

## MANAGING DIRECTOR'S STATEMENT

Dear Shareholder,

I am pleased to present the unaudited financial results for ("Tectonic Gold" and/or "the Company") and its controlled entities (the Group) for the half year ended 31 December 2018.

During the reporting period the Company completed significant technical evaluation of the lead project at Specimen Hill, including final targeting via geophysics and a 2,500m diamond core drilling program. This successful campaign resulted in the intersection of mineralisation in each of ten drill holes, strongly supporting the Company's research into an exploration and delineation methodology for Intrusive Related Gold Systems (IRGS).

Further sampling and testing at the Mt Cassidy prospect also generated positive results. The IRGS nature of the Mt Cassidy discovery was confirmed in the publication of research undertaken in partnership with The Centre for Ore Deposit Excellence Studies (CODES) at the University of Tasmania.

The success in the drilling campaign has provided the evidence required for pursuing continued delineation of the system at Specimen Hill. High-grade assays from Mt Cassidy (+30g/t gold) and geophysical mapping have similarly provided support for diamond drilling at that site. In order to fund substantial drilling campaigns on these project areas and maintain exploration activities across the portfolio, the Company entered into a Joint Venture agreement with VAST Mineral Sands Pty Ltd, a South African company with mining concessions on the Alexkor diamond mine in South Africa. Revenues from planned mining of the concession will be used to fund further exploration across the core Intrusive Related Gold System portfolio.

The Company has also announced the intention to move the listing from the NEX Exchange to the London Stock Exchange under a Standard Listing via initial Public Offering.

## RESULTS AND COMPARITIVE INFORMATION

On 25 June 2018, Tectonic Gold (the legal parent) acquired Signature Gold Ltd (Signature Gold). Although the transaction was not a business combination, the acquisition has been accounted for as an asset acquisition with reference to the guidance for reverse acquisition in IFRS 3 Business Combinations and IFRS 2 Share-based Payment.

In preparing the Financial Statements, Signature has been treated as the "accounting parent". Comparative information included in the Financial Statements for the Group relates to Signature Gold for the half-year ended 31 December 2017.

The Group incurred a loss after tax for the reporting period of £11,262 (31 Dec 2017: £160,134 profit).

During the reporting period Signature Gold received a Research and Development (R&D) Tax Incentive Rebate of approximately £330,248 (A\$ 590,180) for the financial year ended 30 June 2018.

The R&D Tax Incentive Rebate is an Australian Government program under which eligible companies receive cash refunds of up to 45% of eligible expenditure on research and development.

For and on behalf of the Board.



Brett Boynton  
Director

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	NOTE	6 MONTHS TO 31 DEC 2018 UNAUDITED GBP	6 MONTHS TO 31 DEC 2017 UNAUDITED <sup>1</sup> GBP	18 MONTHS TO 30 JUNE 2018 AUDITED <sup>2</sup>
Revenue from continuing operations		-	891	198,694
Expenses from continuing operations:				
Accounting and audit fees		(37,567)	(49,454)	(125,438)
Administration and office costs		(34,064)	(23,039)	(48,993)
Corporate costs		(84,041)	(7,681)	(21,203)
Amortisation and depreciation		(588)	-	(1,659)
Employee benefits, management fees and on costs		(59,995)	(704)	(10,408)
Exploration and tenement costs		(18,629)	(21,822)	(52,550)
Insurance		(7,796)	(2,682)	(17,134)
Legal expenses		400	7,737	(319,601)
Options fee and associated costs		-	-	(199,520)
Impairment of exploration costs		-	-	(182,153)
Bad debt expense		-	-	(93,050)
Listing fees recognised on reverse acquisition		-	-	(2,537,622)
Share based payments		(68,900)	-	-
Other expenses		(30,330)	(3,160)	(9,575)
<b>(Loss) from continuing operations before income tax</b>		<b>(341,510)</b>	<b>(99,914)</b>	<b>(3,420,210)</b>
Income tax benefit		330,248	260,048	256,810
<b>Net (loss)/profit for the reporting period</b>		<b>(11,262)</b>	<b>160,134</b>	<b>(3,163,400)</b>
Other comprehensive income, net of tax		-	-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(11,262)</b>	<b>160,134</b>	<b>(3,163,400)</b>

## Earnings per share attributable to owners of the company

### Basic and diluted (cents per share)

From continuing operations	4	<b>(0.002)</b>	<b>0.18</b>	<b>(1.74)</b>
----------------------------	---	----------------	-------------	---------------

The accompanying notes form part of these financial statements.

1. The Group was formed on 25 June 2018 with the reverse takeover of Signature Gold Ltd, by Tectonic Gold Plc (the legal parent entity). In preparing the Financial Statements, Signature Gold Limited has been treated as the "accounting parent". Group comparative figures for the half year ended 31 December 2017 relates to Signature Gold.
2. The Company's Accounting Reference Date was extended to end on 30 June 2018. Accordingly, as required by Companies House, the comparative figures reported refer to the period 1 January 2017 to 30 June 2018.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	31 DEC 2018 GROUP UNAUDITED GBP	31 DEC 2017 GROUP UNAUDITED GBP	30-JUN-18 GROUP AUDITED GBP
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables		-	92,361	-
Plant and equipment		7,398	2,027	2,152
Exploration and evaluation expenditure		3,285,833	2,714,499	2,830,470
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,293,231</b>	<b>2,808,886</b>	<b>2,832,621</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		177,009	496,197	149,397
Trade and other receivables		14,142	7,028	359,869
Investments		40,122	-	40,122
Other assets	5	358,498	-	647,688
<b>TOTAL CURRENT ASSETS</b>		<b>589,771</b>	<b>503,225</b>	<b>1,197,076</b>
<b>TOTAL ASSETS</b>		<b>3,883,002</b>	<b>3,312,111</b>	<b>4,029,697</b>
<b>EQUITY</b>				
Share capital		8,266,848	3,612,988	8,266,848
Warrant reserves		68,900	-	-
Foreign exchange translation reserves		(82,088)	(38,122)	(58,251)
Accumulated losses		(4,835,596)	(1,742,077)	(4,824,334)
<b>TOTAL EQUITY</b>		<b>3,418,064</b>	<b>1,832,789</b>	<b>3,384,263</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

NOTE	31 DEC 2018 GROUP UNAUDITED GBP	31 DEC 2017 GROUP UNAUDITED GBP	30-JUN-18 GROUP AUDITED GBP
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	-	93,235	16,198
Borrowings	166,741	379,548	168,868
Employee benefits	10,713	8,916	10,120
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>177,454</b>	<b>481,699</b>	<b>195,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	272,218	159,327	436,155
Borrowings	-	822,020	-
Employee benefits	15,266	16,276	14,092
<b>TOTAL CURRENT LIABILITIES</b>	<b>287,484</b>	<b>997,623</b>	<b>450,247</b>
<b>TOTAL LIABILITIES</b>	<b>464,938</b>	<b>1,479,322</b>	<b>645,434</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,883,002</b>	<b>3,312,111</b>	<b>4,029,697</b>

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 27 March 2019.

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 2018

GROUP - UNAUDITED	ISSUED CAPITAL GBP	WARRANTS RESERVE GBP	FOREIGN CURRENCY RESERVE GBP	ACCUMULATED LOSSES GBP	TOTAL GBP
Balance at 1 January 2018	8,266,848	-	(58,251)	(4,824,334)	3,384,263
Total comprehensive loss for the period	-	-	-	(11,262)	(11,262)
Transactions with owners, recorded directly in equity:					
Issue of share options	-	68,900	-	-	68,900
Foreign Exchange movement	-	-	(23,837)	-	(23,837)
<b>Balance as at 31 December 2018</b>	<b>8,266,848</b>	<b>68,900</b>	<b>(82,088)</b>	<b>(4,835,596)</b>	<b>3,418,064</b>

GROUP - AUDITED	ISSUED CAPITAL GBP	FOREIGN CURRENCY RESERVE GBP	ACCUMULATED LOSSES GBP	TOTAL GBP
Balance at 1 January 2017	3,064,795	-	(1,660,934)	1,403,861
Total comprehensive loss for the period	-	-	(3,163,400)	(3,163,400)
Transactions with owners, recorded directly in equity:				
Issue of share capital by Signature Gold prior to the reverse acquisition of Tectonic Gold plc	1,066,798	-	-	1,066,798
Issued capital of Signature Gold prior to the reverse acquisition of Tectonic Gold	4,131,593	-	-	-
Deemed fair value of share-based payment on reverse acquisition	3,605,255	-	-	3,605,255
Shares Issued by Tectonic Gold since the acquisition	530,000	-	-	530,000
Foreign Exchange movement	-	(58,251)	-	(58,251)
<b>Balance as at 30 June 2018</b>	<b>8,266,848</b>	<b>(58,251)</b>	<b>(4,824,334)</b>	<b>3,384,263</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	6 MONTHS TO 31 DEC 2018 UNAUDITED GBP	6 MONTHS TO 31 DEC 2017 UNAUDITED <sup>1</sup> GBP	18 MONTHS TO 30 JUNE 2018 AUDITED <sup>2</sup> GBP
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations	38,301	(79,103)	-
Cash payments in the course of operations	(402,490)	(486,777)	(487,882)
Research and Development Tax Incentive Claim	330,249	260,048	256,810
Interest received	-	891	2,516
<b>Net cash used in operating activities</b>	<b>(33,940)</b>	<b>(304,941)</b>	<b>(228,556)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation expenditure	(212,352)	(184,460)	(914,538)
Payments for property, plant and equipment	(5,456)	-	(2,609)
Payment for security deposit	-	-	(2,120)
Cash acquired on acquisition of Tectonic Gold plc	-	-	27,870
<b>Net cash used in investing activities</b>	<b>(217,808)</b>	<b>(184,460)</b>	<b>(891,397)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	280,000	562,614	-
Proceeds from borrowings	-	177,416	1,381,769
Repayment of borrowings	-	(165,389)	(232,675)
<b>Net cash provided by financing activities</b>	<b>280,000</b>	<b>574,641</b>	<b>1,149,094</b>
Net (decrease)/increase in cash held and cash equivalents	28,252	85,240	29,141
Cash and cash equivalents at the beginning of the period	149,397	420,899	126,236
Effects of exchange rate changes on cash and cash equivalents	(640)	(9,942)	(5,980)
<b>Cash and cash equivalents at the end of the period</b>	<b>177,009</b>	<b>496,197</b>	<b>149,397</b>

The accompanying notes form part of these financial statements.

1. The Group was formed on 25 June 2018 with the reverse takeover of Signature Gold Ltd, by Tectonic Gold Plc (the legal parent entity). In preparing the Financial Statements, Signature Gold Limited has been treated as the "accounting parent". Group comparative figures for the half year ended 31 December 2017 relates to Signature Gold.
2. The Company's Accounting Reference Date was extended to end on 30 June 2018. Accordingly, as required by Companies House, the comparative figures reported refer to the period 1 January 2017 to 30 June 2018.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

### 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 2018. 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 2018 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 2018 Annual Report and statutory accounts for the reporting period, 1 January 2017 to 30 June 2018.

The statutory accounts for the reporting period 1 January 2017 to 30 June 2018 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 2018 were approved by the board on 27 March 2019.

### 3. DIVIDEND

The Board is not recommending the payment of an interim dividend for the period ended 31 December 2018.

### 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 2018 UNAUDITED GBP	6 MONTHS TO 31 DEC 2017 UNAUDITED GBP	18 MONTHS TO 30 JUNE 2018 AUDITED GBP
(Loss)/profit for the year attributable to owners of the Company	(11,262)	160,134	(3,163,400)
Weighted average number of ordinary shares in issue for basic and fully diluted earnings*	656,762,746	87,871,756	181,331,554
(Loss)/gain per share (pence per share)			
Basic and fully diluted*:	<b>(0.002)</b>	<b>0.18</b>	<b>(1.74)</b>

\*Since the Company incurred a loss in the 31 December 2018 and 30 June 2018 reporting periods and there were no options on issue during the 31 December 2017 comparative period the basic loss and the diluted loss per share are the same as the effect of exercise of options and warrants is not dilutive.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

### 5. OTHER ASSETS

	6 MONTHS TO 31 DEC 2018 UNAUDITED GBP	6 MONTHS TO 31 DEC 2017 UNAUDITED GBP	18 MONTHS TO 30 JUNE 2018 AUDITED GBP
Prepayments <sup>(i)</sup>	347,902	-	633,825
Other prepayments	3,014	-	11,817
Security deposits	7,582	-	2,045
	<b>358,498</b>	<b>-</b>	<b>647,688</b>

(i) In June 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 and StratMin. Titeline has been engaged to complete 10,000 metres of diamond drilling on a 50:50 cash and equity basis to produce core samples for analysis, assay and metallogenic studies from the Company's Queensland Project sites. A review to be completed after 2,500 metres of drilling has been completed and the remaining 7,500 metres is in planning for the second half of 2019. The cash component of the drilling contract is expected to be met from revenues generated by the diamond mining joint venture with VAST Mineral Sands Pty Ltd announced on February 18 2019.

As at 30 June 2018, the prepayment of GBP 633,825 (A\$1,125,000) to Titeline was comprised of:

- GBP 126,765 (A\$225,000 excluding GST) paid in cash; and
- pre-paid technical services amounting to GBP 507,060 (A\$90,000) settled with the issue of 5,544,484 fully paid ordinary shares issued in the Company at an issue price of A\$0.162 per share.

As at 31 December 2018, GBP 347,902 (A\$625,386) remains prepaid to Titeline.

### 6. EVENTS AFTER THE REPORTING PERIOD

On the 18th of February 2019 the Company announced a transaction with VAST Mineral Sands Pty Ltd (VAST) under which it is farming in to a 50% interest in VAST's diamond mining concession in South Africa. The Company's revenue share from the diamond mining operations is expected to fully fund future gold exploration expenses. The Company announced initiation of mining under this farm in agreement on the 13th of March 2019.

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](http://www.tectonicgold.com)) or directly from the Company at its registered address.