

31 August 2022

TECTONIC GOLD PLC
("Tectonic Gold" or the "Company")

MINING PERMIT GRANTED

Tectonic Gold plc (TDIM: TTAU), is pleased to announce that Whale Head Minerals Pty Ltd ("Whale Head"), the Company's Heavy Mineral Sands ("HMS") Joint Venture ("JV") in South Africa, with Kazera Global Investments Plc ("Kazera") (AIM:KZG), has been awarded a Mining Permit.

Highlights:

- Mining Permit awarded to Whale Head Minerals Pty Ltd
- Tectonic holds a 40% economic interest in Whale Head
 - 10% non-diluting equity interest
 - 30% economic interest via Black Economic Empowerment ("BEE") partner earn out
- £150 million Net Present Value from independent expert report commissioned by JV partner
- 3.11 million tons JORC Indicated Mineral Resource at a grade of 61.2% HMS
- Additional Prospecting Right neighbouring permit, with area over 30 times larger, also under application

Mr. Brett Boynton, Managing Director – Tectonic Gold Plc

"We are very pleased to have the Mining Permit finalised and are looking forward to seeing this project brought into production. We worked closely with Kazera and our local BEE partners to achieve this outcome and it is a great example of local and international partners creating opportunity in South Africa in the mining industry. This project complements our existing diamond mining joint venture on the South African Government diamond mining site and offers the opportunity to grow into a multi-generational strategic minerals project for the region.

Tectonic retains a 10% non-diluting equity interest from the previous sale of 60% of Whale Head to Kazera. In addition, Tectonic has sold 30% to a consortium of local BEE partners, with this sale to be funded over time from a share of the profits. The BEE syndicate includes entities controlled by Dr Gil Mahlati, a well-known South

African business leader who has been appointed Chairman of Whale Head and Dr Dempsey Naidoo, also a high profile South African businessman. Dr Naidoo had a successful career with Anglo American, leading its Mineral Sands business before moving on to build one of the most successful engineering groups in Africa. He has also been appointed to the Board of Whale Head. These partners bring significant profile to what we expect to become a major project for the regional economy.

The initial £150 million valuation of the project does not include the neighbouring beach area which is under permit application. This much larger area provides upside to the project once the Whale Head beach zone is brought into production.

Mining of mineral sands in this area has historically been precluded by diamond mining activity and the necessity for strict security protocols around those operations. Despite the site being a well-established mining operation with almost 100 years of diamond mining history, the mineral sands have not been exploited. Whale Head will now mine high grade HMS zones with simultaneous diamond extraction in a first of its kind operation for the site.

The alluvial sands containing the diamonds and HMS are mined using dredging and digging equipment and processed using water and gravity separation. It is an environmentally friendly operation with no explosives or processing chemicals. The project will offer a range of job creation opportunities on site and in support.

It is anticipated that Whale Head will start operations and sell a concentrate until on site processing facilities have been built. This will likely be in partnership with a major international mineral sands production and sales group.

This is a great outcome for the Alexander Bay community as we will now see new economic development and it is a great outcome for our partners and shareholders."

For further information, please contact:

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