

Form 51-102F3
MATERIAL CHANGE REPORT

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

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

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

Item 2. **Date of Material Changes**

August 20, 2025

Item 3. **News Releases**

A news release announcing the material changes was disseminated on August 20, 2025 through Access Newswire and a copy filed on Tectonic’s SEDAR+ profile at www.sedarplus.ca.

Item 4. **Summary of Material Changes**

On August 20, 2025, the Company announced the closing of its previously announced brokered and non-brokered private placement (the "**Private Placement**") of 22,323,831 common shares of the Company at a price of C\$0.95 per share, for aggregate gross proceeds to the Company of C\$21,207,639.

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

Private Placement

On August 20, 2025, pursuant to the close of the Private Placement, Tectonic issued 22,323,831 common shares at a price of C\$0.95 per share for aggregate gross proceeds of C\$21,207,639.

The Private Placement is comprised of a brokered offering (the “**Brokered Offering**”), led by 3L Capital Inc., together with Canaccord Genuity Corp. and Research Capital Corporation (collectively, the “**Agents**”), and a non-brokered offering (“**Non-Brokered Offering**”).

Under the Private Placement, an aggregate of 14,585,105 Common Shares (the “**LIFE Shares**”) were issued pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – Prospectus Exemptions (“NI 45- 106”), as amended by Coordinated Blanket Order 45-935 – Exemptions from Certain Conditions of the Listed Issuer Financing, for gross proceeds of C\$13,855,849.75, and an aggregate of 7,738,726 Common Shares (the “**Hold Shares**”) were issued pursuant to the accredited investor exemption under NI 45-106 for gross proceeds of \$7,351,789.70.

A total of 14,085,105 LIFE Shares and 1,508,000 Hold Shares were issued under the Brokered Offering and a total of 500,000 LIFE Shares and 6,230,726 Hold Shares were issued under the Non-Brokered Offering.

In connection with the Private Placement, the Company paid cash commissions and advisory fees in the aggregate amount of \$1,013,807 (excluding applicable taxes) and issued an aggregate of 1,068,086 compensation warrants (“**Compensation Warrants**”), subject to the final approval of the TSX Venture Exchange (the “**TSXV**”). Each Compensation Warrant is exercisable to acquire one Common Share (a “**Compensation Warrant Share**”) at a price \$1.23 until February 20, 2027.

The LIFE Shares will not be subject to resale restrictions pursuant to applicable Canadian securities laws. The Hold Shares, Compensation Warrants, and any Compensation Warrant Shares issued upon exercise of Compensation Warrants are subject to a hold period and may not be traded until December 21, 2025 except as permitted by applicable securities legislation and the rules and policies of the TSXV.

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

Crescat Capital LLC (including its associates and affiliates - together “**Crescat**”) a, an insider of the Company, participated in the Private Placement. Accordingly, the Private Placement constitutes a “related-party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Private Placement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed or quoted on any of the stock exchanges or markets listed in subsection 5.5(b) of MI 61-101, and the fair market value of the securities to be distributed and the consideration to be received for the securities issued to Crescat under the Private Placement does not exceed 25% of the Company's market capitalization.

Prior to the Private Placement, Crescat, together with any person acting jointly and in concert with Crescat, owned and controlled 14,065,091 Common Shares of Tectonic and held common share purchase warrants entitling Crescat to acquire an additional 6,556,812 Common Shares. Crescat subscribed for 3,157,895 Hold Shares under the Private Placement.

Subsequent to the Private Placement, Crescat, together with any person acting jointly and in concert with Crescat, owned and controlled 17,222,986 Common Shares and 6,556,812 Warrants representing 19.17% of the issued and outstanding Common Shares on a non-diluted basis.

The Company did not file a material change report more than 21 days before the expected closing of the Private Placement as the details were not settled until shortly prior to closing of the Private Placement.

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

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

Item 9. **Date of Report**

August 22, 2025

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.