

Tectonic Acquires Flat Gold Project - Intrusion-hosted Gold System 40km North of Donlin Gold Project in Alaska

VANCOUVER, BC, Sept. 28, 2021 /CNW/ - **Tectonic Metals Inc.** (TECT: TSXV) (TETOF: OTCQB) (T15B: FSE) (the "Company" or "Tectonic") today announced the acquisition of the Flat Gold Project ("Flat"), an intrusion-hosted, bulk tonnage gold project located in southwestern Alaska, just 40km north of the Donlin Gold Project ("Donlin"), which is currently being advanced jointly by Barrick Gold Corporation (GOLD: NYSE; ABX: TSX) and NOVAGOLD Resources Inc. (NG: TSX; NG: NYSE American). Flat consists of 92,160 acres of Native-owned land belonging to Doyon, Limited ("Doyon"), one of Alaska's largest Native Regional Corporations and private landholders. Doyon and Tectonic have formed a mutually beneficial mineral lease property agreement covering all aspects of exploration through to production, including royalties and ESG provisions. The resulting agreement aligns the interests and expectations of both parties involved, reduces risk, and creates a process that is capable of advancing a project from discovery through development and production to final reclamation.

Tectonic's President and CEO, Tony Reda, commented, "*The acquisition of Flat provides Tectonic with access to one of the most exciting gold exploration opportunities in Alaska. The property's location, just 40km north of Donlin, is enhanced by gold mineralization consistent with that found at the Kinross Gold's Fort Knox mine and Victoria Gold's Eagle mine. Flat also has the potential for free-milling gold, implying a simpler, less energy-intensive extraction process upon mining. This, in combination with historically mined placer gold deposits in creeks draining the property, points to an opportunity with a low-cost path forward. Tectonic is proud to once again be partnering with our largest shareholder, Doyon, to unlock the exploration potential at Flat. We look forward to focusing our methodical, innovative and targeted approach to gold exploration on the over 90,000-acre district-scale opportunity at Flat for the benefit of all Tectonic's shareholders and stakeholders.*"

Flat is located in the Kuskokwim Mineral Belt 40km north of the giant Donlin Gold Project and hosts intrusive-hosted, sheeted quartz vein gold mineralization similar to that found at the Fort Knox (Alaska) and Eagle (Yukon) gold mines owned and operated by Kinross Gold Corporation (K: TSX; KGC: NYSE) and Victoria Gold Corporation (VGCX: TSX) respectively. Since 1908, when gold was first discovered at Flat, the immediate vicinity has been notable as an area of significant placer gold mining activity with an estimated 1.4 million ounces of placer gold produced from streams draining the Chicken Mountain – Black Creek complex¹. Historic exploration work has delineated a nearly 4km long gold-in-soil anomaly formed by intrusion-hosted mineralization that begins at surface and remains open along strike and at depth.

The Opportunity

Flat represents a rare opportunity: a large scale, intrusion-hosted gold system with mineralization beginning at surface in close proximity to a world-class gold deposit, within the 4th largest placer mining district in Alaska. Historical exploration work has demonstrated continuity of low-grade gold mineralization (~1 g/t Au), but also potential for discrete high-grade mineralization (>20 g/t Au), as observed in similar geological settings such as the Fort Knox gold mine. Indications are that gold in the project area is, at least in part, free milling, which suggests a simpler, more cost-effective and less energy intensive method for gold recovery upon mining. Tectonic plans to conduct data compilation prior to a preliminary metallurgical test work program utilizing existing drill core.

Detailed maps and historic drill data relating to Flat may be found on Tectonic's website [here](#).

Flat Highlights

- Flat is located 40km north of Donlin in the Kuskokwim Mountains on 92,160 acres of Native-owned land belonging to Doyon
- Flat is accessible by air and benefits from existing on-site infrastructure including a 4100-foot-long gravel airstrip, extensive access roads and trails from historic placer mining, winter trail access and proximity to the Kuskokwim River, which is navigable by barge 6 months of the year.
- The project consists of two main target areas, Chicken Mountain and Black Creek/Golden Horn.
 - Chicken Mountain:** Gold at Chicken Mountain occurs as disseminated and fracture-controlled mineralization within a late-stage quartz monzonite intrusion, which appears to have been the major source of placer gold in the Flat district. This target comprises an open ended +100 ppb gold-in-soil anomaly extending 3,800m x 600m in a north-northwest orientation over the core of exposed intrusion. Gold is hosted within quartz veins which contain free gold, arsenopyrite, pyrite, stibnite, cinnabar, and rare chalcopyrite. Historic drilling intersected bulk-tonnage gold mineralization, although thinner, high-grade intervals are observed.
 - Black Creek/Golden Horn:** Mineralization is contained within northeast striking steeply dipping, intrusion-hosted sheeted sub parallel veins. Narrow veins contain quartz and limonite while wider veins (to 18 inches) contain open space fills of massive stibnite with pyrite, arsenopyrite, cinnabar, scheelite and native gold. Contact related vein and disseminated bulk tonnage mineralization is hosted within sedimentary and volcanic rocks. Most notable is the Golden Hornfels ("Golden Horn") zone which occurs along the eastern contact of the Black Creek stock.
- Consistent gold mineralization in intrusive-hosted, sheeted quartz veins at Flat are structurally similar to that found at the Fort Knox and Eagle Gold Mines owned by Kinross and Victoria Gold respectively.
- The Flat area represents one of Alaska's best examples of a direct, preserved bedrock source of mineralization for surrounding placer deposits. Placer gold is found within all the creeks that drain the Chicken Mountain – Black Creek complex, with the Flat area producing over 1.4 Moz of placer Au throughout a protracted history of placer mining.
- Historical hard rock exploration at Flat occurred sporadically from the 1960's to 2003 and consisted of surficial geochemical sampling, geophysics, and both reverse circulation ("RC") and diamond drilling. Approximately 11,000m of RC and diamond drilling has been conducted on the property. Flat remains fully open for expansion. Multiple near-surface targets remain untested, and potential exists for blind and buried mineralization as well as possible high-grade vein mineralization.

Historical Drill Highlights – Flat Project *

Drill Hole	Hole Type (RC, DD)	Zone	From (m)	To (m)	Length (m)	Weighted Grade (g/t Au)
DDH97-16CM	DD	CHICKENMNTN	27.10	51.80	24.70	12.56
<i>Including</i>			39.90	41.30	1.40	211.27
F88-10	RC	CHICKENMNTN	15.20	91.40	76.20	0.98
F88-02	RC	CHICKENMNTN	57.90	94.50	36.60	1.36
<i>Including</i>			73.20	77.70	4.50	6.47
CM03-25	DD	CHICKENMNTN	193.20	194.80	1.60	27.20
F90-06	DD	CHICKENMNTN	100.60	184.40	83.80	0.52
F90-03	DD	CHICKENMNTN	79.20	153.90	74.70	0.57
F88-14	RC	CHICKENMNTN	33.50	41.10	7.60	5.62
<i>Including</i>			39.60	41.10	1.50	24.51
DDH88-05CM	DD	CHICKENMNTN	4.60	57.90	53.30	0.80
<i>Including</i>			12.20	13.70	1.50	15.22
DDH97-18CM	DD	CHICKENMNTN	100.60	132.30	31.70	1.28
F88-09	RC	CHICKENMNTN	13.70	74.70	61.00	0.65
DDH97-10GH	DD	GOLDENHORN	84.40	91.40	7.00	1.49
<i>Including</i>			84.40	84.70	0.30	20.57
DDH97-10GH	DD	GOLDENHORN	123.40	144.80	21.40	0.49
DDH97-10GH	DD	GOLDENHORN	149.40	155.40	6.00	4.15
<i>Including</i>			149.40	150.90	1.50	15.39
FL81-13	DD	GOLDENHORN	1.50	31.80	30.30	0.44

* Drill results reported above are historical in nature and have not been verified by the Qualified Person. Composites were generated using a cut-off of 0.200 g/t Au and a maximum of 3m of internal waste dilution. no grade cap has been applied to the historical results. True widths are not known at this time, all widths reported are drilled widths. Hole Type refers to either Reverse Circulation ("RC") or Diamond Drilling ("DD").

Tectonic-Doyon Exploration and Production Mineral Lease Agreement Highlights

The mineral lease agreement between Tectonic and Doyon (the "Agreement") grants Tectonic a 100% interest in the Flat property. In line with Tectonic's business model and risk management strategy, the Agreement covers all aspects of exploration, development, production, reclamation and royalties.

- **Term**

The initial lease term is for 15 years, and the Agreement includes renewal clauses to extend the lease period up to the entire operational period of the mine.

- **Scholarship Contributions**

Tectonic has committed to contributing to the Doyon Foundation or to another accredited institution as directed by Doyon an annual US\$10,000 scholarship for the term of the lease. The scholarship amount increases to US\$50,000 each year following the commencement of commercial production at Flat. The Doyon Foundation was established as a separate non-profit charitable organization in 1989 by Doyon. Doyon Foundation's mission is to provide educational, career and cultural opportunities to enhance the identity and quality of life for Doyon shareholders. Doyon Foundation carries out its mission by providing basic and competitive scholarships, works with organizations to place interns, and advances traditional Native knowledge by partnering with various organizations.

- **Annual Payments**

In consideration, the Company paid Doyon US\$30,000 on the date of execution of the Agreement and is required to make annual payments in the amount of:

- \$40,000 on or before the first day of each of the second through fifth Lease Years;
- \$50,000 on or before the first day of each of the sixth through ninth Lease Years; and
- \$100,000 on or before the first day of the tenth Lease Year and on or before the first day of each of each Lease Year after the end of the tenth Lease Year; provided, that if Tectonic exercises its option to extend the Initial Term such annual payment shall be increased to \$200,000 for each Lease Year after exercise of such option.

Upon completion by Tectonic of a Feasibility Study on any portion of the Flat property, the Company is required to pay a one-time fee of \$150,000 to Doyon.

- **Exploration Expenditures**

The Company is required to incur the following amounts for collective exploration expenditures on the Flat property:

Expenditure Periods	Required Expenditures over Period
2021 - 2023	\$1,000,000, including not less than \$500,000 by the end of the 2022 Lease Year
2024 - 2026	\$2,000,000
2027 - 2029	\$2,500,000
Each three-Lease Year period commencing 2030	\$2,500,000

Tectonic is permitted to carry forward excess expenditures and apply them against a future expenditure period.

- **Royalties**

Doyon is granted a 2% net smelter royalty ("NSR") for precious minerals and a 1% NSR for base minerals until the fifth anniversary of commencement of commercial production. Doyon is granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary of the commencement of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Northway Project Update

Tectonic has chosen to terminate its lease on the Company's Northway property in accordance with the terms of the Company's lease agreement with Doyon, Limited.

References

1. "Mineral Occurrence and Development Potential Report, Locatable and Salable Minerals, Bering Sea-Western Interior Resource Management Plan, BLM-Alaska Technical Report 60", prepared by the U.S. Department of the Interior, Bureau of Land Management, November 2010.

Qualified Person

Tectonic's disclosure of a technical or scientific nature in this press release has been reviewed, verified and approved by Eric Buitenhuis, M.Sc., P.Geo., Tectonic's Vice President Exploration, who serves as a Qualified Person under the definition of National Instrument 43-101.

About Tectonic

Tectonic Metals Inc. is a mineral exploration company created and operated by an experienced and well-respected technical and financial team with a track record of wealth creation for shareholders. Key members of the Tectonic team were involved with Kaminak Gold Corporation, the Company that raised C\$165 million to fund the acquisition, discovery and advancement of the Coffee Gold Project in the Yukon Territory through to the completion of a bankable feasibility study before selling the multi-million-ounce gold project to Goldcorp Inc. (now Newmont) for C\$520 million in 2016. Tectonic is focused on the acquisition, exploration, discovery and development of mineral resources from district-scale projects in politically stable jurisdictions that have the potential to host world-class orebodies.

To learn more about Tectonic please click [here](#).

On behalf of Tectonic Metals Inc.,

Tony Reda President and Chief Executive Officer

For further information about Tectonic Metals Inc. or this news release, please visit our website at www.tectonicmetals.com or contact Tony Reda, President & CEO of Tectonic, or Bill Stormont, Investor Relations, at toll-free 1.888.685.8558 or by email at info@tectonicmetals.com.

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Cautionary Note Regarding Forward-Looking Statements

Certain information in this news release constitutes forward-looking information and statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions.

Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including, among others, assumptions about future prices of gold and other metal prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental and other approvals and financing on time, obtaining required licenses and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Tectonic, and there is no assurance they will prove to be correct.

Although Tectonic considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and

the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements necessarily involve known and unknown risks, including, without limitation: the Company's ability to implement its business strategies; risks associated with mineral exploration and production; risks associated with general economic conditions; adverse industry events; marketing and transportation costs; loss of markets; volatility of commodity prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks.

Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Although Tectonic has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Tectonic does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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