

16 December 2019

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

UPDATE ON DIAMOND MINING PROJECT

Tectonic Gold plc (TDIM: TTAU) is pleased to announce that its 100% owned subsidiary, Tectonic South Africa Pty Ltd ("Tectonic SA"), has been awarded an interim land mining contract on its South African diamond mining project at Alexander Bay. As announced on 30 September 2019, Tectonic SA was invited to tender for a direct land mining contract to replace the previous sub-contract the company had been operating under. The current interim contract enables Tectonic SA to resume mining as an independent operator with 100% ownership of the project economics until the full and final contract is awarded. This is anticipated to be in March of 2020 when the South African government owned entity that operates the Alexander Bay mining site is scheduled to complete the next round of approvals.

Highlights:

- Tectonic SA has secured an interim contract to be a prime diamond mining contractor
- 100% of the contract economics due to Tectonic SA, no dilution as sub-contractor
- Enables immediate resumption of mining
- Final contract expected in March 2020

About Tectonic Gold:

Tectonic Gold is a specialist gold exploration company, focused on the identification and delineation of large-scale, multimillion-ounce Intrusion Related Gold System ("IRGS") assets. Tectonic Gold holds a number of gold discoveries in the New England Orogen in Eastern Australia, a prolific gold region that is home to Australia's two largest gold production companies, Newcrest Mining and Evolution Mining.

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

Mr. Brett Boynton, Managing Director – Tectonic Gold plc

This is an important step forward in consolidating our interests in the Alexander Bay diamond project. The quick turnaround time in moving from a subcontractor with proportional revenue share to an independent operator with 100% of the economics accruing to Tectonic SA is a great result for our in country team.

Recent difficulties reported at other diamond producers due to power supply constraints in South Africa will hopefully lead to higher diamond pricing in 2020 and an opportunity for Tectonic to make the most of tightening supply.

Qualified Person:

Mr Jonathan Robbeson – BSc (Hons1), MEconGeol, MMinEng, (CP Geo) is a full time employee of Signature Gold Limited and is a registered Chartered Professional (Geology) with the Australian Institute of Mining and Metallurgy (AusIMM – 304542). Mr Robbeson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the Note for Mining Oil & Gas Companies, June 2009, of the London Stock Exchange and the 2012 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (JORC Code). Mr Robbeson consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

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

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.