

Tectonic Gold[#]

Shaking up Queensland Exploration

BBG Ticker: TTAU PZ

Price: GBp0.75/sh Mkt Cap: £5.2m

SPECULATIVE BUY

Drilling Underway

Tectonic Gold (TTAU LN) listed in late June 2018 following the successful RTO of **Signature Gold** giving TTAU (formerly Stratmin Global Resources) ownership of six exploration permits in Queensland, Australia as well as a 10% interest and option to acquire the Kaspersky project in Czech Republic. TTAU raised £1.3m at IPO, including £0.5m as equity for drilling from the group's contractor **Titeline Drilling**. Drilling is now underway with four of ten initial holes completed with visible gold mineralisation confirming historic work which encountered high grades at shallow depths. A portion of the programme has also been dedicated to testing the potential porphyry targets at depth.

A Modern Approach to Exploration

TTAU and its wholly owned subsidiary Signature Gold has undertaken a re-evaluation of the historical exploration of the New England Orogen particularly in Eastern Queensland. This follows the reinterpretation of the area's geological history which shows that the area is host to numerous large Intrusion Related Gold Systems (IRGS). Due to the in-house expertise in IRGS the company is able to re-evaluate historical data in its new context to refine its exploration approach in previously unrecognised areas with large scale mineralisation potential.

Owing to Signature's work on redefining the regional geological model, close work with Australian university departments and use of innovative new exploration techniques it has qualified for a programme established by the Australian Federal Government to incentivise R&D. Signature is consequently eligible for a rebate of 43.5% of all capital spent on exploration and development which is likely to make it amongst the most capital efficient exploration companies globally.

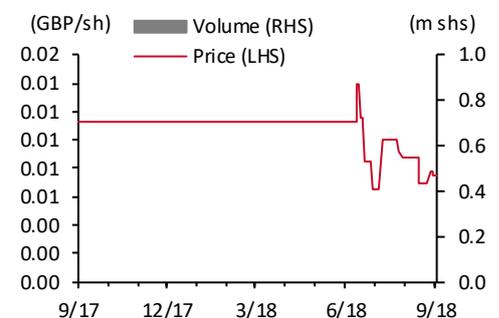
Recommendation

The company does not yet have compliant JORC 2012 resources, however, currently total compliant and non-compliant resources stand at around 615koz, which on a fully diluted basis implies an EV/resource multiple of 6.4x, a discount of 67% to peers which reflects the near surface mineralisation alone and not the potential from the larger scale anomalies at depth yet to be drilled. With drilling underway we see strong newsflow and key potential catalysts in the near term.

We initiate coverage with a Speculative Buy recommendation.

Company Description

Tectonic Gold is a gold exploration and development company focused on IRGS type deposits in Australia and the Czech Republic.



SOURCE: Factset, as of 17 September 2018 close

Market:	NEX Exchange
Shares in Issue:	687.6
Free Float:	60%
Net Cash (June 2018)	£1.25m
Enterprise Value:	£3.9m

Major Shareholders

Brett Boynton	19.9%
Peter Prentice	9.9%
Titeline Drilling Pty Ltd	3.9%

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IRGS Overview

Intrusion Related Gold Systems (IRGS) have a wide range of alteration, geological, geochemical and tectonic features. These include a broad metal assemblage consisting of a combination of gold, copper, bismuth, tellurium, tungsten, molybdenum, arsenic and tin with a low sulphide content, a common alteration, metal and deposit style centred on key mineralised intrusions. Typically associated hydrothermal alteration is restricted and the setting can be far removed from convergent plate boundaries. The mineralisation styles can take a number of forms including sheeted veins and stockworks, breccias, disseminated deposits, skarns, replacements and distal base metal bearing fissure veins. Commensurate sulphidation systems are often indicators for much larger deeper porphyry deposits at depth and it is these porphyry deposits where Signature expects to realise significant upside potential because the surface signatures and mineralisation styles related to these deeper porphyry systems have been misidentified by previous explorers.

Eastern Australia – Emerging IRGS Province



SOURCE: Company data, VSA Capital Research.

Whilst IRGS systems have been identified around much of the Pacific Ring of Fire, exploration in this context in Australia has been relatively limited due to a previous misunderstanding that the east coast of Australia could play host to these types of systems. Given their significant presence in prominent gold regions such as Maricunga, Magadan, Alaska and the North China Craton, Australia seems to be a somewhat missing link. Certain Australian deposits have, however, been retrospectively classified such as Ravenswood (4.5moz), Kidston (over 3.5moz) and Mount Morgan (8.0moz), confirming that **Tectonic Gold's (TTAU PZ)** Australian portfolio is in a highly prospective IRGS host environment.

Exploration Methodology

Due to the in-house expertise in IRGS as well as the big data approach to exploration the company is able to re-evaluate historical data in its new context to explore previously unrecognised areas with large scale mineralisation potential.

TTAU has identified that a rigid tectonic block (western region – named by TTAU as the Mount Morgan Tectonic Domain) within the New England Orogen exists where erosion has, to date, not been able to unearth the major potential IRGS deposits in this area. Unlike the eastern region, which has numerous deposits at surface which have

been uncovered by erosion and therefore been easily exploited, the western region has experienced relatively lesser uplift and subsequent erosion meaning that the majority of the deposits remain mostly under cover. This, in our view, creates a significant opportunity for project discovery and development of large scale deposits which TTAU is attempting to exploit.

The academic / research approach, defined by TTAU, was that the foci of large IRGS gold deposits would be along the TTAU defined 'Mount Morgan Translithospheric Suture Zone' and associated metallogenic belt. This metallogenic belt runs through the eastern region (where most IRGS deposits have been found) and into the western region, where most deposits remain under cover. The academic thesis that the western region is host to numerous IRGS systems has been proven by TTAU with IRGS gold mineralisation confirmed at each site where TTAU has undertaken fieldwork.

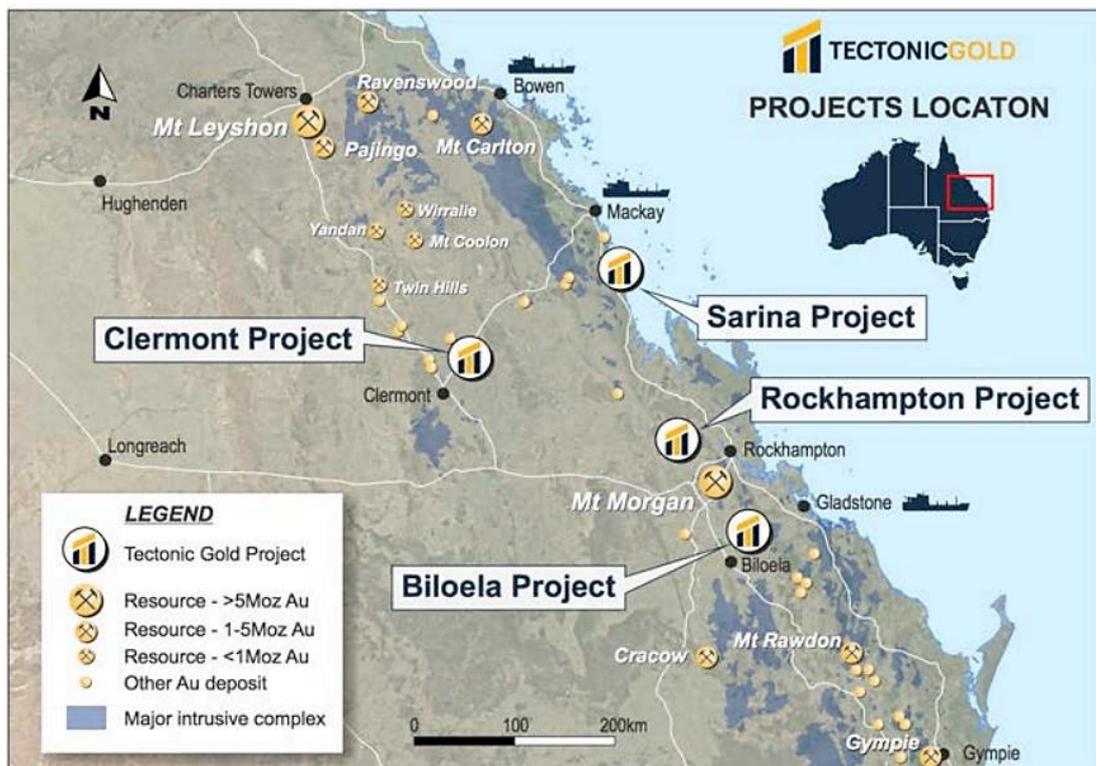
TTAU over the past few years has identified more than 10 prospects within four project areas (Biloela, Clermont, Rockhampton and Sarina) which have demonstrated potential worthy of further exploration. Each prospect is characterised by a cluster of occurrences signifying potentially large mineralisation systems.

The primary two assets in the portfolio are Specimen Hill – Mount Rainbow and Last Chance - Day Dawn and the focus initially will be on the development of Specimen Hill – Mount Rainbow where a non JORC 2012 resource of 233koz has been established. These projects together are known as the Biloela project.

Reinterpretation of New England Orogen

TTAU Gold has undertaken a re-evaluation of the historical exploration of the New England Orogen particularly in Eastern Queensland. This follows the reinterpretation of the area's geological history which suggests that the area is host to numerous IRGS systems. The region has previously been relatively underexplored for these types of deposits creating a significant opportunity for the discovery of large deposits. The team is, however, highly experienced in the exploration and development of these types of deposit and is therefore well placed given its early mover advantage to successfully execute the strategy.

Location of TTAU Projects



SOURCE: Company data, VSA Capital Research.

We highlight the case of the Lachlan Fold Belt, New South Wales to demonstrate the potential of TTAU and now Tectonic's approach to exploration and development in the area. During the 1960s and 70s exploration by Kennecott, Anaconda and Phelps Dodge explored NSW for porphyry copper gold deposits as in Arizona, however, their failure prompted the region to be declared unprospective for porphyry deposits. Subsequently a new model based on Ordovician shoshonitic intrusives resulted in significant success. These included Northparkes, now owned 80% by **China Molybdenum**, which has resources of 471mnt at 0.7% copper and reserves of 108mnt at 0.8% Cu, Cadia owned by **Newcrest (NCM AU)** which produced 669koz gold in FY 2016 and has 43mnoz of gold in total resources as well as Lake Cowal, owned by **Evolution Mining (EVN AU)** which produced 238koz in FY 2016 and has total resources of 164mnt at 0.96g/t Au.

We therefore believe that Tectonic's principal approach has significant merit which is backed up by the promising early success which has been achieved to date. The company has, having reviewed a wealth of historical data and around 200 projects, identified a small number of high priority targets each with multi-million ounce potential which it intends to explore further and develop.

New Technologies & State Funding

There have been two primary benefits of TTAU's approach to exploration; the first and most important has been the high level of success that has been achieved to date in the successful identification of high priority targets with significant potential, the second has been the qualification for state funding from the Australian Federal Government for this approach.

Owing to TTAU's work on redefining the regional geological and tectonic model as well as the close work with Australian academics and University and State departments it has qualified for a programme established by the Australian Government to incentivise R&D. The scheme, for businesses with revenues below A\$20m, entitles those qualifying companies for cash refunds of 43.5% of all eligible R&D expenditure. Given that TTAU's approach and use of big data is aiming to improve the efficiency and thereby lower the cost of exploration we believe that the cumulative benefit of this subsidy is likely to be extremely significant. It is expected that spending on projects outside of Australia is also be eligible under the scheme.

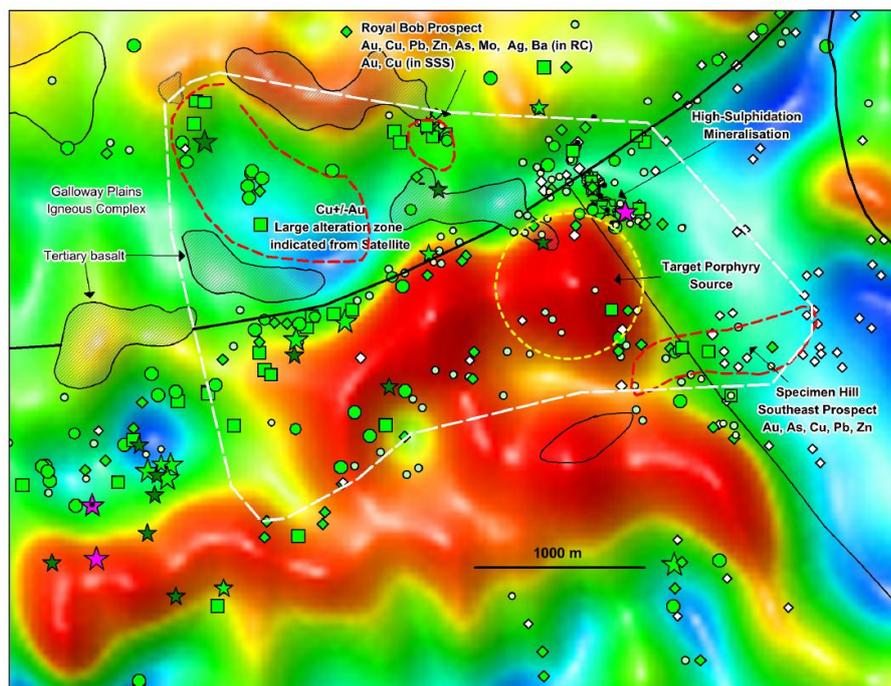
Australia's long history of mining and exploration means that there is significant historical data available for the region; however, reinterpretation of the regional geology has shown that much of this has previously been misinterpreted. By re-processing the available data and utilising new analytical software TTAU has been able to successfully construct a private database identifying targets for follow up exploration. This data set has been further enhanced by extensive fieldwork and modern in-field technology, such as deep penetrating geophysics to enable better targeting, which when reviewed in the light of the newly defined regional interpretation has enabled the targeting of previously unrecognised IRGS systems for large, high grade, gold deposits. Indeed, it is this systematic, logical approach which combines the use of historical data and modern technology which has resulted in Federal backing.

TTAU is also utilising one of two new geophysical techniques which are able to produce "true 3D" by using electrodes and recording nodes rather than offset data which is used in more common 3D approaches. The company has been impressed with the high quality of the data and when used in conjunction with sub audio magnetic (SAM) techniques it is helping the team to in targeting drill targets. This technique is particularly useful in the steep terrain that is a feature of the Specimen Hill target. Although this geophysical technique is more expensive than others if it is as effective as expected than this will significantly reduce the drilling costs of the company going forward through more efficient targeting. Drilling will be the ultimate indicator of the effectiveness of this new technique, however, we note that success elsewhere in Australia by **GAP Geophysics**, who employ the technology, is resulting in greater recognition for their approach. The overall result of the approach is a highly efficient and low cost exploration process. It is efficient because the use of historical data and a robust theory increases the chance of exploration success and confidence thereby reducing wasted exploration costs and also because of the significant reduction in potential share dilution replaced by state funding.

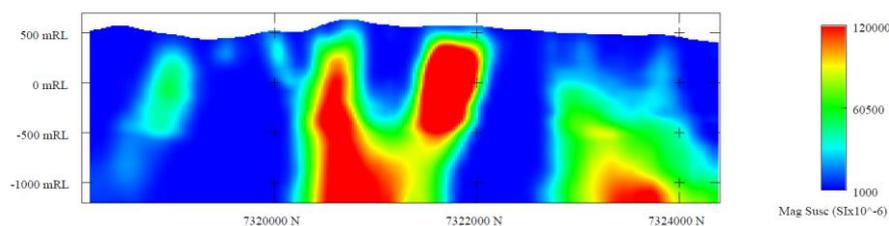
Specimen Hill - Mount Rainbow - Primary Asset

Specimen Hill – Mount Rainbow, where mining historically took place on a small scale until the middle of the last century, has been chosen for the focus of current development funding due to its strongly developed high to intermediate sulphidation epithermal gold-copper mineralised veins mapped over a strike of 500m and to depths of at least 200m, which belie further significant mineralisation at depth. High gold grades of up to 15g/t Au have been identified on this complex array of vein systems. A non JORC resource of 233koz at 3-5g/t has been determined for the upper portion of mineralisation; however, the target from the planned drill programme is for a resource of 500koz at between 3-5g/t and subsequently of 1mnoz at the same grade.

Magnetics Show Significant Specimen Hill Anomaly



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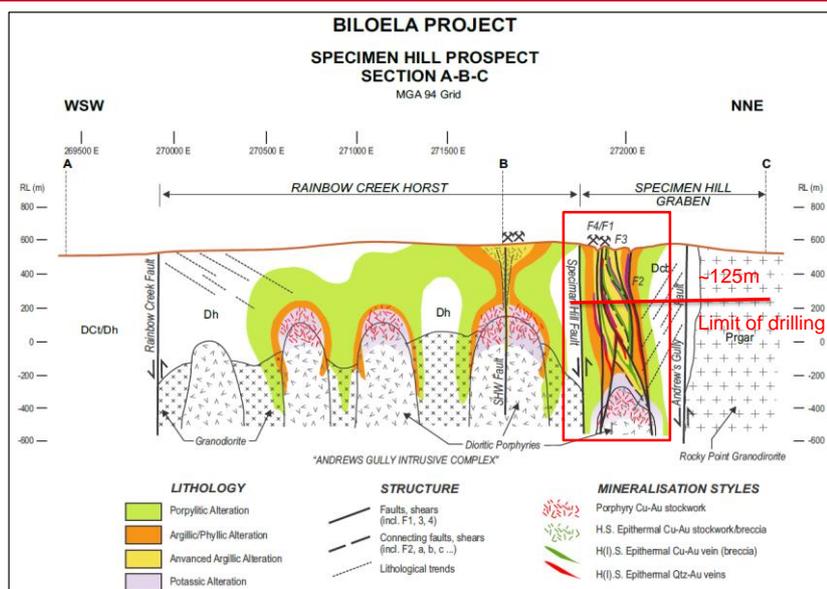
SOURCE: Company data, VSA Capital Research.

The work carried out to date by TTAU has included historical analysis of drill data and geophysics, tectonic and metallogenic studies as well as geological mapping and geochemical and petrochemical analysis. Soil and rock chip sampling was also carried out along with geophysical inversion modelling of specific magnetic features. Aeromagnetic studies showed a 2kmx2km magnetic anomaly with two further anomalies to the south west, the entire anomaly may be up to 4kmx2km. A small plug, which gives off the most intense reading, belies a largely buried intrusive system at between 300-500m. 1,500m along strike has now been mapped and historically drill tested providing a strong starting point for exploration and remains open. The upcoming programme is focused on the north east area on the above image.

A number of key indicators highlight the potential for the project including namely the high sulphidation which typically does not occur without the presence of porphyries. Secondly the presence of key indicator metals such as

tellurium, arsenic and bismuth. Thirdly the alteration and complexity of the veins is indicative of intrusive systems which when combined with the high ore grades is indicative that the mineralisation identified close to surface is likely to overly the main porphyry system. Before the application of the reinterpreted theory and modern techniques, the complex nature of the veins made the correlation of the veins extremely difficult and it had previously been misclassified as a VMS deposit. There are two distinct vein-lode systems although they overlap with the Cu-Ag-As veins overlain by Au-Ag-Te-Bi-Zn-Pb veins. However, it is now highly likely that the veins have been forced upwards from a far more significant porphyry deposit at depth. This offers significant potential for TTAU and is the major medium term driver for upside potential, in our view.

Stylised Image of Specimen Hill



SOURCE: Company data, VSA Capital Research..

A non JORC resource of 233koz at 5g/t has been established based on historical data although it is simply a lack of historical core that prevents it being classified as a JORC 2012 standard resource. 64 holes were drilled historically, covering over 4,000m with the deepest reaching 163m although the majority were drilled to less than 100m depth. Highlights included 63m at 1.61g/t from 55m including 7m at 4.86g/t from 76m as well as 34m at 4.8g/t from 20m. It does, however, remain open at depth and along strike and it is at depth where the majority of the upside potential lies, in our view, with drilling intercepts of the underlying potential porphyry the key to the project’s success.

Historic Drilling Summary – Specimen Hill

Number of Holes	Metres Drilled	Deepest Hole	Average Depth	Significant Intersections
64	4,210m	163.22m	66m	DDH1 - 54m @ 0.25g/t Au from 52m including 1m @ 7.6g/t Au from 60m
				PDH4 - 63m @ 1.61g/t Au from 55m including 7m @ 4.86g/t Au from 76m and 13m @ 3.82g/t Au from 91m
				PDH17 - 34m @ 4.8g/t Au from 20m including 14m 11.33g/t Au from 20m
				PDH30 - 16m @ 2.01g/t Au & 0.56% Cu from 32m and 6m @ 4.48g/t Au and 0.66% Cu from 32m
				PDH36 - 18m @ 3.28g/t Au & 0.39% Cu from 32m

SOURCE: Company Data, VSA Capital Research.

Current work Programme

TTAU has announced that it is currently drilling with 820m completed of an initial 2,580m programme focused on Specimen Hill. Four of ten holes are already complete with assays out for testing and initial results pending. The programme covers a combination of testing the large targets shown by the SAM survey, 3D IP anomalies as well as twinning historic holes to confirm prior findings. By initially testing the near surface mineralisation this will help TTAU to better understand the results of the SAM surveys and other geophysical surveys for future targeting of the as yet untested anomalies. Although it will take some weeks for assays to be received from these holes, TTAU has provided evidence of visible sulphide mineralisation in the initial core samples which is highly encouraging, in our view, and in the case of the first step out hole this confirms the findings of the earlier SAM survey which indicated the a larger system than previously thought. We will now look for continuity of grade across the near surface epithermal system to further validate this view. Drilling is expected to be completed within 30 days.

In addition to testing the near surface epithermal mineralisation with holes testing to depths of up to 290m, TTAU has also decided to test the deeper potential where geophysics indicates the presence of much larger porphyry style mineralisation of which the epithermal mineralisation is indicative. Two holes will test the major IP/magnetic anomaly that can be seen in the diagram on p.5 up to depths of 480m. IP data suggests that feeders for the porphyry may start at depths of as little as 250m. Whilst the drilling out of the epithermal mineralisation is an important step for TTAU, the testing of porphyry targets will provide the key validation of the work to date along with the catalysts for a major rerating.

Drilling Underway



SOURCE: Company data, VSA Capital Research.

Sulphide Mineralisation Present in Core



Last Chance - Day Dawn – Secondary Asset

Although further development work on the Last Chance/Day Dawn project is not currently budgeted for, we believe that it offers future development potential and is demonstrative of the quality of projects that the systematic and disciplined exploration methodology of TTAU is producing. The company believe that the project also has million ounce potential, although is slightly further behind in development terms compared to Specimen Hill.

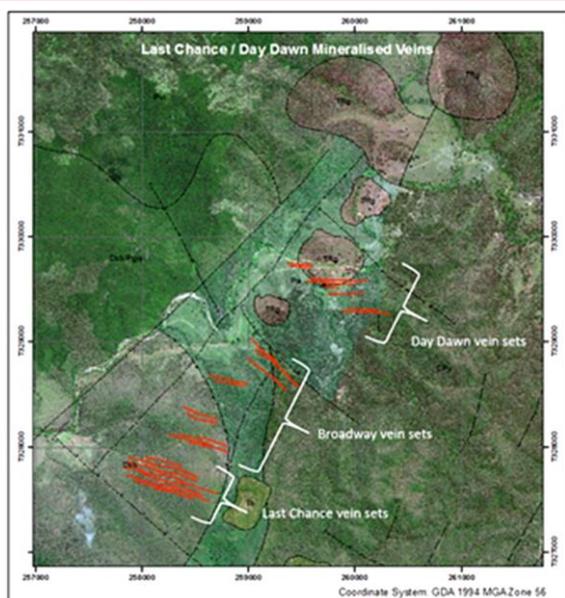
Drilling Summary – Last Chance / Day Dawn

Number of Holes	Metres Drilled	Deepest Hole	Average Depth	Significant Intersections
10	834m	155m	83m	MP5 - 23m @ 0.27g/t from 77m including 1m @ 4.74g/t from 91m MP7 - 23m @ 0.25g/t from 78m including 1m @ 2.19g/t from 99m MP9 - 64m @0.26g/t from 0m including 25m @ 0.45g/t from 24m

SOURCE: Company data, VSA Capital Research.

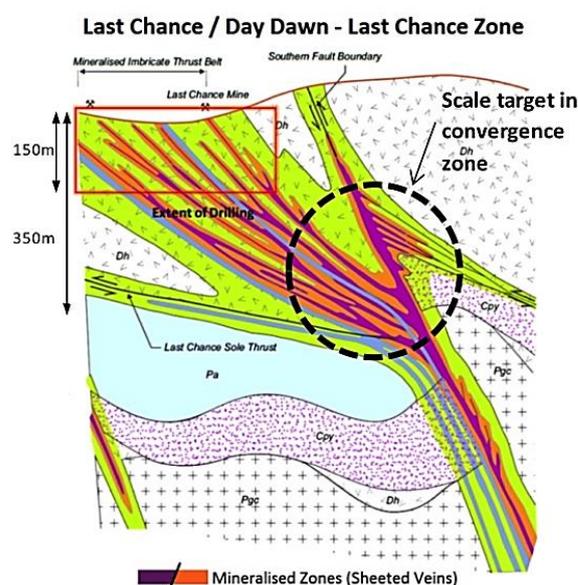
Whilst not a typical IRGS formation it does broadly fit into the category and TTAU have mapped mineralised gold veins on surface over 600m. The veins dip at a shallow gradient of around 105° close to surface although steepen at depth. Shallow drilling has yielded promising results and as with Specimen Hill a non JORC resource of 230koz at 3g/t has been established. However, TTAU’s interpretation is that the veins coalesce at depth and a target with scale at the convergence zone offers significantly greater potential. An initial target of a 500koz resource has been established with potential to take it to 1mnoz in a relatively short time frame. However, as with all of the targets Last Chance/Day Dawn has been picked for their multi-million ounce potential.

Multiple Sets of Mineralised Veins within a Corridor



SOURCE: Company data, VSA Capital Research.

Coalescence Zone is the Main Target



Other Targets

Maxwellton

The Maxwellton prospect is also located within the Biloela area although it requires further exploration work to determine its potential. A network of poorly exposed veins scattered have been identified along a 2.5km magnetic anomaly while ten historic drill holes showed grades of up to 0.5g/t Au over significant widths in excess of 20m. The prospect is characteristic of the IRGS type deposits supported by the widespread alteration and geochemical signal which is indicative of an underlying mineralised porphyry.

Mount Cassidy

The Mount Cassidy project is located 55km west-northwest of Rockhampton in central-eastern Queensland. It is a porphyry and breccia pipe gold-copper target with proximal IRGS veins and stockworks. 15 holes have been drilled with grades typically of around 0.5g/t and less although there is indication that a shallow porphyry is present with alterations and geochemistry supportive of additional IRGS structures. Currently, a relatively small permit area prevents exploration of the wider anomaly.

Claremont

The Clermont project is located in the Central Queensland Highlands around 44km northeast of the regional centre Clermont. There are three contiguous tenement areas with around 20 known historical shafts and workings. The work to date suggests around twenty or so scattered prospects to the north which can be grouped together while there are a number of other similar prospects to the south. The characteristics are closely aligned to an Iron Oxide Copper Gold (ICOG) deposit rather than IRGS. These are typically quite expensive to develop and while there is likely strong potential here, further work is currently not a priority.

Mosquito Hill

The most northerly of Stratmin's projects, close to the Queensland coastline, the Mosquito Hill prospect is located amongst some of the least well understood geology of the region. Whilst IRGS, epithermal and porphyry features are present there are a wide variety of deposit types clouding the understanding of the geological interpretation. The focus for exploration has been on high sulphidation stockwork and breccia pipe deposits. 91 historic drill holes and assay data show gold mineralisation from surface at grades of 1g/t and less. In addition an anomaly lying to the south west of the current known mineralisation offers further potential and warrants follow up work. However, no current funding is being diverted to Mosquito Hill.

Tirupati

Stratmin has maintained its 1.48% interest in its JV with **Tirupati Carbons and Chemicals Pvt Ltd**, and this will remain in the new entity Tectonic Gold. The JV company, Tirupati Resources Mauritius, has a 98% stake in a company which in turn owns the Vatomaina Exploitation Permit (40 years from January 2016) in Madagascar. The JV partners have agreed that any new investment will be made at a minimum entry price equal to Stratmin's existing investment.

Vatomaina is a large flake graphite project in Madagascar with an initial 12ktpa mine and plant design, modelled on Tirupati's existing Indian operations. Bulk material from Madagascar has been processed at Tirupati's Indian operations to confirm engineering parameters. The sample concentrate produced was tested by customers in a range of applications and met all technical performance criteria.

European Option

Kasperske Hory Option – Czech IRGS System

Tectonic has an option to acquire 51% of the Kasperske Hory project focused on the Optava deposit in the Czech Republic. The area has been exploited for minerals since the Roman period with the most recent exploration work prior to the current ownership being carried out by the Soviets. The tenement is currently owned 100% by Elbrus Partners, an Isle of Man registered company controlled by majority shareholder Gordon Toll, the founding Chairman of iron ore major, **Fortescue Metals Group (FMG AU)**. An application for an Exploration License has been submitted to the Czech Republic authorities.

Tectonic may earn up to a 51% stake in Elbrus via a US\$250k payment to obtain an initial 10% equity interest. This initial payment was made in June 2017. Subsequently in order to earn up to a further 41% interest TTAU must pay US\$4.9m, of which US\$1.5m will be dedicated to the completion of the BFS. The company intends to wait until environmental permits have been approved before committing further capital to the project.

JORC 2004 Resource, Kasperske Hory

	Gold grade, g/t	Tonnes, kt	Contained Gold, koz
Indicated	6.79	1,784	389
Inferred	7.48	4,696	1,130
Total	7.29	6,479	1,519

SOURCE: Company Data, VSA Capital Research.

The deposit has been confirmed as an IRGS deposit with multimillion ounce potential, indeed, a JORC 2004 standard resource of 1.5mnoz at 7.29g/t in the indicated and inferred categories was established in 2011. 233 holes for 52,541m including 156 underground holes covering 29,085m have been drilled at the site, however, due to the lack of historical core it is not possible to classify the resource by JORC 2012 standards. The deposit has been confirmed as IRGS in type formed of shallow dipping mesothermal veins which have experienced significant levels of hydrothermal alteration. The CPR completed in 2011 indicates that there is potential for further resource extension down dip and to the West of the resource.

The gold mineralisation is formed in a mixture of coarse gold and refractory ore held inside silica. An initial CPR anticipated that production would be a mixture of gold dore and concentrate due to the ban on cyanide in the Czech Republic meaning that the refractory component of the ore would need to be process externally.

The mine would be an underground operation and a processing plant combining gravity and floatation circuits is most likely. Estimated capital costs for the underground mine and 550-750ktpa processing plant are US\$123m and US\$130-160m respectively. However, further work is required on exactly what form the processing plant would take with various options including the level of grinding for extracting coarse gold. Flotation reagent conditions optimisation as well as the consideration of alternative systems to direct electro winning for solvent extraction such as Carbon In Pulp and Resin In Pulp. The capital estimates and operating cost estimates are therefore subject to considerable caveats at this stage, although the base case analysis in 2011 indicated potential production in excess of 200kozpa.

The mine is situated between two national parks and is located in the buffer zone with heightened environmental regulation, however, we believe that as an underground operation the surface footprint will be limited and shouldn't pose a significant risk. Tailings management requires further work in order to minimise its impact although it is envisaged that at least a portion of the waste rock will be thickened with paste and used as backfill into completed stopes. Furthermore the low sulphide content is beneficial for tailings construction and further limits the environmental footprint.

In addition to the high grade gold deposit there is significant tungsten mineralisation which based on Czech standard resource estimates total 3.1mnt at 1.3% W, which would be extremely attractive if confirmed to current standards.

Valuation

Following the successful acquisition of the total share capital of **Signature Gold** and listing on the NEX exchange **Tectonic Gold (TTAU LN)** now has a 100% interest in the seven Queensland tenements covering over 850km². In addition, TTAU also holds a 10% interest in the Kaspersky IRGS project in the Czech Republic along with an option to acquire the outstanding interest.

Since listing the shares have eased back largely as a result of weak sentiment towards gold prices and therefore gold juniors. However, gold price technicals now look encouraging and we see potential for a reversal in H2 2018. We note that in the Independent assessment of the RTO valuation the conclusion was that the valuation of £9m was not fair but reasonable, i.e. the transaction materially undervalued the assets in their current position, however, TTAU's current valuation indicates a discount to this, offering an attractive entry point, in our view, particularly given upcoming newsflow.

Developed Market Peer Group

Company Name	Ticker	Market Cap, £m	Market Cap, A\$m	Enterprise Value, £m	Enterprise Value, A\$m	Contained Ounces, Gold	Grade, g/t Gold	EV/Resource, x
De Grey Mining	DEG AU	29.7	54.4	26.9	49.4	538	1.48	50
Galantas Gold	GAL LN	8.5	15.6	7.8	15.2	521	7.42	15
Ausgold	AUC AU	7.9	14.5	6.7	12.2	637	1.21	10
White Rock Minerals	WRM AU	6.3	11.5	5.1	9.5	676	1.2	8
Echo Resources	EAR AU	36.0	66.0	31.8	58.4	1,070	2.3	30
Castle Mining	CDT AU	1.1	2.0	0.7	1.3	200	1.1	4
Greatland Gold	GGP LN	35.8	65.6	31.3	57.6	n/a	n/a	n/a
							Weighted Average	32
							Mean	19

SOURCE: Bloomberg, VSA Capital Research. Price as of 17 September close.

There are relatively few listed gold producers listed on the UK market in top tier jurisdictions and even fewer which also have established a JORC compliant resource. They are typically located in Spain, Scandinavia or Finland and although developed market jurisdictions they are not as mining friendly or considered top tier as with Australia. Our peer group is therefore largely comprised of Australian gold juniors which have established a compliant resource but are not at such an advanced stage of development that the project has been de-risked significantly as to attract a substantially higher valuation.

Since the company does not yet have JORC 2012 compliant resources from which to benchmark we have demonstrated the implied valuation versus peers based on non-compliant resources. As is common with this type of peer group there is a relatively wide variation of valuations and given the wide range of capitalisations we have opted to conservatively use a simple average to avoid a bias towards the larger capitalised companies.

Valuation Table

	Contained Gold	Implied EV/Resource, x	Discount to peer group
Specimen Hill & Last Chance non compliant resource plus Kasperske (10%)	614,899	6.4	-67%

SOURCE: Company data, VSA Capital Research.

The two most advanced assets (Specimen Hill and Last Chance), have non JORC compliant resources estimated at 230koz and 233koz gold respectively which only do not meet JORC 2012 standards due to the lack of historical core. There is therefore a high level of confidence that this forms a floor in terms of mineralisation potential. The valuation

on this basis using the peer group average implies of 19x EV/ounce demonstrating a significant discount to peers of 33%. In terms of the Queensland tenements, this only considers the value of the existing exploration to shallow depths and ignores the potential upside from the drilling targeting the potential larger systems at depth highlighting the upside potential, in our view. As a consequence, we do not believe that a target price based on the near surface historical data alone would fairly reflect the upside potential, particularly given the initial drilling programme will begin to test the deeper targets as well as reconfirming the known mineralisation.

Outside of the peer group which provides a quantitative benchmark we also highlight **Greatland Gold (GGP LN)** which currently has a market cap of £36m and although has completed a number of successful drilling campaigns, in Western Australia, is pre-resource. Recent highlights include 121m at 2.93g/t Au from 497m with peak grades of 137.69g/t Au. This demonstrates that although the discount based on the historical exploration to date reveals attractive value, at £5m, the potential upside from strong drilling results is significantly beyond the discount presented above. We also highlight that TTAU is one of the highest grade gold opportunities in the peer group with target grades of 3-5g/t for the Australian assets and 7.3g/t for Kasperske.

The asset potential combined with the R&D funding which are likely to make the company amongst the most capital efficient junior gold development companies globally indicate that the 67% implied discount to peers presents an attractive opportunity to investors. Having raised £1.3m at IPO including £0.5m in a drilling for equity deal with the company's drilling contractors **Titeline Drilling** TTAU is well placed to carry out its planned exploration programme and is fully funded for the programme outlined in the admission document. TTAU also received a £0.26m tax rebate from the French Government after its listing. The Titeline deal represents a strong endorsement of TTAU's strategy and the driller's confidence in the asset potential and we view this deal in a highly positive light.

Work programme 2018

With an initial 2,580m ten-hole programme underway we believe that TTAU has a number of upcoming potential catalysts to support the shares with strong upcoming newsflow as results come out. Initial results will most likely relate to testing of the shallow epithermal style mineralisation although two later holes will test the deeper porphyry targets. There are therefore multiple significant potential catalysts due in the near term which will test the core of the investment case.

We initiate coverage with a Speculative Buy recommendation.

Appendix 1: Board of Directors & Key Personnel

Bruce Fulton, Non-Executive Chairman

Bruce Fulton is a dual New Zealand and Australian national with international experience as a geologist and resource company executive with major gold and metal producers. Mr Fulton has a particular expertise in Intrusive Related Gold Systems with operational experience in Canada, Australia and South East Asia in leadership positions with companies such as Dominion Mining, Placer Dome and Plutonic Resources. Mr. Fulton was the Chief Geologist at the Porgera gold mine, an IRGS gold deposit, which, at the time it was producing over 1 million ounces of gold per annum and was one of the largest mines in the world. Mr Fulton is the founder and Chairman of Ophir Partners, a consulting group focused on the resources industry, which he started following his successful technical career. Mr. Fulton is currently a Director of Signature and has held numerous Directorships of public and private companies.

Brett Boynton, Chief Executive Officer

Appointed in May 2015, Brett is the CEO of StratMin Global Resources. A former Corporate Financier, Brett has over 20 years' experience as an investment banker in capital markets, mergers, acquisitions and private equity. More recently he has focused on project development within the resources industry and has funded and founded a number of Australian resource companies including DEI Ltd, Signature Gold Ltd and Tellus Holdings Ltd. He therefore brings considerable experience with public natural resource companies and an impressive list of contacts within the Industrial Minerals sector.

Zeg Choudry, Non-Executive Director

Zeg has spent his entire career in financial services, starting in 1987 with CitiBank as a trainee market maker, before moving to Robert Fleming (latterly acquired by JP Morgan). Following this Zeg became a sales-trader with London Stock Exchange (both Main Market and AIM) focussed advisers and investment houses including Evolution Securities, Piper Jaffray and Northland Capital Partners. At Northland Capital Partners, Zeg worked directly with companies to help them to raise investor awareness. Zeg is currently Managing Director of The London Trading Company (LONTRAD) which provides brokerage services to professional and institutional clients. He was appointed as a Director of the Company on 19 September 2016.

Sam Quinn, Executive Director

Sam is a dual British and Australian citizen and a corporate lawyer with significant experience in the mineral resources sector. For the past decade, Mr Quinn has served as legal counsel for and as part of the executive management team of several listed and non-listed mining exploration and development companies and for the Dragon Group, a London-based mining venture capital firm. During this time, Mr Quinn has gained significant experience in the administration, operation, financing and promotion of mineral resource companies. Prior to working in the mining sector, Mr Quinn worked as a corporate lawyer for Jackson McDonald Barristers & Solicitors in Perth, Western Australia and for Nabarro LLP in London. Mr Quinn graduated from the University of Western Australia in 1999 with a Bachelor of Laws and Bachelor of Arts and is a qualified lawyer in Western Australia and in England & Wales. Mr Quinn has also served as the company secretary of Stratmin since June 2015.

Anne Adaley, Group Chief Financial Officer

Anne has extensive experience in the resources sector, having held senior management roles with a number of listed public Australian exploration and mining companies over the last 25 years. She has also spent more than a decade as Company Secretary for several listed public companies. Anne is a qualified accountant and principal of Australian Mining Corporate and Administrative Services Pty Ltd (AMCAS) which provides Chief Financial Officer and Company Secretarial function and support including accounting, financial management and administrative services on a consulting basis to public listed and private companies as well as unlisted and pre-IPO companies.

Peter Prentice, Director, Signature Gold

Peter has extensive management experience in developing resource projects in Australia and internationally, including gold, uranium, copper, tungsten, base metals and industrial minerals. Peter has also had international banking experience, based in London for one of the world's largest project financing banking groups. Peter was the founder and Managing Director of Hargraves Resources, a very successful gold mining business which was listed on the ASX and sold to a large international gold company. Following the sale of Hargraves Peter acquired the cornerstone asset of the Signature portfolio, Mt Cassidy. Peter is Managing Director of the Agripower Australia Ltd Group of companies, a private equity backed business that is involved in environmental science and agriculture. Peter has read in and completed studies in Mathematics and Engineering Science - Mining.

Alexander Teluk, Chief Geologist, Signature Gold

Alexander Teluk is a professional geologist and member of the AIG (Australian Institute of Geoscientists) and CIM (Canadian Institute of Mining, Metallurgy and Petroleum), with +45 years of diversified experience in the exploration and mining, in corporate industry and government surveys. Alex has remained working for Signature Gold since 2010.

From 1966 to 1980, he has worked in senior and management capacities with several major Australian and international companies, including: Broken Hill South, Aberfoyle-Cominco, Chevron Exploration Corporation and Newmont Australia, respectively. A brief tenure was also spent with the Geological Survey of South Australia and the Australian Atomic Energy Commission during this period. Since 1980, through his company Geodyne Pty Limited, he has provided independent consulting services to numerous major and junior exploration and mining companies. As well, during this period, Alex co-founded and managed several private exploration companies.

His exploration experience was acquired throughout Australia, and New Caledonia, and regions in Kalimantan, Philippines and New Zealand. Extensive assessments were also completed on several projects in Argentina. This experience covers a broad range of both metallic and non-metallic commodities, ore deposit types and geotectonic terranes; a summary of which is attached hereto. An extended association with RobSearch Australia (formerly Robertson Australia) has also resulted in extensive evaluations and preparation of IPO expert geological reports on numerous major mining and exploration projects.

Mr Teluk's cumulative, diverse and continuous professional experience in mining and exploration over +45 years, has provided his clients/employers with incisive, effective and trusted evaluation of their properties as well as forward strategic planning and selection of new areas for their ongoing activities.

Jonathan Robbeson, General Manager, Signature Gold

Jonathan is General Manager for Signature Gold. He has previously held senior technical roles in AngloGold Ashanti and Perilya Ltd. and brings with him extensive international exploration and mining operational and risk management experience. Jonathan specialises in integrated project development and has an in-depth knowledge of leading projects from exploration stage through feasibility, development, construction and into operation.

Jonathan holds a B.Sc. Honours (Geology) from Rhodes University; a Master's degree in Economic Geology from the University of Tasmania, and a Masters of Mining Engineering from the University of New South Wales.

He is a member of The Australasian Institute of Mining and Metallurgy (MAusIMM CP Geo - 304542) and The Australian Institute of Company Directors (AICD - 2407690). Jonathan is a Competent Person as defined by the 2012 JORC Code for Mineral Resource and Ore Reserve Estimation for various precious, base metal and industrial mineral deposits.

Barry Willott, Exploration Manager, Signature Gold

Barry has worked as a Professional Geologist, Consultant and Exploration Manager for +25 years in minerals exploration and related mining operations in all mainland jurisdictions of Australia and in central Asia since 2006.

Barry has an up-to-date knowledge in the application of modern exploration techniques and methodologies with a sound technical and commercial focus to maximise discovery potential. He has a wide ranging experience including leadership roles in exploration, project management, mineral property assessment, project generation, technical due diligence and geological modelling and has operated in diverse geological environments and deposit styles, including but not limited to; deeply weathered terrains, both greenfields and near mine sites in a variety of commodities including gold, base metals, uranium, iron ore, gem stones and coal.

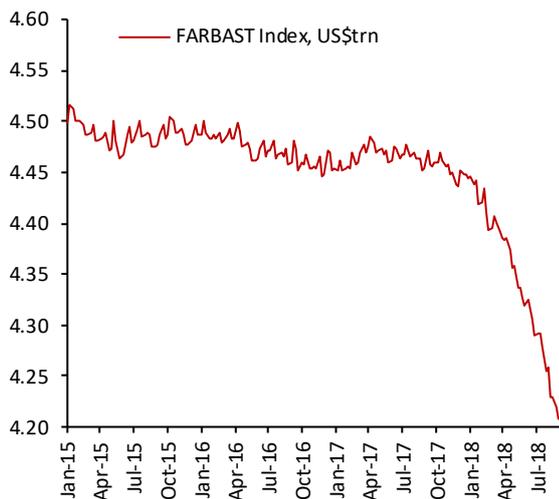
He was a key member of the original Plutonic Resources Ltd team that added significant resources at the world class Plutonic Mine and has since been closely involved in discoveries and substantial mineable resource additions at Kundana and Peak Hill (Western Australia) and Agate Creek (Queensland) gold deposits, along with the more recent discovery of the Paris silver deposit in South Australia. More recently Barry was General Manager-Exploration for Black Oak Minerals Ltd, operating with a small, but tight knit-team in the Cobar Superbasin, NSW and the Eastern Goldfields, WA.

Barry holds a BSc (Hons) in Geology and Geophysics. University of New England and is a Member Australian Institute of Geoscientists (AIG - 2652) and Australasian Institute of Mining and Metallurgy (AusIMM - 108234).

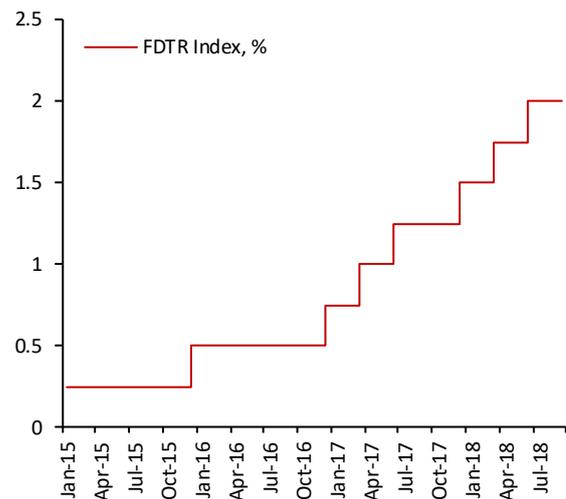
Appendix 2: Gold Market Update

The increase in pace of the Federal Reserves QT programme and interest rate hikes have resulted in a stronger dollar through 2018 and downward pressure on gold prices which are now close to a 20 month low. Despite rising tension over trade tariffs, a retracement in industrial commodities and turmoil in emerging markets, gold has not seen overriding interest as a safe haven with record net short positions which became negative for the first time in 17 years.

Farbast Index



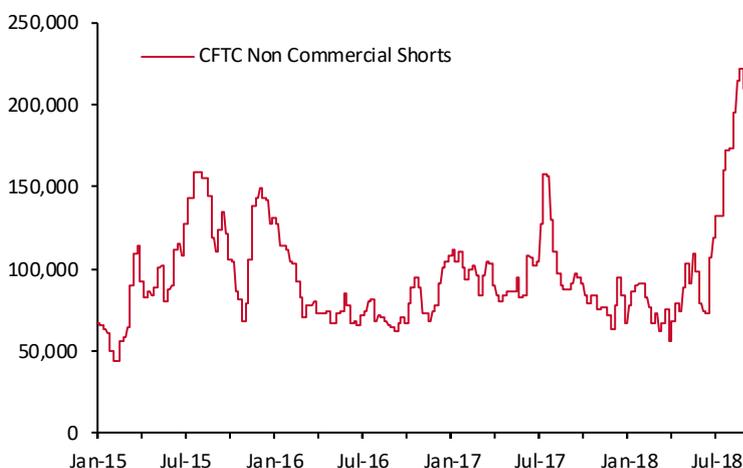
Federal Funds Target Rate



SOURCE: Bloomberg, VSA Capital Research.

YTD the Fed has reduced its balance sheet by 5% and has raised rates by seven times in three years with four increases expected in 2018. QT in October is expected to reach a pace of US\$600bn/yr in October. Support for further hikes has risen on the back of particularly strong US Q2 GDP growth in 2018 which hit 4.1% while core inflation in July of 2.4%, up from 2.3% in June, reached the highest level since September 2008. However, some transitory factors are thought to be in part responsible for the boost to growth and inflation such as a jump in exports with buyers before an anticipated increase in tariffs. With Fed tightening progressing rapidly, the dollar has strengthened 3% YTD while the gold price is down 8% YTD. Trump's comments complaining about pace of tightening have softened the rise in the dollar but have not resulted in a breakdown in the uptrend.

Speculative Short Positions Close to Record Levels

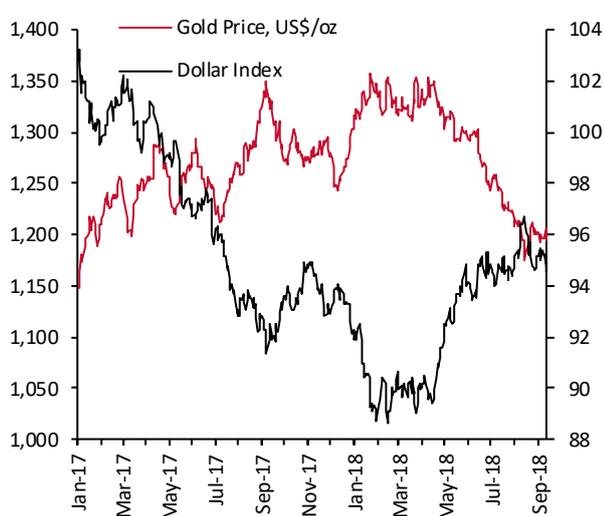


SOURCE: Bloomberg, VSA Capital Research.

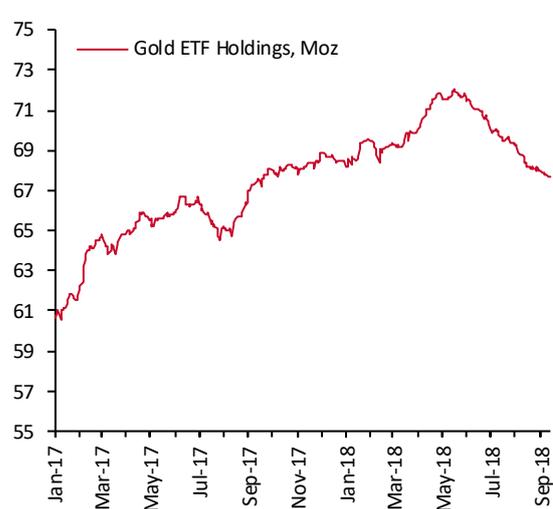
The decline in gold prices has primarily been driven by speculative positioning and physical demand has been largely flat although a decline in prices may result in some stronger buying for jewellery etc. However, our view is that with speculative shorts now at record levels, the potential for a major short covering rally is building. With the Fed now, at the same time as progressing its tightening, considering its ability to effectively act in the next downturn this should in our view highlight to investors the importance of having some gold exposure with further downside likely to be limited given that shorts are already at record levels, notwithstanding the fact that in recent years strong periods of short selling have preceded sharp rallies in the gold price.

Markets are currently sanguine about the risks to financial markets with the S&P 500 now in its longest bull run since WW2. However, risks are building and trade tariffs are a threat to global growth. To date the depreciation in the Turkish lira and the Chinese yuan have had little positive impact on the gold market, however, should the former result in broader contagion and the latter convince the White House that the PRC is manipulating its currency either could result in a sharp covering of short gold positions. However, in order for a sustained recovery in gold prices to be realised a change in fundamentals is required which may be caused by the realisation of one or more of these potential threats.

US\$ Index versus Gold price, US\$/oz



Gold ETFs



SOURCE: Bloomberg, VSA Capital Research.

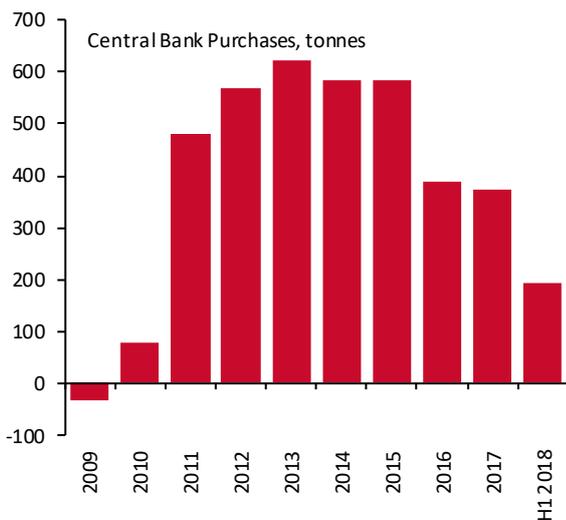
Investment Demand

Although paper trading has been the dominant price driver in recent months. Investment demand and ETF holdings in particular have perhaps performed more in line with the view of gold as a safe haven. ETF holdings have been more resilient than pricing down 6% since May 2018 highs whilst prices have fallen 10% during the same period. The peak in May coincided broadly with the recent peak in pricing and holders of ETFs backed by physical gold are perhaps more likely to be holding gold as a hedge against the heightened global geopolitical risk backdrop than traders of paper.

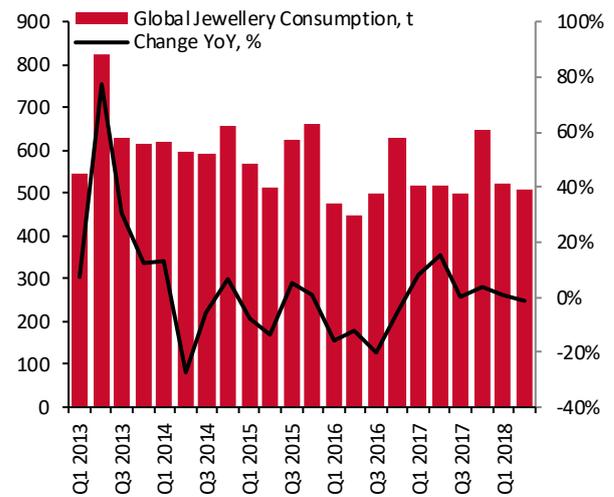
Central Banks Net Purchases Slow

Central bank net purchases were 7% lower YoY in Q2 2018 although for the first half were up 8% YoY to 89.4t and 105.3t respectively. Buying continued to be dominated by Russia, Turkey and Kazakhstan. Indeed, further gold buying by Russia looks likely particularly after data indicated that following the further sanctions by the US that Russia had sold 84% of its US Treasuries by the end of July meaning that having been one of the top holders it now holds less than US\$15bn worth. In Q2 2018 Russia accounted for 53.2t of total buying and given the further selling of Treasuries it appears that Russia's CB gold demand is likely to remain strong in H2 2018. Although Turkey was a major contributor in H1 2018 to buying, encouragement from Erdogan for buying Lira rather than gold may mean that the Central Bank steps back from further purchases in the near term despite the obvious benefits given the tumbling currency.

Central Bank Purchases



Global Quarterly Jewellery Consumption



SOURCE: World Gold Council, VSA Capital Research.

Jewellery Robust Outside of India

Global jewellery demand was down 2% YoY and QoQ to 510t driven largely by declines in buying by Indian consumers, down 8% YoY to 147.9t, due to high local currency prices as well as some additional seasonal factors in India. Meanwhile, demand trends in China and the US in particular were encouraging with Chinese jewellery demand up 5% to 144.9t with YTD demand of 332.9t at a three year high. In the US 28.3t of gold jewellery demand meant the strongest Q2 in ten years and an increase of 5% YoY.

Appendix 3 – Financial Statements

Tectonic Gold

Income Statement

	FY2016 £'000	FY2016 AU\$'000	H1 FY2017 £'000	H1 FY2017 AU\$'000
Administrative expenses	(809)	(1,477)	(318)	(538)
Operating loss	(809)	(1,477)	(318)	(538)
Finance costs	-	-	-	-
Impairment of investments	-	-	-	-
Impairment of receivables	-	-	-	-
Loss on disposal of subsidiary undertakings	(6,596)	(12,039)	-	-
Loss before tax	(7,405)	(13,516)	(318)	(538)
Loss for the year	(7,405)	(13,516)	(318)	(538)

SOURCE: Company Data, VSA Capital Research

Balance Sheet

	FY2016	FY2016	H1 FY2017	H1 FY2017
	£'000	AU\$'000	£'000	AU\$'000
Assets				
Investment in subsidiaries	-	-	-	-
Property, plant and equipment	-	-	-	-
Available for sale investments	40	68	-	-
Loans to group undertakings	-	-	-	-
Total Non-Current assets	40	68	-	-
Cash and cash equivalents	493	839	247	418
Trade and other receivables	1,007	1,713	303	158
Available for sale investments	-	-	860	1,455
Deferred consideration receivable	572	974	73	123
Total current assets	292	497	292	494
Total Assets	2,364	4,023	1,775	3,002
Share capital	6,049	10,295	6,049	10,231
Share premium account	55,900	95,142	55,966	94,661
Merger reserve	-	-	455	770
Investment reserve	-	-	-	-
Other Reserve	455	774	455	770
Accumulated losses	(60,535)	(103,031)	(60,853)	(102,927)
Equity attributable to owners of the Company	1,869	3,180	1,617	2,735
Non-controlling interests	-	-	-	-
Total equity	1,869	3,180	1,617	2,735
Current liabilities				
Trade and other payables	447	761	148	250
Short term borrowings	88	150	10	17
Total current liabilities	535	911	158	267
Total liabilities	535	911	158	267
Total equity and liabilities	2,404	4,091	1,775	3,002

SOURCE: Company Data, VSA Capital Research

Cash Flow Statement

	FY2014 £'000	FY2014 AU\$'000	FY2015 £'000	FY2015 AU\$'000
Operating Activities				
Loss for the year before taxation	(7,405)	(13,516)	(318)	(538)
Adjusted for:				
Finance expense	-	-	-	-
Depreciation	2	4	-	-
Share based payment charge	33	60	-	-
Shares issued in settlement of fees	-	-	66	112
Loss on disposal of investments	6,463	11,796	-	-
Impairment of receivables	133	243	-	-
Impairment of investment	-	-	-	-
Operating cash flows before movements in working capital	(774)	(1,413)	(252)	(426)
(Increase)/Decrease in trade and other receivables	(33)	(60)	704	1,191
Increase/(Decrease) in trade and other payables	(677)	(1,236)	(289)	(489)
Net cash used in operations	(1,484)	(2,709)	163	276
Net cash used in operating activities	(1,484)	(2,709)	163	276
INVESTING ACTIVITIES				
Acquisition of investments	(40)	(73)	-	-
Purchase of property, plant and equipment	-	-	-	-
Advances to Signature Gold	-	-	(860)	(1,455)
Advances to group companies	-	-	-	-
Disposal of investments	504	1,025	-	-
Net cash from/(used in) investing activities	(160)	(326)	(321)	(543)
FINANCING ACTIVITIES				
Net proceeds from share issues	630	1,150	-	-
Repayment of short term borrowings	1	2	(88)	(149)
Interest paid	-	-	-	-
Net cash from/(used in) financing activities	631	1,152	(88)	(149)
Net (decrease)/increase in cash and cash equivalents	339	619	(246)	(416)
Cash and cash equivalents at beginning of year	154	312	493	834
Effect of foreign exchange rate changes	-	(96)	-	-
Cash and cash equivalents at end of year	493	835	247	418

SOURCE: Company Data, VSA Capital Research

Signature Gold

Income Statement

	FY2015	FY2016	FY 2017	H1 FY 2018
	AUD	AUD	AUD	AUD
Revenue	208,138	63,871	366,443	1,506
Accounting and audit fees	(59,606)	(45,400)	(105,529)	(83,627)
Administration and office costs	(234,459)	(77,468)	(40,699)	(38,957)
Corporate	(298,808)	(21,139)	(14,471)	(12,988)
Amortisation and depreciation	(21,614)	(6,084)	(3,007)	-
Employment	(21,343)	23,275	(10,187)	(1,191)
Exploration and tenement costs	(80,456)	(73,877)	(68,455)	(36,900)
Insurance	(14,955)	(17,554)	(14,321)	(4,535)
Option Fee and Associated Costs	-	-	(341,629)	-
Legal fees	(500)	(1,295)	(284,246)	13,082
Other expenses	(40,130)	(6,945)	(5,423)	(5,343)
(Loss) from continuing operations before income tax	(563,733)	(162,616)	(521,524)	(168,949)
Income tax benefit	681,836	507,435	291,384	39,726
Net profit for the reporting period	118,103	344,819	(230,140)	270,777
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the year	118,103	344,819	(230,140)	270,777

SOURCE: Company Data, VSA Capital Research

Balance Sheet

	FY2015	FY2016	FY 2017	H1 FY 2018
	AUD	AUD	AUD	AUD
Assets				
Non-Current assets				
Trade and other receivables	159,326	159,326	159,326	159,326
Plant and equipment	5,910	2,862	3,496	3,496
Exploration and evaluation expenditure	3,418,235	3,858,112	4,370,681	4,682,592
Intangible assets	3,924	888	-	-
Total Non-Current assets	3,587,395	4,021,188	4,533,503	4,845,414
Current assets				
Cash and cash equivalents	145,809	53,100	711,819	855,955
Trade and other receivables	79,132	11,473	48,819	12,123
Total current assets	224,941	64,573	760,638	868,078
Total Assets	3,812,336	4,085,761	5,294,141	5,713,492
Equity				
Share capital	4,728,209	4,908,209	4,908,209	5,859,555
Accumulated losses	(3,083,395)	(2,738,576)	(2,968,716)	(2,697,939)
Total Equity	1,644,814	2,169,633	1,939,493	3,161,616
Liabilities				
Non-current liabilities				
Trade and other payables	-	-	160,833	160,833
Borrowings	884,044	884,044	934,394	634,732
Employee benefits	24,510	12,848	15,381	15,381
Total non-current liabilities	908,554	896,892	1,110,608	830,946
Current liabilities				
Trade and other payables	1,214,758	996,607	1,097,446	274,844
Borrowings	-	-	1,118,009	1,418,009
Employee benefits	44,210	22,629	28,585	28,077
Total current liabilities	1,258,968	1,019,236	2,244,040	1,720,930
Total liabilities	2,167,522	1,916,128	3,354,648	2,551,876
Total equity and liabilities	3,812,336	4,085,761	5,294,141	5,713,492

SOURCE: Company Data, VSA Capital Research

Cash Flow Statement

	FY2015	FY2016	FY 2017	H1 FY 2018
	AUD	AUD	AUD	AUD
Cash Flow from Operating Activities				
Cash receipts in the course of operations	137,852	65,923	28,875	(133,759)
Cost of sales	-	-	-	-
Cash payments to suppliers	(319,725)	(406,136)	(313,716)	(823,110)
Proceeds from Research and Development claim	681,836	507,435	291,384	439,726
Interest received	9,447	7	1,660	1,506
Net cash from operating activities	509,410	167,229	8,203	(515,637)
Cash Flow from Investing Activities				
Security deposit	530	93,563	-	-
Payments for exploration and evaluation expenditure	(780,717)	(514,846)	(439,938)	(548,681)
Payments for intangible assets	(3,050)	-	-	(2,753)
Net cash used in investing activities	(783,237)	(421,283)	(439,938)	(551,434)
Cash Flow from Financing Activities				
Proceeds from issue of shares and capital raising	50,000	180,000	-	951,346
Proceeds from borrowings	-	-	1,245,350	300,000
Repayment of borrowings	(60,031)	-	(43,400)	(279,662)
Net cash from Financing Activities	(10,031)	180,000	1,201,950	971,684
Net increase/(decrease) in cash and cash equivalents	78,096	(92,709)	658,719	144,136
Cash and cash equivalents at beginning of the period	67,713	145,809	53,100	711,819
Cash and cash equivalents at end of the period	145,809	53,100	711,819	855,955

SOURCE: Company Data, VSA Capital Research

Pro Forma Statement of Net Assets

	StratMin Unaudited 30 June 2017	Signature Audited 3 June 2017	Pro-forma Adjustments ⁽³⁾	Consolidation adjustments	Pro- forma As at Completion of the Placement and Acquisition
	AUD	AUD	AUD	AUD	AUD
Assets					
Non-current assets					
Trade and other receivables	-	159,326	-	-	159,326
Plant & equipment	-	3,496	-	-	3,496
Exploration expenditure	-	4,370,681	-	-	4,370,681
Total non-current assets	-	4,533,503	-	-	4,533,503
Current assets					
Cash and cash equivalents	417,516	711,819	79,505	-	1,208,840
Trade and other receivables	534,154	48,819	29,940	-	612,913
Loans to Signaure Gold	1,118,009	-	-	(1,453,917)	-
Prepayments	35,197	-	900,000	-	935,197
Investments in Tirupati Resources Mauritius Ltd	67,863	-	-	-	67,863
Deferred consideration receivable	493,313	-	-	-	493,313
Total current assets	2,666,052	760,638	7,155,006	(1,453,917)	3,318,126
Total assets	2,666,052	5,294,141	7,155,006	(1,453,917)	7,851,629
Liabilities					
Non-current liabilities					
Trade and other payables	-	160,833	-	-	160,833
Borrowings	-	934,394	(279,662)	-	654,732
Employee benefits	-	15,381	-	-	15,381
Total non-current liabilities	-	1,110,608	(279,662)	-	830,946
Current liabilities					
Trade and other payables	250,190	1,097,446	(746,683)	-	600,953
Employee benefits	-	28,585	-	-	28,585
Borrowings	16,396	1,118,009	-	(1,118,009)	16,396
Total current liabilities	266,586	2,244,040	(746,683)	(1,118,009)	645,934
Total liabilities	266,586	3,354,648	(1,026,345)	(1,118,009)	1,476,880
Equity					
Issued capital	10,343,393	4,908,209	(1,656,962)	-	13,594,640
Option Reserve	-	-	33,977	-	33,977
Share premium account	94,549,820	-	(94,549,820)	-	-
Other reserve	768,792	-	(768,792)	-	-
Accumulated losses	(102,926,631)	(2,968,716)	98,977,387	335,908	(6,582,052)
Total equity	2,735,374	1,939,493	2,035,790	335,908	7,046,565
Total equity and liabilities	3,001,960	5,294,141	1,009,445	(1,453,917)	7,851,629

SOURCE: Company Data, VSA Capital Research.

Disclaimer

Investment Analyst Certification (choose single or multiple analyst paragraph)

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