

18 December 2019

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

**OPTION AGREEMENT FOR SALE OF MAJORITY INTEREST IN TECTONIC SOUTH AFRICA,  
AUDIT UPDATE AND SUSPENSION FROM TRADING**

Tectonic Gold plc (TDIM: TTAU) is pleased to announce that, having secured an independent mining contract as announced on 16 December 2019, the Company has executed an option agreement with a private investor for the purchase of a majority interest in Tectonic South Africa Pty Ltd ("Tectonic SA"), its wholly owned subsidiary. Under the terms of the agreement, Tectonic will retain a non-diluting 10% interest in Tectonic SA alongside the 26% holding of Black Economic Empowerment ("BEE") partner RMTE Pty Ltd. The new investor will hold a 64% interest and fully fund all future project development.

The execution of the option agreement follows extensive due diligence conducted on the project by the investor and affiliated parties, including an independent expert review of the project.

The terms of the acquisition include a £100,000 payment in cash to Tectonic Gold on completion.

The option agreement has been executed to provide the investor with 120 days to complete corporate and legal preparations for funding.

The Board of Tectonic Gold has decided to postpone the annual audit until the completion of the transaction. This is expected to be after 31 December 2019, the deadline by which, under the NEX Exchange Growth Market – Rules for Issuers, the Company is required to announce audited results for the year ended 30 June 2019. Accordingly, the Company has requested that trading in its ordinary shares on the NEX Exchange Growth Market be suspended, pending completion of the audit.

If the transaction is completed, the project will continue to be managed by the existing Board and Management of Tectonic SA with on-going technical support from Tectonic Gold.

**Mr. Brett Boynton, Managing Director – Tectonic Gold plc**

This transaction provides the Company with a pathway to fully fund the diamond-mining operation and retains for shareholders a meaningful economic interest. Tectonic Gold will continue to be actively involved and incentivised with the non-diluting equity interest in Tectonic SA. We hope to close this transaction quickly and move forward with follow up plans on our Australian gold projects in 2020. Delaying the audit until completion of the transaction has allowed the team to be fully focused on completing the deal and we will report in detail once we have closed it.

The Directors of the Company accept responsibility for the contents of this announcement.

For further information, please contact:

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Ends

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.