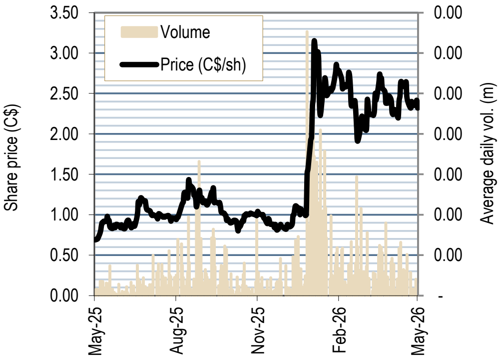
Tectonic Metals (TECT CN)

Initiation: ~C$100m in cash, drill ready SCPe 3+Moz heap leach potential

RECOMMENDATION: ***BUY*** *PRICE TARGET*: **C$5.00/sh** *RISK RATING*: ***VENTURE***

SHARE DATA	
Shares (basic, FD, FF FD)	134 / 172 / 361
Share price (C$/sh)	C$2.32/sh
52-week high/low	C$3.58 / C$0.6
Market cap (C$m)	311
1Q Pro Forma Cash	98.0
1.0xNAV5% @ US$3600/oz (C$m)*	1,431
1.0xNAV5% FD today (C$/sh)*	8.35
1.0xNAV5% FF FD 1st Au (C$/sh)^	6.26
Project P/NAV today (x, FD)	0.28x
Average daily value (C$000, 3M)	204

Eira Thomas	Founder/Chair
Tony Reda	Founder/CEO/President/Director
Oliver Foeste	CFO
Maggie Layman	VP Exploration
Peter Kleespies	Chief Geological Officer
John Armstrong	Director
Michael Ropper	Director
Allison Armstrong	Director
Joseph Perkins	Director



Source: SCPe Factset for trading metrics

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Gold explorer drilling out an emerging RIRGS district in Alaska

Tectonic Metals is advancing its 100%-owned Flat Gold Project in Alaska's Kuskokwim Mineral Belt, located ~40km northeast of Donlin Gold (~39Moz Au), towards a maiden MRE in 1Q27. Flat Gold is an emerging Reduced Intrusion-Related Gold System (RIRGS) analogous to Kinross' Fort Knox and Snowline's Valley deposits. The company is led by former Kaminak executives Tony Reda and Eira Thomas, the team behind the Coffee Gold discovery acquired by Goldcorp for C$520m in 2016. A fully funded 40,000m drill program —the largest to date—is underway targeting infill / expansion (incl. follow up to recent **48.8m @ 4.5g/t Au**), and new discoveries.

How big could it be? SCPe 2.5-3Moz near term, 5Moz+ LT blue sky

Drilling at Chicken Mountain–Alpha Bowl has outlined a large-scale near-surface system over ~3.3km strike, ~700m width, and up to ~400m depth, still open in all directions. We estimate the company could book 2.5-3Moz in a maiden MRE next year. However, the ultimate resource could be far larger. With a 100% hit rate (191 holes drilled all hit gold), drilling averaging only ~150m vertical depth, 61% of holes ending in mineralization, and multiple untested targets across a broader ~20km intrusive trend, we see a pathway toward 5Moz+ over time.

Why it works: Low strip, high-grades and good prelim HL met work

Flat Gold combines many of the key ingredients we look for in a bulk-tonnage gold project: near-surface mineralization, low strip ratios, favourable metallurgy, infrastructure, and district-scale upside. Our SCPe conceptual inventory supports a low-strip (~2.2:1 LOM) open-pit scenario with potential starter pits <1:1 and multiple multi-gram intercepts at/near surface. Importantly, early metallurgy increasingly supports a simple heap-leach development pathway, with coarse ¾" crush column tests achieving up to ~94% ultimate recovery and **~80% recovery within ~30 days**, well ahead of typical heap-leach kinetics. These position Flat Gold as an attractive strategic asset in a market starved for large, low cost, buildable gold projects in North America.

Initiate with speculative BUY rating and C$5.00/sh price target

Our base case ~50ktpd / ~190-200kozpa HL scenario from a ~2.5Moz @ ~0.5g/t Au inventory, generates a **US$1.5bn NPV5%-US$3,600/oz** at build start. Adding C$98m PF cash, options, and corporate adjustments, we estimate a fully diluted NAV of ~C$8.35/sh (or C$15.60/sh at spot). We initiate coverage with a BUY rating and C$5.00/sh price target based on a 0.6x target multiple to reflect the early stage of the project (and risk to our assumptions). In our view, the stock trades at just ~0.3x NAV despite a fully funded drill campaign and a targeted 1Q27 maiden resource. Simultaneously, ongoing metallurgical test work could prove transformational, potentially supporting a materially simpler, lower-capex development scenario than the market currently appreciates.

Asset overview

Tectonic Metals holds 100% interest in two Alaskan gold projects: Flat Gold, located in the Kuskokwim Mineral Belt, ~40km NE of the Donlin Gold Project and Tibbs Gold, located in Goodpaster Mining District ~35km east of Pogo Mine (Northern Star). The flagship Flat Gold Project spans ~100,000ac with majority of the land owned by Doyon Limited, a Native Regional Corporation and Tectonic's 2nd largest shareholder. The project is further de-risked with a full scale 'exploration through to production' and Impact Benefits agreements executed as part of the project acquisition. The project benefits from strong regional access, including a 4,100ft airstrip, historical winter trail access, is located on an extensive network of off-road trails developed through decades of placer mining activity, and is ~60km north of barge access via the Kuskokwim River. Flat Gold is interpreted as a Reduced Intrusion Related Gold System (RIRGS) like **Fort Knox** (Kinross), **Valley** (Snowline) with six district scale targets including the primary target, Chicken Mountain. Despite being Alaska's third-largest historic placer mining district, with ~1.4Moz of historical placer gold production, the broader Flat district remains largely underexplored.

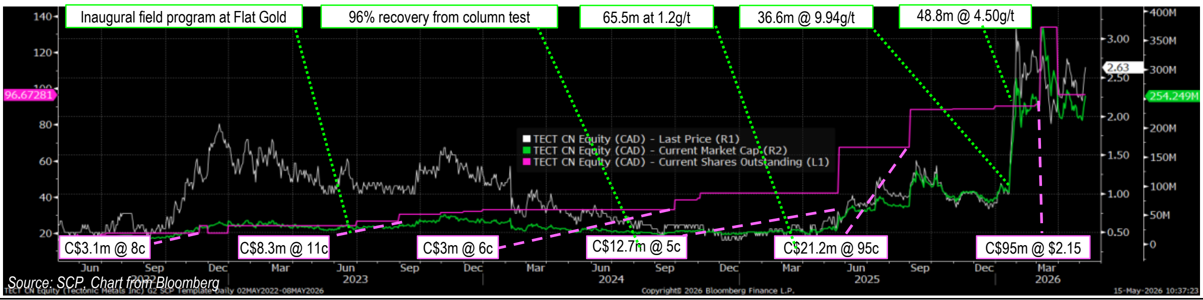
Figure 1. (A) Alaska location map (B) Chicken Mtn location / infrastructure & (C) project timeline

Source: Tectonic Metals

Corporate history – systematic 'bottom up' exploration over 3 years to achieve critical mass

Tectonic Metals acquired the Flat Gold Project in September 2021, attracting early backing from Doyon and Crescat Capital to fund initial field programs. Progress was initially slow, given the project's remoteness and relatively high drilling costs. Step change came recently from VanEck and Franklin in August 2025 funding an 18,000m drill program aimed at demonstrating scale potential that returned intercepts of **36.6m at 9.94g/t Au** (incl. 22.9m at 15.73g/t) from Chicken Mountain ending in mineralization and reshaping interpretations of high-grade corridors. The team is led by co-founders Tony Reda (President and CEO) and Eira Thomas (Board Chair), both ex Kaminak management that advanced the Coffee Gold Project (heap leach, Yukon) before its 2016 sale to Goldcorp for $520m. Maggie Layman (VP Ex), Oliver Foeste (CFO) and Peter Kleespies (Chief Geological Officer) round up the lean team with advisory support from Richard Goldfarb resulting in technical expertise well suited to advance a large intrusion-hosted gold system. In 2026, Tectonic launched a 40,000m five-rig drill campaign backed by a ~C$100m treasury, targeting resource growth, district-scale discoveries, engineering advancement, and a maiden resource in 1Q27. As of April 2026, the company had 134m O/S and 37.5m warrants/options.

Figure 2. Price chart and corporate history

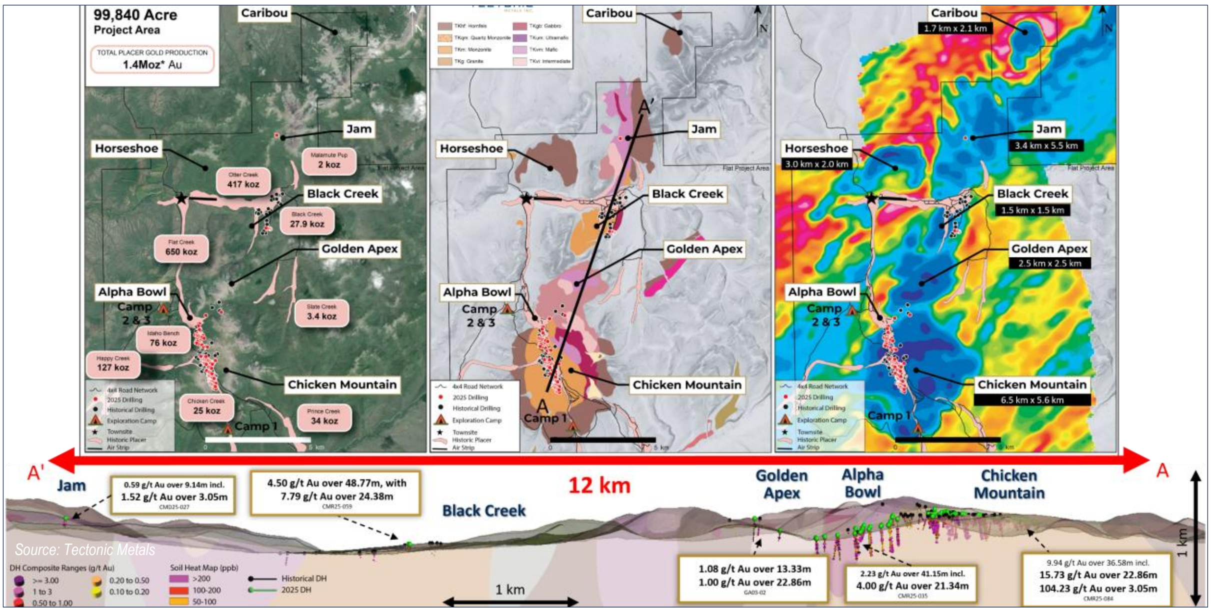


Source: SCP, Chart from Bloomberg

Flat Gold Project: geology akin to multi-million ounce peers

Flat Gold is a Reduced Intrusion Related Gold System (RIRGS). These systems have the potential to host multi-million-ounce gold deposits combining bulk-tonnage style mineralization with low-to-moderate grades. Proximal examples include Rogue (Snowline, ~10Moz in resources), Fort Knox (Kinross, 8+Moz produced to date) and Eagle (Victoria Gold, ~1Moz produced). At Flat Gold, mineralization is genetically related and broadly hosted in the monozonite intrusive stock (Chicken Mountain) but can be in other proximal rocks e.g. Hornfels.

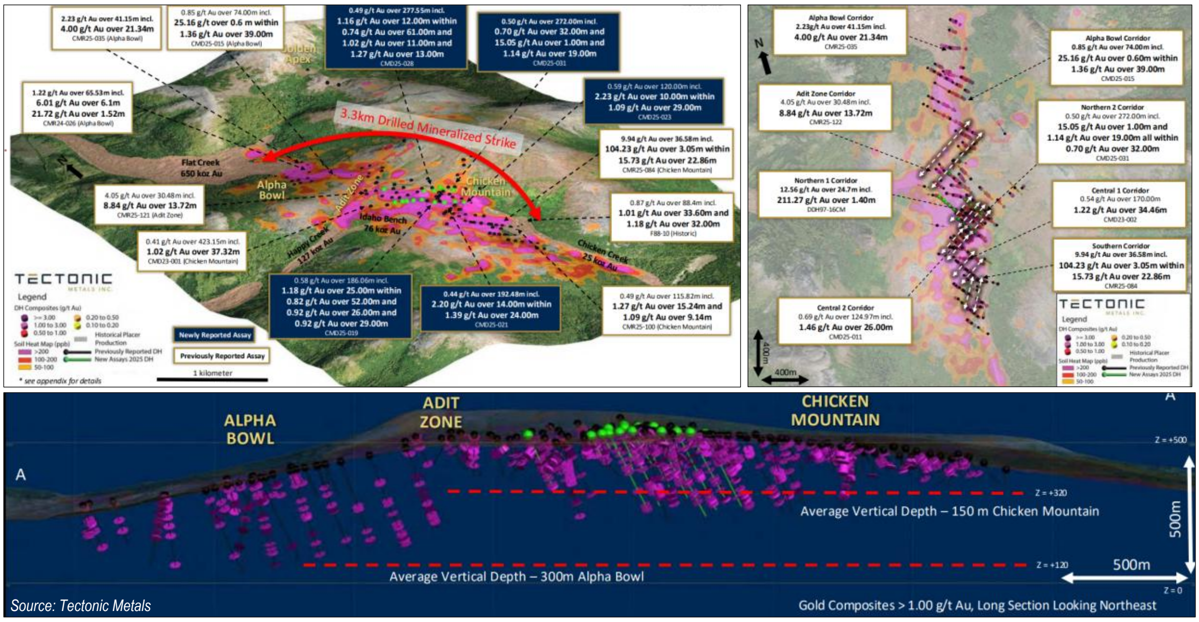
Figure 3. Flat Project map (A) placer gold prod'n (B) geology and (C) electromagnetics (D) long-section



Source: Tectonic Metals

Chicken Mountain, located south of the project area, is the most advanced target, where drilling to date has defined a continuous mineralized envelope of **3.3km strike length** (towards Alpha Bowl) by **~700m width** and up to **400m deep**, of mineralization *has already been defined*. This is a large scale, near surface deposit, with some "walkable" mineralization, that remains open in all directions and at depth. Since exploration began in 2022, drilling has resulted in an impressive 100% hit rate (191 holes) with 61% of the holes ending in mineralization, speaking to potential at depth. In addition to Chicken Mountain, the company has further defined up to an additional five km-scale targets including Black Creek (48.8m @ 4.5g/t Au), Jam and Golden Apex, backed by soil anomalies and resistivity electromagnetics. Put simply, the system appears drill constrained rather than geologically constrained.

Figure 4. (A) Oblique (B) Plan and (C) Cross section highlighting Chicken Mountain to Alpha Bowl



Source: Tectonic Metals

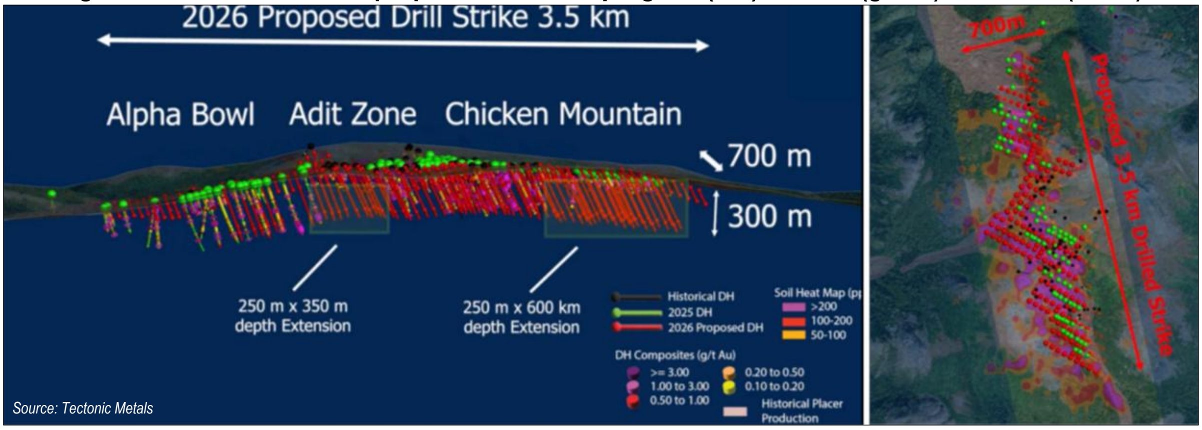
SCPe resource potential: 2.5-3Moz @ 0.5g/t with pathway towards 5Moz on step outs

Using publicly available company data (~131 drillholes as of November 30, 2025), we estimated an in-situ mineralization of **~2.0-2.5Moz @ ~0.6-0.7g/t** Au using preliminary 3D wireframing and IDW³ block-model interpolation constrained by drill composites and evaluating grade shells across multiple cut-off sensitivities. Critically, our preliminary pit shells showed potential for low <1:1 strip and higher grade (>1g/t) starter pit mining, while LOM strip ratios of 2.2:1. Importantly, this analysis only extrapolates modestly beyond open drill holes, and excludes ~114 holes drilled in 2025 leaving clear room for growth with more drilling towards our 2.5-3Moz maiden MRE target. Tectonic is planning a 40,000m program this year focused on infill / expansion and new discoveries.

On grade, recent drilling (**36.6m @ 9.9g/t, 48.8m @ 4.5g/t,** and **272m @ 0.5g/t)** continues to support our view that the current footprint likely represents only the early stages of a much larger mineralized system. However, while localized higher-grade corridors are emerging, the average of all significant 2025 intercepts (91 holes, 235 pierce points) is 33.7m @ 0.55g/t Au, below our localized in-situ estimates above. As such, for mining scenarios we conservatively model a diluted open-pit inventory of SCPe ~2.5Moz @ ~0.5g/t Au to account for pit optimization, mine scheduling, dilution, and practical operating assumptions. We discuss this further on Page 7.

Big picture: with drilling averaging only ~150m vertical depth, 61% of holes ending in mineralization, emerging higher-grade corridors, and multiple untested targets across a broader ~20km intrusive trend, we see a credible pathway toward a potential 5Moz+ district over time. Ongoing drilling is targeting continuity and scale within these higher-grade trends, while regional targets including Black Creek, Golden Apex, Jam, and the untested Caribou target continue to highlight the broader district opportunity. While we see visibility toward a potential 2.5-3Moz maiden resource in 1Q27, Tectonic has yet to define the edges of the system laterally, along strike, or at depth — in our view, this remains one of the more important aspects of the investment thesis.

Figure 5. Chicken Mtn 2026 proposed 2026 drill program (red) vs 2025 (green) & historic (black)



Source: Tectonic Metals

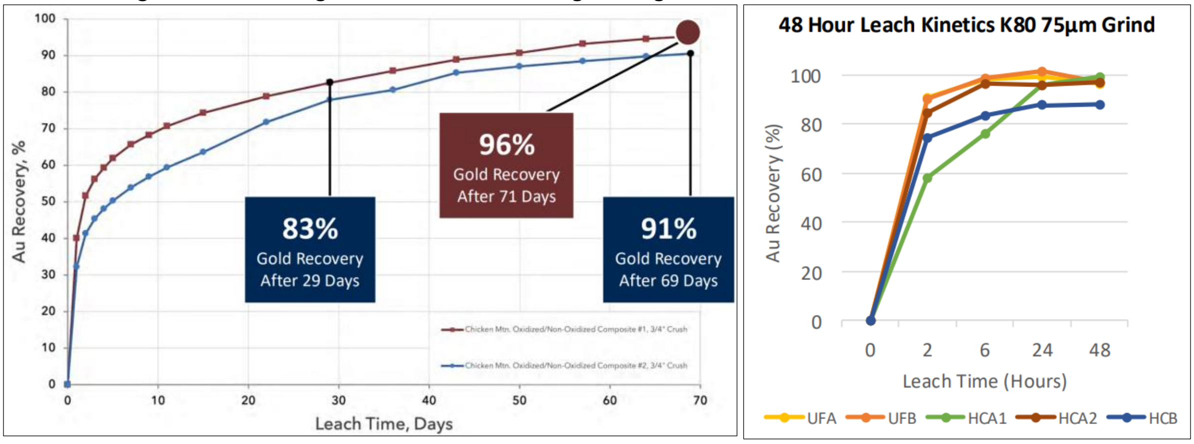
Why it works: access, low strip, high grades at surface, good prelim metallurgy and leach kinetics

Metallurgically ideal; a key ingredient for bulk low-grade assets. Metallurgically, the project increasingly screens as ideal for a bulk low-grade heap-leach operation. In 2023, conventional bottle roll testing (ground to K80 of 75µm) delivered average ultimate recoveries of ~96% over 48 hours, while bottle roll plus gravity achieved ~97% recovery across five composites (four oxides, one fresh), with the fresh composite alone returning ~95% recovery. Follow-up coarse crush testing at 6 mesh (~3,360µm) still achieved ~89% average gold recovery, suggesting recoveries may be relatively insensitive to grind size — an important characteristic for reducing processing complexity and costs. Test work also showed the mineralization contains very low sulphur, is non-preg robbing, and has very low cyanide consumption, collectively pointing toward a relatively "clean" and potentially low-cost processing profile.

Building on this, 2024 column testing on two composite samples (0.99-1.15g/t Au sourced from 47 intervals across 15 drillholes) delivered ~80% recovery within ~30 days and ~94% ultimate recovery over ~70 days using coarse ¾" crush material. Importantly, these kinetics appear favourable relative to many conventional heap-leach operations, which often achieve ~60-85% recovery over 60-90 days. The testing included both oxidized and fresh mineralization, with results suggesting recoveries are not materially impacted by oxidation state or depth. No agglomeration was required, further supporting the potential for a simpler processing route.

Still early days, however, the metallurgy increasingly suggests the project is free-milling, non-refractory mineralization amenable to low-complexity heap leaching**. The next key step is the planned 2" crush column testing** in 2026, which, if successful, could support single stage crushing. Beyond that, run-of-mine column testing would be required to evaluate the potential for a true run-of-mine heap-leach operation—a scenario that could materially reduce both capital and operating costs significantly.

Figure 6. Metallurgical test work showing strong kinetics on coarse crushed material



Source: Tectonic Metals

Low Strip: SCPe LOM strip ratios 2.2:1 to 210m depth, but even better is the start pit potential <1:1 upfront in a mine plan supported by gentle topography with minimal overburden.

Access: Existing infrastructure is already in place including a 4,100ft Hercules-capable airstrip, established road access, and river barge logistics—a major advantage over Yukon peers. Importantly, the permitted and planned Donlin gas pipeline corridor from Beluga, Alaska lies ~40km south of Flat Gold. While we do not view this infrastructure as necessary for an initial heap-leach operation, it reinforces that the broader region is already being advanced and designated for large-scale resource development.

Permitting: Recent federal policy is providing tailwinds via U.S. executive orders on critical minerals but more directly Alaska has seen FAST-41 permitting precedent. Also, importantly the project is on native/state land – Doyon (native landholder) is aligned with other shareholders (2nd largest shareholder) and holds a royalty. Forming legally binding production and IBA agreements as part of the acquisition process is a key component of Tectonic's business model and reinforces Tectonic/s and Doyon's commitment in advancing the project. Put simply, this *should* enable a straightforward and simplified permitting process.

Costs: Heap-leach-only flowsheet (no mill, no tailings and therefore no TSF) and impressive early met test work supports a low capex and low power requirements.

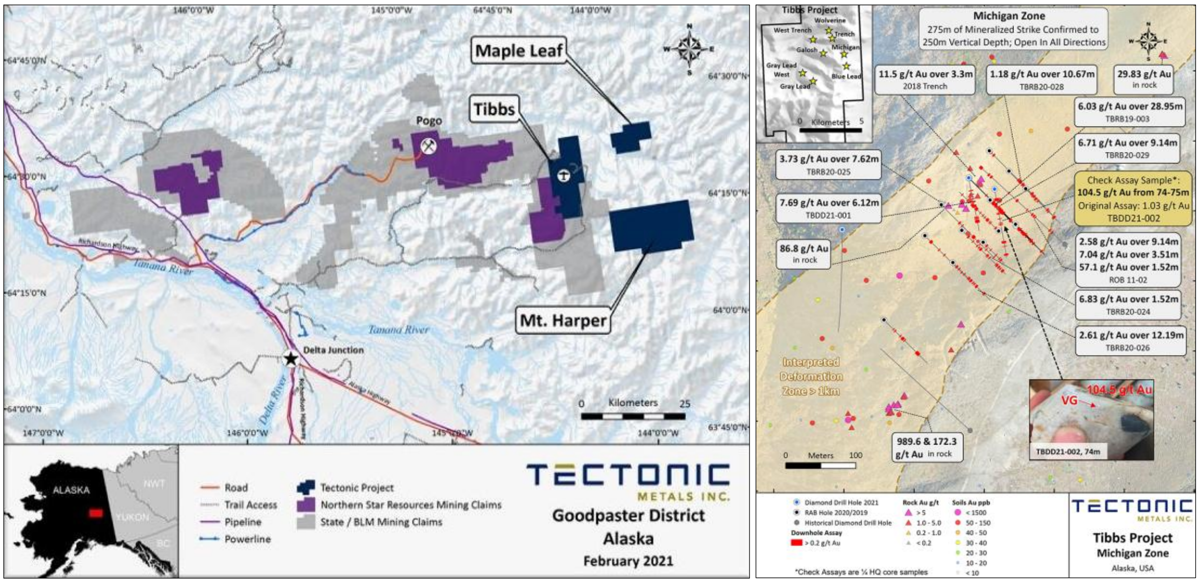
Scalable: Flat Gold already hosts multiple near-surface deposits (Alpha Bowl, Chicken Mountain, Golden Apex, Black Creek, and Jam) defined across >3km of drilled strike within a broader ~20km intrusive corridor, highlighting clear district-scale growth potential. Importantly, the apparent suitability for low-complexity heap leaching provides a practical pathway to stage development — potentially starting with a smaller, lower-capex operation before expanding throughput and incorporating additional deposits over time. In our view, this flexibility is particularly important for large RIRGS systems, where scale can continue to grow materially with drilling.

Tibbs Project: secondary asset provides optionality

Tibbs project is located ~175km southeast of Fairbanks, Alaska and 35km east of Pogo Mine (Northern Star resources) and was the primary asset prior to acquisition of Flat Gold. The last completed exploration program in 2021, returned drill highlights such as **6.1m at 7.69g/t Au** (incl. **1.2m over 34g/t**) and **1.0m @ 104.5g/t**. Tectonic earned into the project via a mining lease and 10-year, option agreement to earn a 100% interest from TCG, granting TCG a 2.5% NSR, 1.5% can be purchased for US$1.5m. As of year-end 2021, Tectonic has fulfilled the exploration expenditure requirement (US$1m) and can acquire Tibbs in the duration of the lease term by making a one-time payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments (US$50,000).

While corporate focus is expected to remain on the Flat Gold Project, Tectonic is likely to maintain the option and progress toward full ownership, preserving strategic flexibility. The Tibbs asset could ultimately be monetized through divestiture, with potential proceeds redirected to advancing Flat Gold.

Figure 7. (A) Alaska map location of Tibbs project and (B) plan view of Michigan prospect



Source: Tectonic Metals

Putting it all together: SCP production potential

We provide a summary of our assumptions in Table 1 below. For our base case, we model ~2.5Moz @ 0.5g/t for open pit mine inventory at a conservative 1.5:1 strip ratio and assume a 50ktpd heap leach operation with a 75% recovery, resulting in average production of 194kozpa over 10 years. On operating costs, we assume US$5/t mining, US$6/t processing, $4/t G&A + refining and a 2-4% royalty. For initial capex, we conservatively apply a ~$35/t capital intensity, as a placeholder broadly in line with peer studies resulting in a US$600m build capex. Using a flat 30% tax rate, and SCP US$3600/oz LT drives a $1.5bn NPV5% and 28% IRR for Flat Gold or **~$2.8bn at spot**. We add a nominal 1.5Moz of upside potential outside of modelled inventory at a nominal US$50/oz. On the sum-of-parts basis, our estimates peg Tectonic at 0.27xNAV (0.14x at spot) today. At our downside scenario of 1.3Moz @ 0.5g/t and 2:1 strip ratio, our P/NAV increases to 0.71x, still relatively cheap. In the near term the value driver is simple: *drilling, and lots of it*. The maiden MRE next year and subsequent PEA should allow us to refine our assumptions.

Table 1. Summary of our SCPe Flat Gold Project development assumptions

Flat Gold (100%)	SCPe
Pit inventory (Mt)	160.8
ROM grade (g/t)	0.50
Pit inventory (000oz Au)	2,584
LOM Strip ratio (x)	1.5
LOM recovery (%)	75%
LOM mill throughput (ktpa)	17,800
LOM feed grade (g/t)	0.50
ROM grade Y1-3 (g/t)	0.50
LOM prod'n (000oz pa)	**194**
Y1-3 prod'n (000oz pa)	**214**
LOM recovered gold (koz)	1,938

Flat Gold (100%)	SCPe
Pit Mining costs (US$/t)	5.00
Processing cost (US$/t)	6.00
G&A (US$/t)	4.00
LOM AISC (US$/oz Au)	**2,080**
Build capex (US$m)	600
LOM sust. capex incl. closure (US$m)	241
Gold price (US$/oz)	3,600
Discount (%)	5.0%
USD / CAD	0.73
NPV post-tax (US$m)	**1,085**
IRR post-tax (%)	28%
Payback (years)	5.00
Mine life (years)	10.00

Source: SCP estimates

Peer comparison: discounted vs North American developers ahead of de-risking and growth

We derive key valuation metrics using our SCPe base case resource of ~2.5Moz at 0.5g/t. On this basis, Tectonic trades at a material discount to Alaskan and Yukon gold developer peers across core valuation measures. On a resource basis, the peer group averages ~US$110/oz (EV/oz), while Tectonic is valued at ~US$52/oz by our estimates. On a P/NAV basis, Tectonic trades at ~0.27x versus a peer average of ~0.55x. Hence, de-risking is the primary catalyst for a potential re-rating—before any new discoveries / extensions are made. We expect valuation uplift around the initial MRE targeted for 1Q27, as well as from ongoing drilling success that either extends the high-grade core at Chicken Mountain or expands the scale of the open-pittable zones.

Table 2. North American developers' comparison

		Total Resources		EV/oz		EV/oz	Key Asset Metrics				P/NAV	
Company	**EV**	**Reserves**	**Resources**	**Reserve**	**Resource**	**Inventory**	**Inventory**	**Grade**	**Prodn**	**AISC**	**SCPe**	**Factset**
	US$m	Moz AuEq	Moz AuEq	US$/oz	US$/oz	US$/oz	Moz	g/t	kozpa	US$/oz	x	x
Snowline	$1,753	--	7.9	--	$221	$238	7.4	1.34	349	$876	0.31x	0.55x
Banyan	$799	--	7.7	--	$103	--	--	--	--	--	--	0.71x
Fuerte Metals	$662	--	6.3	--	$106	$182	3.6	1.25	217	$1,274	--	0.71x
Liberty	$572	3.1	5.9	$184	$96	$186	3.1	0.32	135	$1,381	--	0.45x
Sitka	$327	--	8.9	--	$37	--	--	--	--	--	--	0.20x
White Gold	$269	--	3.0	--	$90	$134	2.0	1.33	166	$1,299	0.23x	--
Average / Sum	**$4,382**	**3.1**	**39.8**	**$184**	**$110**	**$202**	**16.1**	**1.12**	**868**	**$1,135**	**0.30x**	**0.55x**
Tectonic (SCPe)	**$155**	**--**	**3.0**	**--**	**$52**	**$60**	**2.6**	**0.50**	**194**	**$2,080**	**0.27x**	**--**

Source: Factset market data as of 2026-05-27, Company public filings, SCPe estimates were used for covered names

Recommendation: initiate coverage with BUY rating and C$5.00/sh Price Target

We initiate coverage of Tectonic Metals with a BUY rating and a C$5.00/sh price target based on a 0.6x P/NAV target multiple, towards the higher end of pre-resource stage peers under coverage. Our rating reflects the view that Flat Gold already demonstrates many of the key attributes required to support a scalable, low-complexity mine development scenario, including favourable metallurgy, low strip potential, accessibility, and district-scale expansion upside.

Our valuation is based on a SOTP framework, with the cornerstone being a DCF-derived NPV5% of ~$1.5bn using a US$3,600/oz long-term gold price and assumed construction start in 1Q29. We also include ~$98m for cash and options while assigning no value to exploration upside or the Tibbs project, maintaining a conservative approach. This results in a fully diluted NAVPS of ~C$8.35/sh.

Despite strong share price performance year-to-date, we continue to see meaningful upside as upcoming catalysts through 2026–2027 progressively de-risk what we believe could evolve into a scalable heap-leach development opportunity. Beyond resource growth drilling, the company plans at least 5,000m of regional exploration across the 99,800-acre land package, including follow-up drilling at Black Creek and first-pass drilling on several untested targets. In parallel, Tectonic is advancing metallurgical, geotechnical, hydrogeological, environmental, and infrastructure studies aimed at further de-risking future development pathways.

Table 3. SCP SOTP valuation and sensitivities for Tectonic Metals

SOTP project valuation*	C$m	O/ship	NAVx	C$/sh
Ungeared @ build start (2H29)	**1,487**	100%	1.00x	8.67
SCPe Exploration upside 1.5Moz @ US$50/oz	102.7	100%	1.00x	0.60
Central G&A	(286)	100%	1.00x	(1.67)
1Q Pro Forma Cash	98.0	100%	1.00x	0.57
Cash from options + warrants	30.4	100%	1.00x	0.18
Asset NAV5% US$3600/oz	**1,431**		PT:	**8.35**
**Shares diluted for options mine build*			Market P/NAV5%	0.31x

Asset value: 1xNPV project @ build start (C$m, ungeared)*					
Project NPV (C$m)	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	356	1,057	1,641	1,875	2,692
Discount rate: 7%	489	1,256	1,895	2,151	3,046
Discount rate: 5%	644	**1,487**	2,189	2,470	3,453
Ungeared project IRR:	16%	28%	37%	40%	52%
Project NPV (C$/sh)	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	2.08	6.16	9.57	10.93	15.70
Discount rate: 7%	2.85	7.32	11.05	12.54	17.76
Discount rate: 5%	3.75	**8.67**	12.76	14.40	20.13

**Project NPV, ex fin. costs and cent G&A, discounted to build start*

Source: SCP

Catalysts

- 2026: results from 40,000m drill program (infill / expansion + new discovery targets)
- 2026: Additional heap-leach metallurgical testwork results
- 1Q27: Maiden MRE

Risks

- Exploration risk: is high as there is a clear market expectation of drilling continuing to deliver economic intercepts and for Tectonic to define a sizeable resource at Flat Gold. While the geological potential is strong in our opinion, there remains a significant risk of not discovering substantial mineralization, as with any exploration project. The company mitigates this risk through diversified work programs across multiple targets.
- Financing: Similar to other non-producing mining peers, raising funds is generally market dependant, as such, we view financing risk as high. Advancing any project from discovery, through initial resource and technical studies required for a Final Investment Decision (FID), is expensive PEA, PFS. However, with ~C$100m in cash, Tectonic is is well funded for the near term without immediate need for external financing.
- Jurisdiction and permitting: Medium. Alaska is a well-known, Tier I mining jurisdiction (ranked joint top by Fraser Institute) with Fast 41 permitting precedent and a pro mining government in place however timelines could be uncertain. Landowners and 2nd largest shareholder, Doyon (First Nation) on board is helpful. Flat Gold is located on previously disturbed ground (Placer mining), which should make for a more straight forward permitting process compared to pristine environment.
- Technical: High—as expected for a project at the pre-resource stage. Our mining and processing assumptions are placeholders for now and significant work is required to derisk this project and inform a PFS. This risk is mitigated by a more than capable technical wheelhouse on board.

Corporate overview

Tectonic Metals Inc., incorporated in British Columbia, is a mineral exploration company focused on the acquisition, exploration, and development of mineral properties, primarily gold projects in Alaska, USA. The Company's flagship Flat Gold Project consists of 99,800ac of Native-owned land acquired through a long-term, 100% interest, mineral lease in September 2021 with Doyon (landowners), which covers exploration, development, production and royalties, including key environmental, social and governance provisions. The 15-yr lease includes renewal clauses with Doyon retaining royalties for both precious and base metals. Table 4 provides a summary of the option agreement

Table 4. Summary of option agreement for Flat Gold between Donyon and Tectonic Metals

Cash Payment	Exploration Commitment	NSR
US$40,000 each January from 2022-2025 (paid)	US$1M from 2012-2023 (met)	Year 0-5 of production 2% and 1% for precious and base metals respectively
US$50,000 each January from 2026 to 2030	US$2M from 2024-2026 (met)	Year 5-10 of production 3% and 2% for precious and base metals respectively
US$100,000 each Januaryafter that increasing to US$200,000 if lease is extended	US$2.5M from 2027-2029 (met)	Year 10-LOM the greater of 4% NSR or 15% of NI and the greater of 3% NSR
US$150,000 upon completion of a feasibility study	US$2.5M for each 3 year lease period from 2030	or 15% of NI for precious and base metals respectively

Source: SCP, Tectonic Metals

In addition to Flat, the company holds a 100% earn-in agreement for Tibbs Gold Project (subject to a 2.5% NSR royalty, with buyback provisions to reduce to 1.5%) located in Alaska's Goodpaster Mining District, 175 km SE of Fairbanks and 35 km east of Northern Star's Pogo Mine. The 13,480-acre property hosts multiple gold targets and historic production sites. Tectonic advanced exploration from 2017–2021 through geophysics, trenching, soil sampling, and drilling, identifying strong gold-arsenic-bismuth anomalies similar to Pogo-style mineralization. The with a 2.5% NSR royalty, partially purchasable.

Table 5. Tectonic Metals – management, board, shareholders

Name	Role	Equity Ownership	Background
Board of Directors			
Eira Thomas	Fdr/Chair	0.83%	25y+ exp mining exec & geo; former VP Explo & Dir. Dominion Diamond; CEO Stornoway, Lucara & Kaminak (acq. Goldcorp $520M); Director Suncor
Tony Reda	Fdr/Pres./CEO/Dir.	0.55%	Former VP Corp Dev Kaminak, led $165M financings & Coffee Gold from discovery → BFS, ranked TSXV 50 & Best IR, company sold to Goldcorp for $520M
Allison Rippin Armstrong	Director	0.12%	25y+ exp permitting & sustainability exec; former VP Sustain Kaminak (acq. Goldcorp 2016), extensive Indigenous & reg engagement won multiple awards
Michael Roper	Director	0.09%	P.Geo; former Chief Geo/Eng Placer Dome, Manager Advanced Projects Orvana, Corp Dir Project Eval Agnico Eagle (Pinos Altos, Meadowbank, Meliadine)
John Armstrong	Director	0.31%	PhD geologist; 30y+ exp mining & exploration; former VP Technical Services Lucara, led Karowe UG expansion & diamond recovery innovation, ex-INAC geologist
Insiders / Institutional (>3%)			
Crescat Portfolio Management		24.10%	Global macro asset manager deploying value-driven equity & macro models; targets absolute, risk-adjusted returns with low benchmark correlation
Franklin Resources Inc.		6.25%	(Franklin Templeton) one of the world's largest investment managers; global specialist expertise in equities, fixed income, alternatives & multi-asset solutions
Van Eck Associates Corp		4.24%	$181.4B AUM; VanEck offers ETFs, mutual & institutional funds, SMAs, model portfolios, and UCITS funds for global investors
Doyon Ltd		4.17%	Alaska Native corporation & largest private landholder; strategic partner of Tectonic with long-term exploration and mining agreements

Source: Bloomberg as of 05/15/2026, Company Disclosure

Ticker:	**TECT-CN**	**Price / mkt cap:**	C$2.32/sh, C$311m	**Project PNAV today:**	0.28x	**Asset:**	Flat Gold
Author:	B Gaspar	**Rec / 0.6xNAV PT:**	BUY, C$5/sh	**1xNAV$_{4Q28}$ FF FD:**	C$6.26/sh	**Country:**	USA

Commodity price	**CY25E**	**CY26E**	**CY27E**	**CY28E**
Gold price	3,441	4,225	3,800	3,600

SOTP *project* valuation*	**C$m**	**O/ship**	**NAVx**	**C$/sh**
Ungeared @ build start (2H29)	1,487	100%	1.00x	8.67
SCPe Exploration upside 1.5Moz @ US$50/oz	102.7	100%	1.00x	0.60
Central G&A	(286)	100%	1.00x	(1.67)
1Q Pro Forma Cash	98.0	100%	1.00x	0.57
Cash from options + warrants	30.4	100%	1.00x	0.18
Asset NAV5% US$3600/oz	1,431		PT:	8.35
**Shares diluted for options mine build*			Market P/NAV$_{5\%}$	0.28x

Asset value: 1xNPV project @ build start (C$m, ungeared)*					
Project NPV (C$m)	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	356	1,057	1,641	1,875	2,692
Discount rate: 7%	489	1,256	1,895	2,151	3,046
Discount rate: 5%	644	1,487	2,189	2,470	3,453
Ungeared project IRR:	16%	28%	37%	40%	52%
Project NPV (C$/sh)	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	2.08	6.16	9.57	10.93	15.70
Discount rate: 7%	2.85	7.32	11.05	12.54	17.76
Discount rate: 5%	3.75	8.67	12.76	14.40	20.13

**Project NPV, ex fin. costs and cent G&A, discounted to build start*

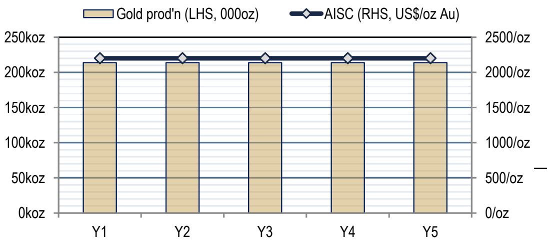
***Group* NAV over time^**	**Mar-26**	**Mar-27**	**Mar-28**	**Mar-29**	**Mar-31**
Project NAV (C$M)	1,437	1,490	1,490	1,578	2,633
G&A and fin. costs (C$m)	(286)	(255)	(213)	(209)	(149)
Net cash prior qtr (C$m)	12.5	66.3	123.9	645.8	(250.4)
Cash from options (C$m)	30.4	30.4	30.4	30.4	30.4
NAV FF FD (C$m)	1,193	1,332	1,432	2,045	**2,264**
FD shares in issue (m)	*172*	*172*	*201*	*361*	*361*
1xNAV5%/sh FF FD (C$/sh)*	**6.96**	**7.77**	**7.11**	**5.66**	**6.26**

Geared exit NAV at 1st Au, diluted for build, net G&A and fin. costs^					
NAV at first gold (C$m)	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	1,142	1,954	2,630	2,901	3,848
Discount rate: 7%	1,242	2,100	2,815	3,100	4,101
Discount rate: 5%	1,355	2,264	3,022	3,325	4,386
Geared project IRR:	15%	26%	35%	38%	49%
NAV at first gold (C$/sh)*	$3000oz	$3600oz	$4100oz	$4300oz	$5000oz
Discount rate: 9%	1.18	4.49	7.72	9.08	14.02
Discount rate: 7%	1.63	5.32	8.83	10.30	15.61
Discount rate: 5%	2.17	6.26	10.09	11.67	17.38

^Project NPV incl grp SG&A & fin. cost, +net cash; diluted PFS/DFS/build equity

Production	**Y1**	**Y2**	**Y3**	**Y4**	**Y5**
Gold production (000oz)	214	214	214	214	214
AISC cost (US$/oz)	2,201	2,201	2,201	2,201	2,201

AISC = C1 + sustaining capex + royalty, Y1 = FY29



Resource / Inventory	**Tonnes**	**Grade**	**Ounces**
SCP Resource potential	186.6Mt	0.50g/t	3000koz
SCP DCF Pit inventory	160.8Mt	0.50g/t	2584koz
SCPe Exploration Upside	--	--	1500koz

Share data	**Basic**	**FD with options**	**FD for build**
Basic shares (m)	134.0	171.5	361

Project: USES		**Funding: SOURCES**	
G&A + Explo to DFS:	C$98m	Cash + pre-first Au	C$128m
Capex:	C$822m	SCPe funding to DFS:	C$100m
Fin. cost + WC	C$78m	Build equity @ 0.4xNAV:	C$534m
TOTAL USES:	C$997m	35% geared debt @ 12%:	C$288m
Buffer / drill budget:	*C$53m*	TOTAL SOURCES:	C$1050m

Ratio analysis (YE May)	**CY26E**	**CY27E**	**CY28E**	**CY29E**	**CY30E**
Average shares out (m)	115.6	145.2	183.9	323.9	323.9
EPS (C$/sh)	-	-	-	-	-
CFPS (C$/sh)	-	-	-	-	-
EV (C$m)	202.0	212.9	(219.1)	554.1	1,001.9
FCF yield (%)	-	-	-	-	-
PER (x)	-	-	-	-	-
EV/EBITDA (x)	-	-	-	-	-

Income statement (YE May)	**CY26E**	**CY27E**	**CY28E**	**CY29E**	**CY30E**
Revenue (C$m)	-	-	-	-	-
COGS (C$m)	-	-	-	-	-
Gross profit (C$m)	-	-	-	-	-
D&A, attrib (C$m)	-	-	-	-	-
Expl., G&A, sh based costs (C$m)	40.2	44.3	14.3	4.3	4.3
Net finance cost (C$m)	-	-	-	34.5	34.5
Taxes (C$m)	-	-	-	-	-
Other (C$m)	-	-	-	-	-
Net income (C$m)	(40.2)	(44.3)	(14.3)	(38.9)	(38.9)

Cash flow, attrib. (YE May)	**CY26E**	**CY27E**	**CY28E**	**CY29E**	**CY30E**
Net income (C$m)	(40.2)	(44.3)	(14.3)	(38.9)	(38.9)
Add back D&A (C$m)	-	-	-	-	-
SBC + net interest (C$m)	1.9	2.0	2.0	36.5	36.5
Net change in wkg cap (C$m)	-	-	-	(0.6)	-
Other non-cash (C$m)	-	-	-	-	-
Cash flow ops (C$m)	(38.3)	(42.3)	(12.3)	(2.9)	(2.3)
PP&E - build + sust. (C$m)	-	-	-	(411.0)	(411.0)
Other (C$m)	-	-	-	(34.5)	(34.5)
PP&E - expl'n (C$m)	-	-	-	-	-
Cash flow inv. (C$m)	-	-	-	(445.5)	(445.5)
Share issue (C$m)	92.0	100.0	534.2	-	-
Other (C$m)	-	-	-	-	-
Debt draw (repay) (C$m)	-	-	-	287.7	-
Cash flow fin. (C$m)	**92.0**	**100.0**	**534.2**	**287.7**	**-**
Net change in cash (C$m)	53.7	57.7	521.9	(160.7)	(447.8)
EBITDA (C$m)	(40.2)	(44.3)	(14.3)	(4.3)	(4.3)

Balance sheet	**CY26E**	**CY27E**	**CY28E**	**CY29E**	**CY30E**
Cash (C$m)	66.3	123.9	645.8	485.1	37.3
Acc rec., inv, prepaid (C$m)	0.6	0.6	0.6	0.6	0.6
PP&E + other (C$m)	2.0	2.0	2.0	413.0	823.9
Total assets (C$m)	**68.9**	**126.6**	**648.5**	**898.7**	**861.8**
Debt (C$m)	-	-	-	287.7	287.7
Accounts payable (C$m)	0.6	0.6	0.6	-	-
Others (C$m)	0.5	0.5	0.5	0.5	0.5
Total liabilities (C$m)	1.1	1.1	1.1	288.2	288.2
Issued capital (C$m)	159.7	277.0	813.2	815.2	817.2
Retained earnings (C$m)	(91.9)	(151.5)	(165.9)	(204.7)	(243.6)
Other (C$m)	-	-	-	-	-
Liabilities + equity (C$m)	**68.9**	**126.6**	**648.5**	**898.7**	**861.8**

Source: SCP estimates

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Summary of Recommendations as of May 2026	
BUY:	62
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	63

[1] As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month