Tectonic Metals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended December 31, 2023 and 2022

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Tectonic Metals Inc., together with its wholly owned subsidiaries (the "Company" or "Tectonic") constitutes management's review of the factors that affected the Company's financial and operating performance for years ended December 31, 2023 and 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's consolidated financial statements and related notes for the years ended December 31, 2023 and 2022, (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

In this MD&A, unless the context otherwise dictates, a reference to "us", "we", "our", or similar terms refers to the Company. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Except as otherwise indicated, all financial data in this MD&A has been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended December 31, 2023 and 2022 are referred to as "FY2023" and "FY2022" respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars, except number of shares, or as otherwise indicated. References to "USD" or "US$" are to US dollars. The functional currency of the Company and its subsidiaries is disclosed in the notes to the Financial Statements. Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.tectonicmetals.com. This MD&A has been prepared effective as of February 29, 2024 ("MD&A Date").

FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical fact may be deemed to be forward looking statements, including those identified by the expressions "considers", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved", or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "will", "intends", and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. was incorporated on April 7, 2017, under the laws of the British Columbia Business Corporations Act. The Company's head office is at 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Company is listed on the Toronto Venture Exchange ("TSX-V") trading under the symbol "TECT", is co-listed on the United States ("US") OTCQB trading under the symbol "TETOF" and is co-listed on the Frankfurt Stock Exchange trading under the symbol "T15B".

The Company's principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the US and Canada. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The financial statements are prepared on a going concern basis, which contemplates that the Company will be able to continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance its operations for the upcoming year with the proceeds from equity financing, and its current working capital.

EXPLORATION HIGHLIGHTS

During the period from August to October 2023, the Company commenced its Drill Program at the Flat Gold Property. Highlights of the program announced November 23, 2023 and February 7, 2024 are shown below with further details of the program included in the Flat section of the MD&A::

- **Multi-Year Camp Established:** The multi-year, 24-person camp was built following four successful deliveries of camp materials to the Flat Airstrip by a Hercules C-130 Transport Aircraft. Camp facilities remain onsite and were successfully decommissioned for the winter season.
- **Health & Safety:** More than 17,000 work-hours incurred on-site on the Project with no Lost Time Incidents.
- **Drilling:** 19 drill holes of combined diamond and reverse circulation ("RC") drilling for a total of 2,633 meters were completed at Chicken Mountain.
    - Diamond Drilling: 915 meters of oriented diamond drilling across 3 holes to a maximum depth of 428.5 meters was drilled to expand historically drilled mineralization along strike and to depth while providing valuable structural data to assist in understanding optimal orientation and controls on mineralization, which can then be applied for future targeting. Diamond drilling successfully confirmed continuous mineralization to 300 m vertical depth (3 times deeper than average historical drilling and still open in all directions), with highlights of;
        - **37.32m at 1.02 g/t Au** within a broader mineralized interval of **146.90m at 0.61 g/t Au** and the entire drill hole (CMD23-001) being completely mineralized, ending in mineralization, and yielding **423.15m at 0.41 g/t Au**.
        - **36.40m of 1.22 g/t Au** within a broader mineralized interval of **170.00m at 0.53g/t Au** and the entire drill hole (CMD23-002), a **450m step out** from CMD23-001, being completely mineralized, ending in mineralization, and yielding **344.61m of 0.36 g/t Au**.
    - RC Drilling: 718 meters of drilling across 16 holes testing 1000m of strike along eastern and western margins of the 4km x 1km gold in soil anomaly. The RC drilling successfully confirmed mineralization beyond the periphery of historical drilling with highlights of:
        - **22.86m of 1.12 g/t Au** within a broader mineralized interval of **89.92 m at 0.60 g/t Au** and ending in mineralization (CMR23-001) representing a **62.00m step out** from the closest historical collar.
        - **24.39m of 1.09 g/t Au** within a broader mineralized interval of **76.20m at 0.55 g/t Au** and ending in mineralization (CMR23-008) representing a **102.00m step out** from the closest historical collar.
        - **24.38m of 1.00 g/t Au** within a broader mineralized interval of **50.29m at 0.74 g/t Au** and ending in mineralization (CMR23-012) representing a **134.00m step out** from the closest historical collar.

On November 9, 2023 the company announced the acquisition of three additional potential intrusion related gold targets immediately north of and contiguous with Tectonic's 92,160 acre Flat Gold Project. In total the Company added 7,680 acres of Alaska State Claims with 2,720 acres (17 x 160 acres claims) acquired from a third party vendor and 4,960 acres (31 x 160 acres) of new claims staked by Tectonic. The newly acquired third party claims are comprised of two groups: the Jam and Caribou Blocks. The Jam group comprises a 640 acre claim (4 x 160 acres state claims) covering an area of exposed monzonite intrusion, volcanic cap rocks and related hornfels, and hosts several historic gold showings. The claims staked by Tectonic cover prospective geology between, around and south of the acquired claim blocks, and extend the package to the west over a semi-concentric body of hornfelsed Kuskokwim sediments covering an area of approximately 2.0 x 1.0 miles. Very limited historic stream sediment and pan concentrate sampling indicate the presence of highly anomalous gold emanating from south flowing drainages likely sourced from the hornfelsed area.

On August 16, 2023, the Company announced the formation of the Company's Technical Advisory Committee. The Technical Advisory Committee consists of leading professionals in structural economic geology, metallurgical processing, and mining, The Company welcomed Fred Lightner and Mark Smith to the Technical Advisory Committee. Both individuals have an impressive track record, having been instrumental in the success of the Kaminak Gold Corporation ("Kaminak") Coffee Gold Project. Their leadership in the Feasibility Study was a catalyst for Goldcorp Inc.'s (now Newmont Corporation) acquisition of Kaminak in 2016 for $520M. Tectonic has appointed specialist Structural-Economic Geoscientists Dr. Ian Basson, Michael McCall and Dr. Corne Koegelenberg to the Technical Advisory Committee. These individuals, associated with TECT Geological Consulting ("TGC") (www.tectgeological.com), are renowned internationally and have worked on world-class projects and mines across the globe for prominent mining companies, such as Rio Tinto, Barrick, BHP, De Beers, Debswana, Goldfields and Glencore.

On February 16, 2023, the Company reported gold recoveries to 96.8% from coarse crush bottle rolls warranting an investigation into heap leaching of mineralization from the Company's Flat Gold Project. Metallurgical samples were selected by Tectonic from historically drilled diamond core samples with the objective of investigating the potential for free-milling gold mineralization at Flat, and more specifically, within the Chicken Mountain Zone ("CMZ"). Results from the 5 composites indicate that high gold recoveries are attainable and demonstrate that the mineralization presently known at Flat is not grind sensitive, extremely low in sulphur, non preg robbing and favourable to various gold extraction methods.

On December 5, 2022, the Company announced the completion of the inaugural field program at the Flat Gold Project. Tectonics' surface field program at Flat represents the first exploration work at the property in more than 20 years and comprised ground-truthing, channel/grab sampling of historic bedrock exposures and mechanical excavation and sampling of new trenches at Flat's main zone, Chicken Mountain.

On December 16, 2022, the Company decided not to continue with the Seventy-mile property and terminated the lease agreement, resulting in an impairment of exploration and evaluation assets of $233,508.

During the year ended December 31, 2022, the Company decided not to continue with the Maple Leaf property resulting in an impairment of exploration and evaluation assets of $15,977.

CORPORATE HIGHLIGHTS

DURING THE YEAR ENDED DECEMBER 31, 2023

On November 8, 2023, the Company closed an early exercise program for certain outstanding warrants (the "Warrant Incentive Program"). Pursuant to the Warrant Incentive Program, the Company offered holders of all 16,092,835 common share purchase warrants issued on May 30, 2022 (the "May Warrants") and all 3,591,670 common share purchase warrants issued on July 8, 2022 (the "July Warrants" together with the May Warrants, the "Outstanding Warrants") the opportunity to exercise early each of their Outstanding Warrants. In return for the early exercise, the holder received one common share, as per the original warrant terms, plus as an incentive, one common share purchase warrant (the "Incentive Warrant"). Each Incentive Warrant will allow the holder to acquire one common share at an exercise price of $0.13 and will expire on November 8, 2025. On the closing of the Warrant Incentive Plan the Company issued 15,793,336 common shares and 15,793,336 Incentive Warrants for gross proceeds of $1,579,334. The gross proceeds attributed to the Incentive Warrants was $401,912. The Company paid cash share issuance costs of $17,531. Any Outstanding Warrants remaining un-exercised after November 8, 2023 will remain outstanding and continue to be exercisable on their existing terms.

On September 29, 2023, the Company closed the third tranche of the 2023 Private Placement (the "2023 Private Placement") and issued 5,090,909 units at a price of $0.11 per unit for gross proceeds of $560,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on September 29, 2025. The gross proceeds attributed to the warrants was $125,363. The Company paid cash share issuance costs of $68,534 of which $8,713 was to a related party.

On August 10, 2023, the Company closed the second tranche of the 2023 Private Placement and issued 39,300,873 units at a price of $0.11 per unit for gross proceeds of $4,323,096. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on August 10, 2025. The gross proceeds attributed to the warrants was $881,827. The Company paid cash share issuance costs of $275,041, of which $20,654 was to a related party and issued $1,261,630 finders' warrants with an aggregate fair value of $73,023. Each finders' warrant is exercisable at a price of $0.11 and will expire on August 10, 2025.

On June 23, 2023, the Company closed the first tranche of the 2023 Private Placement and issued 30,425,316 units at a price of $0.11 per unit for gross proceeds of $3,346,785. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 and will expire on June 23, 2025. The gross proceeds attributed to the warrants was $722,153. The Company paid cash share issuance costs of $321,228, of which $14,900 was to a related party and issued 1,143,296 finders' warrants with an aggregate fair value of $80,774. Each finders' warrant is exercisable at a price of $0.11 and will expire on June 23, 2025.

ABOUT CRESCAT CAPITAL

Crescat is a global macro asset management firm headquartered in Denver, Colorado, which deploys tactical investment themes based on proprietary value-driven equity and macro models. Crescat's investment goals are to provide industry-leading absolute and risk-adjusted returns over complete business cycles with low correlation to common benchmarks, and they apply their investment process across a mix of asset classes and strategies.

At the Company's Annual General and Special Meeting on September 21, 2023 the Company received approval from disinterested shareholders for Crescat to become a Control Person as defined by the Securities Act and in the TSXV's policies. This allows Crescat to hold over 20% of the Company's issued and outstanding common shares. As at December 31, 2023 Crescat held approximately 20.75% of the outstanding shares in the Company.

ABOUT DOYON, LIMITED

Doyon, Limited ("Doyon") is the second largest shareholder in Tectonic. Tectonic and Doyon initially partnered in the summer of 2018, where Tectonic was granted exclusive rights to explore, develop and mine all minerals, ores and mineral products extracted from Seventy-mile, and previously the Northway project, which are situated on Doyon land. In the summer of 2021, Tectonic was granted similar rights on Flat, which is situated on Doyon land. Forming partnerships and establishing production agreements on Tectonic's early-stage projects at the onset is a critical component of the Company's business model. Such discovery-to-production agreements manage risks and align the interests and expectations of all parties involved, so the task of advancing a project from discovery through to the development of a mine is more streamlined.

With more than 12.5 million acres of land and over 20,000 shareholders, Doyon is the largest private landholder in Alaska and one of the largest in North America. Doyon's mission is to continually enhance its position as a financially secure Native corporation and promote the economic and social well-being of its shareholders and future shareholders. They focus on strengthening the Native way of life and protecting and enhancing their land and resources.

SCIENTIFIC AND TECHNICAL INFORMATION

Scientific and technical information presented in this MD&A has been approved by Peter Kleespies, M.Sc., P.Geo, VPX, a qualified person who by reason of education, affiliation with a professional association and past relevant work experience, fulfills the requirements of a Qualified Person, as defined in NI 43-101 Standards of Disclosure for Mineral Projects.

DISCUSSION OF OPERATIONS

TIBBS

Overview

The Tibbs project ("Tibbs") is located in the Goodpaster Mining District approximately 175 kilometres southeast of Fairbanks, Alaska, and 35 kilometres east of the Northern Star Resources' Pogo Mine (the "Pogo Mine"). The project is accessible via helicopter and historic winter trails and hosts an unimproved airstrip in the Tibbs Creek drainage. The property covers 29,280 acres of highly prospective geology hosting over 25 target areas and historic lode gold production in three locations.

Tectonic has completed exploration work at the property over four consecutive campaigns beginning in 2017, with a gradual progression from grassroots methodologies such as geological mapping and power auger soil sampling, heli-portable excavator trenching, and airborne magnetic and electromagnetic geophysics through to RAB drilling campaigns in 2019 and 2020. Soil geochemical sampling in 2020 identified previously unknown, high-tenor gold, arsenic, and bismuth soil anomalies west of the previous exploration in similar host rocks as the Pogo deposit. Tectonic's 2021 program was the first core drilled on the property since 2011 and the first oriented core in the property's history. The program was designed to obtain structural control on high-grade mineralization drilled by the Company over the previous two seasons, while testing newly discovered exploration targets with similar structural, geological, and geochemical features as mineralization at the Pogo Gold Mine.

On June 15, 2017, the Company and Tibbs Creek Gold, LLC ("TCG") entered into a mining lease and option agreement (the "Tibbs Agreement") where TCG granted to the Company the full and exclusive right to use, occupy and carry out mineral exploration, production and extraction activities on Tibbs to earn a 100% interest in Tibbs. Tibbs comprises 169 claims covering a total of 5,457.5 hectares located in the Big Delta B1 Quadrangle of the Fairbanks Recording District in the state of Alaska. The Tibbs Agreement is for a period of 10 years terminating June 15, 2027. The Tibbs Agreement grants TCG a 2.5% net smelter return royalty ("NSR"), of which 1.5% can be purchased for US$1,500,000.

During the year ended December 31, 2023, no field work was conducted at the Tibbs property.

On July 30, 2019, the Company received notice from another junior mining company that seven of the claims at Tibbs wholly or partially overstake their claims, and that they are asserting the senior claim. Tectonic considers the disputed claims to be non-core, and this notice will not impact Tectonic's exploration efforts going forward on the rest of the Company's Tibbs claims. The Company is currently investigating the validity of this notice with its counsel and will not be performing any exploration work on the disputed claims until the matter is resolved.

Option payments and exploration commitments

In consideration, the Company paid TCG a total of $445,162 (US$330,000) up to December 31, 2023. Pursuant to the option agreement, the Company is required to pay a US$50,000 option payment each June from 2021 to 2027 and was required to incur an aggregate US$1,000,000 in exploration expenses by June 2022. During the year ended December 31, 2021, the Company fulfilled this exploration expenditure commitment. On June 1, 2023, the Company paid TCG a total of $68,175 (US$50,000) pursuant to the option agreement.

Further, the Company has agreed to pay TCG a cash payment of US$1,000,000 if the Company commences commercial production on Tibbs. The Company has the option to acquire Tibbs at any time during the lease term by making a lump sum payment equal to the aggregate amount of any remaining Tibbs Anniversary Payments. If, during the term of the Tibbs Agreement, the Company completes a preliminary economy assessment, the Company must make a cash payment of US$25,000 each year to TCG in addition to the Tibbs Anniversary Payments.

SEVENTY-MILE

Seventy-mile is a greenstone belt in a Tier 1 jurisdiction greater than 40 km long, owned by Doyon. Seventy-mile comprises approximately 150,000 acres of Native-Owned Land, with numerous gold zones delineated by reconnaissance drilling, trenching, and soil and rock sampling.

In consideration, the Company paid Doyon $233,508 (US$180,000) for lease requirements from lease inception to December 16, 2022. On December 16, 2022, the Company decided not to continue with the Seventy-mile property and terminated the lease agreement, resulting in an impairment of exploration and evaluation assets of $233,508.

CARRIE CREEK AND MT. HARPER

In August 2020, the Company entered into a mining lease agreement with Doyon for a 100% interest in the area of the Alaska Native regional corporation mineral estate in the Goodpaster Mining District, Alaska (“Carrie Creek and Mt. Harper”). The lease covers the mineral estate and the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon was granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production.

The Company contributes to the Doyon Foundation an annual US$10,000 scholarship for the term of the lease. On April 24, 2023, the Company fulfilled its current year’s commitment.

During the year ended December 31, 2023, the Company decided not to continue with the Carrie Creek and Mount Harper property and terminated the lease agreement, resulting in an impairment of exploration and evaluation assets of $53,961.

FLAT

Overview

Flat is a large scale, intrusion-hosted gold system with mineralization beginning at surface and is the 3rd largest placer mining district in Alaska. Historical exploration work has demonstrated continuity of low-grade gold mineralization (approximately one g/t Au) but has shown potential for discrete high-grade mineralization (greater than 20 g/t Au), as observed in similar geological settings such as the Fort Knox gold mine.

In September 2021, the Company entered into a mining lease agreement with Doyon for a 100% interest in Flat located 40 kilometers north of the Donlin Gold Project, owned and operated by Barrick Gold Corp. and Novagold Resources Inc., and located in the Kuskokwim Mineral Belt, Alaska. The agreement covers all aspects of exploration, development, production and royalties, including key environmental, social and governance provisions. The initial term of the lease is for 15 years and includes renewal clauses to extend the lease period up to the entire operational period of the mine. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the fifth anniversary of the 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 anniversaries 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.

Option payments and exploration commitments

In consideration, the Company paid Doyon $196,533 (US$150,000) for mineral lease agreement requirements from lease inception to December 31, 2023 and is required to pay:

- US$40,000 each January from 2022 to 2025 (2022 and 2023 payments were paid);
- US$50,000 each January from 2026 to 2030;
- US$100,000 each January thereafter. If the Company exercises its option to extend the lease term, this payment will be increased to US$200,000; and
- US$150,000 upon completion of a feasibility study.

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenses on Flat:

	US$
2021-2023 (including no less than US$500,000 by the end of 2022)	1,000,000
2024-2026	2,000,000
2027-2029	2,500,000
Each three-year lease period commencing 2030	2,500,000

Eligible expenses include all actual direct costs incurred related to the exploration and development of Flat, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenses and apply them against a future year. As at December 31, 2023, the Company incurred US$5,945,782 in cumulative expenses on Flat.

The Company has committed to contributing to the Doyon Foundation a 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 the Flat property. On April 24, 2023, the Company fulfilled its current year's commitment.

Exploration programs

During the period from August to October 2023 the Company commenced its Drill Program at the Flat Gold Property. Highlights of the program announced November 23, 2023 (end of season update) and February 7, 2024 (drilling results) are shown below:

<u>End of Season Update Announced November 23, 2023;</u>

- **Upgraded Infrastructure:** The 4,100-foot-long airstrip has seen little to no activity in almost 20 years and therefore required maintenance and upgrading to support this year's activities.
- **Multi-Year Camp Established:** The multi-year, 24-person camp was built following four successful deliveries of camp materials to the Flat Airstrip by a Hercules C-130 Transport Aircraft. Camp facilities remain onsite and were successfully decommissioned for the winter season.
- **Drilling:** 19 drill holes of combined diamond and RC drilling for a total of 2,633 meters were completed at Chicken Mountain with the objective of expanding mineralization along strike and at depth and drilling new discoveries.
    - Diamond Drilling: 915 meters of oriented diamond drilling across 3 holes to a maximum depth of 428.5 meters was drilled to expand historically drilled mineralization along strike and to depth while providing valuable structural data to assist in understanding optimal orientation and controls on mineralization which can then be applied for future targeting.
    - RC Circulation Drilling: 1,718 meters of drilling across 16 holes was completed by the RC drill to test new, historically undrilled areas of the Chicken Mountain gold in soil anomaly.
- **Drills Remain On-site:** Both the diamond and RC circulation drills have been winterized and retained onsite in anticipation of the 2024 drill season.
- **Field Mapping and Prospecting:** Field mapping/prospecting was performed during the drill campaign, which focused on the relationships between monzonite intrusions, volcanic cap rocks, and hornfelsed Kuskokwim sediments, from Chicken Mountain northwards towards the Golden Apex area. Some 49 representative rock samples were collected for ongoing geochemical and petrographic work.
- **Aerial High Resolution LiDAR/Orthophoto Survey:** Completed over ~237 square kilometers covering the Flat volcano-intrusive complex, associated hornfelsed Kuskowim sediments, and historic placer mining activity/infrastructure within the project area. This advanced and precise LiDAR survey, combined with orthophotos, creates a comprehensive and detailed base-map. With high resolution and accuracy, this data serves as a foundation for overlaying other geological datasets. Not only does LiDAR help identify surface structures and lineaments, it provides valuable insights into the underground geology. This aids in geological mapping and can lead to the discovery of potential gold deposits associated with geological structures.
- **Site Visit:** Management hosted a site tour for members of Doyon Limited, investors, mining securities analysts, and the Board of Directions.
- **Health & Safety**: More than 17,000 work-hours incurred on-site on the Project with no Lost Time Incidents.

Drilling Results Announced February 7, 2024

Highlights and Key Findings:

- All drill holes intersected gold mineralization.
- 19 holes drilled across 1.6km of strike down to a maximum vertical depth of 300 m or 428.55m drill hole length, for a total of 2,633m at Chicken Mountain.
- 12 drill holes ended in mineralization.
- Mineralization remains open in all directions.
- Oxidation as deep as 350m down hole.
- Low sulphur in all drill holes.
- Drilling has identified a potentially higher-grade (>1.0 g/t Au) lode that is open for expansion and warranting drill follow up.
- Drilling strengthens the case that Chicken Mountain appears to be a Fort Knox / Reduced Intrusion Related Gold System (RIRGS) characterized by gold hosted within sheeted veining and shear zones, strong correlation of gold with bismuth and tellurium and multiple phases of intrusion, with notable structural/fault/shear zones exhibiting domains of intense hydrothermal alteration and higher-grade mineralization.
- Diamond drilling successfully confirms continuous mineralization to 300 m vertical depth (3 times deeper than average historical drilling and still open in all directions) with highlights of;
    - **37.32m at 1.02 g/t Au** within a broader mineralized interval of **146.90m at 0.61 g/t Au** and the entire drill hole (CMD23-001) being completely mineralized, ending in mineralization, and yielding **423.15m at 0.41 g/t Au**
    - **36.40m of 1.22 g/t Au** within a broader mineralized interval of **170.00m at 0.53g/t Au** and the entire drill hole (CMD23-002), a **450m step out** from CMD23-001, being completely mineralized, ending in mineralization, and yielding **344.61m of 0.36 g/t Au**
- RC drilling successfully confirms mineralization beyond the periphery of historical drilling
    - Sixteen drill holes testing 1000m of strike along eastern and western margins of the 4km x ~ 1km gold in soil anomaly
    - **22.86m of 1.12 g/t Au** within a broader mineralized interval of **89.92 m at 0.60 g/t Au** and ending in mineralization (CMR23-001) representing a **62.00m step out** from the closest historical collar
    - **24.39m of 1.09 g/t Au** within a broader mineralized interval of **76.20m at 0.55 g/t Au** and ending in mineralization (CMR23-008) representing a **102.00m step out** from the closest historical collar
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On February 16, 2023 the Company announced the results of a metallurgical test program at its Flat Property. Metallurgical samples were selected by Tectonic from historically drilled diamond core samples with the objective of investigating the potential for free-milling gold mineralization at Flat, and more specifically, within the Chicken Mountain Zone ("CMZ").

Tectonic's Metallurgical Test Work Program focused on Flat's primary target known as the Chicken Mountain Zone ("CMZ") comprised of intrusion-related gold mineralization hosted within a zoned monzonitic intrusion, which forms part of the more extensive Late Cretaceous Flat volcano-plutonic complex intruding Cretaceous-aged Kuskokwim sediments. 55 drill holes (diamond and reverse circulation) were historically drilled at CMZ, all of which encountered gold mineralization. Five composites (four oxide and one fresh non-oxidized sulphide) derived from 41 samples collected from 9 drill holes for a total weight of 119 kilograms were formed and determined to be representative of the known gold mineralization at Flat. The five composites were then subject to an array of metallurgical testing, including bottle roll testing at various crush sizes, gravity testing, combined bottle roll + gravity testing and flotation testing, to provide insight on what metallurgical processing methods might be ideal going forward.

The composites were then subject to conventional bottle roll, gravity, combined gravity and bottle roll and flotation metallurgical test work with the goal of de-risking the project and to provide insight into what metallurgical processing methods might be ideal;

- Conventional bottle roll tests with 48-hour leach kinetics of material ground to a K80 of 75µm yields an average gold recovery of 95.6% with a range of 88.3% to 99.1%.
- Conventional gravity + bottle roll tests with 48-hour leach kinetics of material ground toa K80 of 75µm yield an average gold recovery of 97.2% and a high of 98.7% across the 5 composites. The fresh sulphide composite yielded a highly favourable gold recovery of 94.7.
- Given the initial favourable results, Tectonic then elected to do a coarser crush (6 mesh coarse crush, K100 of 3360µm) bottle roll test on all five composites with leach kinetics over a 192-hour period as a proxy for heap leach amenability ahead of future column leach testing. Bottle roll testing on this coarser crush material achieved an average gold recovery of 88.5% with 4 of the 5 composites averaging 94.0% at 3360µm vs 97.5% at 75µm indicating the majority of the tested material is not grind sensitive.
- Strong and rapid leach kinetics demonstrated throughout the various metallurgical tests.
- Very low cyanide consumption with an average of 0.22 kg/t for both the 75µm bottle and3360µm coarse bottle rolls tests
- Low sulphur content with 4 of 5 composites averaging 0.02% and 0.06% in the fifth composite.
- No preg robbing identified.
- The various metallurgical tests and their positive results indicate that Tectonic may have several metallurgical processing options available at Flat.

MAPLE LEAF

During the year ended December 31, 2022, the Company decided not to continue with the Maple Leaf property resulting in an impairment of exploration and evaluation assets of $15,977.

PORTERFIELD

On October 18, 2023, the Company entered into a mining lease agreement for a 100% interest in the Porterfield Property (“Porterfield”) located in the Mt. McKinley Recording District, State of Alaska, immediately north of Flat. The initial term of the lease is 20 years. The lessor was granted a 2% NSR for precious minerals and all other mineral products produced and sold from the Porterfield Property. At any time after the exercise of the option to purchase, the Company may buy back 1% of the NSR for US$1,500,000.

In consideration, the Company paid $34,275 (US$25,000) upon signing and is required to pay:

- US$25,000 on or before each anniversary date from 2024 to 2026;
- US$50,000 on or before each anniversary date from 2027 to 2028; and
- US$50,000 on each subsequent anniversary date from 2029 to 2043.

At any time prior to October 18, 2029, the Company can exercise the option to purchase the claims by tendering either (i) a cash payment of US$200,000, (ii) common shares of the Company equivalent in value to US$200,000, or (iii) any combination of cash and common shares as elected by the Company.

Pursuant to the mining lease agreement, the Company is required to incur the following amounts for exploration expenses on Porterfield:

	US$
Before December 1, 2024	50,000
Before December 1, 2025	100,000
Before December 1, 2026	100,000
Before December 1, 2027	200,000
Before December 1, 2028	200,000

HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

Health and safety

There were no fatalities or lost-time injuries reported at any of the Company's project sites.

Environment

There were no environmental issues reported at any of the Company's project sites.

Community

As per the Carrie Creek and Mt. Harper and Flat agreements, the Company committed to contributing to the Doyon Foundation an aggregate US$20,000 scholarship for the term of the lease. On April 24, 2023, the Company fulfilled its current year's commitment. 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 advance traditional Native knowledge by partnering with various organizations.

EXPLORATION AND EVALUATION ASSETS AND EXPENSES

A summary of the Company's exploration and evaluation assets is as follows:

	Tibbs	Seventy-mile	Carrie and Mt. Harper	Flat	Maple leaf	Porterfield	Total
	$	$	$	$	$	$	$
Balance, December 31, 2021	311,927	233,508	40,453	88,163	15,977	-	690,028
Cash acquisition payments	65,060		13,508	54,032	-	-	132,600
Impairment	-	(233,508)	-	-	(15,977)	-	(249,485)
Balance, December 31, 2022	376,987	-	53,961	142,195	-	-	573,143
Cash acquisition payments	68,175	-	-	54,338	-	34,275	156,788
Impairment	-	-	(53,961)	-	-	-	(53,961)
Restoration provision	-	-	-	315,815	-	-	315,815
Balance, December 31, 2023	**445,162**	**-**	**-**	**512,348**	**-**	**34,275**	**991,785**

A summary of the Company's exploration and evaluation expenses for the year ended December 31, 2023 is as follows:

	Tibbs	Carrie and Mt. Harper	Flat	Porterfield	Project generation and support	Total
	$	$	$	$	$	$
Administrative expenses	-	-	31,697	-	23,256	54,953
Computer software	1,803	886	59,728	-	7,367	69,784
Claim maintenance	-	-	-	49,662	-	49,662
Conference and conventions	-	-	-	-	67,571	67,571
Community expenses	-	-	12,500	-	-	12,500
Drilling program	-	-	4,443,555	-	-	4,443,555
Geological and geophysical consulting	32,021	3,452	1,259,474	-	1,796	1,296,743
Land Management	39,382	1,426	35,277	-	-	76,085
Laboratory expenses	2,257	-	269,585	-	-	271,842
Other camp expenses	7,733	360	1,021,826	-	-	1,029,919
Salary and legal costs	-	-	137,577	-	6,260	143,837
Surveying program	-	-	8,174	-	-	8,174
Scholarship fees	-	6,791	13,556	-	-	20,347
	83,196	**12,915**	**7,292,949**	**49,662**	**106,250**	**7,544,972**

A summary of the Company's exploration and evaluation expenses for the year ended December 31, 2022 is as follows:

	Tibbs	**Seventy-mile**	**Carrie and Mt. Harper**	**Flat**	**Maple leaf**	**Project generation and support**	**Total**
	$	$	$	$	$	$	$
Computer software	18,903	10,499	6,408	18,492	-	24,780	79,082
Claim maintenance	55,142	64	129	-	-	739	56,074
Drilling program	132,364	838,411	13,938	187,477	-	-	1,172,190
Geological and geophysical consulting	23,763	24,839	24,068	64,652	17,668	27,766	182,756
Laboratory expenses	-	-	-	22,235	-	5,800	28,035
Mapping program	5,493	1,305	25,714	321,650	-	-	354,162
Other camp expenses	1,809	5,634	27	15,524	232	8,773	31,999
Registration fees	-	-	-	-	625	875	1,500
Salary and legal costs	58,146	13,510	13,680	7,384	13,981	14,332	121,033
Surveying program	15,946	1,373	7,248	2,826	84	5,532	33,009
Scholarship fees	-	31,240	31,240	12,496	-	-	74,976
	311,566	**926,875**	**122,452**	**652,736**	**32,590**	**88,597**	**2,134,816**

SUMMARY OF QUARTERLY RESULTS

The following table shows results from the previous eight fiscal quarters:

Period ending	**Exploration and evaluation assets**	**Working capital**	**Net loss and comprehensive loss**	**Basic and diluted loss per share**
	$	$	$	$
December 31, 2023	**991,785**	**1,996,734**	**(2,915,676)**	**(0.01)**
September 30, 2023	641,318	3,314,826	(5,200,079)	(0.02)
June 30, 2023	641,318	3,871,737	(484,036)	(0.00)
March 31, 2023	573,143	1,381,727	(999,217)	(0.00)
December 31, 2022	573,143	2,345,087	(979,686)	(0.00)
September 30, 2022	755,088	111,723	(1,741,859)	(0.01)
June 30, 2022	755,088	1,549,909	(697,800)	(0.00)
March 31, 2022	690,028	250,085	(586,937)	(0.00)

During Q4 2023, the Company incurred a net loss and comprehensive loss of $2,915,676. This decrease compared to $5,200,079 during Q3 2023 is as a result of decreased exploration expenses, predominantly relating to the 2023 drill program at Flat. Additionally, working capital decreased to $1,996,734 compared to $3,314,826 during Q3 2023 as a result of exploration expenses at Flat offset by proceeds from the Warrants Incentive Program.

During Q3 2023, the working capital decreased to $3,314,826 compared to $3,871,737 as a result of cash used for exploration expenses offset by cash raised from the closure of the second and third tranches of the 2023 Private Placement. During the three months ended September 30, 2023, the Company incurred a net loss and comprehensive loss of $5,200,079. This increase compared to $484,036 in the three months ended June 30, 2023 is predominantly due to increased exploration expenses as the Company commenced its 2023 drill program at Flat.

During Q2 2023, the working capital increased to $3,871,737 as a result of the closure of the first tranche of the 2023 Private Placement for gross proceeds of $3,346,785, offset by share issuance costs of $305,647. In addition, exploration and evaluation assets increased to $641,318 from the previous quarter as a result of a cash property payment of $68,175 for Tibbs. During the three months ended June 30, 2023, the Company incurred a net loss and comprehensive loss of $484,036. This decrease compared to $999,217 during Q1 2023 is as a result of decreased exploration expenses, employee benefits and salaries as bonus's were paid in Q1 2023, corporate development and marketing with reduced conference attendance in Q2 2023 and reduced share-based payments due to a recovery in Q2 2023 for forfeited options.

During Q1 2023, the Company incurred a net loss and comprehensive loss of $999,217. This is in line with the loss incurred in Q4 2022 of $979,686 as both periods had similarly low exploration costs of $327,513 in Q1 2023 and $344,355 in Q4 2022 due to the lack of exploration activity conducted during the Alaskan winter. In addition, working capital decreased to $1,381,727 due to regular operating expenses, exploration expenses and no private placement taking place in Q1 2023.

During Q4 2022, the Company incurred a net loss and comprehensive loss of $979,686. This decrease compared to $1,741,859 during Q3 2022 is as a result of decreased exploration expenses of $344,354 during Q4 2022 compared to $1,239,791 during Q3 2022, which is expected due to the seasonality of exploration activity. In addition, working capital increased to $2,345,087 as a result of the November 17, 2023 private placement combined with reduced exploration expenses in Q4 2022. Exploration and evaluation assets decreased to $573,143 as a result of the impairments recognized on the Seventy-mile and Maple Leaf properties.

During Q3 2022, the Company incurred a net loss and comprehensive loss of $1,741,859. This increase compared to $697,800 during Q2 2022 is as a result of increased exploration expenses of $1,239,791 during Q3 2022, predominantly relating to Seventy-mile. In addition, working capital decreased to $111,723 as a result of cash used for exploration expenses, which more than offset the cash raised from the closing of the second tranche of the private placement on July 8, 2022.

During Q2 2022, working capital increased to $1,549,909 as a result of the closure of the first tranche of the private placement, which generated net proceeds of $1,883,533 In addition, exploration and evaluation assets increased to $755,088 from the previous quarter as a result of a cash property payment of $65,060 for Tibbs.

During Q1 2022, the Company incurred a net loss and comprehensive loss of $586,937. This decrease is mainly as a result of decreased exploration expenses of $273,139 during Q1 2022 compared to $1,052,219 during Q4 2021. In addition, working capital decreased to $250,085 as a result of cash used for operations with no offsetting cash inflows.

SELECTED ANNUAL INFORMATION

	FY2023	FY2022	FY2021
	$	$	$
Exploration and evaluation expenses	**7,544,972**	2,134,816	7,259,793
Operating expenses	**9,624,684**	4,071,623	9,385,009
Net loss and comprehensive loss	**9,599,008**	4,006,282	9,385,009
Basic and diluted loss per share	**0.03**	0.02	0.07
Total assets	**3,745,238**	3,369,338	1,907,560
Total non-current liabilities	**348,258**	-	9,918

The Company's net loss and comprehensive loss and operating expenses increased primarily due to higher exploration and evaluation expenses associated with the drill program at Flat. These additional losses contributed to the increased loss per share. Non-current liabilities increased due the additional restoration provision in FY2023 related to future costs for camp and infrastructure removal at Flat.

PERFORMANCE

	Q4 2023	Q4 2022	**FY2023**	FY2022
	$	$	**$**	$
Operating expense (income)				
Accounting and legal fees	**60,450**	76,519	**283,067**	339,197
Corporate development	**59,081**	100,075	**294,366**	265,645
Investor relations	**52,900**	66,088	**263,567**	175,428
Depreciation	**871**	8,950	**14,736**	37,082
Employee benefits and salary	**85,053**	113,787	**509,287**	495,235
Exploration and evaluation expenses	**2,387,792**	344,355	**7,544,972**	2,134,816
Foreign exchange loss (gain)	**(5,397)**	(13,742)	**11,536**	(3,371)
General and administration	**53,319**	31,184	**208,587**	130,128
Impairment of exploration and evaluation asset	**53,961**	249,485	**53,961**	249,485
Insurance	**12,744**	21,006	**60,040**	68,690
Interest expense	**-**	368	**207**	2,523
Listing and filing fees	**1,669**	12,053	**51,058**	42,355
Share-based compensation	**118,956**	23,365	**195,691**	96,762
Travel and meals	**43,449**	11,534	**133,609**	37,648
	2,924,848	1,045,027	**9,624,684**	4,071,623
Other income (expense)				
Reversal of accounts payable	**-**	65,341	**-**	65,341
Interest income	**9,172**	-	**31,777**	-
Loss on disposal of equipment	**-**	-	**(6,101)**	-
Net loss and comprehensive loss	**(2,915,676)**	(979,686)	**(9,599,008)**	(4,006,282)

FY2023 compared to FY2022

The Company recorded a net loss and comprehensive loss of $9,599,008 compared to $4,006,282 in the prior year. The primary drivers of this increase in the net loss were as follows:

- Investor relations increased to $263,567 compared to $175,428 in the prior year due to increased investor relation consulting needs as management focused their efforts to promote the Company to attract potential investors for the 2023 Private Placement.
- Exploration and evaluation expenses increased to $7,544,972 compared to $2,134,816 in the prior year due to the extensive drill program conducted at the Flat property.
- Share-based compensation increased to $195,691 compared to $96,762 in the prior year due to the vesting of options issued in both the current and prior year, coupled with additional options granted to officers and employees of the Company during the current year.
- Travel and meals increased to $133,609 compared to $37,648 in the prior year due to the increased travel for investor events and conferences and conventions noted above.

Partially offsetting the increase in net loss and comprehensive was a decrease in impairment of exploration and evaluation assets. In FY2023 the Company recognized an impairment loss of $53,961 on the Carrie Creek and Mount Harper properties compared to $249,485 on the Seventy-mile and Maple leaf properties in FY2022.

Q4 2023 compared to Q4 2022

The Company recorded a net loss and comprehensive loss of $2,915,676 compared to $979,686 in the prior year comparable period. The primary drivers of this increase in the net loss were as follows:

- Exploration and evaluation expenses increased to $2,387,792 compared to $344,355 in the prior year comparable period due to the extensive drill program conducted at the Flat property which concluded in October 2023.
- Share-based compensation increased to $118,956 compared to $23,365 in the prior year comparable period due to the vesting of stock options granted to officers and employees of the Company.
- Travel and meals increased to $43,449 compared to $11,534 in the prior year comparable period due to increased attendance at conferences and investor relation events.

Partially offsetting the increase in net loss and comprehensive were:

- Employee benefits and salary decreased to $85,053 compared to $113,787 in the prior year comparable period due to Company replacing certain full-time employees for part-time consultants.
- Impairment of exploration and evaluation asset decreased to $53,961 compared to $249,485 as a result of impairment losses recognized on Carrie Creek and Mt. Harper properties in Q4 2023 compared to $249,485 on the Seventy-mile and Maple leaf properties in the prior year comparable period.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

The Company has no cash inflow from operations. Its only significant source of funds since incorporation has been the sale of its common shares.

The Company's ability to continue as a going concern is dependent upon the it's ability to fund any additional losses we may incur. There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's financial statements were prepared on a going concern basis, which implies that the Company will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to achieve and maintain profitable operations.

As at December 31, 2023, the Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

Cash flow activities

A summary of the Company's cash position and changes in cash is as follows:

	FY2023	FY2022
	$	$
Cash used in operating activities	**(9,265,756)**	(3,640,098)
Cash used in investing activities	**(153,358)**	(139,821)
Cash provided by financing activities	**9,248,279**	5,257,996
Net change in cash	**(170,835)**	1,478,077
Cash, beginning of year	**2,552,145**	1,074,068
Cash, end of year	**2,381,310**	2,552,145

Cash used in operating activities increased to $9,265,756 compared to $3,640,098 in the prior year due to the increased net loss due to the higher exploration expenses incurred on Flat as explained above in the Selected Annual Information section of this MD&A.

Cash used in investing activities increased to $153,358 compared to $139,821 in the prior year as a result of the Company entering into the mining lease agreement with Porterfield which was not present in FY2022.

Cash provided by financing activities increased to $9,248,279 compared to $5,257,996 due to higher proceeds from the 2023 Private Placement compared to the private placements in 2022. In addition, in November 2023 the Company closed the Warrant Incentive Program for gross proceeds of $1,579,334.

Capital resources

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed.

RELATED PARTY TRANSACTIONS

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions with its key management personnel for the years ended December 31, 2023 and 2022, is as follows:

	FY2023	FY2022
	$	$
Accounting and legal fees	**177,609**	143,953
Employee benefits and salary - administration expense	**395,977**	240,000
Employee benefits and salary - exploration expense	**-**	31,556
Exploration and evaluation expenses	**210,000**	167,605
Share-based compensation	**154,274**	69,559
Share issuance costs	**44,266**	-
	982,126	652,673

As at December 31, 2023, accounts payable and accrued liabilities contain amounts due to related parties of $82,077 (December 31, 2022 - $10,763). The amounts have no specified terms of repayment and are due upon demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements as at December 31, 2023 and as at the MD&A date.

PROPOSED TRANSACTIONS

The Company had no proposed transactions as at December 31, 2023 and as at the MD&A date.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

The Company's significant accounting judgements and sources of estimation uncertainty are described in Note 4 of the Company's Financial Statements.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2023:

Disclosure of accounting policies - amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 *Presentation of financial statements* and IFRS Practice Statement 2 *Making materiality judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition, or presentation of any items in the Company's Financial Statements.

Definition of accounting estimates - amendments to IAS 8
The amendments to IAS 8 *Accounting policies, changes in accounting estimates and errors* clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's Financial Statements.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards as they are not applicable to the Financial Statements.

FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

As at December 31, 2023 and 2022, the Company's financial instruments consist of cash and accounts payable and accrued liabilities all of which are measured at amortized cost.

The carrying value of cash and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash. The risk exposure is limited because the Company places its instruments in institutions of high credit worthiness within Canada.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments with variable interest rates, other than cash and, therefore, is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at December 31, 2023, the Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

A summary of the Company's financial instruments held in US dollars, expressed in Canadian dollars is as follows:

	December 31, 2023	December 31, 2022
	$	$
Cash	**650,167**	394,367
Accounts payable and accrued liabilities	**(371,061)**	(157,108)
Net financial assets	**279,106**	237,259

As at December 31, 2023, a 5% change in the foreign exchange rate would result in an impact of approximately $13,955 (December 31, 2022 - $11,863) to the financial instruments denominated in USD. The Company has no hedging agreements in place with respect to foreign exchange rates.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares without par value. The Company had the following outstanding securities:

	December 31, 2023	MD&A date
	#	#
Common shares	330,700,924	330,700,924
Stock options	9,375,000	9,375,000
Warrants	99,372,495	99,372,495

SUBSEQUENT EVENT

None noted.

RISKS AND UNCERTAINTIES

The primary risk factors affecting the Company are set forth below.

Exploration stage company

The Company is an exploration stage company and cannot give assurance that a commercially viable deposit (or "reserve") exists on any properties for which the Company currently has or may have (through potential future joint venture agreements or acquisitions) an interest. Therefore, the determination of the existence of a reserve depends on appropriate and sufficient exploration work and the evaluation of legal, economic and environmental factors. If the Company fails to find a commercially viable deposit on any of its properties, its financial condition and results of operations will be materially adversely affected.

Mineral exploration and development

Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Substantial expenditures are required to establish ore reserves through exploration and drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities and grades to justify commercial operations or that funds required for development can be obtained on a timely basis. Estimates of reserves, mineral deposits and production costs can be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, social governance issues, unforeseen technical difficulties, unusual or unexpected geological formations, and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short-term factors relating to reserves, such as the need for orderly development of ore bodies or processing new or different grades, may have an adverse effect on mining operations and the results of operations. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Competition and mineral exploration

The mineral exploration industry is intensely competitive in all of its phases, and the Company must compete in all aspects of its operations with a substantial number of companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Limited operating history

The Company has a limited operating history, and its mineral properties are exploration stage properties. As such, the Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of revenues. The current state of the Company's mineral properties requires significant additional expenditures before any cash flow may be generated. Although Tectonic possesses an experienced management team, there is no assurance that the Company will be successful in achieving a return on shareholders' investment, and the likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably or provide a return on investment, or that it will successfully implement its plans.

Negative cash flow from operating activities

The Company has no history of earnings and has had negative cash flow from operating activities since inception. The Company's mineral properties are in the exploration stage, and there are no known mineral resources or reserves and the proposed exploration programs on the Company's mineral properties are exploratory in nature. Significant capital investment will be required to achieve commercial production from the Company's existing projects. There is no assurance that any of the Company's mineral properties will generate earnings, operate profitably or provide a return on investment in the future. Accordingly, the Company will be required to obtain additional financing to meet its future cash commitments.

Going concern risk

The financial statements have been prepared on a going concern basis under which the Company is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

Additional funding

The exploration and development of the Company's mineral properties will require substantial additional capital. When such additional capital is required, the Company will need to pursue various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favourable to the Company and might involve substantial dilution to existing shareholders.

The Company may not be successful in locating suitable financing transactions in the time period required or at all. A failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financings may involve a pledge of assets and may be senior to interests of equity holders. The Company may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses, and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets (both generally and in the gold and copper industries in particular), the Company's status as a new enterprise with a limited history, the location of the Company's mineral properties, the price of commodities and/or the loss of key management personnel.

Permits and government or regulatory approvals

Exploration and development activities are dependent upon the grant of appropriate licenses, concessions, leases, permits and regulatory consents, and environmental approvals, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining license will be granted with respect to exploration territory. There can be no assurance that any exploration license will be renewed, or if so, on what terms. These licenses place a range of past, current and future obligations on the Company. In some cases, there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant license or related contract. The Company may require permits from various federal, state, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protection, mine safety and other matters. Although the US has a favourable legal and fiscal regime for exploration and mining, including a relatively simple system for the acquisition of mineral titles and relatively low tax burden, possible future government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. The Company is currently in compliance with all material regulations applicable to its exploration activities.

Laws and regulation

The Company's exploration activities are subject to extensive federal, state, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can, therefore, become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

COVID-19 coronavirus outbreak

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company’s business or ability to raise funds. As of the date of this MD&A, COVID-19 has had a minimal impact on the Company’s ability to access and explore its current properties.

Environmental risks

The Company's exploration and/or development activities are subject to extensive laws and regulations governing environmental protection. The Company is subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms.

Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by non-governmental organizations has caused some governments to cancel or restrict the development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

The legal framework governing this area is constantly developing, therefore, the Company is unable to fully ascertain any future liability that may arise from the implementation of any new laws or regulations, although such laws and regulations are typically strict and may impose severe penalties (financial or otherwise). The proposed activities of the Company, as with any exploration, may have an environmental impact, which may result in unbudgeted delays, damage, loss, and other costs and obligations, including, without limitation, rehabilitation and/or compensation. There is a risk that the Company's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Company's activities and, in particular, the proposed exploration and mining by the Company within the state of Alaska.

Dependence on management and key personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel, as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

Material contract obligations

The agreements pursuant to which the Company acquired its interest in its properties provide that the Company must make a variety of payments in cash and common shares over certain time periods and expend certain minimum amounts on the exploration of its properties. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in one or more of the properties.