

TORONTO, April 17, 2017 /CNW/ - [Treasury Metals Inc.](#) (TSX: TML) ("Treasury" or the "Company") has filed on SEDAR a National Instrument 43-101 updated Preliminary Economic Assessment ("PEA") on its Goliath Gold Project ("Goliath" or the "Project") located in northwestern Ontario. The PEA, announced on March 8, 2017, was prepared by CSA Global Canada Geosciences Ltd. ("CSA Global") with the assistance of P&E Mining Inc. and the Company's operations and exploration teams (see Qualified Persons section below). The updated PEA integrates recent engineering and incorporates the 2015 NI 43-101 Mineral Resource Estimate from the Goliath Gold Project ("Updated Mineral Resource").

Highlights of the PEA included (all currencies are reported in Canadian dollars unless otherwise specified):

- The updated 2017 PEA benefits from increased mineable resources with the Updated Mineral Resource and a higher grade profile while using a more conservative approach related to all mining costs, capital costs and dilution compared with the 2012 PEA;
- Significantly improved economics with an after-tax NPV at a 5% discount of C\$306 million and IRR of 25% at US\$1,225 per ounce gold (Au);
- The PEA benefits from a 37% increase in the Life of Mine ("LOM") gold production profile;
- Average annual production of 87,850 oz Au over a 13 year combined open pit and underground mine life; peak production exceeding 100,000 oz per year Au from Years 3-6;
- LOM head grade of 3.81 g/tonne Au, an increase of 33% from the 2012 PEA; and
- Attractive total cash cost is estimated at US\$525 per equivalent gold ounce ("AuEq") and an all-in sustaining cost ("AISC"), as defined by the World Gold Council, estimated at US\$611 per AuEq;

Goliath is located in northwestern Ontario, lying 20 kilometres east of the city of the Dryden. The total area of the Project is 49 km<sup>2</sup> and is owned 100% by the Company. The site benefits significantly from excellent access to infrastructure and is directly adjacent to the Trans-Canada highway and Canadian Pacific Railway. The Project has access to electrical and natural gas power, rail, paved roadways to site and several nearby communities.

The mining plan used in the PEA envisions an optimized open pit generating immediate revenues to fund underground development. Underground ("UG") production begins in the second year with the open pit operating over an additional seven years at a reduced output to supplement UG production to a total of 2,500 tonnes per day over the course of a 13 year total mine life. Total gold production is estimated at 1.14 million ounces of gold and 2.1 million ounces of silver. Initial capital to fund construction is estimated at C\$133.2 million with an additional C\$132.5 million in sustaining capital over the LOM primarily to fund the underground expansion.

The mine is proposed to produce an average head grade of 3.81 g/t gold and 10.55 g/t silver with Open Pit and UG mining producing average grades of 1.58 g/t and 4.87 g/t of gold, respectively. The infill diamond drilling programs completed since the PEA completed by Treasury in 2012 (the "2012 PEA") has resulted in improved project economics and overall confidence in the mine plan. The stripping ratio of waste rock to ore has been reduced to 6:1, which represents a 35% improvement over the 2012 PEA. This stripping ratio does not include pre-production stripping of approximately 1.3 million m<sup>3</sup> of overburden material. When all waste rock and overburden material is included, the LOM stripping ratio is 7.9:1. All mined ounces in the open pit are within the Measured and Indicated categories. Seventy per cent of the mineable ounces within the Underground are classified within the Measured and Indicated categories which represent a significant increase from the 2012 PEA. UG production is envisioned to be carried out at an average rate of 1,600 tonnes per day using the long hole stoping method on 30 metre sublevels. Average UG operating costs have been estimated at \$77/tonne, a 28% increase over the cost assumption in the 2012 PEA.

In the March 8, 2017 press release announcing the PEA, the Company disclosed total cash cost estimated at US\$518 per equivalent gold ounce ("AuEq") and an all-in sustaining cost ("AISC"), as defined by the World Gold Council, estimated at US\$566 per AuEq. The final total Cash Cost and all-in sustaining cost were calculated at US\$525 AuEq and AISC at US\$611, respectively. There were no changes to the financial model used in the PEA or any other changes from the March 8, 2017 press release.

The PEA was prepared in accordance with National Instrument 43-101 and the technical report that summarizes the results of the 2017 PEA is available on the Company's website [www.treasuremetals.com](http://www.treasuremetals.com) and on Sedar ([www.sedar.com](http://www.sedar.com)).

Cautionary statement required by NI 43-101

According to the cautionary statement required by NI 43-101, it should be noted that this assessment is preliminary in nature as it includes Inferred Mineral Resources that cannot be categorized as reserves at this time and as such there is no certainty that the preliminary assessment and economics will be realized.

Qualified Persons

Technical information related to the PEA contained in this news release has been reviewed and approved by Douglas Roy,

M.A.Sc., P.Eng., an Associate Mining Engineer with CSA Global, who is an independent Qualified Person as defined by NI 43-101, with the ability and authority to verify the authenticity and validity of this data. Technical information in the press release has also been reviewed and approved by Mark Wheeler, P. Eng., Director Projects, who is a Qualified Person for the Goliath Gold Project under the definitions established by National Instrument 43-101.

The 2015 Mineral Resource Estimate was prepared by Eugene Puritch, P.Eng., FEC, Antoine Yassa, P.Geo., and Yungang Wu, P.Geo. of P&E Mining Consultants Inc. of Brampton, Ontario, all of whom are Independent Qualified Persons ("QP"), as defined by National Instrument 43-101.

To view further details about the Goliath Gold Project, please visit the Company's website at [www.treasuremetals.com](http://www.treasuremetals.com).

About Treasury Metals Inc.:

[Treasury Metals Inc.](http://TreasuryMetalsInc.com) 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.](http://TreasuryMetalsInc.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. 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.

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