

LETTER TO SHAREHOLDERS

May 27, 2024

Dear Shareholders,

You are invited to attend the annual and special meeting (the "**Meeting**") of holders of common shares ("**Shareholders**") of Treasury Metals Inc. (the "**Company**") on Wednesday, June 26, 2024, at 1:00 p.m. (Eastern Time) to be held in person at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay-Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, Canada.

THE ARRANGEMENT

On May 1, 2024, the Company entered into a definitive agreement (the "**Arrangement Agreement**") with Blackwolf Copper and Gold Ltd. ("**Blackwolf**") pursuant to which the Company will acquire all of the common shares of Blackwolf (the "**Blackwolf Shares**") pursuant to a statutory plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia) ("**BCBCA**"). Each Blackwolf shareholder will be entitled to receive 0.607 (the "**Exchange Ratio**") of a common share in the capital of the Company (each whole share, a "**Common Share**") for each Blackwolf Share held. The Arrangement will combine the two companies to advance the Company's Goliath Gold Complex Project ("**GGC Project**") in Ontario towards production with a strengthened leadership, balance sheet and capital markets team. The combined company's Niblack Copper-Gold development project in Alaska and other exploration properties also represent promising upside projects for future growth.

Holders of stock options of Blackwolf ("**Blackwolf Options**") will receive fully vested replacement stock options exercisable to acquire Common 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 Common Shares on substantially the same terms and conditions.

Upon completion of the Arrangement, existing Shareholders will own approximately 68% of the Common Shares, and existing Blackwolf shareholders will own approximately 32% of the Common Shares, prior to the completion of the Concurrent Financing.

NAME CHANGE, CONSOLIDATION AND TSXV LISTING

Subsequent to the Arrangement, the Company intends to (i) delist the Blackwolf Shares from the TSX Venture Exchange ("**TSXV**") and apply to have Blackwolf cease to be a reporting issuer in all applicable jurisdictions in Canada; (ii) continue out of the jurisdiction of Ontario under the *Business Corporations Act* (Ontario) into the jurisdiction of British Columbia under the BCBCA (the "**Continuance**"); (iii) delist the Common Shares from the Toronto Stock Exchange ("**TSX**") and re-list the Common Shares on the TSXV; (iv) complete a consolidation of outstanding Common Shares on a 4:1 basis; and (v) change its name to "NeXGold Mining Corp." or such other name as the board of directors of the Company (the "**Board**") determines.

CONCURRENT FINANCING

In connection with the Arrangement, the Company proposes to complete a non-brokered private placement consisting of up to approximately 27,850,000 flow-through units ("**FT Units**") in the capital of the Company at a price of \$0.23 per FT Unit for aggregate gross proceeds of up to \$6.4 million (the "**Concurrent Financing**"). Each FT Unit will consist of one Common Share that will be issued as a "flow-through share" within the meaning of the *Income Tax Act* (Canada) (a "**FT Share**") and one Common Share purchase warrant (a "**Warrant**"). 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 of the combined company post-closing of the Arrangement.

REASONS FOR AND BENEFITS OF THE ARRANGEMENT

In reaching its conclusions and formulating its unanimous recommendation that Shareholders vote **FOR** the Company Arrangement Resolutions (as defined below), the Board reviewed and considered a significant amount of information as well as a number of factors relating to Blackwolf and the Arrangement, including the Fairness Opinion (as defined below), with the benefit of advice from the special committee of the Board (the "**Special Committee**"), the financial and legal advisors of the Company, and input from the Company's senior management team, a summary of which is presented below. A more fulsome description of the information and factors considered by the Special Committee and the Board is located in the accompanying management information circular of the Company (the "**Circular**");

- (a) **Potential Near-Term Gold Production:** Based on a prefeasibility study¹ completed in February 2023 by the Company, 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 cost¹ of US\$892 per ounce and an All-in Sustaining Cost (AISC)² 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.
- (b) **Strong Financial Position:** The balance sheet will be fortified with a combined cash position of more than \$10 million, plus the proposed up to \$6.4 million Concurrent Financing.
- (c) **Enhance 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.
- (d) **Renewed Exploration Commitment:** Exploration efforts are expected to be intensified with the Dryden, Ontario district, focusing on expanding the current mineral resource area. An experienced team will oversee these efforts, aiming to simultaneously advance development and exploration, maximizing dual-track value realization.
- (e) **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.
- (f) **Strong Proven Management Team:** The combined management team after the Arrangement is completed will draw on the proven track record of both companies, with a combined skill set of mining development, operations, finance, exploration and community relations experience.
- (g) **Financial Advice and Fairness Opinion:** The Company 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 the Company pursuant to the Arrangement is fair, from a financial point of view, to the Company (the "Fairness Opinion").
- (h) **Support of Directors, Senior Officers and Major Shareholders:** Senior officers and directors of the Company and certain shareholders collectively holding approximately 37.03% of the Common Shares as of May 1, 2024 have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Common Shares in favour of the Company Arrangement Resolutions.
- (i) **Negotiated Transaction:** The Arrangement Agreement is the result of an arm's length negotiation process and includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.
- (j) **Reasonable Termination Fee and Expense Reimbursement Amount:** The amount of the termination fee of \$500,000, payable under certain circumstances, and the expense reimbursement amount of \$100,000 are within the range of termination fees and expense reimbursements that are considered customary for a transaction of the nature of the Arrangement.
- (k) **Independence of Special Committee:** The Special Committee is comprised entirely of directors who are independent of the Company (within the meaning of applicable securities laws) and the process undertaken by the Special Committee included the retention of Haywood Securities Inc. as financial advisor to the Company and RWE Growth Partners, Inc. as fairness opinion provider.

¹ For information on the GGC Project, please refer to the Goliath Technical Report, which is available on the Company's SEDAR+ profile at www.sedarplus.ca. Adam Larsen, B.Sc., P. Geo., Director of Exploration of TML, is a "qualified person" within the meaning of NI 43-101 and has reviewed and approved the scientific and technical information in this Circular with respect to the GGC Project.

² Cash cost and AISC are non-GAAP financial measures and have no standardized meaning under 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 the Company's management's discussion and analysis for the year ended December 31, 2023 for further details.

(l) **Low Execution Risk:** There are no material regulatory issues which are expected to arise in connection with the Arrangement that would prevent its completion, and all required regulatory approvals are expected to be obtained.

(m) **Timing:** The Arrangement is likely to be completed in accordance with its terms in July 2024.

APPROVAL REQUIREMENTS

At the Meeting, you will be asked to approve (i) the issuance of Common Shares as consideration pursuant to the Arrangement (the "**Arrangement Share Issuance Resolution**"), (ii) the issuance of Common Shares pursuant to the Concurrent Financing (the "**Financing Share Issuance Resolution**"), (iii) the incentive plan of the Company to take effect if the Arrangement is completed (the "**Arrangement Incentive Plan Resolution**"), and (iv) the election of the directors of the Company if the Arrangement is completed (the "**Arrangement Directors Resolution**"). The foregoing each require approval by at least a majority of the votes cast by Shareholders in accordance with TSX requirements. In addition, at the Meeting, Shareholders will be asked to approve the Continuance (the "**Continuance Resolution**"), together with the Arrangement Share Issuance Resolution, the Financing Share Issuance Resolution, the Arrangement Incentive Plan Resolution, and the Arrangement Directors Resolution, the "**Company Arrangement Resolutions**"). All Company Arrangement Resolutions (other than the Continuance Resolution) requires approval by the affirmative vote of at least a majority of the votes cast by Shareholders at the Meeting in person or represented by proxy and entitled to vote at the Meeting. The Continuance Resolution requires approval by the affirmative vote of at least two-thirds of the votes cast by Shareholders at the Meeting in person or represented by proxy and entitled to vote at the Meeting.

The Arrangement will also require approval of at least: (i) 66⅔% of the votes cast by Blackwolf shareholders; (ii) 66⅔% 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 "**Blackwolf Arrangement Resolution**"). Blackwolf is scheduled to hold a meeting of Blackwolf securityholders on the same day as the Meeting (the "**Blackwolf Meeting**").

In addition to securityholder and court approvals, the Arrangement is subject to applicable regulatory approvals including the TSX and TSXV approvals, the completion of the Concurrent Financing, and the satisfaction of certain other closing conditions customary in transactions of this nature.

This is an important matter affecting the future of the Company and your vote is important regardless of the number of Common Shares you own.

BOARD RECOMMENDATION

The Board, based in part on the Fairness Opinion that the Special Committee received from RWE Growth Partners, Inc., and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is fair to Shareholders and is in the best interests of the Company, and unanimously **recommends** that Shareholders vote **FOR** the Company Arrangement Resolutions. The determination of the Special Committee and the Board is based on various factors described more fully in the accompanying Circular.

SUPPORT AGREEMENTS

Blackwolf entered into voting support agreements with directors and senior officers of the Company, Extract Capital Master Fund, Extract Lending LLC, Sprott Private Resource Streaming and Royalty (Collector) LP, and First Mining Gold Corp., holding in the aggregate 66,241,318 Common Shares representing approximately 37.03% of the Common Shares as at the close of business on May 1, 2024. Pursuant to these voting support agreements, such supporting securityholder of the Company agreed to, among other things, vote or to cause to be voted all Common Shares beneficially owned by such supporting securityholder, and any other Common Shares directly or indirectly issued to or otherwise acquired by such supporting securityholder after the date of the Arrangement Agreement (including, without limitation, any Common Shares issued upon further exercise of options or other rights to purchase such Common Shares) at the Meeting (or any adjourned or postponed Meeting) in favour of the Company Arrangement Resolutions and any other matter necessary for the consummation of the Arrangement. For more information, see "*The Arrangement*" in the accompanying circular.

Similarly, the Company entered into voting support agreements with the directors and senior officers of Blackwolf and Frank Giustra, holding in the aggregate 23,448,569 Blackwolf Shares representing approximately 19.13% of the Blackwolf Shares as at the close of business on May 1, 2024. Pursuant to these voting support agreements, such supporting securityholder of Blackwolf have agreed to, among other things, vote or to cause to be voted all Blackwolf

Shares and Blackwolf Options beneficially owned by such supporting securityholder, and any other Blackwolf Shares directly or indirectly issued to or otherwise acquired by such supporting securityholder after the date of the Arrangement Agreement (including, without limitation, any Blackwolf Shares issued upon further exercise of Blackwolf Options or other rights to purchase such Blackwolf Shares) at the Blackwolf Meeting (or any adjourned or postponed Blackwolf Meeting) in favour of the Blackwolf Arrangement Resolution and any other matter necessary for the consummation of the Arrangement. For more information, see "The Arrangement" in the Circular.

VOTE USING THE FOLLOWING METHODS PRIOR TO THE MEETING

You are encouraged to vote prior to the Meeting using the below methods. All votes prior to the meeting must be made no later than 1:00 p.m. (Eastern time) on June 24, 2024, or 48 hours prior to any adjournment or postponement of the Meeting (excluding Saturdays, Sundays and holidays).

Voting Method	Registered Shareholders If your securities are held in your name and represented by a physical certificate or DRS statement.	Beneficial Shareholders If your shares are held with a broker, bank or other intermediary
Internet	Go to https://login.odysseytrust.com/pxlogin	Follow the instructions on the VIF.
Email	Proxies are not accepted by email. If you wish to appoint someone your shares, contact appointees@odysseytrust.com	Follow the instructions on the VIF.
Mail	Send completed proxy to: Odyssey Trust Company 67 Yonge Street, Suite 702 Toronto, Ontario Canada M5E 1J8 Attention: Proxy Department	Enter your voting instructions, sign and date the VIF, and return the completed VIF in the enclosed postage paid envelope.

SHAREHOLDER QUESTIONS

The attached Notice of Annual and Special Meeting and Circular contain a detailed description of the Arrangement and include certain other information to assist you in considering the matters to be voted upon. You are urged to carefully consider all of the information in the accompanying Circular including the documents incorporated by reference therein. If you require assistance, you should consult your financial, legal, or other professional advisors.

Shareholders who have questions or require assistance with voting their shares should contact Odyssey Trust Company by telephone at: 1 (888) 290-1175 (North American Toll Free) or 1 (587) 885-0960 (outside North America); or by email at shareholders@odysseytrust.com.

On behalf of the management team and the Board, we thank you for your continued support as we work to build significant value in the years ahead.

Sincerely,

/s/ Jeremy Wyeth

Jeremy Wyeth
President and Chief Executive Officer