

8 August 2023

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

**YEAR END CORPORATE UPDATE**

Tectonic Gold plc (TDIM: TTAU), is pleased to provide an update on key corporate and operational developments including funding from the Australian Government, partnering with a leading Australian mining group on the ongoing development of the Specimen Hill gold project and an engagement to lead commercialisation of a major gold portfolio in Ghana.

**Highlights:**

1. Receipt of R&D funds from Australian Government
2. Farm-out of Specimen Hill copper/gold project
3. Commercialisation of privately held gold portfolio in the Ashanti Gold Belt
4. Rare earths outcome in Heavy Mineral Sands("HMS") joint venture

Tectonics' strategy is to build participation in projects through a transfer of its IP, technology and expertise without having to internally fund project development. Farming out Specimen Hill at the completion of the research program, coupled with an expert advisory engagement to earn an interest in the Ghanaian portfolio is the most efficient way to crystallise value without having to raise additional capital. We are constantly evaluating additional opportunities to build project level interests and over time, a diversified revenue from those interests.

**R&D update**

In July Tectonic received a further \$157,000 from the Australian Government under its research and development funding program. Over \$3 million has been received from this program to date which has substantially funded the development of exploration technology improving the efficiency of gold resource identification and delineation.

The technology expertise and exploration methodology created through years of rigorous in-field testing at Specimen Hill has generated two significant opportunities.

1. The data package generated over multiple seasons of field testing at Specimen Hill has attracted a farm-in partner to undertake the continued development of the project. This is discussed in more detail below.
2. The advanced technical expertise developed over the program attracted the interest of an international gold investor and has resulted in Tectonic being appointed to lead

the commercialisation of a large privately held gold portfolio in the world class Ashanti Gold Belt in Ghana. Details of this are provided below.

Expenses in Australia have been significantly reduced and all foreseeable costs will be covered by cash in hand and expected future funding from the Australian Government.

### **Specimen Hill project farm-out**

In August Tectonic finalised terms with Fiddlers Creek Mining Company Pty Ltd (Fiddlers Creek) on an option for Fiddlers Creek to farm-in to a majority position in the Specimen Hill project. Fiddlers Creek is the exploration division of ASX listed White Energy Limited, a corporate vehicle being developed by a highly successful Queensland resources investment group. The terms are as follows:

- Stage 1 – an option to acquire 51% at the project level for a cash spend of AU\$1 million within 3 years
- Stage 2 – an option to acquire a further 25% (76% in total) by spending a further AU\$2 million
- Stage 3 - Tectonic has the choice of co-funding further development or selling a further 15% to Fiddlers Creek for AU\$2 million in cash
- The remaining interest may then be converted into a non-diluting 3% royalty.

White Energy has a similar technology approach to Tectonic and has a proprietary ionic geochemistry technique that they will be deploying on Specimen Hill in the second half of August. This advanced testing is highly effective in identifying copper targets at depth and will complement the extensive work Tectonic has already completed on testing the gold in the Specimen Hill system. This will enable a comprehensive understanding of the copper/gold prospectivity of Specimen Hill.

This arrangement brings advanced technology and a successful Queensland based team into the project to complement the work done to date. In addition, it enables Tectonic to retain a significant economic exposure to Specimen Hill without incurring development cost as the project is further de-risked.

### **Ashanti Gold portfolio development lead**

Tectonic has been working closely with the principals of Optimus Resources Ltd (“Optimus”) over the last six months reviewing a 1,500km<sup>2</sup> tenement portfolio surrounding the lucrative Obuasi and Tarkwa operations within the Ashanti Gold belt in Ghana. Independently verified historic exploration on this portfolio reports immediate resources of over 1 million ounces of gold.

The portfolio has been privately held for over twenty years by a leading Ghanaian family office. Their interests span media, insurance, packaging and real estate and the family wishes to now commercialise the gold portfolio, building a vertically integrated gold mining business. Their objective is to have it listed on a major international stock exchange. Tectonic has been

engaged to provide technical expertise and a corporate development strategy for the portfolio.

The Company has begun to evaluate, rank and prioritise assets within the portfolio and construct a project development pipeline, commercialisation strategy, identify suitable merger and acquisition opportunities and define a pathway to listing the group on a major exchange.

This program is being fully funded by the owners.

This is an exceptional opportunity for Tectonic to gain access to a tenement package of this scale in one of the most productive geological settings in the world. The Ashanti Gold Belt has been a major source of global gold production for over a century and hosts a number of the largest international mining companies. Tectonics' key management has experience on the ground in Ghana and companies affiliated with Tectonics' founding team are already operating in country, servicing these major gold mines. Tectonic is bringing its deep technical research capability, developed with support from the Australian Federal Government and leading Australian exploration and mining research institutions, to contribute to the discovery and development of the next generation of Ghanaian gold mines.

#### **Rare earths in heavy mineral sands joint venture**

Tectonic holds a 40% economic interest in Whale Head Pty Ltd, a heavy mineral sands mining ("HMS") project being developed by joint venture partner, AIM quoted Kazera Global Plc ("Kazera"). In July, Kazera announced elevated radioactivity readings in ores beneficiated from alluvial mining of HMS in the Walviskop project in South Africa and as a result the need to engage South Africa's National Nuclear Regulator. This is worth understanding in more technical detail as the source of the radiation is weakly radioactive thorium, a Rare Earth Element (REE) found in monazite.

The HMS ores at Walviskop include economic concentrations of rutile, zircon, and monazite. Rutile and zircon are widely used with a range of industrial applications. Monazites are less well known, but are rare earth minerals typically comprising thorium, lanthanum and cerium. Lanthanum and its neighbour on the periodic table, cerium, are used in high end lighting applications, think flat screen TVs and iPhones. Thorium is used in heat resistant ceramics and platinum catalytic converters in diesel engines on cars, trucks, ships and trains. The elevated radiation readings in the Kazera testing should be understood as evidence that the ores contain valuable monazites. With China's recent restrictions on the export of certain REEs, this is a positive outcome for Tectonic.

#### **Mr. Brett Boynton, Managing Director – Tectonic Gold Plc**

*"The team is really encouraged by the recognition for what we have achieved in our research in Australia over the last five years. The Fiddlers Creek endorsement is validation of Tectonics' courage to pioneer new ideas in exploration and winning the role with Optimus is a Company changing opportunity to take all of that experience into one of the premier gold belts in the world."*

*Tectonic is still deeply entrenched in research in Australia and is now exporting that expertise to Ghana, with a strong in-country partner who has a genuine desire, and the means, to see a new major gold play created. Ghana, like Australia, has a long and storied gold mining history. Tectonic is bringing expertise directly from the crucible of research and development in Australia, to be a part of the next generation of Ashanti mining stories.*

*Tectonic is actively reviewing opportunities where we can build a portfolio of holdings in high quality global gold projects.”*

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

Investors can sign up to Tectonic’s mailing list at the following link:

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