



Tectonic Metals Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2025 and 2024

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Tectonic Metals Inc. for the interim periods ended September 30, 2025 and 2024, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Davidson & Company LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

November 26, 2025

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2025	December 31, 2024
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		20,500,249	1,971,424
Amounts receivable		44,530	12,902
Prepaid expenses and deposits	5	1,052,141	631,264
		21,596,920	2,615,590
Property and equipment	6	47,393	11,953
Exploration and evaluation assets	7	1,219,602	1,151,567
Total assets		22,863,915	3,779,110
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	3,186,163	435,420
		3,186,163	435,420
Restoration provision	9	386,652	390,642
Total liabilities		3,572,815	826,062
SHAREHOLDERS' EQUITY			
Share capital	10(b)	65,665,524	38,141,029
Reserves		14,700,502	8,692,863
Deficit		(61,074,926)	(43,880,844)
Total shareholders' equity		19,291,100	2,953,048
Total liabilities and shareholders' equity		22,863,915	3,779,110

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Antonio Reda"
Antonio Reda

/s/ "Michael Roper"
Michael Roper

TECTONIC METALS INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating expenses					
Accounting and legal fees	11	68,183	55,912	228,405	202,770
Accretion expense	9	2,928	2,813	8,756	8,292
Corporate development		186,724	138,056	451,074	237,862
Depreciation	6	10,323	1,170	14,554	2,483
Employee benefits and salaries	11	130,466	208,575	451,017	371,862
Exploration and evaluation expenses	8,11	9,431,785	1,699,340	14,495,289	2,355,178
General and administration		84,667	43,881	178,218	111,872
Insurance		10,661	11,825	37,839	36,468
Investor relations		29,291	56,230	108,298	186,025
Listing and filing fees		14,017	9,704	47,131	37,490
Share-based compensation	10(d),11	694,636	68,610	1,143,366	146,264
Travel and meals		74,940	54,813	130,384	119,046
		10,738,621	2,350,929	17,294,331	3,815,612
Other income (expenses)					
Foreign exchange gain (loss)		41,973	3,233	(2,659)	405
Interest income		74,290	2,404	102,908	12,262
Net loss and comprehensive loss		(10,622,358)	(2,345,292)	(17,194,082)	(3,802,945)
Net loss per share:					
Basic and diluted (Note 1)		(0.14)	(0.07)	(0.30)	(0.11)
Weighted average number of common shares outstanding:					
Basic and diluted (Note 1)		77,447,938	35,573,331	57,761,681	33,910,596

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended September 30,	
	2025	2024
	\$	\$
Operating activities		
Net loss for the period	(17,194,082)	(3,802,945)
Adjustments for:		
Accretion expense	8,756	8,292
Depreciation	14,554	2,483
Share-based compensation	1,143,366	146,264
Unrealized foreign exchange (gain) loss	(25,586)	7,125
Changes in non-cash working capital:		
Amounts receivable	(31,628)	(41,764)
Prepaid expenses and deposits	(420,877)	(217,741)
Accounts payable and accrued liabilities	2,717,097	220,645
Cash used in operating activities	(13,788,400)	(3,677,641)
Investing activities		
Expenditure on exploration and evaluation assets	(68,035)	(68,268)
Purchases of property and equipment	(49,994)	(7,480)
Cash used in investing activities	(118,029)	(75,748)
Financing activities		
Proceeds from private placements	33,943,939	3,070,639
Proceeds from subscription received	-	9,800
Share issuance costs	(1,227,773)	-
Unit issuance costs	(452,878)	(194,223)
Proceeds from the exercise of warrants	171,966	-
Cash provided by financing activities	32,435,254	2,886,216
Change in cash and cash equivalents	18,528,825	(867,173)
Cash and cash equivalents, beginning of period	1,971,424	2,381,310
Cash and cash equivalents, end of period	20,500,249	1,514,137
Supplemental cash flow information:		
Cash interest paid	-	-
Cash interest earned on cash and cash equivalents	102,908	12,262
Cash income tax paid	-	-
Finders' warrants issued	643,625	46,306
Share issuance costs (recovery) included in changes in accounts payable and accrued liabilities	111,486	(42,129)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TECTONIC METALS INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares (Note 1)	Share capital	Reserves	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance, December 31, 2023	33,070,103	34,160,529	7,277,929	(38,790,070)	2,648,388
Units issued in private placements	5,117,714	2,494,129	576,510	-	3,070,639
Unit issuance costs	-	(240,529)	46,306	-	(194,223)
Recovery of share issuance costs	-	42,129	-	-	42,129
Share-based compensation	-	-	146,264	-	146,264
Net loss and comprehensive loss	-	-	-	(3,802,945)	(3,802,945)
Balance, September 30, 2024	38,187,817	36,456,258	8,047,009	(42,593,015)	1,910,252
Units issued in private placements	3,797,553	1,882,866	395,666	-	2,278,532
Unit issuance costs	-	(198,095)	48,432	-	(149,663)
Share-based compensation	-	-	201,756	-	201,756
Net loss and comprehensive loss	-	-	-	(1,287,829)	(1,287,829)
Balance, December 31, 2024	41,985,370	38,141,029	8,692,863	(43,880,844)	2,953,048
Shares issued in private placement	22,323,831	21,207,639	-	-	21,207,639
Share issuance costs	-	(1,749,464)	410,205	-	(1,339,259)
Units issued in private placement	25,472,600	8,447,819	4,288,481	-	12,736,300
Unit issuance costs	-	(686,298)	233,420	-	(452,878)
Options exercised	50,000	94,114	(29,114)	-	65,000
Warrants exercised	181,966	210,685	(38,719)	-	171,966
Share-based compensation	-	-	1,143,366	-	1,143,366
Net loss and comprehensive loss	-	-	-	(17,194,082)	(17,194,082)
Balance, September 30, 2025	90,013,767	65,665,524	14,700,502	(61,074,926)	19,291,100

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

TECTONIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the "Company" or "Tectonic") was incorporated on April 7, 2017 under the laws of the British Columbia Business Corporations Act. The Company's head office is at 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Company is listed on the TSX Venture Exchange trading under the symbol "TECT", is co-listed on the United States ("US") OTCQB trading under the symbol "TETOF" and is co-listed on the Frankfurt Stock Exchange trading under the symbol "T15B".

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the US. 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 in the exploration stage.

These unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025 and 2024 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. For the three and nine months ended September 30, 2025, the Company incurred a net loss and comprehensive loss of \$10,622,358 and \$17,194,082, respectively (2024 - \$2,345,292 and \$3,802,945, respectively). As at September 30, 2025, the Company had working capital of \$18,410,757 (December 31, 2024 - \$2,180,170). Management intends to finance its operations with the proceeds from equity financings, and its current working capital.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

Share consolidation

On May 20, 2025, the Company consolidated its outstanding common shares on a ratio of ten (10) old common shares to one (1) new post-consolidated common share. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation (the "Share Consolidation").

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements").

These financial statements were approved by the Board of directors and authorized for issuance on November 26, 2025.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Functional and presentational currency

These financial statements are presented in Canadian dollars ("CAD") which is the functional and presentation currency of the Company and its subsidiaries. References to "USD" or "US\$" are to US dollars.

TECTONIC METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)**d) Basis of consolidation**

These financial statements include the financial information of the Company and entities controlled by the Company. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

A summary of the Company's subsidiaries included in these financial statements as at September 30, 2025 is as follows:

	Country of incorporation	Percentage ownership	Functional currency	Principal activity
District Metals LLC	USA	100%	CAD	Holding company
Tectonic Resources LLC	USA	100%	CAD	Holding company

e) Reclassification of comparative figures

Certain prior year amounts have been reclassified for consistency with the current year presentation. During the three and nine months ended September 30, 2024, foreign exchange gain of \$3,233 and \$405, respectively, was reclassified from operating expenses to other income (expenses) in the statements of loss and comprehensive loss. There was no impact on reported net loss and comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES

The same accounting policies and methods of computation are followed in these financial statements as compared with the Annual Financial Statements.

Pronouncements issued but not yet effective

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

TECTONIC METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	September 30, 2025	December 31, 2024
	\$	\$
Exploration program deposits	848,969	263,685
Prepaid consulting fees	117,553	233,737
Prepaid conference fees	48,844	36,308
Other prepaid expenses	36,775	97,534
	1,052,141	631,264

6. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Exploration equipment	Office and furniture	Computer equipment	Total
	\$	\$	\$	\$
Cost				
Balance, December 31, 2023	22,686	15,598	11,897	50,181
Additions	-	-	7,480	7,480
Balance, December 31, 2024	22,686	15,598	19,377	57,661
Additions	2,759	-	47,235	49,994
Balance, September 30, 2025	25,445	15,598	66,612	107,655
Accumulated depreciation				
Balance, December 31, 2023	22,426	12,414	7,214	42,054
Depreciation	78	955	2,621	3,654
Balance, December 31, 2024	22,504	13,369	9,835	45,708
Depreciation	458	2,229	11,867	14,554
Balance, September 30, 2025	22,962	15,598	21,702	60,262
Carrying value				
Balance, December 31, 2024	182	2,229	9,542	11,953
Balance, September 30, 2025	2,483	-	44,910	47,393

7. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Tibbs	Flat	Porterfield	Total
	\$	\$	\$	\$
Balance, December 31, 2023	445,162	512,348	34,275	991,785
Cash acquisition payments	68,268	57,240	34,274	159,782
Balance, December 31, 2024	513,430	569,588	68,549	1,151,567
Cash acquisition payments	68,035	-	-	68,035
Balance, September 30, 2025	581,465	569,588	68,549	1,219,602

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to the properties is in good standing.

TECTONIC METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)**a) Tibbs**

On June 15, 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC ("TCG") for a 100% interest in the surface and subsurface rights to State of Alaska Mining Claims in the Fairbanks Recording District, Alaska ("Tibbs" or "Tibbs Property"). The agreement grants TCG a 2.5% net smelter return ("NSR"), of which 1.5% can be purchased for US\$1,500,000. The initial term of the lease is ten years.

In consideration, the Company has paid TCG a total of \$581,465 (US\$430,000) up to September 30, 2025. Pursuant to the option agreement, the Company is required to pay a US\$50,000 option payment each June from 2021 to 2027 and was required to incur an aggregate US\$1,000,000 in exploration expenses by June 2022. As of December 31, 2021, the Company had fulfilled this exploration expenditure commitment. On June 17, 2025, the Company paid TCG a total of \$68,035 (US\$50,000) pursuant to the option agreement.

b) Flat

In September 2021, the Company entered into a mining lease agreement with Doyon, Limited ("Doyon") for a 100% interest in the Flat Gold Property ("Flat") located in the in the Kuskokwim Mineral Belt, Alaska. The initial term of the lease is for 15 years and includes renewal clauses to extend the lease period up to the entire operational period of the mine. Doyon was granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the fifth anniversary of commencement of commercial production. Doyon was granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversaries of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals will be the greater of a 4% NSR or 15% of net proceeds, and the production royalty for base minerals will be the greater of a 3% NSR or 15% of net proceeds.

In consideration, the Company has paid Doyon \$253,773 (US\$190,000) for annual lease payments from lease inception to September 30, 2025. To retain its right to the option, the Company is required to pay annual lease payments to the lessor of:

- US\$40,000 each January from 2022 to 2025 (2022, 2023, 2024, and 2025 payments were paid);
- US\$50,000 each January from 2026 to 2030;
- US\$100,000 each January thereafter. If the Company exercises its option to extend the lease term, this payment will be increased to US\$200,000; and
- US\$150,000 upon completion of a feasibility study.

Pursuant to the mining lease agreement, in addition to the annual lease payments noted above, the Company is required to incur the following amounts for exploration expenses on Flat to maintain the lease agreement in good standing:

	US\$
2021 - 2023 (fulfilled/met)	1,000,000
2024 - 2026 (fulfilled/met)	2,000,000
2027 - 2029 (fulfilled/met)	2,500,000
Each three-year lease period commencing 2030	2,500,000

Eligible expenses include all actual direct costs incurred related to the exploration and development of Flat, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenses and apply them against a future year. As of September 30, 2025, the Company has incurred approximately US\$18,234,780 in cumulative expenses on Flat and has completed all expenditure requirements to date in accordance with the mining lease agreement.

Pursuant to the mining lease agreement with Doyon, the Company has committed to contributing a US\$10,000 scholarship per year to the Doyon Foundation for the term of the lease. The scholarship amount increases to US\$50,000 each year following the commencement of commercial production at Flat. On April 30, 2025, the Company fulfilled its annual commitment.

TECTONIC METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)**c) Porterfield**

On October 18, 2023, the Company entered into a mining lease agreement for a 100% interest in the Porterfield Property ("Porterfield") located in the Mt. McKinley Recording District, State of Alaska, immediately north of Flat. The initial term of the lease is 20 years. The lessor was granted a 2% NSR for precious minerals and all other mineral products produced and sold from the Porterfield Property. At any time after the exercise of the option to purchase, the Company may buy back 1% of the NSR for US\$1,500,000.

In consideration, the Company has paid \$68,549 (US\$50,000) for annual lease payments from lease inception to September 30, 2025. To keep the property lease in good standing, the Company is required to pay annual lease payments to the lessor of:

- US\$25,000 each October from 2024 to 2026 (2024 and 2025 payments were paid);
- US\$50,000 each October from 2027 to 2028; and
- US\$50,000 on each subsequent October from 2029 to 2043.

On October 18, 2025, the Company paid \$34,869 (US\$25,000) for the second anniversary payment.

At any time prior to October 18, 2029, the Company can exercise the option to purchase the claims by tendering either (i) a cash payment of US\$200,000, (ii) common shares of the Company equivalent in value to US\$200,000, or (iii) any combination of cash and common shares as elected by the Company.

Pursuant to the mining lease agreement, in addition to the annual lease payments noted above, the Company is required to incur the following amounts for exploration expenses on Porterfield to maintain the lease agreement in good standing:

	US\$
Before December 1, 2024 (fulfilled/met)	50,000
Before December 1, 2025 (fulfilled/met)	100,000
Before December 1, 2026 (fulfilled/met)	100,000
Before December 1, 2027	200,000
Before December 1, 2028	200,000

As at September 30, 2025, the Company has incurred US\$268,506 in cumulative expenses on Porterfield.

d) MFB

MFB is an area of land adjacent to Flat that the Company staked in 2023 and began exploration activities on during the year ended December 31, 2024.

8. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses for the three months ended September 30, 2025 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	\$	\$	\$	\$	\$	\$
Administrative expenses	-	321	-	-	10,452	10,773
Camp expenses	-	836,574	20,851	-	1,775	859,200
Computer software	1,910	44,812	2,711	1,910	1,443	52,786
Conference and conventions	-	-	-	-	7,187	7,187
Drilling program	-	7,232,911	119,944.35	-	-	7,352,855
Geological and geophysical consulting	-	670,190	17,243	8,937	2,430	698,800
Laboratory expenses	-	287,099	488	-	-	287,587
Land management	-	19,675	-	-	-	19,675
Salaries	-	99,356	-	-	13,747	113,103
Travel and meals	-	29,750	-	-	69	29,819
	1,910	9,220,688	161,237	10,847	37,103	9,431,785

TECTONIC METALS INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2025 and 2024**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION EXPENSES (continued)

A summary of the Company's exploration and evaluation expenses for the three months ended September 30, 2024 is as follows:

	Tibbs	Flat	Porterfield	Support and other	Total
	\$	\$	\$	\$	\$
Administrative expenses	-	-	1,412	1,079	2,491
Camp expenses	2,910	244,750	5,054	-	252,714
Claim maintenance	-	-	9,648	-	9,648
Computer software	-	6,364	1,040	8,446	15,850
Drilling program	-	1,173,224	5,918	-	1,179,142
Geological and geophysical consulting	-	132,172	4,448	50,410	187,030
Laboratory expenses	-	40,274	455	-	40,729
Land management	-	2,326	-	-	2,326
Salaries	-	-	-	7,470	7,470
Travel and meals	-	-	-	1,940	1,940
	2,910	1,599,110	27,975	69,345	1,699,340

A summary of the Company's exploration and evaluation expenses for the nine months ended September 30, 2025 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	\$	\$	\$	\$	\$	\$
Administrative expenses	-	14,159	-	-	16,756	30,915
Camp expenses	-	1,706,758	21,763	-	4,970	1,733,491
Claim maintenance	-	-	275	275	-	550
Computer software	6,360	83,653	7,970	8,301	4,167	110,451
Conference and conventions	-	-	-	-	26,071	26,071
Drilling program	-	10,696,738	119,944	-	-	10,816,682
Geological and geophysical consulting	-	936,332	37,895	28,562	76,234	1,079,023
Laboratory expenses	-	334,933	488	-	-	335,421
Land management	-	55,950	-	-	-	55,950
Salaries	-	169,800	220	-	45,602	215,622
Travel and meals	-	45,959	-	-	45,154	91,113
	6,360	14,044,282	188,555	37,138	218,954	14,495,289

A summary of the Company's exploration and evaluation expenses for the nine months ended September 30, 2024 is as follows:

	Tibbs	Flat	Porterfield	Support and other	Total
	\$	\$	\$	\$	\$
Administrative expenses	-	13,580	5,133	9,443	28,156
Camp expenses	7,200	309,770	8,251	-	325,221
Claim maintenance	-	-	10,576	-	10,576
Computer software	1,236	23,471	5,572	27,431	57,710
Conference and conventions	-	-	-	12,624	12,624
Drilling program	-	1,175,861	5,918	-	1,181,779
Geological and geophysical consulting	7,868	351,433	8,326	87,422	455,049
Laboratory expenses	1,209	320,304	455	-	321,968
Land management	-	20,450	-	-	20,450
Salaries	-	-	-	41,087	41,087
Sponsorship expense	-	-	-	15,000	15,000
Travel and meals	-	-	-	38,255	38,255
Recovery of prior period expenses	-	-	-	(152,697)	(152,697)
	17,513	2,214,869	44,231	78,565	2,355,178

TECTONIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024

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9. RESTORATION PROVISION

A summary of the Company's restoration provision is as follows:

	\$
Balance, December 31, 2023	348,258
Accretion expense	11,197
Foreign exchange loss	31,187
Balance, December 31, 2024	390,642
Accretion expense	8,756
Foreign exchange gain	(12,746)
Balance, September 30, 2025	386,652

As at September 30, 2025, the Company had a restoration provision of \$386,652 (December 31, 2024 - \$390,642). The restoration provision relates to future costs for camp and infrastructure removal at Flat. The undiscounted amount of estimated future cash flows is \$395,356 (US\$284,000). The liability was estimated using an expected life of 6.00 years, an inflation rate of 2% and a risk-free pre-tax discount rate of 3.06%.

During the three and nine months ended September 30, 2025, the Company recognized accretion expense of \$2,928 and \$8,756, respectively (2024 - \$2,813 and \$8,292, respectively) and a foreign exchange loss of \$7,694 and gain of \$12,746, respectively (2024 - foreign exchange gain of \$5,055 and loss of \$7,125, respectively) on the restoration provision.

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital and share consolidation

The Company is authorized to issue an unlimited number of common shares without par value.

Pursuant to the Share Consolidation, the Company consolidated its outstanding common shares on a ratio of ten old common shares for every one new post-consolidated common share (Note 1). All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

b) Issued share capital

As at September 30, 2025, 90,013,767 common shares (December 31, 2024 - 41,985,370) were issued and outstanding.

During the nine months ended September 30, 2025, the Company had the following share transactions:

- On May 20, 2025, the Company closed a private placement (the "May 2025 Private Placement") and issued 25,472,600 units at a price of \$0.50 per unit for gross proceeds of \$12,736,300. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at an exercise price of \$0.75 and expires on May 20, 2027. The gross proceeds were allocated using the relative fair value method with \$8,447,819 allocated to share capital and \$4,288,481 allocated to reserves. Pursuant to the May 2025 Private Placement, the Company incurred cash unit issuance costs of \$452,878, of which \$29,930 was to a related party, and issued 707,400 finders' warrants with an aggregate fair value of \$233,420. Each finders' warrant is exercisable at a price of \$0.75 and expires on May 20, 2027.
- On July 16, 2025 the Company issued 50,000 shares from the exercise of options with an exercise price of \$1.30. The \$29,114 fair value attributed to the options exercised was reclassified from reserves to share capital.
- On August 20, 2025, the Company closed a private placement (the "August 2025 Private Placement") and issued 22,323,831 common shares at a price of \$0.95 per share for gross proceeds of \$21,207,639. Pursuant to the August 2025 Private Placement, the Company incurred cash share issuance costs of \$1,339,259, of which \$55,477 was to a related party, and issued 1,068,086 finders' warrants with an aggregate fair value of \$410,205. Each finders' warrant is exercisable at a price of \$1.23 and expires on February 20, 2027.
- On September 30, 2025, the Company issued 181,966 upon the exercise of 181,966 warrants for proceeds of \$171,966. The \$38,719 fair value attributed to the warrants exercised was reclassified from reserves to share capital.

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10. SHARE CAPITAL AND RESERVES (continued)

During the year ended December 31, 2024, the Company had the following share transactions:

- The Company recognized a \$42,129 recovery of share issuance costs from private placements that took place in 2023.
- On August 16, 2024, the Company closed the first tranche of a private placement (the “2024 Private Placement”) and issued 5,117,714 units at a price of \$0.60 per unit for gross proceeds of \$3,070,639. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$1.00 and expires on August 16, 2026. The gross proceeds were allocated using the relative fair value method with \$2,494,129 allocated to share capital and \$576,510 allocated to reserves. The Company paid cash unit issuance costs of \$194,223, of which \$23,780 was to a related party, and issued 166,942 finders' warrants with an aggregate fair value of \$46,306. Each finders' warrant is exercisable at a price of \$1.00 and expires on August 16, 2026.
- On October 3, 2024, the Company closed the second tranche of the 2024 Private Placement and issued 978,033 units at a price of \$0.60 per unit for gross proceeds of \$586,820. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$1.00 and expires on October 3, 2026. The gross proceeds were allocated using the relative fair value method, with \$482,841 allocated to share capital and \$103,979 allocated to reserves. The Company paid cash unit issuance costs of \$52,101, of which \$9,738 was to a related party, and issued 46,200 finders' warrants with an aggregate fair value of \$10,944. Each finders' warrant is exercisable at a price of \$1.00 and expires on October 3, 2026.
- On November 1, 2024, the Company closed the third and final tranche of the 2024 Private Placement and issued 2,819,520 units at a price of \$0.60 per unit for gross proceeds of \$1,691,712. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at an exercise price of \$1.00 and expires on November 1, 2026. The gross proceeds were allocated using the relative fair value method, with \$1,400,025 allocated to share capital and \$291,687 allocated to reserves. The Company paid cash unit issuance costs of \$97,562, of which \$1,537 was to a related party, and issued 163,571 finders' warrants with an aggregate fair value of \$37,488. Each finders' warrant is exercisable at a price of \$1.00 and expires on November 1, 2026.

c) Warrants

A summary of Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, December 31, 2023	9,937,210	1.30
Warrants issued	4,457,626	1.00
Finders' warrants issued	376,713	1.00
Expired	(4,376,567)	1.20
Balance, December 31, 2024	10,394,982	1.23
Warrants issued	25,472,600	0.75
Finders' warrants issued	1,775,486	1.04
Exercised	(181,966)	0.95
Expired	(3,981,313)	1.48
Balance, September 30, 2025	33,479,789	0.83

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10. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's outstanding warrants as at September 30, 2025 is as follows:

Issue date	Expiry date	Number of warrants	Weighted average exercise price	Weighted average remaining life
		#	\$	Years
November 8, 2023	November 8, 2025	1,579,330	1.30	0.11
August 16, 2024	August 16, 2026	2,583,827	1.00	0.88
October 3, 2024	October 3, 2026	535,216	1.00	1.01
November 1, 2024	November 1, 2026	1,573,330	1.00	1.09
August 20, 2025	February 20, 2027	1,068,086	1.23	1.39
May 20, 2025	May 20, 2027	26,140,000	0.75	1.64
		33,479,789	0.83	1.46

As at September 30, 2025, the weighted average remaining contractual life of the outstanding warrants was 1.46 years (December 31, 2024 - 1.14 years).

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model ("BSM") for warrants issued during the nine months ended September 30, 2025 and the year ended December 31, 2024 is as follows:

	2025	2024
Share price	\$0.66	\$0.60
Exercise price	\$0.77	\$1.00
Risk-free interest rate	2.63%	3.21%
Expected life	2.00 years	2.00 years
Expected volatility	101.86%	107.80%
Expected annual dividend yield	0.00%	0.00%

d) Stock options

The Company has a stock option plan (the "Stock Option Plan"), whereby it may grant share options to eligible employees, officers, directors and consultants with an exercise price, expiry date and vesting conditions determined by the Company's Board of Directors. The maximum expiry date is ten years from the grant date. The Stock Option Plan permits the issuance of stock options, which together with the restricted share plan may not exceed 10% of the Company's issued common shares as at the date of grant.

A summary of Company's stock option activity is as follows:

	Number of stock options outstanding	Weighted average exercise price
	#	\$
Balance, December 31, 2023	937,500	1.20
Granted	1,240,000	1.00
Forfeited	(231,000)	1.10
Balance, December 31, 2024	1,946,500	1.08
Granted	4,120,000	0.78
Exercised	(50,000)	1.30
Expired	(47,500)	1.22
Forfeited	(9,000)	0.90
Balance, September 30, 2025	5,960,000	0.87

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10. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's stock options outstanding and exercisable as at September 30, 2025 is as follows:

Grant date	Expiry date	Number of stock options outstanding #	Number of stock options exercisable #	Weighted average exercise price \$	Weighted average remaining life Years
August 19, 2024	August 19, 2026	20,000	20,000	0.90	0.88
March 11, 2022	March 11, 2027	30,000	30,000	1.01	1.44
July 8, 2022	July 8, 2027	220,000	220,000	1.00	1.77
August 4, 2022	August 4, 2027	50,000	50,000	1.00	1.84
October 3, 2022	October 1, 2027	40,000	20,000	1.00	2.00
August 15, 2023	August 15, 2028	344,000	334,000	1.30	2.88
March 1, 2024	March 1, 2029	50,000	37,500	1.00	3.42
August 19, 2024	August 19, 2029	161,000	50,000	0.90	3.89
November 4, 2024	November 4, 2029	900,000	675,000	1.00	4.10
May 30, 2025	May 30, 2030	3,860,000	-	0.75	4.67
April 30, 2021	April 30, 2031	25,000	25,000	1.55	5.58
September 24, 2025	September 24, 2030	260,000	-	1.25	4.99
		5,960,000	1,461,500	0.87	4.29

A summary of the Company's weighted average inputs used in the BSM to calculate the fair value of stock options granted during the nine months ended September 30, 2025 and the year ended December 31, 2024 is as follows:

	2025	2024
Exercise price	\$0.78	\$0.98
Share price	\$0.73	\$0.57
Risk-free interest rate	2.80%	3.07%
Expected life	5.00 years	4.92 years
Expected volatility	109.30%	112.30%
Expected annual dividend yield	0.00%	0.00%
Expected forfeiture rate	N/A	3.02%

During the nine months ended September 30, 2025, the Company had the following stock option grants:

- On May 30, 2025, the Company granted 3,860,000 stock options to certain officers, employees, and consultants. Each option has an exercise price of \$0.75 per share and expires on May 30, 2030, vesting over an 18-month period in equal installments every 6 months.
- On September 24, 2025, the Company granted 260,000 stock options to certain employees. Each option has an exercise price of \$1.25 per share and expires on September 24, 2030, vesting over an 18-month period in equal installments every 6 months.

During the year ended December 31, 2024, the Company had the following stock option grants:

- On March 1, 2024, the Company granted 50,000 stock options to a newly appointed director. Each option has an exercise price of \$1.00 per common share of the Company and expires on March 1, 2029, vesting over a two-year period in four equal installments on the six-month anniversary dates. In addition, the Company issued 30,000 stock options to a consultant with the same exercise price and expiry date vesting over a three-year period in three equal installments on the anniversary date.
- On August 19, 2024, the Company granted 140,000 stock options to certain officers, employees, and consultants. Each option has an exercise price of \$0.90 per share and expires on August 19, 2029 with varied vesting conditions.
- On August 19, 2024, the Company granted 90,000 stock options to certain consultants. Each stock option has an exercise price of \$0.90 per share and expires on August 19, 2029 with varied vesting conditions relating to performance objectives associated with the Company's 2024 Flat drill program.

TECTONIC METALS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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10. SHARE CAPITAL AND RESERVES (continued)

- On August 19, 2024, the Company granted 20,000 stock options to a consultant. Each stock option has an exercise price of \$0.90 per share and expires on August 19, 2026, vesting immediately.
- On August 19, 2024, the Company granted 10,000 stock options to a consultant. Each stock option has an exercise price of \$0.90 per share and expires on August 19, 2025, vesting over 6 months in equal installments every 3 months.
- On November 4, 2024, the Company granted an aggregate of 900,000 stock options to a consultant. Each option has an exercise price of \$1.00 per share and expires on November 4, 2029, with 225,000 stock options vesting immediately and the remaining 675,000 stock options vesting in equal installments every 4 months.

During the three and nine months ended September 30, 2025, the Company recorded share-based compensation related to the vesting of stock options granted of \$694,636 and \$1,143,366, respectively (2024 - \$68,610 and \$192,924, respectively) and a recovery of \$nil and \$nil, respectively (2024 - \$nil and \$46,660, respectively) relating to forfeited unvested stock options. As a result, the net share-based compensation expense for the three and nine months ended September 30, 2025 was \$694,636 and \$1,143,666, respectively (2024 - \$68,610 and \$146,264, respectively).

11. RELATED PARTY TRANSACTIONS

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions with its key management personnel is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Accounting and legal fees	58,749	39,411	170,268	133,455
Employee benefits and salaries	80,975	185,000	318,479	310,000
Exploration and evaluation expenses	46,250	71,250	138,750	158,750
Share-based compensation	512,157	35,713	727,630	92,341
Share issuance costs (Note 10(b))	55,477	23,780	55,477	23,780
Unit issuance costs (Note 10(b))	-	-	29,930	-
	753,608	355,154	1,440,534	718,326

As at September 30, 2025, accounts payable and accrued liabilities contain amounts due to related parties of \$173,287 (December 31, 2024 - \$190,269). The amounts have no specified terms of repayment and are due upon demand.

12. SEGMENTED INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Executive Officer, who makes strategic decisions and allocates resources to operating segments. The CODM has determined that the Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in Alaska, and its corporate assets, comprising mainly cash and cash equivalents, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues. All corporate expenses are incurred in Canada.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2025, the Company's financial instruments consist of cash and cash equivalents, deposits, and accounts payable and accrued liabilities, all of which are measured at amortized cost.

The carrying value of cash and cash equivalents, deposits, and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and cash equivalents, including cash and a guaranteed investment certificate held in a financial institution, and deposits. The risk exposure is limited because the Company places its cash and cash equivalents in institutions of high credit worthiness within Canada. In addition, the Company holds its deposits with reputable companies in the drilling industry that it has engaged previously or on the 2025 Flat drill program. These deposits will be offset against the exploration expenses incurred on the 2025 Flat drill program.

b) 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 does not hold any financial instruments with variable interest rates, other than cash and, therefore, is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at September 30, 2025, the Company had sufficient cash on hand to discharge its financial liabilities and has assessed liquidity risk as minimal.

d) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

e) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in USD, expressed in Canadian dollars is as follows:

	September 30,	December 31,
	2025	2024
	\$	\$
Cash and cash equivalents	2,004,583	100,016
Deposits	848,969	263,685
Accounts payable and accrued liabilities	(2,660,980)	(60,086)
	192,572	303,615

As at September 30, 2025, a 5% change in the foreign exchange rate would result in a change in net loss and comprehensive loss of \$9,629 (December 31, 2024 - \$15,181). The Company has no hedging agreements in place with respect to foreign exchange rates.

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14. CAPITAL MANAGEMENT

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

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 any capital restrictions and the Company's approach to capital management has not changed.

15. SUBSEQUENT EVENTS

On October 14, 2025, the Company issued 57,500 common shares pursuant to the exercise of 57,500 share purchase warrants at an exercise price of \$1.00 per share for proceeds of \$57,500.

On October 18, 2025, the Company paid \$34,869 (US\$25,000) for the option payment on the Porterfield Property representing the northern extension of the Flat Project.

On November 8, 2025, 1,579,330 share purchase warrants of the Company expired unexercised.

On November 12, 2025, the Company issued \$46,500 common shares pursuant to the exercise of 46,500 share purchase warrants at an exercise price of \$1.00 per share for proceeds of \$46,500.