

10 September 2018

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

DRILLING UPDATE FROM SPECIMEN HILL PROJECT

Tectonic Gold Plc (TDIM: TTAU), the Intrusive Related Gold System (IRGS) exploration pioneer, is pleased to announce the successful initiation of a ten hole, 2,580m diamond drilling campaign at the Specimen Hill discovery in Queensland, Australia. Drilling is being executed under the drill for equity agreement with investor/partner Titeline Drilling Pty Ltd.

Highlights:

- Successful start to campaign with four holes recovering over 820m of core already completed.
- Sulphide mineralisation intersected from close to surface in the first three holes, confirming historic testing in the epithermal zone of the gold system.
- The first step out hole, approximately 250m south along the structure, similarly showed sulphide mineralisation and strong alteration.
- Recovered core shows typical IRGS disseminated and veiniform Pyrite, Pyrrhotite, Arsenopyrite, Chalcopyrite and other base metals confirming the exploration thesis.
- The SAM survey coupled with strong, large IP anomalies identified by the 3D IP show potential for Specimen Hill to host a large scale Intrusive Related Gold System.
- Early results validate the prediction from the Sub Audio Magnetic (SAM) survey and 3D Induced Polarisation mapping that this system is significantly larger than previously recognised.
- Recent surface rock samples assaying up to +40g/t Au confirm high grade potential from historic records of selective mining.
- Hole five is another step out, approximately 250m along strike away from the initial three holes and will again test the extension of the epithermal structure identified by the SAM survey on the other side of hole four.
- Drilling will then move to the porphyry targets identified by the March 2018 3D Induced Polarisation (3D IP) survey. These targets are presenting from approximately 250m depth.
- Drilling expected to complete in 30 days
- Gold assays will be completed in batches and will be released once validated.

The first four holes of the ten-hole program have been completed with over 820m of core now recovered. Drilling is continuing at a very good pace with the Titeline crew delivering excellent core recovery. Sulphide mineralisation has been intersected from surface, confirming geochemical and geophysical targeting completed earlier in the year.

The drilling program has been designed to test both the extensions of the known epithermal mineralisation mapped in Sub Audio Magnetic (SAM) surveying and four newly identified porphyry targets within the system. The porphyry targets are predicted to be the feeders of the gold at surface. Targets are the result of a world first application in IRGS of DIAS 3D Induced Polarisation surveying technology. This is a technology adapted from the oil and gas exploration industry and brought from Canada to Australia by Tectonic as part of its research into utilising new technology to unlock Intrusive Related Gold Systems.

About the Specimen Hill Prospect:

The Specimen Hill Prospect is located within the Biloela Project 100% owned by Signature Gold Ltd, (Australia) a Tectonic Gold Plc subsidiary.

The Prospect has strongly developed high sulphidation (HS) epithermal copper-gold mineralisation veins mapped over a strike of more than 1,500m and is locally overprinted by intermediate sulphidation (IS) epithermal mineralisation that has high gold grades (up to 40g/t Au from historic mining records and recent assays) which upgrades the gold tenor of this system.

An alteration envelope surrounding the HS veins has moderate gold grades effectively contributing to a 3-10m wide combined moderate to locally high grade tenor to the mineralisation within an alteration envelope of up to 100m width.

The epithermal mineralisation is interpreted to be sourced from fluids emanating from a buried porphyry intrusive complex and modelled at depths of approximately 250m below surface. Confirming the porphyry Au-Cu mineralisation within this body and validating the intrusive gold system exploration methodology developed by the Tectonic team is a prime target in this drill testing program.

Photographs of the drilling activity are available on the Company's website at <http://www.tectonicgold.com/site/projects1/specimen-hill-mt-rainbow>.

About the Drilling Campaign Plan:

The initial drill program consisting some 2,580m of HQ3 diamond coring is being completed with a UDR 650 diamond drilling rig by our investor/partner Titeline Drilling Pty Ltd.

Specimen Hill Phase 1 Diamond Drilling Program							
Hole Name	Completed (Yes / No)	Dip	Bearing (Magnetic)	Planned Depth	Easting_MGA94 56z	Northing_MGA94 56z	RL (AHD)
SHDD07	Yes	-60	324	150	271,980	7,322,198	571.8
SHDD08	Yes	-75	289	220	271,980	7,322,195	571.8
SHDD09	Yes	-70	119	110	271,980	7,322,198	571.8
SHDD10	Yes	-60	339	320	271,680	7,321,930	578.5
SHDD11	Drilling	-60	244	200	272,042	7,322,208	561.8
SHDD12	No	-70	244	250	272,100	7,322,450	575.0
SHDD13	No	-70	324	150	272,217	7,322,570	566.9
SHDD14	No	-65	259	480	272,280	7,321,950	611.2
SHDD15	No	-70	54	480	272,358	7,321,220	478.0
SHDD16	No	-60	144	250	271,950	7,321,675	582.0

About Tectonic Gold:

Tectonic Gold is a specialist gold exploration company, focused on the identification and delineation of large-scale, multimillion-ounce Intrusion Related Gold System assets. Tectonic Gold holds a number of gold discoveries in the Lachlan Fold Belt in Eastern Australia, a prolific gold region that is home to Australia's two largest gold production companies, Newcrest Mining and Evolution Mining.

Tectonic Gold's portfolio includes the outright licences for seven tenements covering over 850km² in and adjacent to the New England Orogen in Queensland, eastern Australia. The lead project at Specimen Hill has over fifty-five historic shallow drill holes intersecting gold with grades assayed at up

to 15g/t Au. Tectonic has identified a significant extension to the historic discovery at Specimen Hill utilising a range of new technologies and is testing this with the current drilling program.

Mr. Brett Boynton, Managing Director – Tectonic Gold Plc

“We have had an excellent start to the program with confirmation of the targeted mineralised sulphides at Specimen Hill both in the previously tested zone and in the step out target. It was very important to see mineralisation and strong alteration in the first step out hole. This confirms the prediction from our SAM program, that Specimen Hill is a much larger system than previously recognised and supports our work in utilising advanced geophysics to cost effectively map out Intrusive Related Gold System discoveries. Fingers are crossed for the assay results and we are hoping to see continuity of grade now that we have hard evidence that hot mineralising fluids have moved extensively through the system and well beyond the original discovery zone. We will complete drilling on the epithermal component of the system and send that batch for assaying while we move on to the deeper porphyry targets. Drilling is expected to continue for another 30 days.”

Qualified Persons:

Mr Jonathan Robbeson – BSc (Hons1), MEconGeol, MMinEng, (CP Geo) is a full time employee of Signature Gold Limited and is a registered Chartered Professional (Geology) with the Australian Institute of Mining and Metallurgy (AusIMM – 304542). Mr Robbeson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the Note for Mining Oil & Gas Companies, June 2009, of the London Stock Exchange and the 2012 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Mr Robbeson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Mr Barry Willott – BSc (Hons) is a full time employee of Signature Gold Limited and is a registered with the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Willott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the Note for Mining Oil & Gas Companies, June 2009, of the London Stock Exchange and the 2012 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Mr Willott consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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

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