for further details.*

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### **Cautionary Note Regarding Forward-Looking Information**

*This news release includes certain "forward-looking information" and "forward-looking statements" (collectively, forward-looking statements") within the meaning of Canadian and United States securities legislation that is based on expectations, estimates, projections and interpretations as at the date of this news release. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always, using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "potential", "feasibility", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information.*

*Since forward-looking information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, expected timing and completion of the Transaction; the strengths, characteristics and expected benefits and synergies of the Transaction; receipt of court approval; approval of the Transaction by Blackwolf securityholders and Treasury shareholders; obtaining TSX and TSXV acceptance to complete the Transaction; the anticipated timing of the securityholder meetings of Treasury and Blackwolf to vote on the Transaction and the related management information circular; the expected delisting of Blackwolf shares from the TSXV; the composition of the post-Transaction board and management team of the combined company; completion of the proposed consolidation; expectations regarding the potential benefits and synergies of the Transaction and the ability of the combined company to successfully achieve business objectives, including integrating the companies or the effects of unexpected costs, liabilities or delays; obtaining TSXV acceptance to issue Blackwolf shares to Teck and Matrix Aviation Solutions Inc.; completion of the purchase of the camp assets from Matrix; expectations relating to future exploration, development and production activities; expectations relating to costs; expectations regarding financial strength, free cash flow generation, trading liquidity, and capital markets profile; expectations regarding future exploration and development, growth potential for Treasury's and Blackwolf's operations; availability of the exemption under Section 3(a)(10) of the U.S. Securities Act to the securities issuable in the Transaction; the companies' assessments of, and expectations for, future business activities and operating performance; expectations regarding the completion of the Concurrent Financing on substantially the same terms set out herein or at all, exploration and production for precious metals; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of mineral resource, production and cost estimates; health, safety and environmental risks; worldwide demand for gold and base metals; gold price and other commodity price and exchange rate fluctuations; environmental risks; competition; incorrect assessment of the value of acquisitions; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits may be derived therefrom and accordingly, readers are cautioned not to place undue reliance on the forward-looking information.*

### **Cautionary Note to United States Investors**

*Each of Treasury and Blackwolf is subject to the reporting requirements of applicable Canadian securities laws, and as a result, reports information regarding mineral properties, mineralization and estimates of Mineral Reserves and Mineral Resources in accordance with Canadian reporting requirements, which are governed by NI 43-101. As such, the information included in this news release concerning mineral properties, mineralization and estimates of Mineral Reserves and Mineral Resources may not be comparable to similar information disclosed by U.S. public companies subject to the reporting and disclosure requirements of U.S. regulators. Historical results or prefeasibility models presented herein are not guarantees or expectations of future performance.*

SOURCE: [Blackwolf Copper and Gold Ltd.](#)

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