

13 March 2019

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

INITIATION OF MINING AT DIAMOND JV

Tectonic Gold plc (TDIM: TTAU), the Intrusive Related Gold ("IRGS") exploration pioneer, is pleased to announce the successful initiation of mining under the joint venture agreement with VAST Mineral Sands Pty Ltd ("VAST"). The JV with VAST was announced on 18 February 2019 and is for a 50% economic interest in a diamond mining concession. Tectonic Gold plans to utilise revenues from this project to fund core gold exploration activities.

Highlights:

- Initial mining fleet delivered 4 March 2019
- Start-up and working capital fully funded by Tectonic Gold
- VAST has been allocated a pre-stripped mining area suitable for immediate production
- 88% locally hired ground team (expected to increase to over 90% at next stage)
- Equipment training completed
- Vacuum mining rig and support fleet operational
- Negotiations already underway on financing of expansion fleet

VAST took possession of a vacuum mining unit and support fleet on 4 March 2019 and, following four days of standard maintenance, testing and safety checks, staff induction and equipment specific training, began initial mining operations on Friday, 8 March 2019. The first phase of deployment is vacuum mining and sweeping a pre-stripped and mine ready area. The Directors expect this to take the JV into immediate profitability after an eight to ten week production / sales cycle. Tectonic Gold has fully pre-funded all lease, staff and consumables costs for the first three months.

Expanded operations are planned to increase production by a further 900+ carats per month with the deployment of earth moving, mining, screening and transport equipment to open a second mining area.

Tectonic Gold expects to fully fund all gold exploration activities from completion of the second stage.

The final stage of development for the JV will be opening an additional mining area and installing an independent processing plant alongside the mine to reduce concentrate trucking costs and increase efficiencies.

Creating local employment is a key objective for VAST and Tectonic Gold and it is expected that the current 88% local staff weighting will increase to over 90% at the next stage as the team is enlarged.

As announced, Tectonic Gold has begun to explore with its financial adviser, VSA Capital, the possibility of a listing on the Main Market of the London Stock Exchange ("LSE") via a Standard Listing and plans are at an early stage of being formulated. Further details will be provided in due course.

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 (“IRGS”) assets. Tectonic Gold holds a number of gold discoveries in the New England Orogen in Eastern Australia, a prolific gold region that is home to Australia’s two largest gold production companies, Newcrest Mining and Evolution Mining.

A successful diamond drilling campaign in 2018 on the Company’s flagship “Specimen Hill” project has confirmed a large diatreme IRGS system similar to regional multi-million ounce deposits such as Kidston and Mt Rawdon. Tectonic Gold intends to apply the cash flows from the diamond mining operations to further drilling at Specimen Hill under an existing drill for equity deal with Titeline Drilling. 7,500m of diamond drilling remains available on a 50% cash payment basis under this agreement.

Funds will also be allocated to progressing the Company’s Mt Cassidy prospect during the 2019 calendar year.

Mr. Brett Boynton, Managing Director – Tectonic Gold Plc

We are pleased to move into an operational mining status with our partners at VAST. This has been a quick run from due diligence late in 2018 to deal completion and initiation of operations and we hope to keep up this great momentum.

Over the weeks and months ahead we will be expanding production in a staged approach with a view to fully internally funding all of our core gold exploration programs. As soon as we have this milestone in sight, we will push ahead with plans to move our listing to the main board of the London Stock Exchange as we have keen interest from offshore investors who want to see us on a major international exchange,

Qualified Person:

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.

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

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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.