

TECTONIC GOLD PLC

("Tectonic Gold" or the "Company")

Interim Financial Report for the six months ended 31 December 2023

MANAGING DIRECTOR'S STATEMENT

Dear Shareholder,

During the half year to December 2023, the Company worked closely with interested parties to secure a farm-out agreement on the Specimen Hill project tenements and the team also spent significant time on research and in-country evaluation of opportunities in the Ashanti goldfields in Ghana.

We completed a farm-out agreement, as previously announced, with ASX listed White Energy Pty Ltd. White Energy is the development vehicle of a very successful resources investment and development team in Australia. They have taken over the Specimen Hill project area with a focus on the copper mineralisation rediscovered by Tectonic over the last 5 years. White Energy is investing in the transition to renewables and the looming shortage of copper to enable the move to a lower carbon economy with electric vehicles.

The terms of the farm-out agreement provide for a staged acquisition of the project by White Energy, a \$2 million payment to Tectonic and Tectonic holding a 3% royalty on any future mineral sales from the project area.

Our investment alongside London listed Kazera Global Investments Plc ("Kazera") (LSE:KZG) in the Heavy Mineral Sands and Diamond projects in South Africa waiting on approval from the South African National Nuclear Regulator ("NNR") for final permitting. Kazera has advised that the decision is expected by the end of April 2024 with operations to commence immediately thereafter.

Independent studies conducted for Kazera valued this project at £150 million. Tectonic holds a non-diluting 10% interest in the project and a further 30% economic interest via a sale and loan agreement with a Black Economic Empowerment (BEE) consortium to bring them in as partners on the project.

Tectonic is in ongoing discussions with gold mining project owners in Ghana. We have identified an attractive acquisition target and approached the parties controlling the mine to buy it. We have also identified potential investors in Ghana who have an appetite to fund the acquisition in a UK listed company and provide working capital to bring the mine into profitable production.

The team continues to evaluate other opportunities that are being presented and securing a suitable transaction for the Company will be the focus for the remainder of the year.

We received approval from the Australian Federal Government earlier this month for Signature Gold's 2023 project work to be included in the Research and Development funding program and we are working with our accountants to complete the submission for our cash refund. Initial estimates are that it will be circa A\$150,000.

RESULTS AND COMPARITIVE INFORMATION

The Group incurred a loss after tax for the reporting period of £105,569 (31 Dec 2022: £105,569 (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 2023

	6 MONTHS TO 31 DEC 2023 UNAUDITED	6 MONTHS TO 31 DEC 2022 UNAUDITED	12 MONTHS TO 30 JUNE 23 AUDITED
	£	£	£
Revenue	84,104	-	-
Expenses:			
Accounting and audit fees	(45,400)	(18,710)	(79,209)
Administration and office costs	(2,169)	(3,216)	(4,994)
Corporate costs	(28,341)	(29,493)	(63,281)
Amortisation and depreciation		(694)	(2,599)
Employee benefits, management fees and on costs		(40,000)	(80,000)
Exploration and tenement costs	(606)	(9,909)	(20,829)
Insurance	(9,278)	(7,829)	(15,660)
Share based payments		-	-
Net foreign exchange gain/(loss)	49,668	(19,492)	(180,079)
Fair value gain on disposal of financial assets at fair value through profit and loss	-	26,450	-
Net gain/(loss) on sale of investment	-	-	26,450
Other expenses	(1,325)	(2,676)	(104,115)
Income/Loss before income tax	46,660	(105,569)	(524,316)
Income tax benefit	-	-	
Income/Loss for the reporting period from continuing operations	46,660	(105,569)	(524,316)
Other comprehensive income:			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translation of foreign subsidiaries	25,249	(11,083)	(105,161)
Total comprehensive income/loss for the reporting period	71,909	(116,652)	(629,477)
Earnings per share attributable to owners of the company			
Basic and diluted (pence per share)			
From continuing operations	4	0.00	(0.01)
		(0.01)	(0.02)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	31 DEC 2023 GROUP UNAUDITED	31 DEC 2022 GROUP UNAUDITED	30-JUN-23 GROUP AUDITED
NOTE	£	£	£
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	-	2,101	-
Exploration and evaluation expenditure	3,291,075	3,553,618	3,219,562
Financial assets at fair value through profit and loss	3	3	3
TOTAL NON-CURRENT ASSETS	3,291,078	3,555,722	3,219,565
CURRENT ASSETS			
Cash and cash equivalents	106,958	196,757	123,604
Trade and other receivables	8,900	12,317	2,062
Other assets	5 361,993	380,954	352,404
TOTAL CURRENT ASSETS	477,851	590,028	487,070
TOTAL ASSETS	3,768,930	4,145,750	3,697,635
EQUITY			
Share capital	6,126,579	6,126,579	6,126,579
Share premium account	61,323,350	61,323,350	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	(300,822)	(63,412)	(157,490)
Accumulated losses	(6,528,561)	(6,325,048)	(6,743,4795)
TOTAL EQUITY	3,232,918	3,673,841	3,161,016
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	-	16,172	15,094
Borrowings	150,101	150,747	149,810
TOTAL NON-CURRENT LIABILITIES	150,101	166,919	164,904
CURRENT LIABILITIES			
Trade and other payables	385,911	304,990	371,715
TOTAL CURRENT LIABILITIES	385,911	304,990	371,715
TOTAL LIABILITIES	536,012	471,909	536,619
TOTAL EQUITY AND LIABILITIES	3,768,930	4,145,750	3,697,635

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Directors on 31 March 2024.

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 2023

GROUP - UNAUDITED 31 DEC 2023	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
Balance at 1 July 2023	6,126,579	61,323,350	588,554	(57,976,182)	(157,490)	(6,743,795)	3,161,016
Total comprehensive income for the period						46,652	46,652
Transactions with owners, recorded directly in equity:							
Shares Issued	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	25,249	-	25,249
Balance as at 31 December 2023	6,126,579	61,323,350	588,554	-57,976,182	-132,241	-6,697,143	3,232,917

GROUP - UNAUDITED 31 DEC 2022	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
Balance at 1 July 2022	6,126,579	61,323,350	588,554	(57,976,182)	(52,329)	(6,219,479)	3,790,493
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)
Balance as at 31 December 2022	6,126,579	61,323,350	588,554	(57,976,182)	(63,412)	(6,325,048)	3,673,841

GROUP - AUDITED 30 JUNE 2023	ISSUED CAPITAL	SHARE PREMIUM	WARRANT RESERVE	RTO RESERVE	FOREIGN CURRENCY RESERVE	ACCUMULATED LOSSES	TOTAL
	£	£	£	£	£	£	£
Balance at 1 July 2022	6,126,579	61,323,350	588,554	(57,976,182)	(52,329)	(6,219,479)	3,790,473
Total comprehensive income for the period						(524,316)	(524,316)
Transactions with owners, recorded directly in equity:							
Issue of shares	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Foreign Currency Translation Reserve	-	-	-	-	(105,161)	-	(105,161)
Balance at 30 June 2023	6,126,579	61,323,350	588,554	(57,976,182)	(157,490)	(6,743,795)	3,161,016

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	6 MONTHS TO 31 DEC 2023 UNAUDITED	6 MONTHS TO 31 DEC 2022 UNAUDITED	12 MONTHS TO 30 JUNE 2023 AUDITED
	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations	84,104	-	-
Cash payments in the course of operations	(8,673)	(95,057)	(171,131)
Net cash used in operating activities	(75,431)	(95,057)	(171,131)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditure	(59,696)	(194,117)	(191,428)
Payment for shares acquired in Kazera Global Plc	-	-	-
Proceeds from sale of financial asset at fair value through profit and loss	-	-	-
Payments for property, plant and equipment	-	-	-
Proceeds from sale of shares in Kazera	-	101,450	101,450
Research and Development Tax Incentive Claim	-	-	-
Net cash used in investing activities	(59,696)	(92,667)	89,978
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	-	-	-
Repayment of borrowings	-	(20,000)	(20,000)
Net cash provided by financing activities	-	(20,000)	(20,000)
Net (decrease)/increase in cash held and cash equivalents	(21,717)	(143,873)	(281,109)
Cash and cash equivalents at the beginning of the period	123,603	541,835	403,328
Effects of exchange rate changes on cash and cash equivalents	4,297	(1,509)	1,385
Cash and cash equivalents at the end of the period	106,183	196,757	123,604

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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 and or the “Company”) and the entities it controlled at the end of, or during, the six months ended 31 December 2023. 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 2023 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 2023 Annual Report and statutory accounts for the year ended 30 June 2023.

The statutory accounts for the year ended 30 June 2023 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 2023 were approved by the Board on 31 March 2024.

3. DIVIDEND

The Board is not recommending the payment of an interim dividend for the period ended 31 December 2023.

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 2022 UNAUDITED	12 MONTHS TO 30 JUNE 2023 AUDITED
	£	£	£
Profit/(Loss) for the period attributable to owners of the Company	71,909	(105,569)	(524,316)
Weighted average number of ordinary shares in issue for basic earnings*	957,188,591	957,188,591	957,188,591
Weighted average number of ordinary shares in issue for fully diluted earnings*	957,188,591	957,188,591	957,188,591
(Loss)/gain per share (pence per share)			
Basic	0.00	0.00	(0.06)
Diluted	0.00	0.00	(0.06)

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

5. OTHER ASSETS

	31 DEC 2022 UNAUDITED	31 DEC 2022 UNAUDITED	30 JUNE 2023 AUDITED
	£	£	£
Prepayments(i)	353,536	351,780	328,329
Other prepayments	2,285	25,518	18,037
Security deposits	6,171	3,656	6,038
	380,954	380,954	352,404

(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 2023, the balance of the prepayment to Titeline is £354,656 (A\$625,386).

As at 31 December 2023, the balance of the prepayment to Titeline is £353,536 (A\$625,386), (2021:£351,780 /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) or directly from the Company at its registered address.