Crescat Capital Seizes Opportunity with $2 Million Investment in Tectonic Metals Ahead of Drills Turning in August at Flat Gold Project

Second Tranche of Private Placement Launched

VANCOUVER, BC / ACCESSWIRE / July 13, 2023 / TectonicMetals Inc. (TSXV:TECT) ("Tectonic" or the "Company") today launched the second tranche of the financing previously announced on May 9, 2023, with Crescat Capital ("**Crescat**") committing to an additional investment of up to $2,000,000 ahead of Tectonic's 2023 Flat Drill Program also announced today. Unless otherwise noted, all amounts are expressed in Canadian dollars.

"We are making a strong, unwavering commitment to Tectonic and their inaugural drill program at the Flat Gold Project, an exciting opportunity that we believe could be the next tier 1 opportunity in Alaska," stated Kevin Smith, the visionary Founder and Chief Investment Officer of Crescat Capital. *"In addition to the 55 past drilling results that have already uncovered gold mineralization at Chicken Mountain, we are thrilled by the exceptional metallurgical results and surface mineralization. These findings strongly indicate the potential for an open-pit heap-leach opportunity, which is highly sought after by major mining companies. Our dedication to this project is unwavering as we strive to unlock its full potential and seize the incredible prospects it holds for Tectonic shareholders."*

Tectonic is pleased to announce that it has entered into an agreement with Canaccord Genuity Corp. (the "**Lead Agent**"), alongside 3L Capital Inc. (collectively with the Lead Agent, the "**Agents**") on a 'commercially reasonable efforts' agency basis in connection with the second tranche (the "**Second Tranche**") by way of a private placement of units (the "**Units**") of the Company at a price of $0.11 per Unit (the "**Offering Price**") for total gross proceeds to the Company from all tranches of up to $6,000,000 (the "**Offering**"). The first tranche of the Offering closed on June 26, 2023, for aggregate gross proceeds of $3,346,785 of which Crescat contributed $658,667 pursuant to a pre-emptive right granted by the Company.

Crescat will also be participating in the Second Tranche. Crescat is Tectonic's largest shareholder and currently owns approximately 19.3% of the issued and outstanding common shares of Tectonic. To enable Crescat to increase their shareholdings of the Company above 19.99% (to accommodate up to an additional $2,000,000 investment) the Company will propose a shareholder resolution in the upcoming 2023 annual general meeting materials for Crescat to become a control person (as defined under securities law and the TSX Venture Exchange ("**TSXV**") policies), subject to TSXV approval. The issuance of any Units to Crescat that results in Crescat holding more than 19.99% of the Company's issued and outstanding common shares will be subject to disinterested shareholder approval pursuant to section 1.12 of TSXV Corporate Finance Policy 4.1.

The Offering

Each Unit will consist of one common share in the capital of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share of the Company (a "**Warrant Share**") for a period of 24 months following the closing date of each tranche of the Offering at an exercise price of $0.15.

The Units to be issued under the Offering will be offered to purchasers pursuant to: (i) the listed issuer financing exemption under Part 5A of National Instrument 45-106 - Prospectus Exemptions ("**NI 45-106**") for gross proceeds of up to $5,000,000 (the "**LIFE Units**"), in all the provinces of Canada, except Québec, and (ii) the accredited investor exemption under NI 45-106 for the balance of the Offering (the "**Hold Units**"). The LIFE Units will not be subject to resale restrictions pursuant to applicable Canadian securities laws. The Hold Units will be subject to a statutory hold period of four months in accordance with applicable Canadian securities laws. Purchasers under the Offering will receive a fixed ratio of LIFE Units to Hold Units, being 5:1. Each subscriber must purchase one Hold Unit for every five LIFE Units purchased.

The Agents will also be entitled to offer the Units for sale in the United States pursuant to available exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "**1933 Act**"), and in those other jurisdictions outside of Canada and the United States provided it is understood that no prospectus filing or comparable obligation arises in such other jurisdiction.

The net proceeds of the Offering will be used to advance the Company's Flat Gold Project and for general corporate and working capital purposes.

There is an offering document relating to the Offering that can be accessed under the Company's profile at www.sedar.com and on the Company's website at www.tectonicmetals.com. Prospective investors should read this offering document before making an investment decision.

In relation to closing of the first tranche of the Offering, in addition to the finder's fees disclosed in the press release dated June 26, 2023, the Company wishes to clarify that Mr. Gerhard Merkel was paid a finder's fee in the form of a $33,000 cash commission and non-transferable finder's warrants of the Company to acquire 300,000 Common Shares at an exercise price of $0.11, exercisable for 24 months following the closing of the first tranche.

The Company has received consent from the TSXV to extend the closing of the Offering until August 11, 2023 (the "**Closing Date**") and completion of the Second Tranche / Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSXV.

The Offering and issuance of the Units referenced in this press release will involve related parties (as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**")) and therefore constitutes a related party transaction under MI 61-101. This transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a) of MI 61-101, as the Company is not listed or quoted on any of the stock exchanges or markets listed in subsection 5.5(b) of MI 61-101, and the fair market value of the securities to be distributed and the consideration to be received for the securities under the Offering will not exceed 25% of the Company's market capitalization.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

About Tectonic Metals Inc. ("Tectonic" or the "Company")

Tectonic brings a highly disciplined capital allocation and development process to mineral exploration. By consistently limiting their focus to tier 1 opportunities that fit their formula for mine economics, and de-risking projects upfront, the team has established a tremendous track record of success. Members of the Tectonic team have been directly involved in identifying and monetizing several significant gold discoveries throughout N. America that have created a tremendous amount of value for shareholders and stakeholders.

Tectonic is currently assessing the Flat Gold Project in partnership with Doyon Limited, one of Alaska's largest native regional corporations and a significant Tectonic investor. Flat is home to Chicken Mountain, which is credited as the source of 1.4 million ounces of historic placer gold production. Tectonic is currently evaluating this target, which features a four-kilometer gold-in-soil anomaly and 55 historic drill holes, all of which hit and 25 of which ended in gold mineralization. Preliminary metallurgical analysis to date has demonstrated rapid leach kinetics and gold recoveries averaging 95%. This, combined with gold intersections at or near surface, suggest Chicken Mountain could represent an open pit, heap leach opportunity. Chicken Mountain is part of a larger geophysical anomaly that appears to represent an 11-kilometer-long intrusion related gold system that incorporates the additional targets of Golden Apex and Chicken Mountain East.

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 Tom McMillan, Investor Relations, at toll-free 1.888.685.8558 or by email at tom@tectonicmetals.com.

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 and include, but are not limitedto, the closing date of the Second Tranche of the Offering, the potential for mineralization at Tectonic's projects, any future exploration activities and the size; the receipt of any regulatory approvals, including the final approval of the TSXV V; the passing of the shareholders' resolution to permit Crescat to become a control person.

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.

Neither the TSX Venture Exchange nor its Regulation Service Provider(as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Tectonic Metals Inc.