

Tectonic Gold Plc  
Half-year Report to 31 December 2022  
28 March 2023

**TECTONIC GOLD PLC**  
("Tectonic" or the "Company")  
Unaudited Interim Results to 31 December 2022

## MANAGING DIRECTOR'S STATEMENT

Dear Shareholder,

The half year to December 2022 saw a significant milestone for the Company with the successful completion of our drilling campaign at Specimen Hill. After fires, floods and COVID over the past few years, access to drilling rigs and crew was limited, but we managed to secure a team to complete core testing of the continuity of mineralisation below the old Goldsmith's Reef mine. Assays returned grades of over 8g/t gold and 5.99 g/t silver at 110 meters down hole, with additional intersections at 240 meters. Goldsmith's Reef is approximately mid-way along the 4km+ strike that has delivered multiple discoveries for Tectonic between the Main Lodes historic mine in the northeast where we started field work and the Southern Copper discovery in the southwest which is our most recent rediscovery.

These grades are in line with the medium to high grade production reports from historic mining of Goldsmith's Reef in the early 1900's. The mine was operated on a small scale down to approximately 30 meters but was abandoned during World War I and never reworked. Tectonic's advanced geophysical surveying program prior to COVID indicated that the textbook Intrusive Related Gold System (IRGS) structure at Goldsmith's Reef plunged to over 500 meters depth. With positive gold and copper assays from diamond drilling now confirming continuity of mineralisation, we have been able to extend our database and attract parties into due diligence to discuss a farm out investment into the project. This is well underway and we hope to report progress in the coming weeks. Our objective is to have a well-funded group complete initial resource definition on Specimen Hill with a view to developing it as a copper-gold mining project. Tectonic will utilise all of the experience from Specimen Hill in prosecuting our next project area, Mt Cassidy. This is another textbook IRGS target which has historic workings and drilling. We have conducted our advanced geophysics reconnaissance and identified major structures below the old workings which we expect to see continuity of mineralisation at depth in. We are also in discussion to take our IRGS expertise into international gold exploration opportunities.

The half year saw the team supporting our partnership with London listed Kazera Global Plc ("Kazera") (LSE:KZG) on the Heavy Mineral Sands (HMS) and Diamond project site in South Africa. Our joint venture with Kazera in HMS in was awarded a mining license. This is the first and so far, only mining license inside Alexkor, the South African Government controlled and operated diamond fields at Alexander Bay. Previous testing has returned exceptional grades of HMS and independent studies conducted for Kazera valued this project at £150 million.

Tectonic holds a 40% economic interest in this project via a non-diluting 10% equity holding in Whale Head Minerals Pty Ltd (Whale Head) and a further 30% economic interest via a sale and loan agreement with a Black Economic Empowerment (BEE) consortium. In order to ensure compliance with South Africa's BEE regulations requiring mining projects to have a 30% holding by qualifying local investors, when Tectonic sold 60% of Whale Head to Kazera, the Company sold a further 30% to a syndicate of local investors. Pricing for this 30% was based on the £150 million independent valuation conducted on behalf of Kazera. The BEE investor syndicate includes a South African private equity group headed by a highly respected business leader, two experienced South African entrepreneurs, a local community group and an employee group. Tectonic has financed this 30% syndicate with a share loan program under which 80% of the returns to the syndicate are paid to Tectonic until the £45 million in agreed loan value has been repaid.

Tectonic holds a 10% non-diluting interest in Deep Blue Minerals Pty Ltd, Whale Head's sister company that operates an alluvial diamond concession in the Alexkor mine site. Diamond extraction is a regulated pre-requisite before the tailings containing heavy minerals can be processed by Whale Head. Kazera has announced that both Deep Blue and Whale Head are now funded to bring into production. This could be a significant source of cash flows for Tectonic to fund Mt Cassidy and new projects for the portfolio.

With success in our existing projects, real value being cemented in our joint ventures and new opportunities to take our pioneering work in IRGS exploration offshore, Tectonic is very optimistic about the future for our shareholders.

## RESULTS AND COMPARATIVE INFORMATION

The Group incurred a loss after tax for the reporting period of £105,569 (31 Dec 2021: £198,977 (loss)).

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 2022

	6 MONTHS TO 31 DEC 2022 UNAUDITED	6 MONTHS TO 31 DEC 2021 UNAUDITED	12 MONTHS TO 30 JUNE 22 AUDITED
	£	£	£
Revenue	-	-	149,677
Expenses:			
Accounting and audit fees	(18,710)	(25,478)	(68,766)
Administration and office costs	(3,216)	(3,495)	(6,218)
Corporate costs	(29,493)	(72,671)	(150,823)
Amortisation and depreciation	(694)	(507)	(1,080)
Employee benefits, management fees and on costs	(40,000)	(143,333)	(226,752)
Exploration and tenement costs	(9,909)	(5,588)	(18,826)
Insurance	(7,829)	(7,440)	(15,391)
Share based payments	-	(30,000)	-
Net foreign exchange gain/(loss)	(19,492)	(17,376)	107,624
Fair value gain on disposal of financial assets at fair value through profit and loss	26,450	165,594	-
Net loss on sale of investment	-	(81,246)	(81,246)
Fair value loss on financial assets at fair value through profit and loss	-	-	(25,000)
Fair value gain on financial assets at fair value through profit and loss	-	25,000	28,429
Other expenses	(2,676)	(2,437)	(2,599)
<b>Loss before income tax</b>	<b>(105,569)</b>	<b>(198,977)</b>	<b>(310,971)</b>
Income tax benefit	-	-	157,659
<b>Loss for the reporting period from continuing operations</b>	<b>(105,569)</b>	<b>(198,977)</b>	<b>(153,312)</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	-	-	-
<b>Loss for the year attributable to the owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income:</b>			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign subsidiaries	(11,083)	(12,549)	60,086
<b>Total comprehensive loss for the reporting period</b>	<b>(116,652)</b>	<b>(211,526)</b>	<b>(93,226)</b>
<b>Earnings per share attributable to owners of the company</b>			
<b>Basic and diluted (pence per share)</b>			
From continuing operations	4 (0.01)	(0.02)	(0.02)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2022

	NOTE	31 DEC 2022 GROUP UNAUDITED £	31 DEC 2021 GROUP UNAUDITED £	30-JUN-22 GROUP AUDITED £
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Plant and equipment		2,101	1,753	2,808
Exploration and evaluation expenditure		3,553,618	3,179,584	3,379,113
Financial assets at fair value through profit and loss		3	125,003	75,003
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,555,722</b>	<b>3,306,340</b>	<b>3,456,924</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		196,757	396,453	403,328
Trade and other receivables		12,317	12,694	21,089
Other assets	5	380,954	360,222	380,929
<b>TOTAL CURRENT ASSETS</b>		<b>590,028</b>	<b>769,369</b>	<b>805,346</b>
<b>TOTAL ASSETS</b>		<b>4,145,750</b>	<b>4,075,709</b>	<b>4,262,270</b>
<b>EQUITY</b>				
Share capital		6,126,579	6,125,163	6,126,579
Share premium account		61,323,350	61,186,874	61,323,350
RTO Reserve		(57,976,182)	(57,976,182)	(57,976,182)
Warrant Reserves		588,554	588,554	588,554
Foreign exchange translation reserves		(63,412)	(124,964)	(52,329)
Accumulated losses		(6,325,048)	(6,265,144)	(6,219,479)
<b>TOTAL EQUITY</b>		<b>3,673,841</b>	<b>3,534,301</b>	<b>3,790,493</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables		16,172	15,456	16,304
Borrowings		150,747	170,125	170,862
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>166,919</b>	<b>185,581</b>	<b>187,166</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		304,990	355,827	284,611
<b>TOTAL CURRENT LIABILITIES</b>		<b>304,990</b>	<b>355,827</b>	<b>284,611</b>
<b>TOTAL LIABILITIES</b>		<b>471,909</b>	<b>541,408</b>	<b>471,777</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,145,750</b>	<b>4,075,709</b>	<b>4,262,270</b>

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 28 March 2023.

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 2022

GROUP - UNAUDITED 31 DEC 2022	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
<b>Balance at 1 July 2022</b>	<b>6,126,579</b>	<b>61,323,350</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(52,329)</b>	<b>(6,219,479)</b>	<b>3,790,493</b>
Total comprehensive loss for the period						(105,569)	(105,569)
Transactions with owners, recorded directly in equity:							
Issue of shares	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	(11,083)	-	(11,083)
<b>Balance as at 31 December 2022</b>	<b>6,126,579</b>	<b>61,323,350</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(63,412)</b>	<b>(6,325,048)</b>	<b>3,673,841</b>

GROUP - UNAUDITED 31 DEC 2021	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
<b>Balance at 1 July 2021</b>	<b>6,124,902</b>	<b>61,157,135</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(112,415)</b>	<b>(6,066,167)</b>	<b>3,715,827</b>
Total comprehensive loss for the period						(198,977)	(198,977)
Transactions with owners, recorded directly in equity:							
Shares Issued	261	29,739	-	-	-	-	30,000
Share issue costs	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	(12,549)	-	(12,549)
<b>Balance as at 31 December 2021</b>	<b>6,125,163</b>	<b>61,186,874</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(124,964)</b>	<b>(6,265,144)</b>	<b>3,534,301</b>

GROUP - AUDITED 30 JUNE 2022	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
<b>Balance at 1 July 2021</b>	<b>6,124,902</b>	<b>61,157,135</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(112,415)</b>	<b>(6,066,167)</b>	<b>3,715,827</b>
Total comprehensive income for the period						(153,312)	(153,312)
Transactions with owners, recorded directly in equity:							
Issue of shares	1,677	166,215	-	-	-	-	167,892
Share issue costs	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	60,086	-	60,086
<b>Balance at 30 June 2022</b>	<b>6,126,579</b>	<b>61,323,350</b>	<b>588,554</b>	<b>(57,976,182)</b>	<b>(52,329)</b>	<b>(6,219,479)</b>	<b>3,790,493</b>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2022**

	6 MONTHS TO 31 DEC 2022 UNAUDITED	6 MONTHS TO 31 DEC 2021 UNAUDITED	12 MONTHS TO 30 JUNE 2022 AUDITED
	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash payments in the course of operations	(95,057)	(122,821)	(269,939)
<b>Net cash used in operating activities</b>	<b>(95,057)</b>	<b>(122,821)</b>	<b>(269,939)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation expenditure	(194,117)	(201,709)	(229,645)
Payment for shares acquired in Kazera Global Plc	-	(100,000)	(100,000)
Proceeds from sale of financial asset at fair value through profit and loss	-	280,657	-
Payments for property, plant and equipment	-	-	(1,487)
Payment for security deposit	-	-	(273)
Proceeds from sale of shares in VOX	-	-	61,957
Proceeds from sale of shares in Kazera	101,450	-	218,700
Research and Development Tax Incentive Claim	-	-	157,659
<b>Net cash used in investing activities</b>	<b>(92,667)</b>	<b>(21,052)</b>	<b>106,911</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	-	-	10,000
Repayment of borrowings	(20,000)	-	-
<b>Net cash provided by financing activities</b>	<b>(20,000)</b>	<b>-</b>	<b>10,000</b>
Net (decrease)/increase in cash held and cash equivalents	(207,724)	(143,873)	(153,028)
Cash and cash equivalents at the beginning of the period	403,329	541,835	541,835
Effects of exchange rate changes on cash and cash equivalents	1,152	(1,509)	14,521
<b>Cash and cash equivalents at the end of the period</b>	<b>196,757</b>	<b>396,453</b>	<b>403,328</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

#### 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 ("Tectonic" or the "Company") and the entities it controlled at the end of, or during, the six months ended 31 December 2022. 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 2022 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 2022 Annual Report and statutory accounts for the year ended 30 June 2022.

The statutory accounts for the year ended 30 June 2022 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 2022 were approved by the Board on 28 March 2023.

#### 3. DIVIDEND

The Board is not recommending the payment of an interim dividend for the period ended 31 December 2022.

#### 4. LOSS 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 2022 UNAUDITED	6 MONTHS TO 31 DEC 2021 UNAUDITED	12 MONTHS TO 30 JUNE 2022 AUDITED
	£	£	£
Profit/(Loss) for the year attributable to owners of the Company	(105,569)	(197,177)	(153,312)
Weighted average number of ordinary shares in issue for basic earnings*	957,188,591	941,850,465	947,318,146
Weighted average number of ordinary shares in issue for fully diluted earnings*	957,188,591	941,850,465	947,318,146
(Loss)/gain per share (pence per share)			
Basic	(0.01)	(0.02)	(0.02)
Diluted	(0.01)	(0.02)	(0.02)

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

**5. OTHER ASSETS**

	31 DEC 2022 UNAUDITED	31 DEC 2021 UNAUDITED	30 JUNE 2022 AUDITED
	£	£	£
Prepayments(i)	351,780	336,208	354,656
Other prepayments	25,518	20,789	22,587
Security deposits	3,656	3,225	3,686
	<b>380,954</b>	<b>360,222</b>	<b>380,929</b>

(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. 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. However, as at the date of this report the completion program required to be mutually agreed prior to the credit being applicable to the remaining 7,500 metres has not been produced and until such time as this program has been produced, this credit may not be utilised. As at 30 June 2022, the balance of the prepayment to Titeline is £354,656 (A\$625,386).

As at 31 December 2022, the balance of the prepayment to Titeline is £351,780 (A\$625,386), (2021:£336,208 /A\$625,386) remains prepaid to Titeline.

**6. EVENTS AFTER THE REPORTING PERIOD**

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.

For further information, please contact:

**Tectonic Gold plc**  
Brett Boynton  
Sam Quinn  
[www.tectonicgold.com](http://www.tectonicgold.com)  
[@tectonic\\_gold](https://twitter.com/tectonic_gold)

+61 2 9241 7665

**Aquis Stock Exchange Corporate Adviser and Broker**  
**VSA Capital Limited**  
Andrew Raca – Corporate Finance  
Andrew Monk – Corporate Broking

+44 20 3005 5000

Ends