

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. **Name and Address of Reporting Issuer**

Tectonic Metals Inc. (“**Tectonic**” or the “**Company**”)

1199 West Hastings Street #1400
Vancouver, British Columbia,
V6E 3T5

Item 2. **Date of Material Changes**

November 8, 2023

Item 3. **News Releases**

A news release announcing the material change was disseminated on November 9, 2023 through Access Newswire and a copy filed on Tectonics’ SEDAR+ profile at www.sedarplus.ca.

Item 4. **Summary of Material Changes**

On November 9, 2023, the Company announced that it had closed its Early Exercise Warrant Incentive Program, (the “**Program**”) issuing a total of 15,793,336 common shares in the Company for gross proceeds of \$1,579,334.

Participants in the Early Exercise Program received one common share as per the original warrant terms, plus as an incentive, one common share purchase warrant (the “**Incentive Warrant**”). Each Incentive Warrant will allow the holder to acquire one common share at an exercise price of CA\$0.13 for a period of two years following the date of the issuance of the Incentive Warrant. A total of 15,793,336 Incentive Warrants were issued pursuant to the Program. The Company’s management did not hold any of the Eligible Warrants.

Item 5. **Full Description of Material Changes**

On November 9, 2023, the Company announced that it had closed the Program, issuing a total of 15,793,336 common shares in the Company for gross proceeds of \$1,579,334.

Holders of all 16,092,835 common share purchase warrants issued on May 30, 2022 (the “**May Warrants**”) and all 3,591,670 common share purchase warrants issued on July 8, 2022 (the “**July Warrants**” together with the May Warrants, the “**Eligible Warrants**”) were eligible to participate in the Program between 12:00 a.m. Pacific Standard Time (“PST”) October 10, 2023 and 12:00 p.m. PST November 8, 2023. Participants in the Program received one common share as per the original warrant terms, plus as an incentive, one Incentive Warrant. Each Incentive Warrant will allow the holder to acquire one common share at an exercise price of CA\$0.13 for a period of two years following the date of the issuance of the Incentive Warrant. A total of 15,793,336 Incentive Warrants were issued pursuant to the Program. The Company’s management did not hold any of the Eligible Warrants.

Crescat Capital (“**Crescat**”), Tectonic’s largest shareholder, held approximately 20.6% of the issued and outstanding common shares prior to the exercise of its Eligible Warrants. Crescat subscribed for 7,083,334 shares issued in the Program for aggregate gross proceeds of \$708,333. Upon closing of the Program, Crescat will hold approximately 22.3% of the issued and outstanding common shares of the Company.

The Company intends to use the net proceeds from the Program to advance the Company’s Flat Gold Project and for general working capital.

The Company did not incur any finder’s fees or commissions, on the Program.

A portion of the Eligible Warrants were exercised by Crescat, a Control Person as defined by the Securities Act and in the TSXV’s policies. Participation by such insiders in the Program constitutes a related party transaction pursuant to Multilateral Instrument 61-101 – Special Transactions (“MI 61-101”). Such participation is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 based on the fact that neither the fair market value of the Shares subscribed for by the insiders, nor the consideration for the Shares paid by such insiders, would exceed 25% of the Company’s market capitalization.

The Company did not file a material change report more than 21 days before the expected closing of the Program as the details of the Program and the participation therein by Crescat was not settled until shortly prior to closing of the Program.

This material change report does not constitute an offer to sell or a solicitation of an offer to buy the securities in any jurisdiction.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) or persons in the United States unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.

Item 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

Item 7. **Omitted Information**

No information has been omitted on the basis that it is confidential information.

Item 8. **Executive Officer**

Oliver Foeste, Chief Financial Officer

1199 West Hastings Street
#1400 Vancouver, British
Columbia, V6E 3T5

Item 9. **Date of Report**

November 10, 2023

Cautionary Note Regarding Forward-Looking Statements

Certain information in this material change report constitutes forward-looking information and statements under applicable securities law. Any statements that are contained in this material change report that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions and include, but are not limited to, the potential for mineralization at Tectonic's projects, any future exploration activities and the size, the receipt of any regulatory approvals, including the final approval of the TSXV and all shareholder approvals.

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 about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental and other approvals and financing on time, obtaining required licenses and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Tectonic, and there is no assurance they will prove to be correct.

Although Tectonic considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements necessarily involve known and unknown risks, including, without limitation: the Company's ability to implement its business strategies; risks associated with mineral exploration and production; risks associated with general economic conditions; adverse industry events; marketing and transportation costs; loss of markets; volatility of commodity prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks.

Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this material change report are expressly qualified by this cautionary statement. Although Tectonic has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Tectonic does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.