

MANAGING DIRECTOR'S STATEMENT

Dear Shareholder,

During the half year to December 2020, the Company focused on the development of its Australian gold portfolio. This followed a successful sell down of the South African diamond and heavy minerals project in June 2020 and the re-opening of the Queensland state borders after COVID-19 related lockdowns.

£402,800 was raised in early September 2020 to conduct a follow-up drilling program to extend copper and gold discoveries at the Specimen Hill project and to put a small initial drill sampling program into the Mount Cassidy project. Assays from the drilling confirmed success with copper and gold mineralisation intersected in every hole, proving once again the Company's Intrusive Related Gold System exploration methodology.

Mapping at Specimen Hill has identified a copper and gold deposit with world class potential having a strike of over four kilometres. Widely spaced drilling over an initial 800m showed continuity of the mineralisation mapped at surface down to 100m depth. Gold grades ranged from 2g/t Au to over 15g/t gold and copper grades up to +1% Cu were returned.

On the back of this successful start to the program, warrants issued alongside the September 2020 capital raise were called. This had an excellent response from warrant holders who committed to exercise over 70 million 0.7p warrants generating more than £500,000 in additional capital for the campaign.

The focus of the program is to both infill and extend the initial 800m length of strike that has been drill tested, with a particular focus on the "Southern Copper" discovery. Deeper drilling has now been planned, to enlarge the tested envelope, which remains open at depth below the current drill testing. Drill density will also be revisited to ensure robust inputs for resource modelling. Independent experts and one of Australia's leading geological consulting groups, Geos Mining, was retained to provide initial modelling input.

At the time of writing, the Company has a large batch of drill samples from Specimen Hill being assayed. These have already been through pre-screening, which produced over 500 samples testing positive for copper. This is of particular importance as we prepare to revisit discussions with some of our neighbours such as Rio Tinto, Newcrest and others that have become increasingly active in our neighbourhood after COVID-19 made it difficult to work their international portfolios, especially in South America and South East Asia which are traditional copper and gold mining areas.

It should be noted that our diamond and heavy minerals joint venture partner, AIM listed Kazera Global PLC, has brought the South African diamond project into profitable operation and recently announced successful project financing of their own. Their share price is up over 200% from our entry price and our non-diluting 10% holding in the diamond project is performing well.

The last half has been very rewarding, with Tectonic's share price rebounding to the Specimen Hill progress and recently trading up over 900% since the September capital raise. During a trading window earlier in the month I was finally allowed to purchase additional shares for my own account and support the register alongside the efforts of our warrant holders. It always gives me encouragement to announce that none of our directors or officers have ever sold a share and we remain fully committed to the ongoing success of our Company alongside all our shareholders.

RESULTS AND COMPARITIVE INFORMATION

The Group incurred a loss after tax for the reporting period of £60,084 (31 Dec 2019: £23,569 (profit)).

For and on behalf of the Board.



Brett Boynton, CFA
Managing Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

		6 MONTHS TO 31 DEC 2020 UNAUDITED	6 MONTHS TO 31 DEC 2019 UNAUDITED	12 MONTHS TO 30 JUNE 20 AUDITED
	NOTE	GBP	GBP	GBP
Revenue from continuing operations		-	47,513	294,866
Expenses from continuing operations:				
Accounting and audit fees		(15,388)	(12,629)	(59,715)
Administration and office costs		(6,377)	(9,656)	(10,496)
Corporate costs		(33,999)	(33,564)	(71,492)
Amortisation and depreciation		(788)	(882)	(1,515)
Employee benefits, management fees and on costs		(500)	(22,824)	5,682
Exploration and tenement costs		(4,034)	(25,922)	(10,231)
Insurance		(11,133)	-	(2,429)
Share based payments		(139,462)	-	-
Business Development costs		-	(9,257)	(9,257)
Net fair value gain on financial assets at fair value through profit and loss		129,667	-	77,750
Other expenses		21,929	(61,373)	(5,578)
Profit/ (loss) from continuing operations before income tax		(60,084)	(128,594)	207,585
Income tax benefit		-	152,163	149,097
Profit/ (loss) for the reporting period from continuing operations		(60,084)	23,569	356,682
Discontinued operations				
(Loss) for the year from discontinued operations		-	-	(73,934)
Profit/ (loss) for the reporting period attributable to the owners of the Company		(60,084)	23,569	282,748
Other comprehensive income:				
Items that may be subsequently reclassified to profit and loss:				
Exchange differences on translation of foreign subsidiaries		16,433	(46,344)	17,416
Total comprehensive profit/(loss)/ for the reporting period		(43,651)	22,775	300,162
Earnings per share attributable to owners of the company				
Basic and diluted (pence per share)				
From continuing operations	4	0.007	0.003	0.04

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2020

	NOTE	31 DEC 2020 GROUP UNAUDITED GBP	31 DEC 2019 GROUP UNAUDITED GBP	30-JUN-20 GROUP AUDITED GBP
ASSETS				
NON-CURRENT ASSETS				
Plant and equipment		4,335	5,504	5,075
Exploration and evaluation expenditure		2,921,388	2,604,751	2,695,681
Financial assets at fair value through profit and loss		454,074	-	224,407
TOTAL NON-CURRENT ASSETS		3,379,797	2,610,255	2,925,163
CURRENT ASSETS				
Cash and cash equivalents		192,709	130,224	52,734
Trade and other receivables		21,265	105	1,865
Other assets	5	362,374	339,485	357,792
TOTAL CURRENT ASSETS		576,348	469,814	412,391
TOTAL ASSETS		3,956,145	3,080,069	3,337,554
EQUITY				
Share capital		6,115,444	6,100,615	6,100,615
Warrant reserves		60,497,749	60,146,216	60,146,216
RTO Reserve		(57,976,182)	(57,976,182)	(57,976,182)
Warrant Reserves		260,925	95,098	95,098
Foreign exchange translation reserves		(58,832)	(139,025)	(75,265)
Accumulated losses		(5,540,694)	(5,739,788)	(5,480,609)
TOTAL EQUITY		3,298,410	2,486,934	2,809,873
LIABILITIES				
NON-CURRENT LIABILITIES				
Trade and other payables		16,263	15,358	16,060
Borrowings		172,387	228,664	226,908
TOTAL NON-CURRENT LIABILITIES		188,650	244,022	242,968
CURRENT LIABILITIES				
Trade and other payables		312,399	249,113	284,712
Borrowings		156,685	100,000	-
TOTAL CURRENT LIABILITIES		469,085	349,113	284,712
TOTAL LIABILITIES		657,735	593,135	527,882
TOTAL EQUITY AND LIABILITIES		3,956,145	3,080,069	3,337,554

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 31 March 2021.

Signed on behalf of the Board by:


Brett Boynton
Managing Director

Company number: 05173250

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

GROUP - UNAUDITED 31 DEC 2020	ISSUED CAPITAL GBP	SHARE PREMIUM GBP	WARRANT RESERVE GBP	RTO RESERVE GBP	FOREIGN CURRENCY RESERVE GBP	ACCUMULATED LOSSES GBP	TOTAL GBP
Balance at 1 July 2019	6,100,615	60,146,216	95,098	(57,976,182)	(75,265)	(5,480,609)	2,809,873
Total comprehensive loss for the period						(60,084)	(60,084)
Transactions with owners, recorded directly in equity:							
Foreign Currency Translation Reserve	-	-	-	-	16,433		16,433
Shares Issued	14,829	400,698	-	-	-	-	415,527
Share issue costs	-	(49,165)	-	-	-	-	(49,165)
Warrants issued	-	-	165,827	-	-	-	165,827
Balance as at 31 December 2020	6,115,444	60,497,749	260,925	(57,976,182)	(58,832)	(5,540,694)	3,298,410

GROUP - UNAUDITED 31 DEC 2019	ISSUED CAPITAL GBP	SHARE PREMIUM GBP	WARRANT RESERVE GBP	RTO RESERVE GBP	FOREIGN CURRENCY RESERVE GBP	ACCUMULATED LOSSES GBP	TOTAL GBP
Balance at 1 July 2019	6,100,615	60,146,216	95,098	(57,976,182)	(92,681)	(5,763,357)	2,509,709
Total comprehensive loss for the period						23,569	23,569
Transactions with owners, recorded directly in equity:							
Foreign Currency Translation Reserve	-	-	-	-	(46,344)	-	(46,344)
Balance as at 31 December 2019	6,100,615	60,146,216	95,098	(57,976,182)	(139,025)	(5,739,788)	2,486,934

GROUP - AUDITED FOR THE YEAR ENDED 30 JUNE 2020	ISSUED CAPITAL GBP	SHARE PREMIUM GBP	WARRANT RESERVE GBP	RTO RESERVE GBP	FOREIGN CURRENCY RESERVE GBP	ACCUMULATED LOSSES GBP	TOTAL GBP
Balance at 1 July 2019	6,100,615	60,146,216	95,098	(57,976,182)	(92,681)	(5,763,357)	2,509,709
Total comprehensive income for the period						282,748	282,748
Transactions with owners, recorded directly in equity:							
Foreign Currency Translation Reserve	-	-	-	-	17,416	-	17,416
Balance as at 30 June 2020	6,100,615	60,146,216	95,098	(57,976,182)	(75,265)	(5,480,609)	2,809,873

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

	6 MONTHS TO 31 DEC 2020 UNAUDITED GBP	6 MONTHS TO 31 DEC 2019 UNAUDITED GBP	12 MONTHS TO 30 JUNE 2020 AUDITED GBP
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations	-	-	20,136
Cash payments in the course of operations	(141,122)	(131,029)	(242,654)
Research and Development Tax Incentive Claim	-	152,163	149,097
Interest received	-	761	5,541
Net cash used in operating activities	(141,122)	21,895	(67,880)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure	(113,470)	(63,341)	(58,777)
Proceeds from new owner of Deep Blue Minerals Pty Ltd	-	-	56
Payment for security deposit	-	(272)	(266)
Proceeds from refund of security deposits	-	2,720	2,665
Proceeds from sale of investments	-	86,844	86,844
Net cash used in investing activities	(113,470)	25,951	30,522
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	402,800	-	-
Proceeds from exercise of options	12,727	-	-
Payments for share issue costs	(22,800)	-	-
Loan to Tectonic SA	-	-	(10,830)
Proceeds from borrowings	-	50,000	66,048
Net cash provided by financing activities	392,727	50,000	55,218
Net (decrease)/increase in cash held and cash equivalents	138,135	97,846	17,858
Cash and cash equivalents at the beginning of the period	52,734	34,875	34,875
Effects of exchange rate changes on cash and cash equivalents	1,840	(2,497)	-
Cash and cash equivalents at the end of the period	192,709	130,224	52,734

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

Tectonic Gold Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The consolidated entity (the "Group") consists of Tectonic Gold Plc (the "Company") and the entities it controlled at the end of, or during, the six months ended 31 December 2020. The principal activity of the Group during the financial period was mineral exploration.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements ("the interim financial statements") of the Group are for the six months ended 31 December 2020 and are presented in Sterling which is the Company's presentational currency. These interim financial statements have not been reviewed or audited.

The interim financial statements have been prepared in accordance with the recognition and measurement principles of IFRS as adopted by the European Union (EU) and on the same basis and using the same accounting policies as applied in the Company's 2019 Annual Report and statutory accounts for the year ended 30 June 2020.

The statutory accounts for the year ended 30 June 2020 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that the going concern basis is appropriate for the preparation of these interim financial statements as the Company is in a position to meet all its liabilities as they fall due.

The interim financial statements for the six months ended 31 December 2020 were approved by the Board on 31 March 2020.

3. DIVIDEND

The Board is not recommending the payment of an interim dividend for the period ended 31 December 2020.

4. EARNINGS PER SHARE

The basic earnings per share is based on the profit/(loss) for the year divided by the weighted average number of shares in issue during the reporting period. The weighted average number of ordinary shares for the reporting period assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	6 MONTHS TO 31 DEC 2020 UNAUDITED GBP	6 MONTHS TO 31 DEC 2019 UNAUDITED GBP	12 MONTHS TO 30 JUNE 2020 AUDITED GBP
Profit/(Loss) for the year attributable to owners of the Company	(60,084)	23,569	282,748
Weighted average number of ordinary shares in issue for basic earnings*	788,632,702	656,562,746	697,562,746
Weighted average number of ordinary shares in issue for fully diluted earnings*	788,632,702	710,562,746	710,562,746
(Loss)/gain per share (pence per share)			
Basic	(0.007)	0.003	0.04
Diluted	(0.007)	0.003	0.04

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

5. OTHER ASSETS

	31 DEC 2019 UNAUDITED GBP	31 DEC 2019 UNAUDITED GBP	30 JUNE 2020 AUDITED GBP
Prepayments ⁽ⁱ⁾	353,780	333,956	349,341
Other prepayments	5,200	2,325	5,100
Security deposits	3,394	3,204	3,351
	362,734	339,485	357,792

(i) In 2018 the Company paid Titeline Drilling Pty Ltd ACN 096 640 201 (Titeline) for future drilling services in accordance with the heads of agreement dated 28 March 2018 between Titeline, Signature Gold and Tectonic Gold.

(ii) Titeline has been engaged to complete 10,000 meters of diamond drilling to produce core samples for analysis, assay and metallogenic studies from the Company's Biloela Project site. A review to be completed after 2,500 metres of drilling has been completed and the completion program for the remaining 7,500 metres to be mutually agreed.

As at 31 December 2020, GBP353,780 or A\$625,386 (31 Dec 2019: GBP333,956 or A\$625,386) remains prepaid to Titeline

As at 30 June 2020, the balance of the prepayment to Titeline is GBP 349,341 (A\$625,386).

6. EVENTS AFTER THE REPORTING PERIOD

In January 2021, the Company continued to generate successful results from the drilling program at the Specimen Hill and Mt Cassidy projects and on 5 March 2021 formally called on holders of warrants issued on 9 September 2020 to exercise those warrants within the allowed 30-day period from the call. As of 31 March 2021, 26,654,502 warrants were exercised to purchase shares at 0.7p per share and funds totalling £186,581.51 were received. Commitments to exercise a further 69,090,908 warrants have been received with funding of a further £483,636.36 expected prior to the 5 April 2021.

Other than as stated elsewhere in this report, Directors are not aware of any other matters or circumstances at the date of this report that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Company in subsequent financial years.

7. DISTRIBUTION

Copies of these interim financial statements is available on the Company's website (www.tectonicgold.com) or directly from the Company at its registered address.