

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities qualified by this prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States (as defined herein) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration requirements is available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

PROSPECTUS

Non-Offering Prospectus

November 8, 2019



TECTONIC METALS INC.

\$5,817,696

16,621,988 Common Shares and 16,621,988 Common Share Purchase Warrants on exercise or deemed exercise of 16,621,988 Special Warrants

This long-form prospectus (the "**Prospectus**") is being filed with the British Columbia Securities Commission, Alberta Securities Commission, Ontario Securities Commission and Office of the Yukon Superintendent of Securities (the "**Commissions**") to enable Tectonic Metals Inc. (the "**Company**" or "**Tectonic**") to become a reporting issuer under applicable securities legislation in the provinces of British Columbia, Alberta and Ontario and in the Yukon Territory (the "**Qualifying Jurisdictions**").

This Prospectus qualifies the distribution of 16,621,988 units of the Company (the "**Qualified Units**") issuable for no additional consideration upon the exercise or deemed exercise of 16,621,988 special warrants of the Company (the "**Special Warrants**"). The Special Warrants were issued in two tranches, with 6,809,370 Special Warrants being issued on July 12, 2019 (the "**First Tranche**") and 9,812,618 Special Warrants being issued on September 26, 2019 (the "**Second Tranche**"), at a price of \$0.35 (the "**Offering Price**") per Special Warrant to purchasers in certain provinces and territories of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation and in jurisdictions outside of Canada in compliance with laws applicable to each purchaser thereof, respectively. Unless the context requires otherwise, all references in this Prospectus to the "Special Warrants" and the "Offering" (as defined herein) includes the Special Warrants issued pursuant to the First Tranche and the Second Tranche. Each Qualified Unit consists of one common share in the capital of the Company (an "**Underlying Share**") and one common share purchase warrant of the Company (an "**Underlying Warrant**"). Each Underlying Warrant will entitle the holder thereof to acquire one common share in the capital of the Company (a "**Warrant Share**") at an exercise price of \$0.50 per Warrant Share for a period of 24 months following the date of issuance, subject to adjustment in certain events. See "*Description of Securities Being Distributed*".

This Prospectus also qualifies the distribution of (i) 71,428 Qualified Units issuable upon exercise or deemed exercise of the Corporate Finance Special Warrants, and (ii) 322,958 Broker Warrants (as such terms are defined herein).

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Units upon the exercise or deemed exercise of the Special Warrants.

An investment in the securities of the Company is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors".

The Special Warrants issued in respect of the First Tranche were issued pursuant to the terms of a special warrant indenture dated July 12, 2019 (the "**First Special Warrant Indenture**"), between the Company and Computershare Trust Company of Canada (the "**Special Warrant Agent**"). The Special Warrants issued in respect of the Second Tranche were issued pursuant to

the terms of a special warrant indenture dated September 26, 2019 (the “**Second Special Warrant Indenture**” and, together with the First Special Warrant Indenture, as context requires, the “**Special Warrant Indenture**”), between the Company and the Special Warrant Agent. 5,382,656 of the Special Warrants were issued, under the First Tranche and Second Tranche, pursuant to a brokered private placement offering (the “**Brokered Offering**”) conducted in accordance with an agency agreement (the “**Agency Agreement**”) dated July 12, 2019 among the Company, Canaccord Genuity Corp. (“**Canaccord**”) and Haywood Securities Inc. (“**Haywood**”, and together with Canaccord, the “**Agents**”). The remaining 11,239,332 Special Warrants were issued, under the First Tranche and Second Tranche, pursuant to a concurrent non-brokered private placement offering (the “**Non-Brokered Offering**”, and together with the Brokered Offering, the “**Offering**”) on the same terms and at the same price as the Brokered Offering. The Offering Price and the other terms of the Brokered Offering were determined by arm’s length negotiations between the Company and the Agents. See “*Plan of Distribution*”.

	<u>Price to Subscribers</u>	<u>Agents’ Fee and/or Finders Fee, as applicable⁽¹⁾⁽²⁾⁽³⁾</u>	<u>Net Proceeds to the Company⁽⁴⁾⁽⁵⁾</u>
Per Special Warrant (Brokered Offering)	\$0.35	\$0.04	\$0.31
Per Special Warrant (Non-Brokered Offering)	\$0.35	\$0.01	\$0.34

Notes:

- (1) The Agents were paid: (i) a cash commission equal to 6.0% of the gross proceeds of the Brokered Offering, which amounted to \$113,035.77 (\$79,777.78 in the First Tranche and \$33,257.99 in the Second Tranche) (the “**Brokered Commission**”); and (ii) a cash commission equal to 2.0% of the gross proceeds of the Non-Brokered Offering, which amounted to \$78,675.33 (\$21,073.00 in the First Tranche and \$57,602.33 in the Second Tranche) (the “**Non-Brokered Commission**”, and together with the Brokered Commission, the “**Agents’ Commission**”).
- (2) Certain finders (the “**Finders**”) were paid a cash commission equal to 7.0% of the gross proceeds raised in the First Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders. Such cash commission amounted to \$4,560.50 (the “**First Tranche Finders’ Fee**”). Certain Finders were paid a cash commission equal to between 3.5-7.0% of the gross proceeds raised in the Second Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders. Such cash commission amounted to \$74,174.09 (the “**Second Tranche Finders’ Fee**”, and together with the First Tranche Finders’ Fee, the “**Finders’ Fee**”). In addition, certain Finders were granted 140,956 non-transferrable Common Share purchase warrants of the Company (the “**Finders’ Warrants**”) in connection with the Second Tranche of the Non-Brokered Offering. Each Finders’ Warrant being exercisable into one Common Share (a “**Finders’ Warrant Share**”) prior to September 26, 2021 at a price of \$0.35 per Finders’ Warrant Share. See “*Plan of Distribution*”.
- (3) The Agents were also paid a corporate finance fee of \$50,000, 50% of which was paid in cash (the “**Corporate Finance Cash Fee**”) and 50% of which was paid through the issuance of 71,428 Special Warrants at a deemed price of \$0.35 per Special Warrant (the “**Corporate Finance Special Warrants**”). Each Corporate Finance Special Warrant being exercisable into one Qualified Unit comprised of one Underlying Share and one Underlying Warrant at no additional cost to the Agents. The Corporate Finance Special Warrants were issued pursuant to and are governed by the terms of the First Special Warrant Indenture. Unless the context requires otherwise, all references in this Prospectus to “Special Warrants” includes the Corporate Finance Special Warrants. As additional compensation, the Agents were granted 322,958 non-transferrable special broker warrants of the Company (the “**Special Broker Warrants**”), such amount being equal to 6.0% of the number of Special Warrants sold pursuant to the Brokered Offering (227,936 Special Broker Warrants in the First Tranche and 95,022 Special Broker Warrants in the Second Tranche). Each Special Broker Warrant being exercisable, for no additional consideration, into one non-transferrable broker warrant of the Company (a “**Broker Warrant**”) at any time until 5:00 p.m. (Vancouver time) on the date which is five business days following the Final Receipt (as defined herein), after such time such Special Broker Warrants will be deemed exercised. Each Broker Warrant is exercisable into one common share in the capital of the Company (a “**Broker Warrant Share**”) prior to the date that is 24 months following the date of issuance of the applicable Special Broker Warrant at a price of \$0.35 per Broker Warrant Share. See “*Plan of Distribution*”.
- (4) The Company was responsible for paying the Agents’ expenses and fees related to the Brokered Offering, including the Agents’ legal fees, which amounted to \$92,000 (the “**Agents’ Fee**”). See “*Plan of Distribution*”.
- (5) After deducting the Agents’ Commission, the Finders’ Fee, the Corporate Finance Cash Fee and the Agents’ Fee.

The following table sets out (i) the number of Qualified Units issuable to the Agents upon the exercise or deemed exercise of the Corporate Finance Special Warrants; (ii) the number of Broker Warrants issuable to the Agents upon the exercise or deemed exercise of the Special Broker Warrants; and (iii) the number of Broker Warrant Shares issuable to the Agents upon the exercise of the Broker Warrants.

<u>Agents' Position</u>	<u>Maximum Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Corporate Finance Special Warrants	71,428 Qualified Units issuable upon exercise or deemed exercise of the Corporate Finance Special Warrants	Exercisable until the Deemed Exercise Date (as defined herein)	N/A
Special Broker Warrants	Up to 322,958 Broker Warrants	Exercisable until 5:00 p.m. (Vancouver Time) on the Qualification Date (as defined herein)	N/A
Broker Warrants	Up to 322,958 Broker Warrant Shares	Exercisable prior to the date that is 24 months following the date of issuance of the applicable Special Broker Warrant	\$0.35

Subject to the terms and conditions of the Special Warrant Indenture, each Special Warrant entitles the holder thereof to acquire, upon voluntary exercise prior to, or deemed exercise on, the Deemed Exercise Date (as defined herein), one Qualified Unit, subject to adjustment in certain circumstances, including the application of the Penalty Provision (as defined herein), if applicable, without payment of any additional consideration.

The Special Warrant Indenture provides that the Special Warrants issued thereunder will be deemed to be exercised on the earlier of (the “**Deemed Exercise Date**”): (i) the fifth business day after the date on which a receipt for the final prospectus of the Company qualifying the distribution of the Qualified Units issuable on exercise of the Special Warrants (the “**Final Receipt**” or the “**Qualification Date**”) has been issued by each applicable Commission in the Qualifying Jurisdictions; and (ii) the date that is 120 days following the applicable issuance date of the Special Warrants, at which time each Special Warrant shall be automatically exercised for one Underlying Share and one Underlying Warrant, subject to adjustment in certain circumstances, without payment of any additional consideration and without any further action on the part of the holder.

If the Qualification Date has not occurred on or before 5:00 p.m. (Vancouver time) on the first business day that is 120 days following the closing date of the First Tranche (the “**Qualification Deadline**”), each Special Warrant, regardless of whether issued pursuant to the First Tranche or the Second Tranche, shall thereafter entitle the holder thereof to receive upon the exercise or deemed exercise thereof (the “**Penalty Provision**”), for no additional consideration, 1.1 Underlying Shares (instead of one Underlying Share) (the additional 0.1 Underlying Shares collectively referred to herein as the “**Penalty Shares**”) and 1.1 Underlying Warrants (instead of one Underlying Warrant) (the additional 0.1 Underlying Warrants collectively referred to herein as the “**Penalty Warrants**”). This Prospectus qualifies the distribution of up to 1,669,340 Penalty Shares and up to 1,669,340 Penalty Warrants issuable pursuant to the Penalty Provision, if applicable, for a total of an aggregate of up to 18,362,756 Underlying Shares and up to 18,362,756 Underlying Warrants. Unless the context otherwise requires, all references herein to the “Offering”, “Qualified Units”, “Underlying Shares”, “Underlying Warrants”, “Warrant Shares” and “Securities” shall include the Corporate Finance Special Warrants and any Penalty Shares and Penalty Warrants that may be issued in connection with the Penalty Provision. See “*Plan of Distribution*”.

The Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Qualifying Jurisdictions and in jurisdictions outside of Canada in compliance with laws applicable to each such subscriber, respectively, and were issued under and are governed by the Special Warrant Indenture. There is no market through which the Special Warrants may be sold and none is expected to develop. Pursuant to the terms of the Special Warrant Indenture, the Special Warrants will be deemed to be exercised on the fifth business day after the issuance of the Final Receipt for this Prospectus.

In the event that a holder exercises its Special Warrants prior to the earlier of the Qualification Date and the date that is four months and one day after the date of issuance for such Special Warrants, the Underlying Shares and Underlying Warrants issued upon the exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

There is currently no market through which the Securities (as defined herein) may be sold and purchasers may not be able to resell the Securities qualified under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Company has applied to list the common shares in the capital of the Company (the "**Common Shares**"), including the Underlying Shares and Broker Warrant Shares (collectively, the "**Securities**"), on the TSX Venture Exchange (the "**TSXV**"). The listing of the Securities (the "**Listing**") will be subject to the Company fulfilling all of the listing requirements of the TSXV, including, without limitation, the TSXV's distribution of public float requirements applicable to the Securities, which cannot be guaranteed.

Curt Freeman, a director of the Company, resides outside of Canada and has appointed Tectonic Metals Inc. as agent for service of process at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Company is neither a "connected issuer" nor a "related issuer" of the Agents as defined in National Instrument 33-105—Underwriting Conflicts.

Certain legal matters relating to the securities previously issued by the Company will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Company, and by Miller Thomson LLP, on behalf of the Agents.

No additional proceeds will be received by the Company, and no commission or fee will be payable by the Company to the Agents, in connection with the issuance of the Qualified Units upon exercise or deemed exercise of the Special Warrants.

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Qualified Units, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian Company that acquires Qualified Units.

Prospective investors should rely only on the information contained in this Prospectus. Neither the Agents nor the Company has authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

The Company's head office is located at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5 and its registered and records office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

TABLE OF CONTENTS

GLOSSARY	1
GENERAL MATTERS.....	8
CAUTION REGARDING FORWARD-LOOKING STATEMENTS.....	8
EXCHANGE RATE AND CURRENCY INFORMATION	10
SCIENTIFIC AND TECHNICAL INFORMATION.....	11
LIST OF ABBREVIATIONS	11
THIRD PARTY INFORMATION.....	12
ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS	12
MARKETING MATERIALS.....	13
PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES.....	13
PROSPECTUS SUMMARY.....	14
CORPORATE STRUCTURE	17
GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY	17
TIBBS PROPERTY	24
SEVENTYMILE PROPERTY	52
NORTHWAY PROPERTY	80
USE OF PROCEEDS AND AVAILABLE FUNDS.....	112
SELECTED FINANCIAL INFORMATION.....	114
FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS	115
OUTSTANDING SECURITIES	116
DESCRIPTION OF SHARE CAPITAL	116
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	118
DIVIDEND POLICY	120
CONSOLIDATED CAPITALIZATION.....	120
OPTIONS TO PURCHASE SECURITIES.....	121
PRIOR SALES.....	124
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER	125
PRINCIPAL SHAREHOLDERS	127
DIRECTORS AND EXECUTIVE OFFICERS	127
EXECUTIVE COMPENSATION.....	131
DIRECTOR COMPENSATION.....	138
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	138
PLAN OF DISTRIBUTION	138
AUDIT COMMITTEE.....	140
COMPENSATION COMMITTEE.....	142
STATEMENT ON CORPORATE GOVERNANCE	142
RISK FACTORS	145
CERTAIN FEDERAL INCOME TAX CONSIDERATIONS	155
PROMOTERS	155
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	155
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	155
AUDITORS, TRANSFER AGENT AND REGISTRAR	156
MATERIAL CONTRACTS	156
EXPERTS.....	156
PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	157
CONTRACTUAL RIGHT OF RESCISSION	157
SCHEDULE A	A-1
SCHEDULE B	B-1
SCHEDULE C	C-1
SCHEDULE D	D-1
SCHEDULE E	E-1
SCHEDULE F.....	F-1
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE AGENTS	C-2
CERTIFICATE OF THE PROMOTERS	C-3

GLOSSARY

As used in this Prospectus, the following terms have the respective meaning as specified below:

“2018 1st Tranche Private Placement” means the first tranche of the Company’s non-brokered private placement of 7,582,857 Common Shares at a price of \$0.35 per Common Share, which closed on April 13, 2018;

“2018 2nd Tranche Private Placement” means the second tranche of the Company’s non-brokered private placement of 7,709,470 Common Shares at a price of \$0.35 per Common Share, which closed on April 20, 2018;

“2018 3rd Tranche Private Placement” means the third tranche of the Company’s non-brokered private placement of 2,363,087 Common Shares at a price of \$0.35 per Common Share and 30,000 Common Shares at a price of \$0.35 per Common Share, which closed May 3, 2018 and May 7, 2018, respectively;

“2018 4th Tranche Private Placement” means the fourth tranche of the Company’s non-brokered private placement of 300,000 Common Shares at a price of \$0.35 per Common Share, which closed on August 17, 2018;

“2018 Private Placement” means, collectively, the 2018 1st Tranche Private Placement, the 2018 2nd Tranche Private Placement, the 2018 3rd Tranche Private Placement and the 2018 4th Tranche Private Placement;

“Aber” means Aber Resources Ltd.;

“ACNC” means the American Copper and Nickel Company, a subsidiary of Inco Ltd.;

“Additional Warrant Solicitation” means the Company’s solicitation to the holders of the Seed Warrants for their exercise of the Seed Warrants, such solicitation taking place between October 5, 2017 and April 16, 2018;

“Additional Warrants” means the Common Share purchase warrants issued in two tranches on April 12 and April 16, 2018, each of which is exercisable to acquire one Common Share at an exercise price of \$0.25 per Common Share until June 16, 2022;

“Agency Agreement” means the agency agreement between the Company and the Agents dated July 12, 2019;

“Agents” means Canaccord and Haywood;

“Agents’ Commission” means, collectively, the Brokered Commission and Non-Brokered Commission;

“Agents’ Fee” means the Agents’ expenses and fees of the Brokered Offering, including the Agents’ legal expenses, which amounted to \$92,000;

“Agnico” means Agnico Eagle Mines Ltd.;

“Anglo Alaska” means Anglo Alaska Gold Corp.;

“Annual MD&A” means the Company’s management’s discussion and analysis for the year ended December 31, 2018 and for the period from incorporation on April 7, 2017 to December 31, 2017, attached hereto as Schedule “B”;

“Audit Committee” means the Company’s audit committee;

“Auditors” means the Company’s independent auditors, Davidson & Company LLP;

“Avalon” means Avalon Development Corp.;

“BCBCA” means the *Business Corporations Act* (British Columbia);

“Board” means the board of directors of the Company as may be constituted from time to time;

“Broker Warrant Share” means one Common Share, issuable upon the exercise of each Broker Warrant at an exercise price of \$0.35 per Broker Warrant Share;

“Broker Warrants” means the non-transferrable broker warrants of the Company distributed upon the exercise or deemed exercise of the Special Broker Warrants, as qualified under this Prospectus;

“**Brokered Commission**” means the cash commission paid to the Agents, equal to 6.0% of the gross proceeds of the Brokered Offering;

“**Brokered Offering**” means the brokered private placement offering of an aggregate of 5,382,656 Special Warrants, conducted in accordance with the Agency Agreement;

“**CAGC**” means the Central Alaska Gold Company;

“**Canaccord**” means Canaccord Genuity Corp.;

“**CDN**” means CDN Resource Laboratories;

“**CEO**” means chief executive officer;

“**CFO**” means chief financial officer;

“**CIM**” means the council of the Canadian Institute of Mining, Metallurgy and Petroleum;

“**Commissions**” means the British Columbia Securities Commission, Alberta Securities Commission, Ontario Securities Commission and Office of the Yukon Superintendent of Securities;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” or “**Tectonic**” means Tectonic Metals Inc.;

“**Compensation Committee**” means the Company’s compensation committee;

“**Corporate Finance Cash Fee**” means the cash portion of the corporate finance fee, which amounted to \$25,000;

“**Corporate Finance Special Warrants**” means the 71,428 special warrants issued to the Agents, as part of the corporate finance fee;

“**Deemed Exercise Date**” means the earlier of (i) the fifth business day after the date on which the Final Receipt has been issued and (ii) 120 days following the applicable issuance date of the Special Warrants;

“**District Metals**” means District Metals, LLC, a wholly-owned U.S. subsidiary of the Company;

“**Doyon**” means Doyon, Limited, an Alaska Native regional corporation;

“**Escrow Agent**” means Computershare Investor Services Inc. ;

“**Escrow Agreement**” means the escrow agreement among the Company, the Principals and the Escrow Agent dated November 8, 2019, relating to the Escrowed Securities;

“**Escrowed Securities**” means the securities of the Company held by the Principals which are subject to escrow;

“**Existing Warrants**” means, collectively, the Seed Warrants and Additional Warrants;

“**Final Receipt**” means the date on which a receipt for the final Prospectus qualifying the distribution of the Qualified Units issuable on exercise or deemed exercise of the Special Warrants has been issued;

“**Finders**” means the finders that have introduced purchasers to the Company under the Non-Brokered Offering;

“**Finders’ Fee**” means, collectively, the First Tranche Finders’ Fee and the Second Tranche Finders’ Fee;

“**Finders’ Warrant Share**” means one Common Share, issuable upon the exercise of each Finders’ Warrant at an exercise price of \$0.35 per Finders’ Warrant Share;

“**Finders’ Warrants**” means the non-transferrable common share purchase warrants of the Company issued to the Finders pursuant to the Second Tranche;

“**First Special Warrant Indenture**” means the special warrant indenture dated July 12, 2019, between the Company and the Special Warrant Agent;

“**First Tranche**” means the 6,809,370 Special Warrants issued pursuant to the Offering on July 12, 2019;

“**First Tranche Finders’ Fee**” means the cash commission equal to 7.0% of the gross proceeds raised in the First Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders;

“**First Underlying Warrant Indenture**” means the underlying warrant indenture dated July 12, 2019 between the Company and the Warrant Agent;

“**First Warrant Indenture**” means the warrant indenture dated July 12, 2019, between the Company and the Warrant Agent;

“**Form 51-102F6**” means Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*;

“**Freegold**” means Freegold Ventures Ltd.;

“**Freegold Recovery**” means Freegold Recovery Inc. USA;

“**Goldcorp**” means Goldcorp Inc.;

“**Haywood**” means Haywood Securities Inc.;

“**Horst**” means Horst Expediting;

“**IFRS**” means International Financial Reporting Standards;

“**Interim MD&A**” means the Company’s management’s discussion and analysis for the three and six months ended June 30, 2019, attached as Schedule “D” hereto;

“**Kaminak**” means Kaminak Gold Corporation;

“**Listing**” means the listing of the Securities on the TSX Venture Exchange;

“**Material Properties**” means, collectively, the Tibbs Property, Seventymile Property and Northway Property;

“**MCQ Option Agreement**” means the option agreement dated January 19, 2018 between the Company and the MCQ Optionors;

“**MCQ Optionors**” means, together, Ryan and Wildwood;

“**MCQ Property**” means the property located in the Mayo Mining District, Yukon Territory owned by the MCQ Optionors and granted to Tectonic pursuant to the MCQ Option Agreement;

“**MD&A**” means, collectively, the Annual MD&A and the Interim MD&A;

“**Millrock**” means Millrock Resources Inc.;

“**MLUP**” means Miscellaneous Land Use Permit #9883, granted to Tectonic Resources, Anglo Alaska and Tibbs Creek;

“**Named Executive Officers**” or “**NEOs**” means the named executive officers of the Company;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NP 58-101**” means National Policy 58-101 – *Disclosure of Corporate Governance Practices*;

“**Non-Brokered Commission**” means the cash commission paid to the Agents, equal to 2.0% of the gross proceeds of the Non-Brokered Offering;

“**Non-Brokered Offering**” means the non-brokered private placement offering of an aggregate of 11,239,332 Special Warrants conducted concurrently with, and on the same terms and at the same price as, the Brokered Offering;

“**North Star**” means North Star Exploration Inc.;

“**Northway Agreement**” means the mining lease agreement dated June 1, 2018 between the Company and Doyon;

“**Northway Extension Option**” means the option of the Company to elect to extend the Northway Initial Term by five years if the Company completes a feasibility study on any portion of the Northway Property before the expiration of the Northway Initial Term;

“**Northway Initial Term**” means the initial 15-year term of the Northway Agreement, being June 1, 2018 to June 1, 2033;

“**Northway Property**” means the property owned by Doyon and located east of the village of Northway, Alaska on lands comprising 74,780 ha of subsurface rights granted to Tectonic pursuant to the Northway Agreement;

“**Northway Surface Rights**” means the surface use rights granted by Northway Natives Inc. to Tectonic Resources pursuant to the Northway Surface Use Agreement;

“**Northway Surface Use Agreement**” means the surface use exploration agreement dated March 20, 2019 between Tectonic Resources and Northway Natives Inc.;

“**Northway Technical Report**” means the report entitled “Amended and Restated NI 43-101 Technical Report, Northway Property, Tanacross District, Alaska, United States of America” with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geol., of Aurora Geosciences Ltd., in accordance with NI 43-101;

“**Offering**” means the issuance of an aggregate of 16,621,988 Special Warrants, pursuant to the First Tranche and the Second Tranche, by the Company at the Offering Price, issued in accordance with the Special Warrant Indenture;

“**Offering Price**” means \$0.35 per Special Warrant;

“**Options**” means the stock options of the Company;

“**Option Holder**” means a holder of Options;

“**Option Plan**” means the Company’s stock option plan dated April 10, 2019;

“**Order**” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;

“**OREAS**” means Ore Research and Exploration P/L;

“**Penalty Provision**” means the Penalty Shares and Penalty Warrants issuable on the exercise or deemed exercise of the Special Warrants if the Qualification Date has not occurred on or before the Qualification Deadline;

“**Penalty Shares**” means the additional 0.1 Underlying Shares issuable pursuant to the Penalty Provision;

“**Penalty Warrants**” means the additional 0.1 Underlying Warrants issuable pursuant to the Penalty Provision;

“**Principals**” means, collectively, Antonio Reda, Mel Benson, Michael Roper, Curt Freeman, Allison Rippin Armstrong, Krysta Rehaag and Eric Buitenhuis;

“**Prospectus**” means this long-form prospectus of the Company dated November 8, 2019;

“**Qualification Date**” means the date on which a receipt for the final Prospectus qualifying the distribution of the Qualified Units issuable on exercise of the Special Warrants has been issued;

“**Qualification Deadline**” means 5:00 p.m. (Vancouver time) on the first business day that is 120 days following the closing date of the First Tranche;

“**Qualified Person**” means Carl Schulze, P.Geol., of Aurora Geosciences Ltd.;

“**Qualified Units**” means 18,362,756 units of the Company issuable for no additional consideration upon exercise or deemed exercise of the Special Warrants, each comprised of one Underlying Share and one Underlying Warrant, such amount including

the Corporate Finance Special Warrants and up to 1,669,340 Penalty Shares and up to 1,669,340 Penalty Warrants issuable pursuant to the Penalty Provisions;

“**Qualifying Jurisdictions**” means the provinces of Alberta, British Columbia and Ontario and the Yukon Territory;

“**Qualifying Property**” means “Qualifying Property” as defined in the policies of the TSXV.

“**Restricted Share Plan**” means the restricted share plan of the Company dated July 29, 2019;

“**Restricted Shares**” means the restricted Common Shares of the Company;

“**Rob Gold Property Report**” means the report dated March 25, 2010 by R. Flanders for Freegold Recovery Inc. USA titled “Executive Summary report for the Rob Gold Property, Goodpaster Mining District, Alaska”;

“**Rocklabs**” means Rocklabs Reference Materials;

“**Ryan**” means Shawn Ryan;

“**Second Special Warrant Indenture**” means the special warrant indenture dated September 26, 2019, between the Company and the Special Warrant Agent;

“**Second Tranche**” means the 9,812,618 Special Warrants issued pursuant to the Offering on September 26, 2019;

“**Second Tranche Finders’ Fee**” means the cash commission equal to between 7.0-10.0% of the gross proceeds raised in the Second Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders;

“**Second Underlying Warrant Indenture**” means the underlying warrant indenture dated September 26, 2019 between the Company and the Warrant Agent;

“**Second Warrant Indenture**” means the warrant indenture dated September 26, 2019, between the Company and the Warrant Agent.

“**Securities**” means, collectively, the Common Shares, Underlying Shares, Warrant Shares, Broker Warrant Shares and Finders’ Warrant Shares;

“**Seed Units**” means the units of the Company issued pursuant a seed financing on June 16, 2017 at a price of \$0.05 per unit, each unit being comprised of one Common Share and one-half of one Seed Warrant;

“**Seed Warrants**” means the Common Share purchase warrants issued on June 16, 2017, each of which is exercisable to acquire one Common Share at an exercise price of \$0.10 per Common Share until June 16, 2022;

“**Seventymile Agreement**” means the mining lease agreement dated June 1, 2018 between the Company and Doyon;

“**Seventymile Extension Option**” means the option of the Company to elect to extend the Seventymile Initial Term by five years if the Company completes a feasibility study on any portion of the Seventymile Property before the expiration of the Seventymile Initial Term;

“**Seventymile Initial Term**” means the initial 15-year term of the Seventymile Agreement, being June 1, 2018 to June 1, 2033;

“**Seventymile Property**” means the property owned by Doyon and located in east-central Alaska, extending from 27 to 70 km northwest of the village of Eagle, covering an area of approximately 60,654 ha, granted to Tectonic pursuant to the Seventymile Agreement;

“**Seventymile Technical Report**” means the report entitled “Amended and Restated NI 43-101 Technical Report, Technical Report on the Seventymile Property, Alaska Eagle District, Alaska, United States of America” with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., in accordance with NI 43-101;

“**Special Broker Warrants**” means the non-transferrable special broker warrants granted to the Agents, each of which is exercisable to acquire one Broker Warrant at no additional cost;

“**Special Warrant Indenture**” means, collectively, as context requires, the First Special Warrant Indenture and the Second Special Warrant Indenture;

“**Special Warrants**” means an aggregate of 16,693,416 special warrants of the Company issued pursuant to the Offering on July 12, 2019 and September 26, 2019, including 71,428 Corporate Finance Special Warrants at the Offering Price pursuant to the Special Warrant Indenture;

“**Special Warrant Agent**” means Computershare Trust Company of Canada;

“**Subsidiaries**” means Tectonic Resources and District Metals;

“**Sumitomo**” means Sumitomo Metal Mining Co., Ltd.;

“**Suncor**” means Suncor Energy Inc.;

“**Technical Reports**” means, collectively, the Tibbs Technical Report, the Seventymile Technical Report and the Northway Technical Report;

“**Tectonic Resources**” means Tectonic Resources, LLC, a wholly-owned U.S. subsidiary of the Company;

“**Tibbs Agreement**” means the mining lease and option agreement dated June 15, 2017 between the Company and Tibbs Creek;

“**Tibbs Anniversary Payment**” means, individually, the cash payments of US\$50,000 payable by the Company to Tibbs Creek on the first and each anniversary of the Tibbs Agreement until such time as the Tibbs Agreement is terminated;

“**Tibbs Creek**” means Tibbs Creek Gold, LLC, the optionor under the Tibbs Agreement;

“**Tibbs NSR Royalty**” means the royalty equal to 2.5% of the NSR on the Tibbs Property, payable by the Company to Tibbs Creek upon commencement of commercial production on the Tibbs Property if the Company exercises the Tibbs Option;

“**Tibbs Option**” means the option of the Company to acquire the Tibbs Property at any time during the lease term by making a lump sum payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments;

“**Tibbs Property**” means the property located in east-central Alaska, comprising 169 claims covering an area of 5,457.5 ha, leased to Tectonic pursuant to the Tibbs Agreement;

“**Tibbs Technical Report**” means the report entitled “Amended and Restated NI 43-101 Technical Report, Tibbs Property, Alaska, United States of America” with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., and prepared in accordance with NI 43-101;

“**TSXV**” means the TSX Venture Exchange;

“**TSXV Policy 5.4**” means TSXV Policy 5.4 – *Escrow, Vendor Considerations and Resale Restrictions*;

“**Underlying Shares**” means Common Shares issuable upon the exercise or deemed exercise of the Special Warrants and qualified under this Prospectus;

“**Underlying Warrant Indenture**” means, collectively, as context requires, the First Underlying Warrant Indenture and the Second Underlying Warrant Indenture;

“**Underlying Warrants**” means Common Share purchase warrants of the Company issuable upon the exercise or deemed exercise of the Special Warrants and qualified under this Prospectus;

“**U.S.**” means the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;

“**Ventures**” means Ventures Resources Corporation;

“**Warrant Share**” means one Common Share, issuable upon the exercise of each Underlying Warrant at an exercise price of \$0.50 per Warrant Share;

“**Warrant Agent**” means Computershare Trust Company of Canada; and

“**WGM**” means WGM Inc.; and

“**Wildwood**” means Wildwood Exploration Inc.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise “we”, “us”, “our” or the “Company” refer to Tectonic Metals Inc. and, when applicable, its Subsidiaries.

The Company is not offering to sell securities under this Prospectus. Readers should rely only on the information contained in this Prospectus. The Company has not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different or inconsistent information, including information or statements in media articles about the Company, you should not rely on it. You should assume that the information appearing in this Prospectus is accurate only as at its date. The Company’s business, financial conditions, results of operations and prospects may have changed since that date.

The Company presents its financial statements in Canadian dollars. Amounts in this Prospectus are stated in Canadian dollars unless otherwise indicated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking information and forward-looking statements, within the meaning of applicable Canadian securities legislation, (collectively, “**forward-looking statements**”), which reflect management's expectations regarding the Company’s future growth, results from operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects, future business plans and opportunities. Wherever possible, words such as “predicts”, “projects”, “targets”, “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative or grammatical variation thereof or other variations thereof, or comparable terminology have been used to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to:

- the timing and closing of the Listing, including the receipt, in a timely manner, of regulatory and other required approvals
- the listing of the Securities on the TSXV, including the Company fulfilling all applicable listing requirements;
- the terms and conditions of the Offering, including, without limitation, the deemed exercise or exercise of the Special Warrants (and the application of the Penalty Provision);
- the Escrow Agreement, and the escrow of the Escrowed Securities (as such terms are defined herein);
- the Material Properties and the Company’s planned and future exploration on the Material Properties and its other mineral properties;
- the Company’s goals regarding development of its projects, and regarding raising capital and conducting further exploration and developments of its properties;
- the use of available funds;
- the Company’s future business plans;
- expectations generally regarding the ability to raise further capital for corporate purposes;
- the market price of gold;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations plans regarding;
- the ability to retain and/or maintain any require permits, licenses or other necessary approvals for the exploration or development of its Material Properties and other mineral properties;
- government regulation of mineral exploration and development operations in Alaska;
- the Company’s compensation policy and practices;
- the Company’s expected reliance on key management personnel, advisors and consultants; and
- plans regarding future composition of the Board.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management, in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, as of the date of this Prospectus including, without limitation, the following:

- the ability to raise any necessary additional capital on reasonable terms to advance exploration and development of the Company’s Material Properties;

- future prices of gold and other metal prices;
- the timing and results of exploration and drilling programs;
- the demand for, and stable or improving price of gold;
- general business and economic conditions will not change in a material adverse manner;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the geology of the Material Properties as described in the Technical Reports;
- the accuracy of budgeted exploration and development costs and expenditures;
- future currency exchange rates and interest rates;
- operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner;
- the Company's ability to attract and retain skilled personnel and directors;
- political and regulatory stability;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms;
- obtaining required renewals for existing approvals, licenses and permits on favourable terms;
- requirements under applicable laws;
- sustained labour stability; stability in financial and capital goods markets; and
- availability of equipment.

While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks, uncertainties, contingencies and other factors that could cause actual actions, events, conditions, results, performance or achievements to be materially different from those projected in the forward-looking statements. Many assumptions are based on factors and events that are not within our control and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements involve a variety of known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements. Such risks include, without limitation:

- the Company may fail to find a commercially viable deposit of any of its properties;
- there are no mineral reserves on any of the properties in which the Company has an interest;
- the Company's exploration plans may be adversely affected by the Company's reliance on historical data compiled by previous parties involved with the Material Properties;
- mineral exploration and development are inherently risky;
- the mineral exploration industry is intensely competitive;
- additional financing may not be available to the Company when required or, if available, the terms of such financing may not be favourable to the Company;
- technologies may emerge that reduce the demand for gold;
- the Company may not be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business;
- the Company's exploration and development activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, which may be withdrawn or not granted;
- the Company's operations could be adversely affected by possible future government legislation, policies and controls or by changes in applicable laws and regulations;
- there is no guarantee that title to the properties in which the Company has a material interest will not be challenged or impugned;
- the Company faces various risks associated with mining exploration that are not insurable or may be the subject of insurance which is not commercially feasible for the Company;
- compliance with environmental regulations can be costly;
- social and environmental activism can negatively impact exploration, development and mining activities;
- the success of the Company is largely dependent on the performance of its directors and officers;
- the volatility of global capital markets over the past several years has generally made the raising of capital more difficult;
- the Company is exposed to the financial risk related to the fluctuation of foreign exchange rates;
- the Company's operations may be adversely affected by First Nations land claims;
- the Company and/or its directors and officers may be subject to a variety of other legal proceedings, the results of which may have a material adverse effect on the Company's business;

- the Company may be adversely affected if potential conflicts of interests involving its directors and officers that are not resolved in favour of the Company;
- the Company’s future profitability may depend upon the world market prices of gold;
- investors may lose their entire investment;
- if securities or industry analysts do not publish research or publish inaccurate or unfavourable research about the Company’s business, the price and trading volume of the Common Shares could decline;
- there is no existing public market for the Securities and one may never develop, which could impact the liquidity of the Securities;
- the Securities may be subject to significant price volatility;
- dilution from future equity financing could negatively impact holders of Underlying Shares and/or Underlying Warrants;
- the Company does not intend to pay dividends in the foreseeable future;
- the Company may not use the funds available to it in the manner described in this Prospectus;
- on becoming a reporting issuer, the Company will be subject to costly reporting requirements;
- failure to adequately meet infrastructure requirements could have a material adverse effect on the Company’s business;
- it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its officers or directors, given that all of the Company’s material assets are located outside of Canada;
- the Company is subject to various risks associated with climate change;
- if the Company fails to make payments or expenditures required in connection with material contract obligations, it may lose its interest in one or more of the Material Properties; and
- other factors discussed under “*Risk Factors*”.

Although we have attempted to identify important factors that could cause actual actions, events, conditions, results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events, conditions, results, performance or achievements to differ from those anticipated, estimated or intended. See “*Risk Factors*” for a discussion of certain factors investors should carefully consider before deciding to invest.

Readers are cautioned that the foregoing lists of important assumptions and risks, uncertainties and other factors are not exhaustive. Other events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, the forward-looking information contained herein. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking statements.

Forward-looking statements contained herein are made as of the date of this Prospectus and we disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as and to the extent required by applicable securities laws.

EXCHANGE RATE AND CURRENCY INFORMATION

The following table sets forth, for each period indicated, the exchange rate of the Canadian dollar to the US dollar at the end of such period and the average, high and low exchange rates for such period (such rates, which are expressed in Canadian dollars, are based on the daily exchange rate for US dollars reported by the Bank of Canada).

	Year Ended December 31,		Six Months Ended June 30,	
	2018 (\$)	2017 (\$)	2019 (\$)	2018 (\$)
Average rate of period	1.2957	1.2986	1.3336	1.2781
Rate at end of period	1.3642	1.2545	1.3087	1.3168
High for period	1.3642	1.3743	1.3600	1.3310
Low for period	1.2288	1.2128	1.3087	1.2288

On November 7, 2019, the last business day before the date of this Prospectus, the Bank of Canada daily exchange rate for the purchase of one Canadian dollar using US dollars was US\$0.7590 (US\$1.00 = \$1.3176).

All dollar amounts in this Prospectus are expressed in Canadian dollars, except as otherwise indicated. References to “\$” or “dollars” are to Canadian dollars and references to “US\$” are to US dollars. The Company presents its financial statements in Canadian dollars.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information relating to the Tibbs Property, Seventymile Property and Northway Property contained in this Prospectus are derived from, and in some instances are a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Tibbs Technical Report, Seventymile Technical Report and Northway Technical Report, respectively. Carl Schulze, P. Geo., reviewed and approved the scientific and technical information relating to the Tibbs Property, Seventymile Property and Northway Property contained in this Prospectus and is a “qualified person” and “independent” of the Company within the meanings of NI 43-101.

Additional disclosure with respect to assay results at the Tibbs Property and the Northway Property in this Prospectus of a scientific or technical nature was reviewed and approved by Eric Buitenhuis, M.Sc., P.Geo., the Company’s Vice President of Exploration who is a “qualified person” for the purposes of NI 43-101.

Reference should be made to the full text of the Tibbs Technical Report, Seventymile Technical Report and Northway Technical Report, each of which is available for review under the Company’s profile on SEDAR at www.sedar.com.

LIST OF ABBREVIATIONS

In this Prospectus, the abbreviations set forth below have the following meanings:

Abbreviation	Equivalent Word or Phrase	Abbreviation	Equivalent Word or Phrase
AAS	atomic absorption finish	Mo	molybdenum
Al	aluminium	MetSieve	metallic sieve
Ag	silver	N	north
As	arsenic	n	sample size
Au	gold	Na	sodium
Ba	barium	NAD	North American Datum
Be	beryllium	Nb	Niobium
Bi	bismuth	Ni	nickel
°C	degrees celsius	NSR	net smelter return
Ca	calcium	oz	troy ounce (31.1035 g)
Cd	cadmium	oz/ton	ounce per tonne
cfs	cubic feet per second	P	phosphorus
cm	centimetre	Pb	lead
Co	cobalt	PEA	preliminary economic assessment
CO2	carbon dioxide	ppm	parts per million
Cr	chromium	ppb	parts per billion
Cu	copper	QA/QC	quality assurance / quality control
E	east	Qtz	quartz
FA	fire assay	RAB	Rotary Air Blast
Fe	iron	S	sulfur
ft	foot	S	south
g	gram	Sb	antimony

Abbreviation	Equivalent Word or Phrase	Abbreviation	Equivalent Word or Phrase
Ga	gallium	SD	standard deviations
gpd	gallons per day	Sc	scandium
gpm	gallons per minute	Sn	tin
GPS	Global Positioning System	Sr	strontium
g/t	grams per tonne	t	metric tonne
HCl	hydrogen chloride	Te	tellurium
Hg	mercury	Th	thorium
HLEM	horizontal loop electromagnetic	Ti	titanium
HN03	nitric acid	Tl	thallium
Hot CN	hot cyanide	TWUA	Temporary Water Use Authorization
Hz	hertz	U	uranium
IP	induced polarization	UTM	Universal Transverse Mercator
IT	information technology	V	vanadium
K	potassium	W	tungsten
kHz	kilohertz	W	west
km	kilometre	XRF	x-ray fluorescence
La	lanthanum	Y	yttrium
m	metre	YTT	Yukon-Tanana terrane
Ma	million years (mega-annum)	Zn	zinc
Mg	magnesium	Zr	zirconium
mm	millimetre	<	less than
Mn	manganese	>	more than

THIRD PARTY INFORMATION

This Prospectus includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, neither the Company nor the Agents have independently verified any of the data from third party sources referred to in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Company and the Agents do not make any representation as to the accuracy or completeness of such information.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Curt Freeman, a director of the Company, resides outside of Canada and has appointed Tectonic Metals Inc. as agent for service of process at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) that are utilized in connection with this Prospectus that are not part of this Prospectus to the extent that the contents of the “template version” of the “marketing materials” have been modified or superseded by a statement contained in this Prospectus. Any “template version” of any “marketing materials” filed under the Company’s profile on SEDAR after the date of this Prospectus and in connection with this Prospectus (including any amendments to, or an amended version of, any “template version” of any “marketing materials”) will be deemed to be incorporated by reference into this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

The Company presents its financial statements in Canadian dollars. The financial statements of the Company as at December 31, 2017 and December 31, 2018 and for the periods then ended have been prepared in accordance with IFRS, and the financial statements of the Company as at June 30, 2019 and for the three and six month periods then ended have been prepared in accordance with IAS No. 34, Interim Financial Reporting of IFRS. Certain financial information set out in this Prospectus is derived from such financial statements.

PROSPECTUS SUMMARY

The following is a summary of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Please refer to the “Glossary” for a list of defined terms used herein.

The Company

The Company is engaged in the business of exploration of mineral properties in the United States and Canada. The Company’s principal objective is to explore and develop the Tibbs Property, the Seventymile Property and the Northway Property, all of which are located in east central Alaska, and to identify other properties worthy of investment and exploration.

Tibbs Property

The Tibbs Property comprises 169 claims covering a total of 5,457.5 Ha, located in the Big Delta B1 Quadrangle of the Fairbanks, Alaska Recording District. Ninety-six of the claims are registered in the name of Tibbs Creek and have been leased to Tectonic pursuant to the Tibbs Agreement (as such terms are defined herein). The remaining 73 claims were transferred from Anglo Alaska to Tectonic Resources (as such terms are as defined herein) by way of quitclaim deed dated July 11, 2019.

On July 30, 2019, Tectonic received a notice from Millrock Resources Inc. (“**Millrock**”) stating that six of the staked TMI (Tectonic) claims wholly or partially overstate 17 claims previously staked by Millrock, who is now asserting “senior claim” to the ground. The disputed 17 claims, all 40-acre (16.2 Ha) claims covering a total of 680 acres (275.3 Ha), are the HAB 22-30, HAB 39-43 and HAB 52-54 claims. After review by Tectonic, the disputed claims may actually affect seven Tectonic claims, all 160-acre (64.8 ha) claims covering a total of 1,120 acres (453.4 Ha); the TMI27-28, TMI33-35 and TMI40-41 claims.

Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic’s exploration efforts going forward on the rest of the Company’s Tibbs claims. Tectonic is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

See “*Tibbs Property*”.

Seventymile Property

The Seventymile Property is located approximately 270 km east of Fairbanks, Alaska and approximately 59 km west of Eagle, Alaska. It is wholly contained within land in the Eagle Mining District owned by Doyon and leased to Tectonic pursuant to the Seventymile Agreement (as such terms are defined herein).

See “*Seventymile Property*”.

Northway Property

The Northway Property surrounds the village of Northway, Alaska on lands located within the Tanacross Mining District owned by Doyon and leased to Tectonic pursuant to the Northway Agreement (as defined herein). The property centre is approximately 348 km southeast of Fairbanks and approximately 43 km west of the United States – Canada border.

See “*Northway Property*”.

The Offering

This Prospectus qualifies the distribution of up to 18,362,756 Qualified Units of the Company issuable for no additional consideration upon the exercise or deemed exercise of up to 18,362,756 Special Warrants of the Company. This Prospectus also qualifies the distribution of 322,958 Broker Warrants.

The Special Warrants were issued in two tranches, with 6,809,370 Special Warrants being issued on July 12, 2019 and 9,812,618 Special Warrants being issued on September 26, 2019, at a price of \$0.35 per Special Warrant to purchasers in certain provinces and territories of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation and in jurisdictions outside of Canada in compliance with laws applicable to each subscriber, respectively.

The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Qualified Units upon the exercise or deemed exercise of the Special Warrants.

The Special Warrants were issued pursuant to the terms the Special Warrant Indenture. See “*Plan of Distribution*”.

Available Proceeds

The estimated net proceeds received by the Company from the Offering (after deducting the Agents’ Commission of \$191,711.10, the Finders’ Fee of \$78,734.59, the Corporate Finance Cash Fee of \$25,000 and the Agents’ Fee of \$92,000) was \$5,430,250.11. As at September 30, 2019, the Company had positive working capital of \$2,913,500, including the net proceeds of the Offering and cash on hand in the amount of \$3,866,383.

Tectonic has used and is using the proceeds from the Offering to advance the 2019 exploration programs at each of its Material Properties, and for investor relations, marketing and general administrative expenses (which include expenses related to the Listing). Specifically, the Company has and currently intends to use the proceeds from the Offering as follows:

Activity or Nature of Expenditure	Approximate Use of Funds	
	Net proceeds spent up to September 30, 2019	Projected use of net proceeds from October 1, 2019
2019 drill program at Tibbs Property ⁽¹⁾	\$1,110,000	
2019 Geoprobe program at Seventymile Property ⁽²⁾	\$579,000	
2019 Geoprobe and drilling program at Northway Property ⁽³⁾	\$453,000	\$261,000
2020 Minimum lease payments on the Material Properties ⁽⁴⁾		\$211,888
2020 Recommended Program for the Seventymile Property (the TSXV’s Qualifying Property) ⁽⁵⁾		\$799,499
Investor relations and marketing for 12 months ⁽⁶⁾		\$241,113
General and administrative expenses (including expenses related to the Listing) for 12 months	\$374,750 ⁽⁷⁾	\$1,300,000 ⁽⁸⁾
Unallocated working capital		\$100,000
Subtotal	\$2,516,750	\$2,913,500
Total		\$5,430,250

Notes:

- (1) This drill program has been completed. See “*Tibbs Property – Current Exploration - Drilling*” for further details.
- (2) This Geoprobe program has been completed. See “*Seventymile Property – Current Exploration – 2019 Geoprobe Sampling*” and “*Seventymile Property – Current Exploration – 2019 Auger Sampling*” for further details.
- (3) As at September 30, 2019, the Company had incurred \$453,000 in costs relating to the 2019 geoprobe and drilling program at the Northway Property. Between October 1, 2019 and the date of this Prospectus, the Company has incurred \$261,000 in costs relating to the 2019 drilling program at the Northway Property. See “*Northway Property – Current Exploration – 2019 Geoprobe Survey*” and “*Northway Property – Current Exploration – 2019 Soil Sampling Program*” for further details.
- (4) Minimum lease payments amount to \$66,215, \$72,837 and \$72,837, as at September 30, 2019 (or US\$50,000, US\$55,000 and US\$55,000, using the Bank of Canada exchange rate as at September 30, 2019, of US\$1.00 = \$1.3243), for the Tibbs Property, Seventymile Property and Northway property, respectively, such minimum lease payments for the Seventymile Property and the Northway Property include the required scholarship commitments for each property of \$33,107.5 (or US\$25,000 using the Bank of Canada exchange rate as at September 30, 2019, of US\$1.00 = \$1.3243) per calendar year. See “*General Development and Business of the Company – Significant Acquisitions and Material Contracts*”.
- (5) The Company intends to implement the drilling program recommended in the Seventymile Technical Report, see “*Seventymile Property – Recommendations*”. The 2020 recommended program for the Seventymile Property exceeds the 2020 minimum expenditure required on the Seventymile Property under the Seventymile Agreement of US\$750,000 less eligible 2020 expenditures (being US\$157,000), which include eligible payroll and excess 2019 expenditures (which are eligible 2020 expenditures under the Seventymile Agreement). The Company may reallocate funds based on a number of factors, see “*Use of Proceeds and Available Funds – Business Objectives and Milestones*” and “*Risk Factors*”.
- (6) Investor relations and marketing expenses for 12 months beginning October 1, 2019, includes \$106,000 in investor relation service provider fees, \$25,000 in marketing intelligence fees, \$13,000 in marketing material expenses, \$25,000 in website expenses, \$115,000 in conference related expenses and \$3,613 in other general marketing related expenses. None of the payments related to investor relations and marketing have been or will be made to non-arm’s length parties.
- (7) Between July 1, 2019 and September 30, 2019, the Company incurred certain costs relating to the Offering and Listing, comprised of \$185,000 in costs related to the Offering, \$186,000 in costs relating to the Listing and \$25,750 in other general and administrative costs.
- (8) See “*Use of Proceeds and Available Funds – Principal Purposes*”.

The Company generates no operating revenue from the exploration activities on its property interests and has negative cash flow from operating activities.

Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: the Company's current status as an exploration stage company; the Company's lack of mineral resources or mineral reserves; reliability of historical information; mineral exploration and development; competition and mineral exploration; additional funding; product alternatives; acquisition of additional mineral properties; government or regulatory approvals; permits and government regulation; the Company's limited operating history; title; laws and regulation; uninsured and underinsured risks; the environment; social and environmental activism; dependence on management and key personnel; the global economy; currency fluctuations; First Nations land claims; claims and legal proceedings; conflicts of interest; gold and metal prices; negative cash flow from operating activities; going concern risk; uncertainty of use of available funds; the Company's status as a reporting issuer; acquisitions; infrastructure; force majeure; the fact that all of the Company's material mineral assets are located outside of Canada; climate change; material contract obligations; information systems and cyber security; the possible lack of established market for the Securities (as defined herein); the speculative nature of an investment in the Company; securities or industry analysts; price volatility of publicly traded securities; dilution; dividends; and the expected listing of the Common Shares on the TSXV. See "Risk Factors".

Summary of Selected Financial Information

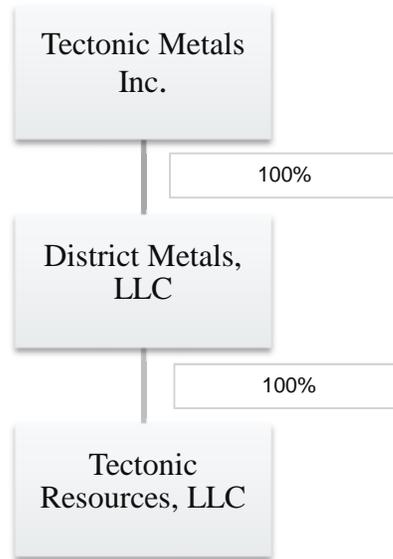
The following selected financial information is subject to the detailed information contained in the unaudited interim and audited financial statements of the Company and the notes thereto appearing elsewhere in this Prospectus. The selected financial information should be read in conjunction with the Company's unaudited interim and audited financial statements and the notes thereto. See "Selected Financial Information".

	For the six months ended June 30, 2019 (unaudited) (\$)	For the year ended December 31, 2018 (audited) (\$)	For the period from incorporation to December 31, 2017 (audited) (\$)
Total revenues	Nil	Nil	Nil
Exploration expenses	733,830	3,416,866	430,677
Administration expenses	609,572	510,653	202,050
Loss and comprehensive loss for the period	(1,349,175)	(3,941,855)	(636,882)
Total assets	1,858,522	2,566,738	222,997
Current liabilities	680,678	113,219	70,217

CORPORATE STRUCTURE

Tectonic was incorporated under the *British Columbia Business Corporations Act* (the “**BCBCA**”) as 1114436 B.C. Ltd. on April 7, 2017. By notice of alteration effective August 3, 2017, the Company’s name was changed to Tectonic Metals Inc. The Company’s head office is located at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A5 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

The Company has the following subsidiaries, each of which is directly wholly-owned: (i) Tectonic Resources, LLC (“**Tectonic Resources**”), a limited liability company incorporated under the laws of the State of Alaska; and (ii) District Metals, LLC (“**District Metals**”) and, together with Tectonic Resources, the “**Subsidiaries**”), a limited liability company incorporated under the laws of the State of Alaska.



GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview of the Company

Tectonic is a mineral exploration company involved directly, and indirectly through its Subsidiaries, in the identification, acquisition and exploration of mineral properties primarily in the State of Alaska. The company’s exploration is focused on discovering and delineating gold resources. The Company has three material properties: the Tibbs Property; the Seventymile Property; and the Northway Property (as such terms are defined herein, and collectively, the “**Material Properties**”). At present, none of the Material Properties have any known mineral resources or reserves.

Since incorporation, the Company has taken the following steps in developing its business: (i) identified and acquired mineral properties with sufficient merit to warrant exploration; (ii) raised funds to progress the Company’s exploration activities on its Material Properties, as described herein; (iii) completed NI 43-101 compliant technical reports on each Material Property; (iv) completed the Offering; and (v) recruited directors, officers and employees with the skills required to operate a junior public mineral exploration property.

The Company is not a reporting issuer in any jurisdiction and no securities of the Company are listed or posted for trading on any stock exchange. The Company has applied, concurrently with the filing of this Prospectus, to list the Securities on the TSXV. Listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Principal Operations

The Company is an exploration stage company and does not currently mine, produce or sell any mineral products, nor do any of its current properties, including the Material Properties, have any known or identified mineral resources or reserves. See “*Risk Factors – No Mineral Reserves*”.

Specialized Skill and Knowledge

Various aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, the areas of exploration and development, geology, drilling, permitting metallurgy, logistical planning, and accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business, including consultants holding exploration and development expertise. See “*Risk Factors – Dependence on Management and Key Personnel*”.

Competitive Conditions

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the search for and the acquisition of attractive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Company, the Company may not be able to acquire attractive properties in the future on terms it considers acceptable. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Increased competition could adversely affect the Company’s ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future. See “*Risk Factors – Competition and Mineral Exploration*”.

Cycles

The Company’s mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, incremental weather, frozen ground and restricted access due to snow, ice or other weather-related factors. In addition, the mining and mineral exploration business is subject to global economic cycles effecting, among other things, the marketability and price of gold products in the global marketplace.

Intangible Properties

The Company’s intangible property, including its mineral and surface rights are described in this Prospectus and the documents incorporated herein. The Company’s business is not materially affected by intangibles such as business or commercial licences, patents and trademarks, nor is it significantly affected by seasonal changes other than seasonal weather.

Economic Dependence

The Company is dependent on the Tibbs Agreement, the Northway Agreement and the Seventymile Agreement. In the event that any of these agreements are terminated, the Company would lose all of its rights and interests in one or more of its Material Properties. The Company is, at this time, not aware of any aspect of its business which may be affected by renegotiation or termination of these agreements.

Environmental Protection

The Company is currently engaged in exploration activities on its Material Properties and such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and earnings of the Company. A breach of such legislation may result in imposition of fines and penalties. Management believes all of the Company’s activities are materially in compliance with all applicable environmental legislation. See “*Risk Factors – Environmental Risks*”.

Employees

As of the date hereof, the Company has 7 employees. The Company also relies on consultants and contractors to carry on many of its business activities and, in particular, to supervise and carry-out mineral exploration on its Material Properties.

Foreign Operations

The Company's Material Properties are located in Alaska and, as such, a substantial portion of the Company's business is exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Social or Environmental Policies

The Company is committed to conducting its operations in accordance with sound social environmental policies, however, at present, the scale of operations has not yet required the adoption of such policies. The Company will reevaluate this position if and when necessary.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

Three-year History

Tectonic was incorporated in British Columbia on April 7, 2017. The Company has two wholly-owned subsidiaries Tectonic Resources and District Metals, both of which are located in Alaska and hold the majority of the mineral interests in the Material Properties.

Financings and Issuances of the Company's Securities

2017 Issuances and Financing

On June 9, 2017, the Company issued an aggregate of 4,000,000 Common Shares to Antonio Reda, Eira Thomas, Robert Carpenter and Curt Freeman at a price of \$0.01 per Common Share for aggregate gross proceeds of \$40,000.

On June 16, 2017, the Company completed a seed financing of 8,200,000 units of the Company (the "**Seed Units**") at a price of \$0.05 per Seed Unit for aggregate gross proceeds of \$410,000. Each Seed Unit is comprised of one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Seed Warrant**"). Each Seed Warrant is exercisable into one Common Share at a price of \$0.10 per Common Share until June 16, 2022.

Between October 5, 2017 and April 16, 2018, the Company solicited the holders of the Seed Warrants to exercise of the Seed Warrants. To incentivize the holders of the Seed Warrants for their early exercise of the Seed Warrants, each Seed Warrant exercised would be exchangeable for one Common Share and one common share purchase warrant (an "**Additional Warrant**"). Each Additional Warrant is exercisable into one Common Share at an exercise price of \$0.25 per Additional Warrant until June 16, 2022 (the "**Additional Warrant Solicitation**").

2018 Issuances and Financing

On April 12, 2018, the Company completed an employee financing round of 1,020,000 Common Shares issued at a price of \$0.10 per Common Share for aggregate gross proceeds of \$102,000.

On April 12, 2018, pursuant to the terms of the option agreement (the “**MCQ Option Agreement**”) with Shawn Ryan (“**Ryan**”) and Wildwood Exploration Inc. (“**Wildwood**”, and together with Ryan, the “**MCQ Optionors**”), the Company issued 400,000 Common Shares at a deemed value of \$0.25 per Common Share to Ryan for exploration expenditures incurred by Ryan on the MCQ Property (as defined herein).

On April 12 and April 16, 2018, the Company issued an aggregate of (i) 3,380,000 Common Shares and (ii) 3,380,000 Additional Warrants to the holders of Seed Warrants who exercised their Seed Warrants pursuant to the Additional Warrant Solicitation.

On April 13, 2018, the Company closed the first tranche of its non-brokered private placement of 7,582,857 Common Shares at a price of \$0.35 per Common Share for aggregate gross proceeds of \$2,653,999.95 (the “**2018 1st Tranche Private Placement**”).

On April 20, 2018, the Company closed the second tranche of its non-brokered private placement of 7,709,470 Common Shares at a price of \$0.35 per Common Share for aggregate gross proceeds of \$2,698,314.50 (the “**2018 2nd Tranche Private Placement**”). On May 1, 2018, the Company issued 24,845 Common Shares to certain finders in connection with the 2018 2nd Tranche Private Placement at a deemed price of \$0.35 per Common Share.

On May 3, 2018, the Company closed the third tranche of its non-brokered private placement of 2,363,087 Common Shares at a price of \$0.35 per Common Share for aggregate gross proceeds of \$827,080.45 (the “**2018 3rd Tranche Private Placement**”). On May 7, 2018, in connection with the 2018 3rd Tranche Private Placement, the Company issued 30,000 Common Shares to certain purchasers at a price of \$0.35 per Common Share for gross proceeds of \$10,500, and for aggregate gross proceeds of \$837,580.45 under the 2018 3rd Tranche Private Placement.

On August 17, 2018, the Company closed the fourth tranche of its non-brokered private placement of 300,000 Common Shares at a price of \$0.35 per Common Share for aggregate gross proceeds of \$105,000 (the “**2018 4th Tranche Private Placement**”, and together with the 2018 1st Tranche Private Placement, the 2018 2nd Tranche Private Placement and the 2018 3rd Tranche Private Placement, the “**2018 Private Placement**”).

2019 Issuances and Financing

On July 12, 2019, in accordance with the terms of the Agency Agreement, the Company closed the First Tranche of its Brokered Offering pursuant to which the Company issued 3,798,942 Special Warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$1,329,629.70. In connection therewith, the Company issued to the Agents (i) an aggregate of 71,428 Corporate Finance Special Warrants, and (ii) an aggregate of 227,936 Special Broker Warrants.

Concurrently with the closing of the First Tranche of the Brokered Offering, the Company closed the First Tranche of its Non-Brokered Offering pursuant to which the Company issued 3,010,428 Special Warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$1,053,649.80.

On July 29, 2019, the Company granted 2,400,000 restricted Common Shares of the Company (the “**Restricted Shares**”) to certain directors, officers and employees pursuant to the Company’s restricted share plan (the “**Restricted Share Plan**”).

On September 17, 2019, the Company granted 950,000 Restricted Shares to certain directors pursuant to the Restricted Share Plan.

On September 26, 2019, in accordance with the terms of the Agency Agreement, the Company closed the Second Tranche of its Brokered Offering pursuant to which the Company issued 1,583,714 Special Warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$554,299.90. In connection therewith, the Company issued to the Agents an aggregate of 95,022 Special Broker Warrants.

Concurrently with the closing of the Second Tranche of the Brokered Offering, the Company closed the Second Tranche of its Non-Brokered Offering pursuant to which the Company issued 8,228,904 Special Warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$2,880,116.40. In connection therewith, the Company issued to certain Finders an aggregate of 140,956 Finders' Warrants.

Significant Acquisitions and Material Contracts

Tibbs Property

On June 15, 2017, the Company and Tibbs Creek Gold, LLC (“**Tibbs Creek**”) entered into a mining lease and option agreement (the “**Tibbs Agreement**”), pursuant to which Tibbs Creek granted to the Company the full and exclusive right to use, occupy and carry out mineral exploration, production and extraction activities on the Tibbs Property (as defined herein) for a period of 10 years terminating June 15, 2027. In consideration for entering into the Tibbs Agreement, the Company has paid Tibbs Creek a cash payment of US\$30,000 and two cash payments of US\$50,000 each on the first and second anniversary of the Tibbs Agreement, and has agreed to pay Tibbs Creek a cash payment of US\$50,000 on each subsequent anniversary of the Tibbs Agreement until such time as the Tibbs Agreement is terminated (each, a “**Tibbs Anniversary Payment**”). Each Tibbs Anniversary Payment may be paid in Common Shares equal in value to such Tibbs Anniversary Payment, provided both the Company and Tibbs Creek agree to such issuance. Further, the Company has agreed to pay Tibbs Creek a cash payment of US\$1,000,000 if the Company commences commercial production on the Tibbs Property. Moreover, under the terms of the Tibbs Agreement the Company has agreed to incur an aggregate of US\$1,000,000 in expenditures on the Tibbs Property prior to June 15, 2022.

In addition, the Company has the option to acquire the Tibbs Property (the “**Tibbs Option**”) at any time during the lease term by making a lump sum payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments. If the Company exercises the Tibbs Option, the Company shall grant a 2.5% net smelter return (“**NSR**”) royalty from the sale or disposition of ore or other minerals and metals following the commencement of commercial production on the Tibbs Property to Tibbs Creek (the “**Tibbs NSR Royalty**”). The Company has the option, in its sole discretion, to repurchase 1.5% of the Tibbs NSR Royalty from Tibbs Creek for a purchase price of US\$1,500,000.

Further, if during the term of the Tibbs Agreement or following the exercise of the Tibbs Option the Company completes a preliminary economy assessment (a “**PEA**”), the Company must make a cash payment of US\$25,000 each year to Tibbs Creek (in addition to each Tibbs Anniversary Payment) commencing on the date the PEA is published and ceasing on the commencement of commercial production on the Tibbs Property.

On July 30, 2019, Tectonic received a notice from Millrock stating that six of the staked TMI (Tectonic) claims wholly or partially overtake 17 claims previously staked by Millrock, who is now asserting “senior claim” to the ground. The disputed 17 claims, all 40-acre (16.2 Ha) claims covering a total of 680 acres (275.3 Ha), are the HAB 22-30, HAB 39-43 and HAB 52-54 claims. After review by Tectonic, the disputed claims may actually affect seven Tectonic claims, all 160-acre (64.8 ha) claims covering a total of 1,120 acres (453.4 Ha); the TMI27-28, TMI33-35 and TMI40-41 claims.

Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic’s exploration efforts going forward on the rest of the Company’s Tibbs claims. Tectonic is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

As of the date hereof, the Company has incurred the minimum expenditures required to be incurred prior to June 15, 2022 under the Tibbs Agreement.

Seventymile Property

On June 1, 2018, the Company and Doyon, Limited (“**Doyon**”) entered into a mining lease agreement (the “**Seventymile Agreement**”), pursuant to which Doyon leased to the Company the lands comprising the Seventymile Property (as defined herein) for the purposes of the Company conducting mineral exploration and, if warranted, mineral development and production subject to the terms of the Seventymile Agreement for an initial term of 15 years (the “**Seventymile Initial Term**”) expiring June 1, 2033, provided; however, that if the Company has achieved commercial production prior to the end of the Seventymile

Initial Term, the Seventymile Agreement will continue in effect thereafter for so long as commercial production exists or is deemed to exist. The Company may also elect to extend the Seventymile Initial Term by five years if the Company completes a feasibility study on any portion of the Seventymile Property before the expiration of the Seventymile Initial Term (the “**Seventymile Extension Option**”). In consideration for entering into the Seventymile Agreement, the Company: (A) has (i) paid Doyon an aggregate of US\$60,000; and (B) must:

- (i) make the following annual cash payments to Doyon, until the earlier of the termination of the Seventymile Agreement or the commencement of commercial production on the Seventymile Property:
 - a. US\$30,000 on or before each of January 1, 2020 and 2021;
 - b. US\$60,000 on or before January 1 of each calendar year from January 1, 2022 to January 1, 2027; and
 - c. US\$200,000 on or before January 1, 2028 and on or before January 1 of each calendar year thereafter, provided; however, that if the Company exercises the Seventymile Extension Option such annual payment shall increase to US\$300,000 per year;
- (ii) incur expenditures on the Seventymile Property of at least:
 - a. US\$600,000 in 2019;
 - b. US\$750,000 during the years 2020 to 2023;
 - c. US\$1,500,000 during the years 2024 to 2027; and
 - d. US\$2,000,000 during 2028 and each calendar year thereafter.

Eligible expenditures include all actual, direct costs, expenses, and charges related to exploration and development conducted on or for the benefit of the Seventymile Property, including without limitation costs and expenses incurred off the property and reasonably allocated to operations on the property (such as salary, overhead and other administrative expenses).

In addition, if the Company completes a feasibility study on any portion of the Seventymile Property the Company must pay Doyon a cash payment of US\$600,000. Further, from January 1, 2025 onwards and prior to the commencement of commercial production on the Seventymile Property, the Company must incur at least US\$2,000,000 over every five-year period or make up for such shortfall by making a cash payment to Doyon of an amount equal to such shortfall.

The Company has further granted Doyon the following royalties over the all mineral product mined, produced and sold from the Seventymile Property:

- (i) until the fifth anniversary of the commencement of commercial production on the Seventymile Property a 2% NSR royalty from precious metals and a 1% NSR royalty from base minerals;
- (ii) from the fifth anniversary of the commencement of commercial production until the tenth anniversary of the commencement of commercial production on the Seventymile Property a 4% NSR royalty from precious metals and a 3% NSR royalty from base minerals; and
- (iii) from the tenth anniversary of the commencement of commercial production on the Seventymile Property and thereafter, (A) a production royalty equal to the greater of a 4% NSR royalty from precious metals, or fifteen percent (15%) of the net proceeds from the sale of precious metals mined from the Seventymile Property, and (B) a production royalty equal to the greater of only one of the following: a 3% NSR royalty from base metals or fifteen percent (15%) of the net proceeds from the sale of base metals mined from the Seventymile Property.

The Company, additionally, in 2018 and 2019 provided a US\$25,000 scholarship, and has committed to providing an annual US\$25,000 scholarship, to help educate Doyon’s shareholders and their direct descendants in the field of natural resource development and land management. Such scholarship amount will increase to US\$50,000 per year following the commencement of commercial production at the Seventymile Property.

As of the date hereof, the Company has incurred the minimum expenditures required to be incurred in 2019 under the Seventymile Agreement.

Northway Property

On June 1, 2018, the Company and Doyon entered into a mining lease agreement (the “**Northway Agreement**”), pursuant to which Doyon leased to the Company the lands comprising the Northway Property (as defined herein) for the purposes of the Company conducting mineral exploration and, if warranted, mineral development and production subject to the terms of the Northway Agreement for an initial term of 15 years (the “**Northway Initial Term**”) expiring June 1, 2033, provided; however, that if the Company has achieved commercial production prior to the end of the Northway Initial Term, the Northway Agreement shall continue in effect thereafter for so long as commercial production exists or is deemed to exist. The Company may also elect to extend the Northway Initial Term by five years if the Company completes a feasibility study on any portion of the Northway Property before the expiration of the Northway Initial Term (the “**Northway Extension Option**”). In consideration for entering into the Northway Agreement, the Company: (A) has (i) paid Doyon an aggregated of US\$60,000; and (B) must:

- (i) make the following annual cash payments to Doyon, until the earlier of the termination of the Northway Agreement or the commencement of commercial production on the Northway Property:
 - a. US\$30,000 on or before each of January 1, 2020 and 2021;
 - b. US\$60,000 on or before January 1 of each calendar year from January 1, 2022 to January 1, 2027; and
 - c. US\$200,000 on or before January 1, 2028 and on or before January 1 of each calendar year thereafter, provided; however, that if the Company exercises the Northway Extension Option such annual payment shall increase to US\$300,000 per year;
- (ii) incur expenditures on the Northway Property of at least:
 - a. US\$600,000 in 2019;
 - b. US\$750,000 during the years 2020 to 2023;
 - c. US\$1,500,000 during the years 2024 to 2027; and
 - d. US\$2,000,000 during 2028 and each calendar year thereafter.

Eligible expenditures include all actual, direct costs, expenses, and charges related to exploration and development conducted on or for the benefit of the Northway Property, including without limitation costs and expenses incurred off the property and reasonably allocated to operations on the property (such as salary, overhead and other administrative expenses).

In addition, if the Company completes a feasibility study on any portion of the Northway Property the Company shall pay Doyon a cash payment of US\$600,000. Further, from January 1, 2025 onwards and prior to the commencement of commercial production on the Northway Property, the Company must incur at least US\$2,000,000 over every five-year period or make up for such shortfall by making a cash payment to Doyon of an amount equal to such shortfall.

The Company has further granted Doyon the following royalties over the all mineral product mined, produced and sold from the Northway Property:

- (i) until the fifth anniversary of the commencement of commercial production on the Northway Property a 2% NSR royalty from precious metals and a 1% NSR royalty from base minerals;
- (ii) from the fifth anniversary of the commencement of commercial production until the tenth anniversary of the commencement of commercial production on the Northway Property a 4% NSR royalty from precious metals and a 3% NSR royalty from base minerals; and

- (iii) from the tenth anniversary of the commencement of commercial production on the Northway Property and thereafter, (A) a production royalty equal to the greater of a 4% NSR royalty from precious metals or fifteen percent (15%) of the net proceeds from the sale of precious metals mined from the Northway Property, and (B) a production royalty equal to the greater of only one of the following: a 3% NSR royalty from base metals or fifteen percent (15%) of the net proceeds from the sale of base metals mined from the Northway Property.

The Company, additionally, in 2018 and 2019 provided a US\$25,000 scholarship, and has committed to providing an annual US\$25,000 scholarship, to help educate Doyon's shareholders and their direct descendants in the field of natural resource development and land management. Such scholarship amount will increase to US\$50,000 per year following the commencement of commercial production at the Northway Property.

As of the date hereof, the Company has incurred the minimum expenditures required to be incurred in 2019 under the Northway Agreement.

Additionally, pursuant to a surface use exploration agreement (the "**Northway Surface Use Agreement**") dated March 20, 2019, Northway Natives Inc. has granted certain surface use rights with respect to a portion of the Northway Property to Tectonic Resources (the "**Northway Surface Rights**"), for a period of five years. In order to maintain the Northway Surface Rights, Tectonic, along with other obligations and payments, must make an annual payment of US\$10,000 on or before February 15th of each year that the Northway Surface Use Agreement is in effect.

Other Properties

On September 30, 2019, the Company's subsidiary delivered a notice to terminate the option agreement dated January 19, 2018 with respect to the MCQ Property located in the Yukon. Such termination was effective when delivered. Upon the delivery of such notice to terminate, Tectonic has no further obligations under the Agreement other than the parties' obligation to deliver a report on all work carried out by Tectonic on the MCQ Property to the MCQ Optionors by January 21, 2020 in connection with the termination. In connection with the termination of the Company's interest in the MCQ Property, the Company will write down the amount capitalized to exploration and evaluation assets regarding the MCQ Property, amounting to \$261,860. This write down will result in an impairment expense which will be applied as a net loss for the nine months ending September 30, 2019.

The Company may identify other properties worthy of investment and exploration from time to time.

TIBBS PROPERTY

The scientific and technical information in this section relating to the Tibbs Property is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Tibbs Technical Report. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Tibbs Technical Report. Reference should be made to the full text of the Tibbs Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description and Location

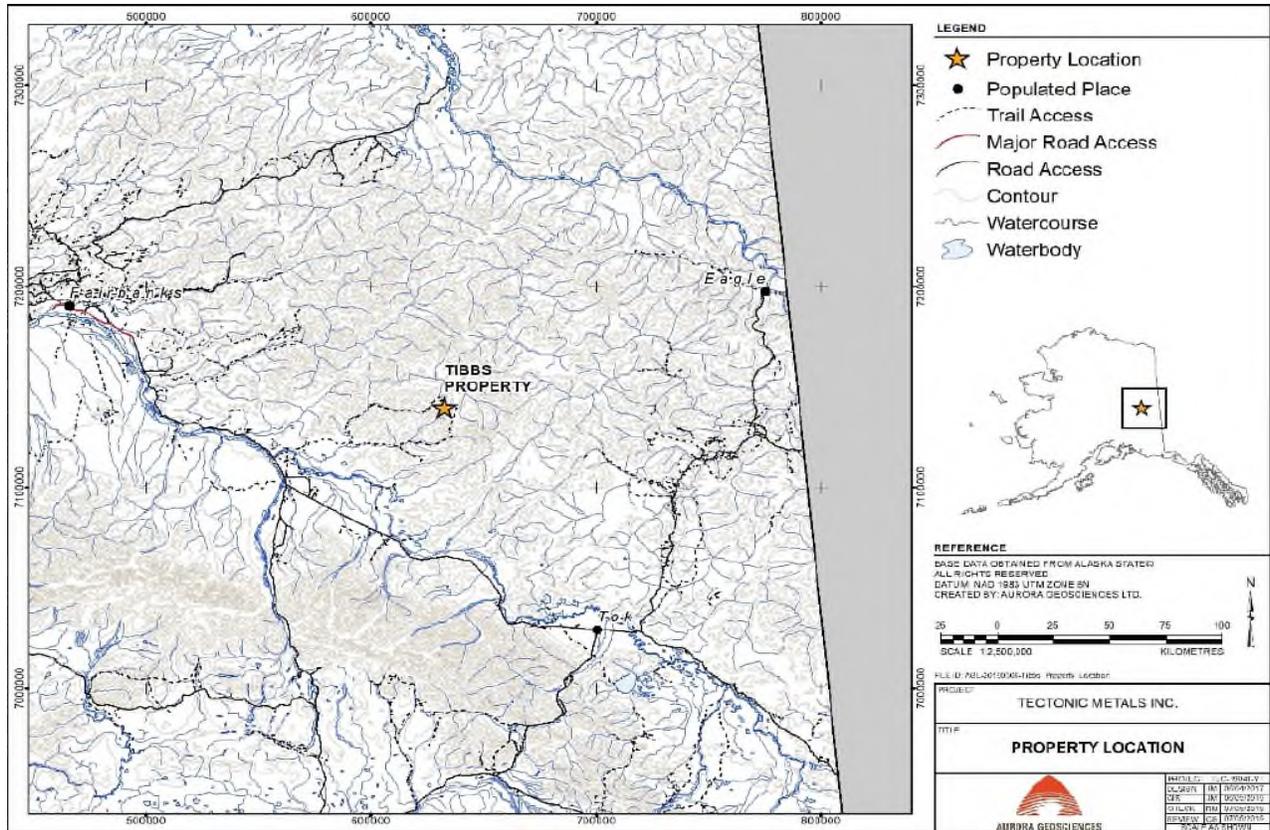
Location and Means of Access

The Tibbs Property is centered at 64°21'30" N 144° 15'08" W (Figure 1). The property comprises 169 claims, consisting of 110 40-acre claims and 59 160-acre claims, covering a total of 13,840 acres (5,603.2 ha). The claims are all located within Townships 06S and 07S, Ranges 017E and 018E, in the Big Delta B1 Quadrangle of the Fairbanks Recording District. The property comprises the ROB 1-84 and ROB 95-106 claims registered in the name of Tibbs Creek, and the TMI 1-73 claims, formerly registered in the name of Anglo Alaska Gold Corp. ("**Anglo Alaska**") and transferred to Tectonic on July 11, 2019 (Quitclaim deed 2019-010156-0).

Access is currently by helicopter only, although an unimproved airstrip is reported to occur in the western part of the Rob claim block. Although, in 2007, a previous operator identified a favourable site along a ridgeline for a 2,000-foot strip, no strip has been built. No serviceable airstrips are visible on Google Earth. Bulldozer trails in unknown condition extend from placer

workings north of the property upstream along Tibbs Creek onto the northern property area. The nearest road access is the terminus of the all-weather Pogo gold mine access road 22 miles (35 km) to the west.

Figure 1: Location map, Tibbs Property



Title, Royalties and Encumbrances

All of the claims comprising the Tibbs Property, formerly known as the ROB Property, are state mining claims located on Alaska state-owned land.

On July 30, 2019, Tectonic received a notice from Millrock stating that six of the staked TMI (Tectonic) claims wholly or partially overstate 17 claims previously staked by Millrock, who is now asserting “senior claim” to the ground. The disputed 17 claims, all 40-acre (16.2 ha) claims covering a total of 680 acres (275.3 ha), are the HAB 22-30, HAB 39-43 and HAB 52-54 claims. After review by Tectonic, the disputed claims may actually affect seven Tectonic claims, all 160-acre (64.8 ha) claims covering a total of 1,120 acres (453.4 ha); the TMI27-28, TMI33-35 and TMI40-41 claims.

Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic’s exploration efforts going forward on the rest of the Company’s Tibbs claims. Tectonic is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

The ROB 1-84, ROB 95-106 and TMI 1-73 claims cover a contiguous block.

Please see “General Development and Business of the Company – Three-year History – Significant Acquisitions and Material Contracts – Tibbs Property” for a description of the Tibbs Agreement and the royalties payable thereunder.

Environmental Liabilities

No environmental liabilities have resulted from modern exploration (2017 and later). Long, narrow, shallow 2018 trenches dug by “CanDig” excavators were left open to facilitate further study in 2019.

Permits

Miscellaneous Land Use Permit (MLUP)

Activities at the Tibbs Property are authorized by Miscellaneous Land Use Permit #9883 (the “**MLUP**”), in effect until December 31, 2022. The permit is granted to Tectonic Resources, Anglo Alaska and Tibbs Creek. The MLUP stipulates that, as of December 31 of each year, Tectonic will file an “Annual Exploration Report” describing exploration and reclamation requirements completed during the year, and a “Letter of Intent” to do reclamation for the next season.

The MLUP permit states numerous reclamation stipulations, including the provision of secondary containment facilities for fuel and hazardous substances in compliance with Emergency Spill Response Regulations under the *Environmental Protection Act*. The permit also does not allow for restriction of surface or air access. It states that any remaining structures, equipment, scrap iron, other material, chemicals, fuels, wastes and general mining debris must be removed by its termination unless authorized through a separate approval or written authorization. The permit prohibits the appropriation, excavation, removal, injury or destruction of any State-owned historic, paleontological or archaeological site, and prohibits any activities immediately surrounding these artifacts when discovered.

Fish Habitat Permit

The Tibbs Property is also subject to Fish Habitat Permit FH18-III-0100, in effect until December 31, 2022, governing water usage during diamond drilling operations. Water may be withdrawn from water bodies described in the permit application, and no damming or diversion of water courses is permitted to facilitate usage. Water usage is anticipated not to exceed 15 gallons/minute or 21,600 gallons/day, with potential for reduced usage through recirculation.

Temporary Water Use Authorization

Water use for drilling at the Tibbs Property will require a Temporary Water Use Authorization (“**TWUA**”), a Permit to Appropriate Water or a Certificate of Appropriation. These can be issued for any length of time up to 5 years and are filed under the Department of Natural Resources, Division of Mining, Land and Mining. A TWUA is mandatory if any of the following will be incurred during a project:

- (1) the consumptive use of more than 5,000 gallons of water from a single source in a single day; or
- (2) the regular daily or recurring consumptive use of more than 500 gallons per day (gpd) from a single source for more than 10 days per calendar year; or
- (3) the non-consumptive use of more than 30,000 gpd (0.05 cubic feet per second) from a single source; or
- (4) any water use that may adversely affect the water rights of other appropriators or the public interest.

Climate, Local Resources, Infrastructure and Physiography

The climate of the Tibbs Property is subarctic. Field season typically extends from late May, following completion of spring melt, to October.

The Tibbs Property is located about 173 km (108 miles) ESE of the City of Fairbanks in the Fairbanks North Star borough. Fairbanks is a full-service city with highway access provided by the Steese, Richardson and George Parks highways, the Alaska Railroad, and a major international airport, as well as significant military installations. Fairbanks has a large available trained workforce and service supply chain, and has abundant electrical power.

There is no significant infrastructure on the property. Delta Junction is serviced by the main electric power grid servicing Fairbanks and Healy. Sufficient water exists within property boundaries to service diamond drilling operations, although the location of many of the known zones along ridgelines may require multiple “lifts” to elevate water to the drill sites. Tibbs Creek can supply sufficient water for milling operations and to service kitchen and residential facilities.

Any activities that deviate significantly from the approved plan, which currently prohibits damming or diversion of water courses, will require written approval in the form of a permit amendment prior to commencement. Construction of tailings ponds is considered as a mine development activity and would not be pertinent to permits concerning exploration activities.

The Tibbs Property covers the east and partial west flanks of the Tibbs Creek drainage, including the ridge marking the northward extension of Black Mountain east of the creek. Terrain is moderate to fairly rugged, though not excessively so, with elevations ranging from just under 2,400 feet (730 m) along Tibbs Creek to just over 5,000 feet (1,500 m) along Black Mountain.

Exploration History

The Goodpaster area first underwent exploration for placer gold in 1915. Gold-bearing quartz veins were first discovered in the early 1930s in the upper Tibbs Creek area. In the winter of 1936, a 450-foot (137 m) tunnel was excavated to follow a small vein called the Blue Lead Extension. In the summer of 1937, a 300-foot (90 m) tunnel was excavated along the Blue Lead vein. In the winter of 1937, another 300-foot tunnel was completed at the Grizzly Bear mine, and a 50-ton mill was constructed. The following summer the mill was moved to the Blue Lead mine, where it operated until fall, 1939. During 1938 – 1939, about 132 oz. gold and 25 oz. silver were recovered from 150 tons of ore, at a grade of 0.88 oz/ton Au and 0.167 oz/ton Ag. From 1939 to 1942 approximately 350 tons of ore of unknown tenor were processed from the Grizzly Bear mine.

The U.S. Geological Survey conducted regional geological mapping in the property area in the mid-1970s and stream sediment sampling in the late 1970s. Also, in the late 1970s, the U.S. Geological Survey conducted high-altitude airborne magnetic surveying over the Rob property. In response to the Pogo discovery in the late 1990s, the Division of Geological and Geophysical Surveys conducted airborne magnetic and resistivity surveys in 2000 and 2001 over the Pogo area, but these did not extend to the Rob property. In 1995, Sumitomo Metal Mining Co., Ltd. (“**Sumitomo**”) and WGM Inc. (“**WGM**”) and, together with Sumitomo, the “**Stone Boy JV**”) optioned the Rob property, which is now being referred to as the Tibbs Property by Tectonic. From 1995 to 1999, the Stone Boy JV conducted extensive airborne and ground geophysical surveying, soil and rock geochemical surveying, geological mapping, trenching and a 16,214.9 ft (4,942.3 m) diamond drilling program. During the program, 340 rock samples 2,059 soil samples, 7 silt samples, and 2,060 drill core samples were collected. Rock grab sampling returned Au values ranging from background to 169.0 g/t Au at the Gray Lead prospect; from background to 988.5 g/t Au at the Michigan prospect; and from background to 865.2 g/t Au at the Blue Lead prospect. Drilling returned values from background to 0.92 oz/ton (31.465 g/t) Au across 13.5 feet (4.1 m) at the Gray Lead prospect; and from background to 0.04 oz/ton (1.381 g/t) Au across 77.4 feet (23.6 m) at the Blue Lead prospect.

In 2000, the option agreement was terminated. In August 2002, Freegold Ventures Ltd. (“**Freegold**”) acquired an option to purchase a 100% interest in the property and subsequently contracted Avalon Development Corp. (“**Avalon**”) to conduct due diligence rock sampling and orientation soil auger sampling in 2002 and 2003. Rock sample results ranged from background to 30.45 g/t Au at the Gray Lead prospect, from background to 698.89 g/t Au at the Michigan prospect, and from background to 22.29 g/t Au at the Lower Trench prospect. In 2006, limited geochemical sampling was conducted across the Michigan, Blue Lead and Lower Trench prospects. Gold values from 3 samples at the Michigan prospect ranged from <0.050 g/t Au to 11.50 g/t Au, and gold values from 6 samples from the Blue Lead vein ranged from 0.16 g/t Au to 46.70 g/t Au. A total of 76 NQ sized whole core samples were taken from DDH BM97-02 on the Lower Trench prospect, returning values from <0.050 g.t Au to 1.90 g/t Au.

In 2007, Avalon completed a diamond drilling program comprising 3,499 feet (1,066.5 m) in 17 holes at the O’Reely and Gray Lead prospects. At Gray Lead, drilling returned values from background Au to 10.52 g/t Au across 14.5 feet (4.4 m) in DDH ROB07012. Another hole at Gray Lead, DDH ROB07014, returned values ranging from background Au to 19.14 g/t Au across 18.7 feet (5.7 m), including a 3.6-foot (1.1 m) sub-interval grading 82.50 g/t Au. In 2008, Avalon completed another diamond drilling program comprising 3,095.2 feet (943.4 m) at the Gray Lead prospect. Drill core samples returned Au values from background Au to 184 g/t Au across 1.7 feet (0.5 m) from DDH ROB0818.

In 2011, Freegold conducted a diamond drilling program of 2,984 feet (909.5 m) in 3 holes at the previously undrilled Michigan prospect. Of these, ROB 11-02 returned values ranging from background Au to 57.1 g/t Au across 5 feet (1.5 m) and a separate

interval grading 7.04 g/t Au across 11.5 feet (3.5 m). A 30-foot (9.1 m) interval grading 2.58 g/t Au was returned from the final 30 feet of the hole, terminated at 1,078 feet (328.6 m). The option was terminated in 2014.

Geological Setting

Regional Geology

The Tibbs Property is located within the Yukon-Tanana terrane (“**YTT**”), an accreted terrane comprised mainly of Proterozoic to Triassic metaigneous and metasedimentary assemblages, and Jurassic to Early Tertiary metaigneous rocks. The YTT comprises numerous pulses of arc magmatism and is bounded to the north by the Tintina fault zone and to the south by the Denali fault. The major, subhorizontal structural fabric marking much of the YTT likely represents a major continent-continent collision. Further subduction-related magmatism resulted in emplacement of batholithic-scale intrusions such as the 112 – 105 Ma Dawson Range batholith, extending from the Northway area eastward to the Coffee Creek area of west-central Yukon. Related magmatism also resulted in the emplacement of a series of intrusive suites comprising the 110 – 70 Ma Tintina Gold Belt.

Conjugate to the Tintina and Denali fault zones are a series of northeast-trending faults, including the Shaw Creek fault directly west of the Pogo deposit, and the Black Mountain tectonic zone which extends through the property area. Amphibolite-grade and locally higher-grade metamorphism is characteristic of YTT rocks between the Shaw Creek and Black Mountain faults. District-scale northwest-trending sympathetic faults, including the Pogo trend, occur between the Tintina and Denali faults and commonly occur as broad deformation zones with indistinct boundaries.

Property Geology

The Tibbs Property is located within the Black Mountain tectonic zone, centered along the western boundary of the mid-Cretaceous Black Mountain intrusion in contact with Devonian augen gneiss to the west. In the property area, the Black Mountain tectonic zone is characterized by a series of northeast to north-northeast trending normal and left-lateral high-angle strike-slip faults. Detailed mapping by 2010 indicates the Black Mountain intrusion within the property area is comprised of biotite granodiorite, with lesser andesite porphyry and minor granite. These units lie in contact with biotite gneiss, which is in turn adjacent to the biotite augen gneiss to the west.

Inspection of intrusive host rocks at the Michigan prospect during the May 2019 property visit revealed that biotite within the Black Mountain intrusion has been almost completely altered to sericite, likely due to alteration related to quartz veining. Intrusive rocks are medium grained and roughly equigranular, with moderate phyllic alteration, local silicification and argillic alteration. Inspection of core from DDH 11-02, collared at the Michigan target, confirmed alteration assemblages identified on surface, and revealed increased argillic and phyllic alteration within sheared material.

Examination of drill core from Holes ROB07007, ROB 07012 and ROB07115 at the Gray Lead prospect indicate the holes were collared within moderately to well foliated fine-grained biotite gneiss. Alteration intensity is low in drill core from the Gray Lead area. The holes intersected the intrusion from the west; marginal intrusive portions are biotite-rich, weakly foliated and more finely grained than at the Michigan prospect. Visual inspection of intrusive rock at the “Connector Zone” indicates it is medium to finely grained and equigranular, with moderate phyllic alteration resulting in an absence of biotite.

Mineralization

Prior to 2008, several mineralized prospects had been identified on the Tibbs Property. The Gray Lead, Blue Lead and Grizzly prospects were discovered in the 1930s to 1940s and underwent limited extraction shortly after discovery. The Michigan prospect was subsequently discovered to the north of the Blue Lead workings. The Lower Trench and Upper Trench prospects were subsequently identified to the northwest of the Michigan prospect, and the O’Reely showing was identified southeast of the Grizzly Bear mine. More recently discovered prospects include: the Connector Zone east-southeast of the Gray Lead; the Johnson Saddle prospect northeast of the Gray Lead; and the Wolverine prospect north of the Upper Trench prospect. The Gray Lead, Connector and Michigan prospects were visited in 2019.

Gray Lead Prospect

The Gray Lead prospect comprises a quartz-arsenopyrite vein extending roughly along the western contact of the Black Mountain intrusion. Quartz-arsenopyrite veining, reported by Tectonic to attain widths to 4.0 m, hosts fractured to clotty arsenopyrite veining and minor pyrite.

Work to 2010

The Stoneboy Joint Venture conducted surface rock sampling and diamond drilling from 1995 to 1999. Rock sampling returned values to 169 g/t Au and drilling returned values to 31.512 g/t Au, including 2.5 g/t Ag and 9,468 ppm As across 13.5 feet (4.1 m) from DDH BM-10. Fluid inclusion studies on vein material indicate temperatures of deposition from 260 °C to 455 °C. In 2002, Freegold conducted due-diligence-style rock sampling and confirmed earlier reported grades. Results included “significant” values ranging from 0.216 opt (7.41 g/t) Au to 2.105 opt (72.171 g/t) Au; 4.26 to 43.50 g/t Ag; 4,630 to >10,000 ppm (1.0%) As; 6.68 to 1,610 ppm Bi; 8.0 to 415.0 ppm Pb; 112.95 to >1,000 ppm Sb, 0.40 to 180.50 ppm Te; and 0.2 to 97.2 ppm W.

In 2007, Freegold drilled a total of 8 holes from two sites located approximately 50 m apart to test for mineralization at depth along the Gray Lead vein. Holes ROB07006 and ROB07007 were drilled near the collar locations of Sumitomo-WGM holes BM-10 and BM-11, partly to confirm grades from the former. Hole ROB07006 returned values to 6.64 g/t Au across 16.5 feet (5.0 m), including 17.78 g/t Au across 2.5 feet (0.8 m). The remaining holes, ROB07012 through ROB07017 were targeted about 50 m to the northeast, and returned “significant” values ranging from 1.77 g/t Au across 28 feet (8.5 m) in hole ROB07015 to 15.76 g/t Au across 17.5 feet (5.3 m), which includes a subinterval grading 127.63 g/t Au across 1 foot (0.3 m) in hole ROB0713.

According to Flanders (2010) (as defined in the Tibbs Technical Report) all of the 2007 holes intersected north-south striking, west-dipping (at -50 to -60 degrees) quartz veining immediately adjacent to a brittle fault zone within Paleozoic biotite paragneiss. The sulphide mineralization included fine-grained bismuthinite, arsenopyrite and lesser pyrite. True widths of quartz vein intercepts are variable but average >3.0 m. Quartz veining is multipulsed, with an Au-Ag-Bi-As-Sb-Pb-Zn signature. Flanders identified at least four phases of mineralization: a quartz-Au- Bi phase, followed by a quartz – Ag-Pb-Sb phase, in turn overprinted by a Qtz-As-Zn phase. A final phase comprising mostly thin quartz + calcite + pyrite veinlets associated with very late brittle fracturing carries no gold and may have resulted from widespread Tertiary volcanism and plutonism in eastern Alaska.

Freegold subsequently conducted statistical analysis on the 77 drill core samples returning Au and Bi values exceeding lower detection limits of 0.034 ppm and 5 ppb respectively. Freegold also plotted cross-sections of the vein in Figure 2 below.

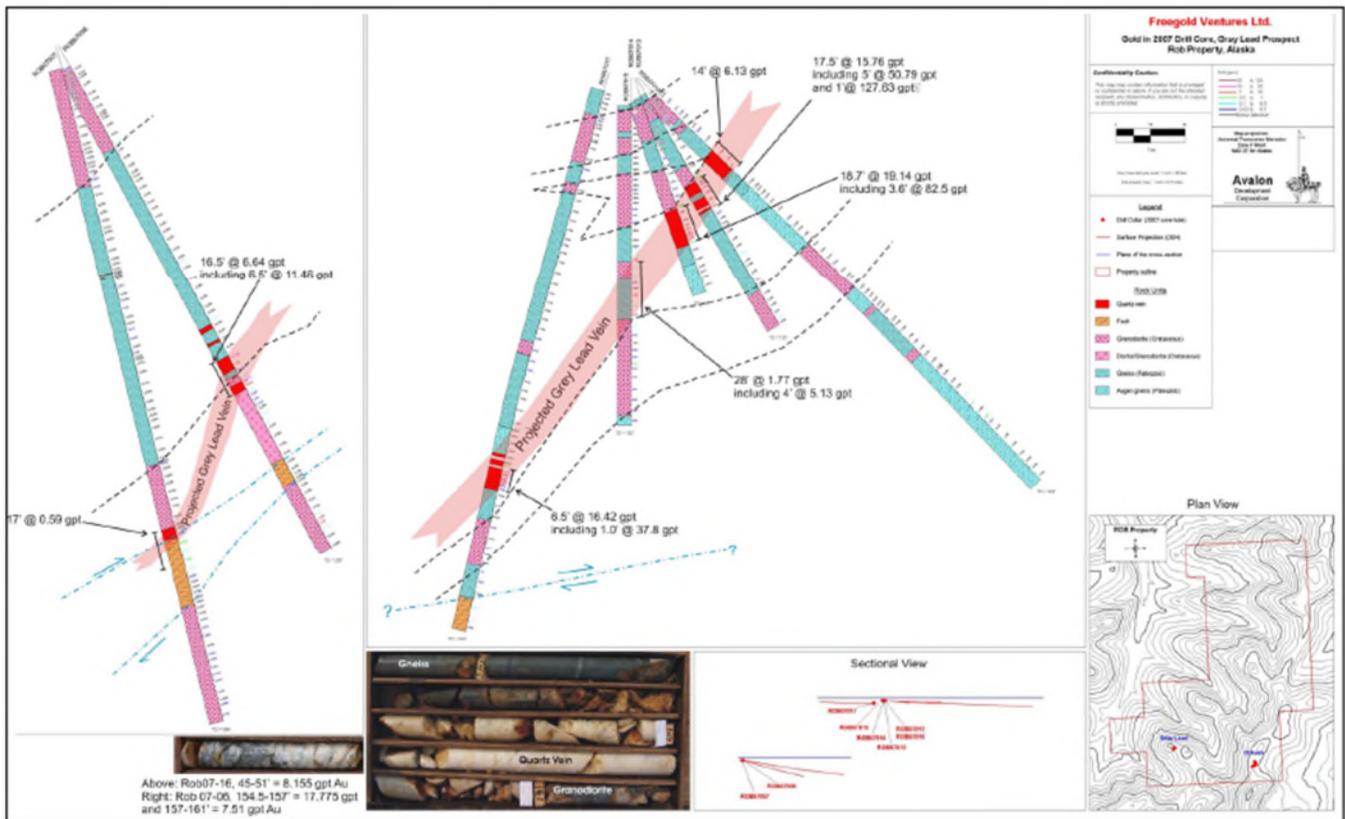


Figure 2: Cross section showing geology and mineralization of 2007 Freegold drilling, Gray Lead prospect

This analysis found that Au is associated most strongly with Bi, but has a “nearly random” correlation with As. Gold is spatially restricted to the quartz veining within the fault zone and its immediate host country rock, whereas arsenic, although centered on the fault zone, is more widespread, particularly within its footwall. Zinc correlates moderately with arsenic but is not considered a reliable pathfinder element. In 2008, Freegold completed a 3,095.2-foot (943.4 m) diamond drilling program in 12 holes from 6 sites at the Gray Lead prospect. The holes were designed to test for strike and depth extensions of the auriferous zones intersected in 2007. Surface prospecting also revealed two parallel auriferous veins east of the Gray Lead vein, indicating potential for a series of veins within a larger mineralized corridor.

2018 Tectonic Program

In 2018, Tectonic excavated a single NW-SE extending trench. This exposed the Gray Lead vein where expected, revealing it to be a roughly 4-metre wide two-phased vein hosted by biotite gneiss with minor sericite but little other alteration along its contact. The approximately 2-metre thick hanging wall section comprises opaque milky-white quartz with abundant arsenopyrite, bismuthinite and scorodite. Assaying of samples returned values of 38 g/t Au across 5 m in segment 01A, and 14.8 g/t Au across 8 m in segment 1B. A 5-metre interval grading 0.451 g/t Au was returned from the site of a 0.180 g/t Au Stone Boy JV soil sample.

2019 Property Visit

The Gray Lead area was visited on May 9, 2019 by Mr. Grant Lockhart, Chief Geoscientist of Tectonic, and Tibbs Technical Report author, Carl Schulze. The visit focused on the main Gray Lead vein, revealing it to be comprised of white quartz with 3-9% clotty and fracture-controlled arsenopyrite and trace to 3% pyrite. This part of the vein belongs to the hanging wall section reported by Tectonic. A single composite grab sample from a historic headings piles was collected of white quartz with 15% vuggy and fracture-controlled arsenopyrite and 3% pyrite, indicating ore taken from underground workings matches surface quartz vein material. The visit included inspection of core from DDH ROB07007, ROB07012 and ROB07015, stored at the

Fox, Alaska facilities of Avalon. A mineralized interval comprising clotty to semimassive arsenopyrite in white quartz veining returned values of 10.5 g/t Au from 45-49.6 feet; 28.95 g/t Au from 49.6 – 52.0 feet, and 24.3 g/t Au from 52-53 feet. The interval is hosted within YTT biotite paragneiss, although a short interval of quartz diorite occurs at roughly 49.5 – 50.0 feet.

Connector Prospect

2018 Program, Tectonic

The Connector prospect was identified by Tectonic in 2018. This zone is located near two targets identified by the Stone Boy JV in 1995-1999: the King prospect to the north and the Argent prospect to the south. Test pitting by the Stone Boy JV at the King returned values to 101 g/t Au, and test pitting at the Argent returned values to 9.96 g/t Au. The Connector Zone did not undergo test pitting at that time, but auger soil sampling in 2017 returned multiple values exceeding 75 ppb Au along a prominent NNW-SSE trending lineament that extends to the Johnson Saddle target more than 1,200 m to the north.

Three CanDig trenches were excavated in the June 2018 Phase I program to test the potential NNE-SSW trending structure. In September, a short Phase II program included deepening sections of the trench where permafrost was encountered in Phase I.

Trench CN18-01 – This trench is 212 m in length and intersected mineralization across a 28-metre section. Within this, a 13 m interval returned a value of 1.585 g/t Au, including 3 m grading 4.513 g/t Au. A separate 5 m interval within the mineralized zone returned 1.138 g/t Au. The adjacent 20 m interval to the southeast returned elevated As values, and a value of 0.168 g/t Au across 5 m immediately adjoining the main intersection. Tectonic considers this to be prospective, due to poor ground conditions. The Phase II resampling program focused on three sites along this trench. Two sites failed to return significant values, and the third, a resampling of a section initially assaying 1.171 g/t Au across 6 m, returned 0.685 g/t Au across 2 m.

Trench CN18-02 - This is a short trench designed to test for Gray Lead-style quartz veining directly north of the Argent prospect. Sampling at its northwest end returned a value of 0.443 g/t Au across 4 m within granodiorite; however, subsequent resampling during the Phase II program on 2 m intervals returned only background gold values. A 5-metre intercept of grey sulphide-bearing quartz veining to the southeast returned values to 3,938 ppm As, and a peak Au value of 0.043 g/t. Adjacent grab sampling returned a value of 33 g/t Au. A separate 10-metre interval returned an average As value of 285 ppm and background gold values.

Trench CN18-03 - This 287.7-metre trench intersected two intervals of Gray Lead-style quartz veining towards the northwest end. One comprised a 5 m interval of fragmental quartz vein material commencing at the 209-metre mark and returning 1.034 g/t Au. The other, commencing to the southeast at the 269-metre mark, returned a value of 1.698 g/t Au across 5.5 m. Tectonic predicted that the main Connector structure would be intersected from the 150 – 200 m section of the trench, indicating the interval commencing at 209 m approximately conforms to this hypothesis. During Phase II, Tectonic deepened the sections from 109 – 117 m and from 172 – 190 m. Re-sampling at the latter returned values of 0.812 g/t Au across 4 m from 174 – 178 m, and of 8.088 g/t Au across 6 m from 182 – 188 m.

2019 Property Visit

The 2019 property visit included inspection of trenches CN18-01 and CN18-03 by Messrs. Lockhart and Schulze. The trenches exposed rubble crop of fine to medium-grained, equigranular biotite granodiorite, with fairly pervasive moderate orange carbonate alteration in mineralized sections. Intrusive rocks also show moderate phyllic alteration, whereby biotite has been altered to sericite, and locally silicified. Quartz vein material is fairly abundant, but less so than amounts of host intrusive rock. A composite grab sample taken of quartz-arsenopyrite vein material indicate that, although mineralogy is similar to that of the Gray Lead prospect, a distinct fabric of massive arsenopyrite confined to late fractures, as opposed to more pervasive clotty to fracture-controlled sulphides, occurs here.

Michigan Prospect

Work to 2011

The Michigan prospect underwent soil sampling by the Stone Boy JV at some point from 1995 to 1999, returning values to 180 ppb (0.180 g/t) Au. Several trenches were also excavated during this period, revealing values up to 86 g/t Au from the “North Trench” rubble pile, and up to 988.46 g/t from a NW-SE trending vein near the “South Trench”. Silver values are highly variable,

ranging from 0.2 g/t to 1,585.6 g/t, with higher values associated with the highest gold values. Arsenic values ranged from 172 ppm to 9,300 ppm.

In 2002, Freegold conducted surface rock sampling, of which “significant analytical results” listed by Flanders (2010) returned values from 24.27 g/t Au to 175.06 g/t Au from vein material, and from 29.83 g/t Au to 698.89 g/t Au from altered granodiorite. Values ranged from 0.14 g/t Ag to 9.50 g/t Ag, 687 ppm As to >10,000 ppm As, 0.08 g/t Bi to 0.83 g/t Bi, 3.5 ppm Pb to 40 ppm Pb, 26 to 75 ppm Sb to 776.1 ppm Sb, <0.05 g/t Te to 0.30 g/t Te, and 0.1 g/t W to 1.0 g/t W. The pathfinder element assemblage, comprising Au-As-Sb is distinct from that of the Gray Lead prospect. Fluid inclusion studies at the nearby Blue Lead prospect indicated veins were emplaced at temperatures 50 °C to 100 °C lower than at the Gray Lead, and contain a much higher proportion of larger, methane-enriched inclusions). In 2006, four grab samples were taken from the Michigan prospect, returning gold values from <0.05 g/t Au to 11.50 g/t Au, <0.5 g/t Ag to 1.5 g/t Ag, 121 ppm As to 8,490 ppm As, 19 ppm Mo to 26 ppm Mo, 30 ppm Sb to 233 ppm Sb, and near-background Bi and Pb values.

In 2011, Freegold completed a three-hole diamond drilling program that totaled 2,984 feet (909.5 m). Hole ROB1102 returned a value of 57 g/t Au from 163’ – 168’ (49.7 m – 51.2 m), and of 2.58 g/t Au in the final 30’ (9.1 m) of core from 1,053’ – 1,078’ (320.9 m– 328.6 m).

2018 Tectonic Program

The 2018 program included excavation of four CanDig trenches for a total of 123 m in the vicinity of high-grade grab samples and the potential surface expression of the mineralized interval at the end of DDH ROB1102.

Trench MI18-01, the southernmost of three trenches in the Michigan area, was sampled from SE to NW and exposed strongly silicified and sericite-altered granodiorite from 0-28 m. Quartz vein material occurs throughout, with increased quartz stockwork development from 20-45 m. The best result was 1.96 g/t Au across 6 m from the 2-metre mark, including 5.429 g/t Au across 2 m starting at 2 m. A rock grab sample at the 22-metre mark, comprising a 2-cm quartz-arsenopyrite-stibnite vein within strongly silicified and sericite-altered granodiorite, returned a value of 43.8 g/t Au.

Trench MI18-02 was an 8-metre test pit designed to deepen the un-reclaimed “North Trench”. Sampling returned a value of 1.013 g/t Au across the entire 8 m exposed.

Trench MI18-03, located to the northeast, was excavated in the area of past sampling of abundant boulders of veined granodiorite with stibnite and arsenopyrite, associated with strong sericitic alteration and silicification, returning values to 26.6 g/t Au. The trench was exposed from NW to SE and encountered strongly silicified and sericitized granodiorite along its entire length. The best result, of 11.5 g/t Au across 3.3 m, was obtained from the extreme southeast end of the trench. Other notable intervals are: 0.221 g/t Au across 4.5 m starting at the 7-metre mark, and 0.332 g/t Au across 2 m at the site of high-grade float samples.

Trench MI18-04 was excavated >300 metres southeast of trench MI18-03, targeting a NE-SW trending lineament about 15 m NE of a historic test pit that returned values to 29.8 g/t Au. The 2018 trench intersected a 1.3 m wide fault zone of sheared, broken granodiorite lacking quartz vein material, from which sampling returned a value of 0.256 g/t Au across 4 m.

2019 Property Visit

The 2019 visit included inspection of the Michigan prospect on May 7, 2019. Inspection of the granodiorite confirmed that it has undergone pervasive moderate to strong phyllic (sericitic) alteration with near-total destruction of biotite, and weak silicification. Abundant centimetre to millimetre-scale quartz ± arsenopyrite ± stibnite ± minor cinnabar stockwork veining occurs throughout much of the target area. The visit included viewing and sampling of a small “blast pit” where sampling by Freegold returned values to 170 g/t Au.

Tectonic compared geochemical signatures of quartz vein mineralization and concluded that mineralization is controlled by the NE-SW-trending structural corridor. Quartz veining also shows a distinct mineralogy from the Gray Lead prospect. The Michigan prospect lacking the anomalous Bi, W and Te content marking the Gray Lead prospect. Pervasive alteration at Michigan also contrasts with very limited wall rock alteration at the Gray Lead prospect.

The 2019 visit included viewing of DDH ROB1102 core stored at Avalon Ventures Inc. at Fox, Alaska. The focus was a 2.5-foot (0.7 m) interval from 417’ - 419.5’ (127.1 m – 127.8 m) grading 25 g/t Au, and the final 25’ (7.6 m) of core from 1,053’ –

1,078' (320.9 m – 327.5 m). The former includes a 0.5' interval of near-massive stibnite in quartz veining. The latter, originally logged as basalt, comprises fine quartz-stibnite stockwork veining in a separate more finely grained strongly silicified intrusive phase.

Other Mineralized Prospects

The remaining prospects underwent exploration in 2018, but were not visited in May 2019.

Oscar/Hilltop

The Hilltop prospect is located northeast of the Gray Lead prospect, within a series of structural linears oriented at 010°, from which sampling of mineralized granite boulders with thin quartz veining returned values to 75 g/t Au. The most prominent linear feature hosts the Oscar vein. Two short trenches for a total of 67 m were excavated in 2018 from the top of the prospect. Trench OV18-01 exposed a 1-metre interval of mineralized fault zone, from which a 4-metre sample returned 0.032 g/t Au and 36 ppm As from a weakly sericitized quartz diorite that lacked quartz veining. A second interval of sericite-altered quartz diorite with a thin quartz vein returned a 2.5-metre interval of 0.035 g/t Au and 87 ppm As. A grab sample of the quartz material returned 0.092 g/t Au. Trench OV18-02 intersected the “Oscar Lineament”, where sampling returned a value of 0.041 g/t Au and background As, Bi and Sb values across 5 m. Gold values from float samples increased with decreasing elevation, with highest grade values towards the base of slope.

Johnson Saddle

In 2018, four trenches totalling 461 m were excavated at the Johnson Saddle prospect, located 1,400 m NE of the Gray Lead prospect. This prospect is located along the contact of the Black Mountain intrusion to the east and Devonian augen and biotite gneiss to the west, at the interpreted convergence of northeast trending Gray Lead lineament and the NNE-trending Connector lineament. A 1999 rock sample returned a value of 4.34 g/t Au with low to background As, Bi and Sb. A shovel soil sample returned 755 ppb Au with anomalous As and Sb values. In 2017, Tectonic conducted an auger soil program, returning multiple values exceeding 100 ppb Au.

Trench JS18-01, 198 m in length, was excavated across the entire Johnson Saddle. Biotite gneiss and lenses of amphibolite were exposed in the western part, and intrusive rock in the east. The contact zone comprised intercalated intrusive material with gneiss. The only auriferous mineralization occurs within a fault gouge zone in biotite gneiss, returning a value of 0.140 g/t Au across 5 m. Minor carbonate veining occurs in gneisses in the west end of the trench.

Trench JS18-02, excavated south of the west end of JS18-01, exposed carbonate veining. The trench exposed intercalated biotite gneiss and amphibolite with strong epidote and calcite alteration, but a lack of quartz veining. The zone extended for 14 m, returning an average grade of 1.057 g/t Au, with a sub-interval grading 1.7 g/t Au across 8 m. Grab sampling of strongly calcite-altered Paleozoic rock returned values to 5.9 g/t Au, 103 ppm Bi, 103 ppm W, but low As and Sb values.

Trench JS18-03, the southernmost trench, was excavated from west to east, and intersected a mafic lens at the 50-metre mark adjacent to a 1-metre wide granodiorite dyke. Farther east, the trench exposed alternating biotite gneiss and granodiorite. No significant Au values were returned.

Trench JS18-04 was excavated about 300 m to the southeast, and targeted a notch historically named the “Ursa notch” towards its southeast end. The main boom of the CanDig excavator failed at the 85-metre mark. No mineralization was intersected in the excavated portion, and the Ursa notch was not tested. Tectonic states that a large-scale NE-trending structure is visible as a series of notches extending from the Gray Lead prospect northeast to the Michigan prospect. Notably, the carbonate-altered mineralized interval in Trench JS18-02 is located up-slope and to the west of the main structure. This style of mineralization, marked by calcite alteration, high Bi and W values and a lack of quartz veining, has not been observed elsewhere on the Tibbs Property.

O'Reely Prospect

The O'Reely prospect, first identified by the Stone Boy JV from 1995 to 1999, is located about 1.75 km ESE of the Gray Lead prospect. The prospect comprises polyphase hydrothermal breccia veins, from which year-2002 sampling returned “significant” values to 8.04 g/t Au, 53.70 g/t Ag, 39.70 ppm Bi, 4,210 ppm Pb and >1,000 ppm Sb; and 8.38 g/t Au, 16.10 g/t Ag, 15.35 ppm

Bi, 1,800 ppm Pb and 761 ppm Sb. Quartz vein surface exposures are up to 4 feet (1.2 m) in width and are “the likely source” of float samples immediately downslope which returned values to 3.174 opt Au (108.80 g/t Au).

Deposit Types

The Tibbs Property is located within the 110 – 70 Ma Tintina Gold Belt. This is an arcuate belt of subduction-related granitic, quartz monzonitic to dioritic intrusions extending from southwest Alaska through the Fairbanks, Alaska and Dawson City, Yukon areas, and terminating in southeast Yukon near Watson Lake, Yukon. In Alaska, the southern edge roughly follows the trace of the Denali-Farewell fault system. The belt hosts a large number of “intrusion-related” gold, silver and tungsten deposits and occurrences, many of which have been dated as late Cretaceous (70 – 65 Ma).

Intrusion-related prospects include lode vein, stringer and stockwork-style mineralized zones, gold, tungsten and base metal skarns, replacement style mineralization, and “Fort Knox”-style deposits. Exploration to date indicates the main target settings are large auriferous veins and vein stockwork-style mineralization. Veins are typically planar structures, formed when siliceous metal-rich fluids pass through an open area, such as a fault zone. Silica is gradually emplaced from vein margins to the centre; specific fluid pulses may result in metal-rich layers, including precious metal-rich layers, within the vein. Stringer and stockwork zones occur when metal-rich siliceous fluids pass through brecciated or strongly fractured areas, most typically fault zones, within the host rock. Vein deposits tend to be high grade and of small tonnage; stringer and stockwork deposits tend to be of lower grade but higher tonnage, due to incorporation of unmineralized country rock.

Gold +/- silver vein-hosted mineralization is typically associated with a suite of “pathfinder elements”, particularly arsenic, lesser antimony, mercury; and, if proximal to the intrusion, bismuth. Arsenic is a particularly strong indicator of gold, as this element tends to precipitate from solution at the same temperature and pressure as gold.

Flanders (2010) has developed an intrusion-related deposit setting model, whereby metal and CO₂-bearing hydromagmatic and hydrothermal fluids, combined with “volatile” gases fractionate during final stages of intrusive formation from a I-series melt. In this case the resulting intrusive rocks would be the Black Mountain granodiorites. Two distinct metallogenic subsystems may form from the same original melt, depending on the rate of fluid ascent and the level within the crust the hydrothermal fluids attain. Within deeper, higher-pressure settings, gold may precipitate at temperatures from 400 °C to 600 °C and low sulphur fugacities, indicating a lesser presence of “volatiles” or gases. These systems are characterized by an elevated Au-Bi-Te-W-As metallogenic signature, and show isotopic, trace element and fluid inclusion characteristics of almost exclusively hydromagmatic fluids. These assemblages tend to form in more proximal settings to source intrusions. However, within higher-level, lower pressure settings, mineralization forms at temperatures from 250 °C to 400 °C, with an Au-Ag-As-Cu-Sb-Hg-Pb-Zn metallogenic signature.

At the Tibbs Property, this bimodal setting is indicated from fluid inclusion studies on vein mineralization within the Gray Lead and Blue Lead prospects. Vein samples from Gray Lead were deposited at temperatures ranging from 50 °C to 100 °C higher than those from the Blue Lead. Fluid inclusions from the latter are also significantly larger and more methane enriched. This suggests that gold-rich, volatile-poor fluids that formed the Gray Lead vein at depth with an Au-Bi-As-Te assemblage became mixed with volatile-rich, gold-poor fluids forming the Blue Lead vein with the Au-As-Sb assemblage. The Blue Lead, Michigan, Grizzly Bear, Upper and Lower Trench and O’Reely prospects all share the low temperature-pressure Au-As-Sb assemblage.

Current Exploration

2017 Program

Following acquisition of the property in 2017, Tectonic conducted a field program comprising rock and soil sampling from August 15 to September 5, 2017. A crew of 2 geologists and 4 soil samplers collected 198 rock grab samples and 514 soil samples, 289 by shovel and 225 by gasoline-powered ice auger, out of 976 possible sites. The program was based from camps at the Gray Lead and Grizzly Bear ridges respectively, targeting the Gray Lead, Johnson Saddle and Grizzly Bear prospects. The soil grid extends northeast from the Gray Lead to the Grizzly Bear Ridge area and covers much of the Michigan and Blue Lead prospects. Although the grid is continuous, breaks in the sampled areas caused by permafrost, talus, or rubbly ground cover allow it to be regarded as three segments: the Gray Lead/Connector, Johnson Saddle and Grizzly Bear/ Michigan segments.

By 2017, Tectonic established that these occur along a prominent NE-SW trending lineament, roughly separating Devonian biotite gneiss to the northwest from Black Mountain intrusion granodiorite to the southeast. Johnson Saddle is underlain by

augen gneiss, whereas the Gray Lead and Grizzly Bear saddles are mainly underlain by fine grained biotite-feldspar-quartz gneiss. Bedrock exposure is rare, and most rock sampling is of float located within the saddles or in talus slopes.

Gray Lead Prospect

At the Gray Lead prospect, milky white quartz float boulders are abundant, although bedrock exposure is rare. Quartz occurs as concordant veining within the gneiss, and as 2-10 cm-wide veins in granodiorite boulders. A total of 46 rock samples were taken from the Gray Lead prospect, with values ranging from <0.005 g/t Au to 43.5 g/t Au.

A total of 73 soil samples were taken at the Gray Lead prospect, returning values from <0.005 g/t Au to 0.332 g/t Au. Of these, 20 were taken by shovel and 53 by gasoline-powered auger. The majority of samples returned values less than 0.050 g/t Au, although one sample grading 0.073 g/t Au is located near the site of subsequently discovered high grade quartz veining.

Connector Prospect

At the Connector prospect, a total of 22 rocks were collected, returning values from <0.005 g/t Au to 70.3 g/t Au. A total of 42 soil samples, 15 by shovel and 27 by auger, were taken, returning values from <0.005 g/t Au to 0.318 g/t Au. The survey revealed an area of anomalous gold values, including the peak value of 0.318 g/t Au, towards the southern margin.

Johnson Saddle

Grid soil sampling across the Johnson Saddle area revealed an arcuate soil anomaly, the axis of which became the target for follow-up trenching in 2018. The 2017 program returned several values exceeding 100 ppb Au in an area where previous shovel sampling returned low to background values. Tectonic interpreted the projected intersections of the Gray Lead and Connector linears as occurring in the area of anomalous gold-in-soil geochemical values.

A total of 32 rock samples were taken at the Johnson Saddle prospect, returning values from <0.005 to 0.255 g/t Au. A total of 150 soil samples were collected, 53 by shovel and 97 by auger, returning values from <0.005 g/t Au to 0.271 g/t Au.

Michigan Prospect

A total of 75 rock samples were taken from the Michigan prospect area, assays ranged from <0.005 g/t Au to 86.8 g/t Au. A total of 224 soil samples were taken, 197 by shovel and 27 by auger, returning values from <0.005 g/t Au to 0.159 g/t Au. The survey revealed a cluster of samples returning values >0.100 g/t Au from the site of trenching and blast pitting by the Stone Boy JV. Another cluster of values exceeding 0.050 g/t Au occurs somewhat south of the Grizzly Bear workings.

Wolverine Prospect

A total of 5 rock samples were taken from the Wolverine prospect, all of which returned <0.005 g/t Au. A total of 25 soil samples, 4 by shovel and 21 by auger, were collected from the Wolverine target area in 2017, returning values from <0.005 g/t Au to 1.385 g/t Au, including 8 values exceeding 0.100 g/t Au.

Other Prospects

Two rock samples were taken from the O'Reely prospect area, southeast of the Connector prospect. These samples returned values of 0.007 g/t Au and 0.858 g/t Au respectively. A total of 7 samples were taken from an area north of the O'Reely target and southeast of the Johnson Saddle target. These returned values from 0.007 g/t Au to 49.5 g/t Au.

2018 Program

The 2018 program by Tectonic comprised a Phase I program conducted in June, involved geological mapping, prospecting of new ground acquired in the spring of 2018, rock sampling, limited soil sampling at the Michigan prospect and a 1,266-metre CanDig trenching program. Also, in spring 2018, a 605 line-km Dighem V aeromagnetic and electromagnetic survey was flown across the property. The Phase II program, conducted in September, comprised CanDig trenching at the Michigan prospect and soil sampling at the Wolverine prospect. Field work on both phases was done by Avalon with infield supervision provided by Tectonic.

Airborne Geophysical Survey

The 605 line-km helicopter-supported Dighem survey was completed across the Tibbs Property by CGG Canada Services Ltd. of Mississauga, Ontario. The survey comprised a RESOLVE high precision electromagnetic (EM) system, which transmitted and recorded data with 5 differently tuned coil sets (Dighem V). The survey line spacing was 100 m, with a tie line spacing of 1,000 m. The flight speed was 30 m per second, and the flying height was 35 m.

The CGG field report includes several plots: a flight line plot, a Residual Magnetic Intensity plot, a Calculated Vertical Magnetic Gradient plot, and plots for Apparent Resistivity for each of 56kHz, 7200 Hz and 900 Hz coils.

The residual Magnetic Field and Calculated Vertical Magnetic Gradient plots reveal an arcuate magnetic high feature centered on an axis of N015° E (Figure 3). The Grizzly Bear and Michigan prospects occur along the eastern boundary of this feature. Within this major feature, several NNE trending magnetic linears can be discerned, one of which extends NNE from the Grey Lead to the Connector prospects. A second linear extending northward from the Connector intersects the former at the Johnson Saddle prospect, supporting Tectonic's hypothesis that the Johnson Saddle prospect covers an intersection area of significant structural features. The Blue Lead prospect occurs along an interpreted arcuate magnetic high feature and is also along strike of a linear extending northeast of the O'Reely prospect.

The plot of apparent resistivity from the 56 kHz coils reveals a similar orientation of NE-SW trending conductors. Two conductive features intersect at the Johnson Saddle area and are roughly coincident with the aforementioned magnetic high linears. However, the NE-SW trending linear does not extend to the Grey Lead prospect area. The eastern arcuate feature is less pronounced and may be partially interpreted as another NE-SW trending linear. A broadly arcuate intermittent conductive feature can be interpreted as extending southeast from the Wolverine through the Michigan, Grizzly Bear and Blue Lead prospects. With the exception of the Blue Lead, all appear along intersections of this feature with NE-SW trending conductors.

A large conductive feature extending at N010° E represents the Tibbs Creek valley. Several WNW trending conductive features in the central survey area mark right tributaries of Tibbs Creek. The eastern part of the conductive feature extending northeast from the Grizzly Bear marks the upper extent of Summit Creek.

2018 Field Program, Phase 1

The Phase 1 program comprised geological mapping and surface rock sampling across all targets explored in 2018, a limited soil sampling program near the Michigan prospect, and trench sampling comprising 1,266 m utilizing a CanDig excavator on the Gray Lead, Hilltop/Oscar, Connector and Johnson Saddle prospects. A total of 375 rock grab and trench samples were taken, focusing on detailed sampling and geologic mapping in areas explored by the CanDig trenching. A total of 44 soil and rock samples were taken at the Michigan prospect as a training exercise for new soil sampling crews.

Personnel employed by Avalon mobilized on to site from June 3 - 5, 2018. Trenching commenced on June 7, and Phase I was completed on July 4.

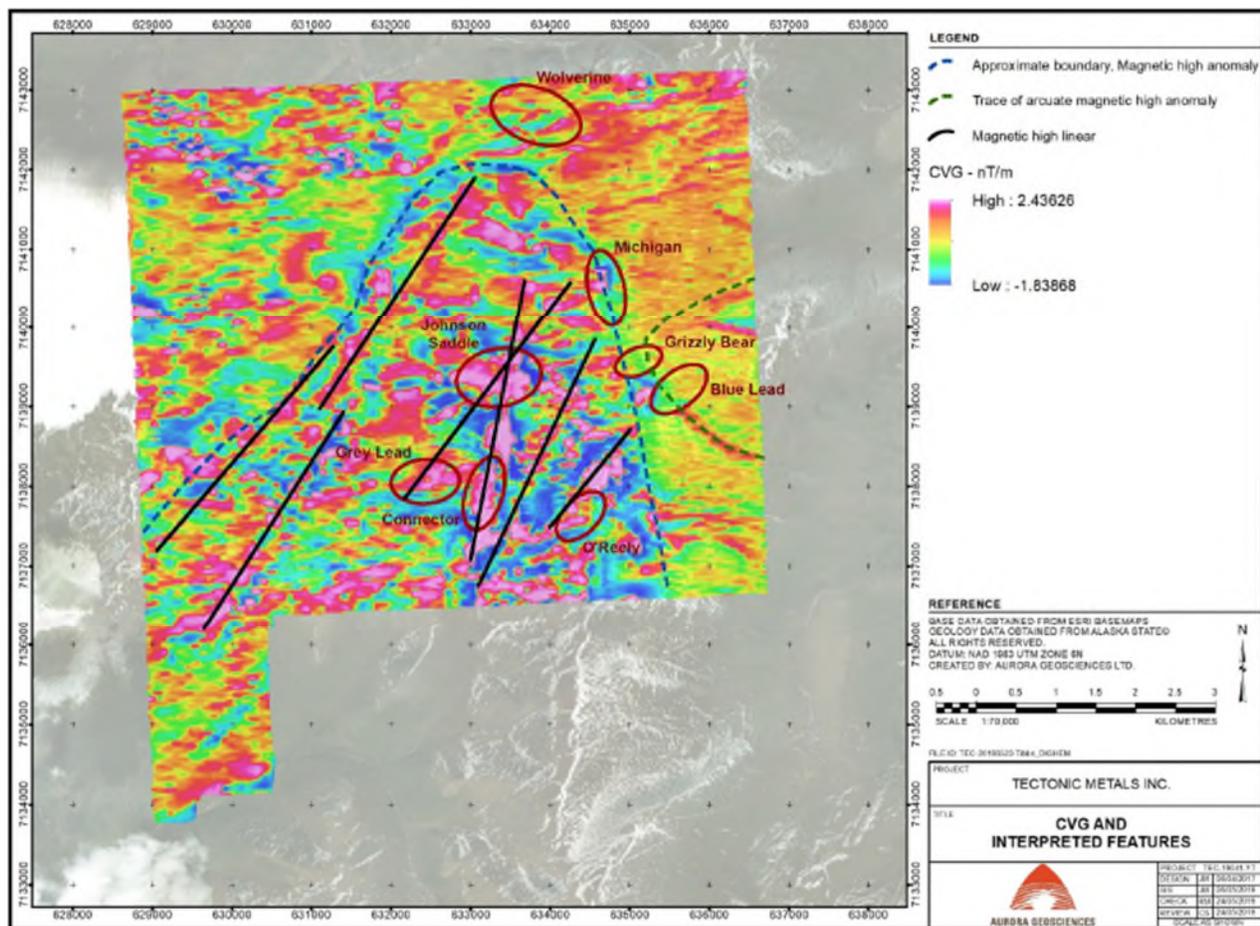


Figure 3: Calculated Vertical Magnetic Gradient

Gray Lead Prospect - One trench, Trench GL 18-01 oriented NW-SE, was excavated at the Gray Lead prospect, and designated as GL18-01A, west of an old wooden platform, and GL18-01C, east of it. A small offset portion, GL 18-01B, was excavated directly to the north to access the extension of the portion covered by the pad. Trench sampling values ranged from <0.005 g/t Au to 77.3 g/t Au. A total of 32 rock grab samples were taken from the Gray Lead area, returning values from <0.005 g/t Au to 77.3 g/t Au.

Hilltop/Oscar Prospect - Two short trenches, Trenches OV18-01 and OV18-02 were excavated for a total of 67 m. Assaying returned values ranging from <0.005 g/t Au to 0.041 g/t Au across 5 m. A total of 19 rock samples were taken from the Oscar prospect, returning values from <0.005 g/t Au to 53.2 g/t Au.

Connector Prospect - Three trenches, oriented WNW-ESE, were excavated across the Connector saddle for a total of 602 m. Sampling along Trench CN18-01, with a length of 212 m, returned values ranging from <0.005 g/t Au to 4.513 g/t Au across 0.3 m. Trench CN18-02, with a length of 102.3 m including a 13-metre section remaining unexcavated due to permafrost, returned values from <0.005 g/t Au to 0.443 g/t Au across 4 m. Sampling along Trench CN18-03, with a length of 287.7 m, returned values ranging from <0.005 g/t Au to 3.052 g/t Au across 2.5 m. Re-sampling of material from 182 – 188m returned a value of 8.088 g/t Au across 6m. A total of 95 rock samples were taken in the Connector prospect area, returning values from <0.005 g/t Au to 35.2 g/t Au.

Johnson Saddle Prospect - In 2018, four trenches totaling 461 m were excavated at the Johnson Saddle prospect. Sampling along Trench JS18-01, with a length of 198 m, returned values ranging from <0.005 g/t Au to 0.045 g/t Au. A total of 31 rock samples were taken from the Johnson Saddle area, returning values from <0.005 g/t Au to 1.69 g/t Au. Trench sampling returned values from 0.012 g/t Au across 2 m to 1.057 g/t Au across 14 m, including a sub-interval of 3.257 g/t Au across 2 m.

Michigan Prospect - A small C-horizon soil sampling program comprising 44 samples was also conducted across newly staked claims in the Summit Creek drainage directly east of the Michigan prospect. Weakly anomalous values to 35 ppb Au were returned from the southern half of the grid, although the majority of samples returned <25 ppb Au.

Blue Lead and Blue Lead Extension Prospects - A total of 25 rock samples were collected from the Blue Lead prospect, returning values from <0.005 g/t Au to 13.2 g/t Au. Two of these samples were taken from the Blue Lead East prospect, returning values from <0.005 g/t Au to 0.013 g/t Au.

Other Targets - In 2018, a total of 13 rock samples were taken from the Galosh prospect, roughly 1.2 km WNW of the Michigan prospect. Rock sample values ranged from <0.005 g/t Au to 0.041 g/t Au. Several traverses were done along the “Cool Boys Ridge” south of the Gray Lead prospect, as well as along a ridge to the west of Tibbs Creek. Both target areas are underlain by Devonian augen gneiss, hosting abundant metamorphic quartz vein “sweats”. Gold values were low to background, ranging from <0.005 g/t Au to 0.072 g/t Au. Several other targets were also investigated, but rock sampling returned low to background gold values. Two exceptions are “Target 4” somewhat west of the Grizzly Bear workings, where sampling returned values from 0.087 g/t Au to 1.200 g/t Au; and 0.159 g/t Au from Target 7, in the Blue Lead prospect area.

2018 Field Program, Phase II

A Phase II program was conducted from September 8 to 15, 2018, and focused mainly on CanDig trenching on the Michigan prospect and grid soil sampling on the Wolverine prospect. Mobilization began on September 7, 2018, and the crew comprised 1 Avalon project geologist, 3 Avalon field geologists, a helicopter pilot, and 3 Tectonic geologists.

Michigan Prospect - The Phase II trenching program comprised a total of 4 trenches for 123 m on the Michigan prospect, targeting the surface projection of the anomalous intercept returned from the final 25 feet of DDH ROB1102. Trench MI18-01, with a length of 51.5 m, returned values ranging from <0.005 g/t Au to 5.429 g/t Au across 2 m. A grab sample from the 22-metre mark returned a value of 43.8 g/t Au. Trench MI18-02, with a length of 8 m, was a deeper re-excavation of a historic trench. Sampling returned a value of 1.013 g/t Au across the entire 8 m. Values ranged from 0.078 g/t Au across 2 m to 2.098 g/t Au across 2 m. Trench MI18-03 was excavated 50 m northeast of trench MI18-01. Sampling returned values ranging from <0.005 g/t Au to 11.5 g/t Au across 3.3 m. Grab sampling of boulders of quartz-veined granodiorite with stibnite and arsenopyrite along the trench returned values from <0.005 g/t Au to 26.6 g/t Au. Trench MI18-04 was excavated more than 300 m northeast of Trench MI18-03. Values ranged from <0.005 g/t Au to 0.256 g/t Au across 4 m.

A total of 26 rock samples were taken during Phase II, including grab samples from the 2018 trench, which are distinct from the trench samples taken over width. These samples returned values from 0.009 g/t Au to 43.8 g/t Au. Two other samples taken from old workings returned values of 1.318 g/t Au and 172.3 g/t Au.

Connector Prospect - During Phase II, two days were spent deepening sections of the Phase I trenching by hand, which was feasible due to further thawing of the permafrost. This work increased the exposure of a section of orange, carbonate-altered fault gouge in Trench CN18-03, from which resampling returned 8.088 g/t Au across 6 m. A total of 14 samples were collected from trench re-sampling of the Connector prospect. Resampling of Trench CN18-01 returned values from <0.005 g/t Au to 0.685 g/t Au; re-sampling of Trench CN18-02 returned values from <0.005 g/t Au to 0.024 g/t Au, although a separate grab sample returned a value of 33.6 g/t Au.

Johnson Saddle Prospect - In the September Phase II program, an additional 7 rock samples were collected, including 5 from resampling of Trench JS18-02. Trench re-sampling returned values from <0.005 g/t Au to 5.9 g/t Au, including a separate value of 4.601 g/t Au. The other two grab samples returned values of 0.006 g/t Au and 0.007 g/t Au.

Blue Lead and Blue Lead Extension Prospects - During Phase II a total of 9 samples were collected from the Blue Lead prospect, returning values from <0.005 g/t Au to 1.929 g/t Au. Also, 11 samples were taken from the Blue Lead Extension prospect, returning values from 0.006 g/t Au to 76.4 g/t Au; the latter from quartz-arsenopyrite-stibnite vein material.

Wolverine Prospect - The Wolverine prospect was the target for another mechanized auger soil geochemical survey, to follow up on a widespread, high-tenor gold geochemical anomaly with multiple values exceeding 200 ppb Au to a maximum of 1,360 ppb Au. A total of 9 samples returned values exceeding 100 ppb Au, to a maximum of 278 ppb. These results include a cluster

of high gold values in an area of flat terrain, interpreted by Tectonic to be controlled by NE-SW trending structures visible in air photos and interpreted from airborne geophysical surveying.

A total of 20 rock samples were taken from the Wolverine prospect area, returning values ranging from <0.005 g/t Au to 0.100 g/t Au.

Other Targets - Two samples were collected from the Grizzly Bear area. One, of a quartz-arsenopyrite-stibnite vein in granodiorite, returned a value of 0.531 g/t Au. The other, of unmineralized quartz vein material, returned 0.009 g/t Au.

2019 Due-Diligence Visit

On May 7 and 9, 2019, a due-diligence style visit was conducted by Carl Schulze of Aurora Geosciences Ltd., accompanied by Tectonic Chief Geoscientist, Grant Lockhart, and Senior Geologist, Riley Millington. The visit focused on resampling of the 2018 trenching work, and of a historic blast pit at the Michigan prospect where sampling by Tectonic in 2018 returned 172.3 g/t Au, and sampling by earlier workers returned values to 988.459 g/t Au. One select composite grab sample, #1465510, taken from Trench MI18-01 at the location of sample #564824, returned a value of 1.270 g/t Au. Sample #1465511, a composite grab taken from the blast pit, returned 226.9 g/t Au. The visit confirmed earlier observations on the fabric of mineralization, which is of quartz ± stibnite ± arsenopyrite veining within silicified and phyllically (sericite) altered granodiorite.

On May 9, Messrs. Schulze and Lockhart visited the Gray Lead and Connector prospects. At the Gray Lead, old workings were inspected and a single composite grab sample, #1465512, of the old “headings” pile, was collected. This sample returned a value of 0.624 g/t Au. Two composite grab samples were taken from Trench GL18-01 and one from Trench GL18-01B (the portion offset about 5 m to the north). Sample #1465513, from Trench GL18-01A at the site of 2018 sample #3186009 which returned 87.9 g/t Au, assayed 255.8 g/t Au. Sample #1465514, a grab sample taken from Trench GL18-01A at the site of Sample #3186012 which returned 3.782 g/t Au, assayed 317.2 g/t Au. Sample #1465515, collected from the offset Trench GL18-01C, returned 51.3 g/t Au. The visit also confirmed 2018 sample descriptions of quartz-arsenopyrite veining within biotite gneiss.

At the connector prospect, sampling of Trench CN18-01 at the site of Sample #3186199 which assayed 1.318 g/t Au, returned a value of 1.192 g/t Au (Sample #1465516). The sample location is the same as a grab sample, Sample #521927, which graded 9.51 g/t Au. A proximal float sample, #1465517, a re-sample of Sample #521957 between trenches CN18-01 and CN18-03, returned a value of 0.121 g/t Au. The visit also confirmed earlier observations that veining is hosted by moderately silicified ankeritic granodiorite.

Results of the 2019 visit confirmed the significant variance in pathfinder element geochemistry between the Gray Lead, Connector and Michigan prospects. The Gray Lead has a pronounced Au-As-Bi-Te-W geochemical assemblage, which contrasts sharply with the Au-As-Sb assemblage at the Michigan prospect. Values of Sb are strongly anomalous at both prospects, but considerably more so at Michigan. Samples from the Connector prospect are roughly intermediate, with a moderate As-Sb- Bi-Te signature.

Drilling

In 2019, 20 Rotary Air Blast (RAB) boreholes for 2,184 m were completed on the Tibbs Property. Drilling took place between August and September, was contracted to Ground Truth Americas Inc. and completed with a single Ground Truth (GT) RAB drill rig. The GT RAB drill is a rubber tracked drill platform controlled by wireless remote control with a hydraulic tilting mast assembly and rotary drill head. The GT RAB drill delivers compressed air through the centre of 66.6 mm drill rods to activate the drill bit, recovers powdered rock chips from the cutting face and returns sample along the outside of the rods to a conventional cyclone. Borehole diameter was typically 92 mm. The drill rig either drove from site to site or was moved with the aid of a helicopter.

The purpose of the 2019 drilling program was to investigate gold mineralization observed in trench, rock grab, and gold-in-soil anomalies at 9 targets: Michigan (4 boreholes), Connector (3 boreholes), Connector North (1 borehole), Argent (1 borehole), Johnson Saddle (1 borehole), Gray Lead (4 boreholes), Oscar/Hilltop (1 borehole), Upper Trench (2 boreholes), and Blue Lead (3 boreholes). Boreholes ranged in depth from 60 – 201 m, with an average hole depth of 109 m.

Borehole locations were planned and marked by Tectonic geologists using a handheld GPS. A compass was used to determine borehole azimuth and inclination. Following the arrival of the drill at the drill site a geologist would then confirm drill alignment

and inclination with the compass. Following completion of a drill hole, either by reaching target depth or termination due to poor ground conditions, the collar location was identified using a “differential global position system” (DGPS). The DGPS determines an average point location, refining the location to within 1 m. No downhole surveys were completed due to the short hole lengths.

RAB chips were logged on site by a Ground Truth Americas Inc. geologist before being transported by helicopter to the field camp at the Michigan prospect. Samples were then analyzed by XRF prior to being shipped to the Bureau Veritas facility in Fairbanks for preparation. The XRF analysis was undertaken in an attempt to establish a future relationship between in-field XRF results and Fire Assay data to determine the XRF’s effectiveness and reliability in future exploration programs. Due to the early-stage nature of the Tibbs Property, no relationship between XRF data and drill assay data has been established. As data was collected in-field and not at an accredited laboratory, no standardized methodology was employed, and no Quality Control procedures could be implemented. For the reasons mentioned above, the author of the Tibbs Technical Report has determined the XRF data to be unreliable and not significant at this time. See “*Tibbs Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*” for further discussion. The physical characteristics of the RAB boreholes are presented in Table 1 below.

Due to the open-hole nature of RAB drilling and return of rock chip and powder samples, the method does not provide the same level of geological and structural information as does diamond drilling. Accordingly, RAB drilling is used as an early to intermediate stage exploration tool and results cannot be used for the purposes of NI 43-101 mineral resource estimates.

Table 1: RAB drill hole collar data

Borehole ID	Easting (metre)	Northing (metre)	Elevation (metre)	Length (metre)	Azimuth (degree)	Dip (degree)	Prospect	Sample Intervals
TBRB19-001	635345	7140479	1182	100.58	135	55	Michigan	0 - 100.58 m
TBRB19-002	635345	7140481	1182	100.58	135	70	Michigan	0 - 100.58 m
TBRB19-003	635309	7140515	1179	161.54	135	55	Michigan	0 - 161.54 m
TBRB19-004	635278	7140547	1179	167.64	135	60	Michigan	0 - 167.64 m
TBRB19-005	633083	7137936	1228	100.58	110	55	Connector	0 - 100.58 m
TBRB19-006	633045	7137844	1219	103.63	108	55	Connector	0 - 103.63 m
TBRB19-007	633079	7137942	1229	121.92	110	60	Connector	0 - 121.92 m
TBRB19-008	633177	7137696	1242	103.63	110	55	Argent	0 - 103.63 m
TBRB19-009	633250	7138219	1158	97.54	290	55	Connector North	0 - 97.54 m
TBRB19-010	633506	7139190	1147	71.63	135	65	Johnson Saddle	0 - 71.63 m
TBRB19-011	632670	7138301	1219	100.58	100	55	Gray Lead	0 - 100.58 m
TBRB19-012	632720	7138295	1212	105.16	100	50	Gray Lead	0 - 105.16 m
TBRB19-013	632879	7138362	1190	201.17	110	55	Oscar/Hilltop	0 - 201.17 m
TBRB19-014	632750	7138355	1190	96.01	100	55	Gray Lead	0 - 96.01 m
TBRB19-015	632574	7138267	1240	156.97	100	75	Gray Lead	0 - 156.97 m
TBRB19-016	634633	7141761	1119	88.39	100	55	Upper Trench	0 - 88.39 m
TBRB19-017	634633	7141761	1119	94.49	100	70	Upper Trench	0 - 94.49 m
TBRB19-018	634919	7139663	1294	62.48	340	55	Blue Lead	0 - 62.48 m
TBRB19-019	635041	7139721	1285	60.96	360	55	Blue Lead	0 - 60.96 m
TBRB19-020	635183	7139746	1284	88.39	360	70	Blue Lead	0 - 88.39 m

Note: NAD83, Zone 07W

At the Tibbs Property, the entire drill hole was sampled from collar to end-of-hole, on 5-foot (1.52 m) intervals as governed by the length of each RAB drill rod.

Table 2 below summarizes the results of the 2019 RAB drilling program at the Tibbs Property.

Table 2: Assay composites

Prospect	Drill Hole	From (m)	To (m)	Width (m) ⁽¹⁾	Weighted Average grade (g/t Au)	
Michigan	TBRB19-001	19.81	21.34	1.53	7.29	
		36.58	38.10	1.52	3.99	
		47.24	48.77	1.53	0.53	
		88.39	91.44	3.05	0.28	
	TBRB19-002	7.62	9.14	1.52	0.49	
		28.96	32.00	3.04	6.05	
		<i>including</i>	<i>28.96</i>	<i>30.48</i>	<i>1.52</i>	<i>12.1</i>
		57.91	60.96	3.05	0.27	
		92.96	94.49	1.53	0.33	
	TBRB19-003	3.05	4.57	1.52	0.335	
		7.62	15.24	7.62	0.74	
		18.29	47.24	28.95	6.03	
		<i>including</i>	<i>18.29</i>	<i>22.86</i>	<i>4.57</i>	<i>12.3</i>
		<i>and</i>	<i>35.05</i>	<i>38.10</i>	<i>3.05</i>	<i>9.25</i>
		<i>and</i>	<i>41.15</i>	<i>42.67</i>	<i>1.52</i>	<i>14.3</i>
		<i>and</i>	<i>45.72</i>	<i>47.24</i>	<i>1.52</i>	<i>35.2</i>
		70.10	74.68	4.58	0.28	
		83.82	88.39	4.57	2.27	
		94.49	96.01	1.52	0.41	
		99.06	106.68	7.62	0.21	
		112.78	121.92	9.14	0.7	
		126.49	128.02	1.53	1.66	
		137.16	138.68	1.52	0.42	
		141.73	146.30	4.57	0.36	
	150.88	153.92	3.04	0.55		
	TBRB19-004	68.58	70.10	1.52	0.29	
		86.87	92.96	6.09	0.39	
		96.01	100.58	4.57	1.41	
		105.16	108.20	3.04	0.43	
		117.35	120.40	3.05	0.31	
		123.44	126.49	3.05	0.60	
		129.54	132.59	3.05	0.29	
		140.21	141.73	1.52	0.25	
166.12		167.64	1.52	0.22		
Connector	TBRB19-005	NSV				
	TBRB19-006	22.86	24.38	1.52	0.25	

		27.43	28.96	1.53	0.34
	TBRB19-007	6.10	7.62	1.52	1.26
		99.06	100.58	1.52	0.22
Argent	TBRB19-008	48.77	50.29	1.52	0.22
		57.91	59.44	1.53	0.27
		83.82	85.34	1.52	0.56
		89.92	91.44	1.52	0.33
		94.49	99.06	4.57	0.35
Connector North	TBRB19-009	NSV			
Johnson Saddle	TBRB19-010	NSV			
Gray Lead	TBRB19-011	13.72	15.24	1.52	0.21
		16.76	18.29	1.53	1.62
		82.30	83.82	1.52	0.32
	TBRB19-012	25.91	27.43	1.52	0.26
		30.48	32.00	1.52	0.62
Hilltop/Oscar	TBRB19-013 <i>including</i>	45.72	51.82	6.1	2.35
		47.24	48.77	1.53	8.01
		132.59	134.11	1.52	0.59
		146.30	147.83	1.53	0.33
		175.26	176.78	1.52	0.23
Gray Lead	TBRB19-014	3.05	4.57	1.52	0.66
		10.67	12.19	1.52	0.63
	TBRB19-015	10.67	12.19	1.52	0.22
		131.06	132.59	1.53	0.24
Upper Trench	TBRB19-016	39.62	51.82	12.2	0.51
	TBRB19-017	48.77	50.29	1.52	0.36
		68.58	70.10	1.52	0.34
Blue Lead	TBRB19-018	NSV			
	TBRB19-019	NSV			
	TBRB19-020	32.00	33.53	1.53	0.33

Notes:

(1) Interpretation of the results is ongoing and there is not currently enough information to estimate true thickness of the mineralized zones.

The above assay results in Table 2 have been reviewed and approved by Eric Buitenhuis, M.Sc., P.Geo., the Company's Vice President of Exploration who is a "qualified person" for the purposes of NI 43-101.

Quality Assurance / Quality Control

Quality assurance and quality control procedures included the systematic insertion of blanks and standards into the drill sample string at a rate of approximately 1/10 (10%). In addition, field duplicate samples were systematically collected at a rate of 3 duplicates per 100 samples. Samples were placed in sealed bags and shipped directly to the Bureau Veritas Laboratories preparation facility in Fairbanks, Alaska. Any standards or blanks which returned values outside of two standard deviations (2SD) of certified values were reviewed, and re-assaying was conducted if necessary. See "*Tibbs Property – Sample Preparation, Analysis and Security – Quality Assurance and Quality Control – Quality Control, 2019 RAB Drilling*".

Sampling Method and Approach

The March 25, 2010 report by R. Flanders for Freegold Recovery Inc. USA (“**Freegold Recovery**”) titled “Executive Summary report for the Rob Gold Property, Goodpaster Mining District, Alaska” (the “**Rob Gold Property Report**”), stated the author had no available information on sample preparation, analysis and security protocol prior to 2002. Flanders describes protocol employed during 2002 through 2008, focusing mainly on analytical techniques rather than chain of custody protocol.

The author of the Tibbs Technical Report cannot comment on the validity of QA/QC practices for geochemical sampling prior to 2017. The author cannot confirm the level of sample preparation, analysis and security protocol, or QA/QC protocol, other than the aforementioned methodology described by Flanders above. The author also cannot comment on whether QA/QC controls conformed to industry best practices at the time.

Rock Sampling

Tectonic Rock Sampling, 2017

All personnel in 2017 were employed either by Tectonic or Avalon. Rock samples were described in the field, with the location recorded in hand-held GPS units in UTM Datum NAD 83, Zone 6W. The samples were categorized based on their provenance: float, outcrop, or trench grab samples, and were described by lithology alteration, and mineralization. Rock samples were characterized as float when not specifically sampled from outcrop, and were collected whenever metallic mineralization, quartz veining, or diagnostic alteration were observed. Trench grab samples were selected from within prospective intervals of mineralization or alteration noted within larger trench channel samples.

Rock samples were placed into cloth sample bags which were labelled, provided with a unique sample ID and assay tag, and the strings tied for shipment. Samples were placed either in rice bags with the sample numbers written on the bag, and also sealed with a cable tie, or in sealed “Super Sacks” closed with wire ties. All samples were flown from the property by helicopter to Delta Junction, Alaska, then transported by road to Fairbanks, Alaska. All samples remained in the custody of the field personnel (Avalon and/or Tectonic) and were transported by Avalon’s expeditor either to secure facilities at the Avalon warehouse or submitted directly to the prep lab of ALS Global Ltd. laboratory in Fairbanks, Alaska, USA. ALS Global Laboratories is an analytical laboratory with ISO 9001:2015 and ISO/IEC 17025:2017 certification. ALS Global Laboratories is independent of Tectonic, Avalon, Aurora Geosciences Ltd. and the author.

Tectonic Rock Sampling, 2018

The sample collection methodology, transportation and security in 2018 were the same as for 2017, again, done either by Tectonic or Avalon personnel. However, samples were submitted to the Bureau Veritas prep lab in Fairbanks, rather than the ALS Global prep lab. Bureau Veritas Commodities is an analytical laboratory with ISO 14001 environmental certification and ISO 45001 certification for safety. Bureau Veritas is independent of Avalon, Aurora Geosciences Ltd. and the author.

Tectonic Trench Sampling, 2018

Trenching was accomplished by CanDig excavators. Trenches were dug as deep as possible, in attempt to reach bedrock, although permafrost commonly limited depths to less than 0.5 m. Overburden was placed on the left side of the trench, and material from the bedrock-overburden interface was placed on the right side, directly beside where it was removed from.

Trenches were mapped either from west to east, or from north to south, depending on orientation. Sample intervals were 5 m where unaltered and unmineralized material was encountered, and shortened where changes in lithology, alteration or mineralization were encountered, to a minimum length of 1.0 m. “Shoulder samples”, typically 2 m in length, were taken adjacent to mineralized zones. A rock sample bag was placed at the start of each interval; care was taken to ensure these were in sequence. A profile of trench samples was drawn in large “Rite in the Rain” trench mapping books.

For each sample, rock chips were extracted from the bottom of the trench, with equal representation across the entire interval. A representative sample was taken for each interval. The sample sequence was checked to ensure accuracy, and a photograph that included the sample bag and sample number was taken of each interval. “High-grading” of mineralized portions was avoided

in the main sample, although separate grab samples of mineralized or altered material were taken, utilizing a separate sample sequence.

The lithology, alteration and mineralization for each sample were recorded in the field. The detail of logging was governed by quality of excavation, with well exposed sections potentially logged at intervals of <0.5 m, and more poorly excavated sections logged at intervals of 0.5 – 1.0 m. All changes, including subtle changes in lithology or alteration were also recorded. All pages within the log notebook were scanned and recorded on field computers in camp.

Samples also typically but not always underwent XRF/Niton analysis (see “*Tibbs Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”). For each sample interval, the most prospective rock, containing the strongest and/or obvious mineralization, was removed to reduce potential for bias. A single spot of the remaining material was analyzed, and the sample was then returned to the bag and sealed for shipment. The resulting XRF data was downloaded and saved on the field computer nightly.

The chain of custody to Bureau Veritas was identical to that for rock samples.

2017 and 2018 Soil Sampling

Soil samples were collected by two-person crews employed by Avalon, utilizing gasoline-powered ice augers capable of reaching depths of up to eight feet (2.4 m). Many 2017 samples were also taken by shovel where favourable soil conditions were encountered. In either case, sampling crews targeted the soil ‘C’ horizon to most closely approximate bedrock values. Samples collected by auger were placed on clean mats to ensure sufficient soil material was collected; sample size was approximately 600 grams. While collecting the soil samples, representative rock fragments from the ‘C’ horizon were also collected and reserved as a lithologic record to form a bedrock geologic map of the sampled area. Soil samples were collected in breathable cloth sample bags and dried before shipment to the laboratory.

Parameters recorded comprise UTM co-ordinates (NAD 83, Zone 6W) including elevation, sample depth, colour, moisture, lithology, texture, and condition of the site at surface were recorded. Samples were typically but not always analyzed with a Niton hand-held XRF unit prior to shipment (see “*Tibbs Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”). At locations where collecting a soil sample was impossible, (e.g. talus slopes) a rock grab sample was collected and recorded.

Soil samples collected in 2017 underwent the same chain of custody to the Fairbanks prep lab of ALS Global as 2017 rock samples. Soil samples taken in 2018 underwent the same chain of custody to the Fairbanks prep lab of Bureau Veritas as the 2018 rock samples.

2019 Due Diligence Rock Sampling

In 2019, a total of 7 rock samples were collected and analyzed from the Tibbs Property. All samples have a minimum weight of 0.25 kg and were placed in 8” x 13” clear poly bags. Each sample included a sample tag with a unique sample number placed in the bag. The corresponding sample number was also written in indelible ink on the outside of the bag. The sample bag was then wrapped tightly and bound using a “Zap Strap” cable tie. The rock samples were placed within a “rice bag”, with the sample numbers written on the outside of the bag, and sealed with a cable tie. All sample locations were recorded by using a Global Positioning System, utilizing UTM 1983 North American Datum (NAD-83), at the location of the sample. All samples were marked in the field, using a combination of blue and orange flagging tape, with the sample number written on the flagging tape and then wrapped numerous times around the sample to protect the identification of the sample. Notes on sample type, UTM locations, including elevation, sample type, sample description, geological formation, lithology, modifiers, colour, various types and intensity of alteration, types and amount of mineralization, date, sampler, and comments were recorded in a field book. These were then transferred to an Excel spreadsheet, where they were digitized with the analytical results.

The samples were transported by the Qualified Person and delivered directly to the Whitehorse, Yukon, Canada prep lab of Bureau Veritas.

RAB Drilling, 2019

The RAB drill works by channeling compressed air through 5-foot (1.52 m) single-wall drill rods to a pneumatic hammer attached to a semi-permeable bit, which acts as a jackhammer. The air forces rock chips and dust (the sample) through openings at the edge of the bit, where it then travels to surface along the sides of the rod string and is transferred from the borehole to a cyclone module by a sample hose. The sample is separated from the air in the cyclone and drops out of the bottom into a clean 5-gallon pail. Each sample comprises one 5-foot run. The sample is then tipped out of the pail into a 1:7 riffle splitter, with material to be assayed entering a 12" x 18" 8 mil clear poly sample bag, and the remaining material forming a separate tote. The sample bag is retained for analysis, while reference sample chips are sieved from a spear sample of the material in the tote and logged by the geologist directly on site into a Samsung handheld smartphone. The excess material in the tote is emptied at site for later reclamation.

Sample bags are labelled with a unique sample identification and assay tag and sealed with a cable tie for shipment to the lab. Samples were placed in rice bags with the sample numbers written on the bag and sealed with a cable tie and individually numbered yellow security tags. All samples were flown from the property by helicopter to a staging area near Delta Junction, Alaska, then transported by road directly to the Bureau Veritas prep lab in Fairbanks by Horst Expediting, Inc., or Tectonic personnel.

XRF Data Collection, 2018 and 2019

XRF data was selectively collected over exploration campaigns from 2018 to 2019 by various exploration service providers as part of a comprehensive service package. The XRF analysis was undertaken in an attempt to establish a future relationship between in-field XRF results and Fire Assay data to determine the XRF's effectiveness and reliability in future exploration programs.

No standardized methodology, calibration, nor Quality Control procedures were implemented during the collection of the XRF data. Varying models of XRF analyzers, specifications of analysis, and analytical procedures and methodologies have been employed by the differing exploration service providers rendering direct comparison difficult. Soil samples, if analyzed, may not have been consistently dried prior to analysis in the field, and rock and geoprobe samples, if analyzed, received only surficial point analysis. Due to the early-stage nature of the Tibbs Property, no relationship between XRF data and drill assay data has been established.

For the reasons mentioned above, the author of the Tibbs Technical Report believes any XRF data to be unreliable and not significant at this time.

Sample Preparation, Analysis and Security

Analytical Methods

2017 Rock Sampling

At the ALS Global Fairbanks facility, all rocks underwent coarse crushing. This was followed by fine crushing so that 70% of the sample size will pass through a 2 mm screen and then by pulverized split so that 85% would pass through a 75-micron screen. This results in 250-grams of pulverized rock, assuming sufficient available sample material. All samples underwent 30-gram fire assay analysis with an atomic absorption finish for gold, providing a detection range of 0.005 to 10 g/t Au. "Over limit" samples, exceeding 10 g/t Au, were re-analyzed by gravimetric finish. All samples also underwent four-acid digestion, then 35-element "Inductively coupled plasma atomic emission spectroscopy" analysis of a 0.5 gram split for: Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Th, Ti, Tl, U, V, W and Zn. Over limits for Ag (>100 g/t Ag) underwent re-analysis by four acid over limit analysis, providing an upper limit of 1,500 g/t.

2018 Rock and Trench Sampling

At the Bureau Veritas Fairbanks prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. "Over limit" samples, exceeding 10 g/t Au, were re-analyzed by gravimetric finish. Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia, Canada lab for four-acid digestion "Inductively Coupled Plasma Emission Spectrometer" analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2017 Soil Sampling

At the ALS Global Fairbanks facility, all soils underwent drying to 60 °C, then sieved to 180 micron (80 mesh) size. All samples underwent 30-gram fire assay analysis with an atomic absorption finish for gold, providing a detection range of 0.005 g/t Au to 10 g/t Au. All samples also underwent four-acid digestion, then 35-element “Inductively coupled plasma atomic emission spectroscopy” analysis of a 0.5 gram split for: Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Th, Ti, Tl, U, V, W and Zn.

2018 Soil Sampling

At the Fairbanks Bureau Veritas prep facility, all soils underwent drying to 60 °C, then sieved to 180 micron (80 mesh) size. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. Following this, the 0.25-gram pulps were sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 Due Diligence Rock Sampling

In May 2019, eight rock samples from the Tibbs Property were submitted as part of a shipment of 17 rock grab and composite grab samples and four Quality Control samples to the Bureau Veritas prep laboratory in Whitehorse, Yukon, Canada. At the prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. The resulting pulps were then sent to the Bureau Veritas laboratory in Vancouver, British Columbia, where a 50-gram split of each underwent analysis by fire assay followed by ICP-ES analysis. This provides an analytical range of 0.002 to 10.0 g/t Au. “Over limit” samples, exceeding 10 g/t Au, were re-analyzed by gravimetric finish. A 0.5g split of each pulp also underwent ultra-trace ICP-MS analysis following a modified aqua regia digestion (1:1:1 HNO₃:HCl:H₂O) for a 37-element suite comprising Ag, Al, As, Au, B, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, Hg, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Se, Sr, Te, Th, Ti, Tl, U, V, W and Zn.

RAB Drilling, 2019

RAB samples, comprising mainly rock chips and dust, were treated as rock samples. At the Bureau Veritas Fairbanks prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

Quality Assurance and Quality Control

Avalon and Tectonic incorporated several types of “standard” samples into the rock and soil sample streams, reflecting varying known gold grades per standard type. Standard samples were supplied by Ore Research and Exploration P/L (“**OREAS**”) of Australia, and Rocklabs Reference Materials (“**Rocklabs**”) of Auckland, New Zealand. Avalon and Tectonic also inserted blank samples of basaltic rocks taken from a local Fairbanks, Alaska quarry. Avalon has utilized the same basaltic rocks for quality control sampling for more than 20 years and can confirm samples consistently return <0.005 g/t Au. The rate of insertion was about one standard sample per 9 rock or soil samples (1 standard per 10 total samples), and about one blank sample per 50 samples, with one blank at the start of the sample sequence.

Standard samples test for the accuracy of gold geochemical analysis, whereas blank samples test for contamination, if any, within the sample stream. Individual samples falling outside of 2 standard deviations (“**2SD**”) of the known value do not necessarily indicate inaccurate values for the particular batch; however, numerous values outside of 2SD may indicate systematic inaccuracies in fire assay analysis.

2017 Rock Sampling

In 2017, Avalon utilized 9 different standard samples of varying known concentrations, focusing mainly on known values <1.0 g/t Au. All values achieved were within two standard deviations of the known values. Avalon utilized basalt from a local

Fairbanks rock quarry, the Browns Hill Quarry, as blanks for gold analysis. All six blank samples inserted into the sample stream returned <0.005 g/t Au. This indicates that gold analysis by fire assay was free of contamination.

2017 Soil Sampling

In 2017, Avalon utilized 5 different standard sample types, one from OREAS and four from Rocklabs. Several standard samples of OREAS H1 fell outside of the 2SD range. This may be explained by the very low known value of 0.012 ppm, although the 1SD value is only 0.001. There is likely to be a greater percentage deviation between known and returned values where grades only slightly above detection limits are returned. Only one other standard sample, #216210, of type OxE126 designed to test for very high gold-in-soil grades, fell outside of the 2SD range. Avalon utilized fines from basalt from a local Fairbanks rock quarry as blanks for gold analysis. All six blank samples inserted into the sample stream returned <0.005 g/t Au and <0.5 g/t Ag. This indicates that gold analysis by fire assay was free of contamination.

2018 Rock Sampling

In 2018, Avalon utilized 10 different standards of varying gold composition, 9 from OREAS and 1 from Rocklabs. Two standard samples of OREAS 214, with a certified Au value of 3.03 g/t Au, returned values outside of the lower and upper limits respectively, indicating potential for deviation of values for rock samples within their respective batches. One sample of Standard OREAS 220 returned a value significantly below the low limit of the 2SD range, indicating gold values in the respective batch may underestimate true values. Two other standard values returned, for samples of OREAS 218 and OREAS 252 respectively, were only marginally outside the 2SD limits, and do not indicate significant potential for inaccurate readings within their respective batches.

Blank samples of Browns Quarry basalt returned values of <0.005 Au, except for Sample #521900, which returned 0.027 g/t Au. Several nearby samples in the sample stream returned multi-gram gold values, indicating some potential for contamination in the respective batch.

2018 Soil Sampling

A total of 5 separate standards with varying gold content, two from OREAS and 3 from Rocklabs, were inserted into the 2018 soil geochemical sample stream. Only one, of OREAS H1, returned a value outside the 2SD range. The deviation may be due to analytical results of very low gold grades, where variance is more likely to be encountered. All four blank standards of basalt fines returned <0.005 g/t Au.

2018 Trench Sampling

A total of 11 separate standards with varying gold content, all from OREAS, were inserted into the 2018 trench geochemical sample stream. One sample of OREAS 214 returned a value below the low 2SD limit, and two of OREAS 218 returned values below the low 2SD limit. Notably, 3 samples of OREAS 220 returned values below the low STD limit, indicating a potential systematic deviation. Of 7 standard values falling outside of the 2SD range, 6 are below the low 2SD limit. One blank sample returned a value of 0.006 g/t Au; the remainder all returned <0.005 g/t Au, indicating a lack of contamination within the sample stream.

2019 Due Diligence Sampling

A total of 2 standard and 2 blank samples were inserted into the 2019 due diligence sampling stream. One standard of each of low grade and fairly high-grade gold content were inserted to test accuracy of low and high-grade values returned from the sample stream. The two blank samples were 50-gram packets of material with a certified value of <0.010 g/t Au. All samples were supplied by CDN Resource Laboratories, of Vancouver, British Columbia. Both standard samples returned values within 2SD, indicating a satisfactory level of accuracy took place in 2019. Both blanks returned values of 0.009 g/t Au, indicating a lack of contamination in the analytical procedure.

The Tibbs Property visit was done in conjunction with two other properties, involving collection of a total of 17 samples. These samples and the four QC samples were submitted as a single shipment.

Quality Control, 2019 RAB Drilling

During the 2019 RAB drilling program, QC reference material, comprising “Standard” and “Blank” samples were inserted at a rate of about 1 QC sample per 10 RAB drill samples. In addition, field duplicate samples were collected at a rate of 1 duplicate sample per 33 RAB drill samples at regular intervals. RAB field duplicates were collected by running the excess sample material in the retention tote from the original sample through the riffle splitter, thereby splitting a second sample at the drill site. The field duplicate is then prepared for shipment as part of the main sample stream.

Five types of reference materials (standard samples) were employed by Tectonic in 2019, all provided by OREAS. Standards were chosen to provide a range of gold values, from 0.531 to 6.66 g/t Au. A total of 24 standard samples of OREAS 209, 26 standard samples of OREAS 218, 16 standard samples of OREAS 220, 6 standard samples of OREAS 216, 10 standard samples of OREAS 214, and 82 blank samples of basalt from Brown’s Quarry were inserted into the sample stream.

Statement of Opinion

Quality Assurance

The rock sampling methodology is adequate for the conditions encountered, comprising grab sampling of float boulders. Grab sampling tends to return the least representative results, and commonly shows a bias towards “high grading” of the mineralized portions. However, grab sampling is likely the only option for most sample locations at the Tibbs Property, due to lack of outcrop. Composite grab sampling, involving collection of several pieces of similar material, may be possible in some locations where rubble crop or felsenmeer is encountered, and typically provide more representative gold values. Where feasible, composite grab sampling should be done. Chip sampling, involving an even amount of sampling across a known width, is recommended where mineralization occurs in situ.

The trench sampling methodology, comprising representative sampling across known widths, is also suitable for the conditions encountered. Trenching did not typically reach bedrock, requiring evenly distributed “chip-grab” sampling to be done instead. The collection of specific samples of mineralized material to test for higher grade gold values also assists understanding of the mineralogy, provided they are not confused with trench values over width. The results are likely to be as representative of true values as possible.

The routine and repetitive methodology of soil sampling in 2017 and 2018 should eliminate any chance of bias within each of the sampling methods. However, due to greater depth penetration, auger sampling tended to return higher gold values because the material sampled was taken at greater depths and is thus more representative of true values. Shovel sampling at shallow depths has a greater potential to return “false negative” values. Variability in results of soil sampling may be caused by depth of overburden, slope angle, vegetative cover, if any, and outcrop exposure, with lower values expected in flat areas with thick overburden. Soil anomalies may be transported, depending on slope and groundwater conditions; detailed records of slope, vegetation, soil conditions are used to determine probability of transportation.

The author of the Tibbs Technical Report believes that the analytical and security procedures are adequate for programs to 2018 and the May 2019 property visit for the Tibbs Property.

Quality Control (QC)

A high standard of quality control was utilized by Avalon and Tectonic during the 2017 and 2018 programs. The insertion of 22 different types of standards, with varying known concentrations, was done to determine levels of accuracy from near-background values (OREAS 200, 0.012 ppm Au) to moderate ore grade values (OREAS 256, 7.660 ppm Au). Avalon and Tectonic also utilized low Au-value standards in soil geochemical streams, and higher Au-value standards for rock and trench sample streams, in anticipation of expected values.

All gold values from standard sample analysis in the 2017 rock geochemical sample stream fell within 2SD, indicating no significant deviation in achieved values from known values. Within the 2017 soil geochemical stream, several samples of Standard OREAS H1 returned values outside of the 2SD range. This may result from the very low certified value of 0.012 ppm Au, reflecting a greater percentage variation from true in achieved values. This may affect delineation of very low-grade gold-in-soil anomalies; however, the percentage variance would be progressively less pronounced at higher achieved values.

The 2018 rock sample geochemical stream returned two values from Standard OREAS 214 (3.03 ppm Au) outside of the 2SD range, although no significant deviation occurs elsewhere in the sample stream. This indicates some potential for deviation of

achieved values from true values in their respective sample batches. It is unlikely that original analysis of the standard material is sufficiently imprecise to cause this variation.

All gold values from standard samples inserted into the 2018 soil sample stream returned gold values within 2SD of certified values, except for one sample of OREAS H1. This indicates a high degree of reliability of results.

The 2018 trench sample stream revealed that three of six standard samples of OREAS 220 (0.866 ppm Au) returned values below the low 2SD limit, and that six standard values in total fell below their respective 2SD limits. This result indicates the possibility that achieved gold values may underestimate true values throughout the stream, particularly in grades approximating 0.866 ppm. It is recommended to determine whether these were inserted into to a common batch or sample shipment.

With one exception, blank sample analysis indicates the sampling process is essentially free of contamination. No duplicate samples were submitted during the 2017 and 2018 programs. Duplicate sampling, designed to test for distribution of metal values within a sample rather than for analytical accuracy, is not necessarily standard practice for non-drilling sample streams. Typical ratios of insertion of standard samples is typically about 1:20. Although the 1:10 ratio employed here is certainly beneficial, it is not necessary for confirming accuracy of elemental analysis. A minimum insertion rate is one standard sample per sample batch. However, the ratio of 1:50 for blank sample insertion may be inadequate to ensure at least one sample per batch. The insertion rate should be increased to a minimum of one per batch to guarantee this.

The author of the Tibbs Technical Report believes that the quality control (QC) procedures are adequate for programs to 2018 and the May 2019 property visit for the Tibbs Property.

Data Verification

The Rob Gold Property Report stated that the author of the report had no available information on data verification techniques or QA/QC data for work before 2002. During 2002, the author describes the protocol for insertion of reference material “standard” and “blank” samples as a “one for 25 basis”, and at a “one per 10 basis” for “standards” in 2006, 2007 and 2008. Blank samples, of material from the Browns Hill quarry, were inserted at a two per one-hundred basis. Eight different commercially available standards, from Analytical Solutions were utilized. All QC samples returned acceptable values upon analysis by ALS Chemex.

The author of the Tibbs Technical Report has not verified historical data or results. The protocol employed by Freegold Recovery for QC purposes conforms to industry best practices, although a greater frequency of blank sample insertion is recommended. The author cannot confirm that other data was obtained and compiled in compliance with quality assurance and control “best practices” during respective exploration programs, and cannot comment on their validity. No other pre-Tectonic QA/QC data was available to the author.

The 2019 due diligence property visit included re-sampling of previously sampled rock and trench samples, in some cases with known values. This was designed as a data verification exercise on the Tibbs Property. A total of 8 samples was taken; 2 from the Michigan prospect, 4 from the Gold Lead prospect, and 2 from the Connector prospect.

At the Michigan prospect, Sample #1465510 was taken from Trench MI18-01 and returned a value of 1.270 g/t Au. This compares to a 2018 grab sample (#564824) of 0.968 g/t Au, and the corresponding 2.0- metre chip sample (#3181352) of 5.429 g/t Au. Although the 2019 value is well below the 2018 chip sample value, it does confirm the presence of significant gold content. Also, at Michigan, Sample #1465511 was collected from a blast pit where 2018 sampling returned 172.3 g/t Au and earlier workers returned values to 988.459 g/t Au. Sample #1465511 re-turned a value of 226.9 g/t Au. This confirms the presence of high-grade gold and validates the results reported by past workers.

At the Gray Lead prospect, one sample (#1465512) taken from the old headings pile returned a value of 0.624 g/t Au. Although this is lower than expected, it is sufficient to confirm the presence of gold in the pile. Three samples were collected from the sections of the 2018 trench from which high-grade values were returned. Sample #1465513, taken from Trench GL18-01A at the site of 2018 sample #3186009 returning 87.9 g/t Au, provided a value of 255.8 g/t Au. Year-2019 sample #1465514, taken near the same trench as 2018 sample #3186012 (3.782 g/t Au), assayed 317.2 g/t Au. Sample #1465515 from the offset portion of trench GL18-01A, returned 51.3 g/t Au. The 2019 sampling confirmed the presence of high-grade gold, validated work by Tectonic, and typically significantly exceeded 2018 values. This is likely due to the more specific grab and composite grab nature of the 2019 verification sampling, as opposed to representative trench sampling in 2018.

At the Connector prospect, sample #1465516, a re-sample of 2018 sample #3186199 (1.318 g/t Au) returned a very similar value of 1.192 g/t Au, confirming the tenor of gold at the trench. Sample #1465517, a 2019 grab sample of quartz vein float between the two main trenches, returned 0.121 g/t Au. This is only weakly anomalous, although it does confirm the presence of gold at the Connector. Values returned from the Connector prospect are more than an order of magnitude lower than those from the Gray Lead prospect.

Although visible gold is uncommon, a coarse-gold effect, compounded by non-uniform sulphide distribution, is present. A high degree of variance may be expected between due diligence and previous sampling.

The author of the Tibbs Technical Report has reviewed the 2017 rock and soil geochemical data, combined with results, and has found them to be adequately tabulated. The author has also compared numerous rock and soil sample element values in the compiled data with those from the original assay certificates provided by ALS Global, and has found that, in all cases, results were tabulated accurately in the databases supplied. At least one sample from each individual original certificate was involved in the comparison. The author also feels the 2017 geochemical databases supplied, combined with sample location data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2017 data provided by Tectonic is adequate for the purposes of the Tibbs Technical Report.

The author of the Tibbs Technical Report has reviewed the 2018 rock, soil, and trench geochemical data, combined with results, and has found them to be adequately tabulated. The author has compared numerous rock, soil, and trench element values in the compiled 2018 data with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2018 data provided by Tectonic is adequate for the purposes of Tibbs Technical Report.

No geochemical data had been provided for the 2019 RAB program as results were pending as of the effective date of the Tibbs Technical Report. Therefore, no data verification has been done for this program.

Mineral Processing and Metallurgical Testing

In 2003, a total of 18 rock grab samples, taken from several Tibbs Property prospects in 2002, were resubmitted to ALS Chemex. These samples were analyzed by metallic sieve and hot-cyanide leach to determine the degree of coarse gold "nugget effect", and the amenability of mineralization to cyanide extraction. The small sample size was insufficient to make definitive conclusions. However, results show that some samples, such as #493729, have a significant nugget effect, and that some others, such as #493731, 462345 and 465262, are not amenable to simple cyanide extraction at the particular crush size.

Samples from the Gray Lead and Michigan prospects show a very high degree in variance in Fire Assay ("FA") versus Hot Cyanide ("Hot CN") recoveries, and in FA versus Metallic Sieve ("MetSieve") recoveries. Samples from the Lower Trench showed poor FA vs. Hot CN leach recoveries and poor but variable FA versus MetSieve recoveries. The sample size (n) is too small in all cases for definitive conclusions. In 2007, Freegold submitted 37 core samples to Alaska Assay labs for metallic screen analysis to determine the presence and degree of the coarse gold nugget effect. All samples were from 2007 Gray Lead drill core which returned gold values exceeding 1.0 g/t from standard gravimetric analysis.

Mineral Resource and Mineral Reserve Estimates

No mineral resource or mineral reserve estimates have been done on any of the prospects within the Tibbs Property.

Conclusions

The following conclusions may be made from results of exploration at the Tibbs Property to date:

- Observations and results from the 2019 due diligence visit confirm those from 2017 – 2018 exploration by Tectonic/Avalon and earlier workers.
- The main prospects discovered to date represent intrusion-related mineralization occurring proximal to the west boundary of the Black Mountain Intrusion. All are comprised of auriferous quartz veins, stringers or stockwork zones.

- The Gray Lead prospect is currently the most prospective target on the Tibbs Property, due to widths up to 4 m, and high gold grades, both from surface sampling and past diamond drilling. The Michigan prospect is also highly prospective, due to widespread mineralization and high gold grades.
- The majority of prospects occur along or proximal to several NE-SW trending “linears” marked by a combination topographic low features, magnetic high features from aeromagnetic surveying, and conductive features from apparent resistivity images.
- The Johnson Saddle prospect occurs at the intersection of a NE-SW trending linear and a north-south trending linear, shown in Residual Magnetic Field and Apparent Resistivity imagery. This setting, combined with a strong gold-in-soil geochemical anomaly, renders Johnson Saddle as another prospective target.
- A zonation from deep-seated high pressure-temperature mineralized settings at the Gray Lead to near-surface lower pressure-temperature mineralization at the Michigan and Blue Lead prospects has been identified. The northeast-trending structural zones were the conduits for fluid movement.
- A short trench at the Johnson Saddle prospect returned anomalous gold grades from an area of altered ankeritic biotite gneiss with an Au-Bi-W signature, but lacking quartz veining. This is the only unveined occurrence at the property, and may represent a separate setting for future exploration.
- Quartz vein-style mineralization and associated geochemical signature at Tibbs is similar to that within other prospects in the Goodpaster mining camp, including the Pogo deposit. This indicates the intrusive sources elsewhere are coeval with the mid-Cretaceous Black Mountain Intrusion, and comprise part of the Tintina Gold Belt.
- Mineral emplacement is controlled partly by the NE-SW trending conjugate fault zones occurring throughout the Goodpaster area, marked by the district-scale Black Mountain tectonic zone and the Shaw Creek fault. These fault zones represent conjugate structural features between the transpressional Tintina fault zone to the northeast and the Denali/ Shakwak fault to the southwest.
- Mineralization at the Pogo deposit is hosted by quartz veining that is associated with low-angle faults, a structural setting that occurs throughout the Goodpaster area. High angle faults have also been identified to host auriferous mineralization. Further study is required to determine whether fault angle is a significant controlling factor for mineral emplacement.
- An arcuate magnetic high feature was identified from airborne magnetic surveying. This feature remains unexplained but may represent a deep-seated intrusion, the contacts of which may represent areas of rheological contrast.

Recommendations

Recommendations for follow-up exploration comprise a 2,000 m diamond drilling program primarily targeting the Wolverine prospect, with the Gray Lead and Johnson Saddle zones also targeted. A total of 8 to 10 holes is recommended, with depths ranging from 150 to 250 m. A site-based B3 A-Star helicopter will support a heli-portable drill, and personnel set-outs. The proposed 40-day program is recommended to be conducted between June 15 and August 31, 2020, to maximize efficiency during the frost-free season.

All-in costs for the diamond drilling program are estimated at about CDN\$1,045,385.00.

Recommended Budget

Expense Type	No. of units	Type of unit	Cost/unit (CDN\$)	Cost
Drilling	2,000	metres	\$ 202	\$ 404,000
Assaying	1,450	samples	\$ 47	\$ 68,150
Mobe/Demobe of camp (Astar)	50.4	hours	\$ 2,950	\$ 148,680
Chopper support on site (wet):	52.7	hrs	\$ 2,950	\$ 155,465
Additional fuel mobe costs	21	hrs	\$ 2,950	\$ 61,950
Personnel	40	days	\$ 3,250	\$ 130,000
Groceries/day	48	days	\$ 320	\$ 15,360
Report writing	1		\$ 12,000	\$ 12,000
			Sub-total	\$ 995,605

5% Contingency	\$	49,780
Total:	\$	<u>1,045,385</u>

SEVENTYMILE PROPERTY

The scientific and technical information in this section relating to the Seventymile Property is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Seventymile Technical Report. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Seventymile Technical Report. Reference should be made to the full text of the Seventymile Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description and Location

Location and Means of Access

The Seventymile Property is centered at 64°56'32" N Latitude, 142° 08'13" W Longitude, extending from 27 to 70 km northwest of the village of Eagle, Alaska. It is wholly contained within land owned by Doyon. The area is within the Eagle Mining District. The property is approximately 270 air km east of Fairbanks and approximately 59 km west of Eagle, Alaska (Figure 4).

Access to the property is by helicopter from Eagle, Alaska. There is an abandoned fixed-wing airstrip located above Alder Creek, which has recently been somewhat refurbished. The strip is now in fair condition, although further brushing and inspection would be required prior to use. A historic, 97 km long, winter caterpillar trail, the Eagle-Alder Creek Trail, extends onto the property from Eagle. This is a Revised Statute 2477 classified trail with a 100-foot-wide right of way. The status of this route is considered valid; therefore, it provides a potential route of surface access to the property.

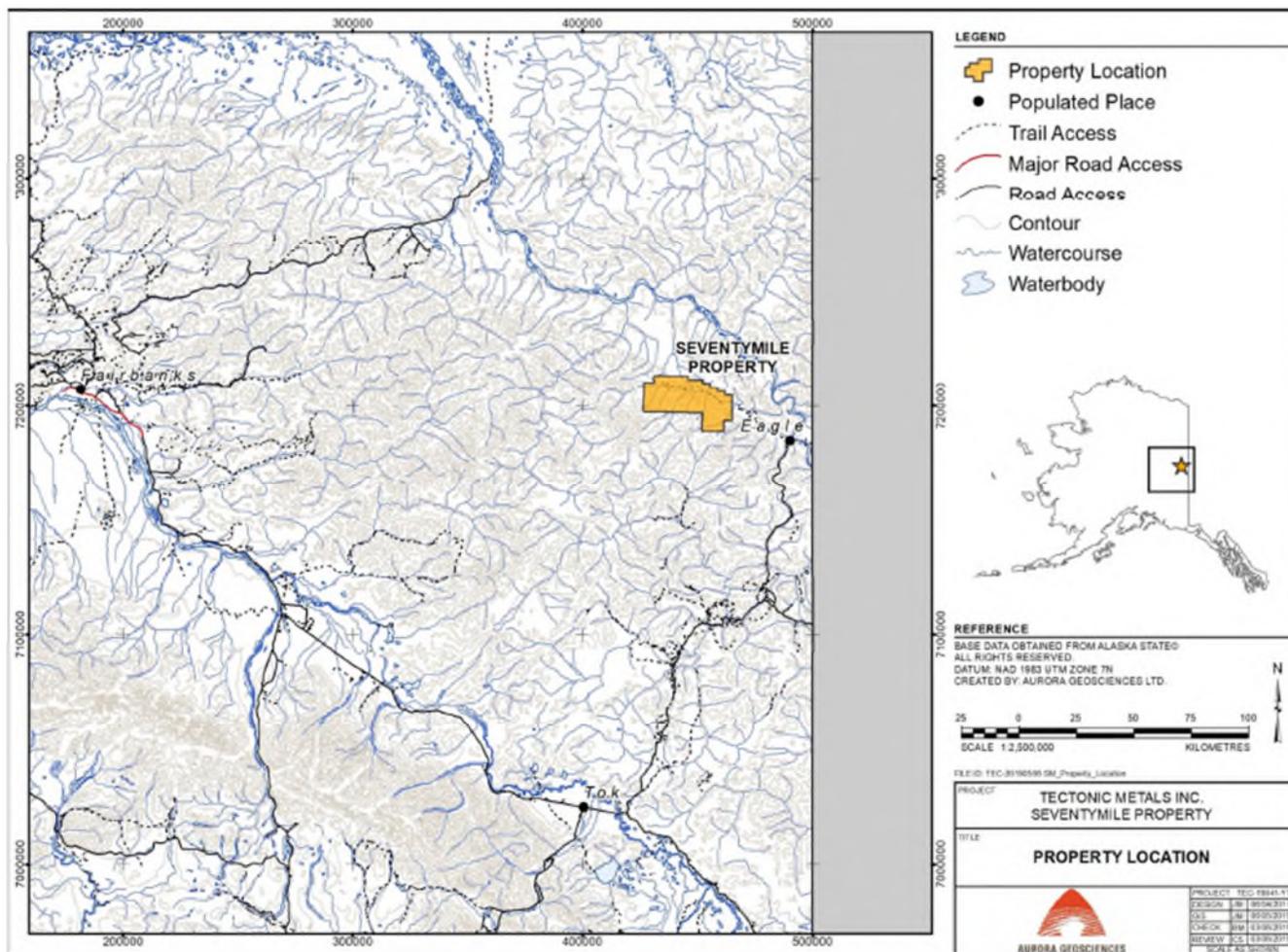


Figure 4: Location Map, Seventymile Property

Title, Royalties and Encumbrances

Please see “*General Development and Business of the Company – Three-year History – Significant Acquisitions and Material Contracts – Seventymile Property*” for a description of the Seventymile Agreement and the royalties payable thereunder.

Environmental Liabilities

At Flume Creek, physical remnants of the exploration and development programs undertaken between the 1900s and the 1950s include ruins of an old adit and several fuel drums in unknown condition. Placer workings along Alder Creek, commencing at its confluence with the Seventymile River, extend upstream to within property boundaries, although no significant environmental liabilities are known within these. Several cabins in various states of disrepair are located within fairly recent placer workings on Alder Creek. No barrels or other fuel containment facilities are visible from the air. There are no other potential environmental liabilities known to the author of the Seventymile Technical Report.

As per the Seventymile Agreement, Tectonic will establish, prior to preparation for mining operations, an environmental remediation and reclamation fund for the leased properties. This fund must be maintained at 120% of the estimated costs for remediation and reclamation. This fund can be used only for remediation and reclamation. At least once every three years Tectonic must hire an environmental engineering firm to perform an on-site audit to determine environmental impacts of mining and/or exploration. If any are determined to exist, the reclamation fund must be adjusted accordingly.

Permits

The Seventymile Property is wholly located within Doyon owned lands; therefore, approvals for various activities need to be obtained from Doyon, which has jurisdiction over activities. Prior to the harvest and storage of timber, Tectonic must obtain approval from Doyon. Additionally, prior to conducting ground disturbance activities Tectonic must conduct an archaeological study on the area of proposed disturbance. In addition to approval from Doyon for certain activities, the permits outlined in the below table may be required depending on the stage of the project.

Permits required for exploration and mining operations on Doyon lands

Agency	Responsibility	Applicable During Exploration	Applicable During Production
Alaska Department of Fish & Game	Fish Habitat Permit or Special Area Permit	yes	yes
Alaska Department of Revenue	Tax Division Mining Licenses	no	yes
Department of Environmental Conservation	Wastewater Discharge, Compliance & Technical Assistance	yes	yes
Department of Environmental Conservation	Alaska Pollution Discharge Elimination System permit	no	yes (maybe)
DNR, Division of Mining, Land & Water Mining Section	Miscellaneous Land Use Permit (On claim activity only, including surface use)	no	no
DNR, Division of Mining, Land & Water Mining Section	Miscellaneous Land Use Permit (Access across state land)	no, unless workplan includes access across state land	no, unless workplan includes access across state land
DNR, Division of Mining, Land & Water Mining Section	Temporary Water Use Authorizations, Permit to Appropriate Water, or a Certificate of Appropriation	yes	yes
DNR, Division of Mining, Land & Water Mining Section	APMA (Applications for Permits to Mine in Alaska)	yes	no, superseded by mine permits
DNR, Division of Parks	Special Park Use Permit or SHPO requirements Timber Purchase may be required	no	no
DNR, Division of Forestry	Timber Purchase may be required	no	yes, if mine access road is required
Bureau of Land Management	Approved Plan of Operation or Notice Operation	no	no
U.S. Fish and Wildlife Service	Fish Habitat Permit or Special Area Permit	no	no
U.S. Forest Service	Approved Plan of Operation	no	no
U.S. Park Service	Approved Plan of Operation	no	no
U.S. Army Corps of Engineers (USACE)	Dredge and Fill Permit in Waters of the U.S.	yes	yes
U.S. Army Corps of Engineers (USACE)	Cultural Resource Assessment	yes	yes

Tectonic has received all permits required to undertake all exploration activities up to and including core drilling. Although the Seventymile Property is on Doyon land, the State of Alaska's Department of Natural Resources retains management authority over the mining-related reclamation of all lands of Alaska, including Native Corporation lands, pursuant to Alaska Statute 27.19. To satisfy the requirements in Alaska Statute 27.19, an operator must file an appropriate Reclamation Plan for approval at least 45 days prior to commencement of the activity.

On June 17, 2019, Tectonic received an Approved Reclamation Plan for activities specified in “Application for Permits to Mine in Alaska #3262” for the Seventymile Property. This approval is valid until December 31, 2023. The approved works include only those within the application and changes to the scope of work are required to be submitted to the State of Alaska, Division of Mining, Land & Water in advance of additions or changes to work plans. A thorough review of any changes to proposed activities, both spatially and operationally, will be required annually to ensure the permit status is appropriate. The activities and thresholds within the application, and current approvals granted and requested for the Seventymile Property, include the following exploration activities in six distinct areas identified within the application:

- Fuel storage and transport of less than 1,100 gallons;
- Trenching: 5 trenches, each 500 ft x 3 ft x 5ft;
- Water intake for drill lubricant: 15 gallons/minute (gpm), 30 days/month; and
- Rotary air-blast drilling using 5-foot wide track-mounted vehicles and/or diamond core drilling using skid-mounted drill rigs: 50 drill holes, maximum depth of 1,500 feet, maximum core diameter of 3.5 inches.

On June 4, 2019, Tectonic received a Fish Habitat Permit from the Alaska Department of Fish and Game, to withdraw waters from streams that support resident species of fish. The permit expires on December 31, 2023 and is specific to those waters indicated for withdrawal in the application. Tectonic has also received a Temporary Water Use Authorization (“TWUA”) for the Seventymile Property. This approval is valid until December 31, 2023. The permit allows for water use activities up to 24 hours per day from May 1 through October 31 of each authorized year. The TWUA allows for a combined maximum withdrawal of 21,600 gpd.

Prior to the third year of the Seventymile Agreement, Tectonic must obtain a performance bond or similar security of an amount necessary to ensure the completion of necessary remediation activities on the site.

Reporting and Notification Requirements

Subject to the terms of the Seventymile Agreement, Tectonic must meet with Doyon to provide an update on the progress of planned activities including reclamation and environmental protection. Tectonic must also provide an annual report of exploration activities and results.

Surface Rights

Doyon is the sole owner of surface and subsurface rights for the Seventymile Property. Under the terms of the Seventymile Agreement, Tectonic has full, non-exclusive rights to use the surface of the land to conduct exploration and mining activities subject to the following conditions:

- Tectonic has the right to use and reconstruct all existing roads on the property and has the right to construct new roads. Tectonic is responsible for the maintenance of all roads they use within the property.
- Tectonic has the right to use Doyon’s water rights in the leased property for mining activities, provided Doyon has no other firm plans for their use.
- Tectonic has the right to use timber, sand, gravel, rocks and other materials from the property to construct infrastructure, subject to first notifying Doyon and receiving approval of a reforestation or remediation plan as required.

Climate, Local Resources, Infrastructure and Physiography

The Seventymile Property is located in the Yukon-Tanana uplands, a plateau bounded by the Yukon River to the north and the Tanana River to the south. The topography consists of rounded ridges and hills with local steep terrain and deeply incised stream valleys. Elevations range from about 1,800 m at the highest peaks to a low of about 365 m along valley bottoms. Local alpine glaciation has affected the higher peaks, resulting in cirques and moraines in these areas. Rock exposure at higher elevations is fairly abundant with outcrop and felsenmeer along ridgelines and talus on slopes. Vegetation on south facing slopes is dominated by white spruce, birch and aspen. North facing slopes are covered mainly by black spruce. The valley bottoms are principally black spruce forests and tussock and scrub bogs. White spruce, balsam poplar, alder and willow dominate the floodplains of headwater streams. Vegetation above treeline is predominately low birch and evergreen shrubs with lichen.

Historic workings exist in the area of the Flume prospect from exploration in the 1930s and 1950s. The status of any remaining infrastructure from these is unknown but unlikely to be serviceable.

The Seventymile Property, including the prospective Flume trend area, is sufficiently large to host all necessary mining infrastructure, including processing plants, heap leach facilities, tailings storage, waste disposal areas, on-site housing, meal preparation and maintenance facilities, and all other facilities necessary for mine operation.

Eagle, Alaska (population 86, 2010 census) is the closest population centre. It is connected to the North American highway system by a branch of the Taylor Highway. The Taylor Highway is open seasonally from April until mid-October. The first 97 km north from Tetlin Junction are paved, and the remaining 163 km are loose surface. During winter, the road can be travelled by snow machine. Services available in Eagle include lodging, groceries, fuel and expediting services. Eagle is also served by the Eagle Airport which has a 3,600' gravel strip, and scheduled air service to Fairbanks on weekdays.

Electrical services for Eagle, Alaska, are provided by a local diesel-powered generator, with insufficient capacity to serve future mining facilities at the Seventymile Property. Currently, there is no existing electric power infrastructure for the property to access.

The nearest larger community is Tok, Alaska (population 1,258, 2010 census), approximately 270 km by road to the south. Tok has full grocery, fuel, lodging and transport services. Fairbanks, Alaska, is a further 325 km northwest by road from Tok and represents the nearest major city. Fairbanks has a population of approximately 32,751 and is the centre of the North Star Borough, with a population of 97,121. The city is a full-service community, with scheduled air service, grocery, fuel, lodging, transport, heavy equipment, assaying and other services available.

An experienced mining and exploration workforce are based in Fairbanks. The Alaskan mining industry employs a significant number of people from remote communities.

The Seventymile Property lies predominantly within the Yukon-Tanana uplands ecoregion. The climate is continental with warm summers and very cold winters. The region is covered by discontinuous permafrost, particularly prominent on north-facing slopes and in valley bottoms. Climate data for Eagle, Alaska indicates that the area receives approximately 306 mm of precipitation per year.

Exploration History

Gold was originally discovered in the Seventymile district following the Klondike gold rush in the late 1890s. Various placer mines operated in the area sporadically until the 1960s. Exploration for lode gold deposits occurred in the Flume Creek area from the early 1900s to the 1950s.

Lode Exploration

1890s to 1986

Exploration for lode deposits occurred sporadically in the Flume Creek area between 1900 and the 1950s. The Flume Creek showing was discovered in the early 1900s by the Hudson Brothers who excavated a short adit. The claims lapsed and Fred Jenkins of Eagle, Alaska restaked the area in the late 1940s. The claims were transferred to the Alaska Nickel Company, of which Jenkins was a major shareholder. Jenkins conducted exploration and development work on the site in the early 1950s using a crawler-type loader and a small mill. His intent was to mine a talus pile which contained fragments of Au-bearing quartz veins.

The Seventymile Property area was chosen for its high mineral potential by Doyon during the land selection process. Prior to land conveyance, WGM conducted regional exploration as part of a joint venture with Doyon until 1986.

American Copper and Nickel Company 1987-1989

The American Copper and Nickel Company (“ACNC”), a subsidiary of Inco Ltd., optioned four townships on the eastern end of the Seventymile terrane from Doyon from 1987 to 1989. During this time, ACNC identified and explored the Ptarmigan Hill, Mogul Bluff, Ruby-Broken Neck Creek and Barney Creek areas. ACNC determined these four areas host epithermal mineralization.

In 1987, ACNC conducted primarily reconnaissance mapping and sampling on their optioned area. They discovered the Mogul Bluff and Ptarmigan Hill mineralized zones. Mapping and sampling at Ptarmigan Hill defined an extensive zone of Au-Ag mineralization with characteristic epithermal alteration and silicification, within Tertiary conglomerates. The Ptarmigan Hill prospect was discovered by prospecting in the Canyon Creek drainage, following up on discovery of a placer cinnabar occurrence in the creek. Two rock samples obtained approximately 400 m from the top of the hill and 1,200 m upstream from the Canyon Creek-Seventymile River confluence returned 670 ppb Au and 1,860 ppb Au, respectively, in addition to elevated Ag, As, Sb, and Hg values. A grid was established based on the location of these samples, and mapping and rock sampling were conducted on 200-foot centres. A total of 293 rock samples were collected. Most of these samples were felsenmeer obtained by digging through the soil. Of these, 17 returned between 1,000 ppb Au and 16,700 ppb (16.7 g/t) Au. Follow-up soil sampling was conducted on the eastern part of the grid, results of which supported those from rock sampling. A total of 169 soil samples were collected, returning results from background Au to 3,500 ppb Au.

Mineralization at Mogul Bluff was discovered in outcrop on the edge of Mogul Creek where rock samples containing up to 480 ppb Au and elevated Hg, As, and Sb. Detailed soil sampling was recommended as follow-up due to the extensive cover in the area. Additionally, a stream sediment sample in Hudson Gulch that assayed 320 ppb Au was collected.

In 1988, ACNC returned to the property to follow up on the results of the previous seasons. Work on Ptarmigan Hill included drilling and several geophysical orientation surveys. At Mogul Bluff, a detailed soil survey was followed up with drilling. A follow-up soil survey in the Ruby-Broken Neck Creek area failed to produce anomalous results.

The 1988 diamond drilling program at Ptarmigan Hill commenced in May and continued through September. A total of 25 holes for 2,754 m was drilled during this time. Extensive barren silicification was encountered in the upper 90 m, typical of an epithermal system. However, this barren silicification was cross-cut by several Au-bearing shear zones. Interpretation of the drill results indicates that the primary controlling structures at Ptarmigan Hill are oriented roughly north-south, as opposed to east-west as had been originally presumed (an east-west orientation would roughly parallel the Seventymile fault). These northerly oriented structures are projected to intersect a contact between Tertiary and Paleozoic rocks in an area with significant silicification. This suggests that the contact may be an inter-graben fault structure that may have provided a conduit for fluids.

The 1988 geophysical program on Ptarmigan Hill included orientation surveys of Horizontal Loop Electromagnetics (“HLEM”), ground magnetometer, and induced polarization (“IP”) surveys. The HLEM survey was conducted with 100 and 200-foot coil separations but failed to delineate any anomalies. Ground magnetic surveying was successful at mapping changes in lithology but was not useful in identifying mineralization-controlling structures. Thirteen IP lines were completed across the northern part of the Ptarmigan Hill grid. Resistivity contrasts provide some level of differentiation between silicified conglomerate, argillaceous conglomerate, and unaltered conglomerate. Variations in chargeability were related to the degree of argillic alteration.

At the Mogul Bluff prospect, the 1988 program commenced with a detailed soil and prospecting survey during which 659 soil samples and 21 rock samples were collected. This survey outlined a 240 m by 240 m Au-As-Hg-Sb anomaly. The soil survey was followed up by a drilling program in August and September during which five holes for 349.6 m were drilled. One hole intersected argillic altered conglomerate which included a 2.99 m section that graded 662 ppb Au.

Central Alaska Gold Company 1989-1990

The Central Alaska Gold Company (“CAGC”) optioned 320 square miles in the western part of the Seventymile Property from Doyon in 1989. That year they conducted reconnaissance stream sediment sampling and regional geological mapping. During the 1990 field season they conducted an intensive exploration program focused on the Flume Creek area. This consisted of regional stream sediment sampling, geological mapping, rock sampling, grid-based soil sampling, trenching and diamond drilling. These exploration activities were split into two phases: a reconnaissance program aimed at extending zones of known mineralization; and a target-development program aimed at evaluating known prospects and new prospects generated during the reconnaissance phase.

The reconnaissance program comprised geological mapping, prospecting and soil sampling. Reconnaissance exploration was successful in discovering the Flanders prospect east of Alder Creek, the Deep Creek trend, and outlined additional anomalies in the Alder Creek area. The Flanders prospect was discovered by prospecting while following up on anomalous stream sediments. The prospect was identified when twelve large quartz vein boulders were discovered. Following this discovery, a detailed geological mapping, grid soil sampling, trenching, and drilling program was conducted. The reconnaissance program also

discovered a series of silicified “rhyolite” intrusions in the area of Deep Creek associated with anomalous gold from stream sediment. Rock sampling showed anomalous Au, Ag, and Hg values are associated with structurally controlled silicification. Three soil grids were established in the surrounding area where extensive vegetation kill zones are associated with faults and acidic springs. Soil geochemical sampling across these returned anomalous Au, Ag and Hg values, particularly in the Deep Creek and “Kill Zone 2” areas. CAGC also conducted reconnaissance work in the northern placer creeks. However, no Au “pathfinder” element mineralization was found, suggesting that the Au source for these placer creeks may be separate from the Flanders prospect.

The target development program focused on detailed mapping, sampling, trenching, and diamond drilling of the Flume Creek, Alder Creek, Bonanza Creek, and Flanders prospects. The drilling program comprised 29 holes for 2,879.4 m. Seven holes were drilled at the Flume prospect where values ranged from background to 29.3 g/t Au over 1.07 m. The mineralization encountered is hosted in an extensive stockwork zone within pillow basalt. CAGC used the results from this drilling to outline a drill-inferred resource of 1,000,000 tons of 0.025 opt (0.857 g/t) Au. The resource is based on only 7 diamond drill holes, from which results indicate a structure with a minimum strike length of 700 feet (213 m) and width of at least 100 feet (30.5 m). The zone is comprised of numerous veins within host rock assumed to carry no gold; the veins comprise a small percentage of the zone thickness. The author of the report in which this estimate is presented stated that the “size and grade is clearly not attractive”.

The resource category is not specified, but the resource was clearly developed prior to regulations contained within NI 43-101, and prior to the development of modern resource categories by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”). The level of confidence of the resource (Measured and Indicated versus Inferred) cannot be ascertained and should not be relied upon. No subsequent resource estimates are known to the author of the Seventymile Technical Report. The author has not done sufficient work to classify the historical estimate as a current mineral resource. Tectonic is not treating this historical estimate as a current mineral resource or mineral reserve. In order to satisfy modern CIM resource category standards, considerably more drilling is required to establish a suitable drill spacing to reliably upgrade the resource base. Also, a qualified person specifically trained in calculating resource estimates will be required to re-calculate the resource estimate.

An additional seven holes were drilled at the Bonanza prospect. Results included values of 10.9 g/t Au over 2.28 m, 1.89 g/t Au over 9.7 m, and 2.43 g/t Au over 3.66 m. One hole intersected 51.2 m of 1.30 g/t Au. Based on these drilling results CAGC calculated a drill-inferred resource of 24,400 tons at 0.210 opt (7.20 g/t) Au.

The resource category is not specified, but was clearly was developed prior to regulations contained within NI 43-101, and prior to the development of modern resource categories by CIM. The resource is based on results from a single drill hole (#FC90-1) and results from surface trench sampling along the surface projection of a zone “200 feet (61 m) long by 7.8 feet (2.4 m) wide”, extended to a down-dip of 100 feet (30.5 m). The level of confidence of the resource (Measured and Indicated versus Inferred) cannot be ascertained, is likely to be low, and should not be relied upon. No subsequent resource estimates are known to the author of the Seventymile Technical Report. The author has not done sufficient work to classify the historical estimate as a current mineral resource. Tectonic is not treating this historical estimate as a current mineral resource or mineral reserve. In order to satisfy modern CIM resource category standards, considerably more drilling is required to establish a suitable drill spacing to reliably upgrade the resource base. Also, a qualified person specifically trained in calculating resource estimates will be required to re-calculate the resource estimate.

Four drill holes in a single fence were drilled on the Alder prospect. Results included values up to 6.07 g/t Au over 0.3 m. The highest-grade intersections were associated with intense silica and carbonate alteration and breccia zones. From this drilling and trenching program, a “drill inferred resource” of 71,680 tons at 0.60 opt (20.57 g/t) Au was calculated, based on the results of two diamond drill holes (#FC90-21 and FC90-22) and a single trench. The author of the report in which this estimate was presented stated three resource estimates: a “drill indicated resource” of 2.171 tons grading 0.060 opt (2.06 g/t); the aforementioned “drill inferred resource” and a “geologic inferred resource” of 288,000 tons grading 0.060 opt (2.057 g/t).

This resource was developed prior to regulations contained within NI 43-101, and prior to the development of modern resource categories by CIM. The level of confidence of the resource (Measured and Indicated versus Inferred) cannot be ascertained, is likely to be low, and should not be relied upon. The resource categories are based on the results of two diamond drill holes (#FC90-21 and FC90-22) and a single trench. No subsequent resource estimates are known to the author of the Seventymile Technical Report. The author has not done sufficient work to classify the historical estimate as a current mineral resource. Tectonic is not treating this historical estimate as a current mineral resource or mineral reserve. In order to satisfy modern CIM resource category standards, considerably more drilling is required to establish a suitable drill spacing to reliably upgrade the

resource base. Also, a qualified person specifically trained in calculating resource estimates will be required to re-calculate the resource estimate.

At the Flanders prospect, eleven holes along four sections were drilled. Drilling intersected the north vein to a maximum of 60 m down-dip, and the south vein to 91 m down-dip. Mineralization was found to extend approximately 152 m along strike. CAGC calculated an average grade and size of all quartz vein intercepts on the Flanders prospect of 16.83 g/t Au over 0.76 m, comprising intercepts varying from barren to 0.91 m of 49.71 g/t Au. Trenching on the Flanders prospect returned values up to 112 g/t Au over 1.07 m. These results were used by CAGC to calculate a “drill-inferred (resource) total veins” resource of 66,000 tons grading 0.491 opt Au (16.83 g/t Au), including a “drill inferred (resource), best seven intercepts” of 36,000 tons grading 0.804 opt (27.57 g/t) Au. The report also stated a “geologic inferred (resource) total veins” of 500,000 tons grading 0.491 opt (16.83 g/t Au), including a “geologically inferred (resource), best seven intercepts” of 275,000 tons at 0.804 opt Au (27.57 g/t Au). CAGC stated that “polygonal or cross-section methods” of calculation of “reserves” would have been misleading, resulting in adoption of a “global estimate” assuming drill and trench samples are a “random population” and are representative of veins tested.

This resource was developed prior to regulations contained within NI 43-101, and prior to the development of modern resource categories by CIM. The level of confidence of the resource (Measured and Indicated versus Inferred) cannot be ascertained and should not be relied upon. The resource categories are based on the results of 11 diamond drill holes and 7 trenches. No subsequent resource estimates are known to the author of the Seventymile Technical Report. The author has not done sufficient work to classify the historical estimate as a current mineral resource. Tectonic is not treating this historical estimate as a current mineral resource or mineral reserve. In order to satisfy modern CIM resource category standards, considerably more drilling is required to establish a suitable drill spacing to reliably upgrade the resource base. Also, a qualified person specifically trained in calculating resource estimates will be required to re-calculate the resource estimate.

Ventures Resources Corporation 1996-2000

Ventures Resources Corporation (“**Ventures**”) optioned the majority of the Seventymile gold belt from Doyon in 1996. That year, Ventures conducted exploration across the property, focussing on ground-truthing and expanding on the work done by previous operators. The 1996 program included ridge-top mapping and sampling, soil sampling, stream silt sampling, and panned concentrate sampling.

Ventures returned to the property in 1997 to expand the soil sampling grid in the Flanders and Deep Creek prospect areas. An airborne DIGHEM survey was flown over the Flume Creek, Crooked Creek, and Deep Creek trends. The aeromagnetic results highlighted the presence of the ultramafic rocks through a broken linear trend of high amplitude magnetic anomalies. The longer, weaker magnetic trends were interpreted as representing basaltic units. Resistivity measurements found long conductive trends interpreted as major fault structures. Additionally, granitic intrusive rocks, limestones, siliceous sediments and sedimentary rocks, and silicic alteration were indicated by high resistivity signatures.

In 2000, Ventures conducted target evaluation drilling on the Flanders and Deep Creek prospects. Six holes for a total of 1,045 m were drilled at the Flanders prospect, and two exploratory holes totalling 256 m were drilled on the Deep Creek prospect. An additional 232 soil samples were collected to the northwest of the Deep Creek prospect. The soil sampling program was successful in outlining a 450-metre extension of the Deep Creek trend, including a cluster of anomalies with values up to 140 ppb Au with a coincident Ag anomaly. The 2000 drilling program at Flanders focussed on stepping out from the most prospective hole drilled by CAGC. All holes encountered Au mineralization of varying widths, except for DDH FD 2000-2 which was lost due to bad ground at 33 m. In DDH FD 2000-4, gold mineralization was encountered to depths of 236 m. The best intercept was 205.89 g/t Au over 1.10 m (FD 2000-4). Additional notable intercepts, both in DDH FD 2000-4, include 13.185 g/t Au over 1.31 m and 11.301 g/t Au over 0.52 m. The drilling at Flanders confirmed mineralization over an area of 366 m by 122 m. No significant Au values were encountered in the two drill holes at the Deep Creek prospect.

Placer Production

Between 1898 and 1962, an estimated 45,000 ounces of gold were produced from several different creeks in the Seventymile District. Significant production occurred on Alder, Crooked, and Barney Creeks.

Geological Setting

Regional Geology

The Seventymile Property is located within the YTT, an accreted terrane comprised mainly of Proterozoic to Triassic allochthonous and metasedimentary assemblages mainly of continental affinity and including Jurassic to Early Tertiary metaigneous rocks. The Paleozoic rocks have been metamorphosed to quartzites, phyllite, slate, schist and gneisses. The YTT is an allochthonous terrane extending from east-central Alaska to south-central Yukon. It comprises numerous pulses of arc magmatism, accreted on to the Ancient North American Continent. The YTT is bounded to the north by the Tintina fault zone and to the south by the Denali fault. Both major fault zones have a lateral displacement of roughly 400 km, occurring since the late Cretaceous. Nelson and Colpron (2007) estimated an Eocene age of displacement. The Tintina fault has produced a broad topographic low known as the Tintina Trench which has been partially filled by Tertiary and Quaternary sediments.

Three major pulses of continental arc magmatism have been identified, occurring respectively during Late Devonian to Early Mississippian, Permian, and lastly Late Triassic to Early Jurassic time. The major, subhorizontal structural fabric marking much of the YTT was formed from the mid-Permian to the onset of magmatism in Late Triassic time, and likely represents a major continent-continent collision. Further subduction-related magmatism occurred into the mid-Cretaceous, resulting in emplacement of batholithic-scale intrusions such as the 112 – 105 Ma Dawson Range batholith that extends from the Northway area eastward to the Coffee Creek area of west-central Yukon. Related magmatism also resulted in the emplacement of a series of intrusive suites comprising the 110 – 70 Ma Tintina Gold Belt.

Conjugate to the Tintina and Denali fault zones are a series of district-scale northeast-trending faults and lineaments, including the Shaw Creek fault near the Pogo deposit, the Black Mountain tectonic zone east of this, and the Mount Harper lineament extending to the south property boundary. These major faults are the most obvious members of a regional NE-SW trending fault and fracture set, marked by smaller drainages throughout the Seventymile area. The YTT east of the Black Mountain fault has been intruded by Cretaceous to Tertiary plutonic rocks.

In the Seventymile area, the “Seventymile terrane”, a narrow assemblage of Permian-aged submarine mafic to felsic volcanic and ophiolitic ultramafic rocks, with lesser limestones and quartz rich clastic rocks extends WNW-ESE, roughly paralleling the Seventymile River to the north. This terrane is equivalent to the Slide Mountain terrane in southern Yukon and parts of British Columbia. In Alaska, it forms a discontinuous belt that trends northwest from the Yukon Territory border to the northern section of the Eagle quadrangle, where it has undergone sinistral offsetting by the Shaw Creek fault. The western portion trends southwestward to the centre of the Fairbanks Quadrangle.

The Seventymile terrane is recognized as an ocean basin assemblage that originally divided the YTT but closed in the mid-Permian due to short-lived westward subduction under the YTT. This package of rocks was thrust upon and imbricated with the rocks of the Yukon-Tanana terrane during the Jurassic. The Seventymile fault, a splay of the Tintina fault, defines the northern boundary of the Seventymile terrane. The Seventymile terrane has undergone thrust faulting that commonly separates the major lithological components. The ultramafic units form the leading edge of the main thrust sheet, with the greenstone and metasedimentary rocks successively thrust over these.

Much of the ultramafic stratigraphy of the Seventymile terrane has undergone pervasive serpentinization, as a result of its obduction onto the crust. The overall metamorphic grade of the Seventymile Terrane rocks is quite low, a maximum of lower greenschist metamorphism principally affects the volcanic tuffs and sedimentary units.

Property Geology

The Seventymile Property covers a 42-km section of the Seventymile Terrane extending NW-SE across the property. The Seventymile fault defines the north boundary, separating it from YTT metamorphic rocks to the north. The south boundary of the Seventymile terrane abuts Yukon-Tanana rocks, which can be distinguished from the northern YTT rocks because they are significantly more pelitic in composition and contain a smaller number of intrusive units. In the northern and eastern property area, Paleozoic stratigraphy is overlain by poorly consolidated Tertiary sediments predominantly composed of conglomerate, sandstone, and minor lignite. These sedimentary units host the Ptarmigan Hill and Mogul Bluff epithermal Au prospects.

The Seventymile terrane underlying the property has several key components. In the northwestern property corner, serpentinized peridotite forms a component of the Mount Sorenson ophiolitic suite. This unit is bound by the Seventymile fault on the northern

side and by the informally named Flume Creek thrust fault on the southern side, separating it from the related “greenstone” rock units to the south. These greenstone units consist mainly of basalt, as well as associated hyaloclastic breccias, mafic tuffs, and minor interbeds of chert and gabbroic sills.

To the south of the greenstone unit, and presumably up section, a crystal lithic tuff unit of dacitic composition occurs within the Seventymile terrane southeast of Bonanza Creek. This is bounded to the south by a complex of volcanoclastic and clastic rocks comprising arkose, arenite and wacke sandstone, as well as lapilli tuff, graphitic argillite, and siltstone. It stratigraphically overlies, and is intercalated with, the basalts and the crystal lithic tuff. A minor unit of micaceous dolomitic siltstone containing Permian brachiopods occurs above the volcanoclastic rocks.

West of Flume Creek and southeast of Deep Creek, a package of intermediate to felsic volcanic rocks including andesitic to dacitic tuffs, breccias, and dacitic to rhyolitic quartz-eye porphyries occurs. This unit appears to be up-section of the pillow basalts and may represent a coeval terrestrial volcanic system. A south-dipping tabular body of monzonite, less than 45 m thick, has intruded Seventymile Terrane rocks in the central part of the belt. An interpreted fault contact separates this unit from stratigraphy to the north. Diorite dykes which crosscut Seventymile stratigraphy to the west are interpreted as coeval with the monzonite. Unconformably overlying the monzonite is a thin unit of terrigenous clastic rocks, principally composed of a conglomerate with quartzite and quartz-eye rhyolite clasts. To the south of the terrigenous clastic unit is a thicker package of intermediate porphyritic volcanic rocks. This unit overlies both the rocks of the Seventymile Terrane and the Yukon Tanana Terrane rocks to the south. This intermediate volcanic and terrigenous clastic unit may be Tertiary in age.

There are three episodes of folding observed within the Seventymile Property. The earliest comprises small-scale folding within the schists of the Yukon-Tanana terrane within the north and south property areas. These folds have undergone subsequent deformation and are poorly preserved. The entire property was subjected to southwest to northeast ductile compression directed along a NW-SE axis. The axial planes resulting from this deformation are sub-parallel to the strike of the Seventymile fault and the fold axes plunge approximately 10° to the southeast. A possible second set of folds related to this event has been identified within Seventymile terrane rocks and consists of open folding indicated by a vertical northeast trending axial planar fracture cleavage. The final folding event is related to strike-slip movement of the Tintina fault system. The displacement on the Tintina fault produced isoclinal folds with nearly vertical fold axes. The axial planes of these isoclinal folds are consistent with drag on the Tintina fault during its offset.

Three generations of faulting have also been identified in the Seventymile terrane. The first comprises south-dipping thrust faults that form contacts between the serpentinite and basalt units, and also between the other greenstone lithologies. These contacts are particularly susceptible to faulting due to competency contrasts between lithological units. This stage of faulting probably occurred as flexural slip movement during the first deformation event. Presumably, there are older faults contained within the YTT rocks to the north and south of the Seventymile terrane, but the structural setting remains poorly understood.

The second generation comprises NW-SE-trending transpressional faulting, represented by the Tintina fault. Locally, the largest of these faults is the Seventymile fault, with an apparent dextral displacement of approximately 11.2 km. The smaller splays display lesser displacement of several hundred metres, as interpreted by earlier workers. The temporal relationship between these faults and the Tintina fault zone is unclear.

The final episode of faulting resulted in a vertical northeast-trending fracture set with minor strike slip displacement that appears to post-date the Tintina fault system. This fracture system produced a set of northeast-trending topographic lineaments in the Seventymile Terrane and controls the northeast orientation of the creeks draining this area. This may also represent conjugate faulting related to movement along the Tintina and Denali faults.

Mineralization

Due to the numerous occurrences of both lode and placer gold, the area surrounding the Seventymile Terrane has been termed the Seventymile Gold Belt. Placer gold has been produced from creeks draining the Tertiary sediments north of the Seventymile River, and the Seventymile terrane rocks south of it.

The Seventymile Property contains 19 defined mineral occurrences of various types. Eleven are placer gold deposits, four are orogenic gold occurrences and four are epithermal gold occurrences. The most prominent exploration targets are discussed in detail below.

The lode prospects on the Seventymile Property have been divided into three distinct trends by previous workers that exhibit common mineralization characteristics, structural, and stratigraphic controls. The first of these is the Flume Creek trend, which includes the Flume Creek, Alder Creek, Flanders and Bonanza Creek orogenic gold prospects. The second is the Crooked Creek trend, which hosts the Ptarmigan Hill and Mogul Bluff epithermal gold prospects. The third is the Deep Creek trend, which includes the Deep Creek and Kill Zone 2 epithermal gold prospects.

Flume Creek Trend

Mineralization in the Flume Creek trend is hosted by the weakly metamorphosed Seventymile terrane, along a key thrust fault dividing footwall serpentinite to the north from hanging wall volcanic packages to the south. Tertiary mafic and felsic dykes intrude all lithologies. Mineralization is accompanied by quartz-carbonate-mariposite alteration at the Flume, Bonanza, Alder and Flanders prospects. Gold mineralization occurs in variably oriented quartz-carbonate-arsenopyrite- pyrite veins and vein breccias up to 0.61 m thick. Hanging wall stockwork vein zones of similar mineralogy are up to 9.1 m thick. These stockworks display a strongly developed quartz-dolomite-ankerite- mariposite-arsenopyrite-pyrite assemblage which grades outwards to barren calcite veining. While these prospects all display similar features, there is a degree of variability in Au-Ag-As content between the four prospects comprising the trend. The four prospects form a semi-continuous soil anomaly striking NW-SE.

Flanders

The Flanders prospect forms the eastern end of the Flume Creek trend and consists of two parallel gold-bearing quartz veins hosted in altered pillow basalts, the North Vein and the South Vein. These quartz veins occur in tabular tension fractures that dip to the north at angles of 30° to 45°. Vein textures exhibit multiple generations of quartz growth. Mineralization at Flanders occurs within quartz veins and silica carbonate alteration zones and vein selvages. In addition to pyrite and arsenopyrite, trace galena, sphalerite and chalcopyrite are also present. Gold occurs as grains from 5 to 150 microns in size with sulphide inclusions. Typical wall rock alteration at the Flanders prospect comprises propylitic, silica-carbonate-mariposite, sericitic, argillic and albitic assemblages. The Flanders prospect was drilled in 1990 by CAGC and again in 2000 by Ventures. The best intercept was 205.89 g/t Au over 1.10 m. Additional notable intercepts including 13.185 g/t Au over 1.31 m, 11.301 g/t Au over 0.52 m, and 49.71 g/t Au over 0.91 m. Trenching on the Flanders prospect by CAGC produced values to 112 g/t over 1.07 m.

Examination of 2000 WGM drill core from DDH FD 00-4 revealed zones of strongly developed quartz vein stockwork within silicified limonitic mafic volcanics adjacent to clay-altered fault gouge with fine grained disseminated pyrite. The interval of stockwork-hosted mineralization from 235.5 feet to 238.0 feet (71.8 m – 72.5 m) returned 7.7 g/t Au. A mineralized interval in DDH FD 2000-6 from 480 feet – 482 feet (146.3 m – 146.9 m) returned 0.964 oz/ton (33.05 g/t) Au. The mineralization in DDH FD 2000-6 comprises quartz-pyrite vein breccia within basalt which has undergone early brecciation with limonitic alteration of clasts and chloritic matrix alteration.

Alder Creek

The Alder Creek prospect is located approximately 2,400 m west-northwest of the Flanders prospect. Mineralization at Alder Creek occurs as quartz veins primarily within stockwork zones and tension gash structures with associated ribbon veins, breccia in-fills, and comb-textured veins. Arsenopyrite and pyrite are the principle sulfides and occur both in veins and the adjacent silica-carbonate alteration zones. At the Alder Creek prospect, the mineralized veins appear to be confined to pillow basalts on the south limb of a northwest-trending anticline. This basalt is propylitically altered and contains numerous zones of silica-carbonate alteration up to 18.3 m thick, hosting mineralized quartz veins. Results of drilling include values to 6.07 g/t Au over 0.3 m. The highest-grade intersections are associated with intense silica-carbonate alteration and with breccia in-fill zones. The Alder Creek prospect has returned lower grade values than the Flanders prospect and may represent a distal extension of the Flanders prospect. The Alder Creek prospect is located at the approximate upstream limit of placer operations, suggesting the prospect may be the source of placer mineralization.

Bonanza Creek

The Bonanza Creek prospect is located approximately 3,200 m west of Alder Creek. There are three types of mineralization associated with a fault controlled stockwork vein system. The first is sulfide-poor quartz stockwork veins with visible gold cutting dolomitically altered serpentinite and gabbro. The second is arsenopyrite-quartz stockwork veins cutting sulfide-bearing silica-ankerite altered tuffs and tuffaceous siltstone. The third type is quartz veins with local pyrite with limited alteration in

argillites. Seven drill holes were completed on the prospect in 1990 by CAGC. Results included values from background Au to 10.9 g/t Au over 2.28 m, 1.89 g/t Au over 9.75 m, and 2.43 g/t Au over 3.66 m. One hole intercepted 51.2 m of 1.18 g/t Au.

Flume Creek

The Flume Creek prospect is located approximately 1,600 m to the west-northwest of the Bonanza Creek prospect. Mineralization at Flume Creek occurs within a zone of silica-carbonate alteration of the serpentinite and greenstone rocks in the hanging wall of the Flume Creek thrust fault. The entire rock package in this area has been highly deformed by faulting, including imbricate northwest-striking reverse faults, apparently associated with both the larger Flume Creek fault and northwest-trending vertical faults possibly coeval with the Tintina fault. Mineralization consisting of arsenopyrite, pyrite, and gold occurs in quartz-carbonate veins and altered wall rock. Visible gold has been observed in the quartz-carbonate veins. The primary alteration assemblage is silica-carbonate-mariposite. A series of dextral strike slip northeast-trending faults offset the mineralization.

Grab samples of outcrop at the Flume Creek prospect returned values up to 178.286 g/t Au. Seven holes drilled on the Flume Creek prospect returned Au values from core samples from background to 29.3 g/t over 1.07 m.

Crooked Creek Trend

The Crooked Creek trend comprises two epithermal Au prospects on the eastern side of the Seventymile Property, the Ptarmigan Hill and Mogul Bluff prospects. These prospects are hosted in unmetamorphosed continental sediments that unconformably overlie rocks of the YTT. These sediments are Tertiary in age, possibly as young as Pliocene, and are poorly consolidated. Previous workers were attracted to the area by placer gold and cinnabar (HgS) occurrences. Both occurrences are associated with strong geochemical anomalies.

Ptarmigan Hill

The Ptarmigan Hill prospect is hosted by a thick sequence of poorly consolidated sediments that consist of predominately conglomerates with rounded quartz and chert clasts, and thinner interbeds of sandstones, siltstones, shales, and minor lignite. Tertiary felsic volcanic and intrusive rocks, including quartz-rhyolite and quartz-feldspar porphyries and minor serpentinite bodies, have been juxtaposed with the conglomerates by splays of the Tintina fault. Mineralization at the prospect is overlain by approximately 90 m of barren coarse clastic rocks that have undergone pervasive silicification. Auriferous mineralization is concentrated within post-silicification fractures. Mineralization consists of concentrations of epithermal As, Sb, Hg, Ag, and Au. The mineralized vein system is controlled principally by a steeply-dipping north-trending fracture system. The prospect is associated with a significant Au – Ag soil geochemical anomaly approximately 1,065 m by 305 m in aerial extent, with anomalous Au values ranging from 20 ppb Au to >1,000 ppb, and Ag values in excess of 10 ppm. Drill results from Ptarmigan Hill included 5.83 g/t Au over 24.38 m, 4.46 g/t Au over 6.40 m, and 7.20 g/t Au over 6.10 m.

Mogul Bluff

The Mogul Bluff prospect is geologically and mineralogically similar to Ptarmigan Hill. It is also hosted by a thick sequence of poorly consolidated sediments comprised mainly of conglomerates with mature clasts of quartz and chert, and includes thinner interbeds of sandstones, siltstones, shales, and minor lignite. Tertiary felsic volcanic and intrusive rocks have been juxtaposed with the conglomerates by splays of the Tintina fault. Mineralized zones within the conglomerate are strongly silicified with concentrations of As, Sb, Hg, Ag and Au. Mineralization is principally controlled by a north-trending, steeply dipping fracture system, and has been classed as epithermal. The geochemical anomaly was tested with nine drill holes by ACNC, but intercepts of altered material typically graded less than 1,000 ppb (1.0 g/t) Au.

Deep Creek Trend

The Deep Creek trend is located approximately 610 m south of the Flanders prospect, within silicified dacitic volcanoclastic rocks of probable Tertiary age. The Deep Creek trend consists of the Deep Creek and Kill Zone 2 prospects and the associated Au in soil anomalies along strike. Bedrock exposure is limited and mostly occurs in stream cuts. This trend is thought to represent distinct volcanic-hosted epithermal mineralization that runs parallel to the Flume Creek and Crooked Creek trends. Due to the extensive soil cover, Au, Ag, and As soil geochemical anomalies were used to define targets in this area.

Deep Creek Prospect

Mineralization at the Deep Creek prospect consists of silicified volcanic rocks returning grades from background Au to 1.72 g/t Au. Mineralization is structurally controlled, occurring in quartz carbonate veins within silicified pale green dacite showing sericitic alteration and black quartz stockwork zones. Soil sampling results indicate areas of anomalous gold values to 480 ppb Au. Drilling conducted in 2000 failed to intersect significant mineralization and no further drilling was recommended until a better understanding of the structural controls could be gained.

Kill Zone 2

The Kill Zone 2 prospect is located approximately 800 m south of the Alder Creek prospect and has a similar geological setting. It is also associated with anomalies gold-in-soil values to 130 ppb Au.

Deposit Types

Tectonic is primarily exploring for orogenic gold mineralization on the Seventymile Property; however, both orogenic and epithermal gold mineralization have been recognized.

Orogenic Gold Deposits

Orogenic gold deposits are epigenetic in origin and structurally controlled, with lode-style mineralization occurring in shear zones and faults. They are typically associated with large first order crustal scale faults which provide a fluid conduit, however, the mineralization itself is typically hosted within second and third order structures. Examples of structures that typically host the mineralized veins include moderate to steep-dipping compressional brittle-ductile shear zones, faults with associated shallow-dipping extensional veins, and hydrothermal breccias. These smaller features provide structural traps for mineralizing fluids. The fluid source may result from regional metamorphism generated during structural deformation and be associated with greenschist to amphibolite grade metamorphism. Gold mineralization is principally found within the veins, but may also be found within altered host rocks and vein selvages, and within silicified and arsenopyrite rich replacement zones.

The lode occurrences of the Flume Creek trend exhibit characteristics typical of orogenic gold deposits. Mineralization is hosted by quartz-carbonate veins that fill tectonically formed structures, and associated with pyritic silica-carbonate-albite-ankerite alteration assemblages. Mineralization at the prospects of the Flume Creek trend shows some or all these characteristics, and the orogenic gold deposit model that Tectonic is applying to these prospects is appropriate.

The orientation of the mineralized structures varies with the regional stress regime. To date most of the high-grade mineralization along the Flume Creek trend has been found in shallowly dipping structures such as tension gashes. Tectonic is utilizing this model to locate larger vertically-dipping shear structures that may host larger concentrations of gold.

Epithermal Gold Deposits

Epithermal Au (\pm Ag), deposits commonly form in shallow-level hydrothermal systems, typically developed in volcanic arcs at convergent plate boundaries, as well as in intra-arc, back-arc, and post-collisional rift settings. Mineralization occurs both as veins and disseminations. These deposits form from hydrothermal fluids, typically by replacement or by void-filling. Broadly speaking, these deposits are young and form within the top 1.5 km of the earth's crust. Steeply dipping veins typically host the highest ore grades whereas mineralization within adjacent host rocks and/or disseminated mineralization tends to be of significantly lower grade. Epithermal deposits are typically classified into three different categories based on the sulphidation state of associated sulfide mineralogy: high, intermediate and low sulphidation. Each of these types has distinct associated mineral and alteration assemblages.

The lode occurrences of the Crooked Creek trend and the Deep Creek trend exhibit characteristics associated with epithermal, particularly low sulphidation systems. The dominant alteration types are silicification and sericitization. The presence of Hg and Sb sulphides is another preferential characteristic of low-sulphidation epithermal deposits. Alteration and mineralization assemblages at the Ptarmigan and Mogul Bluff prospects show a component of stratigraphic control preferential to the conglomerates.

Current Exploration

Upon acquiring the lease on the Seventymile Property in 2018, Tectonic completed an exploration program comprising 1,762 line-km of high-resolution airborne magnetics, 380 soil samples and 106 m of trenching with a helicopter-portable backhoe.

Airborne Magnetic Survey

From July 9 to July 18, 2018, an airborne CGG MIDAS high-definition magnetic survey was flown. The survey covered a total of 1,762 line-km, comprised of 1,552 km of grid lines flown at an orientation of 022°/202° and 100 m line spacing, and an additional 210 km of tie lines flown at 112°/292° and a line spacing of 845 m. The survey covered the entire extent of the Seventymile greenstone belt that transects the property.

The MIDAS system consists of two Scintrex CS-3 Cesium Vapour magnetometers mounted on a transverse boom with a 13.3 m separation, a fluxgate magnetometer, and a GPS antenna for flight path recovery. In the tail boom an additional GPS antenna, altimeters (radar, laser, and barometric), a video camera, and data acquisition system are mounted. This system was mounted on an AS350 B3 helicopter operated by Questral Helicopters. The base magnetometer was a CGG CF1 with a Scintrex cesium vapour sensor with a GEM Systems GSM-19 as a secondary unit.

The purpose of the high-resolution magnetic survey was to provide a control for accurately mapping different geological units, and the identification of geological structures that may be related to mineralization. A total magnetic intensity map with geological structures and contacts is shown in Figure 5.

Rock Sampling

Rock sampling in 2018 focused mainly on the Flanders prospect area, including the interpreted western extension, where a total of 48 samples were taken. The majority of rock samples returned low to background values (<0.005 g/t Au), although anomalous Au values were returned from the core Flanders area. The highest value of 8.585 g/t Au was returned from a sample of multi-pulsed quartz breccia collected from an old trench.

The program also focused on the Flume prospect area, where seven samples were taken, and returned values from <0.005 g/t Au to 2.721 g/t Au. The latter was a sample of strongly and pervasively oxidized basalt, showing sericite and clay alteration, and hosting quartz-carbonate veinlets. A total of nine samples were taken from two sites southeast of the Bonanza showing. All values returned were at sub-detection level (<0.005 g/t Au).

Two samples were collected at the Ptarmigan Hill prospect. A sample of pervasively silicified and oxidized quartz pebble conglomerate that may have been collected near a historic showing returned 0.229 g/t Au with 11 g/t Ag and 49 ppb Sb. A second sample, taken about 25 m to the WSW, graded 3.483 g/t Au with 814 g/t Ag and 153 ppm Sb. No descriptions are available for the second sample. The pathfinder mineralogy, including the lack of elevated As and Bi values, suggest a lower temperature setting typical of epithermal mineralization.

Soil Sampling

The 2018 soil sampling program was conducted in two phases. The initial phase of 280 soil samples was completed from June 9 to July 5, 2018. The second phase of 100 samples was conducted between September 17 and 21, 2018. The 2018 soil sampling program was conducted using power augers to penetrate beneath the tundra and permafrost on topographic plateaus that had hampered historic shovel sampling. The auger sampling focused on obtaining C-horizon soil samples in an effort to achieve more representative assay and analytical values. Previous shovel sampling returned “false negative” values because the sample was unobtainable or was of unrepresentative surface material.

North-south oriented soil lines were laid out at a 50 m to 100 m line spacing and 25-metre sample spacing. The lines were laid out to cross volcanoclastic-mafic contacts and mafic-ultramafic contacts identified from historic geological maps and from geophysical data. These lithological boundaries are interpreted as prospective for shear hosted gold mineralization. Additional lines were surveyed to cover historic shovel soil anomalies. Three target areas were sampled during the 2018 program: the Flume-Bonanza Link, Bonanza East, and the Flanders Area targets.

Flume-Bonanza Link

Three soil lines were laid out to cover a historic WNW-ESE trending 800 m long soil anomaly. The anomaly is located on a north-facing ridge with permafrost and tussock cover approximately 1,400 m east of the Flume prospect and 800 m west of the Bonanza prospect. The anomaly covers an interpreted mafic-ultramafic contact where historic shovel sampling returned values of up to 420 ppb Au with consistent values in excess of 100 ppb Au. A total of 78 auger samples was collected from this area in 2018. Gold values ranged from <5 ppb to 258 ppb, with multiple values between 56 ppb Au and 69 ppb Au. This anomaly is coincident with the historic results.

Bonanza East

Three sample lines were laid out approximately 800 m, 900 m, and 1,200 m east of the Bonanza prospect. These lines tested a prospective mafic-ultramafic contact uphill of a historic soil anomaly that returned values to 90 ppb Au. The lines also tested the southern extent of a mapped mafic volcanoclastic contact. A total of 78 samples was collected on this target, returning values from <5 ppb Au to a peak result of 57 ppb Au, obtained along strike from the historic high gold-in-soil value. However, extensive permafrost, hampering sampling efforts, was encountered in this area.

Flanders Area

The Flanders area was the primary target for the auger soil sampling campaign. Three initial sample lines were laid out to test the mafic (crystal lithic tuff)-volcanoclastic contact interpreted as a shear zone along the ridgetop at the Flanders prospect. Analysis of these samples returned values from <0.005 g/t Au to 1.080 g/t Au, and included a value of 1.014 g/t Au. Numerous values exceeding 0.100 g/t Au are coincident with the lithic tuff-volcanoclastic contact. A fourth orientation line, extending directly across the drilled portion of the Flanders prospect, returned values from 0.117 g/t Au to 1.913 g/t Au; outlying samples returned background Au values.

Based on these results, an additional four lines of auger soil samples were added to test the extension of the anomaly. Results from these samples returned values from <0.005 g/t Au to 0.670 g/t Au. An additional two short lines, totaling 23 samples, were sampled northwest of this grid and east of the Alder Creek zone. Results included values from <0.010 g/t Au to 0.388 g/t Au. Sampling to the west of the Flanders prospect was hampered by steep rocky terrain and, in locations where no suitable soil was found, rock samples were collected instead.

Trenching

A single 106-metre long, 1-metre deep trench was dug with a heli-portable CanDig excavator to sample subcrop. This trench was dug to follow up on the 1.014 g/t Au and 1.913 g/t Au-in-soil values at the Flanders prospect. The trench was laid out in a N-S orientation to cross the anomalous samples and interpreted major shear zone. The excavation was to commence at the north end in overburden overlying mafic rocks and terminate once it has successfully transected the shear zone; however, the excavator failed in fault gouge at its southern terminus. This fault gouge was mineralized, returning a value of 278 ppb Au across 9 m from the 97 m to 106 m interval at the southern limit of the trench. Brecciated welded tuff exhibits moderate silicification and chlorite alteration. A total of 26 samples ranging from 2.5 m to 5.0 m in length were collected from subcrop exposed along the length of the trench. These samples returned values from 0.005 g/t Au across 5 m to 0.283 g/t across 5 m.

2019 Due Diligence Sampling

Three samples of proximal quartz float were taken from the Flanders prospect in May 2019 and assayed from 2.021 g/t Au to 20.0 g/t Au, with anomalous As and weakly anomalous Sb values. Quartz float boulders hosted clotty to fracture controlled arsenopyrite, as well as abundant limonitic fractures. This fabric is shown in Sample 1465509, which returned 20.0 g/t Au and hosted one speck of visible gold. The 2019 sampling confirmed the tenor of gold from surface sampling at the Flanders prospect.

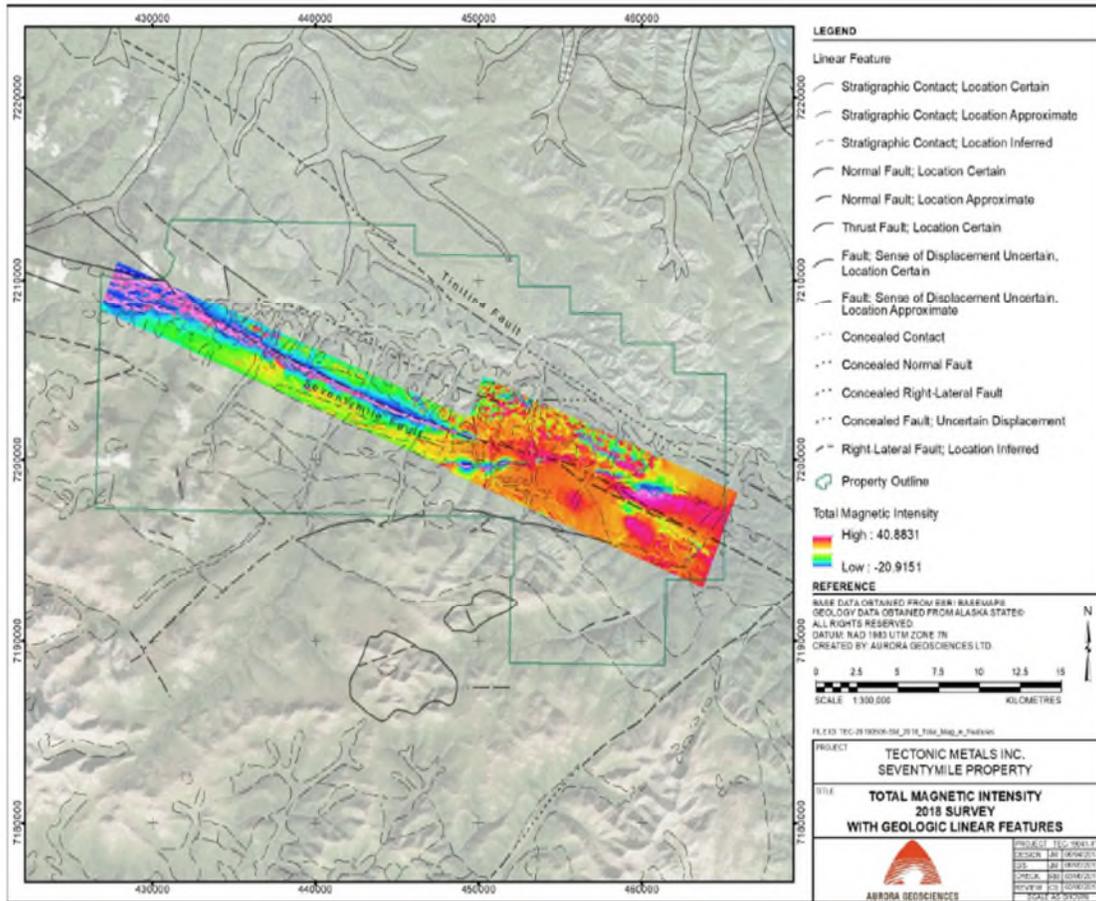


Figure 5: Total magnetic intensity from the 2018 MIDAS Airborne Survey with regional contacts and structures overlain

2019 Geoprobe Sampling

In 2019, Tectonic conducted a “Geoprobe” survey across four target areas along the Flume trend: the Flume-Bonanza, Bonanza, Flanders and East Flanders targets. Two lines were also completed across the “Deep Creek” target directly southwest of the Flanders target. These Geoprobe surveys were designed to collect representative rock samples from the soil-bedrock interface along parallel grid lines at depths ranging from near-surface to 4.5m, in order to determine lithology and mineral potential at the interface.

A total of 788 samples were collected across 3,865m of grid lines. These comprise: 130 samples across 640m in two grid lines at the Flume-Bonanza target; 151 samples across 485m in three lines at the Bonanza target; 322 samples across 1,575m in 7 lines at the Flanders target; 119 samples across 585m in two lines at the Deep Creek target, and 118 samples across 580m in two lines at the East Flanders target. The sample spacing was 5m.

Flanders Target

The Flanders target is a high-angle shear zone potentially hosting bonanza-style veins or other veins feeding the northeast-dipping low angle veins and high-grade tension gash veins. The Geoprobe lines covering the target are: SVMGTP19-001, 002, 003, 009, 012, 013 and 014. Four zones, FL 1 through FL4 were delineated within the target (Figure 6).

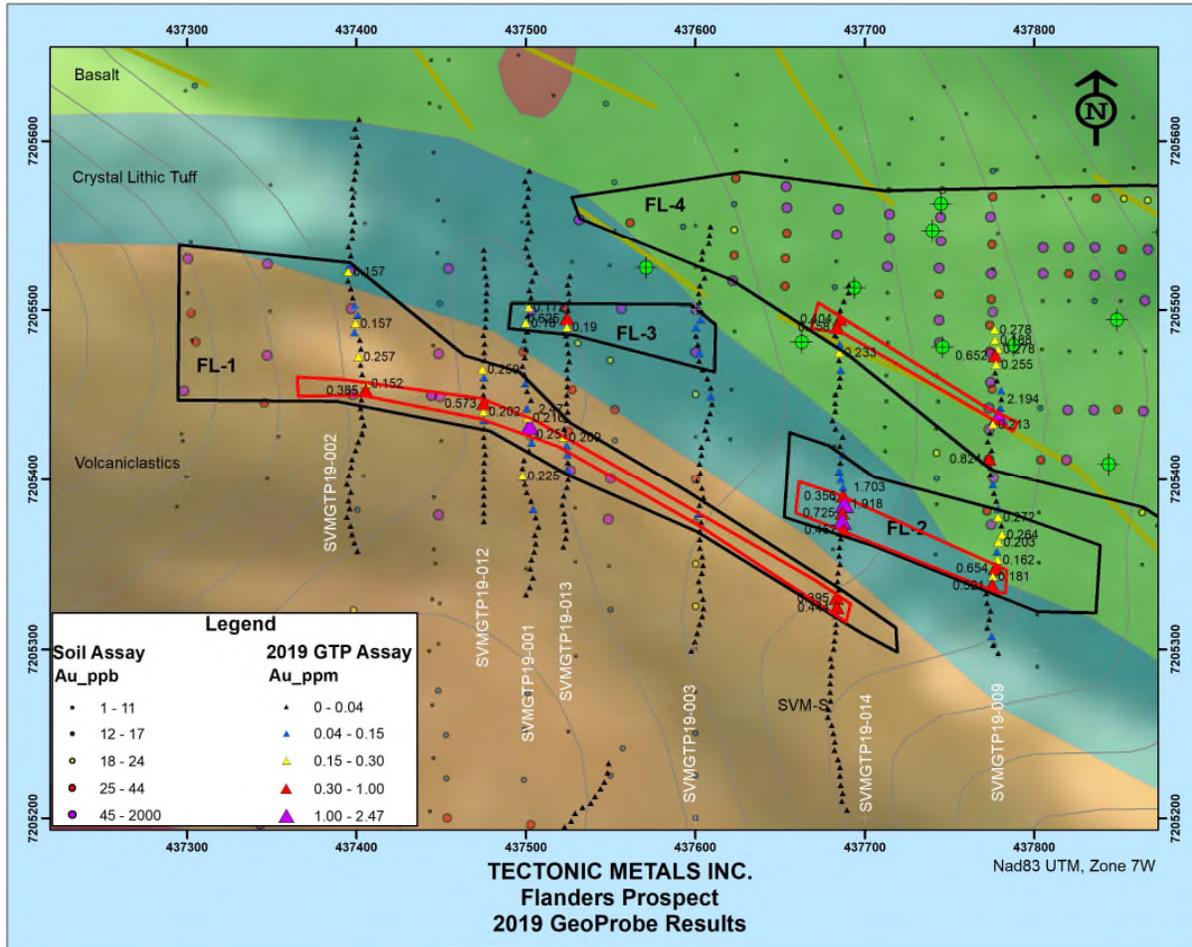


Figure 6: Location of FL-1 through FL-4 zones, Flanders target

Zone FL1, hosted within a package of volcaniclastic rocks, has a strike length of 465m, with widths of 15m in the east possibly widening to 90m to the west. The zone, open to the east and west, contains fourteen Geoprobe assays exceeding 0.15 g/t Au, four exceeding 0.30 g/t Au, to a maximum of 2.47 g/t Au. The zone also includes a 5-10-metre wide, 350m long high-grade corridor, supported by 2018 power auger sampling results. This corridor may represent a high-angle structurally-hosted bonanza vein.

Zone FL-2, measuring 200m long and 40m wide and open to the east, hosts the “historic” tension gash veins. This zone straddles the crystal lithic tuff-basalt contact. Geoprobe sampling returned twelve assays exceeding 0.15 ppm Au, seven greater than 0.30 ppm Au, and two peak assays of 1.703 and 1.918 ppm Au respectively. Sample results identified a 20-metre wide high-grade corridor. The 2019 program indicates that the FL-2 zone may represent the surface expression of a tension gash vein.

Zone FL-3, apparently located entirely with the crystal lithic tuff unit, returned four Geoprobe assays exceeding 0.15 g/t Au to a maximum of 0.625 g/t Au. The zone may be of limited strike extent and has approximate dimensions of 125m x 20m. The zone may also represent the surface expression of a tension gash vein.

Zone Fl-4 comprises a very broad area of high-grade values. Previous drilling intersected high-grade gold-bearing quartz veins, some of which returning the highest-grade intervals returned at the Flanders prospect. Gold-bearing quartz veins occur within shallowly-dipping en-echelon tension gashes, hosted entirely within the basalt and serpentinite units. A total of eleven samples returned Au values ≥ 0.15 g/t to a maximum of 2.194 g/t Au.

Flume-Bonanza Link Prospect

The 2019 Geoprobe surveying across the Flume-Bonanza prospect targeted untested gold-in-soil anomalism within pillow basalt and serpentinite units near a diorite dyke possibly contemporaneous with the late Cretaceous monzonite intrusion at the Deep Creek target. Two Geoprobe lines, Lines SVMGTP19-005 and 006 covering 0.640 line-km were completed across the target. A total of 130 samples were taken.

The Geoprobe assay values did not reproduce the historic shovel Au soil values, but correlate better with the 2018 power auger soil results. Geoprobe results encountered moderately strong Au anomalism at or near the mafic-ultramafic contact, with values ranging from background to 0.372 g/t Au. However, despite high Au values from shovel samples overlying the actual serpentinite unit, 2019 sampling returned background Au values. Samples taken from the southern area, underlain by basalt, correlate more strongly with the 2018 power auger results. These returned weakly to moderately anomalous Au values, ranging from background to 0.086 g/t Au. Closer to the contact along line SVMGTP19-005, two consecutive samples returned values of 0.118 and 0.325 g/t Au respectively. These are south of the mapped contact of the basalt with the serpentinite to the north, which may be explained by downslope soil creep.

Bonanza Prospect

The Bonanza prospect targeted a high-angle shear-hosted vein potentially occurring along the serpentinite-volcaniclastic contact. Limited historic drilling at Bonanza focused on the serpentinite unit and defined a “low-grade, bulk tonnage Au resource”. No drilling targeted the area of the 2018 soil value returning 0.230 ppm Au within the volcaniclastic unit to the south. Two Geoprobe lines, SVMGTP19-004 and 007, covered a distance of 0.485 km, from which 99 samples were taken. Along line SVMGTP19-007, two consecutive samples directly along the serpentinite-volcanic contact returned values of 0.05 and 0.102 g/t Au respectively. Somewhat farther to the northeast within the serpentinite, two others returned consecutive values of 0.101 and 0.046 g/t Au, and one additional sample farther north returned 0.107 g/t Au. Sampling along line SVMGTP19-004 returned background to weakly elevated gold values, to a maximum of 0.051 g/t Au.

East Flanders Prospect

The East Flanders prospect followed up on historic shovel soil Au anomalism and tested the hypothesis that a high-angle shear zone hosting possible bonanza vein or veins exists east of the Flanders prospect and extends across Deep Creek. Two lines, SVMGTP19-008 and 010, were completed across this, and 118 samples were taken.

Geoprobe sampling revealed a highly anomalous gold value of 0.946 g/t Au from the basalt in Line SVMGTP19-008, as well as two strongly anomalous values of 0.239 g/t Au and 0.299 g/t overlying the crystal lithic tuff but close to its contact with the basalt unit. Samples elsewhere along this line returned values from background to 0.036 g/t Au, except for a value of 0.096 g/t near the basalt-hosted value of 0.946 g/t. Sampling along line SVMGTP19-010 returned four consecutive values across 15m ranging from 0.045 to 0.815 g/t Au. This anomalous zone also occurs within the crystal lithic tuff unit slightly south of its contact with basalt. Some downslope dispersion may have occurred, although the constrained nature of the anomalous zone indicates a proximal target within the tuffs. Samples elsewhere returned mainly background Au values, to a maximum of 0.025 g/t Au.

Deep Creek Prospect

Geoprobe sampling targeted the Deep Creek trend, which comprises a zone of anomalous silver and gold values in altered silicic volcanic and subvolcanic rocks. The specific target is the lithologic contacts and surrounding country rock of the late Cretaceous monzonite intrusion. Two lines, SVMGPT19-015 and 011 tested this target. Sample results revealed weak to moderate Au anomalism within the terrigenous clastic rocks located on the southern flank of the monzonite intrusion. Gold assay values ranged from 0.010 g/t to 0.106 g/t at this locality, with numerous samples exceeding 0.044 g/t Au.

2019 Auger Sampling

The 2019 gasoline-powered auger drilling program comprised a total of 71 samples at a 25-metre line spacing along four lines with a total length of 1,680m. One line was completed across each of the Flanders, Alder, Flume and Nugget targets.

Flanders Prospect

A single 222-metre power auger soil line, Line SVMPAS-001 comprising 10 samples was completed across the Flanders target. A peak Au assay of 74 ppb was obtained from the centre of the east-west linear topographic depression suggesting the FL-1 zone extends westward by another 100 m from previous soil sampling. Elevated Au values occur near the crystal lithic tuff-volcaniclastic contacts, indicating that the gold-bearing quartz veins have exploited lithologic contacts. Gold values elsewhere along the line ranged from background to 0.025 g/t Au.

Alder Prospect

Power auger sampling along the Alder prospect was designed to test the various lithologic contacts immediately west of Alder Creek. One auger line, SVMPAS19-002, with a linear distance of 503m was completed, providing a total of 21 samples. A peak assay of 139 ppb Au was obtained directly at the basalt-crystal lithic tuff contact. Weak Au anomalism was detected within the volcaniclastic unit, with values ranging from background to 0.020 g/t Au and 0.023 g/t Au at its respective contacts. Very weak Au anomalism with values ranging from background to 0.017 g/t Au also occurs within the serpentinite rocks.

Flume Prospect

Power auger sampling at the Flume prospect targeted the area east of the historic Flume soil anomaly. A single line, SVMPAS19-003, with a linear distance of 425 m was completed, providing 21 samples. Samples yielded seven values from 0.025 g/t Au and 0.038 g/t Au, with remaining values ranging from background to 0.018 g/t Au. Three consecutive values ranging from 0.025 to 0.037 g/t Au are associated with a diorite dyke towards the north end of the line. The majority of remaining elevated values were returned from the southern basalt package, with the exception of anomalous values of 0.017 and 0.027 g/t Au from the serpentinite unit. Historic shovel sampling failed to return values above a 0.005 g/t Au detection limit in this area.

Nugget Prospect

Power auger sampling at the Nugget prospect was designed to follow up on a historic shovel soil anomaly of 0.120 g/t Au east of Deep Creek. One line, SVMPAS19-004, covering a linear distance of 530m, provided 22 samples. Power auger sampling at the site of the 0.120 g/t sample returned a value of 0.014 g/t Au. Farther south, two consecutive samples returned values of 0.027 and 0.041 g/t Au respectively. All were taken from areas underlain by the basalt package, mainly in areas where historic shovel sampling returned sub-detection Au values. Farther south, within the crystal lithic tuff package, samples returned values ranging from background to 0.024 g/t Au.

Drilling

No drilling has been conducted on the property by Tectonic.

Sampling Method and Approach

A total of 380 soil samples, 71 rock grab samples, and 26 trench composite rock samples were collected during the 2018 exploration program on the Seventymile Property.

2018 Soil Sampling Methodology

Soil samples were primarily (372 samples) collected by two person crews using gasoline powered ice augers to drill through the overburden and permafrost to obtain a C-horizon sample that is more representative of bedrock values. Shovel samples (8 samples) were used to collect near-surface soil. Crews augered to the 'C' soil horizon and collected approximately 600 grams of material in breathable cloth bags. Sample depths ranged from surface to 2.4 m in depth. Samples were located using handheld non-differential GPS units. Parameters recorded comprise UTM co-ordinates including elevation, sample depth, colour, moisture, lithology, texture, and condition of the site at surface. Samples were typically but not always analyzed with a Niton

hand-held XRF unit prior to shipment (see “*Seventymile Property – Sampling Method and Approach – XRF Data Collection, 2018 and 2019*”).

Soil samples were placed into cloth sample bags which are labelled, assigned a unique sample ID and assay tag, and the strings were tied for shipment. Samples were placed either in rice bags with the sample numbers written on the bag and sealed with a cable tie, or in sealed “Super Sacks” closed with wire ties. All samples were flown from the property by helicopter to Delta Junction, Alaska, then transported by road to Fairbanks, Alaska. All samples remained in the custody of the field personnel and were transported by Avalon's expediter either to secure facilities at the Avalon warehouse, or submitted directly to the prep lab of Bureau Veritas in Fairbanks, Alaska, USA.

2018 Rock Sampling Methodology

A total of 71 rock grab samples were collected on the Seventymile Property during the 2018 field season. All samples were described in the field and located using handheld GPS units. Typical sample weights ranged between 0.9 kg and 2.7 kg. Samples were categorized based on the material sampled. Samples were collected from outcrop, float, and the 2018 trench. Samples were classified as float whenever they were not specifically sampled from outcrop. Rock samples were collected on soil grid locations where no soil could be obtained, and additional samples were collected wherever metallic mineralization, quartz veining, or diagnostic alteration was observed. Six of the grab samples were collected from the trench at the Flanders prospect and represent sub-samples of visible mineralization or alteration noted within larger trench channel samples.

Rock samples were placed in cloth sample bags which were labelled with a unique sample identification and assay tag and tied for shipment to the lab. Samples were placed either in rice bags with the sample numbers written on the bag and sealed with a cable tie, or in sealed “Super Sacks” closed with wire ties. All samples were flown from the property by helicopter to Delta Junction, Alaska, then transported by road to Fairbanks, Alaska. All samples remained in the custody of the field personnel and were transported by Avalon's expediter either to secure facilities at the Avalon warehouse or submitted directly to the prep lab of Bureau Veritas in Fairbanks, Alaska, USA.

2018 Trench Composite Sampling Methodology

The CanDig trench was excavated to target the overburden-bedrock interface, however, the ground conditions at the Flanders prospect prevented the trench from reaching bedrock. Organic material was removed and placed to the side of the trench for later reclamation purposes. Overburden material was placed on the right side, directly beside where it was removed from. Although bedrock was not reached, sampling was done on abundant rubble crop exposed at the base of the trench.

Once the trench was excavated, it was inspected by a geologist to determine appropriate sample intervals based on observed material. The 106 m long trench was sampled continuously in 2.5 m to 5.0 m intervals along its length. Shorter increments were used in more prospective rocks and longer intervals used in unmineralized and unaltered sections. A rock sample bag was placed at the start of each interval; care was taken to ensure these were in sequence. A profile of trench samples was drawn in large “Rite in the Rain” trench mapping books. Samples were collected by hand using a mattock or a geotool to collect representative subcrop and proximal float samples exposed in the trench.

For each sample, rock chips were extracted from the bottom of the trench, with equal representation across the entire interval. A representative sample was taken for each interval. The sample sequence was checked to ensure accuracy, and a photograph was taken of each interval, including the sample bag with the sample number. “High-grading” of mineralized portions was avoided in the main sample, although specific samples of mineralized and/or altered material were collected, utilizing a separate sample sequence.

The lithology, alteration, and mineralization for each sample were recorded in the field. The detail of logging was governed by quality of excavation, with well exposed sections potentially logged at intervals of <0.5 m, and more poorly excavated sections logged at intervals of 0.5 m – 1.0 m. All changes, including subtle changes in lithology or alteration were also recorded. All pages within the log notebook were scanned and recorded on field computers in camp.

Samples were placed in large rice bags, labelled and sealed for transport to camp and the lab. Samples also typically but not always underwent XRF/Niton analysis (see “*Seventymile Property – Sampling Method and Approach – XRF Data Collection, 2018 and 2019*”). For each sample interval, the most prospective rock, containing the strongest and/or obvious mineralization, was removed to reduce potential for bias. A single spot of the remaining material was analyzed, and the sample was then returned

to the bag and sealed for shipment. The resulting XRF data was downloaded and saved on the field computer nightly. The chain of custody to Bureau Veritas was identical to that for rock samples.

2019 Due Diligence Rock Sampling

In 2019, a total of three rock samples were collected and analyzed from the Seventymile Property. All samples have a minimum weight of 0.25 kg and were placed in 8" x 13" clear poly bags. Each sample was placed in a bag with a unique sample tag. The corresponding sample number was also written in indelible ink on the outside of the bag. A representative sample of each was also taken for reference. The sample bag was then wrapped tightly and bound using a "Zap Strap" cable tie. The rock samples were placed within a "rice bag", with the sample numbers written on the outside of the bag and sealed with a cable tie. All sample locations were recorded by using a GPS, utilizing UTM 1983 North American Datum (NAD-83), at the location of the sample. All samples were marked in the field, with the sample number written on the flagging tape and then wrapped numerous times around the sample to protect the identification of the sample. Notes on sample type, UTM locations, including elevation, sample type, sample description, geological formation, lithology, modifiers, colour, various types and intensity of alteration, types and amount of mineralization, date, sampler and comments were recorded in a field book. These were then transferred to an Excel spreadsheet. The samples were transported by the Qualified Person and delivered directly to the Whitehorse, Yukon, Canada prep lab of Bureau Veritas.

2019 Geoprobe Sampling

The Geoprobe is a track mounted, remote controlled, hydraulically powered direct-push drill designed by Ground Truth Exploration Inc. and operated by Ground Truth Americas, Ltd. The Geoprobe is designed to collect representative rock samples from the soil bedrock interface using a 2" internal diameter sampling rod. At Seventymile, a sample spacing of 5m was employed along pre-set grid lines or "corridors" at depths ranging from near surface to 4.5 m depending ground conditions.

At each sample site approximately 30 cm of material from the bottom of each hole is collected. Representative rock chips are collected from the sampled material and each sample site is logged in a handheld Samsung smartphone. Each site is flagged, labelled, and surveyed using a differential GPS. Parameters logged comprise: UTM co-ordinates including elevation, sample depth, rock content, content of frozen material, oxidation level, amount of weathering, rock fragment angularity, lithology, alteration, whether bedrock was successfully reached, and any additional comments pertaining to the sample. All samples were analyzed with a Niton hand-held XRF unit prior to shipment (see "*Seventymile Property – Sampling Method and Approach – XRF Data Collection, 2018 and 2019*").

Geoprobe samples were placed into 12 x 18" 8mil clear poly sample bags, each labelled with unique sample identification and assay tags and sealed with a cable tie for shipment to the lab. Samples were placed in rice bags with the sample numbers written on the bag and sealed with a cable tie and individually numbered yellow security tags. Samples were either flown directly from the Alder Airstrip by 40 Mile Air to Fairbanks, or by helicopter to Eagle, Alaska, where they were then transferred to an Everts Air Cargo fixed wing aircraft for delivery to Fairbanks. Samples were received in Fairbanks by Horst Expediting ("**Horst**") and Remote Operations Inc. and delivered by Horst or Remote Operations employees to the prep lab of Bureau Veritas in Fairbanks, Alaska, USA.

2019 Soil Power Auger Sampling

The methodology of collection of the 2019 soil samples was identical to that of the 2018 auger sampling. Samples were collected by two person crews using gasoline powered ice augers to drill through the overburden and permafrost to obtain a C-horizon sample that is more representative of bedrock values. Crews augered to the 'C' soil horizon and collected approximately 600 grams of material in breathable cloth bags. Sample depths ranged from surface to 2.4 m in depth. Samples were located using handheld non-differential GPS units. Parameters recorded comprise UTM co-ordinates including elevation, sample depth, colour, moisture, lithology, texture, and condition of the site at surface. All samples were analyzed with a Niton hand-held XRF unit prior to shipment (see "*Seventymile Property – Sampling Method and Approach – XRF Data Collection, 2018 and 2019*"). At locations where collecting a soil sample was impossible, such as on a talus slope, a rock grab sample was collected and recorded separately.

Soil samples were placed into cloth sample bags which are labelled, assigned a unique sample ID and assay tag, and the strings were tied for shipment. Samples were placed either in rice bags with the sample numbers written on the bag and sealed with a cable tie, or in sealed "Super Sacks" closed with wire ties. All samples were flown from the property by helicopter to Delta

Junction, Alaska, then transported by road to Fairbanks, Alaska. All samples remained in the custody of the field personnel (Avalon and/or Tectonic) and were transported by Avalon's expeditor either to secure facilities at the Avalon warehouse, or submitted directly to the prep lab of Bureau Veritas in Fairbanks, Alaska, USA.

XRF Data Collection, 2018 and 2019

XRF data was selectively collected over exploration campaigns from 2018 to 2019 by various exploration service providers as part of a comprehensive service package. The XRF analysis was undertaken in an attempt to establish a future relationship between in-field XRF results and Fire Assay data to determine the XRF's effectiveness and reliability in future exploration programs.

No standardized methodology, calibration, nor Quality Control procedures were implemented during the collection of the XRF data. Varying models of XRF analyzers, specifications of analysis, and analytical procedures and methodologies have been employed by the differing exploration service providers rendering direct comparison difficult. Soil samples, if analyzed, may not have been consistently dried prior to analysis in the field, and rock and geoprobe samples, if analyzed, received only surficial point analysis. Due to the early-stage nature of the Seventymile Property, no relationship between XRF data and assay data has been established.

For the reasons mentioned above, the author of the Seventymile Technical Report believes any XRF data to be unreliable and not significant at this time.

Sample Preparation, Analysis and Security

Preparation, Analysis and Security

The 2018 field program was conducted by staff of Avalon under direction of Tectonic. Samples were transported from the field to camp or Eagle, AK each day. They were then stored in camp or accommodations until transport to the Bureau Veritas Commodities lab in Fairbanks, AK. Bureau Veritas Commodities is an analytical laboratory with ISO 14001 environmental certification and ISO 45001 certification for safety.

At the Bureau Veritas Fairbanks prep lab, all rock samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. A 30g lead collection fire assay was used to analyze for Au. The Ag dore bead is digested with aqua regia and then analyzed by Atomic Absorption. "Over limit" samples, exceeding 10 g/t Au, were re-analyzed by gravimetric finish. Following this, a 0.25-gram split was sent to the Vancouver, British Columbia lab for four-acid digestion. The split was heated in HNO₃, HClO₄, and HF to fuming and taken to dryness. The residue was then dissolved in HCl. The product of the digestion was then analyzed using "Inductively Coupled Plasma Emission Spectrometer" analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

All soil samples underwent drying to 60 °C, then sieved to -180 micron (80 mesh) size. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. Following this, the 0.25-gram pulps were sent to the Vancouver, British Columbia lab for four-acid digestion "Inductively Coupled Plasma Emission Spectrometer" analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 Geoprobe Sampling

Geoprobe samples, mainly comprising rock chips, were treated as rock samples. At the Fairbanks Bureau Veritas prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an atomic absorption finish. Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia, Canada lab for four-acid digestion "Inductively Coupled Plasma Emission Spectrometer" analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 Power Auger Soil Sampling

The 2019 preparation and analytical methodology for power auger soil sampling is identical to that for 2018. At the Fairbanks Bureau Veritas prep lab, soil samples underwent drying to 60°C, then sieved to -180-micron (80 mesh) size. All samples were then sent to Reno, Nevada, where they underwent analysis by gold by 30-gram fire assay fusion with an AAS. Following this, the 0.25-gram pulps were sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

Quality Assurance and Quality Control

Approximately one QAQC sample was placed into the sample sequence for every 10 samples. Eight standards were inserted for every 100 samples and 2 blanks were inserted for every 100 samples. Ten different standards from OREAS and Rocklabs were used.

A total of 10 standards were inserted into the 2018 rock and trench sample streams, and 34 were inserted into the soil sample sequence. A total of 5 standards entered into the rock/trench sample stream returned values within one standard deviation (“1SD”) of the certified value, 4 returned values within one to two SDs, and 1 (OREAS 260) returned a value approximately 5 SD higher. The OREAS 260 standard which returned the highest deviation had the lowest certified Au value.

Of the 34 standards inserted into the soil sequence, 26 returned values within 1SD of the certified Au value, 5 returned values from 1SD to 2SD higher than the certified Au values, and three samples returned values between 5SD and 7SD above the certified Au values. Notably, standard OREAS H1 returned values that were consistently 1SD to 2SD above the certified values, as well as the values from 5SD to 7SD above the certified value. In contrast, all the Rocklabs standards returned values within 1SD of the certified value. Greater deviations occur in results from standards with certified Au values closer to the lower detection limit of 0.005 g/t Au.

Blank material was taken from the Browns Hill Quarry basalt, an unmineralized Quaternary basalt flow from the Fairbanks Mining District, Alaska. Avalon has made extensive use of this as a blank material for Au analysis and maintains a large database of results for this material. During this program, a total of 6 of these blanks were inserted into the rock sample streams, and 11 were inserted into the soil stream. Most Au values from 2018 analyses were below the 0.005 g/t detection limit. However, three blanks within the soil stream returned values from 2 to 3 ppb above the Au detection limit. Additionally, two blanks inserted into the rock stream returned values of 0.016 g/t Au and 0.017 g/t Au. Additional lab standards, blanks and repeat samples were run by Bureau Veritas Commodities as part of their assaying procedures.

2018 Rock Sampling

In 2018, Avalon inserted a total of 8 standard samples of 5 varying concentrations, all supplied by OREAS labs, as well as 4 blank samples. All standards returned values within 2SD except one of OREAS 260, which has a low known gold value of 0.016 g/t Au. One blank sample returned a value of 0.017 g/t Au; the rest all returned values <0.005 g/t.

2018 Trench Sampling

In 2018, Avalon inserted 2 standard samples and 1 blank sample into its trenching sample stream. Both standards returned values within 2SD of certified values, although the blank sample returned a value of 0.017 g/t Au.

2018 Soil Sampling

In 2018, Avalon inserted 34 standard samples from OREAS Labs and Rocklabs, and 11 blank samples from the Browns Quarry. Three samples, all of OREAS H1, returned Au values above the upper 2SD limit. All others returned values within the 2SD range. The high values from OREAS H1 are partially caused by the very low certified grade of the standard sample, where a slight variation in true values translates into a significant percentage variance. Three blank samples returned values slightly in excess of the 0.005 g/t Au analytical threshold.

2019 Due Diligence Sampling

A total of 2 standard and 2 blank samples were inserted into the 2019 due diligence sampling stream. One standard of each of low grade and fairly high-grade certified gold content were inserted to test accuracy of low- and high-grade values returned from the sample stream. The two blank samples were 50-gram packets of material with a certified value of <0.010 g/t Au. All samples were supplied by CDN Resource Laboratories (“CDN”) of Vancouver, British Columbia. Both standard samples returned values within 2SD, indicating a satisfactory level of accuracy took place in 2019. Both blanks returned values of 0.009 g/t Au, indicating a lack of contamination in the analytical procedure.

2019 Geoprobe Sampling

During 2019, quality control “Standard” and “Blank” samples were inserted at a rate of about 1 sample per 10 rock chip Geoprobe samples. Two types of reference materials (“standard” samples) were employed by Tectonic in 2019, both provided by CDN. One is Reference Material CDN-CM-38, which employs known values for gold, silver, copper and molybdenum, designed to test for porphyry-style mineralization. The other is Reference Material CDN-ME-1205, employing known values of Au, Ag, Cu, Pb and Zn, and designed to test for polymetallic mineralization.

Analysis of standard reference material CDN-CM-38 revealed a “failure rate” (outside of the 2SD limits) of 17.4% for Au, 26.1% for Ag, 8.7% for Cu and 13.0% for Mo. Of four Au values outside of the 2SD range, two are above the upper limit, indicating actual geochemical values may be less than returned values for their respective sample “batches”; and two are below the lower threshold, indicating actual gold grades may exceed returned values for their respective sample batches. All six Ag values outside the 2SD range were above the upper threshold, indicating rock values returned within respective batches may exceed true Ag values. All three of the Mo “fail” values exceeded the upper 2SD threshold by a slight amount, indicating likelihood that rock values returned exceed true values. Both Cu “fail” values fell below the lower 2SD threshold, indicating true Cu values likely exceed returned values within their respective batches.

Analysis of standard reference material CDN-ME-1205 returned a 0.0% failure rate for Au and Zn. A failure rate of 10% was returned for Ag, and 5% was returned for Cu. Again, a high failure rate of 40% was returned for Pb. Both of the Ag “fail” values exceeded the upper 2SD threshold, indicating rock values returned within respective batches may exceed true Ag values. The single Cu fail value fell below the lower 2SD threshold, indicating values for the respective batch may be under-estimated. Six of the Pb values fell below the lower 2SD threshold, indicating values for their respective batches are under-estimating true values. The remaining two samples exceeded the upper 2SD threshold, indicating values for their respective batches are over-estimated.

All 43 blank samples returned sub-detection (<0.005 g/t) values for Au. Analysis for Ag returned nine values exceeding the detection level of 0.5 g/t, including five exceeding 1.0 g/t Ag to a maximum of 6.1 g/t Ag. All values returned for Mo are sub-detection (<2 ppm), and all values for Cu, Zn and Pb are roughly at crustal abundancies.

Statement of Opinion

Quality Assurance (QA)

The rock sampling methodology is adequate for the conditions encountered, comprising grab sampling of float boulders. Grab sampling tends to return the least representative results, and commonly shows a bias towards “high grading” of the mineralized portions. However, grab sampling is likely the only option for many sample locations at Seventymile, due to lack of outcrop. Composite grab sampling, involving collection of several pieces of similar material, may be possible in some locations where rubble crop or felsenmeer is encountered, and typically provide more representative gold values. Where feasible, composite grab sampling should be done. Chip sampling, involving an even amount of sampling across a known width, is recommended where mineralization occurs in situ.

The trench sampling methodology, comprising representative sampling across known widths, is also suitable for the conditions encountered. Trenching did not typically reach bedrock, requiring evenly distributed “chip-grab” sampling to be done instead. The collection of specific samples of mineralized material to test for higher grade gold values also assists understanding of the mineralogy, provided they are not confused with trench values over width. The results of trench sampling over width are likely to be fairly representative of true values, provided that an even distribution of material per each sample was taken. Specific samples of mineralized material of potentially higher-grade sections are not representative of true values over width.

The routine and repetitive methodology of soil sampling in 2018 should eliminate any chance of bias within each of the sampling methods. However, due to greater depth penetration, auger sampling tended to return higher gold values because the material sampled was taken at greater depths and is thus more representative of true values. Shovel sampling at shallow depths has a greater potential to return “false negative” values. Variability in results of soil sampling may be caused by depth of overburden, slope angle, vegetative cover, if any, and outcrop exposure, with lower values expected in flat areas with thick overburden. Soil anomalies may be transported, depending on slope and groundwater conditions; detailed records of slope, vegetation, soil conditions are used to determine probability of transportation.

The routine and repetitive methodology of 2019 Geoprobe sampling should also eliminate any chance of bias and is more definitive than power auger sampling. The sampled material is treated as rock, comprising mainly rock chips, thus representing lithological rather than deep soil metal content. The material is also much less prone to downslope movement, and more accurately represents bedrock geochemistry. The 2019 power auger soil geochemical sampling has the same level of accuracy and quality assurance as the 2018 auger sampling.

The author of the Seventymile Technical Report did not perform any resampling of 2019 Geoprobe samples in the field, as the program post-dated the May 2019 property visit. No direct sample assay verification has therefore been done. However, the author has reviewed the 2019 data, including the QC sample data, and it is the author’s opinion that the data provided by Tectonic is adequate for the purposes of the Seventymile Technical Report.

Quality Control (QC)

A high standard of quality control was utilized by Avalon and Tectonic during the 2018 program. The insertion of 10 different types of standards, with varying known concentrations, was done to determine levels of accuracy from near-background values (OREAS 200, 0.012 ppm Au) to moderate ore grade values (OREAS 214, 3.03 ppm Au). Avalon and Tectonic also utilized low Au-value standards in soil geochemical streams, and higher Au-value standards for rock and trench sample streams, in anticipation of expected values. The source of blank samples is well-chosen; actual rock samples are preferable to the usage of prepared blanks, assuming adequate additional testing of blank material. The basalt samples from the Browns Hill Quarry basalt are adequate for the QC process here.

All 2018 rock and soil sample data and results were provided in Excel spreadsheet from the Bureau Veritas laboratory in Reno, Nevada. These were then matched with sample locations (UTM-NAD 83) and descriptions, and all QC reference sample “standard” and “blank” sample results, and presented to the author of the Seventymile Technical Report in revised Excel spreadsheet format. The 2019 Geoprobe and power auger sample data was also presented in this manner, and also underwent analysis by an “XRF” unit on site. The results of these were matched with the laboratory results, although no relationship has been established at this time (see “*Seventymile Property – Sampling Method and Approach – XRF Data Collection, 2018 and 2019*”). The author of the Seventymile Technical Report is of the opinion that the data has been generated with proper procedures, has been accurately transcribed from the original source (the Reno laboratory of Bureau Veritas) and is suitable for usage.

Within the 2018 rock sampling stream, only one standard sample, of OREAS H1, returned an Au value outside of the 2SD range. This has a very low certified value of 0.012 g/t Au; therefore, a slight variance in actual grade translates into a sizable percentage variance. The 2018 values obtained may be regarded as representative of true values. All blank samples returned values of <0.005 g/t Au, indicating the analytical process was free of contamination.

Standard samples within the 2018 trench sample stream returned Au values within 2SD, indicating reliability of results. The single blank sample returned a somewhat elevated Au value indicating the possibility of slight contamination and associated increase in Au grades. This would be a factor only at very low Au values.

The author of the Seventymile Technical Report is of the opinion that the security procedures employed during the chain of custody of samples from the project sites to the analytical laboratory are adequate. The author also believes the analytical procedures are suitable and adequate for the purposes of this report.

Standard samples inserted into the 2018 soil sampling stream returned values within 2SD, except for several samples of OREAS H1, which returned values slightly above the upper 2SD limit. Again, the very low certified value of OREAS H1 is prone to higher percentage deviations from known values. Achieved soil values under 0.020 g/t Au may vary somewhat from true values,

although a similar difference in values at higher grades translates into a smaller percentage difference. Blank sample results indicate the process is free of significant contamination.

Typical ratios of insertion of standard samples is typically about 1:20. Although the 1:10 ratio employed here is certainly beneficial, it is not necessary for confirming accuracy of elemental analysis. A minimum insertion rate is one standard sample per sample batch. However, the ratio of 1:50 for blank sample insertion may be inadequate to ensure at least one sample per batch. The insertion rate should be increased to a minimum of one per batch to guarantee this.

The author of the Seventymile Technical Report has reviewed the 2018 rock and soil sampling data, combined with results, and has found them to be adequately tabulated. The author has also directly compared numerous individual rock and soil element values in the compiled 2018 data with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. At least one comparison was made for each individual certificate. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2018 data provided by Tectonic is adequate for the purposes of the Seventymile Technical Report.

A high standard of quality control was again utilized by Avalon and Tectonic during the 2019 Geoprobe program. Two sets of standard reference material with known base and precious metal values were utilized, as well as blanks from the same source (Brown's Quarry) as that utilized for previous programs. Of the two types of standard reference material, CDN-ME-1205 was shown to be more reliable for Au, largely due to the higher known values resulting in a 2SD range with a lesser percentage variance from the known value. Reference material CDN-ME-1205 also proved more reliable for Ag analysis than CDN-CM-38, again due to the former's higher known or "expected" value. For both sets of reference material, fail values for Ag all exceeded the upper 2SD limit. Avalon stated that Ag values returned from Bureau Veritas Labs commonly over-estimate true values, a statement supported by analytical results of standard samples. Blank samples also commonly return elevated to anomalous Ag values, indicating imprecision in the analytical technique, and over-estimation of actual values.

Values returned for Cu and Mo within reference material CDN-CM-38 typically fall within the 2SD range, with only occasional "fail" results. This indicates a high degree of reliability for these elements. Again, fail values indicate the respective batches may have either over-estimated or under-estimated values for the respective elements, and care should be used when compiling results from these batches. Analysis for Zn has been shown to be highly reliable for both sets of standard reference material. However, Pb values in both sets of reference material showed the highest variance from expected values, with the greatest number of "fail" values. Fortunately, Pb is of secondary importance at the Seventymile Property, useful mainly as a pathfinder element for Au and Ag mineralization.

"Blank" sampling returned sub-detection values for Au for all samples, indicating gold analysis throughout the program was free of contamination. However, several blank samples returned elevated to anomalous values for Ag, indicating contamination. This has been reported as a consistent issue with the Bureau Veritas lab employed for analysis, and should be investigated. Blanks sample values for Mo were all at sub-detection levels, free of contamination, and values for Cu, Pb and Zn were all at roughly crustal abundance, indicating no contamination issues for these elements.

The insertion rate for standard reference material, at a standard: rock sample ratio of about 1:18, is adequate for the program. The insertion rate for blanks is identical, and the alternating standard and blank insertion rate ensures one sample of standard and one of blank material will be enclosed in each sample batch. It is the author of the Seventymile Technical Report's opinion that the data provided by Tectonic is adequate for the purposes of this report, and that the QC regimen employed is adequate for the project.

The author of the Seventymile Technical Report has compared numerous 2019 Geoprobe and power auger soil element values in the compiled 2019 database with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. At least one comparison was made for each individual certificate. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2019 data provided by Tectonic is adequate for the purposes of the Seventymile Technical Report.

Data Verification

The data from the pre-Tectonic historic work has not been verified, and the author of the Seventymile Technical Report cannot verify whether results from historic work are representative of true values.

For the 2018 work, Tectonic and Avalon reviewed sample collection records, the master data base and assay certificates. During each exploration program, Avalon evaluated each sample batch when received and ensured any spurious results were corrected by the laboratory prior to the data being incorporated into the master database. Tectonic and Avalon did not note any areas of concern regarding QA/QC procedures. The Tectonic personnel were of the opinion that the processes of data collection, sampling, chain of custody, sample preparation and analysis, and QA/QC protocol were done to a high degree of due care, utilizing methods that met or exceeded industry standards. The qualified person for the 2018 report confirmed the information in the 2018 report is, to the best of their knowledge, accurate and truthful.

The sampling conducted during the 2018 field season was carried out by Avalon personnel under direction from Tectonic personnel and the author of the Seventymile Technical Report has no reason to believe that this work was conducted in a manner inconsistent with modern geological field practices. The author has reviewed the geochemical data from the 2018 samples including the certificates of analysis from the laboratory and believes the analytical results to be within an acceptable range of error.

The author of the Seventymile Technical Report has reviewed the 2018 rock and soil sampling data, combined with results, and has found them to be adequately tabulated. The author has also directly compared numerous individual rock and soil element values in the compiled 2018 data with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. At least one comparison was made for each individual certificate. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2018 data provided by Tectonic is adequate for the purposes of the Seventymile Technical Report.

The author of the Seventymile Technical Report also conducted a due-diligence visit to the Flanders prospect area on May 7, 2019. Three rock samples, all from the Flanders prospect, were taken by the author. These samples are of proximal float boulders and are not exact re-samplings of previously sampled material. The 2019 samples returned values of 2.021 g/t Au, 10.4 g/t Au, and 20.0 g/t Au, similar to many of the gold values from mineralized drill intercepts and confirming the tenor of gold mineralization at the Flanders prospect. The author can confirm that the data for the 2019 due diligence sampling is accurate, and that the processes of data collection, sampling, chain of custody, sample preparation and analysis, and QA/QC protocol were done to a high degree of due care, utilizing methods that meet or exceed industry standards.

The 2019 Geoprobe survey can be partly considered as a due-diligence exercise. Values returned were typically higher than those from power auger surveying, due to media sampled and depth penetration, but mainly confirmed existing anomalism. The Geoprobe sampling much more closely identifies the in-situ source of mineralization, due to minimal transport of rock chips compared to soil transport.

It is the author of the Seventymile Technical Report's opinion that the data provided by Tectonic is suitable to be used within the Seventymile Technical Report. The results, combined with those from XRF analysis on site, were tabulated by Tectonic personnel into Excel spreadsheet form, and provided to the author. However, the author was unable to conduct data verification directly through duplicate sampling of summer 2019 results, as the program post-dated the May 2019 property visit.

The author of the Seventymile Technical Report has compared numerous 2019 Geoprobe and power auger soil element values in the compiled 2019 database with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. At least one comparison was made for each individual certificate. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2019 data provided by Tectonic is adequate for the purposes of the Seventymile Technical Report.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been conducted on the Seventymile Property.

Mineral Resource and Mineral Reserve Estimates

No mineral resources or mineral reserves in compliance with definitions under the CIM have been calculated for the Seventymile Property or any of its constituent prospects.

Conclusions

The following conclusions can be made, based on results of the 2018 program, the 2019 due-diligence visit, and earlier programs, particularly by WGM in 2000:

- The Seventymile Property covers a narrow assemblage of Seventymile terrane Permian ophiolitic ultramafic to mafic rocks, other non-ophiolitic mafic to felsic volcanic rocks, and lesser clastic sedimentary rocks and limestone. This assemblage is clearly visible in 2018 airborne magnetic data and is bounded to the north and south by Yukon-Tanana terrane stratigraphy.
- Three major mineralized trends have been identified: the Flume trend, encompassing the Flume, Bonanza, Alder and Flanders prospects; the Deep Creek trend, comprising the Deep Creek and Kill Zone 2 prospects; and the Crooked Creek trend, hosting the Ptarmigan Hill and Mogul Bluff prospects.
- The Flume trend, and likely the Deep Creek trend, host mesothermal gold-bearing vein-style mineralization interpreted to be of orogenic origin. The Crooked Creek trend comprises epithermal gold mineralization within Tertiary conglomerates and sandstones.
- Two deposit settings are applicable: orogenic gold, comprising lode-style mineralization along splays of a district-scale crustal fault; and epithermal mineralization, marked by mineralization deposited in a lower temperature-pressure environment. Orogenic gold tends to be of higher tenor, whereas epithermal gold typically occurs as larger-tonnage, lower grade deposits.
- Anomalous to high silver, antimony and gold values from two samples at Ptarmigan Hill indicate an epithermal mineralizing environment within Tertiary coarse clastic sediments. Further surface sampling is warranted.
- Although the two main deposit models are quite distinct, they may have a common hydrothermal origin of early Tertiary age or younger. It is unlikely that two aerially extensive settings are of two separate provenances.
- A common origin would suggest that hydrothermal mineralization originally having high pressure-temperature characteristics travelled SSE from the Flume/Deep Creek areas to the Crooked Creek trend. Fluid movement would occur along permeable horizons, such as shear zones along the ultramafic-volcanic contact.
- During movement, fluids may have evolved to a lower temperature-pressure regime indicative of shallow emplacement environments. This would result in mesothermal-style veining in structurally constrained environments along the Flume trend, and epithermal-style mineralization emplaced in permeable, poorly consolidated coarse clastic sediments at the Ptarmigan and Mogul Bluff prospects.
- 2018 trenching at the Flanders prospect returned anomalous gold values from sheared, brecciated chloritic mafic volcanics, indicating the presence of a significant structure.
- 2018 soil sampling also expanded the gold-in-soil anomaly to the west at Flanders. Power auger sampling successfully obtained anomalous gold grades in C-horizon soil where shovel sampling was unable to do so.
- Results of the 2018 field program have confirmed the presence and tenor of Au on the property. Rock sample values from Flanders taken in May 2019 confirm high-grade tenor of proximal float. These results indicate that the Seventymile Property is a property of merit.
- Geoprobe sampling results in 2019 expanded and delineated anomalous areas identified from previous sampling. Geoprobe top-of-bedrock sampling tended to return higher metal values than power auger sampling, accentuating values from surface sampling. Geoprobe sampling is an effective method for identifying the bedrock sources of surface soil geochemical anomalism.

Recommendations

Exploration work in 2020 is recommended to comprise a “Rotary Air Blast” (RAB) drilling program designed to test for bedrock mineralization at depths to 100 m, which may be extended to 200 m as required. The objective is to follow up on the soil sampling from 2018 and Geoprobe sampling from 2019 along the Flume trend, specifically on the Flanders, Flanders East, Flume-Bonanza Link, Alder, Deep Creek, and Flume targets. The expected total meterage is 2,025 m. The RAB holes are recommended to be drilled as roughly north-south oriented “fences”, approximately normal to the orientation of the main shear zone within the Flume Trend.

The program is recommended to take place over a period of 27 days of actual drilling, with an additional 10 days for mobilization and de-mobilization, for a total of 37 days. The program would commence in early-June, following conclusion of the spring thaw. Drilling would be conducted utilizing a single 12-hour shift, and the camp would be heli-supported. A crew of 10 people, including a geologist, drill sample technician, helicopter pilot and cook, would comprise the camp.

All-in costs for the RAB drilling are estimated at approximately US\$605,681, equivalent to CDN\$799,500, assuming an exchange rate of US\$1.00 = CAD\$1.32.

Recommended Budget

Expense Type	No. of Units	Type of Unit	Cost/unit (\$USD)	Cost
RAB drilling	27	days	\$ 3,440	\$92,880
Assaying	1,462	samples	\$ 50	\$73,100
XRF Analysis	27	days	\$ 300	\$8,100
Mobe, De-mobe	10	days	\$ 2,580	\$25,800
Set-up and take-down	200	hours	\$ 60	\$12,000
Camp base rent, communications	27	days	\$ 525	\$14,175
Helicopter support on site ("wet rate")	94.5	hours	\$ 2,250	\$212,625
Drill consumables	1	program total	\$ 25,000	\$25,000
Fuel (diesel)	1	program total	\$ 10,210	\$10,210
Personnel (Geologist and Technician)	27	days	\$ 995	\$26,865
Personnel (Cook)	27	person-days	\$ 450	\$12,150
Groceries/day	270	person-days	\$ 55	\$14,850
Shipping	1	program total	\$ 5,000	\$5,000
Sub-total				\$532,755
GTE Management Fee				
-10%				\$17,864.50
Contingency (10%)				\$55,061.95
RAB drilling total (US\$):				\$605,681.45
RAB total (CDN\$)				\$799,499.51

NORTHWAY PROPERTY

The scientific and technical information in this section relating to the Northway Property is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Northway Technical Report. Such assumptions, qualifications and procedures are not fully described in this Prospectus and the following summary does not purport to be a complete summary of the Northway Technical Report. Reference should be made to the full text of the Northway Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description and Location

Location and Means of Access

The Northway Property surrounds the village of Northway, Alaska on lands owned by Doyon. The property is located within the Tanacross Mining District. The property centre is approximately 348 km southeast of Fairbanks and approximately 43 km west of the United States – Canada border. The property is found in the Tanacross and Nabesna 1:250000-scale quadrangles and centered at approximately 63° 01' N 141° 51' W (Figure 7).

The property is bisected by Highway 1, which extends SE-NW slightly inbound from the northeast boundary of the Tanana River floodplain. Winter trails and some minor roads provide additional access for ATVs or tracked vehicles. Apart from these minor trail networks, most of the property requires helicopter access.

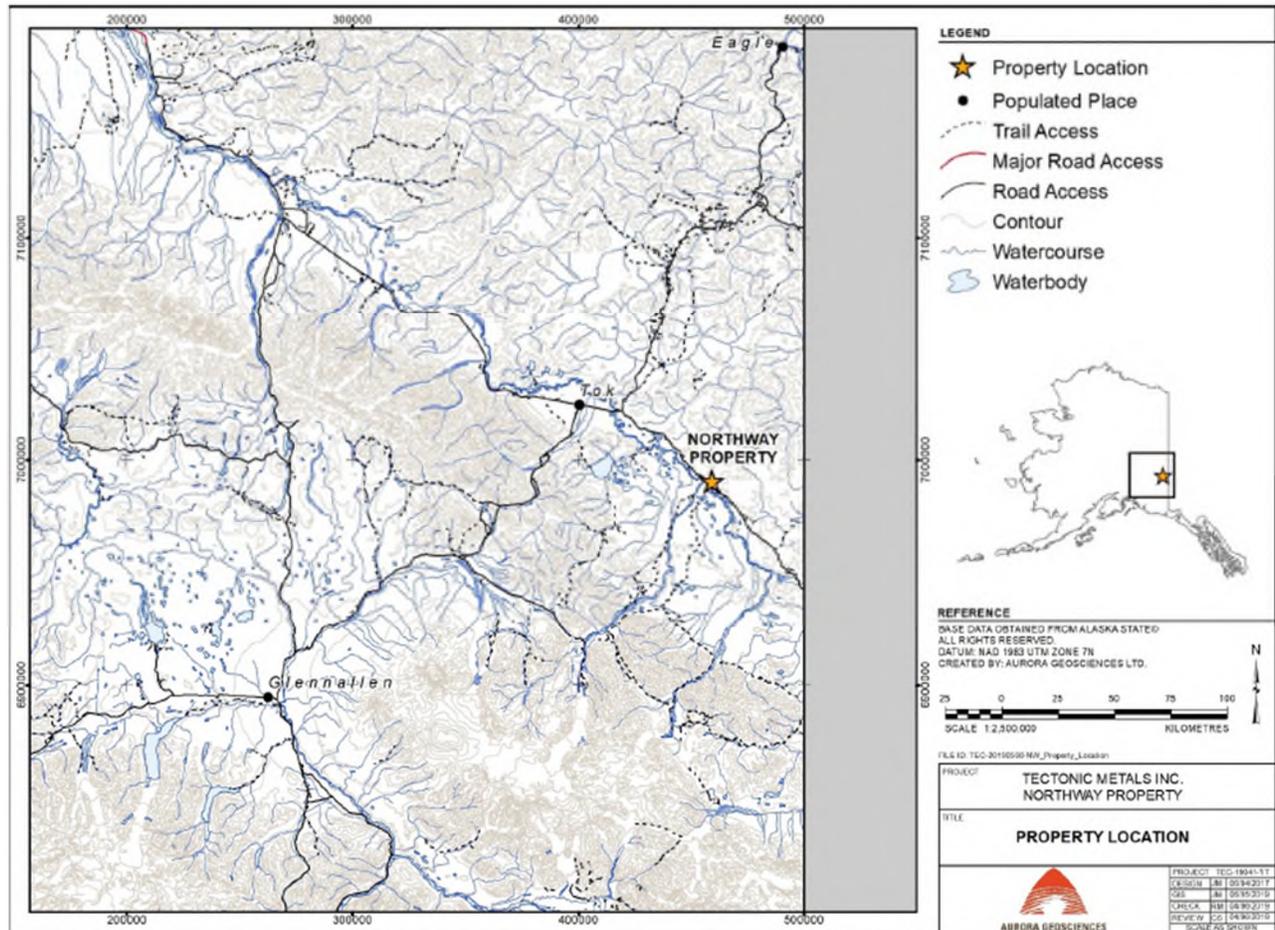


Figure 7: Location Map, Northway Property

Title, Royalties and Encumbrances

The Northway Property is a mining lease comprising 74,780 ha of subsurface rights granted to Tectonic by Doyon pursuant to the Northway Agreement. Doyon also holds the surface rights on roughly 35% of the mining lease, and the remaining 65% of surface rights are held by Northway Natives Inc. Numerous small parcels located along and southwest of the Alaska Highway are held as Alaska Native Allotments. A package of 72 State Mining Claims, the NW 21-92 claims covering 11,520 acres (4,664 ha), are also held by Tectonic but are exclusive of the Mining Lease. This block covers the southern half of township T15N, R20E.

Please see “*General Development and Business of the Company – Three-year History – Significant Acquisitions and Material Contracts – Northway Property*” for a description of the Northway Agreement and the royalties payable thereunder.

Environmental Liabilities

There are no known pre-existing environmental liabilities associated with this lease. Prior to preparing for mining operations, Tectonic will establish and environmental remediation and reclamation fund for the leased properties. This fund must be maintained at 120% of the estimated costs for remediation and reclamation. Money in this fund can be used only for remediation

and reclamation. At least once every three years Tectonic must hire an environmental engineering firm to perform an on-the-ground audit of the property impacted by mining operations, the reclamation fund must be then adjusted accordingly.

Permits

As the Northway Property is wholly located within Doyon owned lands, approvals for various activities need to be obtained from Doyon, which has jurisdiction over activities conducted on the property. Prior to the harvest and storage of timber, Tectonic must obtain approval from Doyon. Additionally, prior to conducting ground disturbance activities, Tectonic must conduct an archaeological study on the area of proposed disturbance. In addition to approval from Doyon, the permits outlined in the below table may be required depending on the stage of the project.

Agency	Responsibility	Applicable During Exploration	Applicable During Production
Alaska Department of Fish & Game	Fish Habitat Permit or Special Area Permit	yes	yes
Alaska Department of Revenue	Tax Division Mining Licenses	no	yes
Department of Environmental Conservation	Wastewater Discharge, Compliance & Technical Assistance	yes	yes
Department of Environmental Conservation	Alaska Pollution Discharge Elimination System permit	no	yes (maybe)
DNR, Division of Mining, Land & Water Mining Section	Miscellaneous Land Use Permit (On claim activity only, including surface use)	no	no
DNR, Division of Mining, Land & Water Mining Section	Miscellaneous Land Use Permit (Access across state land)	no, unless workplan includes access across state land	no, unless workplan includes access across state land
DNR, Division of Mining, Land & Water Mining Section	Temporary Water Use Authorizations, Permit to Appropriate Water, or a Certificate of Appropriation	yes	yes
DNR, Division of Mining, Land & Water Mining Section	APMA (Applications for Permits to Mine in Alaska)	yes	no, superseded by mine permits
DNR, Division of Parks	Special Park Use Permit or SHPO requirements Timber Purchase may be required	no	no
DNR, Division of Forestry	Timber Purchase may be required	no	yes, if mine access road is required
Bureau of Land Management	Approved Plan of Operation or Notice Operation	no	no
U.S. Fish and Wildlife Service	Fish Habitat Permit or Special Area Permit	no	no
U.S. Forest Service	Approved Plan of Operation	no	no
U.S. Park Service	Approved Plan of Operation	no	no
U.S. Army Corps of Engineers (USACE)	Dredge and Fill Permit in Waters of the U.S.	yes	yes
U.S. Army Corps of Engineers (USACE)	Cultural Resource Assessment	yes	yes

Tectonic has received all permits required to undertake all exploration activities up to and including core drilling. Although the Northway Property is on Doyon land, the State of Alaska’s Department of Natural Resources retains management authority over the mining-related reclamation of all lands of Alaska, including Native Corporation lands, pursuant to Alaska Statute 27.19. To satisfy the requirements in AS 27.19, an operator must file an appropriate Reclamation Plan for approval at least 45 days prior to commencement of the activity.

On June 17, 2019, Tectonic received an Approved Reclamation Plan for activities specified in Application for Permits to Mine in Alaska #2901 for the Northway Property. This approval is valid until December 31, 2023. The approved work includes only those within the application, and changes to the scope of work are required to be submitted to the State of Alaska, Division of Mining, Land & Water in advance of commencement of additional or modified work plans. A thorough review of any changes to proposed activities, both spatially and operationally, will be required annually to ensure the permit status is appropriate.

The activities and thresholds within the application and current approvals granted and requested for the Northway Property include the following exploration activities in two primary areas:

- Fuel storage and transport of fewer than 1,100 gallons;
- Trenching – 5 trenches, each 500 ft x 2ft x 5ft;
- Water intake for drill lubricant: 15 gpm, 30 days/month;
- Access development for seasonal access roads to and from the proposed trenching and drill sites; and
- Rotary air-blast drilling using 5-foot wide track-mounted vehicles and/or diamond core drilling using skid-mounted drill rigs: 30 drill holes, maximum depth of 1,500 feet, maximum core diameter of 3.5 inches.

Exploration and reclamation projects involving less than five acres of disturbance on private lands do not require a specific reclamation permit or approval from the Division of Mining, Land & Water, nor any reclamation bonding. Instead, a requirement is in place to submit a “Letter of Intent to do Reclamation” and an “Annual Reclamation Statement”.

Tectonic has also received a TWUA for the Northway Property. This approval is valid until December 31, 2023. The permit allows for water use activities up to 24 hours per day from May 1 through October 31 of each authorized year. The TWUA allows for a combined maximum withdrawal of 21,600 gallons/day at a maximum pump withdrawal rate of 15 gpm (0.03 cfs).

Prior to the third year of the Northway Agreement, Tectonic must obtain a performance bond or other security of an amount necessary to ensure the completion of necessary remediation activities on the site.

Reporting and Notification Requirements

Subject to the terms of the Northway Agreement, Tectonic must meet with Doyon to provide an update on the progress of planned activities including its reclamation and environmental protection activities.

Climate, Local Resources, Infrastructure and Physiography

The northeastern part of the Northway Property which is the subject of mineral exploration covers an area of moderate terrain with rolling hills and local stream valleys. Elevations range from about 520 m (1,760 feet) along the Tanana River to roughly 945 m (3,100 feet) at flat-topped hilltops. The Northway area is within “Beringia”, an unglaciated area covering most of central Alaska and west-central Yukon. The southwest portion comprises a flood plain of the Tanana River and several large tributaries draining the north flank of the Alaska Range to the south. This area is marked by abundant shallow lakes and ponds, is covered by deep stream sediments, and is not amenable to exploration. Vegetation on south facing slopes is dominated by white spruce, birch and aspen. North facing slopes are covered mainly by black spruce. Stunted black spruce covers most of the Tanana River floodplain, with larger trees along river channels and willow in boggy areas.

Northway Junction (population 54, 2010 census) is a village located at the junction of the Alaska Highway and the Northway Village Road. Northway Village (population 98, 2010 census) is an Alaskan native village situated in the SE part of the property and connected to the Alaska Highway by a secondary road, upgraded in 2000, extending for 7 miles from Northway Junction to the village. The two communities comprise much of the population of the local “census-designated place” which includes numerous residences along the two roads. The community has an available work force for field labour.

A well-maintained, roughly 2,200 m long paved airstrip is located near Northway Village. Limited accommodations, fuel and minor groceries are available at Northway Junction, although most supplies are obtained at the Village of Tok, Alaska. Tok is located along the Alaska Highway 80 km to the northwest. Services available in Tok include lodging, restaurants, fuel, grocery and hardware. Tok also has a medical clinic, and an available workforce.

The Northway Property is located about 400 road-km (240 miles) southeast of the City of Fairbanks in the Fairbanks North Star borough. The 2016 population of Fairbanks city proper stood at 32,751, and that of the North Star borough at 97,121. Fairbanks

is a full-service city with highway access provided by the Steese, Richardson and George Parks highways, the Alaska Railroad, and a major international airport, as well as significant military installations. Groceries, hardware, bulk fuel and other supplies are readily available, and the city has abundant accommodations. Fairbanks has a large available trained workforce and service supply chain and has abundant electrical power. The city is also the seat of local permitting facilities, and the North Star borough includes the University of Alaska Fairbanks campus.

The Villages of Northway and Northway Junction are serviced by diesel-generated electricity (Office of Indian Energy Policy and Programs, U.S. Department of Energy), insufficient for the requirements of a significant mining operation. The Village of Tok is also supplied by diesel-generated electricity, although plans were in place by 2016 to supplement this with liquified natural gas. Power generation capabilities there are also unlikely to meet the requirements of a significant mining operation at the Northway Property.

The Northway Property lies within the Yukon-Tanana uplands ecoregion. The climate is continental with warm summers and very cold winters. The region is covered by discontinuous permafrost which is more prominent on north-facing slopes and in valley bottoms. Climate data for Northway, Alaska indicates that the area receives approximately 255 mm of precipitation per year, of which 94 mm occur as snow.

The field season ranges from late May to late September, depending somewhat on duration of snow cover in spring and onset of winter conditions in autumn. Winter programs could also be supported, due to ease of access from the Alaska Highway. Diamond drilling may also continue until November, depending on temperature and snow conditions allowing for water lines to remain unfrozen. Diamond drilling may also commence in March, with increasing temperatures and snow cover to protect water lines.

Doyon is the sole owner of subsurface rights for the Northway Property. Approximately 65% of the surface rights are held by Northway Natives Inc, with the balance of surface rights held by Doyon. Numerous small land parcels, all within or along the border of the Northway Natives Inc. surface rights parcel, are held as Alaska Native Allotments. Under the terms of the Northway Agreement, Tectonic has full, nonexclusive rights to use the surface of the land to conduct exploration and mining activities subject to the following conditions:

- Tectonic has the right to use and reconstruct all existing roads on the property and has the right to construct new roads. Tectonic is responsible for the maintenance of all roads they use within the property.
- Tectonic has the right to use Doyon's water rights in the leased properties for mining activities, provided Doyon has no other firm plans for their use.
- Tectonic has the right to use timber, sand, gravel, rocks and other materials from the property to construct infrastructure subject to first notifying Doyon and receiving approval of a reforestation or remediation plan as required.

The property is not host to any private, or company-specific infrastructure. The Alaska Highway and the road between this and the community of Northway Village provide road access to the property. There is a paved airstrip at the Northway Village to support air travel. There is a motel and gas station, supplying minor groceries, at Northway Junction. The property is large enough to contain mining, milling, leaching, tailings and residential facilities. Sufficient water exists within property boundaries to service diamond drilling operations, although water may need to be transported across distances exceeding 1.0 km and may need to be elevated requiring multiple "lifts" between source streams and the drill sites. The Tanana River is not a viable option for water, as the Alaska Highway extends between it and prospective areas for drilling.

Exploration History

The majority of historic data was generated by North Star Exploration Inc. ("**North Star**") between 1997 and 2002. Doyon conducted some minor work between 2014 and 2015.

North Star Exploration Inc., 1997-2002

North Star explored the property between 1997 and 2002 for intrusion-related gold mineralization. In 1997, Doyon entered into an option agreement with North Star. This agreement granted North Star exclusive exploration and development rights to approximately 7,000,000 acres of Doyon lands.

In 1998, rock samples collected at road cuts returned significant Au values. North Star also conducted a benchtop analysis of Landsat and topographic data to identify lineaments, circular features, pattern changes and uplift that may suggest the presence of igneous intrusions. This focused on identifying a target area in the northeast of the property.

In 1999, the "Road Metal" prospect was identified near a "barrow pit" directly northeast of the Alaska Highway-Northway Road junction, and the barrow pit was subsequently sampled. Stream sediment sampling was also done in the Northway Village block and areas northeast of the highway.

In 2000, North Star followed up with detailed geological mapping, detailed soil geochemical sampling (n=245), rock sampling, ground magnetic surveying, and drilling of five diamond drill holes for 902 m at the Road Metal Prospect.

Results from the total field ground magnetometer survey were interpreted to reflect the complex nature of multi-phased intrusive events and subsequent hydrothermal alteration. Local pit exposures on the grid showed that the magnetic lows correspond to zones of strongly hydrothermally altered quartz porphyry and greisen development. The relatively unaltered phaneritic granite units and a monzonite dike exhibit a higher magnetic background. One small circular magnetic high mapped in the north-central pit area corresponds to a zone of intense greisen formation accompanied by semi-massive to massive sulphides.

A soil grid was established and sampled at the Road Metal prospect in order to delineate mineralized trends in bedrock beneath aeolian and vegetative cover. Results indicated a coincident Au-Ag-As-Pb anomaly covering a northeast-trending, elongate, 1,500 ft by 4,000 ft area northeast of the Road Metal prospect.

The five-hole drilling program was designed to test interpreted geochemical, structural, and geophysical anomalies. Anomalous gold-polymetallic intercepts were returned from all drill holes. Drill holes RM-00-01, RM-00-02, and RM-00-05 encountered structurally controlled weakly mineralized gold-polymetallic greisen-hosted veinlets and stockwork zones at various levels in each hole. Significant intercepts include: 73.8 feet (22.5 m) grading 0.045 opt (1.542 g/t) Au and 0.35 opt (12.0 g/t) Ag from DDH RM-00-3; and 17.8 feet (5.4 m) feet grading 0.263 opt (9.017 g/t) Au and 14.7 opt (504.0 g/t) Ag from DDH RM-00-04. Varying degrees of propylitic, argillic, and sericitic alteration occur as steeply dipping envelopes ranging from 4 to 300 feet (1.3 m to 90 m) thick.

The 2001 follow-up program comprised a 35 line-km - ground magnetic survey, a 2,130 m diamond drilling program (8 holes), an orientation IP survey, a 700-unit soil sampling program, and collection of 425 rock chip samples. These efforts extended the alteration zone associated with the Road Metal prospect, identified a new geophysical anomaly adjacent to it, and identified an additional ten geochemical anomalies on the property. The locations of all ten anomalies are indicated on Figure 7.

Ground magnetic data confirmed the presence of the northeast trend of the Road Metal deposit. Drill core magnetic susceptibility data collected in 2000 indicated that anomalous Au and Ag trends coincide with magnetic low readings. Depletion of magnetite is associated with the argillic alteration, greisen formation, and sulphide mineralization occurring in the mineralized zone. Ground magnetic data confirms that the linear zone extends farther to the northeast.

Diamond drilling in 2001 was intended to follow up on mineralized intercepts from the previous year. Drill intercepts from 2001 intersected porphyry-style alteration with 1-5% disseminated pyrite hosted by phyllic-altered intrusive rocks with patchy and weakly anomalous Au and Ag values. Drilling extended the alteration zone roughly 200 m along strike and 400 m vertically. The high gold grades reported from the 2000 drilling were not repeated in 2001. Drill hole RM-01-06 intersected a 1.7-foot (0.5 m) interval grading 5.41 g/t Au and 104.7 g/t Ag. Drill hole RM-01-08 returned a value of 5.41 g/t Au and 7.2 g/t Ag across 1.8 ft (0.6 m). Hole RM-01-13 returned values of 14.9 g/t Au with 78.5 g/t Ag over 0.5 m, and 2.1 g/t Au with 0.8 g/t Ag over 3.0 m.

An IP survey was conducted in the vicinity of the Road Metal prospect. Roughly 6 line-km of IP data were collected to test for viability of this survey type at Road Metal, and to test for additional exploration targets. A large, horseshoe-shaped multi-line IP chargeability anomaly was identified adjacent to the west of the drilled area. The anomaly extends NNE for 400 m and is open to the north, south, west and at depth.

The 2001 soil sampling program comprised 700 "C" horizon samples collected by mounted mechanical soil augers. Samples were collected on hilltops and ridges surrounding the Road Metal prospect. These soil surveys identified three polymetallic anomalies, including the Pipe Line anomaly, which returned values up to 335 ppb Au and 5 ppm Ag.

An additional 402 surface geochemical samples were collected outbound of known anomalous zones. From this dataset, ten new geochemical anomalies were identified. The most significant anomaly was the Yarger Lake prospect, a 44 m wide zone of Au-bearing quartz sulphide veins that has a similar metal assemblage to the Road Metal prospect.

In 2002, a 6.6 line-km IP survey expanded on the 2001 IP survey. This survey revealed a northerly plunging, 800 m by 1200 m, donut-shaped chargeability anomaly, indicating potential for a disseminated sulphide body capped by resistive rocks. An additional 2,482 m of diamond drilling (9 holes) at the Road Metal prospect targeted this IP anomaly and identified it as a quartz-sericite-pyrite alteration zone that did not carry significant Au values. Additional exploration work targeting the Road Metal prospect was not recommended.

Three of ten other road-accessible targets were explored in 2002. The Bitters Creek polymetallic prospect was delineated as a 200 m wide structurally controlled intrusion-hosted zone bearing weakly anomalous Pb-Zn-Ag-Au values. This prospect was deemed as limited in grade and aerial extent, not warranting follow-up work. The Cheneathda Hill prospect was determined to occur along the contact between granites and host schists. Sampling returned no significant gold values, and no further work was warranted. The Yarger Lake prospect was delineated as a 44 m wide northeast-trending shear zone with "Road Metal"-style Au-Ag mineralization.

Doyon, 2014-2015

Between 2014 and 2015, Doyon conducted exploration activities searching for porphyry-style mineralization.

In 2014, Peter E. Walcott and Associates Ltd conducted 32 line-km of IP surveying over 7 prospects, labeled Areas 1 to 7 (Figure 8). Target selection was based on pre-existing geochemical data and ground magnetic data. Of these, four targets (Targets 2, 5, 6, and 7) were recommended for follow-up work, based on the occurrence of chargeability anomalies. Area 2 is proximal to the Cheneathda Hill NW geochemical anomaly and yielded a weak but definable chargeability anomaly. Area 5 is proximal to the Cheneathda Hill East geochemical anomaly and yielded a chargeability response that is coincident with a pre-existing ground magnetic anomaly. A well-defined, 400 m chargeability anomaly was defined at Area 6 in the northwest property area. A discrete but narrow chargeability anomaly was identified at Area 7 north of the Yarger Lake prospect in the southeast property area. The Area 7 anomaly is open to the West and East.

In 2015, 453 soil samples were collected by Doyon at the four prospects mentioned above while exploring for Cu porphyry style mineralized rocks. Samples of "C" horizon material were collected using mechanical augers. The soil geochemical survey at Area 2 returned anomalous Mo results but failed to identify any Au anomalies. The soil geochemical grid at Area 5 consisted of five survey lines and identified a high-grade, open-ended copper and molybdenum anomaly of limited aerial extent. Values included >500 ppm Cu, 13 ppm Mo and 0.034 ppm Au. The largest soil geochemical grid comprising 261 samples covered Area 6 and was considered most prospective by Walcott. This survey identified a broad Cu-Mo anomaly centered east of the core IP chargeability anomaly. Anomalous sample sites containing >0.03 ppm Au occur along a NNW-trending zone which is distinct from the E-W to SW-NE trending Cu-Mo anomalies. A linear Au-Cu soil geochemical anomaly was identified at Area 7 where anomalous Au values formed a well-defined WNW-trending zone. This grid contained the highest quantity of samples returning greater than 0.1 ppm Au. The Cu anomaly is slightly more diffuse but also extends along the significant linear Au trend. Soil survey grids at Areas 6 and 7 returned promising poly-metallic soil anomalies that are coincident with chargeability anomalies and with porphyry-style mineralization.

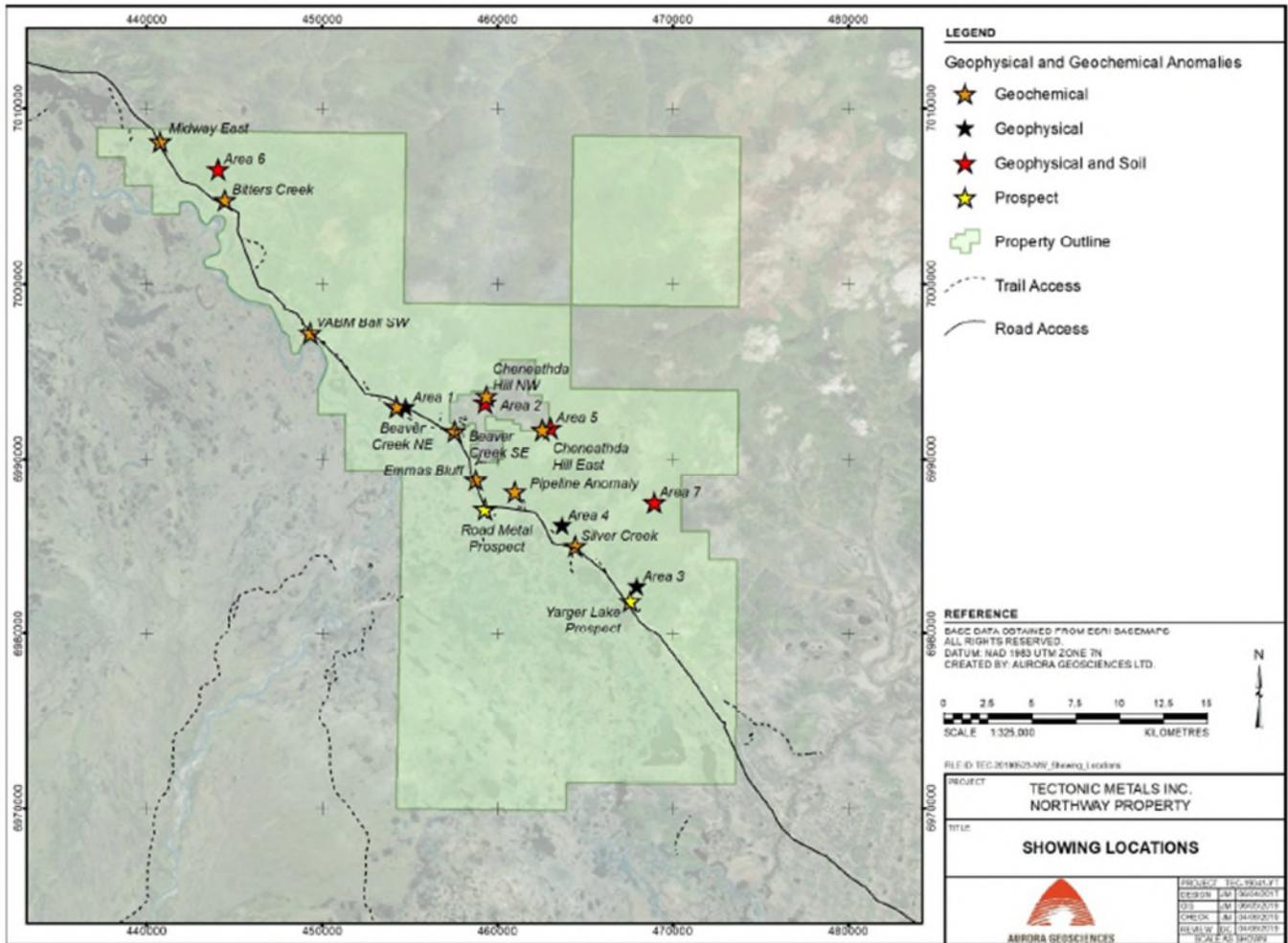


Figure 8: Location of showings and anomalies at Northway

Geological Setting

Regional Geology

The Northway Property is located within the YTT, an accreted terrane comprised mainly of Proterozoic to Triassic metaigneous and metasedimentary assemblages, and Jurassic to Early Tertiary metaigneous rocks. The YTT is an allochthonous terrane extending from east-central Alaska to south-central Yukon. It comprises numerous pulses of arc magmatism, accreted on to the Ancient North American Continent. The YTT is bounded to the north by the Tintina fault zone and to the south by the Denali fault. Both major fault zones have an Eocene lateral displacement of roughly 400 km.

Three major pulses of continental arc magmatism have been identified, occurring respectively during Late Devonian to Early Mississippian, Permian, and lastly Late Triassic to Early Jurassic time. The major, subhorizontal structural fabric marking much of the YTT was formed from mid-Permian to the onset of magmatism in Late Triassic time, and likely represents a major continent-continent collision. Further subduction-related magmatism occurred into the mid-Cretaceous, resulting in emplacement of batholithic-scale intrusions such as the 112 – 105 Ma Dawson Range batholith, extending from the Northway area eastward to the Coffee Creek area of west-central Yukon. Related magmatism also resulted in the emplacement of a series of intrusive suites comprising the 110 – 70 Ma Tintina Gold Belt.

Foster (1994) reports that the YTT comprises four sub-terrains and that the Northway Property lies in the Y1 sub-terrain. Metamorphic rocks at Northway are of amphibolite facies and protoliths consist of quartzite and pelitic sedimentary rocks and

felsic intrusive rocks with some intermediate and mafic intrusive and volcanic rocks. Three periods of Mesozoic and Cenozoic granitic intrusive rocks are recognized in the YTT: Late Triassic-Early Jurassic (215 to 188 Ma), mid-Late Cretaceous (95 to 90 Ma), and Late Cretaceous to early Tertiary (70 to 50 Ma). Post-metamorphic volcanism occurred during the Cretaceous, Tertiary, and Quaternary periods and comprise welded tuff, air-fall tuff, lava flows, and ash flow sheets. Small hypabyssal intrusions of rhyolite to dacite composition are associated with this. The Cretaceous intrusions are members of the Tintina Gold Belt.

Property Geology

A paucity of outcrop has obstructed geological understanding for much of the property. The Northway Property is located in a periglacial terrain, and as such, thick aeolian, fluvial, and residual surficial deposits mask much of the bedrock.

Basement stratigraphy in the general Northway Junction area is composed of regionally metamorphosed sedimentary and volcanic rocks of the Precambrian-Paleozoic Yukon-Tanana assemblage. The metamorphic basement has been intruded by at least two plutonic suites that range in composition from granodiorite to granite. The older plutonic suite ranges in age from 89 to 111 Ma. This is the western portion of the 112 – 105 Ma Dawson Range batholith; this batholith comprises medium to coarse-grained equigranular hornblende-biotite granite to granodiorite. The younger suite, which includes the age of intrusive rocks and hydrothermal mineralization at the Road Metal prospect, has been dated by the UAF Geochronology Laboratory, at 67-70 Ma. Host rocks for the Road Metal prospect consist of altered and unaltered variants of hornblende biotite granite, quartz porphyry, and quartz monzonite. The younger intrusive rocks are peraluminous, mildly oxidized, and plot in an arc-related field of a Rb (Y+Nb) diagram.

Drilling at the Road Metal prospect has provided a valuable source of geological information. The Road Metal prospect consists of porphyry-style Au-Cu-Bi mineralization hosted in argillic and phyllic-altered granites. Five plutonic phases have been recognized: (1) light gray, coarse-grained, hornblende biotite granite; (2) medium gray, sulfide-bearing granite; (3) bleached quartz porphyry; (4) medium to dark gray, unaltered monzonite or lamprophyre; and (5) altered fine grained alaskite. Contact relationships suggest that several phases of granite have been intruded by the monzonite-lamprophyre dike swarm. Granitic exposures 4 miles (6.4 km) east of the Road Metal prospect have yielded isotopic ages ranging from 95-103 Ma.

The 2019 due diligence visit included inspection and sampling of the barrow pit, confirming it has exposed coarse-grained equigranular biotite granite. Fairly abundant late quartz-feldspar porphyritic intermediate to mafic dykes with up to 5% fine-grained biotite and to 7% disseminated fine-grained pyrite have intruded the earlier biotite granites. The texture of the dykes is reminiscent of outlying portions of “porphyry-style” systems. These may be the “monzonite-lamprophyre” dykes described by Bundtzen. Plutonic phases 1 and 2, likely represent phases of emplacement of the main batholith, and phases 3, 4, and 5 likely represent the later district-scale intrusive event.

Mineralization

The Northway Property contains two auriferous mineralized showings, the Road Metal prospect and the Yarger Lake prospect, and an additional ten geochemical anomalies. Road Metal has seen significant diamond drilling, ground geophysics, and surface sampling.

Road Metal Prospect

Discovered in 1998 by North Star geologists by road cut grab sampling, the Road Metal prospect consists of greisen-hosted polymetallic-Au mineralization within multi-phase granitic intrusions. Contact lithologies indicate that several phases of granite have been intruded by a dike swarm of quartz monzonite. Diamond drill holes intercepted high-grade Au, Cu, and Ag within greisen zones.

The most significant gold-polymetallic mineralization was encountered in drill core acquired in 2000. Greisen zones encountered in drill hole RM-00-03 returned values to 87.73 g/t Au and 2,642 g/t Ag across 1.2 ft (0.4 m). Drill hole RM-00-04 intersected a thick greisen zone from 514.8 feet to 699.9 feet (156.9 m – 213.3 m). Assuming a dip of 75 degrees, based on structural measurement in road cuts and drill hole orientations, the intercepted greisen zone is estimated to have a true width of approximately 160 feet (48.8 m) No metal grades were reported for this interval. The mineralized greisen is characterized by semi-to-massive sulfide replacement of granite. These are also marked by advanced argillic and phyllic alteration, felsic dike swarms, and coarse-grained secondary white micas accompanied by large euhedral smoky quartz crystals. Microprobe studies from the mineralized interval identified sulphides and sulfosalts, including: kobellite, boulangerite, owyheeite, galena,

chalcopyrite, pyrite, bournonite, and tetrahedrite. The lower contact of the mineralized greisen with the granite footwall is sharp whereas the upper contact with the granite hanging wall is diffuse, which may indicate that the mineralization exposed in RM-00-04 is controlled by a high-angle vertical structure.

Magnetic susceptibility studies of drill core from 2001 drill holes show a correlation between magnetic low signatures and polymetallic mineralization. This corroborates previous observations, based on the surface investigations, that hydrothermal mineralization is accompanied by the destruction of magnetic minerals in the host granitic rocks at the Road Metal prospect.

Drill hole RM-00-04 intersected the most significant greisen-hosted mineralization. A 4.8 m interval of greisen from 193.6 – 198.4 m contained 1.029 g/t Au, 1,662.5 g/t Ag, 0.90% Bi, 2.80% Sb, and 3.23% Pb. Near the footwall of the greisen, a 5.4 m section from 205.7 – 211.1 m contained 9.325 g/t Au, 502.6 g/t Ag, 0.85% Cu, 0.30% Bi, and 0.30% Sb. Two higher-grade intervals from the same hole include: (1) 2.1 m from 193.6 – 195.7) of 0.583 g/t Au, 2,734.6 g/t Ag, 1.60% Bi, 5.20% Sb, and 5.44% Pb; and (2) 0.9 m from 209.3 – 210.2 m of 47.4 g/t Au, 2,838.5 g/t Ag, 3.00% Cu, 2.10% Bi, 0.90% Sb, and 2.11% Pb. A composite 23.0 m from 190.1 m – 213.1 m contained 2.606 g/t Au, 468.7 g/t Ag, 0.22% Cu, 0.28% Bi and 2.11% Pb. Hence, in addition to the high Au and Ag values, the Road Metal prospect is also prospective for high base metal content. The author of the Northway Technical Report has not verified whether these intercepts represent true widths.

Log-transformed correlation coefficient matrices for Road Metal core samples indicate that gold is moderately correlated with silver (0.62), bismuth (0.58), arsenic (0.67), and lead (0.62). In contrast, silver has a strong correlation coefficient with bismuth (0.92), antimony (0.82), and lead (0.77). The silver is almost certainly associated with the bismuth-antimony-lead sulfosalts identified in core from RM-00-04, but the weak correlation coefficients between gold and the above-mentioned elements suggest that gold occurs in a separate metallogenic setting than silver.

These data suggest the presence of metallic zoning in a large and complex hydrothermal system at the Road Metal prospect. Geological, geochemical, and magnetic features all indicate that mineralization occurs along multiple, steep to vertical-dipping, northeast-trending greisen zones at least 230 m (750 feet) wide and 1,280 m (4,200 feet) long. It is not known to the author of the Northway Technical Report whether these represent true widths. Overall style of mineralization and age of host plutonic rocks at the Road Metal prospect are consistent with several intrusion-hosted and/or intrusion-related deposit settings in the Tintina Gold Belt, such as the Fort Knox, Eagle, East Divide, Casino, and Taurus gold ± copper ± polymetallic settings. The intrusion-related gold systems have been a focus of metal exploration in East-Central Alaska and Yukon, Canada.

Yarger Lake Prospect

The Yarger Lake prospect is located about 10 km southeast of the Road Metal prospect and is exposed in a barrow pit and in road cuts within 30 m of the Alaska Highway right-of-way. It consists of northeast-trending, high-angle to vertical shear zones and greisen-like veins hosted in iron-stained, medium to coarse-grained biotite granite interpreted as part of the Northway “Klotassin” plutonic suite. Inspection by Mr. Schulze in 2019 indicates this prospect is hosted by the Dawson Range batholith. Shears and veins cut granitic rocks throughout the entire extent of the 70-meter wide Yarger Lake pit area. The most obvious mineralization occurs as a series of thin, northeast-trending, quartz-sulfide-sericite veins which are accompanied by strong and conspicuous manganese staining. Disseminated pyrite, galena, and tetrahedrite occur in several veins, but most exposures are extensively oxidized and sulfide minerals have been destroyed. A single sample collected by North Star geologists during the 2001 season contained 219 ppb Au, 4.5 g/t Ag, 198 ppm As, and 184 ppm Pb.

During 2002, North Star collected 45 rock chip samples at the Yarger Lake prospect. This included sampling of narrow quartz-vein hosted gold-polymetallic mineralization at the “north mineralized zone”. At this zone, six of eight rock chip samples collected at specific locations contained, from north to south: 133 ppb, 98 ppb, 1,650 ppb, 586 ppb, 559 ppb, and 339 ppb Au. These six samples also contained 10 - 66 ppm Bi, 194 - 916 ppm Pb, 2.2 - 7.3 g/t Ag, and 1,320 - 5,170 ppm Mn. The remaining two rock-chip samples collected in the “north mineral zone” did not return elevated gold values but contained anomalous Bi (17 to 163 ppm), Pb (278 to 378 ppm), and Ag (3.0 to 4.0 ppm) values. Mineralized quartz veins in the north mineral zone trend at N040o -070o E. Samples collected south of the “north mineral zone” also contained elevated Pb, Ag, Bi and Zn, but no elevated Au values. All samples from the Yarger Lake prospect returned only slightly elevated As, suggesting that the zone is, in general, arsenic poor.

Geochemical Anomalies

In addition to the Road Metal and Yarger Lake prospects, nine geochemical anomalies were discovered by North Star between 1999 and 2002. Seven of these were bedrock anomalies and two were significant soil anomalies. In 2014, seven areas were selected as being highly prospective and labeled Areas 1 through Area 7. Some of these prospective areas were discovered by North Star and the remainder were new prospects. Of these seven areas, Area 6 and Area 7 are prospective Au-Cu-Mo anomalies and are the focus of current exploration work by Tectonic.

The VABM Ball SW showing comprises a 60-cm wide shear zone exposed in an Alaska Highway roadcut. It hosts chalcocite and chrysocolla with azurite and malachite staining. It is also associated with silicification, phyllic, and weak argillic alteration. This showing represents remobilized copper-gold mineralization from an unknown source.

The 2019 due-diligence property visit included inspection of the “Road Warrior” target northwest of the Road Metal pit. The prospect comprises moderately pyritic coarse-grained diorite, likely a phase of the Dawson Range batholith. Minor quartz-feldspar porphyritic dykes emplaced within the batholithic rocks show a porphyritic texture similar to mineralized copper-gold porphyry systems, and also similar to dykes at the Road Metal pit.

Deposit Types

The main deposit setting targeted to date is porphyry-style Cu-Mo-Au mineralization. Porphyry deposits are large, low-to medium-grade Cu-Au±Mo deposits in which ore minerals are largely structurally controlled and are spatially and genetically related to felsic to intermediate porphyritic intrusions. Porphyry deposits range in age from Archean to Recent, but most are Jurassic or younger. Porphyry deposits typically occur in subduction related, continental-and island-arc settings. Hydrothermal alteration is extensive and typically zoned. Zones typically consist of a core potassic-altered zone and an outer propylitic zone. Zones of phyllic alteration and argillic alteration commonly form a zonal pattern between the potassic and propylitic zones or can be irregular and/or superimposed over older alteration. Metals associated with porphyry deposits include Au, Cu, Mo, Ag, Zn, Pb, and Sn. Sulphide mineralogy associated with porphyry deposits is varied, but typically includes pyrite, chalcopyrite, bornite, molybdenite and/or tennantite. A typical sulphide zonation includes a chalcopyrite ± bornite core surrounded by an Au-poor pyrite-rich halo, lending itself to the “Donut-shaped” chargeability signature commonly associated with Cu-Au porphyry deposits.

A common zonal pattern of sulphide mineralization associated with porphyry deposits comprises a core area of quartz stockwork-hosted and disseminated copper sulphide mineralization, surrounded by a pyrite halo typically deficient in economic metals. Vein stockwork and disseminated mineralization occurs within the upper portion of the core intrusion and commonly within adjacent older host rock. Outbound from the pyrite halo, a radial pattern of vein-style lead-zinc-silver mineralization occurs, grading progressively through high grade “Bonanza-style” quartz veins, and lastly into lower pressure-temperature epithermal mineralization.

Several multi-element anomalies have been identified the Northway Property that are consistent with porphyry metal assemblages. In the early 2000s the Yarger Lake, Midway East, Bitters Creek, VABM Ball SW, Cheneathda Hill NW, Cheneathda Hill East and Silver Creek anomalies were identified. The typical metal assemblage for these anomalies consists of Au ± Cu ± Ag ± Zn ± Pb ± Bi. Multi-element geochemical and chargeability anomalies consistent with porphyry systems are seen at Areas 6 and 7.

The Northway Property is located within the Interior Porphyry Belt that hosts the Mosquito, Paternie, Asarco, Bluff and Taurus porphyry occurrences. Interior Porphyry Belt porphyry occurrences are confined to the Y1 sub-terrain and are thought to be associated with Cretaceous and early-Tertiary porphyritic felsic subvolcanic stocks. The porphyritic felsic to intermediate dykes at the Northway Property are of a similar age to these.

Within Yukon, several porphyry-style systems occur within the 74 Ma Prospector Mountain Suite. These include the Casino deposit near the Coffee Creek deposit in west-central Yukon, and the Sonora Gulch porphyry system somewhat to the east of this. These occurrences may be equivalent to the Interior Porphyry Belt. The late Cretaceous Prospector Mountain Suite intrusive host rocks of the Casino deposit are also hosted by the Dawson Range batholith.

Current Exploration

Upon acquiring the lease on the Northway Property in June 2018, Tectonic completed a surface sampling and reconnaissance exploration program between July 19 and August 23, 2018. The objective of this work was to determine the potential for intrusion-related Au and/or porphyry Au-Cu or Cu-Mo-Au mineralized systems. Both reconnaissance and targeted sampling was conducted. Reconnaissance sampling included collection of ridge and spur soil samples at 100 m spacing, regional stream sediment samples, regional pan concentrate samples, and rock grab-samples. Reconnaissance geologic mapping was completed peripheral to Area 6 and the “Road Warrior” prospect. “Targeted” soil samples were collected at two grids on the Area 6 and Area 7 prospects, and rock sampling involved both chip and grab sampling from a single trench at Area 7.

Reconnaissance Sampling

In 2018, a total of 626 ridge and spur soil samples, 282 regional stream sediment samples, 90 regional pan concentrate samples, and 30 regional rock grab samples were collected. Geologic contacts and breaks in airborne magnetic data were targeted. Previous areas of anomalous regional geochemical sampling were also targeted in this program. Stream sediment samples and pan concentrate samples were collected to augment historic soil sample results in areas of little to no bedrock exposure.

Ridge and Spur Soil Surveys

Four elements, Au, Cu, Mo and Zn, were chosen to illustrate the geochemical zonation seen in the regional geochemical dataset. Of the 626 ridge and spur samples collected, 480 returned sub-detection gold values (<0.005 ppm Au). A total of 137 samples returned Au values slightly above the detection limit, with values mainly below 0.25 ppb Au. Tectonic considered any Au values above the detection limit as anomalous. “Natural breaks” (Jenks) in the upper Au assay values are used to determine ranges of assay values (Figure 9-12). A total of 97% of Mo values are at 2 ppm Mo or less, resulting in a stepped data set, best visualized with natural breaks. The more left skewed normal distribution seen in both copper and zinc values is best visualized with the “progressive half” classification. The 75th percentile (≥ 41 ppm Cu, ≥ 90.25 ppm Zn) was chosen as the anomalous threshold. Sample results below detection limit values were replaced with a numerical figure of half the detection limit.

Area 6 lies to the north of the VABM Ball SW anomaly, identified in 2002 (Figure 9). Along its south margin, located on a hilltop adjacent and north of the VABM Ball SW anomaly, sampling returned weakly anomalous gold-in-soil geochemical values. These coincide with a Cu-in-soil anomaly returning values from 44 to 101 ppm Cu (Figure 10). Area 7 lies to the north of the Yarger Lake prospect. Weakly elevated Au-Cu±Mo values were returned from several short traverse lines along its northern margin. Gold values ranged from <0.005 to 0.101 g/t Au, coincident with numerous anomalous copper values ranging from <25 to >200 ppm Cu. Both the Area 6 and Area 7 gold-in-soil anomalies coincide with larger, robust Zn anomalies (Figure 12) returning values from 100 ppm to 350 ppm Zn. A distinct Mo anomaly was not identified (Figure 11); the largest concentration of anomalous Mo samples occurs near the VABM Ball Hill and the VABM Ball SW anomaly.

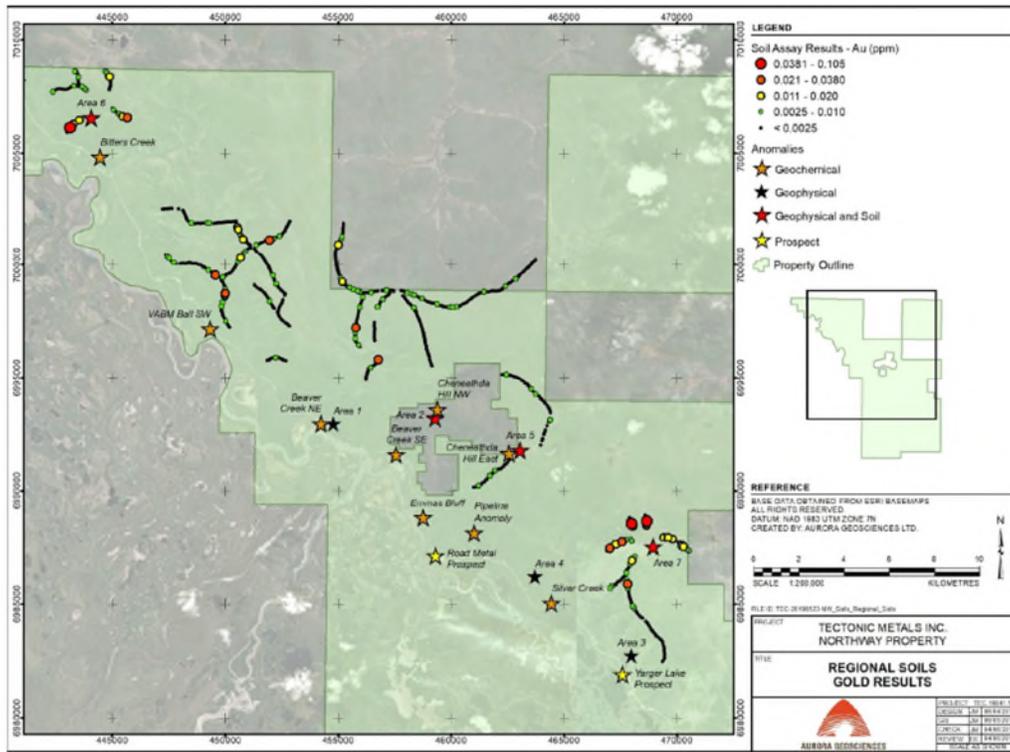


Figure 9: Gold values, regional soil sampling

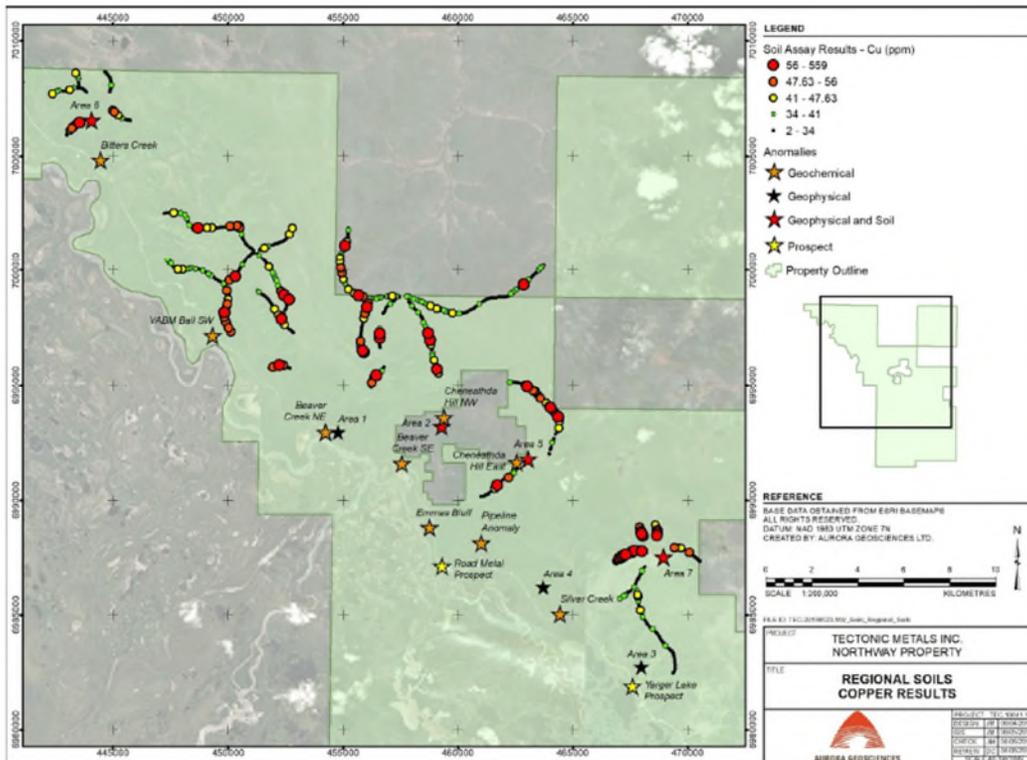


Figure 10: Copper values, regional soils

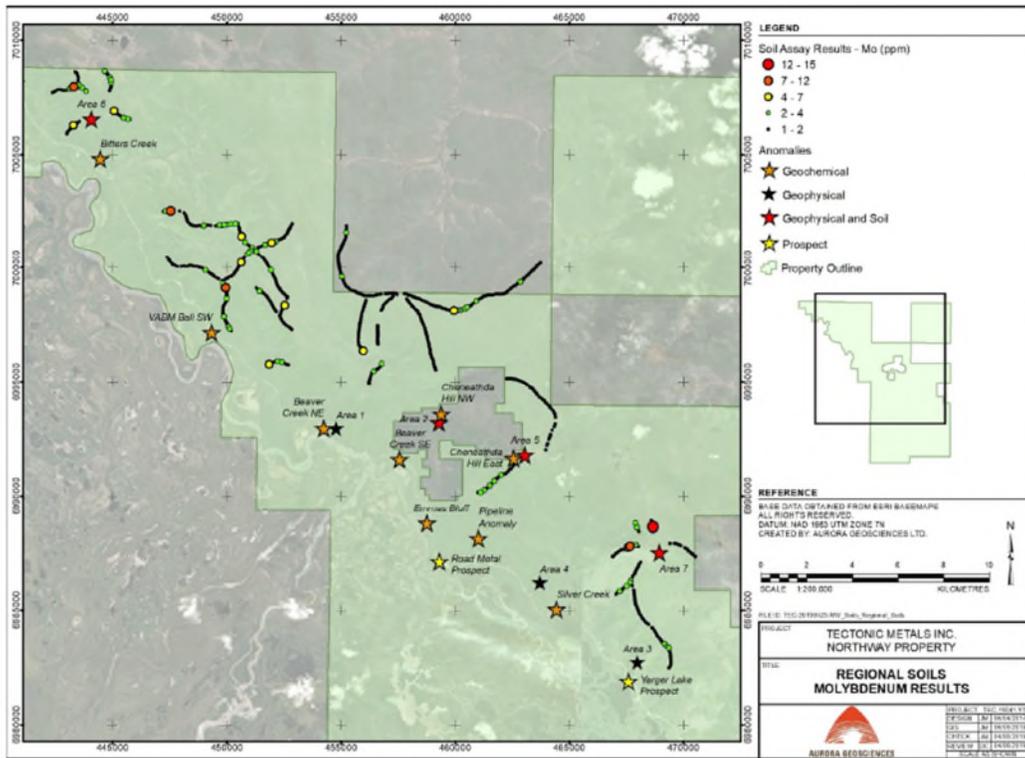


Figure 11: Molybdenum values, regional soils

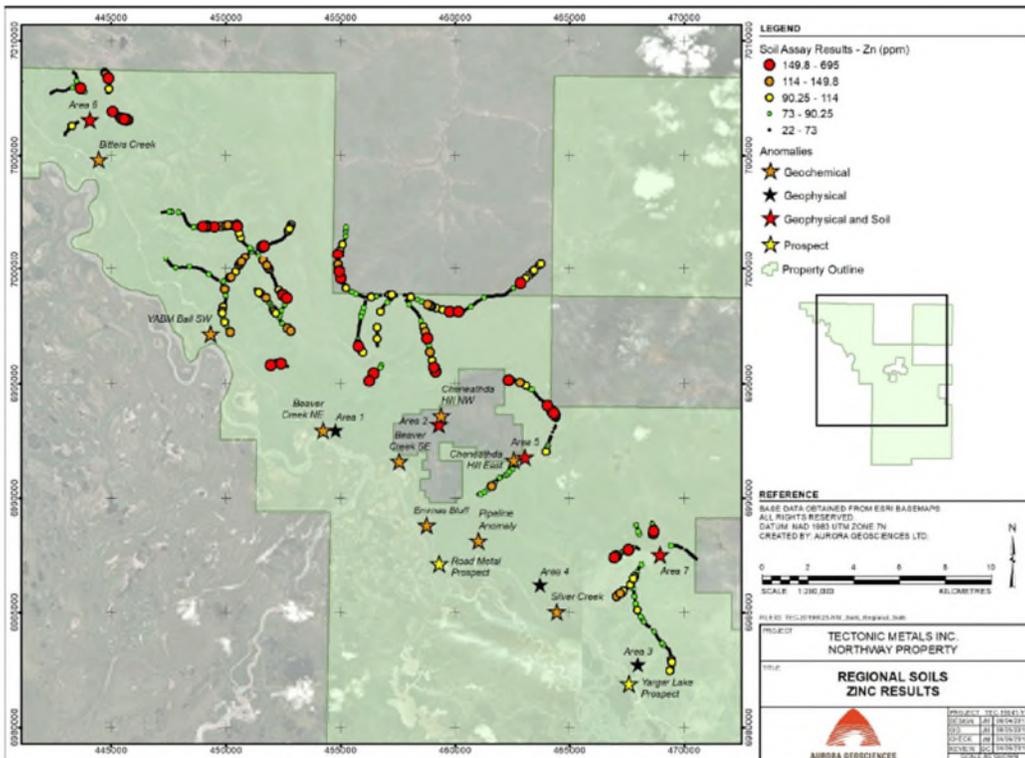


Figure 12: Zinc values, regional soils

Stream Sediment

A total of 282 stream sediment and 90 pan concentrate samples were collected in 2018. New areas of interest were identified to the west of VABM Ball Hill and in the watershed to the northwest of Cheneathda Hill. Two areas of anomalous Au-in-silt geochemical values, also returning anomalous Cu values were identified: one at the VABM Ball Hill area (Area 6) and one at the Cheneathda Hill area (Area 5). Stream sediment samples collected from creeks flowing northwest and south from VABM Ball Hill returned anomalous Au and Cu values. Streams flowing west from VABM Ball hill did not yield anomalous Au values.

A moderately strong, consistent Au-in-silt anomaly was identified in the creek north of the Cheneathda Hill anomaly. Sampling along this creek also returned highly anomalous Cu values. The creek is located downslope of a large, coherent moderately strong Cu-in-soil anomaly. The Au-in-silt anomaly has not been adequately explained by the soil geochemical data in this area. Another patchy Au anomaly occurs in a creek that flows from the northwest. Isolated anomalous Au-in-soil values were returned from samples uphill of this stream; however, no continuous Au anomalies have been identified.

Targeted Soils

In 2018, two detailed grid soil geochemical surveys were completed on Area 6 and Area 7, respectively. Area 6 is situated at the headwaters of Bitters Creek and roughly 2.5 km from the Bitters Creek prospect identified in 2001.

At both sites, the intent was to follow up on coincident historic geophysical and geochemical anomalies.

Area 6

Area 6 was identified by Peter E. Walcott and Associates Ltd from an IP survey in 2014 as prospective for porphyry-style mineralization. In 2015, Doyon completed a 261-unit soil sampling program and identified a broad Au-Cu-Mo anomaly.

In 2018, sample lines were spaced 100 m apart and orientated north-south. Samples were spaced at 50 m intervals along these lines. A total of 140 soil samples were collected by gasoline-powered soil auger at Area 6. The soil geochemical survey identified a 1,400 m-long east-west trending Cu anomaly, with values from background Cu to 597 ppm Cu. Anomalous Cu values show a strong correlation with Mo, and a weaker correlation with Au. The Mo anomaly is located within the core of the Cu anomaly, and the Au anomaly is centered to the north, overlapping the northern part of the Cu anomaly. The survey also revealed areas of anomalous zinc along the northern and southern areas of the grid.

Additional ridge and spur samples were collected adjacent to Area 6 to the southwest of the anomaly. Results of these indicate Cu-Au potential extends 400 m beyond the current soil grid.

Area 7

A total of 186 soil samples were collected by gas-powered soil auger at Area 7, designed to extend the previously defined anomaly identified from the 2015 Doyon Ltd power auger soil survey. The 2015 soil grid consisted of 72 samples collected in north-south oriented lines spaced 200 m apart, with a 50 m sample spacing. In 2018, Tectonic infilled the existing soil lines, reducing line spacing to 100 m. Samples were collected at a 50 m spacing along the lines.

Results from 2015 identified a patchy Au anomaly; the 2018 work provided greater resolution to the existing Au-Cu soil anomaly. Results delineated a core Au anomaly more than 800 m long and trending roughly E-W. Au values consistently exceed 100 ppb Au, to a maximum of 2,120 ppb (2.12 g/t) Au. In addition, a new, high-tenor Au-Cu soil anomaly was identified in the northeast corner of the soil grid. The core Au anomaly and the newly discovered northeastern anomaly are open along strike.

CanDig Trench at Target 7

A 127-metre long CanDig trench was completed at Target 7. The trench was aligned north-south and is centered at 468291, 6987814 NAD 83 UTM Zone 7. Excavation of the southern portion of the trench failed in permafrost. The trench did not test the core of the Area 7 anomaly, as 2018 soil sample results were not available prior to identifying the trench location.

A 21-metre wide zone of mineralization and alteration is highlighted in Table 3 below, where an interval grading 0.154 g/t Au across 21 m was returned. Trench grab sample descriptions and results, with Au values ranging from 0.006 to 0.257 g/t Au, are presented in Table 4 below, with the highest-grade samples highlighted.

Table 3: Geochemical results from systematic sampling of trench at Area 7

Sample Number	From (m)	To (m)	Int. (m)	Au ppm	Ag ppm	As ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	W ppm	Zn ppm
3186371	0	5	5	0.023	1.1	16	-	33	-	17	-	-	44
3186372	5	10	5	0.062	1.2	15	-	26	-	17	-	-	32
3186373	10	15	5	0.046	1.5	29	-	55	-	12	-	5	41
3186374	15	20	5	0.057	1.3	18	-	48	-	18	-	-	33
3186375	20	25	5	0.114	1.6	18	-	53	-	15	-	-	42
3186376	25	30	5	0.014	1.4	13	-	40	-	20	-	-	57
3186377	30	35	5	0.014	1.1	13	-	25	-	19	-	-	42
3186378	35	40	5	0.065	1.5	6	-	54	-	23	-	-	49
3186379	40	45	5	0.043	1.3	6	-	34	-	22	-	-	58
3186381	45	50	5	0.021	1.3	17	-	30	-	18	-	-	28
3186382	50	55	5	0.014	1.1	10	-	27	-	18	-	-	34
3186383	55	60	5	0.010	1.2	13	-	61	-	15	-	-	33
3186384	60	65	5	0.009	1.5	12	-	59	-	20	-	-	39
3186385	65	70	5	-	1.4	25	-	46	-	19	-	-	54
3186386	70	75	5	0.013	1.3	32	-	42	-	13	11	-	45
3186387	75	80	5	0.037	1.4	47	-	51	-	17	34	-	41
3186388	80	85	5	0.036	1.5	31	-	51	-	21	27	-	37
3186389	85	90	5	0.111	2.8	128	6	71	-	42	50	7	36
3186391	90	95	5	0.101	2.5	147	-	78	-	93	65	-	44
3186392	95	100	5	0.133	4.3	149	9	94	-	173	95	-	91
3186393	100	103	3	0.245	5.2	133	-	124	-	160	25	-	55
3186394	103	106	3	0.260	7.0	241	6	91	-	233	48	8	95
3186395	106	109	3	0.098	2.9	42	-	21	-	23	12	-	43
3186396	109	112	3	0.029	1.1	44	-	47	4	19	15	-	36
3186397	112	117	5	0.016	1.1	57	-	38	2	19	10	-	30
3186398	117	122	5	0.051	1.1	190	-	84	-	23	33	-	36
3186399	122	127	5	0.023	1.0	44	-	30	-	35	6	-	48

Table 4: Geochemical Results from grab samples of trench at Area 7

Sample Number	Description	Au ppm	Ag ppm	As ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	W ppm	Zn ppm
564694	fg andesite porphyry, <5% 2-3mm qtz eyes, biotite sulphidized	0.007	-	16	-	64	6	17	-	-	38
564697	pervasively alt mg qtz monz - weak clay, limonitic and thin wispy qtz vn (0.25mm max). cg wht mica	0.023	-	21	-	50	-	-5	-	-	32
564698	Fg eqg intrusive. Weakly silicified, fg white mica throughout.	0.024	0.7	27	-	55	-	-5	-	-	41
564699	ox intrusive, biotite alt to white mica, weak clay alt. Pervasively ox	0.011	-	25	-	50	-	14	-	-	25

Sample Number	Description	Au ppm	Ag ppm	As ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	W ppm	Zn ppm
564854	pervasive white clay alt of felds within qtz monz, mg to cg. limonite on fracture surfaces, weak white mica alt of bt?	0.006	-	27	-	57	-	13	-	-	71
564855	qtz monz with deep red ox, almost boxwork limonite, strong cg wht mica alt throughout.	0.012	0.6	17	-	48	-	7	-	-	111
564856	pervasive white clay alt of felds within mg to cg qtz monz. 1mm white mica flakes, no bt preserved.	0.094	2.7	101	6	45	2	63	58	-	27
564857	qtz monz with weak wht clay alt of felds, completely ox. No bt preserved.	0.043	0.9	24	-	64	-	10	5	5	19
564858	strongly silicified qtz monz, bt sulphidized and ox, fine wht mica throughout.	0.085	2.2	107	-	114	-	92	20	-	75
564859	cg qtz monz cut by polyphase qtz vn, chalcedonic, contains 1mm py/aspy? Vein has bx margins (qtz vn bx) and open space textures - houndstooth qtz, banding - epithermal textures	0.257	8.7	31	9	116	-	180	68	10	70

* fg = fine grained, mg = medium grained, cg = coarse grained, eqg = equigranular, alt = alteration/alterd, ox = oxidation/oxidized, qtz = quartz, felds = feldspar, bt = biotite, py = pyrite, aspy = arsenopyrite, monz = monzonite, wht = white, vn = vein

Prospecting

Minor reconnaissance-scale prospecting and rock sampling was completed near Target 6, with the objective of finding bedrock mineralization in outcrop or float. No bedrock exposure was found in the immediate vicinity of the soil grid. Road-side prospecting was conducted to validate historic prospects, as well as to determine new target potential in accessible places.

Validation of historic prospects was carried out during the first few days of the Northway exploration program. These prospects were all accessed along the Alaska Highway. Most of the showings were determined to be limited in size and extent. A consistent orientation of NE-trending shear-hosted mineralization and alteration occurs throughout the property. Two prospects, the Yarger Lake and Road Warrior prospects, were deemed as the most prospective.

Yarger Lake Prospect

The Yarger Lake prospect, identified by North Star, has undergone no significant work following the company's bankruptcy in 2002. A single grab sample collected in 2018 from the "north mineral zone" returned a value of 2.244 g/t Au, validating the

presence of anomalous gold associated with quartz-sulfide veining within a broad, shear-controlled sericitic and argillic alteration footprint.

Road Warrior Prospect

Identified by Tectonic in 2018 as an intrusive related occurrence, a large roadcut exposes oxidized and fresh sulphides hosted in mid-Cretaceous diorite and Late Cretaceous monzonitic porphyritic dykes and metasedimentary country rock. Rock grab samples in this zone yielded very little in terms of base metal or precious metal mineralization. Three samples contained anomalous Cu (>150 ppm) and Zn (>300 ppm), with little to no additional indicators of other base or precious metal content. Chalcopyrite associated with quartz-pyrite veining was noted in a sample that assayed 300 ppm Cu.

2019 Due Diligence Visit

The 2019 due diligence visit focused on rock sampling and/or inspection of the Yarger Lake, Road Metal, VABM Ball SW, and the Road Warrior prospects, and the Bitters Creek occurrence south of Area 6.

The Yarger Lake prospect comprises sheeted centimetre-scale quartz vein and adjacent fine stockwork zones and silicification within sericite-altered limonitic biotite granite of the Dawson Range batholith. Shear-hosted veins are oriented NNE, cross-cutting earlier NE-SW oriented shearing. The geological and mineralogical setting validates findings by Tectonic and earlier workers. Two samples taken from the north mineral zone returned values of 0.014 g/t Au and 0.031 g/t Au respectively, the latter with 4.555 g/t Ag, 30.77 ppm Bi, 345.29 ppm Pb and 199.4 ppm Zn. Assaying failed to confirm the high 2018 gold value, although did confirm elevated base metal and silver values.

The barrow pit near the Road Metal prospect has exposed medium to coarse-grained biotite granite which is locally porphyritic to megacrystic. Disseminated and locally clotty pyrite occur within the coarse-grained intrusive rocks. Fairly abundant late dykes at irregular orientations, comprising fine to medium-grained melanocratic quartz-feldspar porphyritic monzonite, occur in the Road Metal pit. Two composite grab samples of mid-Cretaceous granodiorite returned near-background values of 0.014 g/t Au and 0.010 g/t Au, respectively. No greisen zones or other areas of significant mineral potential are visible in the pit; therefore, no confirmation could be made between 2019 sampling and previous drill intercepts of greisen-hosted mineralization.

The VABM Ball SW occurrence comprises a 0.6-metre zone of chalcocite, chrysocolla and associated malachite and azurite within an east-west trending shear zone, dipping moderately to the south. Sampling returned a value of 0.330 g/t Au with 31.222 g/t Ag, >1.0% Cu and 7.52 ppm Bi. This confirms metal tenor and grades from sampling by earlier workers and supports their hypothesis that the zone may have resulted from remobilization of Cu-Ag-Au enriched fluids from an undiscovered proximal source.

The Road Warrior prospect was also visited, confirming geological and mineralogical findings by earlier workers. The prospect is located towards the north-western end of a coarse-grained intrusion, likely representing a phase of the Dawson Range batholith. Slightly to the northwest, the roadcut exposes Paleozoic metasediments of the Yukon-Tanana terrane. Although no samples were taken in 2019, field observations show a similar setting of late emplacement of quartz-feldspar porphyritic monzonitic dykes. These have a very similar fabric and mineralogy to those at the Road Metal prospect, suggesting a common origin.

Inspection of the Bitters Creek area revealed abundant rubble crop and proximal float of megacrystic biotite granite with strongly developed interstitial chlorite and epidote. This is consistent with interpreted propylitic alteration outbound from the Area 6 target, which has a porphyry Cu-Mo-Au soil geochemical signature.

An un-named barrow pit exposure of sparse sheeted veining in equigranular biotite granite towards the northwest end of the property was also viewed in 2019. The setting is similar to the Yarger Lake prospect, although vein density is significantly lower. A single composite grab sample returned 0.004 g/t Au, 1.185 g/t Ag, 104.97 ppm Cu, and low to background values of other elements.

2019 Geoprobe Survey

In 2019, a Geoprobe survey was conducted across Target 6 (Area 6), Target 7 (Area 7) and, to a more limited extent, the Road Metal prospect. These were designed to collect representative rock samples from the soil-bedrock interface along parallel grid

lines at depths ranging from near-surface to 4.5m, in order to determine lithology and mineral potential at the interface. A total of 689 samples was collected across 9,540 m of grid lines. These comprise a total of 55 samples over 1,200 m along two Geoprobe lines at the Road Metal prospect; a total of 164 samples over 4,000 m along four grid lines at Target 6; and 470 samples at Target 7 over 4,340 m along nine grid lines. Sample spacing was mainly set at 25 m, although was variable across Target 7. Rock samples obtained were typically analyzed in the field utilizing a portable XRF instrument (see “*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”), and later analyzed for Au and 35-element “Inductively Coupled Plasma Emission Spectrometer” analysis.

Target 6

Target 6 is considered as a potential Cu-Mo ± Au porphyry system, centered on a northeast-striking, high angle structural corridor. Exploration to 2018 revealed a core Cu-Mo soil anomaly, surrounded by a distal base and precious metal signature (Pb-Zn-Ag+/-Au). The porphyry model is supported by a large IP chargeability anomaly with a northeast-striking component, and coincident with a magnetic high signature and low resistivity lineament. Assay results revealed a coincident Cu-Mo anomaly in central areas, particularly along Line NWYGPT19-013. Although anomalous Cu values are slightly offset from anomalous Mo values, these results support the hypothesis for a porphyry-style target. Anomalous zinc values were returned from line NWYGPT19-013, somewhat north of the anomalous Cu-Mo values. Sporadic anomalous Au values were returned, including a high value outside of the central Cu-Mo anomalous area.

The 2019 Geoprobe results confirm that bedrock mineralization is responsible for anomalous element values identified from the 2015 through 2018 programs. Lithological analysis of rock chip samples indicates the presence of a fine-grained siliceous intrusion possibly emplaced along an interpreted NE – SW-extending structural corridor exceeding 500m in width. Although argillic (clay) and phyllic alteration are characterized as weak to moderate, alteration intensity is expected to increase with depth, where the IP chargeability anomaly is most intense. Several Geoprobe top-of-bedrock samples contain chips of quartz-pyrite-chalcopyrite vein material, confirming that bedrock mineralization is consistent with a porphyry system. These results support and firm up the hypothesis that Target 6 represents a potential porphyry-style target.

Target 7

Target 7 is also considered as an Au-Cu bulk tonnage prospect, potentially related to a separate porphyry centre. Again, previous work interpreted this target to be emplaced along an E-W extending structural corridor, supported by evidence from magnetic and electromagnetic data. A gold-in-soil geochemical anomaly exceeding 800m in length is associated with anomalous As, Sb and Bi values. The geochemical zonation is more consistent with higher level alteration assemblages (upper phyllic – argillic) of porphyry systems than that observed at Target 6. Assay results revealed an east-west trending zone of elevated to anomalous Cu and Zn values roughly coincident with anomalous gold values to 1.7 g/t Au in the southern part of the target area. However, only rare elevated Mo values were returned, mainly from line NWYGPT19-011.

The 2019 assay results have validated previous soil geochemical results across Target 7. The E-W trending corridor of anomalous gold-in-soil values is supported by values from bedrock Geoprobe sampling. Geoprobe sampling has delineated an E-W trending zone at least 700m long, with a minimum N-S width of 250m. However, anomalous 2019 Au values occur both within moderately sericitized granodiorite and unaltered granodiorite with quartz vein material. Gold values may not be associated with the alteration event resulting in argillic (clay) alteration of the granodiorite and may instead be associated with quartz vein material only.

The 2019 program also identified a Cu-Au ± Mo ± Zn target north of the main Target 7 area. This is particularly evident along lines NWYGPT19-006 and 007, indicating potential for a second east-west trending mineralized zone. The northern end of line NWYGPT19-005 is also marked by a narrow zone of coincident Cu-Mo values. The northern target overlies a coincident magnetic high and IP chargeability anomaly, and may be a viable exploration target.

Road Metal Target

The Road Metal target was the subject of more significant historic exploration, including diamond drilling in 2000. The two Geoprobe lines were selected to test a coincident Cu-Mo-Au target west of the historic drilling. Assay results revealed a narrow zone of anomalous Cu values to 897 ppm, coincident with Mo values to 11 ppm, towards the southern end of line NWYGPT19-001. Sampling along line NWYGPT19-002 returned a weakly anomalous Mo value of 13 ppm located east of the anomalous

zone in line NWYGPT19-001. Whether these represent a continuous zone remains inconclusive. Sampling did not return any anomalous Au or Zn values.

2019 Soil Sampling Program

In 2019, a total of 22 B-horizon soil samples were taken with the Geoprobe, utilizing B-Horizon soil directly overlying the rock chip interface. The locations are identical to those of corresponding rock chip samples. A single probe line (NWYGTP-003) was selected for this. The intention was to test the probe as both a bedrock and soil sampling tool, as this methodology could be applied to future programs. B-horizon soils collected from the probe demonstrate consistency with power auger soil sampling in identifying precious and base metal anomalies. Comparative analysis highlights metal anomalism resulting from both sampling methods.

When compared to assay results from top of bedrock rock samples, soil samples obtained by the probe method generally identify the same anomalous zones. Results indicate values for Pb-Zn-Ag are spatially consistent within both surveys, but anomalous Au values are more variable, although the main anomalous trends are indicated in results from both surveys. Cu appears to demonstrate some migration from its bedrock source and appears to demonstrate higher mobility than other base metals in this environment. Values for Mo are almost all below detection level, so no meaningful comparison can be made between the survey types.

Drilling

In 2019, 8 Rotary Air Blast (RAB) boreholes for 856 metres were completed on the Northway Property. Drilling took place between September and October, was contracted to Ground Truth Americas Inc. and was completed with a single GT RAB drill rig. The GT RAB drill is a rubber tracked drill platform controlled by wireless remote control with a hydraulic tilting mast assembly and rotary drill head. The GT RAB drill delivers compressed air through the centre of 66.6 mm drill rods to activate the drill bit, recovers powdered rock chips from the cutting face and returns the sample along the outside of the rods to a conventional cyclone. Borehole diameter was typically 92 mm. The drill rig either drove from site to site or was moved by helicopter.

The purpose of the 2019 drilling program was to investigate mineralization observed in coincident gold and copper-in-soil anomalies and geophysical anomalies at two main targets: Target 6 and Target 7. Six boreholes were completed at the Target 7 prospect, and two were completed at the Target 6 prospect. Boreholes ranged in depth from 60 – 173 m, with an average hole depth of 100 m.

Borehole locations were planned and marked by Tectonic geologists using a handheld GPS. A compass was used to determine borehole azimuth and inclination. Following the arrival of the drill at the drill site a geologist would then confirm drill alignment and inclination with the compass. Following completion of a drill hole by reaching target depth, or termination due to poor ground conditions, the collar location was located using a differential global position system (DGPS) collecting an average point location, refining the location to within 1 m. No downhole surveys were completed due to the short hole lengths.

RAB chips were logged on site by a Ground Truth Americas Inc. geologist before being transported back to camp in Tok, Alaska, by helicopter. Samples were then analyzed by XRF prior to being shipped to the Bureau Veritas facility in Fairbanks for preparation. The XRF analysis was undertaken in an attempt to establish a future relationship between in-field XRF results and Fire Assay data to determine the XRF's effectiveness and reliability in future exploration programs. Due to the early-stage nature of the Northway Property and the fact that no previous drilling has been completed on the property, no relationship between XRF data and drill assay data has been established. As data was collected in-field and not at an accredited laboratory, no standardized methodology was employed and no Quality Control procedures could be implemented. For the reasons mentioned above, the author of the Northway Technical Report has determined the XRF data to be unreliable and not significant at this time. See "*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*" for further discussion.

Due to the open-hole nature of RAB drilling and return of rock chip and powder samples, the method does not provide the same level of geological and structural information as does diamond drilling. Accordingly, RAB drilling is used as an early to intermediate stage exploration tool and results cannot be used for the purposes of NI 43-101 mineral resource estimates.

The physical characteristics of the RAB boreholes are presented in Table 5 below.

Table 5: Drill collar data

Borehole ID	Easting (metre)	Northing (metre)	Elevation (metre)	Length (metre)	Azimuth (degree)	Dip (degree)	Prospect	Interval Sampled
NWRB19-001	468595	6987733	894	92.96	360	55	Target 7	0 – 92.96 m
NWRB19-002	468605	6987600	890	100.58	360	55	Target 7	0 – 100.58 m
NWRB19-003	468331	6987709	919	79.25	360	55	Target 7	0 – 79.25 m
NWRB19-004	468661	6988308	894	60.96	315	55	Target 7	0 – 60.96 m
NWRB19-005	468671	6988587	882	150.88	315	55	Target 7	0 – 150.88 m
NWRB19-006	469011	6988443	868	94.49	315	55	Target 7	0 – 94.49 m
NWRB19-007	443806	7006624	775	173.74	135	80	Target 6	0 – 173.74 m
NWRB19-008	444247	7006740	818	103.63	135	55	Target 6	0 – 103.63 m

Note: NAD83, Zone 07W

At the Northway Property, the entire drill hole was sampled from collar to end-of-hole, on 5-foot (1.52 m) intervals as governed by the length of each RAB drill rod.

Table 6 below summarizes the results of seventy-three percent (73%) of the 2019 RAB drilling program at the Northway Property.

Table 6: Assay composites

Prospect	Drill Hole	From (m)	To (m)	Width (m) ⁽¹⁾	Weighted Average grade (g/t Au)
Target 7	NWRB19-001	4.57	6.10	1.53	0.33
		12.19	13.72	1.53	0.33
		21.34	22.86	1.52	0.22
		32.00	33.53	1.53	0.23
		38.10	39.62	1.52	0.27
	NWRB19-002	74.68	76.20	1.52	0.24
	NWRB19-003	25.91	27.43	1.52	0.22
		47.24	48.77	1.53	0.21

Notes:

(1) Interpretation of the results is ongoing and there is not currently enough information to estimate true thickness of the mineralized zones.

The above assay results in Table 6 have been reviewed and approved by Eric Buitenhuis, M.Sc., P.Geo., the Company's Vice President of Exploration who is a "qualified person" for the purposes of NI 43-101.

Quality Assurance / Quality Control

Quality assurance and quality control procedures included the systematic insertion of blanks and standards into the drill sample string at a rate of approximately 1/10 (10%). In addition, field duplicate samples were systematically collected at a rate of 3 duplicates per 100 samples. Samples were placed in sealed bags and shipped directly to the Bureau Veritas Laboratories preparation facility in Fairbanks, Alaska. Any standards or blanks which returned values outside of two standard deviations (2SD) of certified values were reviewed, and re-assaying was conducted if necessary. See "Northway Property – Sample Preparation, Analysis and Security – Quality Assurance and Quality Control – Quality Control, 2019 RAB Drilling".

Sampling Method and Approach

The author has not accessed information on QA/QC practices for geochemical sampling by past workers, prior to acquisition by Tectonic. Therefore, the author cannot confirm that past QA/QC protocols regarding rock, soil and drill core sampling procedures conformed to industry best practices at the time.

Rock Sampling

Tectonic Rock Sampling, 2018

All personnel in 2018 were employed either by Tectonic or Avalon. Rock samples were described in the field, with the location recorded in hand-held GPS units in UTM Datum NAD 83, Zone 6W. The samples were categorized based on their provenance, and were described in detail as to lithology, and mineralization. Rock samples were characterized as float when not specifically sampled from outcrop, and were collected whenever metallic mineralization, quartz veining, or significant alteration were observed. Trench grab samples were selected from prospective intervals of mineralization or alteration noted within larger trench channel samples. Rock samples typically weigh 2 to 6 pounds (0.9 – 2.7 kg) and consist of two or three fist-sized pieces of rock and are considered to be grab or composite grab samples.

Rock samples were placed into cloth sample bags which were labelled, provided with a unique sample ID and assay tag, and tied with attached strings for shipment. Samples were placed either in rice bags with the sample numbers written on the bag, and also sealed with a cable tie, or in sealed “Super Sacks” closed with wire ties. All samples were driven from the property to Fairbanks, Alaska. All samples remained in the custody of the field personnel and were transported by Avalon's expeditor either directly to the Bureau Veritas prep lab in Fairbanks, Alaska, USA, or to secure facilities at the Avalon warehouse prior to submission.

Tectonic Trench Sampling, 2018

Trenching was accomplished by a heli-portable CanDig excavator. The trench was dug as deep as possible, to attempt to reach bedrock, although permafrost or overburden commonly limited depths to less than 1.0 m. Overburden was placed on the left side of the trench, and material from the bedrock-overburden interface was placed on the right side, directly beside from where it was removed. Samples were collected on geologically-informed sample spacings, typically 5 m in unaltered or mineralized rock, and 3 m where alteration or mineralization were encountered. Samples were collected from rubble crop or subcrop at the bottom of the trench, with equal representation across the entire interval to ensure no sampling bias.

A rock sample bag was placed at the start of each interval; care was taken to ensure these were in sequence. A profile of trench samples was drawn in large “Rite in the Rain” trench mapping books. The sample sequence was checked to ensure accuracy, and a photograph was taken of each interval, including the sample bag with the sample number. “High-grading” of mineralized portions was avoided in the main sample, although specific samples of mineralized or altered material were taken, utilizing a separate sample sequence.

The lithology, alteration, and mineralization for each sample were recorded in the field. The detail of logging was governed by quality of excavation, with well exposed sections potentially logged at intervals of <0.5 m, and more poorly excavated sections logged at intervals of 0.5 – 1.0 m. All changes, including subtle changes in lithology or alteration were also recorded. Samples also typically but not always underwent XRF/Niton analysis (see “*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”). For each sample interval, the most prospective rock, containing the strongest and/or obvious mineralization, was removed to reduce potential bias. A single spot of the remaining material was analyzed, and the sample was then returned to the bag and sealed for shipment. The resulting XRF data was downloaded and saved on the field computer nightly. The chain of custody to Bureau Veritas was identical to that for rock samples.

Soil and Stream Sediment Sampling, 2018

Soil samples were collected by two-person crews employed by Avalon, utilizing gasoline-powered ice augers capable of reaching depths of up to eight feet (2.4 m). Sampling crews targeted the soil ‘C’ horizon to most closely approximate bedrock values. Samples collected by auger were placed on clean mats to ensure sufficient soil material was collected; sample size was approximately 600 grams. While collecting the soil samples, representative rock fragments from the ‘C’ horizon were also collected and reserved as a lithologic record to form a bedrock geologic map of the sampled area. Soil samples were collected

in breathable cloth sample bags and dried before shipment to the laboratory. Parameters recorded comprise UTM co-ordinates including elevation, sample depth, colour, moisture, lithology, texture, and condition of the site at surface. Samples were typically but not always analyzed with a Niton hand-held XRF unit prior to shipment (see “*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”). In situations where collecting a soil sample was impossible, a rock grab sample was collected in its place and recorded separately. Soil samples collected in 2018 underwent the same chain of custody to the Fairbanks prep lab of Bureau Veritas as the 2018 rock samples.

Stream sediment sampling involved collection of an approximately 2 kg sample collected from as close to the active channel as possible. Sediment samples were not screened in the field. Following collection, the drying, sample preparation and chain of custody was identical to that of soil sampling. The same preparation and analysis procedures as for soil samples were employed.

Pan Concentrate Sampling, 2018

Pan Concentrate samples were initially screened through a 1/2 in. (1.27 cm) “Grizzly screen” to remove large fragments. The remaining material was then hand-panned, with each sample comprising five pans of material per site. Sampled material was collected from natural traps that concentrate dense material. Pan concentrate samples were crushed and analyzed utilizing the same preparation and analysis procedures as for rock samples. The preparation and chain of custody to the Bureau Veritas prep lab in Fairbanks is identical to that for rock samples.

Due Diligence Rock Sampling, 2019

In 2019, a total of six rock samples were taken from the Northway Property. All samples have a minimum weight of 0.25 kg and were placed in 8” x 13” clear poly bags. Each sample was placed in a bag with a unique sample tag. The corresponding sample number was also written in indelible ink on the outside of the bag. The sample bag was then wrapped tightly and bound using a “Zap Strap” cable tie. The rock samples were placed within a “rice bag”, with the sample numbers written on the outside of the bag and sealed with a cable tie. All sample locations were recorded by using a GPS, utilizing UTM 1983 North American Datum (NAD-83), at the location of the sample. All samples were marked in the field, using a combination of blue and orange flagging tape, with the sample number written on the flagging tape and then wrapped numerous times around the sample to protect the identification of the sample. Notes on sample type, UTM locations, including elevation, sample type, sample description, geological formation, lithology, modifiers, colour, various types and intensity of alteration, types and amount of mineralization, date, sampler and comments were recorded in a field book. These were then transferred to an Excel spreadsheet, where they were digitized with the analytical results. The samples were transported by the Qualified Person and delivered directly to the Whitehorse, Yukon, Canada prep lab of Bureau Veritas.

Geoprobe Sampling, 2019

The sample spacing at Northway is mainly 25 m along pre-set lines or “corridors” at depths ranging from near surface to 4.5 m depending on ground conditions. Sampling intervals at Target 7 are more variable than elsewhere. At each sample site approximately 30 cm of material from the bottom of each hole, at the “top of bedrock” level, is collected. Representative rock chips are collected from the sampled material and each sample site is logged in a handheld Samsung smartphone. Each site is flagged, labelled, and surveyed using a differential GPS. Parameters logged comprise: UTM co-ordinates including elevation, sample depth, rock content, content of frozen material, oxidation level, amount of weathering, rock fragment angularity, lithology, alteration, whether bedrock was successfully reached, and any additional comments pertaining to the sample. All samples were analyzed with a Niton hand-held XRF unit prior to shipment (see “*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”).

Geoprobe samples were placed into 12” x 18” 8mil clear poly sample bags, each labelled with a unique sample identification and an assay tag and sealed with a cable tie for shipment to the lab. Samples were placed in rice bags with the sample numbers written on the bag and sealed with a cable tie and individually numbered yellow security tags. All samples were either flown from the property by helicopter or transported by all-terrain vehicle to a staging area near Northway Junction, Alaska. Samples were then transported by Horst and Remote Operations, Inc. or Tectonic personnel to Horst’s secure facilities in Fairbanks or submitted directly to the prep lab of Bureau Veritas in Fairbanks, Alaska, USA by Avalon personnel. Samples stored at Horst’s were then delivered to the Bureau Veritas lab by Horst personnel.

2019 Soil Sampling Program

A total of 22 “B” horizon soil samples were also collected by the Geoprobe crew during Geoprobe operation. Approximately 600 g (0.600 kg) of “B” horizon soil material was collected from a 30-50 cm interval located directly above the bottom 30 cm interval which was sampled for the Geoprobe program. Sample material was placed into cloth bags which allowed for air circulation and drying capability. Samples were located by referencing the correlated Geoprobe sample interval. All samples were analyzed with a Niton hand-held XRF unit prior to shipment (see “*Northway Property – Sampling Method and Approach – Rock Sampling – XRF Data Collection, 2018 and 2019*”).

Soil samples were placed into cloth sample bags which were labelled and assigned a unique sample ID and assay tag. The attached strings were tied prior to shipment. Samples were placed in rice bags with the sample numbers written on the bag and sealed with a cable tie and individually numbered yellow security tags. All samples were either flown from the property by helicopter or transported by ATV to a staging area near Northway Junction, Alaska. Samples were then transported by personnel of Horst and Remote Operations, Inc., or Tectonic/Avalon personnel to Horst’s secure facilities in Fairbanks, or submitted directly to the prep lab of Bureau Veritas in Fairbanks. Samples stored at Horst’s were then delivered to the Bureau Veritas lab by Horst personnel.

RAB Drilling, 2019

The RAB drill works by channeling compressed air through 5-foot (1.52 m) single-wall drill rods to a pneumatic hammer attached to a semi-permeable bit, which acts as a jackhammer. The air forces rock chips and dust (the sample) through openings at the edge of the bit, where it then travels to surface along the sides of the rod string and is transferred from the borehole to a cyclone module by a sample hose. The sample is separated from the air in the cyclone and drops out of the bottom into a clean 5-gallon pail. Each sample comprises one 5-foot run. The sample is then tipped out of the pail into a 1:7 riffle splitter, with material to be sampled entering a 12” x 18” 8 mil clear poly sample bag, and the remaining material forming a separate tote. The sample bag is retained for analysis, while reference sample chips are sieved from a spear sample of the material in the tote and logged by the geologist directly on site into a Samsung handheld smartphone. The excess material in the tote is emptied at site for later reclamation.

Sample bags are labelled with a unique sample identification and assay tag and sealed with a cable tie for shipment to the lab. Samples were placed in rice bags with the sample numbers written on the bag and sealed with a cable tie and individually numbered yellow security tags. All samples were either flown from the property by helicopter or transported by all-terrain vehicle to a staging area near Northway Junction, Alaska. Samples were then transported by truck to Tectonic’s secure staging area in Tok, Alaska, before being transported by truck directly to the prep lab of Bureau Veritas in Fairbanks by Tectonic personnel.

XRF Data Collection, 2018 and 2019

XRF data was selectively collected over exploration campaigns from 2018 to 2019 by various exploration service providers as part of a comprehensive service package. The XRF analysis was undertaken in an attempt to establish a future relationship between in-field XRF results and Fire Assay data to determine the XRF’s effectiveness and reliability in future exploration programs.

No standardized methodology, calibration, nor Quality Control procedures were implemented during the collection of the XRF data. Varying models of XRF analyzers, specifications of analysis, and analytical procedures and methodologies have been employed by the differing exploration service providers rendering direct comparison difficult. Soil samples, if analyzed, may not have been consistently dried prior to analysis in the field, and rock and geoprobe samples, if analyzed, received only surficial point analysis. Due to the early-stage nature of the Northway Property and the fact that no previous drilling has been completed on the property, no relationship between XRF data and drill assay data has been established.

For the reasons mentioned above, the author of the Northway Technical Report believes any XRF data to be unreliable and not significant at this time.

Sample Preparation, Analysis and Security

Analytical Methods

Rock, Pan Concentrate and Trench Sampling, 2018

At the Bureau Veritas Fairbanks prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis for gold by 30-gram fire assay fusion with an atomic absorption finish (AAS). Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

Soil and Stream Sediment Sampling, 2018

At the Fairbanks Bureau Veritas prep facility, all soils underwent drying to 60 °C, then sieved to -180 micron (80 mesh) size. All samples were then sent to Reno, Nevada, where they underwent analysis for gold by 30-gram fire assay fusion with an atomic absorption finish. Following this, the 0.25-gram pulps were sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 Geoprobe Sampling

Geoprobe samples, mainly comprising rock chips, were treated as rock samples. At the Bureau Veritas Fairbanks prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis for gold by 30-gram fire assay fusion with an AAS. Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 Soil Sampling

The sample preparation for the 2019 soils was identical to that for the 2018 soil sampling program. At the Fairbanks Bureau Veritas prep facility, all soils underwent drying to 60°C, then sieved to -180 micron (80 mesh) size. All samples were then sent to Reno, Nevada, where they underwent analysis for gold by 30-gram fire assay fusion with an AAS. Following this, the 0.25-gram pulps were sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis (prep code MA300) for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

2019 RAB Drilling

RAB samples, mainly comprising rock chips and dust, were treated as rock samples. At the Bureau Veritas Fairbanks prep lab, all samples underwent crushing, splitting and pulverization to achieve a 250-gram pulp capable of passing through a 200-mesh screen. All samples were then sent to Reno, Nevada, where they underwent analysis for gold by 30-gram fire assay fusion with an AAS. Following this, a 0.25-gram pulp was sent to the Vancouver, British Columbia, Canada lab for four-acid digestion “Inductively Coupled Plasma Emission Spectrometer” analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Th, Ti, U, V, W, Y, Zn and Zr.

Quality Assurance and Quality Control

Avalon and Tectonic incorporated several types of “standard” samples into the rock and soil sample streams, reflecting varying known gold grades per standard type. Standard samples were supplied by OREAS and Rocklabs. Eleven different commercially available standards were utilized, with values ranging from 0.012 ppm gold to 3.03 ppm gold.

Avalon and Tectonic also inserted blank samples of Quaternary basaltic flow rocks taken from a local Fairbanks, Alaska quarry called the Browns Hill Quarry. Avalon Development has an extensive data base of assay values for this material providing a

reliable baseline for determining expected Au values. Avalon has utilized the same basaltic rocks for quality control sampling for more than 20 years and can confirm samples consistently return <0.005 g/t Au.

Standard samples test for the accuracy of gold geochemical analysis, whereas blank samples test for contamination, if any, within the sample stream. Individual samples falling outside of 2SD of the known value do not necessarily indicate inaccurate values for the particular batch; however, numerous values outside of 2SD may indicate systematic inaccuracies in fire assay analysis.

QC samples were inserted into the sample submittals at a rate of approximately 1 QC sample per 10 assay samples (approximately 10%). Standards were inserted at a rate of approximately 8 standard samples per 100 assay samples (8%), blanks were inserted at a rate of approximately 2 blank samples per 100 assay samples (2%).

In addition to the quality control program administered by Avalon Development, Bureau Veritas has rigorous internal quality control standards, which utilize the use of their own standard, blanks and duplicates within the sample stream.

Quality Control, 2018 Rock Sampling

Five standard samples of three different types, and three blank samples were inserted into the 2018 rock sampling stream. The Au value for sample #564820, of Standard OREAS 218, is just above the upper 2SD limit. The others all fell within the 2SD range. One of the blank samples returned an anomalous Au values of 0.023 g/t Au, indicating some contamination has occurred. Gold assay values from the associated batch may be slightly elevated, although this is more applicable to low values in the 0.025 g/t Au range. Higher-grade gold values returned from rock sampling adequately represent true values.

Quality Control, 2018 Trench Sampling

Two standard samples of different types and one blank sample were inserted into the trench sample stream. Both standard samples returned values within 2SD. The blank sample returned a weakly elevated value of 0.016 g/t Au, indicating slight gold contamination may have occurred for that particular batch. This is more applicable to samples returning very low values. Higher-grade gold values returned from rock sampling adequately represent true values.

Quality Control, 2018 Pan Concentrates

Seven standard samples of four different types were inserted into the 2018 pan concentrate sampling stream. Of these, two, both of standard OREAS 220, returned values considerably below the lower 2SD limit. Of the remaining five, four returned values below the certified Au value but within the lower 2SD threshold. Gold values from the pan concentrate samples within the batches containing the OREAS 220 values may be underestimating true values, and the batches should be re-run. All three blank samples returned <0.005 g/t Au, indicating the procedure was free of contamination.

Quality Control, 2018 Soil Samples

A total of 81 standard samples of 7 different compositions was inserted into the 2018 soil sample stream. Of these, 9 of 17 samples of OREAS H1 (Certified value: 0.012 g/t Au) and 9 of 20 samples of OREAS 260 (Certified value: 0.016 g/t Au) returned Au values outside of the 2SD limits. This is partially an effect of the very low certificate value of both standard sets, where a very small deviation from true Au values translates to a high percentage variation, commonly outside of the 2SD limits. Low values from soil sampling may vary from true values by a similar amount.

Analysis of standards having higher certified values returned values within the 2SD limits, except for one sample of OREAS 250, which was somewhat above the upper limit. This indicates the possibility of an over-estimation of Au values in the affected sample batch. The remaining results indicate the achieved values adequately represent true values. Blank sample Au analysis returned background to near-background values for all samples except for two, which are slightly elevated. This indicates an absence of significant contamination for most of the sample procedure, but potential for very slight contamination for the batches containing the two aforementioned samples.

Quality Control, 2018 stream silt sampling

A total of 25 standard samples of 6 varieties was inserted into the stream silt samples. Of these, 5 fell outside of the 2SD limits, all of OREAS H1 (certified value of 0.012 g/t Au) and OREAS 260 (Certified value of 0.016 g/t Au). This is partially an effect of the very low certificate value of both standard sets, where a very small deviation from true Au values translates to a high percentage variation, commonly outside of the 2SD limits. Low values from soil sampling may vary from true values by a similar amount. All standards having higher certified values of Au returned assays within their respective 2SD ranges. Blank samples all returned values of or near <0.005 g/t Au, indicating the analytical procedure was free of contamination.

Quality Control, 2019 Geoprobe Samples

During 2019, QC “Standard” and “Blank” samples were inserted at a rate of about 1 sample per 10 rock chip Geoprobe samples, although at the onset of the program the insertion rate was about 1 sample per 30 rock samples. Two types of reference materials (standard samples) were employed by Tectonic in 2019, both provided by CDN. One is Reference Material CDN-CM-38, which employs known values for gold, silver, copper and molybdenum, designed to test for porphyry-style mineralization. The other is Reference Material CDN-ME-1205, employing known values of Au, Ag, Cu, Pb and Zn, and designed to test for polymetallic mineralization. A total of 17 standard samples of CDN-CM-38, 13 standard samples of CDN-ME-1205, and 13 blank samples, again from Brown’s Quarry, were inserted into the sample stream.

Analysis of standard reference material CDN-CM-38 revealed a “failure rate” (outside of the 2SD limits) of 17.6% for Au, 11.8% for Ag and Mo, and 5.9% for Cu. Of three Au values outside of the 2SD range, two are above the upper limit, indicating actual geochemical values may be less than returned values for their respective sample “batches”; and one is below the lower threshold, indicating actual gold grades may exceed returned values. Both Ag values outside the 2SD range were above the upper threshold, indicating rock values returned within respective batches may exceed true Ag values. Both of the Mo “fail” values exceeded the upper 2SD threshold by a slight amount, indicating likelihood that rock values returned exceeded true values. The single Cu “fail” value fell below the lower 2SD threshold, indicating true Cu values likely exceeded returned values for the respective batch.

Analysis of standard reference material CDN-ME-1205 returned a 0.0% failure rate for Au, Ag, Cu and Zn. However, a failure rate of 41.6% was returned for Pb, comprising two values exceeding the upper threshold and three below the lower threshold. This indicates an over-estimation of Pb values for the former, and under-estimation of these for the latter. Blank sample analysis returned sub-detection Au values for all samples, indicating the procedure was free of Au contamination. Several samples returned Ag values above detection, to 2.0 g/t Ag, indicating some contamination occurred. Sub-detection Mo values were returned from all samples. Values for Pb and Zn were at or near estimated background values for each. No background estimate was provided for Pb, although background Pb values were returned for all blank samples.

Quality Control, 2019 RAB Drilling

During the 2019 RAB drilling program, QC “Standard” and “Blank” reference material samples were inserted at a rate of about 1 QC sample per 10 RAB drill samples. In addition, field duplicate samples were collected at a rate of 1 duplicate sample per 33 RAB drill samples on regular intervals. RAB field duplicates were collected by running the excess sample material in the retention tote from the original sample through the riffle splitter, splitting a second sample from the original sample at the drill site. The field duplicate is then prepared for shipment as part of the main sample stream.

Five types of reference materials (standard samples) were employed by Tectonic in 2019, all provided by OREAS. Standards were chosen to reflect a mixture of both the gold-dominant and typical porphyry polymetallic signatures exhibited at the Northway Property. For both Cu and Mo, the “4-acid / ICP or AA” reference material was utilized. A total of 7 standard samples of OREAS 226, 11 standard samples of OREAS 503b, 6 standard samples of OREAS 252, 4 standard samples of OREAS 217, and 5 standard samples of OREAS 209, and 33 blank samples of basalt from Brown’s Quarry were inserted into the sample stream.

Statement of Opinion

Quality Assurance

The rock sampling methodology is adequate for the conditions encountered, comprising grab sampling mainly of float boulders. Grab sampling tends to return the least representative results, and commonly shows a bias towards “high grading” of the mineralized portions. However, grab sampling is likely the only option for most sample location at Northway, due to lack of outcrop. Composite grab sampling, involving collection of several pieces of similar material, may be possible in some locations where rubble crop or felsenmeer is encountered, and typically provide more representative gold values. Where feasible, composite grab sampling should be done. Chip sampling, involving an even amount of sampling across a known width, is recommended where mineralization occurs in situ.

The trench sampling methodology, comprising representative sampling across known widths, is also suitable for the conditions encountered. Trenching did not typically reach bedrock, requiring evenly distributed “chip-grab” sampling of rubble crop or subcrop instead. The collection of representative grab samples of mineralized material to test for higher grade gold values also assists understanding of the mineralogy, provided they are not confused with trench values over width. The results are likely to be as representative of true values as possible.

The routine and repetitive methodology of soil sampling in 2018 should eliminate any chance of bias. Due to greater depth penetration, auger sampling tends to return more representative gold values because the material sampled was taken at greater depths and is thus more representative of true values. Variability in results of soil sampling may be caused by depth of overburden, slope angle, vegetative cover, if any, and outcrop exposure, with lower values expected in flat areas with thick overburden. Soil anomalies may be transported, depending on slope and groundwater conditions; detailed records of slope, vegetation, soil conditions are used to determine probability of transportation.

The methodology of silt sampling and density of sampling along streams should mitigate potential for inherent bias, provided material is taken at several locations per sample site. Similarly, the methodology of pan concentrate sampling, involving five “pans” of material per sample, should also remove any inherent bias in the process. Gold values from pan sampling tend to be higher than for soil sampling, due to the concentration of heavy fragments from the initial sample. This can be mitigated by usage of higher thresholds for anomalous values during data compilation; otherwise delineation of anomalous values is similar to that of stream silt sampling.

The routine and repetitive methodology of 2019 Geoprobe sampling should also eliminate any chance of bias and is more definitive than that for power auger sampling. The sampled material is treated as rock, comprising mainly rock chips, thus representing lithological rather than deep soil metal content. The material is also much less prone to downslope movement, and more accurately represents bedrock geochemistry. The 2019 power auger soil geochemical sampling has the same level of accuracy and underwent the same level of quality assurance as the 2018 auger sampling.

Quality Control (QC)

A high standard of quality control was utilized by Avalon and Tectonic during the 2018 program. The insertion of 11 different types of standards, with varying known concentrations, was done to determine levels of accuracy from near-background values (OREAS 200, 0.012 ppm Au) to moderate ore grade values (OREAS 214, 3.030 ppm Au). Avalon and Tectonic also utilized low Au-value standards in soil geochemical streams, and higher Au-value standards for rock and trench sample streams, in anticipation of expected values. The source of blank samples is well-chosen; actual rock samples are preferable to the usage of prepared blanks, assuming adequate additional testing of blank material. The basalt samples from the Browns Hill Quarry basalt are adequate for the QC process here.

All standard samples within the 2018 rock and trench geochemical streams returned Au values within the respective 2SD ranges, indicating Au values from actual sampling closely approximate true values. One blank sample from the rock stream and the only blank from the trench stream returned elevated Au values, indicating some contamination may have occurred in their respective batches. This will be a factor mainly at very low grades, where contamination raising the obtained value by a few ppb Au may exceed the 2SD limits. However, the importance of this deviation at very low grades from rock sampling is limited.

The 2018 pan concentrate sample geochemical stream returned two values from Standard OREAS 220 (0.866 ppm Au) well below the lower 2SD limit, although no significant deviation occurs elsewhere in the sample stream. This indicates that achieved

values may have underestimated true values in their respective sample batches, and that these batches may need to be re-analyzed. It is unlikely that original multi-lab analysis of the standard material is sufficiently imprecise to cause this variation. Blank sample values indicate a lack of contamination.

Within the 2018 soil sample stream, almost half of the inserted samples of OREAS H1 and OREAS 260 returned Au values outside of the 2SD range. This is partially a function of very low initial Au values, where a very small deviation from true values translates to a high percentage variation. This may affect delineation of Au anomaly boundaries if a very low anomalous threshold is determined. The effect at higher Au values is subdued to negligible. Almost all higher-grade standard samples returned Au values within 2SD. Blank sample results indicate the analytical process was essentially free of contamination.

The 2018 silt sample stream revealed a similar pattern of variation from certified values from samples of standards OREAS H1 and OREAS 260. Higher-grade standard samples all returned Au values within the 2SD range. This would have the same result as for soil sampling, if low anomalous thresholds are established, but will have a subdued percentage variance at higher grades. With one exception, blank sample analysis indicates the sampling process is essentially free of contamination.

No duplicate samples were submitted during the 2018 programs. Duplicate sampling, designed to test for distribution of metal values within a sample rather than for analytical accuracy, is not necessarily standard practice for non-drilling sample streams.

The ratio of insertion of standard samples to obtained samples is typically about 1:20. Although the 1:10 ratio employed here is certainly beneficial, it is not necessary for confirming accuracy of elemental analysis. A minimum insertion rate is one standard sample per sample batch. However, the ratio of 1:50 for blank sample insertion may be inadequate to ensure at least one blank sample per batch. The insertion rate should be increased to a minimum of one per batch to guarantee this.

A high standard of quality control was again utilized by Avalon and Tectonic during the 2019 Geoprobe program. Two sets of standard reference material with known base and precious metal values were utilized, as well as blanks from the same source (Brown's Quarry) as that utilized for previous programs. Of the two types of standard reference material, CDN-ME-1205 was shown to be more reliable for Au, largely due to the higher known values resulting in a 2SD range with a lesser percentage variance from the known value. Reference material CDN-ME-1205 also proved more reliable for Ag analysis than CDN-CM-38, again due to the former's higher known or "expected" value. For both of the CDN-CM-38 reference material, fail values for Ag exceeded the upper 2SD limit. Avalon stated that Ag values returned from Bureau Veritas Labs commonly over-estimate true values for low Ag concentrations, a statement supported by analytical results of standard samples. Blank samples also commonly return elevated to anomalous Ag values, indicating imprecision in the analytical technique, and over-estimation of actual values.

Values returned for Cu and Mo within reference material CDN-CM-38 typically fall within the 2SD range, with only occasional "fail" results. This indicates a high degree of reliability for these elements. Again, fail values indicate the respective batches may have either over-estimated or under-estimated values for the respective elements, and care should be used when compiling results from these batches. Analysis for Zn has been shown to be highly reliable for both sets of standard reference material. However, Pb values in both sets of reference material showed the highest variance from expected values, with the greatest number of "fail" values. Fortunately, Pb is of secondary importance at the Northway Property, useful mainly as a pathfinder element for Au and Ag mineralization.

"Blank" sampling returned sub-detection values for Au for all samples, indicating gold analysis throughout the program was free of contamination. However, several blank samples returned elevated to anomalous values for Ag, indicating contamination. This has been reported as a consistent issue with the Bureau Veritas lab employed for analysis and should be investigated. Blanks sample values for Mo were all at sub-detection levels, free of contamination, and values for Cu, Pb and Zn were all at roughly crustal abundance, indicating no contamination issues for these elements.

The insertion rate for standard reference material was about 1:21, adequate for the program. The insertion rate for blanks is 1:49, insufficient to ensure one blank per sample batch. This is applicable to the onset of the program only when the insertion rate for blanks was about 1:60. The blank sample insertion rate increased to about 1:20 partway through the program. An alternating standard and blank insertion pattern at a 1:20 ratio for each of a standard and blank QC reference sample ensures one sample of each will be enclosed in each sample batch.

It is the author of the Northway Technical Report's opinion that the data provided by Tectonic is adequate for the purposes of this report, and that the QC regimen employed is adequate for all but the onset of the project.

It is the author of the Northway Technical Report's opinion that the security procedures employed during the chain of custody of samples from the property to the analytical laboratory are adequate.

Data Verification

The 2019 due-diligence rock sampling by the Qualified Person for the Northway Technical Report did not return significantly anomalous gold values, except from the VABM Ball SW occurrence. This is not surprising, as no highly anomalous gold values were returned from previous sampling at the burrow pit near the Road Metal prospect. High grade gold values were returned from diamond drilling in an area lacking surface exposure.

At the Yarger Lake prospect, a 2019 rock sample, #1465501, taken from the site of 2018 sample #564662, returned a value of value of 0.014 g/t Au, compared to the 2018 value of 2.244 g/t Au. A nearby 2019 sample, #1465502, returned a value of 0.031 g/t Au. Both samples were of cm-scale quartz-sulphide veining within silicified alteration selvages in biotite granodiorite. The disparity of results may reflect a coarse gold effect, as the anomalous value in #564662 is the only higher-grade value known to Tectonic at that site.

Outside of the Road Metal prospect, the main prospects are the soil and stream silt/pan concentrate geochemical anomalies at the Area 6 and Area 7 targets. These were not visited in 2019, although the Bitters Creek area roughly 2 km south of Area 6 was visited. Strong chlorite and epidote alteration of abundant biotite granodiorite rubble crop and proximal float was interpreted by Tectonic and Avalon geologists as representing the potential propylitic alteration halo outbound from a porphyry centre. This alteration was confirmed during the 2019 visit.

Sample #1465505, taken from shear-hosted remobilized copper mineralization at the VABM Ball SW showing, returned 0.330 g/t Au, 31.222 g/t Ag and >1.0% Cu. The showing has very limited economic potential but validates high Cu and anomalous Au values obtained by earlier workers. Remobilized material of these metal grades indicates a fairly local source, potentially from the Area 6 target roughly 10 km to the northwest. Sample 1465506, returning 0.004 g/t Au, was taken from a previously unsampled site.

The author of the Northway Technical Report has reviewed the 2018 rock, soil, pan concentrate and stream sediment sampling data, combined with results, and has found them to be adequately tabulated. The author has compared numerous rock and soil, pan concentrate and stream sediment element values in the compiled 2018 data with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2018 data provided by Tectonic is adequate for the purposes of the Northway Technical Report.

The 2019 Geoprobe rock chip sampling programs at Targets 6 and 7 were conducted at a tighter sample spacing than the 2018 work, improving resolution of anomalous trends. At Target 6, Cu, Mo and Zn values from 2019 Geoprobe sampling supported and further delineated the values from 2018 soil sampling. Values for Au obtained from 2019 Geoprobe sampling did not support those from 2018 soil sampling. However, the 2019 program indicates anomalous Cu, Mo and Zn values in 2018 soils originated from underlying bedrock. Sample results for Cu, Mo, Au and Zn at Target 7 also support those from 2018 surface soil sampling, indicating the 2018 soil anomalies were derived from the underlying bedrock. Sampling at the Road Metal prospect did not cover areas previously sampled; therefore, data verification is not applicable here.

The limited soil sampling program along Probe Line NWYGTP19-013 was a due-diligence exercise to test two parameters: to compare Geoprobe B-horizon soil geochemical values with those from surface power auger soil sampling; and to compare Geoprobe top-of-bedrock sampling with overlying Geoprobe B-horizon soil samples. For the former parameter, B-horizon soils collected with the probe demonstrate consistency with auger soil sampling in identifying precious and base metal anomalies. The same zones were highlighted by both methods.

When compared to assay results from top of bedrock samples, soil samples obtained by the probe method generally identify the same anomalous zones. Pb-Zn-Ag anomalies are spatially consistent. Au values are somewhat less consistent, possibly attributable to a coarse gold "nugget effect". Values for Cu appear to demonstrate some migration from bedrock source, indicating potentially higher mobility than other base metals in this environment. Several factors may contribute to this anomaly migration, including, but not limited to:

- Pressure, temperature and pH conditions;
- Ground water abundance within the surficial horizon; and
- Groundwater flow and topographic controls.

This test survey was very limited in extent but indicate soil anomalies obtained by power auger are spatially consistent with those from probe sampling. While soil anomalies provide excellent proxies for mineralization, the probe-derived bedrock sample appears to produce a more discrete spatial representation of the anomalies. The comparison of bedrock vs soil demonstrates that limited spatial shift in geochemical anomaly extents have occurred.

The author of the Northway Technical Report did not perform any resampling of 2019 Geoprobe samples in the field, as the program post-dated the May 2019 property visit. No direct sample assay verification has therefore been done. The author has compared numerous 2019 Geoprobe element values in the compiled 2019 database with those from the original certificates from Bureau Veritas and has found that, in all cases, results were tabulated accurately in the databases supplied. The author also feels the geochemical databases supplied, combined with drill collar data and all other information supplied by Tectonic to be accurate and complete. It is the author's opinion that the 2019 data provided by Tectonic is adequate for the purposes of the Northway Technical Report.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has taken place on the Northway Property.

Mineral Resource and Mineral Reserve Estimates

No mineral resource or mineral reserve estimates have been done on any of the prospects within the Northway Property.

Conclusions

The following conclusions can be made from results of the 2018 program, the 2019 property visit and earlier programs:

- The Northway Property is underlain by, or proximal to, the western end of the mid-Cretaceous Dawson Range batholith, comprising multiple phases of biotite granodiorite to diorite. The batholith has been emplaced into Paleozoic YTT metasedimentary and metaigneous rocks.
- The Northway prospect lies along trend of a suite of 74 Ma intrusions belonging to or equivalent to the Prospector Mountain suite in Yukon. Mineralized prospects of this suite include the Casino Cu-Mo-Au porphyry-style deposit and the Sonora Gulch Cu-Au porphyry-style occurrence. A younger 57 ± 2 Ma Paleocene to Eocene intrusive suite, called the "Interior Porphyry Belt", hosts the Taurus prospect north of the Northway Property.
- The Northway Property may cover two porphyry-style centres represented by the Area 6 and Area 7 geochemical anomalies respectively, and a third coeval pluton hosting greisen-style mineralization of the Road Metal prospect.
- The Road Metal prospect comprises greisen-style mineralization slightly east of a "burrow pit" north of Northway Junction. Greisen-style mineralization results from hydromagmatic fluid-derived endoskarn development within marginal areas of shallow S-type plutons.
- The "burrow pit" has exposed coarse-grained batholithic intrusive rocks, hosting fairly abundant late quartz-feldspar porphyritic, biotite-enriched monzonitic dykes. The dykes may represent outlying portions of an S-type intrusion that is host to the Road Metal greisen zones. Similar porphyritic monzonitic dykes occur at the Road Warrior occurrence.
- Soil geochemical sampling at Area 6 has revealed a Cu-Mo-Au signature typical of mineralized porphyry systems, suggesting an underlying intrusive core. Strongly developed chlorite-epidote alteration at Bitters Creek, two kilometres to the south, may represent propylitic-style alteration outbound from the core.
- At Area 7, soil geochemical sampling revealed a second Cu-Mo-Au anomaly north of the Yarger Lake prospect. Although somewhat less definitive, this may represent a second porphyry centre. The Yarger Lake prospect may comprise distal quartz \pm Au \pm Ag mineralization but has limited economic potential.
- Geoprobe sampling results across Targets 6 and 7 further delineated anomalous trends identified from 2018 soil sampling. Results also indicated the anomalous soil values were derived from underlying bedrock sources.
- A comparison of B-horizon Geoprobe samples with those of surface power auger samples shows a high correlation of values. Comparison of B-horizon probe soils with top-of-bedrock probe samples also indicates good correlation, showing that B-horizon probe soil sampling, in conjunction with top-of-bedrock sampling, is a viable exploration tool.

- The VABM Ball SW occurrence may represent remobilized Cu-Ag-Au mineralization from a local source, potentially the Area 6 prospect. The VABM Ball SW prospect itself has little economic potential.
- The Area 6, Area 7 and Road Metal prospects are the three prospective targets known to date. The Northway Property is a “Property of Merit” based on mineralogical potential of these targets.

Recommendations

Recommendations for follow-up exploration in 2020 comprise a 2,000 m diamond drilling program focusing on Targets 6 and 7. This will be ground-supported by a D6-CAT or facsimile, as well as smaller ATV “side-by-side” vehicles. A 9-person road-accessible camp will perform the drilling program, with a duration of 40 days for actual drilling, and a further 8 days for mobilization and set-up, and tear-down and demobilization. The proposed program is recommended to be conducted at some point between June 15 and August 31, 2020, to maximize efficiency during the frost-free season.

All-in costs for the diamond drilling program are estimated at about CDN\$948,200.

Recommended Budget

Expense Type	No. of Units	Type of Unit	Cost/unit (\$USD)	Cost
Drilling	2000	metres	\$ 202	\$404,000
Assaying	1,450	samples	\$ 47	\$68,150
D6 bulldozer and operator, trail improvement	15	days	\$ 1,750	\$26,250
D6 dozer: ongoing use	40	days	\$ 550	\$22,000
D6 fuel costs (total)	1,800	gallons	\$ 5	\$9,000
Side-by-side (ATV) rental	48	days	\$ 360	\$17,280
Personnel ¹	48	days	\$ 2,400	\$115,200
Groceries/day	400	person-days	\$ 40	\$16,000
Report writing	1		\$ 12,000	\$12,000
Sub-total				\$689,880
5% Contingency				\$34,494
Total:				\$724,374
Total (CDN\$)²				\$948,134

Notes:

- (1) Personnel excludes drillers and CAT operators. Wages are incorporated into unit costs.
- (2) Based on exchange rate of CDN\$1.00 = US\$0.764 as of the effective date of the Northway Technical Report.

USE OF PROCEEDS AND AVAILABLE FUNDS

Available Funds

The gross proceeds paid to the Company from the sale of the Special Warrants pursuant to the Offering were \$5,817,695.80. The estimated net proceeds received by the Company from the Offering (after deducting the Agents' Commission of \$191,711.10, the Agents' Fee of \$92,000, the Corporate Finance Cash Fee of \$25,000, the Finders' Fee and the costs to complete the Offering of \$78,734.59) was \$5,430,250.10. The Company will not receive any additional proceeds from the Offering upon the exercise or deemed exercise of the Special Warrants.

Including the net proceeds described above, as at September 30, 2019, the Company had cash and cash equivalents of \$3,866,383 on hand, and had estimated working capital of approximately \$2,913,500. This amount represents an increase in working capital from June 30, 2019 of \$2,582,750. Such increase in working capital includes the net proceeds from the Offering of approximately \$5,430,250 less \$2,847,500, comprised of \$185,000 in costs related to the Offering, \$89,500 in general and administrative expenses, \$2,142,000 in exploration expenses on the Material Properties, \$245,000 in payroll expenses and \$186,000 in expenses related to the Listing.

Principal Purposes

Tectonic has used and is using the proceeds from the Offering to advance the 2019 exploration programs at each of its Material Properties, and for investor relations, marketing and general administrative expenses (which include expenses related to the Listing). Specifically, the Company has and currently intends to use the proceeds from the Offering as follows:

Activity or Nature of Expenditure	Approximate Use of Funds	
	Net proceeds spent up to September 30, 2019	Projected use of net proceeds from October 1, 2019
2019 drill program at Tibbs Property ⁽¹⁾	\$1,110,000	
2019 Geoprobe program at Seventymile Property ⁽²⁾	\$579,000	
2019 Geoprobe and drilling program at Northway Property ⁽³⁾	\$453,000	\$261,000
2020 Minimum lease payments on the Material Properties ⁽⁴⁾		\$211,888
2020 Recommended Program for the Seventymile Property (the TSXV's Qualifying Property) ⁽⁵⁾		\$799,499
Investor relations and marketing for 12 months ⁽⁶⁾		\$241,113
General and administrative expenses (including expenses related to the Listing) for 12 months	\$374,750 ⁽⁷⁾	\$1,300,000 ⁽⁸⁾
Unallocated working capital		\$100,000
Subtotal	\$2,516,750	\$2,913,500
Total		\$5,430,250

Notes:

- (1) This drill program has been completed. See "*Tibbs Property – Current Exploration - Drilling*" for further details.
- (2) This Geoprobe program has been completed. See "*Seventymile Property – Current Exploration – 2019 Geoprobe Sampling*" and "*Seventymile Property – Current Exploration – 2019 Auger Sampling*" for further details.
- (3) As at September 30, 2019, the Company had incurred \$453,000 in costs relating to the 2019 geoprobe and drilling program at the Northway Property. Between October 1, 2019 and the date of this Prospectus, the Company has incurred \$261,000 in costs relating to the 2019 drilling program at the Northway Property. See "*Northway Property – Current Exploration – 2019 Geoprobe Survey*" and "*Northway Property – Current Exploration – 2019 Soil Sampling Program*" for further details.
- (4) Minimum lease payments amount to \$66,215, \$72,837 and \$72,837, as at September 30, 2019 (or US\$50,000, US\$55,000 and US\$55,000, using the Bank of Canada exchange rate as at September 30, 2019, of US\$1.00 = \$1.3243), for the Tibbs Property, Seventymile Property and Northway property, respectively, such minimum lease payments for the Seventymile Property and the Northway Property include the required scholarship commitments for each property of \$33,107.5 (or US\$25,000 using the Bank of Canada exchange rate as at September 30, 2019, of US\$1.00 = \$1.3243) per calendar year. See "*General Development and Business of the Company – Significant Acquisitions and Material Contracts*".
- (5) The Company intends to implement the drilling program recommended in the Seventymile Technical Report, see "*Seventymile Property – Recommendations*". The 2020 recommended program for the Seventymile Property exceeds the 2020 minimum expenditure required on the Seventymile Property under the Seventymile Agreement of US\$750,000 less eligible 2020 expenditures (being US\$157,000), which include eligible payroll and excess 2019 expenditures (which are eligible 2020 expenditures under the Seventymile Agreement). The Company may reallocate funds based on a number of factors, see "*Use of Proceeds and Available Funds – Business Objectives and Milestones*" and "*Risk Factors*".

- (6) Investor relations and marketing expenses for 12 months beginning October 1, 2019, includes \$106,000 in investor relation service provider fees, \$25,000 in marketing intelligence fees, \$13,000 in marketing material expenses, \$25,000 in website expenses, \$115,000 in conference related expenses and \$3,613 in other general marketing related expenses. None of the payments related to investor relations and marketing have been or will be made to non-arm's length parties.
- (7) Between July 1, 2019 and September 30, 2019, the Company incurred certain costs relating to the Offering and Listing, comprised of \$185,000 in costs related to the Offering, \$186,000 in costs relating to the Listing and \$25,750 in other general and administrative costs.
- (8) See below table for a breakdown of general and administrative costs beginning October 1, 2019.

Subject to the listing of the Securities on the TSXV, the Company's general and administrative expenses for the 12 months beginning October 1, 2019, including those expenses unique to maintaining reporting issuer status, are as follows:

Administrative Costs for 12 Months	Budget
Payroll ⁽¹⁾	\$1,000,000
Legal and Accounting Fees	\$150,000
Going public costs	\$85,000
Other General and Administrative Costs ⁽²⁾	\$65,000
Total	\$1,300,000

Notes:

- (1) Payroll expenses include approximately \$500,000 in payroll expenses for the NEO's, \$420,000 in payroll expenses for other employees, \$40,000 in payroll expenses for employee deductions and other related payroll expense and \$40,000 in payroll expenses for additional employees post-Listing.
- (2) Other General and Administrative Costs will be allocated to cover and fund continuing costs related to the Company's exploration activities and status as a reporting issuer.

The Company estimates that its current working capital will be sufficient to fund operations for at least 12 months. The business objectives for the next 12 months are described below under "Business Objectives and Milestones" and the associated costs are presented in the table above entitled "Principal Purposes". After the Company evaluates the 2019 drill results, it will review the Recommended Budget for each of the Company's Material Properties and determine any amendment to or expansion of its 2020 programs based on those results, market conditions, its unallocated working capital and the availability of additional funding.

The Company intends to spend its available funds as set out in this Prospectus. However, there may be situations where, due to changes in the Company's circumstances, business outlook, exploration results, property status and or for other business circumstances, that a reallocation of funds is necessary in order for the Company to achieve its overall business objective. Management has, and will continue to have, the discretion to modify the allocation of the Company's available funds, including the net proceeds of the Offering, if necessary. If an unforeseen event occurs, business conditions change or the Company needs to account for business fluctuations, the Company may redirect its available funds, including the net proceeds of the Offering, to purposes other than as described in this Prospectus. The actual amount that the Company spends in connection with each of the intended uses of funds may vary significantly from the amounts specified above and will depend on a number of factors, including those referred to under "Use of Proceeds and Available Funds - Business Objectives and Milestones" and "Risk Factors".

Business Objectives and Milestones

The primary business objectives for the Company which the Company has accomplished using a portion of the net proceeds of the Offering are as follows:

- 1) the completion of the 2019 drill program on the Tibbs Property, which involved a RAB drilling program of roughly 2,400 m in 100-200 m angled holes;
- 2) the completion of the 2019 Geoprobe and drilling program on the Northway Property, to follow up on results from the geoprobe sampling program at Target 6 and Target 7;
- 3) the completion of the 2019 Phase I Geoprobe program on the Seventymile Property to determine drill collars for a potential 2020 RAB drill campaign; and
- 4) advanced work to obtain the Listing of the Securities.

The primary business objectives for the Company from the use of its available funds over the next 12 months are as follows:

- 1) obtain the Listing of the Securities;
- 2) review and interpret the results of the 2019 drill program on the Tibbs Property and determine next steps;
- 3) review and interpret the results of the 2019 Phase I Geoprobe program on the Seventymile Property and determine drill collars for a potential 2020 RAB drill campaign;
- 4) review and interpret the results of the 2019 Geoprobe and drilling program on the Northway Property and determine next steps; and
- 5) the evaluation of Tectonic's 2019 drill program results at each of the Material Properties, and the preparation of a 2020 program budget following the evaluation of such results, including the evaluation and implementation of 2020 recommended program for the Seventymile Property.

As described above, the Company has sufficient working capital to meet the minimum expenditures at the Seventymile Property in 2020 pursuant to the Seventymile Agreement and the minimum lease payments on the Material Properties. If the Company determines that it wishes to maintain its interest in the Tibbs Property and the Northway Property it will be required to raise additional capital to meet its minimum expenditure requirements on the Tibbs Property and the Northway Property. See "*Risk Factors – Additional Funding*" and "*Risk Factors – Uncertainty of Use of Available Funds*" and "*Risk Factors - Negative Cash Flow from Operating Activities*".

Negative Operating Cash Flow

By the nature of its business as a mineral exploration company, the Company has negative cash flow from its operating activities and generates no revenue from the exploration activities on its Material Properties and other mineral properties. The Company anticipates that it will continue to have negative cash flow until such time that commercial production is achieved on one or more of its mineral properties. See "*Risk Factors – Negative Cash Flow from Operating Activities*".

Since its inception on April 7, 2017, the Company has, including the net proceeds described above, accumulated a deficit of \$5,927,942 as at June 30, 2019 and has generated negative operating cash flows. The Company does not expect to generate positive cash flows until one or more of its mineral properties enters into commercial production. Tectonic has to this date funded its operations with proceeds from equity financings and expects to raise additional funds through equity financings.

SELECTED FINANCIAL INFORMATION

The following table sets forth summary financial information for the Company for the six months ended June 30, 2019, the year ended December 31, 2018 and for the period from incorporation on April 7, 2017 to December 31, 2017. This information has been summarized from the Company's unaudited interim and audited financial statements and should only be read in conjunction with the Company's financial statements, including the notes thereto, included elsewhere in this Prospectus.

	For the six months ended June 30, 2019 (unaudited)	For the year ended December 31, 2018 (audited)	For the period from incorporation to December 31, 2017 (audited)
	(\$)	(\$)	(\$)
Total revenues	Nil	Nil	Nil
Exploration expenses	733,830	3,416,866	430,677
Administration expenses	609,572	510,653	202,050
Foreign exchange loss	4,622	14,366	4,155

	For the six months ended June 30, 2019 (unaudited)	For the year ended December 31, 2018 (audited)	For the period from incorporation to December 31, 2017 (audited)
	(\$)	(\$)	(\$)
Loss and comprehensive loss for the period	(1,349,175)	(3,941,885)	(636,882)
Basic and diluted loss per common share	(0.04)	(0.14)	(0.07)
Total assets	1,858,522	2,566,738	222,997
Current Liabilities	680,678	113,219	70,217

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following financial statements of the Company and its subsidiaries and MD&A are included as schedules to this Prospectus:

- Schedule A:** Audited consolidated financial statements for the year ended December 31, 2018 and the period from incorporation on April 7, 2017 - December 31, 2017
- Schedule B:** Management's discussion and analysis for the year ended December 31, 2018 and for the period from incorporation on April 7, 2017 to December 31, 2017
- Schedule C:** Unaudited Condensed interim consolidated financial statements for the three and six months ended June 30, 2019 and 2018
- Schedule D:** Management's discussion and analysis for the three and six months ended June 30, 2019

The financial statements listed above have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain information included in the Company's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*".

OUTSTANDING SECURITIES

As of the date of this Prospectus, the following securities were outstanding:

	Number Outstanding
Common Shares⁽¹⁾	38,510,259
Restricted Shares⁽²⁾	3,350,000
Existing Warrants⁽³⁾	4,100,000
Special Warrants⁽⁴⁾	16,621,988
Corporate Finance Special Warrants⁽⁵⁾	71,428
Special Broker Warrants⁽⁶⁾	322,958
Finders' Warrants⁽⁷⁾	140,956

Notes:

- (1) The Common Shares noted in the above table includes 3,350,000 Restricted Shares, see Note 2 below.
- (2) The Restricted Shares noted in the above table include 2,400,000 Restricted Shares granted on July 29, 2019 and 950,000 Restricted Shares granted on September 17, 2019, pursuant to the Restricted Share Plan. See “*Executive Compensation – Compensation Discussion and Analysis – Restricted Shares*”.
- (3) 720,000 of the Existing Warrants (as defined herein) entitle the holders thereof to acquire Common Shares at an exercise price of \$0.10 per Common Share until June 16, 2022. 3,380,000 of the Existing Warrants entitle the holders thereof to acquire Common Shares at an exercise price of \$0.25 per Common Share until June 16, 2022.
- (4) 6,809,370 Special Warrants were issued on July 12, 2019 pursuant to the First Tranche of the Offering. 9,812,618 Special Warrants were issued on September 26, 2019 pursuant to the Second Tranche of the Offering. The Special Warrants issued pursuant to the First Tranche and Second Tranche are exercisable into 16,621,988 Underlying Shares and 16,621,988 Underlying Warrants. If the Qualification Date has not occurred on or before the Qualification Deadline, the Penalty Provision will apply to each Special Warrant, regardless of whether such Special Warrant was issued pursuant to the First Tranche or Second Tranche.
- (5) The Corporate Finance Special Warrants were issued to the Agents on July 12, 2019 pursuant to the First Tranche of the Offering. The Corporate Finance Special Warrants are exercisable into 71,428 Underlying Shares and 71,428 Underlying Warrants. If the Qualification Date has not occurred on or before the Qualification Deadline, the Penalty Provision will apply to each Corporate Finance Special Warrant.
- (6) 227,936 Special Broker Warrants were issued on July 12, 2019 pursuant to the First Tranche of the Offering. 95,022 Special Broker Warrants were issued on September 26, 2019 pursuant to the Second Tranche of the Offering. The Special Broker Warrants issued pursuant to the First Tranche and Second Tranche are exercisable into 322,958 Broker Warrants. The Broker Warrants are exercisable into 322,958 Broker Warrant Shares.
- (7) 140,956 Finders' Warrants were issued on September 26, 2019 pursuant to the Second Tranche of the Offering. Each Finders' Warrant entitles the holder thereof to acquire one Finders' Warrant Share at an exercise price of \$0.35 until September 26, 2021. The Finders' Warrants are exercisable into 140,956 Finders' Warrant Shares.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 38,510,259 Common Shares are issued and outstanding as at the date of this Prospectus (including 3,350,000 Restricted Shares, see “*Description of Share Capital – Restricted Shares*”). The holders of the Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each Common Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Common Shares are entitled to receive dividends as and when declared by the board of directors of the Company (the “**Board**”) in respect of the Common Shares on a pro rata basis. Upon the Company becoming a reporting issuer, there will be no pre-emptive, redemption, retraction, purchase or conversion rights attached to the Common Shares.

Special Warrants

As at the date of this Prospectus, there are 16,621,988 Special Warrants issued and outstanding. These Special Warrants were issued in connection with the Offering. Each Special Warrant will, if not previously exercised or deemed exercised, be deemed exercised on the fifth business day following the Qualification Date, without payment of any additional consideration, into 1 Underlying Share and 1 Underlying Warrant (or 1.1 Underlying Shares and 1.1 Underlying Warrants, pursuant to the Penalty Provision), subject to adjustment in certain events. The Special Warrants were issued pursuant to and governed by the terms of the Special Warrant Indenture, see “*Plan of Distribution*”.

Warrants

As of the date of this Prospectus, there are 4,100,000 common share purchase warrants (the “**Existing Warrants**”) issued and outstanding.

See “*Options to Purchase Securities – Warrants*” and “*Outstanding Security Data*” for a description of the material terms of the Existing Warrants.

Options

As of the date of this Prospectus, no stock options of the Company (“**Options**”) have been granted pursuant to the Company’s stock option plan (the “**Option Plan**”).

See “*Options to Purchase Securities – Stock Option Plan*” for a description of the material terms of the Options and the Option Plan.

Restricted Shares

As of the date of this Prospectus, pursuant to the Restricted Share Plan, there are 3,350,000 Restricted Shares issued and outstanding. See “*Options to Purchase Securities – Restricted Share Plan*” for a description of the material terms of the Restricted Shares and the Restricted Share Plan.

Corporate Finance Special Warrants

As at the date of this Prospectus, there are 71,428 Corporate Finance Special Warrants issued and outstanding. These Corporate Finance Special Warrants were issued to the Agents in connection with the Offering. Each Corporate Finance Special Warrant will, if not previously exercised or deemed exercised, be deemed exercised on the fifth business day following the Qualification Date, without payment of any additional consideration, into 1 Underlying Share and 1 Underlying Warrant (or 1.1 Underlying Shares and 1.1 Underlying Warrants, pursuant to the Penalty Provision), subject to adjustment in certain events. The Corporate Finance Special Warrants were issued pursuant to and governed by the terms of the Special Warrant Indenture, see “*Plan of Distribution*”.

Special Broker Warrants

As at the date of this Prospectus, there are 322,958 Special Broker Warrants issued and outstanding. These Special Broker Warrants were issued to the Agents in connection with the Offering. Each Special Broker Warrant will, if not previously exercised or deemed exercise, be deemed exercised, on the fifth business day following the Qualification Date, without payment of any additional consideration, into one Broker Warrant, subject to adjustment in certain events.

The terms governing the Special Broker Warrants are set out in the certificates representing the Special Broker Warrants, and include, among other things, customary provisions for the appropriate adjustment of the class and number of the Common Shares issuable pursuant to any exercise of the Broker Warrants underlying the Special Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company or any merger, consolidation or amalgamation of the Company with another entity, as well as customary amendment provisions. The Special Broker Warrants are non-transferable. The holders of the Special Broker Warrants do not have any voting right or other right attached to the Common Shares until the Broker Warrants underlying the Special Broker Warrants are duly exercised as provided for in the certificates representing the Broker Warrants.

Finders’ Warrants

As of the date of this Prospectus, there are 140,956 Finders’ Warrants issued and outstanding. These Finders’ Warrants were issued to the Finders in connection with the Non-Brokered Offering. Such Finders’ Warrants entitle the holders thereof to acquire up to 140,956 Common Shares. Each Finders’ Warrant is exercisable into one Finder Warrant Share prior to the date that is 24 months following the date of issuance at a price of \$0.35 per Finders’ Warrant.

The terms governing the Finders' Warrants are set out in the certificates representing the Finders' Warrants, and include, among other things, customary provisions for the appropriate adjustment of the class and number of the Common Shares issuable pursuant to any exercise of the Finders' Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company or any merger, consolidation or amalgamation of the Company with another entity, as well as customary amendment provisions. The Finders' Warrants are non-transferable. The holders of the Finders' Warrants do not have any voting right or other right attached to the Common Shares until the Finders' Warrants are duly exercised as provided for in the certificates representing the Finders' Warrants.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

As of the date of this Prospectus there are 16,621,988 Special Warrants issued and outstanding, pursuant to, issued under and governed by the terms and conditions set forth in the Special Warrant Indenture. Each of the Special Warrants entitle the holder thereof to acquire upon the exercise or deemed exercise, for no additional consideration, 1 Underlying Share and 1 Underlying Warrant (or 1.1 Underlying Shares and 1.1 Underlying Warrants, pursuant to the Penalty Provision), subject to adjustment in certain events.

This Prospectus is being filed for the purposes of qualifying the distribution of 16,621,988 Underlying Shares and 16,621,988 Underlying Warrants, issuable upon the exercise or deemed exercise of 16,621,988 Special Warrants, and, in addition, up to 1,669,340 Penalty Shares and 1,669,340 Penalty Warrants that are issuable pursuant to the Penalty Provisions. This Prospectus also qualifies the distribution of 322,958 Broker Warrants.

Underlying Shares

The Underlying Shares (including (i) any Underlying Shares issuable pursuant to the Corporate Finance Special Warrants, and (ii) any Penalty Shares issuable pursuant to the Penalty Provision) issuable upon the exercise or deemed exercise of the Special Warrants will have the same rights, restrictions and privileges as the Common Shares. See "*Description of Share Capital – Common Shares*" for a description of the rights of holders of Common shares.

Underlying Warrants

The following is a summary of the material attributes and characteristics of the Underlying Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Underlying Warrant Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.

The (i) Underlying Warrants (including (a) any Underlying Warrants issuable pursuant to the Corporate Finance Special Warrants, and (b) any Penalty Warrants issuable pursuant to the Penalty Provision) issuable upon the exercise or deemed exercise of the Special Warrants sold pursuant to the First Tranche, will be created and issued pursuant to the terms of a underlying warrant indenture (the "**First Underlying Warrant Indenture**") dated July 12, 2019, between the Company and the Warrant Agent, and (ii) Underlying Warrants (including (a) any Underlying Warrants issuable pursuant to the Corporate Finance Special Warrants, and (b) any Penalty Warrants issuable pursuant to the Penalty Provision) issuable upon the exercise or deemed exercise of the Special Warrants sold pursuant to the Second Tranche, will be created and issued pursuant to the terms of a underlying warrant indenture (the "**Second Underlying Warrant Indenture**", and together with the First Underlying Warrant Indenture, as context requires, the "**Underlying Warrant Indenture**") dated September 26, 2019, between the Company and the Warrant Agent. Each Underlying Warrant will entitle the holder thereof to purchase one Warrant Share at a price of \$0.50 per Warrant Share, subject to adjustment in certain circumstances, until the date that is 24 months following the date of issuance of the applicable Special Warrant under the Special Warrant Indenture. The Underlying Warrants and the Warrant Shares issuable upon the exercise thereof have not been and will not be registered under the 1933 Act or any applicable state securities laws, and the Underlying Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Underlying Warrant Indenture.

The Underlying Warrants may be issued in uncertificated form. Any Underlying Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Underlying Warrant Indenture. All Underlying Warrants issued in

the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of the holder thereof to be maintained by the Warrant Agent at its principal offices in Vancouver, British Columbia.

The Underlying Warrant Indenture provides that the share ratio and exercise price of the Underlying Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Underlying Warrant Indenture also provides that if there is (a) a reclassification or change of the Common Shares, (b) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares, or (c) any sale, lease, exchange or transfer of the Company's assets as an entity or substantially as an entirety to another entity, then each holder of Underlying Warrants which is thereafter exercised shall receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Underlying Warrants prior to the event.

The Underlying Warrant Indenture also provides that, during the period in which the Underlying Warrants are exercisable, it will give notice to the holder of the Underlying Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Underlying Warrants or the number of Warrant Shares issuable upon exercise of the Underlying Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No adjustment in the exercise price or the number of Warrant Shares issuable upon the exercise of the Underlying Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares issuable upon exercise by at least one one-hundredth of a Warrant Share, as the case may be.

No fractional Warrant Shares will be issuable upon the exercise of any Underlying Warrants, and no cash or other consideration will be paid in lieu of fractional shares. The holders of Underlying Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Underlying Warrant Indenture further provides that, from time to time, the Company may amend or supplement the Underlying Warrant Indenture for certain purposes, without the consent of the holders of Underlying Warrants, including curing defects or inconsistencies or making any change that does not prejudice the rights of any holder. Any amendment or supplement to the Underlying Warrant Indenture that would prejudice the interests of the holders of Underlying Warrants may only be made by "extraordinary resolution", which will be defined in the Underlying Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Underlying Warrants at which there are holders of Underlying Warrants present in person or represented by proxy representing of at least 25% of the aggregate number of the then outstanding Underlying Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of the holders of Underlying Warrants present in person or by proxy shall form a quorum) and passed by the affirmative vote of the holders of Underlying Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Underlying Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Underlying Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Underlying Warrants.

Broker Warrants

The terms governing the Broker Warrants are set out in the certificates representing the Broker Warrants, and include, among other things, customary provisions for the appropriate adjustment of the class and number of the Common Shares issuable pursuant to any exercise of the Broker Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company or any merger, consolidation or amalgamation of the Company with another entity, as well as customary amendment provisions. The Broker Warrants are non-transferable. The holders of the Broker Warrants do not have any voting right or other right attached to the Common Shares until the Broker Warrants are duly exercised as provided for in the certificates representing the Broker Warrants.

The Broker Warrant Shares issuable upon the exercise of the Broker Warrants will have the same rights, restrictions and privileges as the Common Shares. See "*Description of Share Capital – Common Shares*" for a description of the rights of holders of Common shares.

No fractional Underlying Shares, Underlying Warrants, Warrant Shares or Broker Warrant Shares will be issuable upon the exercise of any Special Warrants, Corporate Finance Special Warrants, Underlying Warrants or Broker Warrants, as applicable, and no cash or other consideration will be paid in lieu of such fractional shares or fractional warrants. The holders of the Underlying Warrants and Broker Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

DIVIDEND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares, and does not currently have a policy with respect to the payment of dividends or other distributions. While there are no restrictions precluding the Company from paying dividends, it has no source of cash flow, and anticipates using all available cash resources toward its stated business objectives. As such the Company does not anticipate the payment of dividends in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The payment of dividends in the future will depend upon, among other factors, the Company's earnings, capital requirements and operating financial conditions.

CONSOLIDATED CAPITALIZATION

Other than as described in this Prospectus, there have been no material changes in the share capitalization or the indebtedness of the Company since June 30, 2019. The following table sets out the capitalization of the Company as at June 30, 2019 and the date of this Prospectus. See "*Prior Sales*" and "*Options to Purchase Securities*". The following table must be read in conjunction with our Annual Financial Statements and Interim Financial Statements.

<u>Designation</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of June 30, 2019</u>	<u>Amount Outstanding as of the Date of this Prospectus</u>
Common Shares	Unlimited	35,160,259	35,160,259 ⁽²⁾
Restricted Shares	3,350,000	Nil	3,350,000
Options	10% of the total number of issued and outstanding Common Shares	Nil	Nil
Special Warrants	N/A	Nil	16,621,988 ⁽³⁾
Corporate Finance Special Warrants	N/A	Nil	71,428 ⁽⁴⁾
Warrants	N/A	4,100,000 ⁽¹⁾	4,100,000 ⁽⁵⁾
Special Broker Warrants	N/A	Nil	322,958
Broker Warrants	N/A	Nil	Nil ⁽⁶⁾
Finder Warrants	N/A	Nil	140,956

Notes:

- (1) Includes 720,000 Seed Warrants and 3,380,000 Additional Warrants. See "*Options to Purchase Securities – Warrants*" and "*Prior Sales*".
- (2) 51,853,675 Common Shares will be issued and outstanding, post-Listing, upon the exercise or deemed exercise of all the Special Warrants and Corporate Finance Special Warrants, assuming no Penalty Shares or Penalty Warrants are issued pursuant to the Penalty Provision, which will result in the issuance of 16,693,416 Underlying Shares.
- (3) Comprised of 16,621,988 Underlying Shares and 16,621,988 Underlying Warrants which are to be issued upon the exercise or deemed exercise of the Special Warrants and the Corporate Finance Special Warrants, assuming no Penalty Shares or Penalty Warrants are issued pursuant to the Penalty Provision.
- (4) Comprised of 71,428 Underlying Shares and 71,428 Underlying Warrants which are to be issued upon the exercise or deemed exercise of the Special Warrants and the Corporate Finance Special Warrants, assuming no Penalty Shares or Penalty Warrants are issued pursuant to the Penalty Provision.
- (5) 20,793,416 Warrants will be issued and outstanding, post-Listing, upon the exercise or deemed exercise of all the Special Warrants and Special Broker Warrants, assuming no Penalty Shares or Penalty Warrants are issued pursuant to the Penalty Provision, which will result in the issuance of 16,693,416 Underlying Warrants.
- (6) 322,958 Broker Warrants will be issued and outstanding, post-Listing, upon the deemed exercise of all the Special Broker Warrants.

OPTIONS TO PURCHASE SECURITIES

Options

As of the date of this Prospectus, no Options have been granted pursuant to the Option Plan.

Stock Option Plan

On April 10, 2019, the Board adopted the Option Plan. The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long term goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. Upon becoming a reporting issuer, the Company will be required to obtain shareholder approval of the Option Plan on a yearly basis in accordance with the policies of the TSXV. The general terms and conditions of the Option Plan are reflected in the disclosure below.

The Option Plan will be administered by the Administrator (as defined in the Option Plan) on the instructions of the Board. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

The eligible participants are any director, officer, employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.

Each Option entitles the holder thereof (an “**Option Holder**”) to purchase one Common Share at an exercise price set at the time of the grant.

Subject to certain limitations, the number of Common Shares that will be available for directors, officers, employees and consultants to acquire pursuant to an Options granted will not at any time exceed 10% of the Company’s then outstanding Common Shares.

If, and for so long as, the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Option Plan and all of the Company’s other previously established or proposed share compensation arrangements (a) shall not exceed 10% of the total number of the issued and outstanding Common Shares; (b) to any one Option Holder within a 12 month period shall not exceed 5% of the total number of the issued and outstanding Common Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding Common Shares, with the exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding Common Shares; and (ii) to persons employed to conduct Investor Relations Activities (as defined in the Option Plan), shall be no more than an aggregate of 2% of the total number of issued and outstanding Common Shares at any one time.

The exercise price of an Option will be determined by the Board at the time of the grant but will be no lower than the market value of the Common Shares as of the award date. If the Common Shares are listed on the TSXV or one or more alternative organized trading facilities, the market value will be (a) the closing price of the Common Shares on the last trading day immediately preceding the award date; or (b) a value within the parameters set by the guidelines or policies of such organized trading facility. If the Common Shares are not listed on any organized trading facility, the market value will be determined by the Board, subject to the necessary approvals of the applicable regulatory authorities.

The vesting and exercise period of an Option will be determined by the Board at the time of grant; however, the exercise period of an Option shall not be greater than ten years from the award date.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination, provided such Options have vested and not expired.

Subject to certain limitations, in the event that an Option Holder’s position as a director, officer, employee or consultant is terminated as a result of his or her long term disability, any Options held by such Option Holder that could have been exercised

immediately prior to such termination of service shall be exercisable by such Option Holder, or by his or her guardian, for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated as a result of death, any Options held by such Option Holder shall pass to the Qualified Successor (as defined in the Option Plan) of such Option Holder, and shall be exercisable by the Qualified Successor for a period of one year following the death.

In the event that an Option Holder's employment is terminated for cause, the Options held by such Option Holder shall expire and terminate on the date of such termination for cause.

Subject to certain limitations, the Option Plan provides for the net settlement of Options.

Restricted Shares

The following table sets forth the aggregate number of Restricted Shares which are outstanding as at the date of this Prospectus.

Holder of Restricted Shares	Number of Restricted Shares	Grant Date	Vesting Conditions	Market Value of Restricted Shares⁽⁵⁾	Expiry Date⁽⁶⁾
Executive and other officers of Tectonic, as a group ⁽¹⁾	1,425,000	July 29, 2019	Two year continuous employment	N/A	N/A
Directors (who are not also executive officers) of Tectonic, as a group ⁽²⁾	200,000	July 29, 2019	Two year continuous employment	N/A	N/A
Other employees of Tectonic as a group ⁽³⁾	950,000	September 17, 2019	Two year continuous employment	N/A	N/A
Consultants of Tectonic, as a group ⁽⁴⁾	725,000	July 29, 2019	Two year continuous employment	N/A	N/A
TOTAL	3,350,000				

Notes:

- (1) Total of three persons, being Antonio Reda, President and CEO, Krysta Rehaag, CFO and Corporate Secretary and Eric Buitenhuis, Vice President, Exploration.
- (2) Total of four persons, being Allison Rippin Armstrong, Mel Benson, Michael Roper and Curt Freeman.
- (3) Total of five persons, being employees of the Company.
- (4) Total of one person, being Michelle Tanguay.
- (5) Market value of the Common Shares under option is not reasonably ascertainable on the grant date or another date given that the Common Shares are not and have never been publicly traded or listed.
- (6) The Restricted Shares do not have an expiry date but will be forfeited upon the termination or resignation of a holder's employment if not vested prior to such termination or resignation.

Restricted Share Plan

On July 29, 2019, the Board adopted the Restricted Share Plan. The purpose of the Restricted Share Plan is to establish a vehicle by which equity-based incentives may be awarded to qualified directors, officers, employees and consultants to recognize and

reward their ongoing significant contributions to the long-term success of the Company and to align those individuals' interests more closely with the shareholders of the Company. Pursuant to the terms of the Plan, no Restricted Shares may be granted following the Listing. The general terms and conditions of the Restricted Share Plan are reflected in the disclosure below.

The Board has the authority in its sole and absolute discretion to administer the Restricted Share Plan and to exercise (or delegate to any one or more directors, officers or employees) all the powers and authorities either specifically granted to it under the Restricted Share Plan or necessary or advisable in the administration of the Restricted Share Plan. The Board may also appoint or engage a trustee, custodian or administrator to administer the Restricted Share Plan or any aspect of it.

The eligible participants are any director, officer, employee or consultant of the Company (including any subsidiary of the Company) who, in the opinion of the Board, is in a position to contribute to the success of the Company.

If the Common Shares are not listed on any organized trading facility, then the market value will be determined by the Board.

The Board shall have the authority to determine the terms and conditions of grants including, without limitation, (a) the number of Restricted Shares subject to a grant; (b) the applicable vesting period(s); (c) the vesting conditions, including terms relating to performance conditions and/or other vesting conditions and the performance period; (d) the circumstances upon which a Restricted Share shall be forfeited, cancelled or expire; (e) the consequences of a termination with respect to a Restricted Share; (f) the manner and time of the distribution of vested Restricted Shares; and (g) whether the terms upon which any Common Shares distributed upon the vesting of a Restricted Share must continue to be held by a Participant (as defined in the Restricted Share Plan) for any specified period.

Until the expiration of the Vesting Period (as defined in the Restricted Share Plan), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber the Restricted Shares.

Subject to certain terms of a Participant's employment agreement with the Company, in the event that a Participant's employment is terminated by the Company or that Participant resigns, Restricted Shares that have not vested and been distributed prior to the date of termination or resignation, as the case may be, shall not vest and shall be forfeited immediately.

Warrants

As of the date of this Prospectus, there were 4,100,000 Warrants issued and outstanding as follows: 720,000 Warrants entitling the holder to acquire one Common Share at an exercise price of \$0.10 per Warrant, until June 16, 2022 and 3,380,000 Warrants entitling the holder to acquire one Common Share at an exercise price of \$0.25 per Warrant, until June 16, 2022.

The following table sets forth the aggregate number of Warrants, which are outstanding as at the date of this Prospectus.

Holder of Warrants	Number of Warrants Held	Exercise Price (C\$ per Common Share)	Issue Date⁽⁵⁾	Market Value of Common Shares Under Warrants⁽⁶⁾	Expiry Date
Executive and other officers of Tectonic, as a group ⁽¹⁾	900,000	\$0.25	April 12, 2018 April 16, 2018	N/A	June 16, 2022
Directors (who are not also executive officers) of Tectonic, as a group ⁽²⁾	400,000	\$0.10	June 16, 2017	N/A	June 16, 2022
Any other person or company, other than the Underwriters ⁽³⁾	640,000	\$0.25	April 12, 2018		
	320,000	\$0.10	June 16, 2017	N/A	June 16, 2022
	1,840,000	\$0.25	April 12, 2018		

<u>Holder of Warrants</u>	<u>Number of Warrants Held</u>	<u>Exercise Price (C\$ per Common Share)</u>	<u>Issue Date⁽⁵⁾</u>	<u>Market Value of Common Shares Under Warrants⁽⁶⁾</u>	<u>Expiry Date</u>
TOTAL	4,100,000 ⁽⁴⁾				

Notes:

- (1) Total of one person, who holds Additional Warrants.
- (2) Total of two persons. One holds Seed Warrants and both hold Additional Warrants.
- (3) Total of five persons. Two hold Seed Warrants and three hold Additional Warrants.
- (4) Represents 720,000 Seed Warrants and 3,380,000 Additional Warrants.
- (5) The Seed Warrants were issued on June 16, 2017 (8 persons). The Additional Warrants were issued on April 12, 2018 (6 persons) and April 16, 2018 (1 person).
- (6) Market value of the Common Shares under warrants is not reasonably ascertainable on the issue date or another date given that the Common Shares are not and have never been publicly traded or listed.

PRIOR SALES

This table sets out particulars of the Common Shares and securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus.

<u>Date of Issuance/Grant</u>	<u>Type of Security</u>	<u>Number of Securities Issued</u>	<u>Issue/Exercise Price</u>
January 19, 2019	Common Shares ⁽¹⁾	150,000	\$0.35
July 12, 2019	Special Warrants ⁽²⁾	6,809,370	\$0.35
July 12, 2019	Corporate Finance Special Warrants ⁽³⁾	71,428	\$0.35
July 12, 2019	Special Broker Warrants ⁽⁴⁾	227,936	\$0.35 ⁽⁵⁾
July 29, 2019	Restricted Shares ⁽⁶⁾	2,400,000	\$0.35 ⁽⁷⁾
September 17, 2019	Restricted Shares ⁽⁶⁾	950,000	\$0.35 ⁽⁷⁾
September 26, 2019	Special Warrants ⁽⁸⁾	9,812,618	\$0.35
September 26, 2019	Special Broker Warrants ⁽⁹⁾	95,022	\$0.35 ⁽⁵⁾
September 26, 2019	Finders' Warrants ⁽¹⁰⁾	140,956	\$0.35

Notes:

- (1) Issued to Ryan pursuant to the MCQ Option Agreement.
- (2) Issued pursuant to the First Tranche.
- (3) Issued to the Agents pursuant to the First Tranche.
- (4) Issued to the Agents pursuant to the First Tranche.
- (5) Each Special Broker Warrant is exercisable, for no additional consideration, into one non-transferrable Broker Warrant. Each Broker Warrant is exercisable into one Broker Warrant Share at a price of \$0.35 per Broker Warrant Share.
- (6) See "*Options to Purchase Securities – Restricted Shares*".
- (7) The Restricted Shares were issued at a deemed price of \$0.35 per Restricted Shares.
- (8) Issued pursuant to the Second Tranche.
- (9) Issued to the Agents pursuant to the Second Tranche.
- (10) Issued to the Finders pursuant to the Second Tranche.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

National Policy 46-201 – *Escrow for Initial Public Offerings* (“NP 46-201”) provides that all securities of an issuer owned or controlled by a Principal must be placed in escrow at the time the issuer distributes its securities or convertible securities to the public by prospectus, unless the securities held by such Principal or issuable to such Principal upon conversion of convertible securities held by the Principal collectively represent less than 1% of the total issued and outstanding securities of the issuer after giving effect to the initial distribution. Generally, a prospectus that only qualifies securities issued on conversion of special warrants is not considered a prospectus which distributes the issuers securities or convertible securities. However, in Tectonics’ case, as a market is being developed for its securities this Prospectus is to be considered an “IPO prospectus” for the purposes of NP 46-201. As such, the securities held by the Principals will be held in escrow pursuant to the policies of NP 46-201.

The following table sets forth the securities of the Principals that, as at the date of Listing, will be subject to escrow or that are currently, or will be, subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer ⁽¹⁾	Percentage of Class ⁽¹⁾
Common Shares ⁽²⁾	19,272,071	34.91%
Warrants	3,740,000	91.23%
Underlying Warrants	535,642	3.21%

Notes:

- (1) Assumes: (a) the exercise or deemed exercise of all 16,621,988 Special Warrants and 71,428 Corporate Finance Special Warrants; (b) that the Penalty Provision has not been triggered; (c) that no Underlying Warrants have been exercised for Warrant Shares; (d) that no Broker Warrants have been exercised for Broker Warrant Shares; and (e) that no Finders’ Warrants have been exercised for Finders’ Warrant Shares.
- (2) Total number of Common Shares used for calculating percentage of class includes the outstanding 3,350,000 Restricted Shares, 2,575,000 of which are collectively held by the Escrowed Shareholders (as defined herein).

As at the date hereof, the Company, Antonio Reda, Mel Benson, Michael Roper, Curt Freeman, Allison Rippin Armstrong, Krysta Rehaag and Eric Buitenhuis (collectively, the “**Principals**”), as “Principals” as defined in TSXV Policy 1.1 - *Interpretation*, and Robert Carpenter and Eira Thomas, shareholders of the Company (together with the Principals, the “**Escrowed Shareholders**”), will enter into an escrow agreement (the “**Escrow Agreement**”) with Computershare Investor Services Inc., as escrow agent (the “**Escrow Agent**”), pursuant to which the Escrowed Shareholders will collectively deposit 18,736,429 Common Shares (including 2,575,000 Restricted Shares, or 19,272,071 Common Shares, after giving effect to the conversion of all Special Warrants, such Special Warrants to be deposited into escrow on or before the Listing and including 2,575,000 Restricted Shares) into escrow (the “**Escrowed Securities**”) with the Escrow Agent, representing 48.65% of the issued and outstanding Common Shares prior to giving effect to the Offering and the conversion of the Special Warrants (or 34.91% of the issued and outstanding Common Shares after giving effect to the Offering and the conversion of the Special Warrants).

Upon the completion of the Listing, Tectonic will be an “emerging issuer” pursuant to NP 46-201 and, as such, the Escrowed Securities will be subject to a three year escrow and subject to the following release scheduled:

Date	Amount of Escrowed Securities Released
On the Listing Date	1/10 th of the Escrowed Securities
6 months after the Listing Date	1/6 th of the remaining Escrowed Securities
12 months after the Listing Date	1/6 th of the remaining Escrowed Securities
18 months after the Listing Date	1/6 th of the remaining Escrowed Securities
24 months after the Listing Date	1/6 th of the remaining Escrowed Securities
30 months after the Listing Date	1/6 th of the remaining Escrowed Securities
36 months after the Listing Date	1/6 th of the remaining Escrowed Securities

The release schedule may be accelerated if the Company, after the Listing, meets “Tier 1 Issuer” listing requirements of the TSXV or otherwise establishes itself as an “established issuer” as described in NP 46-201.

As of the date of this Prospectus, none of the securities of the Company are or will be at the time of listing subject to the “Seed Share” restrictions set out in Policy 5.4 – *Escrow, Vendor Consideration and Resale Restrictions* of the Corporate Finance Manual of the TSXV (“**TSXV Policy 5.4**”).

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities will not be able to be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within escrow are:

- (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with the approval of the Board;
- (ii) transfers to a person or company that before the proposed transfer holds more than 20% of the Company’s outstanding Common Shares, or to a person or company that after the proposed transfer will hold more than 10% of the Company’s outstanding Common Shares and has the right to elect or appoint one or more directors or senior officers of the Company or any material operating subsidiary;
- (iii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents;
- (iv) transfers upon bankruptcy to the trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy; and
- (v) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

Tenders of Escrowed Securities to a take-over bid or business combination are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid or business combination, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation’s escrow classification.

If the Principals acquire any additional securities of the Company of the type listed above, those securities will be added to the securities already in escrow, to increase the number of remaining Escrowed Securities. Such increased number of remaining Escrowed Securities will be released in accordance with the release schedule in the table above.

Additionally, securities of the Company may be subject to additional escrow restrictions and restrictions on transfer pursuant to NP 46-201, or if required by the TSXV (in accordance with TSXV Policy 5.4) or other applicable regulations of any other stock exchange on which the securities of the Company may be listed for trading in the future. There can be no guarantee that the Securities will be listed for trading on the TSXV or any other stock exchange

Statutory Hold Periods

In addition to the foregoing, securities legislation imposes certain resale restrictions on securities issued within the four months preceding the Listing, such hold periods are governed by NI 45-102 – *Resale of Securities*. All certificates representing securities subject to these restrictions will bear legends indicating the applicable hold periods.

Securities Subject to Lock-Up Agreement

Pursuant to the Agency Agreement, each of the directors and senior officers entered into lock-up agreements on July 12, 2019 pursuant to which, until January 8, 2020, each such person agreed not to, among other things, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares. Subject to certain exemptions and exclusions.

PRINCIPAL SHAREHOLDERS

The following table sets forth information regarding ownership of the Common Shares as at the date of this Prospectus by each of the Company's principal holders of Common Shares:

Name	Number and type of securities	Type of Ownership	Percentage of Class ⁽¹⁾	Percentage of Class (fully diluted)
Antonio Reda	4,187,500 Common Shares ⁽²⁾	Beneficial and of record	10.87%	6.73%

Notes:

- (1) Based on 76,461,005 outstanding Common Shares on a fully diluted basis, assuming the exercise of all outstanding Warrants, Special Warrants, the exercise of 322,958 Broker Warrants, 140,956 Finder Warrants, 71,428 Corporate Finance Warrants and 16,621,988 Underlying Warrants. Assuming the Penalty Provision has been triggered and the exercise of all securities referenced above in Note 2, there will be 78,779,446 outstanding Common Shares on a fully diluted basis and accordingly, the percentage of class on a fully diluted basis would be 6.73% for Mr. Reda.
- (2) Based on 38,510,259 outstanding Common Shares as of the date of this Prospectus.

DIRECTORS AND EXECUTIVE OFFICERS

To the Company's knowledge as at the date of this Prospectus, the directors and executive officers of the Company as a group will beneficially own, control or direct, directly or indirectly, 11,490,000 Common Shares, representing approximately 29.84% of the outstanding Common Shares on a non-diluted basis, before giving effect to the exercise or deemed exercise of the Special Warrants (or approximately 18.59% on a fully-diluted basis).

Director and Executive Officer Profiles

The following table sets forth the name of each director and executive officer of the Company as at the date of this Prospectus, their province or state and country of residence, their position(s) and office(s) held with the Company, their principal occupation(s) during the preceding five years, the date they became a director of the Company, if applicable, and the number and percentage of Common Shares they beneficially own, or control or direct, directly or indirectly. Each director's term will expire immediately prior to the next annual meeting of shareholders of the Company.

Name and Residence	Position(s) and Office(s) with Tectonic ⁽¹⁾	Principal Occupation(s) During Past Five Years	Director Since	Number and Percentage of Common Shares Held ⁽²⁾
Antonio Reda British Columbia, Canada	President, CEO & Director	President and CEO of the Company since June 2017; Vice President of Corporate Development of Kaminak from 2005 to 2016	June 9, 2017	4,187,500 ⁽³⁾ (10.87%)
Curt Freeman Alaska, USA	Director	President of Avalon since January 1995	April 13, 2018	3,387,500 ⁽⁴⁾ (8.80%)
Allison Rippin Armstrong British Columbia, Canada	Director	President of ARA Environmental Consulting Ltd. since August 2016; Vice President, Sustainability of Kaminak from 2013 to 2016	April 15, 2019	890,000 ⁽⁵⁾ (2.31%)
Mel Benson Alberta, Canada	Director	President, Mel E. Benson Management Services Inc.	September 17, 2019	900,000 ⁽⁶⁾ (2.34%)

<u>Name and Residence</u>	<u>Position(s) and Office(s) with Tectonic⁽¹⁾</u>	<u>Principal Occupation(s) During Past Five Years</u>	<u>Director Since</u>	<u>Number and Percentage of Common Shares Held⁽²⁾</u>
		since 1999; Director of Suncor Energy Inc. since April 2000		
Michael Roper British Columbia, Canada	Director	Director, Project Evaluations of Agnico Eagle Mines Ltd. since May 2004	September 17, 2019	600,000 ⁽⁷⁾ (1.56%)
Krysta Rehaag British Columbia, Canada	CFO & Corporate Secretary	CFO of the Company since October 2018; Director of Finance of AdPerfect Dynamic Advertising Solutions from 2016-2018 (on maternity leave from 2014-2016)	-	425,000 ⁽⁸⁾ (1.10%)
Eric Buitenhuis British Columbia, Canada	Vice President, Exploration	Vice President, Exploration of the Company since December 2017; Project Geologist of Goldcorp Inc. 2016-2017; Project Geologist of Kaminak from 2011 to 2016	-	1,100,000 ⁽⁹⁾ (2.86%)

Notes:

- (1) All officers are full-time employees of Tectonic.
- (2) Based on 38,510,259 outstanding Common Shares as of the date of this Prospectus.
- (3) Mr. Reda also holds 900,000 Warrants, entitling him to acquire an additional 900,000 Common Shares. The 4,187,500 Common Shares includes 650,000 Restricted Shares. Mr. Reda also holds 28,571 Special Warrants, entitling him to acquire an additional 28,571 Common Shares and 28,571 Underlying Warrants.
- (4) Mr. Freeman also holds 900,000 Warrants, entitling him to acquire an additional 900,000 Common Shares. The 3,387,500 Common Shares includes 250,000 Restricted Shares.
- (5) Ms. Armstrong also holds 140,000 Warrants, entitling her to acquire an additional 140,000 Common Shares. The 890,000 Common Shares includes 250,000 Restricted Shares.
- (6) Mr. Benson also holds 285,714 Special Warrants, entitling him to acquire an additional 285,714 Common Shares and 285,714 Underlying Warrants. The 900,000 Common Shares includes 400,000 Restricted Shares.
- (7) The 600,000 Common Shares includes 250,000 Restricted Shares.
- (8) Ms. Rehaag also holds 50,000 Special Warrants, entitling her to acquire an additional 50,000 Common Shares and 50,000 Underlying Warrants. Each of the 425,000 Common Shares are Restricted Shares.
- (9) The 1,100,000 Common Shares includes 350,000 Restricted Shares. Mr. Buitenhuis also holds 28,500 Special Warrants, entitling him to acquire an additional 28,500 Common Shares and 28,500 Underlying Warrants.

Director and Executive Officer Biographies

Antonio Reda, President, Chief Executive Officer and Director, Age 44

Prior to founding Tectonic, Mr. Reda was Vice President, Corporate Development for Kaminak Gold Corporation (“**Kaminak**”), a TSXV listed issuer, where he was responsible for executing Kaminak’ strategic planning, business development, capital raises and marketing while overseeing Kaminak’s public relations and investor communications.

Krysta Rehaag, Chief Financial Officer and Corporate Secretary, Age 37

Prior to joining Tectonic, Mrs. Rehaag was Chief Financial Officer at Pathway Capital Ltd. where she managed several private and public mining companies including Sandstorm Gold Ltd., a Toronto Stock Exchange listed issuer, where she later joined full-time as Corporate Treasurer. Krysta is a Chartered Professional Accountant (CA) and a Chartered Financial Analyst charter holder. She holds a Bachelor of Mathematics and Master of Accounting from the University of Waterloo.

Eric Buitenhuis, Vice President, Exploration, Age 30

Mr. Buitenhuis is a mineral exploration geologist with experience in cost-effective grassroots discovery and resource delineation. Mr. Buitenhuis began his career with Kaminak in 2011 where he was a core member of the technical team that designed, budgeted, executed and supervised Kaminak's exploration and resource definition programs. Mr. Buitenhuis joined Goldcorp Inc. ("**Goldcorp**"), a Toronto Stock Exchange listed issuer prior to its acquisition by Newmont Mining Corporation, following their acquisition of Kaminak's Coffee Project in 2016. At Goldcorp, Mr. Buitenhuis oversaw the field activities of the Coffee Gold exploration team. Mr. Buitenhuis holds a Bachelor of Sciences (Honours) in Geology and a Master of Science in Geology, both from the University of Western Ontario.

Mel Benson, Chair and Director, Age 70

Mel Benson was elected to the Suncor Energy Inc. ("**Suncor**"), a Toronto Stock Exchange listed issuer, Board of Directors in April 2000 and serves as the longest standing director of Suncor. Mr. Benson is a member Suncor's environment, health, safety and sustainable development committee and the human resources and compensation committee. Mr. Benson retired from Exxon International and Imperial Oil Canada in 2000 after a long career as an operations manager and senior member of project management. He is currently president of Mel E. Benson Management Services Inc., an international consulting firm working in various countries with a focus on First Nations and corporate negotiations.

In 2003, Mr. Benson was the recipient of a National Aboriginal Achievement Award and in 2015 was inducted into the Aboriginal Business Hall of Fame and received the lifetime achievement award. He has also been honoured with a Red Cross Service Award, an Alberta Aboriginal Recognition Award and a Business Development Award. He has received the Alberta Justice Crime Prevention Recognition Award from the Minister of Justice and was recognized for his contributions to the community by the Government of the Northwest Territories.

Mr. Benson is a member of Alberta's Beaver Lake Cree Nation, located in northeast Alberta.

Curt Freeman, Director, age 63

Mr. Freeman is President of Avalon, a mineral exploration consulting firm based in Fairbanks, Alaska. Mr. Freeman earned his Bachelor's degree in Geology in 1978 from the College of Wooster, Ohio and his Master's Degree in Economic Geology in 1980 from University of Alaska in Fairbanks. Mr. Freeman is a U.S. Certified Professional Geologist with the American Institute of Professional Geologists and is a licenced geologist in the state of Alaska. Mr. Freeman is a Fellow of the Society of Economic Geologists, a member and past director of Alaska Miners Association and a member of the Geological Society of Nevada, Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada. Mr. Freeman also serves as Chairman of the Geological Mapping Advisory Board for the State of Alaska Division of Geological and Geophysical Surveys.

Allison Rippin Armstrong, Director, Age 53

Mrs. Rippin Armstrong has over 25 years of experience in permitting, regulatory processes and environmental compliance, working with Indigenous organizations, resource companies, regulatory agencies, and territorial and federal governments. She served as the Vice President of Sustainability at Kaminak until it was acquired by Goldcorp in 2016.

Ms. Rippin Armstrong has served on the board of Yukon Women in Mining as Vice President for three years. She is a founding member of the Yukon University Foundation Board and has served on Northwest Territories and Nunavut Chambers of Mines. Ms. Rippin Armstrong was the recipient of the:

- 2003 BHP Billiton Corporate HSEC Award
- 2009 Kivalliq Inuit Association Expert Counsel Award
- 2011 Mike Hine Award, Nunavut
- 2014 Community Award, Yukon (Kaminak)
- 2015 Robert E. Leckie Award, Yukon (Kaminak)
- 2019 BC Women in Mining HR Diversity Award

Michael Roper, Director, Age 71

Mr. Roper has over 40 years of experience that spans the entire mineral resource development cycle from exploration to discovery, resource estimation, mine planning, feasibility studies, project construction and mine operations through reclamation, remediation and closure. Mr. Roper holds a Bachelor and Master of Science in Earth Sciences from Montana State University and is Certified with the American Institute of Professional Geologists. Mr. Roper is currently Director, Project Evaluations for Agnico Eagle Mines Ltd. (“**Agnico**”), a Toronto Stock Exchange listed issuer, and has worked for Agnico for the past 15 years in various roles.

Advisors to the Board

The Company has formally appointed the following advisors to the board:

Eira Thomas, Strategic Advisor

Ms. Thomas brings more than 25 years’ experience in the mining industry, including 14 years with Aber Diamond Corporation (now Dominion Diamond), where she served in ever increasing roles from initial discovery as a geologist to Vice President Exploration and ultimately a Director of the Board. She was co-founder of Stornoway Diamond Corp., serving first as CEO and then as Executive Chairman. In 2007, she co-founded Lucara Diamond Corporation, a Toronto Stock Exchange listed issuer. Ms. Thomas served as CEO of Kaminak Gold Corporation which was acquired by Goldcorp in 2016. Ms. Thomas is currently the President and CEO and a Director of Lucara Diamond Corporation and is also a Director of Suncor.

Robert Carpenter, Technical Advisor

Mr. Carpenter was the co-founder, President and CEO of Kaminak from 2005 to 2013. He is also a director of White Gold Corp, a TSXV listed issuer. Mr. Carpenter has a Ph.D. from Western University and is a Professional Geologist. Mr. Carpenter received the Huestis Award for Excellence in Prospecting and Mineral Exploration in 2014 and the Hedley Award for Social Responsibility and Environmental Stewardship in 2010 from the Association of Mineral Exploration of British Columbia.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company’s directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (an “**Order**”) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company’s directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of the Company’s directors or executive officers, nor, to its knowledge, any shareholder holding a sufficient number of its securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no existing or potential material conflicts of interest between the Company and any of its directors or officers as of the date hereof. However, certain of the Company's directors and officers are, or may become, directors or officers of other companies with businesses which may conflict with its business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on the Company's behalf. See also "*Risk Factors – Conflicts of Interest*".

Pursuant to the BCBCA, directors and officers of the Company are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and the Company's Articles:

- a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer of the Company, must promptly disclose the nature and extent of that conflict; and
- a director who holds a disclosable interest (as such term is defined under the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve such contract or transaction.

Generally, as a matter of practice, directors who have disclosed a material interest in any contract or transaction that the Board is considering will not take part in any board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will refrain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which directors or officers may have a conflict.

EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in Qualifying Jurisdictions, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51-102F6V.

Compensation of Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. "Named Executive Officer" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year.

As of the date of this Prospectus, the Company has the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**"):

- Antonio Reda, President, CEO and Director of the Company;
- Krysta Rehaag, CFO and Corporate Secretary of the Company; and
- Eric Buitenhuis, Vice President, Exploration of the Company.

Compensation Discussion and Analysis

Philosophy

In determining the compensation to be paid or awarded to its executives, the compensation committee of the Company (the “**Compensation Committee**”) seeks to encourage the advancement of the Company’s exploration projects, with a view to enhancing shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its shareholders. In addition, as Tectonic, currently, has no revenues from operation and operates with limited financial resources, the Compensation Committee needs to consider not only the Company’s financial situation at the time of determining executive compensation but also the Company’s estimated financial situation in the mid and long term.

The Company’s executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Option Plan. In making its determinations regarding the various elements of executive Option grants, the Company will seek to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain Tectonic’s continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Company’s shareholders; and
- (c) to incent extraordinary performance from our key employees.

The Company is an early stage exploration company and may not generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of its executive officers.

Base Salary

The base salary for each executive is established by the Board, on the recommendation of the Compensation Committee, based upon the position held by such executive, competitive market conditions, such executive’s related responsibilities, experience and the NEO’s skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance will also be taken into account in determining base salary levels for executives.

Cash Bonuses

Cash bonuses do not form a normal part of Tectonic’s executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company’s near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the Compensation Committee may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to the shareholder value creation embodied in the pre-agreed milestones. The Company currently has no expectations of paying cash bonuses to its NEO’s for the next 12 months, the Company’s determination to pay cash bonuses going forward will be evaluated on an on going basis by the Compensation Committee.

Options

Options are a key compensation element for Tectonic. Because many of the most capable individuals in the mining industry work for companies who can offer attractive cash and bonus compensation and a high level of employment security, Options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a junior exploration company such as Tectonic. Options are also an important component of aligning the objectives of Tectonic's executive officers and consultants with those of its shareholders, while encouraging them to remain associated with the Company. Tectonic expects to provide significant Option positions to its executive officers and consultants. The precise amount of Options to be offered will be governed by the importance of the role within the Company, by the competitive environment within which Tectonic operates, and by the regulatory limits on Option grants that cover organizations such as Tectonic. When considering an award of Options to an executive officer, consideration of the number of Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

As of the date of this Prospectus, no Options have been granted.

See "*Options to Purchase Securities - Stock Option Plan*" for a summary of the key terms of the Option Plan.

Restricted Shares

As of the date of this Prospectus, Tectonic has granted an aggregate of 2,575,000 Restricted Shares to our NEOs and directors. See "*Executive Compensation – Stock Options and Other Compensation Securities*". See "*Options to Purchase Securities – Restricted Share Plan*" for a summary of the key terms of the Restricted Share Plan.

Compensation Risks

In making its compensation-related decisions, the Compensation Committee and Board carefully consider the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (a) that the Company will be forced to raise additional funding (causing dilution to shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that the Company will have insufficient funding to achieve its objectives.

Hedging by Named Executive Officers or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation, excluding Options and Compensation Securities

The following table sets out the compensation, excluding options and compensation securities, paid to the individuals who were directors or NEOs during the year ended December 31, 2018 and during 2019, to date. The table sets out the total compensation paid during the year ended December 31, 2018 and the total compensation expected to be paid during the year ended December 31, 2019. The anticipated compensation for 2019 set out herein is based on current conditions in the mining industry and on the associated approximate allocation of time for each NEO, and is as such subject to adjustments based on changing market conditions and corresponding changes to required time commitments.

Table of Compensation Excluding Options and Compensation Securities								
Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)		Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Antonio Reda, President, CEO and Director	2019	200,000	-	-	-	-	-	200,000
	2018	200,000 ⁽¹⁾	50,000	-	-	-	-	250,000
Krysta Rehaag, CFO and Corporate Secretary ⁽²⁾	2019	150,000	-	-	-	-	-	150,000
	2018	32,500	2,500	-	-	-	-	35,000
Zara Boldt, Former CFO and Corporate Secretary ⁽³⁾	2019	-	-	-	-	-	-	-
	2018	9,000	-	-	-	-	-	9,000
Eric Buitenhuis, Vice President, Exploration ⁽⁴⁾	2019	150,000	-	-	-	-	-	150,000
	2018	135,417	2,500	-	-	-	-	137,917
Mel Benson, Chair and Director ⁽⁵⁾	2019	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-
Eira Thomas, Former Chair	2019	-	-	-	-	-	-	-

Table of Compensation Excluding Options and Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)		Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
and Director ⁽⁶⁾	2018	-	-	-	-	-	-	-
Robert Carpenter, Former Chief Technical Officer and Director ⁽⁷⁾	2019	-	-	-	-	-	-	-
	2018	83,334	-	-	-	-	-	83,334
Curt Freeman, Director ⁽⁸⁾	2019	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-
Allison Rippin Armstrong, Director ⁽⁹⁾	2019	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-
Michael Roper, Director ⁽¹⁰⁾	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-

Notes:

- (1) Additionally, Mr. Reda was paid \$10,417 in vacation pay.
- (2) Ms. Rehaag was appointed CFO and Corporate Secretary on October 1, 2018.
- (3) Ms. Boldt was a consultant to the Company and ceased being CFO and Corporate Secretary on October 1, 2018.
- (4) Mr. Buitenhuis was appointed Vice President, Exploration on November 1, 2018. Previously, Mr. Buitenhuis was a full-time employee but not an officer of the Company. The 2018 salary disclosed in the above table was the salary earned for the entire year of employment.
- (5) Mr. Benson was appointed Chair and director on September 17, 2019.
- (6) Ms. Thomas ceased being Chair and director on September 17, 2019.
- (7) Mr. Carpenter ceased being Chief Technical Officer on April 20, 2018 and a director on March 18, 2019.
- (8) Mr. Freeman was appointed director on April 13, 2018. The Company paid Avalon, who Mr. Freeman is Chief Executive Officer for, \$1,548,252 and \$20,869 for the year ended December 31, 2018 and the six months ended June 30, 2019, respectively, for exploration related expenses on the Material Properties. Avalon was the main contractor for the Company for the year ended December 31, 2018. Since June 30, 2019, the Company has employed a new contractor not associated with Mr. Freeman or Avalon to conduct such work on the Company's properties. The Company has no existing commitments to Avalon.
- (9) Ms. Rippin Armstrong was appointed director on April 15, 2019.
- (10) Mr. Roper was appointed director on September 17, 2019.

Stock Options and Other Compensation Securities

The following table sets forth information with respect to the Restricted Shares granted under the Restricted Share Plan to NEOs and directors since the inception of the Company.

Compensation Securities							
Name and Principal Position	Type of compensation security ⁽¹⁾⁽²⁾⁽³⁾	Number of compensation securities, number of underlying securities and percentage of class ⁽¹⁾⁽²⁾⁽³⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security as at date of this Prospectus (\$)	Expiry date
Antonio Reda, President, CEO and Director	Restricted Shares	650,000	July 29, 2019	N/A	N/A	N/A	N/A
Krysta Rehaag, CFO and Corporate Secretary	Restricted Shares	425,000	July 29, 2019	N/A	N/A	N/A	N/A
Eric Buitenhuis, Vice President, Exploration	Restricted Shares	350,000	July 29, 2019	N/A	N/A	N/A	N/A
Mel Benson, Chair and Director	Restricted Shares	400,000	September 17, 2019	N/A	N/A	N/A	N/A
Curt Freeman, Director	Restricted Shares	100,000	July 29, 2019	N/A	N/A	N/A	N/A
	Restricted Shares	150,000	September 17, 2019	N/A	N/A	N/A	N/A
Allison Rippin Armstrong, Director	Restricted Shares	100,000	July 29, 2019	N/A	N/A	N/A	N/A
	Restricted Shares	150,000	September 17, 2019	N/A	N/A	N/A	N/A
Michael Roper, Director	Restricted Shares	250,000	September 17, 2019	N/A	N/A	N/A	N/A

Notes:

- (1) All Restricted Shares granted remain outstanding as of the date of this Prospectus.
- (2) All Restricted Shares granted require a two-year continuous employment otherwise the shares are cancelled.
- (3) All Restricted Shares were granted with a deemed fair market value of \$0.35 per Restricted Share.

Exercise of Options and Compensation Securities by Directors and NEOs

As at the date of this Prospectus, there has been no exercise of Options or other compensation securities by any NEO or director of the Company.

External Management Companies

The Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or Directors and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Termination and Change of Control Benefits

The Company has entered into employment agreements with Antonio Reda, President and CEO, Krysta Rehaag, CFO and Eric Buitenhuis, Vice President, Exploration. The employment agreements include termination provisions, including upon a “change of control” for Mr. Reda only. All of the employment agreements permit Tectonic to terminate the agreement without notice or any payment for termination with cause or as a result of the employee’s death or incapacity.

Antonio Reda, President, Chief Executive Officer and Director

In the event of termination without cause, Mr. Reda is entitled to a lump sum payment equal to twelve months of salary plus one additional month of salary for each completed year of service, up to a maximum of 24 months. Mr. Reda may terminate his employment with 60 days’ advance notice.

In the event of termination or resignation for good reason within twelve months subsequent to a change of control, Mr. Reda is entitled to a lump sum payment equal to two times his annual compensation, which includes his current salary plus the average of any bonuses paid to Mr. Reda within the last three years. Any termination or resignation following a change of control requires two months’ notice.

In the event that Tectonic is no longer liquid and cannot pay its debts, Mr. Reda waives his entitlement to any lump sum payment beyond any amounts he is entitled to under the *Employment Standards Act* (British Columbia) due to termination without cause.

The employment agreement with Mr. Reda also contains a non-solicitation clause which applies for six months after termination.

Krysta Rehaag, Chief Financial Officer and Corporate Secretary

In the event of termination without cause, Ms. Rehaag is entitled to a lump sum payment equal to one month of salary plus one additional month of salary for each completed year of service, up to a maximum of four months. Ms. Rehaag may terminate her employment with 30 days’ advance notice.

Eric, Buitenhuis, Vice President, Exploration

In the event of termination without cause, Mr. Buitenhuis is entitled to a lump sum payment equal to two weeks of salary for each completed year of service, up to a maximum of two months. Mr. Buitenhuis may terminate his employment with 30 days’ advance notice.

Estimated Incremental Payments

The estimated amounts payable under various termination scenarios as of the date of this Prospectus are outlined in the table below:

Name and Principal Position	Termination without Cause	Change of Control with Termination
Antonio Reda, President, CEO and Director	\$233,333	\$450,000
Krysta Rehaag, CFO and Corporate Secretary	\$25,000	N/A
Eric Buitenhuis, Vice President, Exploration	\$6,250	N/A

Pension Plan Benefits

The Company does not anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

DIRECTOR COMPENSATION

Upon becoming a reporting issuer, we intend to have standard compensation arrangements for our non-executive directors; however, to the date hereof, no compensation has been paid to our non-executive directors.

Tectonic contemplates that each independent director, if any, will be entitled to participate in the Option Plan and any other security-based compensation arrangement or plan adopted by Tectonic with the approval of the Board and/or Tectonic's shareholders, as may be required by applicable law or TSXV policies.

Tectonic expects that its directors will be reimbursed for expenses incurred on Tectonic's behalf. No additional fees, including meeting fees will be paid to directors.

Directors' and Officers' Liability Insurance

We carry directors' and officers' liability insurance for our directors and officers; however, we are required to obtain a new directors' and officers' liability insurance policy upon Listing. The Company will apply for limits and deductibles it believes is appropriate for a junior mineral exploration company at our stage of development.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs.

PLAN OF DISTRIBUTION

This Prospectus is being filed in the Qualifying Jurisdictions to qualify the distribution of 16,621,988 Qualified Units and 322,958 Broker Warrants. Each Qualified Unit consists of one Underlying Share and one Underlying Warrant. Each Underlying Warrant will entitle the holder thereof to acquire one Warrant Share at an exercise price of \$0.50 for a period of 24 months following the date of issuance. 16,621,988 Underlying Shares and 16,621,988 Underlying Warrants will be issued upon the exercise or deemed exercise of 16,621,988 Special Warrants.

The Special Warrants were issued in two tranches, with 6,809,370 Special Warrants issued on July 12, 2019 and 9,812,618 Special Warrants issued on September 26, 2019. An aggregate of 16,621,988 Special Warrants were issued in the Offering,

consisting of 5,382,656 Special Warrants issued pursuant to the Brokered Offering and 11,239,332 Special Warrants issued pursuant to the Non-Brokered Offering. In connection with the Offering, the Company issued the Special Warrants in the Qualifying Jurisdictions, and in certain other jurisdictions outside of Canada, on a private placement basis at a price of \$0.35 per Special Warrant, which was determined by arm's length negotiations between the Company and the Agents. The Offering was completed pursuant to prospectus exemptions under applicable securities legislation.

Pursuant to the Agency Agreement, the Company paid the Agents (i) a cash commission equal to 6.0% of the gross proceeds of the Brokered Offering; and (ii) a cash commission equal to 2.0% of the gross proceeds of the Non-Brokered Offering, amounting to an aggregate commission of \$191,711.10 (\$100,850.78 in the First Tranche and \$90,860.32 in the Second Tranche). The Company also paid the Agents a corporate finance fee of \$50,000, 50% of which was paid in cash and 50% of which was paid by the issuance of 71,428 Corporate Finance Special Warrants at a deemed price of \$0.35 per Corporate Finance Special Warrant. Each Corporate Finance Special Warrant is exercisable into one Qualified Unit. The Corporate Finance Special Warrants were issued pursuant to and are governed by the terms of the First Special Warrant Indenture. The Corporate Finance Special Warrants represent 0.43% of the total Special Warrants issued pursuant to the Offering. This Prospectus also qualifies the distribution of Underlying Shares and Underlying Warrants issuable upon exercise or deemed exercise of the Corporate Finance Special Warrants.

As additional compensation, the Company issued 322,958 Special Broker Warrants to the Agents. Each Special Broker Warrant is exercisable, for no additional consideration, into one Broker Warrant at any time until 5:00 p.m. (Vancouver time) on the date which is five business days following the date upon which the Final Receipt is issued, after such time the Special Broker Warrants will be deemed exercised. Each Broker Warrant is exercisable into one Broker Warrant Share prior to the date that is 24 months following the date of issuance at a price of \$0.35 per Broker Warrant. This Prospectus also qualifies the distribution of the Broker Warrants.

Certain Finders were paid a cash commission equal to 7.0% of the gross proceeds raised in the First Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders. Such cash commission amounted to \$4,560.50. Certain Finders were paid a cash commission equal to between 3.5-7.0% of the gross proceeds raised in the Second Tranche of the Non-Brokered Offering from the sale of Special Warrants to subscribers introduced to the Company by the Finders. Such cash commission amounted to \$78,734.59. In addition, certain Finders were granted 140,956 Finders' Warrants in connection with the Second Tranche of the Non-Brokered Offering. Each Finders' Warrant is exercisable into one Finders' Warrant Share prior to September 26, 2021 at a price of \$0.35 per Finders' Warrant Share. See "*Plan of Distribution*". The Special Warrant Indenture provides that the Special Warrants will be deemed to be exercised on the earlier of: (i) the fifth business day after the Final Receipt; and (ii) the date that is 120 days following the applicable issuance date of the Special Warrants, at which time each Special Warrant shall be automatically exercised into one Underlying Share and one Underlying Warrant, subject to adjustment in certain circumstances, without payment of any additional consideration and without any further action on the part of the holder.

If the Qualification Date has not occurred on or before the Qualification Deadline, each Special Warrant, regardless of whether issued pursuant to the First Tranche or the Second Tranche, shall thereafter entitle the holder to receive upon exercise, for no additional consideration, 1.1 Underlying Shares (instead of one Underlying Share) and 1.1 Underlying Warrant (instead of one Underlying Warrant). This Prospectus qualifies the distribution of up to 1,669,340 Penalty Shares and 1,669,340 Penalty Warrants issuable pursuant to the Penalty Provision, if applicable, for a total of up to 1,669,340 Underlying Shares and 1,669,340 Underlying Warrants.

The Special Warrant Indenture provides that in the event of certain alterations of the outstanding Common Shares, including any subdivision, consolidation or reclassification, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon the exercise or deemed exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Underlying Shares or Underlying Warrants will be issued upon the exercise or deemed exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of the Company or entitle the holder to any right or interest granted to shareholders. The Special Warrant Indenture provides that all holders of Special Warrants shall be bound by any resolution passed at a meeting of the holders of Special Warrants held in accordance with the provisions of the Special Warrant Indenture. The foregoing summary of certain provisions of the Special Warrant Indenture is qualified in its entirety by reference to the provisions of the Special Warrant

Indenture, a copy of which may be obtained on request without charge from the Company at Suite 312, 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5, telephone: (604)283-3291.

In the event that a holder of Special Warrants exercises such securities prior to the earlier of the Qualification Date and the date which is four months and one day after the original date of issuance of such Special Warrants, both the Underlying Shares and Underlying Warrants issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

Tectonic has applied to list the Common Shares on the TSXV. The listing of the Common Shares will be subject to the Company fulfilling all of the listing requirements of the TSXV, which cannot be guaranteed.

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Company has agreed to indemnify and hold harmless the Agents, each of their respective subsidiaries and affiliates, and each of their respective directors, officers, employees, partners, agents, shareholders, each other person, if any, controlling Canaccord or Haywood, or any of their respective subsidiaries and affiliates, from and against certain liabilities and expenses.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the U.S. or to, or for the account or benefit of, U.S. Persons. None of the Underlying Shares or Underlying Warrants have been or will be registered under the U.S. Securities Act or the securities laws of any state of the U.S. and may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Special Warrants may not be exercised by or on behalf of a U.S. Person or a person in the U.S. unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Accordingly, both the Underlying Shares and Underlying Warrants will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

AUDIT COMMITTEE

Audit Committee

The Company has formed an audit committee (the “**Audit Committee**”) comprised of Michael Roper (Chair), Mel Benson and Allison Ripplin Armstrong, all of whom are “financially literate” and independent as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

The Audit Committee assists the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee’s principal responsibilities include (i) recommending the external auditor to be nominated for the purpose of audit, review or attest services for the Company, (ii) recommending the compensation of the external auditor, (iii) overseeing the work of the external auditor in performing audit, review or attest services for the Company, (iv) reviewing the Company’s financial statements, management’s discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information, and (v) establishing procedures for addressing complaints or concerns regarding accounting, internal control or auditing matters.

The text of the Audit Committee’s charter is attached as Schedule “E” to this Prospectus.

Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and
- (c) an understanding of internal controls and procedures for financial reporting.

Michael Roper, Chair

Mr. Roper has experience with accounting principles, corporate financing reporting, budgeting and accruals and provisions, as well as, supporting the preparation, auditing and evaluation of financial statements related to corporate accounting requirements, for various junior mining companies, including adherence to internal corporate controls and procedures with respect to financial reporting requirements. Based on his experience, Mr. Roper has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Mel Benson

Mr. Benson has been involved in publicly traded companies and has served on the audit committee for several public companies, including Suncor. Mr. Benson is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Mr. Benson has served on a number of publicly traded companies internal and operational audit teams and has experience with management various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Benson has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Allison Rippin Armstrong

Ms. Armstrong has various experience with budgeting, economic assessments, and financial reporting through roles at various private and publicly traded companies. Ms. Armstrong is familiar with managing junior mining companies, including financing and compliance with reporting requirements. Based on her experience, Ms. Armstrong has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable her to discharge her duties as an audit committee member.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company may rely upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to the Company or its Subsidiaries by the Company's external auditor or the external auditor of the Subsidiaries, unless such pre-approval is otherwise appropriately delegated by the Audit Committee, or if the Audit Committee adopts appropriate policies and procedures for the engagement of non-audit services.

External Auditor Service Fees by Category

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
December 31, 2018	\$40,000	nil	nil	nil
December 31, 2017	nil	nil	nil	nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

COMPENSATION COMMITTEE

The Company has formed a Compensation Committee comprised of Mel Benson (Chair), Michael Roper and Antonio Reda. Mr. Benson and Mr. Roper are considered "independent" and Mr. Reda, as President and CEO of the Company, is not considered "independent", pursuant to NI 52-110.

Each member of the Compensation Committee has business and other experience which is relevant to their position as a member of the Compensation Committee. By virtue of their differing professional backgrounds, business experience, knowledge of the Company's industry, knowledge of corporate governance practices and, where appropriate, service on compensation committees of other reporting issuers and experience interacting with external consultants and advisors, the members of the Compensation Committee are able to make decisions on the suitability of the Company's compensation policies and practices. See "*Directors and Executive Officers - Director and Executive Officer Biographies*" for a description of each Compensation Committee members experience and education.

The text of the Compensation Committees charter is attached as Schedule "F" to this Prospectus. The charter of the Compensation Committee provides that it is responsible for, among other things, the following matters:

- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and other executive officers, evaluating the performance of the CEO and the other executive officers in light of those goals and objectives and approving their annual compensation levels, including salaries, bonuses, and stock option grants based on such evaluation; and
- reviewing the compensation of directors for service on the Board and its committees and recommending to the Board the annual Board member compensation package, including retainer, committee member and chair retainers, Board and committee meeting attendance fees and any other form of compensation, such as stock option grants or stock awards.

While the Board is ultimately responsible for determining all forms of compensation to be awarded to the CEO, other executive officers and directors, the Compensation Committee will when appropriate review the Company's compensation philosophy, policies, plans and guidelines and recommend any changes to the Board. See "*Executive Compensation*" for a discussion of, among other things, the process by which the Compensation Committee in collaboration with the Board determines the compensation of the Company's directors and officers.

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at meetings held as required.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company’s approach to corporate governance is set forth below.

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. The Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company’s approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company’s approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company’s Code of Business Conduct and Ethics; and
- (e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year depending upon the activities of Tectonic. The Board intends to meet at least annually and at each meeting there is a review of the business of Tectonic.

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company's management being in attendance.

Composition of the Board

The Board is composed of five directors, three of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect “material relationship” with Tectonic, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Mel Benson, Michael Roper and Allison Rippin Armstrong are considered independent for the purposes of NI 58-101. Antonio Reda, as President and CEO of the Company, is not considered independent for the purposes of NI 58-101. Curt Freeman is not considered independent for the purposes of NI 58-101 as a company of which he is an officer received compensatory fees during the year ended December 31, 2019 for exploration services provided to the Company.

Directorships

The following table sets out the directors of the Company that currently serve on the boards of directors of other reporting issuers in Canada.

<u>Name of Director</u>	<u>Reporting Issuers</u>
Mel Benson	Suncor Energy Inc. Winalta Inc. Pan-Global Energy Ltd.
Antonio Reda	Kootenay Silver Inc.

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of Mr. Benson and Mr. Reda on the Board or create any potential for conflicts of interest.

Orientation and Education

Each new director participates in the Company's initial orientation program and each director participates in the Company's continuing director development programs. The Board reviews the Company's initial orientation program and continuing director development programs. Tectonic provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company's records.

Ethical Business Conduct

Tectonic has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Company has formed a nominating and corporate governance committee (the "**Nominating and Corporate Governance Committee**") comprised of Allison Rippin Armstrong (Chair), Mel Benson and Antonio Reda. In consultation with the Chair of the Board, the Nominating and Corporate Governance Committee identifies and recommends to the Board potential nominees for election or re-election to the Board as well as individual directors to serve as members and chairs of each committee. The Nominating and Corporate Governance Committee establishes and reviews with the Board the appropriate skills and characteristics required of members of the Board, taking into consideration the Board's short-term needs and long-term succession plans. In addition, the Nominating and Corporate Governance Committee develops, and annually updates, a long-term plan for the Board's composition, taking into consideration the characteristics of independence, age, skills, experience and availability of service to the Company of its members, as well as opportunities, risks, and strategic direction of the Company.

Compensation

Compensation matters are currently determined by the Board upon the recommendation of the Compensation Committee. See "*Compensation Committee*".

Other Board Committees

The Board has no committees, other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

Assessments

The Nominating and Corporate Governance Committee is responsible for establishing criteria for, and annually implementing, an evaluation process for the Board, the Chairman of the Board, each committee of the Board, and individual directors in order to assess the effectiveness of the Board as a whole, the Chair of the Board, each committee and the contribution of individual directors. The Board reviews and assesses the adequacy of its mandate on, at a minimum, an annual basis to ensure compliance with any rules or regulations promulgated by any regulatory body.

RISK FACTORS

An investment in securities of the Company is speculative and involves a high degree of risk due to the nature of the Company's business. An investment in the securities of the Company should only be made by persons who can afford the total loss of their investment. The following risks, as well as risks currently unknown to the Company, could adversely affect the Company's current or future business, properties, operations, results, cash flows, financial condition and prospects and could cause future results, cash flows, financial condition, prospects, events or circumstances to differ materially from those currently expected, including the estimates and projections contained in this Prospectus. Investors should carefully consider the risks described below and elsewhere in this Prospectus. The risks described below and elsewhere in this Prospectus do not purport to be an exhaustive summary of the risks affecting the Company and additional risks and uncertainties not currently known to the Company or not currently perceived as being material may have an adverse effect on the Company.

Risks Related to the Company and the Mining Industry

Exploration Stage Company

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits for which there are reasonable prospects for eventual economic extraction, based on a comprehensive evaluation of form, grade or quality and quantity, are considered mineral resources.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves.

Reliability of Historical Information

The Company has relied on, and the disclosure in the Technical Reports is based, in part, upon, historical data compiled by previous parties involved with the Material Properties. To the extent that any of such historical data is inaccurate or incomplete, the Company's exploration plans may be adversely affected.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the

Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral exploration

The mineral exploration industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Product Alternatives

Gold has a number of different applications, including being used in wiring and cable products, gold tubing and the transportation industry. Alternative technologies are continually being investigated and developed with a view to reducing production costs or for other reasons, such as minimizing environmental or social impacts. If competitive technologies emerge that use other materials in place of gold, demand and price for gold might fall, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Acquisition of Additional Mineral Properties

If the Company loses or abandons its interest in one or more of the Material Properties there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of an option or otherwise, should the Company wish to acquire any additional properties.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. Although the U.S. has a favorable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties require significant additional expenditures before any cash flow may be generated. Although Tectonic possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

An investment in the Company's securities carries a high degree of risk and should be considered speculative by purchasers. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations. You should consider any purchase of the Company's

securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

On July 30, 2019, Tectonic received a notice from Millrock stating that six of the staked TMI (Tectonic) claims wholly or partially overtake 17 claims previously staked by Millrock, who is now asserting "senior claim" to the ground. The disputed 17 claims, all 40-acre (16.2 Ha) claims covering a total of 680 acres (275.3 Ha), are the HAB 22-30, HAB 39-43 and HAB 52-54 claims. After review by Tectonic, the disputed claims may actually affect seven Tectonic claims, all 160-acre (64.8 ha) claims covering a total of 1,120 acres (453.4 Ha); the TMI27-28, TMI33-35 and TMI40-41 claims.

Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic's exploration efforts going forward on the rest of the Company's Tibbs claims. Tectonic is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, state, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Uninsured and Underinsured Risks

The Company faces various risks associated with mining exploration and the management and administration thereof including those associated with being a public company. Some of these risks are not insurable; some may be the subject of insurance which is not commercially feasible for the Company. Those insurances which are purchased will have exclusions and deductibles which may eliminate or restrict recovery in the event of loss. In some cases, the amount of insurance purchased may not be adequate in amount or in limit.

The Company will undertake intermittent assessments of insurable risk to help ensure that the impact of uninsured/underinsured loss is minimized within reason. Risks may vary from time to time within this intermittent period due to changes in such things as operations operating conditions, laws or the climate which may leave the Company exposed to periods of additional uninsured risk.

In the event risk is uninsurable, at its reasonable and sole discretion, the Company may endeavor to implement policies and procedures, as may be applicable and/or feasible, to reduce the risk of related loss.

Environmental Risks

The Company's exploration and/or development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future

requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the State of Alaska.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the nature landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a social responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

Global Economy Risk

The volatility of global capital markets, including the general economic slowdown in the mining sector, over the past several years has generally made the raising of capital by equity or debt financing more difficult. The Company may be dependent upon capital markets to raise additional financing in the future. As such, the Company is subject to liquidity risks in meeting its operating expenditure requirements and future development cost requirements in instances where adequate cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If these levels of volatility persist or if there is a further economic slowdown, the Company's operations, the Company's ability to raise capital and the trading price of the Company's securities could be adversely impacted.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in the U.S. and as such, a large portion of its expenses are incurred in U.S. dollars, which could cause a significant change in the results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Many lands in the U.S. and elsewhere are or could become subject to First Nations land claims to title, which could adversely affect the Company's title to its properties.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Conflicts of Interest

Most of the Company's directors do not devote their full time to the affairs of the Company. All of the directors and some of the officers of the Company are also directors, officers and shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. Although the Company has policies which address such potential conflicts and the BCBCA has provisions governing directors in the event of such a conflict, none of the Company's constating documents or any of its other agreements contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

Gold and Metal Prices

If the Company's mineral properties are developed from exploration properties to full production properties, the majority of our revenue will be derived from the sale of gold. Therefore, the Company's future profitability will depend upon the world market prices of the gold for which it is exploring. The price of gold and other metals are affected by numerous factors beyond the Company's control, including levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments and improved mining and production methods, speculative activities related to the sale of metals, availability and costs of metal substitutes.

Moreover, gold prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an

adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Uncertainty of Use of Available Funds

Although the Company has set out its intended use of available funds in this Prospectus, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

Reporting Issuer Status

On becoming a reporting issuer, the Company will be subject to reporting requirements under applicable securities law, the listing requirements of the TSXV and other applicable securities rules and regulations. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly, and increase demand on existing systems and resources. Among other things, the Company will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses.

Management of the Company expects that being a reporting issuer will make it more expensive to obtain and maintain director and officer liability insurance, and the Company may in the future be required to accept reduced coverage or incur substantially higher costs to obtain or maintain adequate coverage. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, the Company may acquire mineral claims, material interests in other mineral claims, and companies that the Company believes are strategic. The Company currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this Prospectus, and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired

Company or mineral claims into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

All of the Company's Material Mineral Assets are Located Outside of Canada

As a result, it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its officers or directors, including judgments predicated upon the civil liability provisions of applicable securities laws. In addition, there is uncertainty as to whether the courts of United States and other jurisdictions would recognize or enforce judgments of Canadian courts obtained against the Company or its directors and officers predicated upon the civil liability provisions of the securities laws of Canada, or be competent to hear original actions brought in United States or other jurisdictions against the Company or its directors and officers predicated upon the securities laws of Canada. Further, any payments as a result of judgments obtained in United States should be in pesos and service of process in United States must be effectuated personally and not by mail.

Climate Change Risks

The Company acknowledges climate change as an international and community concern and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation

costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Material Contract Obligations

The agreements pursuant to which the Company acquired its interest in its Material Properties provide that the Company must make a variety of payments in cash and common shares over certain time periods and expend certain minimum amounts on the exploration of its Material Properties. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in one or more of the Material Properties.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Risks Related to the Offering and the Company's Securities

No Established Market for Securities

It is proposed that the Securities will be listed on the TSXV; however, there can be no assurance that such listing will be obtained and even if obtained, that an active and liquid market for the Securities will develop or be maintained and an investor may find it difficult to resell any securities of the Company. If a market does not develop or is not sustained, it may be difficult for investors to sell the Securities at an attractive price or at all. The Company cannot predict the prices at which the Securities will trade.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. An investment in the Company's securities may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Company.

Securities or Industry Analysts

The trading market for the Securities could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. The Company does not have any control over these analysts and cannot assure that such analysts will cover the Company or provide favourable coverage. If any of the analysts who

may cover the Company's business change their recommendation regarding the Company's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Company's business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

Price Volatility of Publicly Traded Securities

The Securities do not currently trade on any exchange or stock market and the Company has applied to list the Securities on the TSXV. Securities of microcap and small cap companies, particularly mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Securities is also likely to be significantly affected by short-term changes in gold or other mineral prices or in our financial condition or results of operations. Other factors unrelated to our performance that may affect the price of the Securities include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Securities may affect an investor's ability to trade significant numbers of Securities; the size of our public float may limit the ability of some institutions to invest in the Securities; and a substantial decline in the price of the Securities that persists for a significant period of time could cause the Securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Securities at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The fact that no market currently exists for the Securities may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices and the liquidity of the Securities. The market price of the Securities is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the market for all resource sector securities, the breadth of the public market for our Securities and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Securities is expected to make the price of the Securities volatile in the future, which may result in losses to investors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Securities, dilute shareholders' voting power and reduce future potential earnings per Security. We may sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Securities) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Securities. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Security.

Dividends

To date, the Company has not paid any dividends on their outstanding Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions.

TSXV Listing

If the Company fails to list the Securities on the TSXV, the liquidity for its Securities would be significantly impaired, which may substantially decrease the trading price of the Securities.

In addition, in the future, the Company’s Securities may fail to meet the continued listing requirements to be listed on the TSXV. If the TSXV delists the Securities from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Securities; a determination the Securities are a “penny stock” which will require brokers trading in the Securities to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Securities; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The Company encourages each security holder to consult with its own tax or professional advisor to understand the tax considerations generally applicable with purchasing or owning the Qualified Units.

PROMOTERS

Antonio Reda, the President and Chief Executive Officer and a director of Tectonic, may be considered to be a promoter of the Company in that he took the initiative in organizing the business of the Company. The following table sets out the number and percentage of each class of voting securities and equity securities of Tectonic beneficially owned, or controlled or directed, directly or indirectly by Mr. Reda.

<u>Designation of Class</u>	<u>Number of Securities</u>	<u>Percentage of Class⁽³⁾</u>
Common Shares	4,187,500 ⁽¹⁾⁽²⁾	10.87%
Warrants	900,000	21.95%
Special Warrants	28,571	0.17%

Notes:

- (1) The 4,187,500 Common Shares includes 650,000 Restricted Shares.
- (3) Calculated on a non-diluted basis.

Additional information about Mr. Reda is disclosed elsewhere in this Prospectus in connection with his capacity as a director and officer of the Company. See “*Directors and Executive Officers*” and “*Executive Compensation*” for further details.

Other than as disclosed in this Prospectus, Mr. Reda has not received, directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind from Tectonic or its subsidiaries, and neither Tectonic nor its subsidiaries have received any assets, services or other consideration from Mr. Reda in return.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the Company’s knowledge, there are no legal proceedings or regulatory actions material to the Company to which it is a party, or has been a party to, or of which any of its property is the subject matter of, or was the subject matter of, since the beginning of the financial year ended December 31, 2018, and no such proceedings or actions are known by the Company to be contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory authority, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, since its incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Prospectus, no director, executive officer or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any transaction within the three years before the date of this Prospectus which has materially affected or is reasonably expected to materially affect the Company or a subsidiary of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are Davidson & Company LLP, located at 1200-609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

The Special Warrant Agent for the Special Warrants is Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

The Warrant Agent for the Underlying Warrants is Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, set out below are material contracts to which the Company or any of its subsidiaries are a party entered into prior to or since the date of incorporation of the Company and which still remain in effect and material to the Company. Copies of such material contracts will be filed with the Canadian securities regulatory authorities and will be available for review under the Company's profile on SEDAR at www.sedar.com.

1. First Special Warrant Indenture, see "*Plan of Distribution*".
2. Second Special Warrant Indenture, see "*Plan of Distribution*".
3. First Underlying Warrant Indenture, see "*Description of Securities Being Distributed*".
4. Second Underlying Warrant Indenture, see "*Description of Securities Being Distributed*".
5. Tibbs Agreement, see "*General Development and Business of the Company – Three-Year History – Significant Acquisitions and Material Contracts – Tibbs Property*".
6. Seventymile Agreement, see "*General Development and Business of the Company – Three-Year History – Significant Acquisitions and Material Contracts – Seventymile Property*".
7. Northway Agreement, see "*General Development and Business of the Company – Three-Year History – Significant Acquisitions and Material Contracts – Northway Property*".
8. Escrow Agreement, see "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

EXPERTS

Information of a scientific or technical nature in respect of the Tibbs Property is included in this Prospectus based upon the Tibbs Technical Report, with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., who is an independent "qualified person" under NI 43-101.

Information of a scientific or technical nature in respect of the Seventymile Property is included in this Prospectus based upon the Seventymile Technical Report, with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., who is an independent "qualified person" under NI 43-101.

Information of a scientific or technical nature in respect of the Northway Property is included in this Prospectus based upon the Northway Technical Report, with an effective date of October 31, 2019, prepared by Carl Schulze, P.Geo., of Aurora Geosciences Ltd., who is an independent "qualified person" under NI 43-101.

To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individual and his firm do not beneficially own, directly or indirectly, any Common Shares.

Information of a scientific or technical nature relating to the assay results at the Tibbs Property and the Northway Property has been reviewed and approved by Eric Buitenhuis, M.Sc., P.Geo., the Company's Vice President of Exploration who is a "qualified person" for the purposes of NI 43-101. As at the date hereof, Eric Buitenhuis, beneficially owns, directly or indirectly, in the aggregate 2.86% of the issued and outstanding Common Shares of the Company. Mr. Buitenhuis is currently an employee and officer of the Company, but is not currently expected to be elected, appointed or employed as a director of the Company or of an associate or affiliate of the Company.

Davidson & Company LLP, the auditor of the annual financial statements of Tectonic included in this Prospectus, has advised the Company that it is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters in respect of this Prospectus have been passed upon on behalf of Tectonic by Blake, Cassels & Graydon LLP and on behalf of the Agents by Miller Thomson LLP. To the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned partnerships (and their partners and associates) each beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of common share purchase warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the common share purchase warrants is offered to the public under the prospectus offering. This means that under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of the right of action for damages or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Qualified Units on the exercise or deemed exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this Prospectus or an amendment to this Prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and
- (c) If the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

SCHEDULE A

Audited Consolidated financial statements for the year ended December 31, 2018 and the period from incorporation on April 7, 2017 - December 31, 2017

(See attached)



CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2018 and the Period April 7–December 31, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Tectonic Metals Inc.

Opinion

We have audited the accompanying consolidated financial statements of Tectonic Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended December 31, 2018 and the period from incorporation on April 7, 2017 to December 31, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the year ended December 31, 2018 and the period from incorporation on April 7, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We did not review any other information during the conduct of our audit.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

June 14, 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at

	Note	December 31, 2018	December 31, 2017
ASSETS			
Current			
Cash	5	\$ 2,079,340	\$ 157,210
Other current assets		94,548	7,139
		2,173,888	164,349
Equipment		24,852	3,265
Exploration and evaluation assets	6	367,998	55,383
		\$ 2,566,738	\$ 222,997
LIABILITIES			
Current			
Trade and other payables	5	\$ 113,219	\$ 70,217
SHAREHOLDERS' EQUITY			
Share capital	7	7,032,286	439,662
Share subscriptions received in advance	7	-	350,000
Deficit		(4,578,767)	(636,882)
		2,453,519	152,780
		\$ 2,566,738	\$ 222,997

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved on behalf of the Board:

“Antonio Reda”

Antonio Reda

“Eira Thomas”

Eira Thomas

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2018	For the period April 7–December 31, 2017
EXPENSES			
Exploration expenses	6,8	\$ 3,416,866	\$ 430,677
Administration expenses	8,9	510,653	202,050
Foreign exchange loss		14,366	4,155
		3,941,885	636,882
Loss and comprehensive loss for the period		\$ (3,941,885)	\$ (636,882)
Basic and diluted loss per common share		\$ (0.14)	(0.07)
Weighted average number of common shares outstanding		28,644,508	\$ 9,129,392

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

SHARE CAPITAL					
	Number	Amount	Share subscriptions received in advance	Deficit	Total
At April 7, 2017	-	\$ -	-	-	-
Shares issued for cash	4,000,000	40,000	-	-	40,000
Shares and share purchase warrant units issued for cash	8,200,000	410,000	-	-	410,000
Share issue costs	-	(10,338)	-	-	(10,338)
Share subscriptions received in advance	-	-	350,000	-	350,000
Loss for the period	-	-	-	(636,882)	(636,882)
At December 31, 2017	12,200,000	\$ 439,662	\$ 350,000	\$ (636,882)	\$ 152,780
Shares issued for cash	19,005,214	6,396,825	(102,000)	-	6,294,825
Shares issued for exploration expense	400,000	100,000	-	-	100,000
Share purchase warrant exercises	3,380,000	338,000	(248,000)	-	90,000
Shares issued for finder fees	24,845	8,696	-	-	8,696
Share issue costs	-	(250,287)	-	-	(250,897)
Loss for the year	-	-	-	(3,941,885)	(3,941,885)
At December 31, 2018	35,010,059	\$ 7,032,286	-	\$ (4,578,767)	\$ 2,453,519

CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2018	For the period April 7– December 31, 2017
OPERATING ACTIVITIES			
Loss for the period		\$ (3,941,885)	\$ (636,882)
Items not involving cash:			
Depreciation		4,962	1,238
Foreign exchange		13,251	3,083
Shares issued for exploration expense		100,000	-
Changes in non-cash working capital items:			
Decrease in other current assets		(87,409)	(7,139)
Increase in trade and other payables		43,002	70,217
Cash used in operating activities		<u>\$ (3,868,079)</u>	<u>\$ (569,483)</u>
INVESTING ACTIVITIES			
Exploration and evaluation assets		(312,615)	(55,383)
Equipment		(26,549)	(4,503)
Cash used in investing activities		<u>\$ (339,164)</u>	<u>\$ (59,886)</u>
FINANCING ACTIVITIES			
Proceeds from share and share purchase warrant issuances		6,294,825	450,000
Share subscriptions received in advance		-	350,000
Proceeds on exercise of warrants		90,000	-
Share issue costs		(242,201)	(10,338)
Cash provided by financing activities		<u>\$ 6,142,624</u>	<u>\$ 789,662</u>
Effect of foreign exchange on cash		(13,251)	(3,083)
Change in cash during the period		1,922,130	157,210
Cash—beginning of period		157,210	-
Cash—end of period		<u>\$ 2,079,340</u>	<u>\$ 157,210</u>

Supplemental cash flow information (Note 10)

01 NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the “Company”) was incorporated on April 7, 2017 under the laws of under the British Columbia Business Corporations Act. The Company’s head office is at 312-744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

The Company’s principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the United States and Canada. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The continuance of the Company’s operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company’s investments in exploration and evaluation assets which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors metal commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur. Management estimates it has sufficient funds to operate for the upcoming twelve months.

02 BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 1, “Presentation of Financial Statements” and utilize accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Approval of The Financial Statements

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on June 14, 2019.

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the parent and of its subsidiaries.

Basis of Consolidation

These consolidated financial statements of the Company include the accounts of the Company and its wholly-owned U.S. subsidiaries, District Metals LLC and Tectonic Resources LLC, the principal activity of which is exploration in the United States. Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All inter-company transactions and balances have been eliminated upon consolidation.

03 SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

FINANCIAL ASSETS

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets at amortized cost are measured at amortized cost using the effective interest method. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire. On derecognition, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognized in profit or loss.

The Company's financial assets which consist of cash are classified as amortized cost.

FINANCIAL LIABILITIES

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. Financial liabilities measured at amortized cost are measured at amortized cost using the effective interest method. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Financial liabilities are derecognized only when the Company's obligations are discharged, cancelled, or they expire.

The Company's financial liabilities which consist of trade and other payables are classified as amortized cost.

IMPAIRMENT OF FINANCIAL ASSETS

An expected credit loss ("ECL") model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company's financial assets measured at amortized cost are subject to the ECL model.

There were no impairment losses recognized on financial assets during the year ended December 31, 2018 and the period April 7 – December 31, 2017.

Cash

Cash includes cash on account and demand deposits and are subject to insignificant changes in value.

Equipment

Computer equipment, computer software and exploration equipment are recorded at cost less accumulated depreciation. The Company provides for depreciation using the declining balance method at rates designated to depreciate the cost of the asset over their estimated useful lives. All equipment is depreciated using an annual depreciation rate of 30%.

Exploration and Evaluation Assets

Exploration and evaluation costs are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development costs are net of the proceeds from the sale of metals from ore extracted during the development phase. Costs for a producing property will be depleted on a unit-of-production method based on the estimated life of the ore reserves when the technical feasibility and commercial viability of the property have been established. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, and the ability to obtain the necessary financing.

Impairment of Assets

The carrying amount of the Company's assets (which includes exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous periods.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration and Environmental Obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit or loss.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The Company has no restoration and environmental obligations for the periods presented.

Income Taxes

CURRENT INCOME TAX

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

DEFERRED TAX

Deferred taxes are recognized in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Company has not recognized any deferred tax assets for the years presented.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax. Equity instruments issued to agents as financing costs are measured at their fair value at the date the services were provided.

VALUATION OF EQUITY UNITS ISSUED IN PRIVATE PLACEMENTS

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements while the Company is a private corporation was determined to be the more easily measurable component and were valued at their fair value, as determined by the unit price. Any value attributed to the warrants is recorded to reserves. Upon exercise, the original consideration is reallocated from share purchase warrants reserve to issued share capital along with the associated exercise price. Original consideration associated with expired share purchase warrants is reallocated to issued share capital.

Basic and Diluted Loss Per Share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated assuming that outstanding share purchase warrants, with an average market price that exceeds the average exercise prices of the warrants for the reporting period, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the reporting period. Warrants were excluded from diluted loss per share for the periods presented.

Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company's operating segments are components of the Company's business for which discrete financial information is available and which are reviewed regularly by the Company's Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance.

New Accounting Policies Adopted

IFRS 9: FINANCIAL INSTRUMENTS

The IASB issued IFRS 9 to replace IAS 39: Financial Instruments: Recognition and Measurement. IFRS 9 introduced a revised model for classification and measurement. The Company early adopted IFRS 9 effective April 7, 2017.

IFRIC 23: UNCERTAINTY OVER INCOME TAX TREATMENTS

IFRIC 23 is applied to the determination of taxable profit or loss, unused tax losses, unused tax credits, tax rates and tax bases, when there is uncertainty about income tax treatment under IAS 12 Income Taxes. The Company early adopted IFRIC 23 effective April 7, 2017.

New and Amended IFRS Pronouncements

The following standard applicable to the Company is not yet effective and has not been applied in preparing these consolidated financial statements.

IFRS 16: LEASES

The IASB issued IFRS 16 to replace IAS 17: Leases. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a “right-of-use asset” for virtually all lease contracts, and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The Company has determined the impact of this new standard will require the capitalization of an office lease agreement and increased disclosure.

04 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below:

Economic Recoverability and Probability of Future Economic Benefits of Exploration and Evaluation Assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

DETERMINATION OF FUNCTIONAL CURRENCY

The Company determines the functional currency through an analysis of several indicators of autonomy such as financing activities, expenses and cash flow, retention of operating cash flows, and frequency of transactions with the reporting entity.

05 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The value of cash and trade and other payables approximates their carrying values as December 31, 2018 and December 31, 2017 due to their short-term nature.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

CREDIT RISK

The Company is exposed to industry credit risks arising from its cash. The Company manages credit risk by holding cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the year ended December 31, 2018.

FOREIGN CURRENCY RISK

The Company is exposed to nominally foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars.

PRICE RISK

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity

prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

06 EXPLORATION AND EVALUATION ASSETS

Carrying Amount

The following table represents acquisition costs incurred on the exploration and evaluation assets:

	MCQ, Canada	Tibbs, USA	Seventymile, USA	Northway, USA	Total
At April 7, 2017	\$ -	\$ -	\$ -	\$ -	\$ -
Additions: Cash property payments	-	40,393	-	-	40,393
Additions: Staking	14,990	-	-	-	14,990
At December 31, 2017	14,990	40,393	-	-	55,383
Additions: Cash property payments	100,000	64,940	38,892	38,892	242,724
Additions: Staking	44,370	9,570	-	15,951	69,891
At December 31, 2018	\$ 159,360	\$ 114,903	\$ 38,892	\$ 54,843	\$ 367,998

Expenditures

Details of the Company's exploration and evaluation expenditures, which have been cumulatively expensed in the consolidated statement of loss and comprehensive loss, are as follows:

	MCQ	Tibbs	Seventymile	Northway	Project Support	Total for the year ended December 31, 2018
Registration fees	\$ 15,599	\$ 47,091	\$ -	\$ 17,176	\$ 195	\$ 80,061
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	377,266	207,002	174,541	-	758,809
Pre-season work	-	57,681	-	-	-	57,681
GeoProbe	290,679	76,345	69,211	-	-	436,235
Soil and rock sampling	100,000	-	106,090	422,907	-	628,997
Geophysical surveying	185,072	201,714	228,943	-	81	615,810
Drilling	58,747	-	-	-	-	58,747
Geological consulting	6,892	13,670	13,443	2,146	14,135	50,286
Salary & legal costs	69,361	182,534	159,687	166,973	-	578,555
Other	8,974	13,243	8,025	5,245	49,668	85,156
Total exploration expenditures	\$ 735,324	\$ 969,544	\$ 825,666	\$ 822,253	\$ 64,079	\$ 3,416,866

	MCQ	Tibbs	Seventymile	Northway	Project Support	Total for the period April 7–December 31, 2017
Registration fees	\$ 3,872	\$ 22,745	\$ -	\$ -	\$ -	\$ 26,617
Trenching & helicopter	-	217,856	-	-	-	217,856
Geological consulting	-	4,550	-	-	14,981	19,531
Salary & legal costs	23,964	23,298	85,408	28,632	758	162,060
Other	-	1,546	-	2,494	574	4,613
Total exploration expenditures	\$ 27,836	\$269,995	\$ 85,408	\$ 31,126	\$ 16,312	\$ 430,677

Property Agreements

NORTHWAY

In June 2018, the Company entered into a mining lease agreement with Doyon, Limited (“Doyon”) for a 100% interest in an area of the Alaska Native regional corporation mineral estate in the southern Fortymile Mining District, Alaska (the “Northway Property”). The lease covers the mineral estate and a portion of the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operational period of a mine.

In consideration the Company paid Doyon \$38,892 (\$30,000 USD) in June 2018 and is committed to the following remaining option payments:

- I. \$30,000 USD each January in 2019–2021
- II. \$60,000 USD each January 2022–2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study

The Company has committed to incur the following amounts for exploration expenditures on the Northway Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020–2023	750,000
2024–2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company paid Doyon a scholarship fee of \$33,265 (\$25,000 US) during the year ended December 31, 2018 and is committed to paying a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Northway Property.

SEVENTYMILE

In June 2018, the Company entered into a mining lease agreement with Doyon for a 100% interest in the area of the Alaska Native regional corporation mineral estate in the Eagle Mining District, Alaska (the “Seventymile Property”). The lease covers the mineral estate and the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operating operation period of a mine.

In consideration the Company paid Doyon \$38,892 (\$30,000 USD) in June 2018 and is committed to the following remaining option payments:

- i) \$30,000 USD each January in 2019–2021
- ii) \$60,000 USD each January 2022–2027
- iii) \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to \$300,000 USD.
- iv) \$600,000 USD upon completion of a feasibility study

The Company has committed to incur the following amounts for exploration expenditures on the Seventymile Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020-2023	750,000
2024-2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company paid Doyon a scholarship fee of \$33,265 (\$25,000 US) during the year ended December 31, 2018 and is committed to paying a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Seventymile Property.

TIBBS

In June 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC. (“Tibbs”) for a 100% interest in the surface and subsurface rights to State of Alaska Mining Claims in the Fairbanks Recording District, Alaska (the “Tibbs Property”). The agreement grants Tibbs a 2.5% NSR, of which 1.5% can be purchased for \$1,500,000 USD. The term of the lease is ten years.

In consideration the Company paid Tibbs \$40,393 (\$30,000 USD) in June 2017 and \$64,940 (\$50,000 USD) in June 2018. The Company is committed to paying a \$50,000 USD option payment each June in 2019-2027. The Company must incur an aggregate amount of \$1,000,000 USD in exploration expenditures by June 2022.

MCQ

In January 2018 and amended subsequent to December 31, 2018, the Company entered into an option agreement with Shawn Ryan and Wildwood Holdings Inc. (the “MCQ Option Holders”) for a 100% interest in the Mayo District of Yukon Canada (the “MCQ Property”). The MCQ Option Holders are granted a 2.0% NSR of which half is purchasable by the Company for \$2,000,000.

In consideration the Company paid the MCQ Option Holders \$100,000 in January 2018 and is committed to the following remaining option payments:

Year	Cash Payment	Number of common shares of the Company
January 2019	50,000	150,000
November 2019	50,000	150,000
January 2020	100,000	300,000
January 2021	125,000	300,000
January 2022	150,000	300,000
January 2023	200,000	500,000

Subsequent to December 31, 2018, the Company paid the \$50,000 option payment and issued the 150,000 common shares of the Company due January 2019.

The Company has committed to incur the following amounts for exploration expenditures on the MCQ Property:

Year	Amount of exploration expenditures
By November 15, 2018 (commitment fully met)	\$ 300,000
By November 15 in each year of 2020-2021	\$ 500,000
By November 15, 2022	\$ 1,610,000

During the year ended December 31, 2018, the Company issued Shawn Ryan 400,000 common shares with a value of \$0.25 per share for a total issuance of \$100,000 in compensation for previous exploration work performed on the MCQ property (Note 7c)

07 SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

- a) On June 9, 2017, the Company issued 4,000,000 common shares to the founders of the Company at a price of \$0.01 per share for total proceeds of \$40,000.
- b) On June 16, 2017, the Company issued 8,200,000 units at a price of \$0.05 per unit for gross proceeds of \$410,000. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of \$0.10 and expires June 16, 2022. The fair value attributed to the common shares was \$410,000.
- c) On April 12, 2018, as per the terms of the option agreement on the MCQ Property (Note 6), the Company issued Shawn Ryan of Wildwood Exploration Inc. 400,000 common shares with a value of \$0.25 per share for a total issuance of \$100,000 in compensation for exploration work performed on the MCQ property.
- d) On April 12, 2018, the Company completed an employee financing. The Company issued 1,020,000 common shares at a price of \$0.10 per share for gross proceeds of \$102,000. These proceeds were received in advance during the period April 7 – December 31, 2017.
- e) On April 13, 2018, the Company completed a private placement financing. The Company issued 17,985,214 common shares at a price of \$0.35 per share for gross proceeds of \$6,294,825. Financing costs were \$242,201, for net proceeds of \$6,052,624. Additionally, the Company issued 24,845 common shares to an agent as compensation for finder fees valued at \$8,696.
- f) During the period April 7 – December 31, 2017, the Company declared an early warrant financing. To incentivize warrant holders to exercise their warrants, each warrant exercised would be exchanged for a common share and an additional warrant. Each new warrant would be convertible into one common share at an exercise price of \$0.25 and expire June 16, 2022. During the year ended December 31, 2018, 3,380,000 warrants issued under Notes 7b and 7d were exercised under the early exercise financing for total proceeds of \$338,000. Of these proceeds, \$248,000 were received in advance during the period April 7 – December 31, 2017.

Share Purchase Warrants

- g) On June 16, 2017, the Company issued 4,100,000 warrants in connection with its financing described in Note 7b. The value attributable to the warrants was \$nil.
- h) On April 12, 2018, the Company issued 2,980,000 warrants in connection with its early warrant financing described in Note 7f. The value attributable to the warrants was \$nil.
- i) On April 16, 2018, the Company issued 400,000 warrants in connection with its early warrant financing described in Note 7f. The value attributable to the warrants was \$nil.

A summary of the Company's warrants and the changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted average exercise price (\$)
Balance – April 7, 2017	-	-	-
Issued	4,100,000	4,100,000	0.10
Balance – December 31, 2017	4,100,000	4,100,000	0.10
Issued	3,380,000	3,380,000	0.25
Exercised	(3,380,000)	(3,380,000)	(0.10)
Balance – December 31, 2018	4,100,000	4,100,000	0.22

Warrants outstanding as at December 31, 2018 are as follows:

Number outstanding	Exercise price per share	Expiry date
720,000	\$ 0.10	June 16, 2022
3,380,000	\$ 0.25	June 16, 2022
4,100,000		

08 RELATED PARTY TRANSACTIONS

The Company defines key management personnel as its directors and officers. The Company entered into the following transactions with its key management:

	For the year ended December 31, 2018	For April 7–December 31, 2017
Employee salaries and benefits – administration expense	\$ 151,468	\$ 10,374
Employee salaries and benefits – exploration expense	270,693	213,763
Professional fees	9,000	14,000
Exploration expense	1,555,702	-

As of December 31, 2018, included in accounts payable is \$nil (December 31, 2017: \$1,000) due to directors and officers of the Company.

09 ADMINISTRATION EXPENSES

The administration expenses for the Company are as follows:

	For the year ended December 31, 2018	For the period April 7- December 31, 2017
Employee benefits and salary	\$ 203,178	\$ 110,516
Professional fees	103,726	26,509
Travel and meals	65,604	33,023
Insurance	13,447	2,476
Marketing	49,096	9,585
Other	75,602	19,940
Total administration expenses	\$ 510,653	\$ 202,049

10 SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the year ended December 31, 2018, the Company's significant non-cash transactions consisted of:

	For the year ended December 31, 2018	For the period April 7- December 31, 2017
Subscriptions received in prior period transferred to share capital	\$ 350,000	-
Shares issued for financing fees	\$ 8,696	-

11 CONTRACTUAL OBLIGATIONS

During the year ended December 31, 2018, the Company signed an office lease agreement to pay rent for the year ended December 31, 2019 of \$20,805 and for the year ended December 31, 2020 of \$9,252.

12 SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation assets and expenditures which are disclosed by geographic location in Note 6. All corporate expenses are incurred in Canada.

13 INCOME TAXES

The income tax recovery differs from the amount that would result from applying the federal and provincial income tax rate to loss before income taxes. These differences result from the following items:

	For the year ended December 31, 2018	For the period April 7- December 31, 2017
Loss for the period before income tax	\$ (3,941,885)	\$ (636,882)
Canadian federal and provincial income tax rates	12%	13%
Income tax recovery based on the above rates	(473,026)	(79,610)
Increase (decrease) due to:		
Difference between statutory and foreign and long-term tax rates	(693,971)	(108,374)
Permanent differences and other	(59,017)	(840)
Change in valuation allowance	1,226,104	188,824
Total income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2018	2017
Deferred tax assets:		
Exploration and evaluation assets	\$ 985,150	\$ 132,796
Non-capital losses available for future period	375,705	56,028
Other	54,073	-
Value of deferred income tax assets	1,414,928	188,824
Valuation allowance	(1,414,928)	(188,824)
Net deferred income tax assets	\$ -	\$ -

Tax attributes are subject to review and potential adjustment by tax authorities.

The Company has non-capital losses of \$1,391,499 available to offset against taxable income in future years, which if unutilized will expire 2037-2038 and share issue costs of \$248,947 available to offset against taxable income in future years, which if unutilized will expire through 2023. The Company also has resource exploration expenditures of \$3,611,720 available to offset taxable income in future years. Deferred tax benefits that may arise as a result of these losses, resource deductions and other tax assets have not been recognized in these financial statements due to a lack of probability of their realization.

14 CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and warrants.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the year ended December 31, 2018 and the period April 7 – December 31, 2017.

As of December 31, 2018, the capital structure of the Company consists of \$2,453,519 (2017 – \$152,780) equity attributable to common shareholders, comprising of issued capital and deficit.

15 SUBSEQUENT EVENTS

PROPOSED TRANSACTION

Subsequent to December 31, 2018, the Company announced a private placement issuance of up to 14,285,715 special warrants at \$0.35 per special warrant (the "Special Warrants") concurrent with the intent to list all of its outstanding common shares on the Toronto Venture Stock Exchange (the "TSXV"). The agents have an option to increase the private placement by 15%. Upon closing of the private placement, the Company has 120 days to obtain a receipt for a final non-offering prospectus with the TSXV or the Company will be obligated to issue an additional 10% Special Warrants to existing Special Warrant holders. Each Special Warrant entitles to the holder to one common share of the Company and one warrant exercisable into one common share of the Company with an expiry of two years after closing of the private placement and an exercise price of \$0.50.

The Company will pay a cash commission of 6% of the brokered gross proceeds, compensation warrants to acquire common shares equal to 6% of the number of brokered Special Warrants sold, and a cash commission

of 2% of the non-brokered gross proceeds. The Company will also pay a finance fee of \$100,000 payable \$50,000 in cash and 142,857 Special Warrants.

SCHEDULE B

Management's discussion and analysis for the year ended December 31, 2018 and the period from incorporation on April 7, 2017 to December 31, 2017

(See attached)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2018

(Expressed in Canadian Dollars, Unless Otherwise Noted)

DATE OF THE REPORT: JUNE 14, 2019

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Tectonic Metals Inc. ("Tectonic" or the "Company") together with its subsidiaries as of the date of the report, and is intended to supplement and complement the Company's audited consolidated financial statements for the year ended December 31, 2018 and period April 7–December 31, 2017 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The information contained within this MD&A is current to the date of the report and all figures are stated in Canadian dollars unless otherwise noted.

OVERVIEW

Tectonic was incorporated on April 7, 2017 under the laws of the British Columbia Business Corporations Act. The Company's principal business activities include the identification, acquisition and exploration of mineral properties primarily in the United States and Canada. The Company's exploration is focused on precious and base metals with an emphasis on gold. On May 13, 2019 Tectonic announced a private placement issuance concurrent with the intent to list all the Company's outstanding common shares on the Toronto Venture Stock Exchange (the "TSXV").

HIGHLIGHTS AND DEVELOPMENTS

- *On May 13, 2019, the Company announced a private placement concurrent with the intent to list all of the Company's outstanding common shares on the TSXV*
- *During the year ended December 31, 2018, the Company completed a private placement financing for gross proceeds of \$6,294,825*
- *During the year ended December 31, 2018, the Company entered into two mining lease agreements and one option agreement*
- *During the year ended December 31, 2017, the Company entered into one mining lease agreement*
- *During the year ended December 31, 2018, the Company conducted sampling, trenching, and geophysics on the Company's mineral properties*
- *By December 31, 2018, the Company had its management team in place with the hiring of a full-time Chief Executive Officer, Chief Financial Officer, and Vice-President of Exploration and the appointment of four directors to the Board of Directors*

PROPOSED TRANSACTION

On May 13, 2019, the Company announced a private placement of up to 14,285,715 special warrants at \$0.35 per special warrant (the "Special Warrants") concurrent with the intent to list all of the Company's outstanding common shares on the TSXV. Upon closing of the private placement, the Company has 120 days to obtain a receipt for a final non-offering prospectus with the TSXV or the Company will be obligated to issue an additional 10% Special Warrants to existing Special Warrant holders. Each Special Warrant entitles the holder to one common share and one warrant exercisable into one common share of the Company with an expiry of two years after the closing of the private placement and an exercise price of \$0.50.

The Company will pay a cash commission of 6% of the brokered gross proceeds, compensation warrants to acquire common shares equal to 6% of the number of brokered Special Warrants sold, and a cash commission of 2% of the non-brokered gross proceeds. The Company will also pay a finance fee of \$100,000 payable \$50,000 in cash and 142,857 Special Warrants.

MANAGEMENT

As of the date of this report, the following individuals are officers of Tectonic:

Antonio Reda, President, Chief Executive Officer & Director

Prior to founding Tectonic, Mr. Reda was Vice President, Corporate Development for Kaminak Gold Corporation ("Kaminak") where he was responsible for executing Kaminak's strategic planning, business development, capital raises and marketing while overseeing Kaminak's public relations and investor communications.

Krysta Rehaag, Chief Financial Officer & Corporate Secretary

Prior to joining Tectonic, Mrs. Rehaag was Chief Financial Officer at Pathway Capital Ltd. where she managed several private and public mining companies including Sandstorm Gold Ltd. ("Sandstorm") She later joined Sandstorm full-time as Corporate Treasurer. Krysta is a Chartered Professional Accountant (CA) and a Chartered Financial Analyst charter holder. She holds a Bachelor of Mathematics and Master of Accounting from the University of Waterloo.

Eric Buitenhuis, P. Geo, Vice President, Exploration

Mr. Buitenhuis is a Professional Geologist and Qualified Person with experience in cost-effective grassroots discovery and resource delineation. Mr. Buitenhuis began his career with Kaminak in 2011 where he was a core member of the technical team that designed, budgeted, executed and supervised Kaminak's exploration and resource definition programs. Mr. Buitenhuis joined Goldcorp Inc. ("Goldcorp") following their acquisition of Kaminak's Coffee Project in 2016. At Goldcorp, Mr. Buitenhuis oversaw the field activities of the Coffee Gold exploration team. Mr. Buitenhuis holds a Bachelor of Sciences (Honours) in Geology and a Master of Science in Geology, both from the University of Western Ontario and is a Professional Geologist registered in Ontario.

Eira Thomas, Chair

Ms. Thomas is a respected Canadian geologist whose career in the Canadian exploration and mining business spans more than 25 years. In the 1990s, she led the Aber Resources Ltd. ("Aber") field exploration team that discovered Diavik, Canada's second diamond mine. Ms. Thomas spent more than 16 years at Aber, becoming Vice-President Exploration in 1997 and joined the Board of Directors in 1998, serving until 2006 when she resigned to focus on her role as CEO of Stornoway Diamond Corporation. Ms. Thomas then served as President, CEO and Director for Kaminak. She is currently a director of Suncor, Lucara Diamond Corp., the Yukon Mineral Advisory Board, the University of Toronto Alumni Association and the University of Toronto President's Internal Advisory Council.

Curt Freeman

Mr. Freeman is President of Avalon, a mineral exploration consulting firm based in Fairbanks, Alaska. Mr. Freeman earned his Bachelor's degree in Geology in 1978 from the College of Wooster, Ohio and his Master's Degree in Economic Geology in 1980 from University of Alaska in Fairbanks. Mr. Freeman is a U.S. Certified Professional Geologist with the American Institute of Professional Geologists and is a licenced geologist in the state of Alaska. Mr. Freeman is a Fellow of the Society of Economic Geologists, a member and past director of Alaska Miners Association and a member of the Geological Society of Nevada, Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada. Mr. Freeman also serves as Chairman of the Geological Mapping Advisory Board for the State of Alaska Division of Geological and Geophysical Surveys.

Allison Rippin Armstrong

Mrs. Rippin Armstrong has over 25 years of experience in permitting, regulatory processes and environmental compliance, working with Indigenous organizations, resource companies, regulatory agencies, and territorial and federal governments. She served as the Vice President of Sustainability at Kaminak until it was acquired by Goldcorp in 2016.

Ms. Rippin Armstrong served on the board of Yukon Women in Mining as Vice President for three years. She is a founding member of the Yukon University Foundation Board and has served on Northwest Territories and Nunavut Chambers of Mines.

TIBBS PROPERTY

Overview

On June 15, 2017, the Company and Tibbs Creek Gold, LLC ("Tibbs") entered into a mining lease and option agreement (the "Tibbs Agreement") where Tibbs granted to the Company the full and exclusive right to use, occupy, and carry out mineral exploration, production, and extraction activities on the Tibbs Property and earn a 100% interest in the Tibbs Property. The Tibbs Property comprises 169 claims covering a total of 5,457.5 hectares ("Ha") located in the Big Delta B1 Quadrangle of the Fairbanks Recording District in the State of

Alaska. The Tibbs Agreement is for a period of 10 years terminating June 15, 2027. The Tibbs Agreement grants Tibbs a 2.5% net smelter return ("NSR"), of which 1.5% can be purchased for \$1,500,000 USD.

Option Payments and Exploration Commitments

In consideration for the Tibbs Agreement, the Company paid Tibbs \$40,393 (\$30,000 USD) in June 2017 and \$64,940 (\$50,000 USD) in June 2018. The Company is committed to paying a \$50,000 USD option payment each June in 2019-2027 (the "Tibbs Anniversary Payments"). The Company must incur an aggregate amount of \$1,000,000 USD in exploration expenditures by June 15, 2022. Further, the Company has agreed to pay Tibbs a cash payment of \$1,000,000 USD if the Company commences commercial production on the Tibbs Property. The Company has the option to acquire the Tibbs Property at any time during the lease term by making a lump sum payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments. If during the term of the Tibbs Agreement the Company completes a preliminary economy assessment ("PEA"), the Company must make a cash payment of \$25,000 USD each year to Tibbs in addition to the Tibbs Anniversary Payments.

Exploration Program

2017

Tectonic conducted a field program comprising rock and soil sampling from August 15 to September 5, 2017. A crew of 2 geologists and 4 soil samplers collected 198 rock grab samples and 514 soil samples.

2018

During June 2018, Tectonic performed a Phase I program which involved geological mapping, prospecting of new ground acquired during 2018, rock sampling, limited soil sampling and a 1,266 metre CanDig trenching program. As well as a 605 line-kilometre Dighem V aeromagnetic and electromagnetic survey was flown across the property.

During September 2018, Tectonic performed a Phase II program which involved CanDig trenching and soil sampling.

NORTHWAY PROPERTY

Overview

On June 1, 2018, the Company and Doyon, Limited ("Doyon") entered into a mining lease agreement (the "Northway Agreement") where Doyon granted to the Company the full and exclusive right to use, occupy, and carry out mineral exploration, development, and production on the Northway Property. The Northway Property surrounds the village of Northway, Alaska on lands located within the Tanacross Mining District. The property centre is approximately 348 kilometres southeast of Fairbanks and approximately 43 kilometres west of the United States-Canada border. The Northway Agreement is for a period of 15 years terminating June 1, 2033 and includes renewal clauses to extend the lease period up to the entire operational period of a mine. Doyon is

granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds, and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Option Payments and Exploration Commitments

In consideration for the Northway Agreement, the Company paid Doyon \$38,893 (\$30,000 USD) in June 2018 and is committed to the following remaining option payments:

- I. \$30,000 USD each January in 2019–2021
- II. \$60,000 USD each January 2022–2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study, this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study.

The Company has committed to incur the following amounts for exploration expenditures on the Northway Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020–2023	750,000
2024–2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company paid Doyon a scholarship fee of \$33,265 (\$25,000 US) during the year ended December 31, 2018 and is committed to paying a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Northway Property.

Exploration Program

2018

Tectonic completed a surface sampling and reconnaissance exploration program between July 19 and August 23, 2018. The objective of the exploration program was to test whether the property has district scale potential for intrusion related Au and/or porphyry Au-Cu mineral systems. Due to the size of the property, this was accomplished through a balance of regional stream sediment and pan concentrate sampling, ridge-top auger soil sampling, infill auger soil sampling at known targets, and targeted geological mapping and prospecting.

For the regional soil sampling a total of 626 samples were collected with minor anomalism detected in the west-central portion of the property.

Infill soil sampling was conducted at Targets 6 and 7. At Target 6 140 auger soils were collected with core copper anomaly confirmed with strike extent of ~1,2400 metres. At Target 7 186 auger soils were collected with core east-west trending gold anomaly > 800 metres in strike detected.

A total of 282 stream sediment, 90 pan concentrate samples, and 30 regional rock grab samples were collected.

The Company excavated a 127 metre CanDig trench at Target 7 and identified a 21-metre corridor of anomalous Au, Ag, As, Bi, Cu, Pb, and Sb.

SEVENTYMILE PROPERTY

Overview

On June 1, 2018, the Company and Doyon entered into a mining lease agreement (the "Seventymile Agreement") where Doyon granted to the Company the full and exclusive right to use, occupy, and carry out mineral exploration, development, and production on the Seventymile Property. The Seventymile Property is located approximately 270 kilometres east of Fairbanks, Alaska and approximately 59 kilometres west of Eagle, Alaska. The Seventymile Agreement is for a period of 15 years terminating June 1, 2033, and includes renewal clauses to extend the lease period up to the entire operational period of a mine. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Option Payments and Exploration Commitments

In consideration the Company paid Doyon \$38,892 (\$30,000 USD) in June 2018 and is committed to the following remaining option payments:

- I. \$30,000 USD each January in 2019-2021
- II. \$60,000 USD each January 2022-2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study, this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study.

The Company has committed to incur the following amounts for exploration expenditures on the Seventymile Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020-2023	750,000
2024-2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company paid Doyon a scholarship fee of \$33,265 (\$25,000 US) during the year ended December 31, 2018 and is committed to paying a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Seventymile Property.

Exploration Program

2018

During the year ended December 31, 2018, Tectonic completed an auger soil sampling and CanDig trenching program. The objective of the program was to test the Greenstone-hosted quartz vein model in the Flume trend. A 1,762 line-kilometre high-definition MIDAS magnetic survey was flown in order to locate lithologic contacts and to precisely geo-reference a geologic map. Subsequently Tectonic sampled the major lithologic contacts and possible shear structures through power auger sampling. During Phase 1 power auger soil sampling the Company collected a total of 280 soil samples. During a Phase II auger soil sampling campaign the Company collected 100 samples. In addition, the Company conducted 106 metres of trenching with a helicopter-portable backhoe.

MCQ PROPERTY

Overview

In January 2018 and amended subsequent to December 31, 2018, the Company and Shawn Ryan and Wildwood Holdings Inc. (the "MCQ Option Holders") entered into an option agreement for a 100% interest in the MCQ Property, located in the Mayo District of Yukon, Canada (the "MCQ Agreement"). The MCQ Option Holders are granted a 2.0% NSR of which half is purchasable by the Company for \$2,000,000.

Option Payments and Exploration Commitments

In consideration the Company paid the MCQ Option Holders \$100,000 in January 2018 and is committed to the following remaining option payments:

Year	Cash Payment \$	Number of common shares of the Company
January 2019	50,000	150,000
November 2019	50,000	150,000
January 2020	100,000	300,000
January 2021	125,000	300,000
January 2022	150,000	300,000
January 2023	200,000	500,000

Subsequent to December 31, 2018, the Company paid the \$50,000 option payment and issued the 150,000 common shares of the Company due January 2019.

The Company has committed to incur the following amounts for exploration expenditures on the MCQ Property:

Year	Amount of exploration expenditures
By November 15, 2018 (commitment fully met)	\$ 300,000
By November 15 in each year of 2020-2021	\$ 500,000
By November 15, 2022	\$ 1,610,000

During the year ended December 31, 2018, the Company issued Shawn Ryan 400,000 common shares with a value of \$0.25 per share for a total issuance of \$100,000 in compensation for previous exploration work performed on the MCQ Property.

Exploration Program

2018

During the year ended December 31, 2018, the Company completed a 965 line-kilometre DighemV airborne survey and collected complete magnetic and EM data for the entire MCQ Property. Subsequent interpretation identified two structural domains, with complex block-faulting and coincident magnetic lows and soil gold anomalism for probe follow-up. An 85 square kilometre LIDAR survey was completed on July 5, 2018. The highly detailed hillshade allowed for detailed lineament analysis over the entire property. A total of 4,565 metres of GeoProbe sampling was completed with no significant results detected. Two trenches totalling 200 metres were completed during a follow-up CanDig trenching program with no evidence for bedrock gold mineralization encountered.

SUMMARY CONSOLIDATED FINANCIAL RESULTS

	Year Ended December 31, 2018	For the period April 7- December 31, 2017
EXPENSES		
Exploration expenses	\$ 3,416,866	\$ 430,677
Administration expenses	510,653	202,050
Foreign exchange loss	14,366	4,155
Loss and comprehensive loss for the period	\$ (3,941,855)	\$ (636,882)
Basic and diluted loss per share	\$ (0.14)	\$ (0.07)

	December 31, 2018	December 31, 2017
Cash	\$ 2,079,340	\$ 157,210
Total assets	2,566,738	222,997

During the year ended December 31, 2018, the Company incurred a \$3,941,855 loss, which was higher than the \$636,882 loss during the period April 7- December 31, 2017 mainly due to higher exploration expenses. Exploration expenses increased due to the acquisition of three additional option agreements during 2018 and the Company conducting an exploration program on all four properties.

The following table details the nature of exploration expense per property:

	MCQ	Tibbs	Seventymile	Northway	Project Support	Total for the year ended December 31, 2018
Registration fees	\$ 15,599	\$ 47,091	\$ -	\$ 17,176	\$ 195	\$ 80,061
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	377,266	207,002	174,541	-	758,809
Pre-season work	-	57,681	-	-	-	57,681
GeoProbe sampling	290,679	76,345	69,211	-	-	436,235
Soil and rock sampling	100,000	-	106,090	422,907	-	628,997
Geophysical surveying	185,072	201,714	228,943	-	81	615,810
Drilling	58,747	-	-	-	-	58,747
Geological consulting	6,892	13,670	13,443	2,146	14,135	50,286
Salary & legal costs	69,361	182,534	159,687	166,973	-	578,555
Other	8,974	13,243	8,025	5,245	49,668	85,155
Total exploration expenditures	\$ 735,324	\$ 969,544	\$ 825,666	\$ 822,253	\$ 64,079	\$ 3,416,866

	MCQ	Tibbs	Seventymile	Northway	Project Support	Total for the period April 7–December 31, 2017
Registration fees	\$ 3,872	\$ 22,745	\$ -	\$ -	\$ -	\$ 26,617
Trenching & helicopter	-	217,856	-	-	-	217,856
Geological consulting	-	4,550	-	-	14,981	19,531
Salary & legal costs	23,964	23,298	85,408	28,632	758	162,060
Other	-	1,546	-	2,494	573	4,613
Total exploration expenditures	\$ 27,836	\$269,995	\$ 85,408	\$ 31,126	\$ 16,312	\$ 430,677

The loss of \$3,941,855 from the year ended December 31, 2018 was higher than the loss of \$636,882 from the period April 7–December 31, 2017 also due to higher administrative expenses. Administrative expenses increased due to the hiring of additional staff: at December 31, 2018 there were 6 full-time employees and 1 part-time employee compared to at December 31, 2017 whereby the Company had 2 full-time employees. As well, professional fees increased during to an increase in activity in the Company.

The administration expenses for the Company are as follows:

	For the year ended December 31, 2018	For the period April 7–December 31, 2017
Employee benefits and salary	\$ 203,178	\$ 110,516
Professional fees	103,726	26,509
Travel and meals	65,604	33,023
Insurance	13,447	2,476
Marketing	49,096	9,585
Other	75,602	19,940
Total administration expenses	\$ 510,653	\$ 202,050

Cash and total assets increased December 31, 2018 from December 31, 2017 due to the Company completing a private placement April 13, 2018 and raising gross proceeds of \$6,294,825 (the "April 2018 Private Placement"). The Company spent partial of the proceeds raised for the 2018 exploration program and for general working capital.

QUARTERLY RESULTS

Three Months Ended:	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar. 31, 2018
Exploration expenses	\$ 594,137	\$ 1,739,788	\$ 967,665	\$ 115,276
Administrative expenses	321,129	69,226	67,660	52,638
Foreign exchange loss (gain)	18,357	(6,022)	2,031	-
Loss and comprehensive loss	\$ (933,623)	\$ (1,802,992)	\$ (1,037,356)	\$ (167,914)
Basic and diluted loss per share	\$ (0.03)	\$ (0.05)	\$ (0.03)	\$ (0.01)

The Company's loss and exploration expenses increased from Q1 2018 after the acquisition of three additional mineral lease agreements and the exploration programs conducted on all four of the Company's properties. Administrative expenses increased Q4 2018 due to the hiring of three full-time employees and due to an increase of professional fees resulting from increased activity in the company including an accrual for the 2018 financial statement audit.

The Company has not prepared quarterly financial statements for the period April 7–December 31, 2017.

LIQUIDITY AND CAPITAL RESOURCES

Summary of cash position and changes in cash

	For the year ended December 31, 2018	For the period April 7–December 31, 2017
Cash flow used in operating activities	\$ (3,868,079)	\$ (569,483)
Cash flow used in investing activities	(339,164)	(59,886)
Cash flow provided by financing activities	6,142,624	789,662
Effect of foreign exchange on cash	(13,251)	(3,083)
Net change	1,922,130	157,210
Cash — end of period	\$ 2,079,340	\$ 157,210

As at December 31, 2018, the Company had a working capital of \$2,060,669 compared to working capital of \$94,132 as at December 31, 2017. The increase in working capital resulted from an increase in net cash.

Cash flow used in operations was higher during the year ended December 31, 2018 compared to April 7–December 31, 2017 due to an increase in exploration expenditures.

Cash flow used in investing activities was higher during the year ended December 31, 2018 compared to April 7–December 31, 2017 due to an increase in acquisition payments made for exploration and evaluation assets from the acquisition of 3 additional mineral lease agreements.

Cash flow provided by financing activities was higher during the year ended December 31, 2018 compared to April 7–December 31, 2017 as a result of the April 2018 Private Placement.

Going concern

The consolidated financial statements and financial results discussed herein of the Company were prepared assuming Tectonic will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Commitments

During the year ended December 31, 2018, the Company signed an office lease agreement to pay rent for the year ended December 31, 2019 of \$20,805 and for the year ended December 31, 2020 of \$9,252.

Capital Management

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and warrants.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the year ended December 31, 2018 and the period April 7–December 31, 2017.

SHAREHOLDER'S EQUITY

Tectonic is authorized to issue an unlimited number of common shares without par value. As at December 31, 2018 and date of this report:

	Common Shares	Share purchase warrants
As at December 31, 2018	35,010,059	4,100,000
Common shares issued for option payment	150,000	-
As at date of report	35,160,059	4,100,000

2017 and 2018 Issuances

On June 9, 2017, the Company issued 4,000,000 common shares to directors of the Company at a price of \$0.01 per share for total proceeds of \$40,000.

On June 16, 2017, the Company issued 8,200,000 units at a price of \$0.05 per unit for gross proceeds of \$410,000. Each unit is comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of \$0.10 and expires June 16, 2022.

The proceeds received from the 2017 financings were used for the 2017 exploration work program described in "Tibbs Property – Exploration Program 2017" and for general working capital requirements.

On April 12, 2018, the Company completed an employee financing and issued 1,020,000 common shares at a price of \$0.10 per share for gross proceeds of \$102,000.

On October 5, 2017, the Company declared an early warrant financing. To incentivize warrant holders to exercise their warrants, each warrant exercised would be exchanged for a common share and an additional warrant. Each new warrant would be convertible into one common share at an exercise price of \$0.25 and expire June 16, 2022. During the year ended December 31, 2018, 3,380,000 previously issued warrants were exercised under the early exercise financing for total proceeds of \$338,000.

On April 13, 2018, the Company completed a private placement financing and issued 17,985,214 common shares at a price of \$0.35 per share for gross proceeds of \$6,294,825. Financing costs incurred were \$242,201 resulting in net proceeds of \$6,052,624.

The total proceeds received from the 2018 financings were used for the 2018 exploration work program described in the Tibbs Property, Northway Property, and Seventymile Property sections and for general working capital requirements.

Subsequent Issuance

On January 19, 2019, the Company issued 150,000 common shares valued at \$52,500 pursuant to the MCQ Property Agreement.

Share Purchase Warrants

A summary of the Company's warrants and changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted average exercise price (\$)
Balance — April 7, 2017	-	-	-
Issued	4,100,000	4,100,000	0.10
Balance — December 31, 2017	4,100,000	4,100,000	0.10
Issued	3,380,000	3,380,000	0.25
Exercised	(3,380,000)	(3,380,000)	(0.10)
Balance — December 31, 2018 and June 14, 2019	4,100,000	4,100,000	0.22

Warrants outstanding as at December 31, 2018 and June 14, 2019 are as follows:

Number outstanding	Exercise price per share	Expiry date
720,000	\$ 0.10	June 16, 2022
3,380,000	\$ 0.25	June 16, 2022
4,100,000		

REGULATORY DISCLOSURES

Related Party Transactions

The Company's related parties include its subsidiaries and key management personnel which include officers, directors, or companies with common directors of the Company. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The Company incurred the following expenses with key management personnel as follows:

	For the year ended December 31, 2018	For April 7–December 31, 2017
EMPLOYEE SALARIES AND BENEFITS		
Administration expense	\$ 151,468	\$ 10,374
Exploration expense	270,693	213,763
Professional fees (1)	9,000	14,000
Exploration expense (2)	1,555,702	-

- 1) From June 9, 2017 to October 1, 2018 the Company paid Zara Boldt for her consulting services as Chief Financial Officer and Corporate Secretary of the Company. Ms. Boldt ceased being an officer of the Company on October 1, 2018.
- 2) The Company paid Avalon Development Corp. ("Avalon") for exploration services received. Avalon's President is Curt Freeman, who is also a director of the Company.

New and Amended IFRS Pronouncements

The following standard applicable to the Company is not yet effective and has not been applied in preparing the consolidated financial statements.

IFRS 16: LEASES

The IASB issued IFRS 16 to replace IAS 17: Leases. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The standard is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. The Company has determined the impact of this new standard will require the capitalization of an office lease agreement and increased disclosure.

New Accounting Policies Adopted

IFRS 9: FINANCIAL INSTRUMENTS

The IASB issued IFRS 9 to replace IAS 39: Financial Instruments: Recognition and Measurement. IFRS 9 introduced a revised model for classification and measurement. The Company early adopted IFRS 9 effective April 7, 2017.

IFRIC 23: UNCERTAINTY OVER INCOME TAX TREATMENTS

IFRIC 23 is applied to the determination of taxable profit or loss, unused tax losses, unused tax credits, tax rates and tax bases, when there is uncertainty about income tax treatment under IAS 12 Income Taxes. The Company early adopted IFRIC 23 effective April 7, 2017.

FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

The Company's financial assets, which consist of cash, and financial liabilities, which consist of trade and other payables, are both classified as amortized cost. The value of cash and trade and other payables approximates their carrying values as December 31, 2018 and December 31, 2017 due to their short-term nature.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash. The Company manages credit risk by holding cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the year ended December 31, 2018.

Foreign currency risk

The Company is exposed to nominally foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars.

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

RISKS TO TECTONIC

Exploration Stage Company

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, the determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits for which there are reasonable prospects for eventual economic extraction, based on a comprehensive evaluation of form, grade or quality and quantity, are considered mineral resources.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral

deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for the orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for the orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Many lands in the U.S. and elsewhere are or could become subject to First Nations land claims to title, which could adversely affect the Company's title to its properties.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing in order to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can

be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Climate Change Risks

The Company acknowledges climate change as an international and community concern, and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future, and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Material Contract Obligations

The agreements pursuant to which the Company acquired its interest in its properties provide that the Company must make a variety of payments in cash and common shares over certain time periods and expend certain minimum amounts on the exploration of its properties. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in one or more of the properties.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com and the Company's website at www.tectonicmetals.com.

CAUTIONARY STATEMENTS

Forward-looking Information

All statements in this presentation, other than statements of historical fact, are "forward-looking statements" or "forward looking information" with respect to Tectonic within the meaning of applicable securities laws, including statements that address pro forma capitalization tables, the size and use of proceeds of any proposed financings, the discovery and development of gold deposits, potential size of a mineralized zone, potential expansion of mineralization and timing of exploration and development plans. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding timing of exploration and development plans at the Company's mineral projects; timing and

completion of proposed financings; timing and likelihood of deployment of additional drill rigs; successful delivery of results of metallurgical testing; the release of an initial resource report on any of our properties; assumptions about future prices of gold, copper, silver, and other metal prices; currency exchange rates and interest rates; metallurgical recoveries; favourable operating conditions; political stability; obtaining governmental approvals and financing on time; obtaining renewals for existing licences and permits and obtaining required licences and permits; labour stability; stability in market conditions; availability of equipment; accuracy of historical information; successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of the Company, and there is no assurance they will prove to be correct.

Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, but not limited to, the cost, timing and success of exploration activities generally, including the development of new deposits; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; uses of funds in general including future capital expenditures, exploration expenditures and other expenses for specific operations; the timing, timeline and possible outcome of permitting or license renewal applications; government regulation of exploration and mining operations; environmental risks; the uncertainty of negotiating with foreign governments; expropriation or nationalization of property without fair compensation; adverse determination or rulings by governmental authorities; delays in obtaining governmental approvals; possible claims against the Company; the impact of archaeological, cultural or environmental studies within property areas; title disputes or claims; limitations on insurance coverage; the interpretation and actual results of historical operators at certain of our exploration properties; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; and delays in obtaining financing. The Company's forward-looking information reflect the beliefs, opinions and projections on the date the statements are made. The Company assumes no obligation to update forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required by law.

Scientific and Technical Information

Scientific and technical information presented in this MD&A above has been approved by Eric Buitenhuis, M.Sc., P.Geo, Vice President, Exploration, a qualified person who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101.

SCHEDULE C

**Unaudited condensed interim consolidated financial statements for the three and six months ended June 30,
2019 and 2018**

(See attached)



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars) (unaudited)

As at

	Note	June 30, 2019	December 31, 2018
ASSETS			
Current			
Cash	4	\$ 572,618	\$ 2,079,340
Receivables	4	22,604	-
Refundable deposits and other		416,620	94,548
		1,011,842	2,173,888
Equipment	5	46,695	24,852
Exploration and evaluation assets	6	618,718	367,998
Right of use asset	10	18,767	-
Deferred financing costs	14	162,500	-
		\$ 1,858,522	\$ 2,566,738
LIABILITIES			
Current			
Trade and other payables	4, 8	\$ 658,477	\$ 113,219
Lease liability	10	22,201	-
		680,678	113,219
SHAREHOLDERS' EQUITY			
Share capital	7	7,084,786	7,032,286
Share subscriptions received in advance	7, 14	21,000	-
Deficit		(5,927,942)	(4,578,767)
		1,177,844	2,453,519
		\$ 1,858,522	\$ 2,566,738

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved on behalf of the Board:

“Antonio Reda”

Antonio Reda

“Eira Thomas”

Eira Thomas

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars) (unaudited)

	Note	3 months ended June 30, 2019	3 months ended June 30, 2018	6 months ended June 30, 2019	6 months ended June 30, 2018
EXPENSES					
Exploration expenses	6	\$ 552,040	\$ 967,665	\$ 733,830	\$ 1,082,939
Administration expenses	9	355,153	67,660	609,572	120,298
Foreign exchange loss		5,639	2,031	4,622	2,033
Finance cost		451	-	1,151	-
Loss and comprehensive loss for the period		\$ (913,283)	\$ (1,037,356)	\$ (1,349,175)	\$ (1,205,270)
Basic and diluted loss per common share		\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.05)
Weighted average number of common shares outstanding		35,130,059	32,171,370	35,928,623	22,173,451

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars) (unaudited)

SHARE CAPITAL						
	Number	Amount	Share subscriptions received in advance	Deficit	Total	
At December 31, 2017	12,200,000	\$ 439,662	\$ 350,000	\$ (636,882)	\$ 152,780	
Shares issued for cash	19,005,214	6,396,825	(102,000)	-	6,294,825	
Shares issued for exploration expense	400,000	100,000	-	-	100,000	
Share purchase warrant exercises	3,380,000	338,000	(248,000)	-	90,000	
Shares issued for finder fees	24,845	8,696	-	-	8,696	
Share issue costs	-	(247,391)	-	-	(247,391)	
Loss for the period	-	-	-	(1,205,270)	(1,205,270)	
At June 30, 2018	35,010,059	\$ 7,035,792	\$ -	\$ (1,842,152)	\$ 5,193,640	
At December 31, 2018	35,010,059	\$ 7,032,286	\$ -	\$ (4,578,767)	\$ 2,453,519	
Shares issued for option payment	150,000	52,500	-	-	52,500	
Share subscriptions received in advance	-	-	21,000	-	21,000	
Loss for the period	-	-	-	(1,349,175)	(1,349,175)	
At June 30, 2019	35,160,059	\$ 7,084,786	\$ 21,000	\$ (5,927,942)	\$ 1,177,844	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars) (unaudited)

	3 months ended June 30, 2019	3 months ended June 30, 2018	6 months ended June 30, 2019	6 months ended June 30, 2018
OPERATING ACTIVITIES				
Loss for the period	\$ (913,283)	\$ (1,037,356)	\$ (1,349,175)	\$ (1,205,270)
Items not involving cash:				
Depreciation	8,735	1,236	16,578	1,481
Shares issued for exploration expense	-	100,000	-	100,000
Foreign exchange	4,090	-	5,095	-
Finance cost	640	-	1,340	-
Changes in non-cash working capital items:				
Increase in receivables	(22,604)	-	(22,604)	-
(Increase) Decrease in other current assets	(323,928)	(250,597)	(322,072)	(248,226)
Increase in trade and other payables	347,811	518,951	414,595	599,416
Cash used in operating activities	<u>\$ (898,539)</u>	<u>\$ (667,766)</u>	<u>\$ (1,256,243)</u>	<u>\$ (752,599)</u>
INVESTING ACTIVITIES				
Exploration and evaluation assets	(116,620)	(142,724)	(198,220)	(296,664)
Equipment	-	(19,551)	(27,267)	(19,551)
Cash used in investing activities	<u>\$ (116,620)</u>	<u>\$ (162,275)</u>	<u>\$ (225,487)</u>	<u>\$ (316,215)</u>
FINANCING ACTIVITIES				
Share subscriptions received in advance	21,000	-	21,000	-
Proceeds from share and share purchase warrant issuances	-	5,592,339	-	6,294,825
Warrants exercised	-	90,000	-	90,000
Share issuance costs	-	(223,689)	-	(225,649)
Deferred financing costs	(30,509)	-	(30,509)	-
Lease payments	(4,606)	-	(9,166)	-
Cash (used in) provided by financing activities	<u>\$ (14,115)</u>	<u>\$ 5,458,650</u>	<u>\$ (18,675)</u>	<u>\$ 6,159,176</u>
Effect of foreign exchange on cash	(5,359)	-	(6,317)	-
Change in cash during the period	(1,034,633)	4,628,609	(1,506,722)	5,090,362
Cash—beginning of period	1,607,251	618,963	2,079,340	157,210
Cash—end of period	<u>\$ 572,618</u>	<u>\$ 5,247,572</u>	<u>\$ 572,618</u>	<u>\$ 5,247,572</u>

Supplemental cash flow information (Note 11)

01 NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the “Company”) was incorporated on April 7, 2017 under the laws of under the British Columbia Business Corporations Act. The Company’s head office is at 312-744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

The Company’s principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the United States and Canada. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These Financial Statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The continuance of the Company’s operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company’s investments in exploration and evaluation assets which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors metal commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur. With financings completed subsequent to June 30, 2019 (Note 14), management estimates it has sufficient funds to operate for the upcoming twelve months.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements including International Accounting Standard 34: Interim Financial Reporting. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018.

The accounting policies applied in the preparation of these Financial Statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended

December 31, 2018 with the exception of new accounting policies described in Note 3. The Company's interim results are not necessarily indicative of its results for a full year.

Approval of The Financial Statements

These Financial Statements were authorized for issue by the Board of Directors of the Company on September 10, 2019.

Basis of Presentation

These Financial Statements have been prepared on a historical cost basis. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

New Accounting Policies Adopted

IFRS 16: LEASES

The IASB issued IFRS 16 to replace IAS 17: Leases. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The Company adopted IFRS 16 retrospectively from January 1, 2019. No adjustments were necessary to the Company's opening deficit as a result of the adoption of this standard. With respect to the Company's office lease, a \$30,027 right of use asset and a corresponding liability for the same amount were recognized as at January 1, 2019. The right of use asset and liability were measured at the present value of the lease payments discounted using the Company's incremental borrowing rate as of January 1, 2019. The right of use asset is amortized over the life of the lease on a straight-line basis. The right of use asset and lease liability are subsequently remeasured to reflect changes to the terms of the lease. Assets and liabilities are recognized for all leases unless the lease term is twelve months or less of the underlying asset has a low value.

03 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below:

Economic Recoverability and Probability of Future Economic Benefits of Exploration and Evaluation Assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of right of use asset and lease liability

In determining the valuation of the right of use asset and lease liability the Company is required to make judgements regarding the interest rate used for discounting future cash flows. The present value of the lease liability was determined using the estimated incremental borrowing rate of the Company.

04 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The value of cash and trade and other payables approximates their carrying values as June 30, 2019 and December 31, 2018 due to their short-term nature.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

CREDIT RISK

The Company is exposed to industry credit risks arising from its cash. The Company manages credit risk by holding cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada. Management believes that credit risk related to these amounts is nominal.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on

cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the period ended June 30, 2019.

FOREIGN CURRENCY RISK

The Company is exposed to nominally foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars.

PRICE RISK

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

05 EQUIPMENT

For the six months ended June 30, 2019

	COST			ACCUMULATED DEPRECIATION			Net Book Value
	Opening	Additions	Ending	Opening	Depreciation	Ending	
Mining equipment	\$ 21,409	\$ -	\$ 21,409	\$ (3,211)	\$ (2,730)	\$ (5,941)	\$ 15,468
Office & furniture	-	17,866	17,866	-	(893)	(893)	16,973
Computer equipment	9,643	9,295	18,938	(2,989)	(1,695)	(4,684)	14,254
Total	\$ 31,052	\$ 27,161	\$ 58,213	\$ (6,200)	\$ (5,318)	\$ (11,518)	\$ 46,695

For the year ended December 31, 2018

	COST			ACCUMULATED DEPRECIATION			Net Book Value
	Opening	Additions	Ending	Opening	Depreciation	Ending	
Mining equipment	\$ -	\$ 21,409	\$ 21,409	\$ -	\$ (3,211)	\$ (3,211)	\$ 18,198
Computer equipment	4,503	5,140	9,643	(1,238)	(1,751)	(2,989)	6,654
Total	\$ 4,503	\$ 26,549	\$ 31,052	\$ (1,238)	\$ (4,962)	\$ (6,200)	\$ 24,852

Depreciation is recorded in administrative expenses (Note 9).

06 EXPLORATION AND EVALUATION ASSETS

Carrying Amount

The following table represents acquisition costs incurred on the exploration and evaluation assets:

	MCQ, Canada	Tibbs, USA	Seventymile, USA	Northway, USA	Total
At December 31, 2017	\$ 14,990	\$ 40,393	\$ -	\$ -	\$ 55,383
Additions: Cash property payments	100,000	64,940	38,892	38,892	242,724
Additions: Staking	44,370	9,570	-	15,951	69,891
At December 31, 2018	\$ 159,360	\$ 114,903	\$ 38,892	\$ 54,843	\$ 367,998
Additions: Cash property payments	50,000	66,620	40,800	40,800	198,220
Additions: Share payments	52,500	-	-	-	52,500
At June 30 2019	\$ 261,860	\$ 181,523	\$ 79,692	\$ 95,643	\$ 618,718

Expenditures

Details of the Company's exploration and evaluation expenditures, which have been expensed, are as follows:

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 3 months ended June 30, 2019
Scholarship fees	\$ -	\$ -	\$ 33,558	\$ 33,558	\$ -	\$ 67,116
GeoProbe Sampling	-	-	2,383	292,290	-	294,673
Geological consulting	-	335	5,233	8,171	26,155	39,894
Salary & legal costs	4,703	5,450	20,564	50,481	32,328	113,526
Other	1,096	1,550	6,328	19,479	8,378	36,831
Total exploration expenditures	\$ 5,799	\$ 7,335	\$ 68,066	\$ 403,979	\$ 66,861	\$ 552,040

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 3 months ended June 30, 2018
Registration fees	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ 195
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	215,321	100,720	-	-	316,041
Pre-season work	-	47,552	-	-	-	47,552
Sampling	100,000	-	61,210	4,473	-	165,683
Surveying	15,693	60,484	66,450	-	-	142,627
Geological consulting	1,775	2,173	1,945	1,263	2,612	9,768
Salary & legal costs	22,147	64,823	54,339	57,794	-	199,103
Other	6,736	4,429	4,472	477	4,052	20,166
Total exploration expenditures	\$ 146,351	\$ 394,782	\$ 322,401	\$ 97,272	\$ 6,859	\$ 967,665

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 6 months ended June 30, 2019
Registration fees	\$ -	\$ -	\$ -	\$ 19,976	\$ -	\$ 19,976
Scholarship fees	-	-	33,558	33,558	-	67,116
GeoProbe Sampling	-	-	2,383	292,290	-	294,673
Geological consulting	-	335	5,233	8,171	54,865	68,604
Salary & legal costs	11,256	15,862	43,248	91,593	75,449	237,408
Other	2,059	2,513	7,424	19,479	14,578	46,053
Total exploration expenditures	\$ 13,315	\$ 18,710	\$ 91,846	\$ 465,067	\$ 144,892	\$ 733,830

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 6 months ended June 30, 2018
Registration fees	\$ 194	\$ 13,862	\$ -	\$ -	\$ 195	\$ 14,251
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	215,321	100,720	-	-	316,041
Pre-season work	-	57,681	-	-	-	57,681
Sampling	100,000	-	61,210	4,473	-	165,683
Surveying	15,693	60,484	66,450	-	-	142,627
Geological consulting	1,775	2,173	1,945	1,263	2,612	9,768
Salary & legal costs	35,301	91,238	76,791	86,004	-	289,334
Other	6,736	5,287	4,472	477	4,052	21,024
Total exploration expenditures	\$ 159,699	\$ 446,046	\$ 344,853	\$ 125,482	\$ 6,859	\$ 1,082,939

Property Agreements

NORTHWAY

In June 2018, the Company entered into a mining lease agreement with Doyon, Limited (“Doyon”) for a 100% interest in an area of the Alaska Native regional corporation mineral estate in the southern Fortymile Mining District, Alaska (the “Northway Property”). The lease covers the mineral estate and a portion of the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% Net Smelter Return (“NSR”) for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operational period of a mine.

In consideration the Company paid Doyon \$38,892 in June 2018 and \$40,800 in January 2019 (\$30,000 USD each) and pursuant to the option agreement is required to pay:

- I. \$30,000 USD each January in 2020–2021
- II. \$60,000 USD each January 2022–2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenditures on the Northway Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020–2023	750,000
2024–2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company is required to pay Doyon a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Northway Property.

During the six months ended June 30, 2019 and 2018, the Company paid Doyon the \$25,000 USD scholarship payment.

SEVENTYMILE

In June 2018, the Company entered into a mining lease agreement with Doyon for a 100% interest in the area of the Alaska Native regional corporation mineral estate in the Eagle Mining District, Alaska (the “Seventymile Property”). The lease covers the mineral estate and the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operating operation period of a mine.

In consideration the Company paid Doyon \$38,892 in June 2018 and \$40,800 in January 2019 (\$30,000 USD each) and pursuant to the option agreement is required to pay:

- i) \$30,000 USD each January in 2020–2021
- ii) \$60,000 USD each January 2022–2027
- iii) \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to \$300,000 USD.
- iv) \$600,000 USD upon completion of a feasibility study

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenditures on the Seventymile Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020-2023	750,000
2024-2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company is required to pay Doyon a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Seventymile Property.

During the six months ended June 30, 2019 and 2018, the Company paid Doyon the \$25,000 USD scholarship payment.

TIBBS

In June 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC. (“Tibbs”) for a 100% interest in the surface and subsurface rights to State of Alaska Mining Claims in the Fairbanks Recording District, Alaska (the “Tibbs Property”). The agreement grants Tibbs a 2.5% NSR, of which 1.5% can be purchased for \$1,500,000 USD. The term of the lease is ten years.

In consideration the Company paid Tibbs \$40,393 (\$30,000 USD) in June 2017, \$64,940 (\$50,000 USD) in June 2018, and \$66,620 (\$50,000 USD) in June 2019. Pursuant to the option agreement, the Company is required to pay a \$50,000 USD option payment each June in 2020-2027 and is required to incur an aggregate amount of \$1,000,000 USD in exploration expenditures by June 2022.

Subsequent to June 30, 2019, the Company received a notice from another company that seven of the claims on Tibbs wholly or partially overstate their claims and that they have the senior claim. The Company will not perform any exploration work on these claims until the matter is resolved and is currently investigating the validity of this notice with its counsel.

MCQ

In January 2018 and amended January 2019, the Company entered into an option agreement with Shawn Ryan and Wildwood Holdings Inc. (the “MCQ Option Holders”) for a 100% interest in the Mayo District of Yukon Canada (the “MCQ Property”). The MCQ Option Holders are granted a 2.0% NSR of which half may be purchased by the Company for \$2,000,000.

Pursuant to the option agreement, the Company is required to make payments as follows:

Year	Cash Payment \$	Number of common shares of the Company
January 2018	100,000 (PAID)	-
January 2019	50,000 (PAID)	150,000 (ISSUED)
November 2019	50,000	150,000
January 2020	100,000	300,000
January 2021	125,000	300,000
January 2022	150,000	300,000
January 2023	200,000	500,000

During the six months ended June 30, 2019, the Company issued the 150,000 common shares of the Company valued at \$52,500 due January 2019 (Note 7) and paid the \$50,000 option payment due January 2019.

Pursuant to the option agreement, the Company is also required to incur the following amounts for exploration expenditures on the MCQ Property:

Year	Amount of exploration expenditures
By November 15, 2018 (commitment fully met)	\$ 300,000
By November 15 in each year of 2020-2021	\$ 500,000
By November 15, 2022	\$ 1,610,000

During the year ended December 31, 2018, the Company issued Shawn Ryan 400,000 common shares with a value of \$0.25 per share for a total issuance of \$100,000 in compensation for previous exploration work performed on the MCQ property (Note 7).

07 SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

- a) On June 16, 2017, the Company issued 8,200,000 units at a price of \$0.05 per unit for gross proceeds of \$410,000. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of \$0.10 and expires June 16, 2022. The fair value attributed to the common shares was \$410,000.
- b) On April 12, 2018, as per the terms of the option agreement on the MCQ Property (Note 6), the Company issued Shawn Ryan of Wildwood Exploration Inc. 400,000 common shares with a value of \$0.25 per share for a total issuance of \$100,000 in compensation for exploration work performed on the MCQ property.
- c) On April 12, 2018, the Company completed an employee financing. The Company issued 1,020,000 common shares at a price of \$0.10 per share for gross proceeds of \$102,000. These proceeds were received in advance during the period April 7 – December 31, 2017.
- d) On April 13, 2018, the Company completed a private placement financing. The Company issued 17,985,214 common shares at a price of \$0.35 per share for gross proceeds of \$6,294,825. Financing costs were \$242,201, for net proceeds of \$6,052,624. Additionally, the Company issued 24,845 common shares to an agent as compensation for finder fees valued at \$8,696.
- e) During the period April 7 – December 31, 2017, the Company declared an early warrant financing. To incentivize warrant holders to exercise their warrants, each warrant exercised would be exchanged for a common share and an additional warrant. Each new warrant would be convertible into one common share at an exercise price of \$0.25 and expire June 16, 2022. During the year ended December 31, 2018, 3,380,000 of the warrants issued

under Notes 7a and 7c were exercised under the early exercise financing for total proceeds of \$338,000. Of these proceeds, \$248,000 were received in advance during the period April 7 – December 31, 2017.

- f) On January 19, 2019, the Company issued 150,000 common shares valued at \$52,500 pursuant to the MCQ Property Agreement (Note 6).
- g) During the period ended June 30, 2019, the Company received \$21,000 in advance of its proposed private placement (Note 14).

Share Purchase Warrants

- h) On April 12, 2018, the Company issued 2,980,000 warrants in connection with its early warrant financing described in Note 7e. The value attributable to the warrants was \$nil.
- i) On April 16, 2018, the Company issued 400,000 warrants in connection with its early warrant financing described in Note 7e. The value attributable to the warrants was \$nil.

A summary of the Company's warrants and the changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted average exercise price (\$)
Balance – December 31, 2017	4,100,00	4,100,000	0.10
Issued	3,380,000	3,380,000	0.25
Exercised	(3,380,000)	(3,380,000)	(0.10)
Balance – December 31, 2018 and June 30, 2019	4,100,000	4,100,000	0.22

Warrants outstanding as at June 30, 2019 are as follows:

Number outstanding	Exercise price per share	Expiry date
720,000	\$ 0.10	June 16, 2022
3,380,000	\$ 0.25	June 16, 2022
4,100,000		

08 RELATED PARTY TRANSACTIONS

The Company defines key management personnel as its directors and officers. The Company entered into the following transactions with its key management:

	3 months ended June 30, 2019	3 months ended June 30, 2018	6 months ended June 30, 2019	6 months ended June 30, 2018
Employee salaries and benefits – administration expense	\$ 89,047	\$ 28,364	\$ 182,906	\$ 51,588
Employee salaries and benefits – exploration expense	38,734	92,459	79,053	140,693
Direct listing costs	3,848	-	3,848	-
Exploration expense	20,869	423,476	20,869	423,476

As of June 30, 2019, included in accounts payable is \$16,563 (December 31, 2018: \$nil) due to officers and a company controlled by a director of the Company.

09 ADMINISTRATION EXPENSES

The administration expenses for the Company are as follows:

	3 months ended June 30, 2019	3 months ended June 30, 2018	6 months ended June 30, 2019	6 months ended June 30, 2018
Employee benefits and salary	\$ 112,936	\$ 35,032	\$ 218,155	\$ 65,578
Professional fees	39,499	11,200	102,153	11,200
Travel and meals	27,273	7,921	45,423	15,345
Insurance	4,254	2,775	7,543	5,146
Marketing	34,857	4,302	72,402	13,527
Direct listing costs	112,804	-	112,804	-
Other	14,794	5,194	34,514	8,021
Depreciation	8,736	1,236	16,578	1,481
Total administration expenses	\$ 355,153	\$ 67,660	\$ 609,572	\$ 120,298

10 LEASE OBLIGATION

The Company signed an office lease agreement to pay undiscounted rent amounts for the remainder of year ended December 31, 2019 of \$14,010 and for the year ended December 31, 2020 of \$9,214.

	Right of use asset — office lease	
Net book value — December 31, 2018	\$	-
Additions		30,027
Depreciation		(11,260)
Net book value — June 30, 2019	\$	18,767

	Lease liability	
Balance — December 31, 2018	\$	-
Lease liability recognized as of January 1, 2019		30,027
Lease payments during the period		(9,166)
Interest expense on lease liability		1,340
Balance — June 30, 2019	\$	22,201

11 SUPPLEMENTAL CASH FLOW INFORMATION

	3 months ended June 30, 2019		3 months ended June 30, 2018		6 months ended June 30, 2019		6 months ended June 30, 2018	
Cash paid for interest	\$	640	\$	-	\$	1,340	\$	-
Non-cash financing and investing activities:								
Right to use asset and lease liability		-		-		30,027		-
Shares issued for exploration & evaluation asset option payment		-		-		52,500		-
Shares issued for financing fees		-		8,696		-		8,696
Trade and other payables used for share issue costs		-		13,047		-		13,047
Trade and other payables used for deferred financing costs		131,991		-		131,991		-

12 SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation assets and expenditures which are disclosed by geographic location in Note 6. All corporate expenses are incurred in Canada.

13 CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and warrants.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the six months ended June 30, 2019.

As of June 30, 2019, the capital structure of the Company consists of \$1,177,844 (December 31, 2018 – \$2,453,519) equity attributable to common shareholders, comprising of issued capital and deficit.

14 SUBSEQUENT EVENTS

PRIVATE PLACEMENT AND PROPOSED LISTING

During the six months ended June 30, 2019, the Company announced a private placement issuance of up to 14,285,715 special warrants at \$0.35 per special warrant (the "Special Warrants") concurrent with the intent to list all of its outstanding common shares on the Toronto Venture Stock Exchange (the "TSXV"). The agents have an option to increase the private placement by 15%. Upon closing of the private placement, the Company has 120 days to obtain a receipt for a final non-offering prospectus with the TSXV or the Company will be obligated to issue an additional 10% Special Warrants to existing Special Warrant holders. Each Special Warrant entitles to the holder to one common share of the Company and one warrant exercisable into one common share of the Company with an expiry of two years after closing of the private placement and an exercise price of \$0.50.

The Company will pay a cash commission of 6% of the brokered gross proceeds, compensation warrants to acquire common shares equal to 6% of the number of brokered Special Warrants sold (the “Broker Warrants”), and a cash commission of 2% of the non-brokered gross proceeds. The Company will also pay a finance fee of \$50,000 payable \$25,000 in cash (the “Cash Finance Fee”) and 71,428 Special Warrants (the “Warrant Finance Fee”).

Subsequent to June 30, 2019, the Company closed its first tranche of the private placement. The Company issued 6,809,370 Special Warrants for gross proceeds of \$2,383,280. The Company issued 227,936 Broker Warrants each entitling the holder to acquire one common share with an exercise price of \$0.35 expiring July 12, 2021. In connection with the first tranche closing the Company paid \$100,851 cash commission, the Cash Finance Fee and issued the Warrant Finance Fee. Total Special Warrants issued including the Warrant Finance Fee were 6,880,798.

During the six months ended June 30, 2019, the Company recognized \$162,500 in deferred financing costs incurred for this private placement.

RESTRICTED SHARE ISSUANCE

Subsequent to June 30, 2019, the Company approved a restricted share plan (the “Plan”). Shares issued under the Plan to employees are common shares in the Company (the “Restricted Shares”). No cash consideration is received for Restricted Shares. Performance restrictions are placed on the Restricted Shares as determined by the Board. If employees fail to meet the restrictions, the Restricted Shares are subsequently cancelled and returned to the Company’s treasury.

On July 29, 2019, the Company granted 2,400,000 Restricted Shares to certain employees and directors at a value of \$0.35 per Restricted Share. The performance restricted set by the Board was a two-year employment period from the date of grant.

SCHEDULE D

Management's discussion and analysis for the three and six months ended June 30, 2019

(See attached)



MANAGEMENT'S DISCUSSION AND ANALYSIS

Three and Six Ended June 30, 2019

(Expressed in Canadian Dollars, Unless Otherwise Noted)

DATE OF REPORT: SEPTEMBER 10, 2019

This Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Tectonic Metals Inc. ("Tectonic" or the "Company") together with its subsidiaries as of the date of the report. The MD&A is intended to supplement and complement the Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"). Readers are encouraged to consult the Company's audited consolidated financial statements for the year ended December 31, 2018, and the corresponding notes to the financial statements, which are available on SEDAR at www.sedar.com. The information contained within this MD&A is current to September 10, 2019, and all figures are stated in Canadian dollars unless otherwise noted.

OVERVIEW

The Company's principal business activities include the identification, acquisition and exploration of mineral properties primarily in the United States and Canada. The Company's exploration is focused on precious and base metals with an emphasis on gold. On May 13, 2019, Tectonic announced a private placement issuance concurrent with the intent to list all the Company's outstanding common shares on the Toronto Venture Stock Exchange (the "TSXV").

HIGHLIGHTS AND DEVELOPMENTS

- *On May 13, 2019, the Company announced a private placement concurrent with the intent to list all of the Company's outstanding common shares on the TSXV*
- *On July 12, 2019, the Company closed the first tranche of its private placement for gross proceeds of \$2,383,280*
- *During the six months ended June 30, 2019, the Company commenced a geo probe bedrock sampling program on its Northway Property*
- *During the six months ended June 30, 2019, the Company appointed Allison Rippin Armstrong to the Company's Board of Directors*

PROPOSED TRANSACTION

On May 13, 2019, the Company announced a private placement of up to 14,285,715 special warrants at \$0.35 per special warrant (the "Special Warrants") concurrent with the intent to list all of the Company's outstanding common shares on the TSXV. The agents have the option to increase the private placement by 15%. Upon closing of the private placement, the Company has 120 days to obtain a receipt for a final non-offering prospectus with the TSXV or the Company will be obligated to issue an additional 10% Special Warrants to existing Special Warrant holders. Each Special Warrant entitles the holder to one common share and one warrant exercisable into one common share of the Company with an expiry of two years after the closing of the private placement and an exercise price of \$0.50.

The Company will pay a cash commission of 6% of the brokered gross proceeds, compensation warrants to acquire common shares equal to 6% of the number of brokered Special Warrants sold, and a cash commission of 2% of the non-brokered gross proceeds. The Company will also pay a finance fee of \$50,000 payable \$25,000 (the "Cash Finance Fee") in cash and 71,428 Special Warrants (the "Warrant Finance Fee").

On July 12, 2019, the Company closed its first tranche of the private placement. The Company issued 6,809,370 Special Warrants for gross proceeds of \$2,383,280. The Company issued 227,936 Broker Warrants each entitling the holder to acquire one common share with an exercise price of \$0.35 expiring July 12, 2021. In connection with the first tranche closing the Company paid \$100,851 cash commission, the Cash Finance Fee and issued the Warrant Finance Fee.

MANAGEMENT

During the six months ended June 30, 2019, the Company appointed Allison Rippin Armstrong to the Company's Board of Directors to replace Robert L. Carpenter. Mr. Carpenter has been appointed a technical advisor to the Company.

Allison Rippin Armstrong

Mrs. Rippin Armstrong has over 25 years of experience in permitting, regulatory processes and environmental compliance, working with Indigenous organizations, resource companies, regulatory agencies, and territorial and federal governments. She served as the Vice President of Sustainability at Kaminak until it was acquired by Goldcorp in 2016.

Ms. Rippin Armstrong served on the board of Yukon Women in Mining as Vice President for three years. She is a founding member of the Yukon University Foundation Board and served on Northwest Territories and Nunavut Chambers of Mines.

TIBBS PROPERTY

Overview

On June 15, 2017, the Company and Tibbs Creek Gold, LLC ("TCG") entered into a mining lease and option agreement (the "Tibbs Agreement") where TCG granted to the Company the full and exclusive right to use, occupy, and carry out mineral exploration, production, and extraction activities on the Tibbs Property and earn a 100% interest in the Tibbs Property. The Tibbs Property comprises 169 claims covering a total of 5,457.5 hectares ("Ha") located in the Big Delta B1 Quadrangle of the Fairbanks Recording District in the State of Alaska. The Tibbs Agreement is for a period of 10 years terminating June 15, 2027. The Tibbs Agreement grants TCG a 2.5% net smelter return ("NSR"), of which 1.5% can be purchased for \$1,500,000 USD.

On July 30, 2019, the Company received notice from another company that seven of the claims on Tibbs wholly or partially overstate their claims and that they have the senior claim. Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic' exploration efforts going forward on the rest of the Company's Tibb claims. The Company is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

Option Payments and Exploration Commitments

In consideration for the Tibbs Agreement, the Company paid TCG \$40,393 (\$30,000 USD) in June 2017, \$64,940 (\$50,000 USD) in June 2018, and \$66,620 (\$50,000 USD) in June 2019. The Company is committed to paying a \$50,000 USD option payment each June in 2020-2027 (the "Tibbs Anniversary Payments"). The Company must incur an aggregate amount of \$1,000,000 USD in exploration expenditures by June 15, 2022. Further, the Company has agreed to pay TCG a cash payment of \$1,000,000 USD if the Company commences commercial production on the Tibbs Property. The Company has the option to acquire the Tibbs Property at any time during the lease term by making a lump sum payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments. If during the term of the Tibbs Agreement the Company completes a preliminary economy assessment ("PEA"), the Company must make a cash payment of \$25,000 USD each year to TCG in addition to the Tibbs Anniversary Payments.

NORTHWAY PROPERTY

Overview

On June 1, 2018, the Company and Doyon, Limited ("Doyon") entered into a mining lease agreement (the "Northway Agreement") where Doyon granted to the Company the full and exclusive right to use, occupy, and carry out mineral exploration, development and production on the Northway Property. The Northway Property surrounds the village of Northway, Alaska on lands located within the Tanacross Mining District. The property centre is approximately 348 kilometres southeast of Fairbanks and approximately 43 kilometres west of the United States-Canada border. The Northway Agreement is for a period of 15 years terminating June 1, 2033, and includes renewal clauses to extend the lease period up to the entire operational period of a mine. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of

commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds, and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Option Payments and Exploration Commitments

In consideration for the Northway Agreement, the Company paid Doyon \$38,892 (\$30,000 USD) in June 2018, \$40,800 (\$30,000 USD) in June 2019, and is committed to the following remaining option payments:

- I. \$30,000 USD each January in 2020–2021
- II. \$60,000 USD each January 2022–2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study, this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study.

The Company has committed to incur the following amounts for exploration expenditures on the Northway Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020–2023	750,000
2024–2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company is required to pay Doyon a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Northway Property. During the six months ended June 30, 2019 and 2018, the Company paid Doyon the \$25,000 USD scholarship payment.

Exploration Program

2019

During the six months ended June 30, 2019, the Company conducted a Geoprobe bedrock sampling across Targets, 6, 7, and, to a more limited extent, the Road Metal prospect. The program was designed to collect representative rock samples from the soil-bedrock interface in order to determine lithology and mineral potential. A total of 689 samples were collected across 9,540 metres of grid lines.

Additionally, the Company conducted a soil sampling program with the Geoprobe and collected 22 B-horizon samples. When compared to assay results from top of bedrock rock samples, soil samples obtained by the probe method generally identify the same anomalous zones. Results indicate values for Pb-Zn-Ag are spatially consistent within both surveys, but anomalous Au values are more variable, although the main anomalous trends are indicated in results from both surveys. Copper appears to demonstrate some migration from its bedrock source and appears to exhibit higher mobility than other base metals in this environment.

SEVENTYMILE PROPERTY

Overview

On June 1, 2018, the Company and Doyon entered into a mining lease agreement (the "Seventymile Agreement") where Doyon granted to the Company the full and exclusive right to use, occupy and carry out mineral exploration, development, and production on the Seventymile Property. The Seventymile Property is located approximately 270 kilometres east of Fairbanks, Alaska and approximately 59 kilometres west of Eagle, Alaska. The Seventymile Agreement is for a period of 15 years terminating June 1, 2033, and includes renewal clauses to extend the lease period up to the entire operational period of a mine. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Option Payments and Exploration Commitments

In consideration the Company paid Doyon \$38,892 (\$30,000 USD) in June 2018, \$40,800 (\$30,000 USD) in June 2019, and is committed to the following remaining option payments:

- I. \$30,000 USD each January in 2020-2021
- II. \$60,000 USD each January 2022-2027
- III. \$200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study, this annual payment shall be increased to \$300,000 USD.
- IV. \$600,000 USD upon completion of a feasibility study.

The Company has committed to incur the following amounts for exploration expenditures on the Seventymile Property:

Calendar Years	Amount of exploration expenditures (USD\$)
2018 (commitment fully met)	400,000
2019	600,000
2020-2023	750,000
2024-2027	1,500,000
2028 and each calendar year thereafter	2,000,000

Additionally, the Company is required to pay Doyon a \$25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to \$50,000 USD each year following the commencement of commercial production at the Seventymile Property. During the six months ended June 30, 2019 and 2018, the Company paid the annual \$25,000 USD scholarship payment.

MCQ PROPERTY

Overview

In January 2018 and amended January 2019, the Company and Shawn Ryan and Wildwood Holdings Inc. (the "MCQ Option Holders") entered into an option agreement for a 100% interest in the MCQ Property, located in the Mayo District of Yukon, Canada (the "MCQ Agreement"). The MCQ Option Holders are granted a 2.0% NSR of which half is purchasable by the Company for \$2,000,000.

Option Payments and Exploration Commitments

Pursuant to the MCQ Agreement, the Company is required to make the following option payments:

Year	Cash Payment	Number of common shares of the Company
January 2018	100,000 (PAID)	-
January 2019	50,000 (PAID)	150,000 (ISSUED)
November 2019	50,000	150,000
January 2020	100,000	300,000
January 2021	125,000	300,000
January 2022	150,000	300,000
January 2023	200,000	500,000

The Company has committed to incur the following amounts for exploration expenditures on the MCQ Property:

Year	Amount of exploration expenditures
By November 15, 2018 (commitment fully met)	\$ 300,000
By November 15 in each year of 2020-2021	\$ 500,000
By November 15, 2022	\$ 1,610,000

SUMMARY OF QUARTERLY RESULTS

Three Months Ended:	June 30, 2019	Mar. 31, 2019	Dec. 31, 2018	Sept. 30, 2018
Exploration expenses	\$ 552,040	\$ 181,790	\$ 594,137	\$ 1,739,788
Administrative expenses	355,153	254,419	321,129	69,226
Foreign exchange loss (gain)	5,639	(1,017)	18,357	(6,022)
Finance cost	451	700	-	-
Loss and comprehensive loss	\$ (913,283)	\$ (435,892)	\$ (933,623)	\$ (1,802,992)
Basic and diluted loss per share	\$ (0.03)	\$ (0.01)	\$ (0.03)	\$ (0.05)
Cash	\$ 572,618	\$ 1,607,251	\$ 2,079,340	\$ 3,037,010
Total assets	\$ 1,858,522	\$ 2,276,345	\$ 2,566,738	\$ 3,640,099

Three Months Ended:	June 30, 2018	Mar. 31, 2018
Exploration expenses	\$ 967,665	\$ 115,276
Administrative expenses	67,660	52,638
Foreign exchange loss (gain)	2,031	-
Loss and comprehensive loss	\$ (1,037,356)	\$ (167,914)
Basic and diluted loss per share	\$ (0.03)	\$ (0.01)
Cash	\$ 25,247,572	\$ 157,210
Total assets	\$ 5,876,695	\$ 222,997

During the three months ended June 30, 2019, the Company incurred a \$913,283 loss, which was mainly due to a GeoProbe sampling program conducted on the Northway Property and higher administrative costs compared to other quarters due to increased professional fees in connection with the Company's proposed transaction of listings all of its common shares on the TSXV.

During the three months ended March 31, 2019, the Company incurred a \$435,892 loss which consisted primarily of payroll costs and professional fees. This quarter was the first full quarter of payroll for the Company's current seven employees.

During the three months ended December 31, 2018, the Company incurred a \$933,623 loss. Exploration expenses for the period were \$594,137 as a result of an airborne survey and GeoProbe sampling conducted on the MCQ Property and a CanDig trenching program on the Seventymile Property. Administrative expenses for the period were \$321,129, which were higher than earlier quarters due to the hiring of 3 full-time employees during this period and increased corporate activity.

During the three months ended September 30, 2018, the Company incurred a \$1,802,922, which was mainly due to an exploration expense of \$1,739,788. During this period the Company completed a surface sampling program on the Northway Property, an auger soil sampling program on the Seventymile Property, and a CanDig trenching and soil sampling program on the Tibbs Property.

During the three months ended June 30, 2018, the Company incurred a \$1,037,356 loss, which was mainly due to an exploration expense of \$967,665. During this period the Company commenced its 2018 exploration program by performing a Phase I program on the Tibbs Property, which involved geological mapping, prospecting of new ground, rock sampling, limited soil sampling and a CanDig trenching program.

During the three months ended March 31, 2018, the Company incurred a \$167,914 loss. Exploration expenses for the period were \$115,276 which resulted mainly due from payroll from its three full-time employees.

Cash and total assets increased June 30, 2018, from March 31, 2018 due to the Company completing a private placement April 13, 2018 and raising gross proceeds of \$6,294,825 (the "April 2018 Private Placement"). The Company spent partial of the proceeds raised for the 2018 exploration program and general working capital.

The Company has not prepared quarterly financial statements for the period April 7–December 31, 2017.

The following table details the nature of exploration expense per property:

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 3 months ended June 30, 2019
Scholarship fees	\$ -	\$ -	\$ 33,558	\$ 33,558	\$ -	\$ 67,116
GeoProbe Sampling	-	-	2,383	292,290	-	294,673
Geological consulting	-	335	5,233	8,171	26,155	39,894
Salary & legal costs	4,703	5,450	20,564	50,481	32,328	113,526
Other	1,096	1,550	6,328	19,479	8,378	36,831
Total exploration expenditures	\$ 5,799	\$ 7,335	\$ 68,066	\$ 403,979	\$ 66,861	\$ 552,040

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 3 months ended June 30, 2018
Registration fees	\$ -	\$ -	\$ -	\$ -	\$ 195	\$ 195
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	215,321	100,720	-	-	316,041
Pre-season work	-	47,552	-	-	-	47,552
Sampling	100,000	-	61,210	4,473	-	165,683
Surveying	15,693	60,484	66,450	-	-	142,627
Geological consulting	1,775	2,173	1,945	1,263	2,612	9,768
Salary & legal costs	22,147	64,823	54,339	57,794	-	199,103
Other	6,736	4,429	4,472	477	4,052	20,166
Total exploration expenditures	\$ 146,351	\$ 394,782	\$ 322,401	\$ 97,272	\$ 6,859	\$ 967,665

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 6 months ended June 30, 2019
Registration fees	\$ -	\$ -	\$ -	\$ 19,976	\$ -	\$ 19,976
Scholarship fees	-	-	33,558	33,558	-	67,116
GeoProbe Sampling	-	-	2,383	292,290	-	294,673
Geological consulting	-	335	5,233	8,171	54,865	68,604
Salary & legal costs	11,256	15,862	43,248	91,593	75,449	237,408
Other	2,059	2,513	7,424	19,479	14,578	46,053
Total exploration expenditures	\$ 13,315	\$ 18,710	\$ 91,846	\$ 465,067	\$ 144,892	\$ 733,830

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 6 months ended June 30, 2018
Registration fees	\$ 194	\$ 13,862	\$ -	\$ -	\$ 195	\$ 14,251
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	215,321	100,720	-	-	316,041
Pre-season work	-	57,681	-	-	-	57,681
Sampling	100,000	-	61,210	4,473	-	165,683
Surveying	15,693	60,484	66,450	-	-	142,627
Geological consulting	1,775	2,173	1,945	1,263	2,612	9,768
Salary & legal costs	35,301	91,238	76,791	86,004	-	289,334
Other	6,736	5,287	4,472	477	4,052	21,024
Total exploration expenditures	\$ 159,699	\$ 446,046	\$ 344,853	\$ 125,482	\$ 6,859	\$ 1,082,939

The administration expenses for the Company are as follows:

	3 months ended June 30, 2019		3 months ended June 30, 2018		6 months ended June 30, 2019		6 months ended June 30, 2018	
Employee benefits and salary	\$	112,936	\$	35,032	\$	218,155	\$	65,578
Professional fees		39,499		11,200		102,153		11,200
Travel and meals		27,273		7,921		45,423		15,345
Insurance		4,254		2,775		7,543		5,146
Marketing		34,857		4,302		72,402		13,527
Direct listing costs		112,804		-		112,804		-
Other		14,794		5,194		34,514		8,021
Depreciation		8,736		1,236		16,578		1,481
Total administration expenses	\$	355,153	\$	67,660	\$	609,572	\$	120,298

LIQUIDITY AND CAPITAL RESOURCES

Summary of cash position and changes in cash

	3 months ended June 30, 2019		3 months ended June 30, 2018		6 months ended June 30, 2019		6 months ended June 30, 2018	
Cash flow used in operating activities	\$	(898,539)	\$	(667,766)	\$	(1,256,243)	\$	(752,599)
Cash flow used in investing activities		(116,620)		(162,275)		(225,487)		(316,215)
Cash flow (used in) provided by financing activities		(14,115)		5,458,650		(18,675)		6,159,176
Effect of foreign exchange on cash		(5,359)		-		(6,317)		-
Net change		(1,034,633)		4,628,609		(1,506,722)		5,090,362
Cash — end of period	\$	572,618	\$	5,248,572	\$	572,618	\$	5,247,572

As at June 30, 2019, the Company had working capital of \$331,164 compared to working capital of \$4,819,881 as at June 30, 2017. The decrease in working capital resulted from a decrease in net cash.

Cash flow used in operations was higher during the three and six months ended June 30, 2019 compared to 2018 due to an increase in administrative costs.

Cash flow used in investing activities was similar for the three and six months ended June 30, 2019 compared to 2018 as the acquisition payments required for the exploration and evaluation assets for both periods were similar on all four properties.

Cash flow provided by financing activities was higher during the three and six months ended June 30, 2018 compared to 2019 as a result of the April 2018 Private Placement.

Going concern

The condensed interim consolidated financial statements and financial results discussed herein of the Company were prepared assuming Tectonic will continue on a going-concern basis. The Company has incurred losses since its inception, and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. The condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Commitments

The Company signed an office lease agreement to pay undiscounted rent amounts for the remainder of the year ended December 31, 2019 of \$14,010 and for the year ended December 31, 2020 of \$9,214.

Capital Management

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and warrants.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the six months ended June 30, 2019.

SHAREHOLDER'S EQUITY

Tectonic is authorized to issue an unlimited number of common shares without par value. As of June 30, 2019 and date of this report:

	Common Shares	Share purchase warrants
As of June 30, 2019	35,160,059	4,100,000
Restricted share issuance	2,400,000	-
As of date of report	37,560,059	4,100,000

2019 Issuance

On January 19, 2019, the Company issued 150,000 common shares valued at \$52,500 pursuant to the MCQ Property Agreement.

Subsequent Issuance

Subsequent to June 30, 2019, the Company approved a restricted share plan (the "Plan"). Shares issued under the Plan to employees are common shares in the Company (the "Restricted Shares"). No cash consideration is received for Restricted Shares. Performance restrictions are placed on the Restricted Shares as determined by the Board. If employees fail to meet the restrictions, the Restricted Shares are subsequently cancelled and returned to the Company's treasury.

On July 29, 2019, the Company granted 2,400,000 Restricted Shares to certain employees and directors at a value of \$0.35 per Restricted Share. As determined by the Board, the Restricted Shares require a two year employment period from the date of the grant to satisfy the performance restriction.

Share Purchase Warrants

A summary of the Company's warrants and changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted average exercise price (\$)
Balance — June 30, 2019 and date of report	4,100,000	4,100,000	0.22

Warrants outstanding as at June 30, 2019 and September 04, 2019 are as follows:

Number outstanding	Exercise price per share		Expiry date
720,000	\$	0.10	June 16, 2022
3,380,000	\$	0.25	June 16, 2022
4,100,000			

REGULATORY DISCLOSURES

Related Party Transactions

The Company's related parties include its subsidiaries and key management personnel, which include officers, directors, or companies with common directors of the Company. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

The Company incurred the following expenses with key management personnel as follows:

	3 months ended June 30, 2019		3 months ended June 30, 2018		6 months ended June 30, 2019		6 months ended June 30, 2018	
EMPLOYEE SALARIES AND BENEFITS								
Exploration expense	\$	89,047	\$	28,364	\$	182,906	\$	51,588
Administration expense		38,734		92,459		79,053		140,693
Direct listing costs (1)		3,848		-		3,848		-
Exploration expense (1)		20,869		423,476		20,869		423,476

- 1) The Company paid Avalon Development Corp. ("Avalon") for exploration services received. Avalon's President is Curt Freeman, who is also a director of the Company.

New Accounting Policy Adopted

IFRS 16: LEASES

The IASB issued IFRS 16 to replace IAS 17: Leases. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The Company adopted IFRS 16 retrospectively from January 1, 2019. No adjustments were necessary to the Company's opening deficit as a result of the adoption of this standard. With respect to the Company's office

lease, a \$30,027 right of use asset and a corresponding liability for the same amount were recognized as at January 1, 2019. The right of use asset and liability were measured at the present value of the lease payments discounted using the Company's incremental borrowing rate as of January 1, 2019. The right of use asset is amortized over the life of the lease on a straight-line basis. The right of use asset and lease liability are subsequently remeasured to reflect changes to the terms of the lease. Assets and liabilities are recognized for all leases unless the lease term is twelve months or less of the underlying asset has a low value.

FINANCIAL INSTRUMENTS

Financial Assets and Liabilities

The Company's financial assets, which consist of cash, and financial liabilities, which consist of trade and other payables, are both classified as amortized cost. The value of cash and trade and other payables approximates their carrying values as June 30, 2019 and December 31, 2018 due to their short-term nature.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities, including credit, liquidity, interest rate, foreign currency, and price risk.

Credit risk

The Company is exposed to industry credit risks arising from its cash. The Company manages credit risk by holding cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the six months ended June 30, 2019.

Foreign currency risk

The Company is exposed to nominally foreign currency risk on fluctuations related to cash and trade, and other payables that are denominated in United States Dollars.

Price risk

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

RISKS TO TECTONIC

Exploration Stage Company

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit, or "reserve," exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, the determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic, and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

No Mineral Resources

Currently, there are no mineral resources (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits for which there are reasonable prospects for eventual economic extraction, based on a comprehensive evaluation of form, grade or quality and quantity, are considered mineral resources.

No Mineral Reserves

Currently, there are no mineral reserves (within the meaning of NI 43-101) on any of the properties in which the Company has an interest. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves.

Mineral Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits

but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to reserves, such as the need for the orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and Mineral exploration

The mineral exploration industry is intensely competitive in all of its phases, and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Additional Funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders. The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financings may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Government or Regulatory Approvals

Exploration and development activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

Permits and Government Regulation

The future operations of the Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters. Although the U.S. has a favourable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before development and production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance, with changes in governmental regulations, has the potential to reduce the profitability of operations. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Limited Operating History

The Company has a limited operating history, and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. The current state of the Company's mineral properties requires significant additional expenditures before any cash flow may be generated. Although Tectonic possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment, and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Title Risks

Although the Company has or will receive title opinions for any properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company has not conducted surveys on all of the claims in which it holds direct or indirect interests. The Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration, development or operating activities without reimbursement to the Company. Any such delays or stoppages could have a material adverse effect on the Company's business, financial condition and results of operations.

Laws and Regulation

The Company's exploration activities are subject to extensive federal, state, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can, therefore, become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

Environmental Risks

The Company's exploration and/or development activities are subject to extensive laws and regulations governing environmental protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict the development of mining projects. Current

publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing; therefore the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact which may result in unbudgeted delays, damage, loss and other costs and obligations including, without limitation, rehabilitation and/or compensation. There is also a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the State of Alaska.

Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which its operations, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Dependence on Management and Key Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in the U.S., and as such, a large portion of its expenses are incurred in U.S. dollars, which could cause

a significant change in the results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

First Nations Land Claims

Certain of the Company's mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Company's mineral properties and/or potential ownership interest in the Company's mineral properties in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Company's mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Many lands in the U.S. and elsewhere are or could become subject to First Nations land claims to title, which could adversely affect the Company's title to its properties.

Negative Cash Flow from Operating Activities

The Company has no history of earnings and had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage, and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing to meet its future cash commitments.

Going Concern Risk

The Company's financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The consolidated financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's mineral properties. If the adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations.

Exploration operations depend on adequate infrastructure. In particular, reliable power sources, water supply, transportation and surface facilities are necessary to explore and develop mineral projects. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Climate Change Risks

The Company acknowledges climate change as an international and community concern, and it supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. However, in addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, the Company expects that this could result in increased costs at some of its operations in the future.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, floods, seismic activity, droughts and pit wall failures, may occur in the future, and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's business results of operations and financial position.

Material Contract Obligations

The agreements pursuant to which the Company acquired its interest in its properties provide that the Company must make a variety of payments in cash and common shares over certain time periods and expend certain minimum amounts on the exploration of its properties. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in one or more of the properties.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com and the Company's website at www.tectonicmetals.com.

CAUTIONARY STATEMENTS

Forward-looking Information

All statements in this presentation, other than statements of historical fact, are "forward-looking statements" or "forward looking information" with respect to Tectonic within the meaning of applicable securities laws, including statements that address pro forma capitalization tables, the size and use of proceeds of any proposed financings, the discovery and development of gold deposits, potential size of a mineralized zone, potential expansion of mineralization and timing of exploration and development plans. Forward-looking information is often, but not

always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", and similar expressions, or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions regarding timing of exploration and development plans at the Company's mineral projects; timing and completion of proposed financings; timing and likelihood of deployment of additional drill rigs; successful delivery of results of metallurgical testing; the release of an initial resource report on any of our properties; assumptions about future prices of gold, copper, silver, and other metal prices; currency exchange rates and interest rates; metallurgical recoveries; favourable operating conditions; political stability; obtaining governmental approvals and financing on time; obtaining renewals for existing licences and permits and obtaining required licences and permits; labour stability; stability in market conditions; availability of equipment; accuracy of historical information; successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of the Company, and there is no assurance they will prove to be correct.

Such forward-looking information involves known and unknown risks, which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking information, including, but not limited to, the cost, timing and success of exploration activities generally, including the development of new deposits; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; uses of funds in general including future capital expenditures, exploration expenditures and other expenses for specific operations; the timing, timeline and possible outcome of permitting or license renewal applications; government regulation of exploration and mining operations; environmental risks; the uncertainty of negotiating with foreign governments; expropriation or nationalization of property without fair compensation; adverse determination or rulings by governmental authorities; delays in obtaining governmental approvals; possible claims against the Company; the impact of archaeological, cultural or environmental studies within property areas; title disputes or claims; limitations on insurance coverage; the interpretation and actual results of historical operators at certain of our exploration properties; changes in project parameters as plans continue to be refined; current economic conditions; future prices of commodities; and delays in obtaining financing. The Company's forward-looking information reflect the beliefs, opinions and projections on the date the statements are made. The Company assumes no obligation to update forward-looking information or beliefs, opinions, projections, or other factors, should they change, except as required by law.

Scientific and Technical Information

Scientific and technical information presented in this MD&A above has been approved by Eric Buitenhuis, M.Sc., P.Geol, Vice President, Exploration, a qualified person who by reason of education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, fulfills the requirements of a Qualified Person as defined in NI 43-101.

SCHEDULE E

Audit Committee Charter

(See attached)



AUDIT COMMITTEE CHARTER

This Audit Committee Charter has been adopted by the Board of Directors (the "**Board**") of the Tectonic Metals Inc. (the "**Company**") in order to comply with National Instrument 51-102 *Continuous Disclosure Obligations* (the "**Instrument**") and to more properly define the role of the Audit Committee (the "**Committee**") in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or the Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

I. Purpose

The purpose of the Committee is to:

- (a) improve the quality of the Company's financial reporting;
- (b) assist the Board in properly and fully discharging its responsibilities;
- (c) provide an avenue of enhanced communication between the directors and external auditors;
- (d) enhance the external auditor's independence;
- (e) increase the credibility and objectivity of financial reports; and
- (f) strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument. The Board, after each annual shareholders' meeting, must appoint or re-appoint its Committee.

II. Duties and Responsibilities

Relationship with External Auditors

The Company will require its external auditor to report directly to the Committee.

Responsibilities

- (1) The Committee must have a written charter that sets out its mandate and responsibilities.
- (2) The Committee must recommend to the Board:
 - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and

- (b) the compensation of the external auditor.
- (3) The Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (4) Except as exempted by securities regulatory policies, the Committee must pre-approve all non-audit services to be provided to the Company or any of its subsidiaries by the Company's external auditor.
- (5) The Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.
- (6) The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (5), and must periodically assess the adequacy of those procedures.
- (7) The Committee must establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (8) The Committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

Composition

The Committee membership shall satisfy the laws governing the Company and the independence, financial literacy and experience requirements under securities law, stock exchange and any other regulatory requirements as are applicable to the Company.

Authority

The Committee shall have the authority to:

- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (b) to set and pay the compensation for any advisors employed by the Committee,
- (c) to communicate directly with the internal and external auditors; and

- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

Chair

The members of the Company shall elect a chair from among their number.

Meetings

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than once a year. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the members. Minutes shall be kept of all meetings of the Committee.

The quorum for a meeting of the Committee is a majority of the members.

Effective Date

This Charter was implemented by the Board on September 17, 2019.

SCHEDULE F

Compensation Committee Charter

(See attached)



COMPENSATION COMMITTEE CHARTER

I. Mandate of Committee

The mandate of the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Tectonic Metals Inc. (the "**Company**") is to discharge the responsibilities of the Board relating to compensation of the Company's officers and directors, to provide general oversight of the Company's compensation structure including equity compensation plans and benefits programs and to perform the additional specific duties and responsibilities set out herein.

II. Membership

The Committee will consist of at least two members, a majority of whom will be independent directors of the Company, and one of whom will act as Chairperson. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time. Committee members will be appointed, and the Chairperson will be selected from among them, by the Board.

III. Meetings and Procedures

The Committee will meet as often as may be considered necessary or appropriate, in its judgment. The Committee may meet either in person or by telephone, and at such times and places as the Committee determines. At least two members of the Committee must be present to constitute a quorum for the transaction of Committee business. The Chairperson will preside over the meetings, but will have no greater voting rights or decision-making authority than the other member(s) of the Committee. The Committee will report regularly to the full Board with respect to its activities. As a matter of practice, the Committee will discuss significant matters, as determined by the Committee, with the full Board prior to taking final action on such matters.

All recommendations of the Committee with respect to the awarding of compensation to the executive (senior) officers of the Company will be submitted to the full Board for approval before implementation.

IV. Outside Advisors

The Committee will have the authority to retain, at the Company's expense, such outside consultants, legal counsel, and other advisors as it determines is appropriate to assist it in the full performance of its functions, including the authority to approve such advisors' fees and other engagement terms.

V. Duties and Responsibilities

Human Resources and Compensation Strategies

The Committee will oversee and evaluate the Company's overall human resources and compensation structure, policies and programs, with the objective of ensuring that these establish appropriate incentives and leadership development for management and other employees.

Executive Compensation

The Committee will review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (the "CEO") and the other executive officers of Ethos, evaluate the performance of the CEO and the other executive officers in light of those goals and objectives and approve their annual compensation levels, including salaries, bonuses, and stock option grants based on such evaluation.

Employment Agreements

The Committee will review and approve all employment related agreements and severance arrangements for the CEO and other executive officers, including, without limitation, change-of-control agreements.

External Reporting of Compensation Matters

The Committee will review and approve, in conjunction with management, disclosure relating to executive compensation that is required to be included in any public disclosure. The Chair of the Committee will make him or herself available for questions from shareholders of the Company at the Company's Annual General Meeting.

Long Term Plans

The Committee will from time to time, as it considers appropriate, review, modify, as appropriate, and approve the elements of the Company's annual and long-term incentive compensation plans and equity-based plans, including plan design, performance targets, administration and total funds/shares reserved for payment.

Employee Benefit Plans

The Committee will monitor the effectiveness of benefit plan offerings, in particular benefit plan offerings pertaining to executive officers, and will review and approve any new employee benefit plan or change to an existing plan that creates a material financial commitment by the Company. In its discretion, the Committee may otherwise approve, amend, modify, ratify, interpret the terms of, or terminate any benefit plan.

Leadership Development and Succession Planning

The Committee will review the leadership development and succession planning processes for senior management positions and ensure that appropriate compensation, incentive and other programs are in place in order to promote appropriate leadership development.

Director Compensation

The Committee will annually review the compensation of directors for service on the Board and its committees and recommend to the Board the annual Board member compensation package, including retainer, Committee member and Chair retainers, Board and Committee meeting attendance fees and any other form of compensation, such as stock option grants or stock awards.

Annual Evaluation

The Committee will annually evaluate the performance of the Committee and the adequacy of the Committee's charter and recommend to the Board such changes as it deems appropriate.

General

The Committee will perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

Delegation

The Committee may delegate any of the foregoing duties and responsibilities to one or more members of the Committee. In addition, the Committee may delegate to one or more executive officers of the Company the administration of equity incentive or employee benefit plans, unless otherwise prohibited by such plans, or applicable law or stock exchange rules. Any such delegation may be revoked by the Committee at any time.

Effective Date

This Charter was implemented by the Board on September 17, 2019.

CERTIFICATE OF THE COMPANY

Dated: November 8, 2019

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Tectonic Metals Inc. as required by the securities legislation of Alberta, British Columbia, Ontario and Yukon.

“Antonio Reda”

Antonio Reda
Chief Executive Officer

“Krysta Rehaag”

Krysta Rehaag
Chief Financial Officer

On Behalf of the Board of Directors

“Allison Rippin Armstrong”

Allison Rippin Armstrong
Director

“Curt Freeman”

Curt Freeman
Director

CERTIFICATE OF THE AGENTS

Dated: November 8, 2019

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Tectonic Metals Inc. as required by the securities legislation of Alberta, British Columbia, Ontario and Yukon.

CANACCORD GENUITY CORP.

HAYWOOD SECURITIES INC.

“Jamie M. Brown”

Jamie M. Brown
Vice Chairman, Managing Director
Investment Banking

“Kevin Campbell”

Kevin Campbell
Managing Director,
Investment Banking

CERTIFICATE OF THE PROMOTERS

Dated: November 8, 2019

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Tectonic Metals Inc. as required by the securities legislation of Alberta, British Columbia, Ontario and Yukon.

“Antonio Reda”
Antonio Reda