TECTONIC
METALS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Months Ended September 30, 2019 and 2018

(Expressed in Canadian Dollars)
(Unaudited)

TECTONIC METALS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars) (unaudited)

As at

	Note	September 30, 2019	December 31, 2018
ASSETS			
Current			
Cash	4	$ 3,866,383	$ 2,079,340
Receivables	4	61,616	-
Refundable deposits and other		134,395	94,548
		4,062,394	**2,173,888**
Equipment	5	43,589	24,852
Exploration and evaluation assets	6	373,219	367,998
Right of use asset	10	13,496	-
		$ 4,492,698	**$ 2,566,738**
LIABILITIES			
Current			
Trade and other payables	4, 8	$ 1,132,962	$ 113,219
Lease liability	10	16,000	-
		1,148,962	**113,219**
SHAREHOLDERS' EQUITY			
Share capital	7	6,258,270	7,032,286
Reserves	7	5,990,657	-
Deficit		(8,905,191)	(4,578,767)
		3,343,736	**2,453,519**
		$ 4,492,698	**$ 2,566,738**

Nature of operations and going concern (Note 1)

Approved on behalf of the Board:

"Antonio Reda" "Michael Roper"

Antonio Reda **Michael Roper**

TECTONIC
METALS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) (unaudited)

	Note	3 months ended September 30, 2019	3 months ended September 30, 2018	9 months ended September 30, 2019	9 months ended September 30, 2018
EXPENSES					
Exploration expenses	6	$ 2,138,357	$ 1,739,789	$ 2,872,187	$ 2,822,729
Administration expenses	9	585,209	69,226	1,194,781	189,524
Foreign exchange gain		(8,574)	(6,023)	(3,952)	(3,991)
Finance cost		397	-	1,548	-
Impairment	6	261,860	-	261,860	-
Loss and comprehensive loss for the period		$ (2,977,249)	$ (1,802,992)	$ (4,326,424)	$ (3,008,262)
Basic and diluted loss per common share		$ (0.08)	$ (0.05)	$ (0.12)	$ (0.11)
Weighted average number of common shares outstanding		35,933,012	35,390,603	35,279,598	26,499,341

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars) (unaudited)

	SHARE CAPITAL			RESERVES				
	Number	Amount	Share subscriptions received in advance	Special Warrants	Warrants	Restricted Shares	Deficit	Total
At December 31, 2017	12,200,000	$ 439,662	$ 350,000	$ -	$ -	$ -	$ (636,882)	$ 152,780
Shares issued for cash	19,005,414	6,396,825	(102,000)	-	-	-	-	6,294,825
Shares issued for exploration expense	400,000	100,000	-	-	-	-	-	100,000
Share purchase warrant exercises	3,380,000	338,000	(248,000)	-	-	-	-	90,000
Shares issued for finder fees	24,845	8,696	-	-	-	-	-	8,696
Share issue costs	-	(250,897)	-	-	-	-	-	(250,897)
Loss for the period	-	-	-	-	-	-	(3,008,262)	(3,008,262)
At September 30, 2018	**35,010,259**	**$ 7,032,286**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (3,645,144)**	**$ 3,387,142**
At December 31, 2018	35,010,259	$ 7,032,286	$ -	$ -	$ -	$ -	$ (4,578,767)	$ 2,453,519
Shares issued for option payment	150,000	52,500	-	-	-	-	-	52,500
Special Warrants issued for cash	-	-	-	5,817,696	-	-	-	5,817,696
Share issue costs	-	(826,516)	-	25,000	71,034	-	-	(730,482)
Restricted share issuance	3,350,000	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	76,927	-	76,927
Loss for the period	-	-	-	-	-	-	(4,326,424)	(4,326,424)
At September 30, 2019	**38,510,259**	**$ 6,258,270**	**$ -**	**$ 5,842,696**	**$ 71,034**	**$ 76,927**	**$ (8,905,191)**	**$ 3,343,736**

Share Capital (Note 7)

TECTONIC METALS INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Canadian Dollars) (unaudited)

	3 months ended September 30, 2019	3 months ended September 30, 2018	9 months ended September 30, 2019	9 months ended September 30, 2018
OPERATING ACTIVITIES				
Loss for the period	$ (2,977,249)	$ (1,802,992)	$ (4,326,424)	$ (3,008,262)
Items not involving cash:				
Depreciation	8,377	1,355	24,955	2,836
Shares issued for exploration expense	-	-	-	100,000
Foreign exchange	(6,331)	-	(1,236)	-
Finance cost	512	-	1,852	-
Impairment	261,860	-	261,860	-
Share based payment	76,927	-	76,927	-
Changes in non-cash working capital items:				
Increase in receivables	(39,012)	-	(61,616)	-
Decrease (Increase) in other current assets	282,225	26,161	(39,847)	(222,065)
Increase (Decrease) in trade and other payables	510,125	(410,181)	924,720	179,235
Cash used in operating activities	**(1,882,566)**	**(2,195,657)**	**(3,138,809)**	**(2,948,256)**
INVESTING ACTIVITIES				
Exploration and evaluation assets	(16,361)	-	(214,581)	(296,664)
Equipment	106	(1,858)	(27,161)	(21,409)
Cash used in investing activities	**(16,255)**	**(1,858)**	**(241,742)**	**(318,073)**
FINANCING ACTIVITIES				
Share subscriptions received in advance	(21,000)	-	-	-
Proceeds from share and share purchase warrant issuances	-	-	-	6,294,825
Proceeds from Special Warrant issuance	5,817,696	-	5,817,696	-
Warrants exercised	-	-	-	90,000
Share issuance costs	(605,143)	(13,047)	(635,652)	(238,696)
Lease payments	(6,713)	-	(15,879)	-
Cash provided (used in) by financing activities	**5,184,840**	**(13,047)**	**5,166,165**	**6,146,129**
Effect of foreign exchange on cash	7,746	-	1,429	-
Change in cash during the period	3,293,765	(2,210,562)	1,787,043	2,879,800
Cash—beginning of period	572,618	5,247,572	2,079,340	157,210
Cash—end of period	**$ 3,866,383**	**$ 3,037,010**	**$ 3,866,383**	**$ 3,037,010**

Supplemental cash flow information (Note 11)

01 NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the “Company”) was incorporated on April 7, 2017 under the laws of under the British Columbia Business Corporations Act. The Company’s head office is at 312-744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

The Company’s principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the United States 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.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. These Financial Statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The continuance of the Company’s operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company’s investments in exploration and evaluation assets which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors metal commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur. With financings completed during the nine months ended September 30, 2019 (Note 7), management estimates it has sufficient funds to operate for the upcoming twelve months.

Subsequent to September 30, 2019, the Company listed all the Company’s outstanding common shares on the Toronto Venture Stock Exchange (the “TSXV”) under the stock symbol “TECT”.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) applicable to the preparation of interim financial statements including International Accounting Standard 34: Interim Financial Reporting. Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted. These Financial Statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2018.

The accounting policies applied in the preparation of these Financial Statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2018 with the exception of new accounting policies described in Note 3. The Company's interim results are not necessarily indicative of its results for a full year.

Approval of The Financial Statements

These Financial Statements were authorized for issue by the Board of Directors of the Company on November 20, 2019.

Basis of Presentation

These Financial Statements have been prepared on a historical cost basis. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

New Accounting Policies Adopted

IFRS 16: LEASES

The IASB issued IFRS 16 to replace IAS 17: Leases. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and to record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. The Company adopted IFRS 16 retrospectively from January 1, 2019. No adjustments were necessary to the Company's opening deficit as a result of the adoption of this standard. With respect to the Company's office lease, a $30,027 right of use asset and a corresponding liability for the same amount were recognized as at January 1, 2019. The right of use asset and liability were measured at the present value of the lease payments discounted using the Company's incremental borrowing rate as of January 1, 2019. The right of use asset is amortized over the life of the lease on a straight-line basis. The right of use asset and lease liability are subsequently remeasured to reflect changes to the terms of the lease. Assets and liabilities are recognized for all leases unless the lease term is twelve months or less of the underlying asset has a low value.

03 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below:

Economic Recoverability and Probability of Future Economic Benefits of Exploration and Evaluation Assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Valuation of right of use asset and lease liability

In determining the valuation of the right of use asset and lease liability the Company is required to make judgements regarding the interest rate used for discounting future cash flows. The present value of the lease liability was determined using the estimated incremental borrowing rate of the Company.

Share-based payment

The Company has issued restricted shares that vest over time. In consideration of IFRS 2, the Company has recorded a $nil value to the shares at issuance and will recognize amounts over the vesting period to equity and share-based compensation based on the share value at the time of issuance.

04 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The value of cash and trade and other payables approximates their carrying values as September 30, 2019 and December 31, 2018 due to their short-term nature.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

CREDIT RISK

The Company is exposed to industry credit risks arising from its cash. The Company manages credit risk by holding cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada. Management believes that credit risk related to these amounts is mitigated.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing.

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 is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% change in interest rates would result in a nominal difference for the period ended September 30, 2019.

FOREIGN CURRENCY RISK

The Company is exposed to foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars.

PRICE RISK

The Company has limited exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

05 EQUIPMENT

For the nine months ended September 30, 2019

	COST			ACCUMULATED DEPRECIATION			
	Opening	Additions	Ending	Opening	Depreciation	Ending	Net Book Value
Mining equipment	$ 21,409	$ -	$ 21,409	$ (3,211)	$ (4,094)	$ (7,305)	$ 14,104
Office & furniture	-	17,866	17,866	-	(1,787)	(1,787)	16,079
Computer equipment	9,643	9,295	18,938	(2,989)	(2,543)	(5,532)	13,406
Total	**$ 31,052**	**$ 27,161**	**$ 58,213**	**$ (6,200)**	**$ (8,424)**	**$ (14,624)**	**$ 43,589**

For the year ended December 31, 2018

	COST			ACCUMULATED DEPRECIATION			
	Opening	Additions	Ending	Opening	Depreciation	Ending	Net Book Value
Mining equipment	$ -	$ 21,409	$ 21,409	$ -	$ (3,211)	$ (3,211)	$ 18,198
Computer equipment	4,503	5,140	9,643	(1,238)	(1,751)	(2,989)	6,654
Total	**$ 4,503**	**$ 26,549**	**$ 31,052**	**$ (1,238)**	**$ (4,962)**	**$ (6,200)**	**$ 24,852**

Depreciation is recorded in administrative expenses (Note 9).

(Expressed in Canadian dollars - unaudited)

06 EXPLORATION AND EVALUATION ASSETS

Carrying Amount

The following table represents acquisition costs incurred on the exploration and evaluation assets:

	MCQ, Canada	Tibbs, USA	Seventymile, USA	Northway, USA	Other, USA	Total
At December 31, 2017	$ 14,990	$ 40,393	$ -	$ -	$ -	$ 55,383
Additions: Cash property payments	100,000	64,940	38,892	38,892	-	242,724
Additions: Staking	44,370	9,570	-	15,951	-	69,891
At December 31, 2018	**$ 159,360**	**$ 114,903**	**$ 38,892**	**$ 54,843**	**$ -**	**$ 367,998**
Additions: Cash property payments	50,000	66,620	40,800	40,800	-	198,220
Additions: Share payments	52,500	-	-	-	-	52,500
Additions: Staking	-	384	-	-	15,977	16,361
Impairment	(261,860)	-	-	-	-	(261,860)
At September 30 2019	**$ -**	**$ 181,523**	**$ 79,692**	**$ 95,643**	**$ 15,977**	**$ 373,219**

Expenditures

Details of the Company's exploration and evaluation expenditures, which have been expensed, are as follows:

	MCQ	Tibbs	Seventymile	Northway	Other	Project Support	For the 3 months ended September 30, 2019
Registration fees	$ -	$ 61	$ -	$ -	$ -	$ 4,277	$ 4,338
Trenching & helicopter	-	-	-	-	-	4,668	4,668
GeoProbe Sampling	-	-	575,128	35,094	-	-	610,222
Test Pit Sampling	71,543	-	-	-	-	385	71,928
Drilling	-	1,094,859	-	111,767	-	-	1,206,626
Geological consulting	-	-	11,574	11,924	-	11,982	35,480
Salary & legal costs	8,518	44,702	20,299	16,107	142	13,982	103,750
Reclamation	-	13,958	-	-	-	-	13,958
Other	9,090	30,858	8,307	6,406	2,585	5,349	62,595
Share based payment	-	-	-	-	-	24,792	24,792
Total exploration expenditures	**$ 89,151**	**$ 1,184,438**	**$ 615,308**	**$ 181,298**	**$ 2,727**	**$ 65,435**	**$ 2,138,357**

(Expressed in Canadian dollars - unaudited)

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 3 months ended September 30, 2018
Trenching & helicopter	$ -	$ 161,042	$ 38,105	$ 174,541	$ -	$ 373,688
GeoProbe	280,384	60,605	10,001	-	-	350,990
Sampling	-	-	44,670	418,063	-	462,733
Surveying	72,967	141,148	162,411	-	-	376,526
Geological consulting	4,061	7,191	3,941	-	6,000	21,193
Salary & legal costs	12,142	35,033	26,712	34,873	-	108,760
Other	1,931	6,787	2,418	4,856	29,907	45,899
Total exploration expenditures	**$ 371,485**	**$ 411,806**	**$ 288,258**	**$ 632,333**	**$ 35,907**	**$ 1,739,789**

	MCQ	Tibbs	Seventymile	Northway	Other	Project Support	For the 9 months ended September 30, 2019
Registration fees	$ -	$ 61	$ -	$ 19,976	$ -	$ 4,277	$ 24,314
Scholarship fees	-	-	33,558	33,558	-	-	67,116
Trenching & helicopter	-	-	-	-	-	4,668	4,668
GeoProbe Sampling	-	-	577,511	327,384	-	-	904,895
Test Pit Sampling	71,543	-	-	-	-	385	71,928
Drilling	-	1,094,859	-	111,767	-	-	1,206,626
Geological consulting	-	335	16,807	20,095	-	66,847	104,084
Salary & legal costs	19,774	60,564	63,547	107,700	142	89,431	341,158
Reclamation	-	13,958	-	-	-	-	13,958
Other	11,149	33,371	15,731	25,885	2,585	19,927	108,648
Share based payment	-	-	-	-	-	24,792	24,792
Total exploration expenditures	**$ 102,466**	**$ 1,203,148**	**$ 707,154**	**$ 646,365**	**$ 2,727**	**$ 210,327**	**$ 2,872,187**

	MCQ	Tibbs	Seventymile	Northway	Project Support	For the 9 months ended September 30, 2018
Registration fees	$ 194	$ 13,862	$ -	$ -	$ 195	$ 14,251
Scholarship fees	-	-	33,265	33,265	-	66,530
Trenching & helicopter	-	376,363	138,825	174,541	-	689,729
Pre-season work	-	57,681	-	-	-	57,681
Probing	280,384	60,605	10,001	-	-	350,990
Sampling	100,000	-	105,880	422,536	-	628,416
Surveying	88,660	201,632	228,861	-	-	519,153
Geological consulting	5,836	9,364	5,886	1,263	8,612	30,961
Salary & legal costs	47,443	126,271	103,503	120,877	-	398,094
Other	8,667	12,074	6,890	5,333	33,960	66,924
Total exploration expenditures	**$ 531,184**	**$ 857,852**	**$ 633,111**	**$ 757,815**	**$ 42,767**	**$ 2,822,729**

(Expressed in Canadian dollars - unaudited)

Property Agreements

NORTHWAY

In June 2018, the Company entered into a mining lease agreement with Doyon, Limited ("Doyon") for a 100% interest in an area of the Alaska Native regional corporation mineral estate in the southern Fortymile Mining District, Alaska (the "Northway Property"). The lease covers the mineral estate and a portion of the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% Net Smelter Return ("NSR") for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary 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. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operational period of a mine.

In consideration the Company paid Doyon $38,892 in June 2018 and $40,800 in January 2019 ($30,000 USD each) and pursuant to the option agreement is required to pay:

I. $30,000 USD each January in 2020–2021

II. $60,000 USD each January 2022–2027

III. $200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to $300,000 USD.

IV. $600,000 USD upon completion of a feasibility study

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenditures on the Northway Property:

Calendar Years	Amount of annual exploration expenditures (USD$)
2018 (commitment fully met)	400,000
2019 (commitment fully met)[1]	600,000
2020–2023	750,000
2024–2027	1,500,000
2028 and each calendar year thereafter	2,000,000

1. Eligible expenditures include all actual, direct costs, expenses, and charges related to exploration and development conducted on or for the benefit of the Northway Property, including without limitation costs and expenses incurred off the property and reasonably allocated to operations on the property. The Company is permitted to carry forward excess expenditures and apply them against a future year. As of September 30, 2019, the Company incurred $1,499,744 in cumulative eligible expenditures on the Northway Property.

(Expressed in Canadian dollars - unaudited)

Additionally, the Company is required to pay Doyon a $25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to $50,000 USD each year following the commencement of commercial production at the Northway Property.

During the nine months ended June 30, 2019 and 2018, the Company paid Doyon the $25,000 USD scholarship payment.

SEVENTYMILE

In June 2018, 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 Eagle Mining District, Alaska (the "Seventymile Property"). 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 is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 4% NSR for precious minerals and a 3% NSR for base minerals from the fifth to tenth anniversary of commercial production. After the tenth anniversary 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. The initial lease term is for fifteen years and the lease agreement includes renewal clauses to extend the lease period up to the entire operating operation period of a mine.

In consideration the Company paid Doyon $38,892 in June 2018 and $40,800 in January 2019 ($30,000 USD each) and pursuant to the option agreement is required to pay:

i) $30,000 USD each January in 2020–2021

ii) $60,000 USD each January 2022–2027

iii) $200,000 USD each January 2028 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study this annual payment shall be increased to $300,000 USD.

iv) $600,000 USD upon completion of a feasibility study

Pursuant to the option agreement, the Company is required to incur the following amounts for exploration expenditures on the Seventymile Property:

Calendar Years	Amount of annual exploration expenditures (USD$)
2018 (commitment fully met)	400,000
2019 (commitment fully met)[1]	600,000
2020-2023	750,000
2024-2027	1,500,000
2028 and each calendar year thereafter	2,000,000

1. Eligible expenditures include all actual, direct costs, expenses, and charges related to exploration and development conducted on or for the benefit of the Seventymile Property, including without limitation costs and expenses incurred off the property and reasonably allocated to operations on the property. The Company is

permitted to carry forward excess expenditures and apply them against a future year. As of September 30, 2019, the Company incurred $1,618,228 in cumulative eligible expenditures on the Seventymile Property.

Additionally, the Company is required to pay Doyon a $25,000 USD scholarship each May for the term of the lease. The scholarship amount increases to $50,000 USD each year following the commencement of commercial production at the Seventymile Property.

During the nine months ended September 30, 2019 and 2018, the Company paid Doyon the $25,000 USD scholarship payment.

TIBBS

In June 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC. ("TCG") for a 100% interest in the surface and subsurface rights to State of Alaska Mining Claims in the Fairbanks Recording District, Alaska (the "Tibbs Property"). The agreement grants TCG a 2.5% NSR, of which 1.5% can be purchased for $1,500,000 USD. The term of the lease is ten years.

In consideration the Company paid TCG $40,393 ($30,000 USD) in June 2017, $64,940 ($50,000 USD) in June 2018, and $66,620 ($50,000 USD) in June 2019. Pursuant to the option agreement, the Company is required to pay a $50,000 USD option payment each June in 2020-2027 and is required to incur an aggregate amount of $1,000,000 USD in exploration expenditures by June 2022. As of September 30, 2019, the Company has fulfilled this exploration expenditure commitment.

During the nine months ended September 30, 2019, the Company received a notice from another company that seven of the claims on Tibbs wholly or partially overstake their claims and that they have the senior claim. The Company will not perform any exploration work on these claims until the matter is resolved and is currently investigating the validity of this notice with its counsel.

MCQ

In January 2018 and subsequently amended January 2019, the Company entered into an option agreement with Shawn Ryan and Wildwood Holdings Inc. (the "MCQ Option Holders") for a 100% interest in the Mayo District of Yukon Canada (the "MCQ Property"). On September 30, 2019, the Company delivered a notice to terminate the MCQ option agreement. The Company has no further obligations under the MCQ option agreement other than an obligation to deliver a report on all work carried out by the Company on the MCQ Property to the MCQ Option Holders by January 21, 2020.

During the nine months ended September 30, 2019, the Company issued 150,000 common shares valued at $52,500 (Note 7) and paid a $50,000 option payment. The Company's total capitalized costs of $261,860 has been written off as of September 30, 2019.

During the year ended December 31, 2018, the Company issued Shawn Ryan 400,000 common shares with a value of $0.25 per share for a total issuance of $100,000 in compensation for previous exploration work performed on the MCQ property (Note 7).

07 SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued Share Capital

a) On June 16, 2017, the Company issued 8,200,000 units at a price of $0.05 per unit for gross proceeds of $410,000. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of $0.10 and expires June 16, 2022. The fair value attributed to the common shares was $410,000.

b) On April 12, 2018, as per the terms of the option agreement on the MCQ Property (Note 6), the Company issued Shawn Ryan of Wildwood Exploration Inc. 400,000 common shares with a value of $0.25 per share for a total issuance of $100,000 in compensation for exploration work performed on the MCQ property.

c) On April 12, 2018, the Company completed an employee financing. The Company issued 1,020,000 common shares at a price of $0.10 per share for gross proceeds of $102,000. These proceeds were received in advance during the period April 7 – December 31, 2017.

d) On April 13, 2018, the Company completed a private placement financing. The Company issued 17,985,214 common shares at a price of $0.35 per share for gross proceeds of $6,294.825. Financing costs were $242,201, for net proceeds of $6,052.624. Additionally, the Company issued 24,845 common shares to an agent as compensation for finder fees valued at $8,696.

e) During the period April 7 – December 31, 2017, the Company declared an early warrant financing. To incentivize warrant holders to exercise their warrants, each warrant exercised would be exchanged for a common share and an additional warrant. Each new warrant would be convertible into one common share at an exercise price of $0.25 and expire June 16, 2022. During the year ended December 31, 2018, 3,380,000 of the warrants issued under Notes 7a and 7c were exercised under the early exercise financing for total proceeds of $338,000. Of these proceeds, $248,000 were received in advance during the period April 7 – December 31, 2017.

f) On January 19, 2019, the Company issued 150,000 common shares valued at $52,500 pursuant to the MCQ Property Agreement (Note 6).

g) On July 29, 2019, the Company issued 2,400,000 restricted common shares to employees and directors under its Restricted Share Plan (see below).

h) On September 19, 2019, the Company issued 950,000 restricted common shares to directors under its Restricted Share Plan (see Restricted Shares).

Special Warrants

During the nine months ended September 30, 2019, the Company completed a private placement issuance of 16,621,988 special warrants at $0.35 per special warrant (the “Special Warrants”) in two tranches. The financings were completed with the intent to list all of its outstanding common shares on the Toronto Venture Stock Exchange (the “TSXV”). Each Special Warrant entitles to the holder to one common share of the Company and one warrant exercisable into one common share of the Company with an expiry of two years after closing of the private placement and an exercise price of $0.50 (the "Underlying Warrant"). Each Special Warrant was automatically converted into one common share and the Underlying Warrant on November 11, 2019. On November 18, 2019, the Company's common shares began trading on the TSXV under the stock symbol "TECT".

(Expressed in Canadian dollars - unaudited)

TRANCHE 1:

On July 12, 2019, the Company issued 6,809,370 Special Warrants for gross proceeds of $2,383,280. The 6,809,370 Underlying Warrants expire July 12, 2021. As a financing fee, the Company issued 227,936 warrants valued at $38,614 with each warrant entitling the holder to acquire one common share with an exercise price of $0.35 expiring July 12, 2021, a finance fee of $25,000 in cash and 71,428 Special Warrants valued at $25,000, and paid a $105,411 cash commission.

TRANCHE 2:

On September 26, 2019, the Company issued 9,812,618 Special Warrants for gross proceeds of $3,434,416. The 9,812,618 Underlying Warrants expire September 26, 2021. As a financing fee, the Company issued 235,978 warrants valued at $32,420 with each warrant entitling the holder to acquire one common share with an exercise price of $0.35 expiring September 26, 2021 and paid a $165,034 cash commission.

In addition to the issue costs above, the Company incurred $435,037 of share issue costs during the nine months ended September 30, 2019. Total share issue costs incurred during the nine months ended September 30, 2019 for the private placement was $826,516.

A summary of the private placement is as follows:

	Special Warrants #	Special Warrants $	Compensation Warrants #	Compensation Warrants $[1]	Share issue costs $
Tranche 1 Issuance	6,809,370	2,383,280	227,936	38,614	38,614
Corporate Finance Fee	71,428	25,000	-	-	50,000
Tranche 1 Cash Commissions	-	-	-	-	105,411
Tranche 2	9,812,618	3,434,416	235,978	32,420	32,420
Tranche 2 Cash Commissions	-	-	-	-	165,034
Other share issue costs	-	-	-	-	435,037
Balance — September 30, 2019	**16,693,416**	**5,842,696**	**463,914**	**71,034**	**801,516**

1) The fair value of the Underlying Warrants was determined using a Black-Scholes model using the following assumptions: grant date share price of $0.35, exercise price of $0.50, expected volatility of 90%, risk-free interest rate of 1.57% and expected life of 2 years.

Share Purchase Warrants

i) On April 12, 2018, the Company issued 2,980,000 warrants in connection with its early warrant financing described in Note 7e. The value attributable to the warrants was $nil.

j) On April 16, 2018, the Company issued 400,000 warrants in connection with its early warrant financing described in Note 7e. The value attributable to the warrants was $nil.

(Expressed in Canadian dollars - unaudited)

A summary of the Company's warrants and the changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted average exercise price ($)
Balance – December 31, 2017	4,100,000	4,100,000	0.10
Issued	3,380,000	3,380,000	0.25
Exercised	(3,380,000)	(3,380,000)	(0.10)
Balance – December 31, 2018	**4,100,000**	**4,100,000**	**0.22**
Compensation warrants issued in Special Warrant financing	463,914	463,914	0.35
As of September 30, 2019	**4,563,914**	**4,563,914**	**0.24**

Warrants outstanding as at September 30, 2019 are as follows:

Number outstanding	Exercise price per share ($)	Expiry date
227,936	0.35	July 12, 2021
235,978	0.35	September 26, 2021
720,000	0.10	June 16, 2022
3,380,000	0.25	June 16, 2022
4,563,914		

Stock Options

On April 10, 2019, the Company adopted a stock option plan (the "Stock Option Plan"). The Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date and vesting conditions to be determined by the Company' board of directors. The maximum expiry date is 10 years from the grant date. The Stock Option Plan permits the issuance of stock options which, together with the Restricted Share Plan, may not exceed 10% of the Company' issued common shares as at the date of grant.

As of September 30, 2019, no stock options have been granted.

Restricted Shares

On July 29, 2019, the Company adopted a restricted share plan (the "Restricted Share Plan"). The Company may grant common shares to eligible employees, officers, directors and consultants with performance conditions to be determined by the Company' board of directors (a "Restricted Share"). No cash consideration is received for Restricted Shares. Performance restrictions are placed on the Restricted Shares as determined by the Board. If employees fail to meet the restrictions, the Restricted Shares are subsequently cancelled and returned to the Company's treasury. The Restricted Share Plan permits the issuance of restricted shares which, together with the Stock Option Plan, may not exceed 10% of the Company' issued common shares as at the date of grant.

(Expressed in Canadian dollars - unaudited)

At the date of issuance, no value is recorded in Share Capital. Based on the share price at the date of issuance, the Company records share-based compensation as the shares vest with an offsetting amount recorded to Reserves. Upon completing on the vesting restriction, the amount in Reserves will be transferred to Share Capital.

On July 29, 2019, the Company granted 2,400,000 Restricted Shares and on September 17, 2019, the Company granted 950,000 Restricted Shares. Both grants were to certain employees and directors at a value of $0.35 per Restricted Share. The restriction set by the Board was a two-year employment period from the date of grant.

For the nine months ended September 30, 2019, the Company incurred share-based compensation of $76,927 recorded as $24,792 in exploration expense (Note 6) and $52,135 in administrative expense (Note 9).

08 RELATED PARTY TRANSACTIONS

The Company defines key management personnel as its directors and officers. The Company entered into the following transactions with its key management:

	9 months ended September 30, 2019	9 months ended September 30, 2018
Employee salaries and benefits – administration expense	$ 270,406	$ 71,588
Employee salaries and benefits – exploration expense	116,453	170,693
Direct listing costs	4,276	-
Exploration expense	138,126	1,337,327

As of September 30, 2019, included in accounts payable is $78,158 (December 31, 2018: $nil) due to officers and a company controlled by a director of the Company.

(Expressed in Canadian dollars - unaudited)

09 ADMINISTRATION EXPENSES

The administration expenses for the Company are as follows:

	Note		3 months ended September 30, 2019		3 months ended September 30, 2018		9 months ended September 30, 2019		9 months ended September 30, 2018
Employee benefits and salary		$	121,314	$	26,223	$	339,469	$	91,801
Accounting and legal fees			19,920		10,773		122,073		21,973
Travel and meals			52,925		6,568		98,348		21,913
Insurance			4,882		4,989		12,425		10,135
Marketing			124,191		3,500		196,593		17,027
Direct listing costs			186,055		-		298,859		-
Other			14,896		15,818		49,924		23,839
Depreciation	5,10		8,891		1,355		24,955		2,836
Share based compensation	7		52,135		-		52,135		-
Total administration expenses		**$**	**585,209**	**$**	**69,226**	**$**	**1,194,781**	**$**	**189,524**

10 LEASE OBLIGATION

The Company signed an office lease agreement to pay undiscounted rent amounts for the remainder of year ended December 31, 2019 of $6,910 and for the year ended December 31, 2020 of $9,214.

		Right of use asset — office lease
Net book value — December 31, 2018	$	-
Additions		30,027
Depreciation		(16,531)
Net book value — September 30, 2019	**$**	**13,496**

		Lease liability
Balance — December 31, 2018	$	-
Lease liability recognized as of January 1, 2019		30,027
Lease payments during the period		(15,879)
Interest expense on lease liability		1,852
Balance — September 30, 2019	**$**	**16,000**

(Expressed in Canadian dollars - unaudited)

11 SUPPLEMENTAL CASH FLOW INFORMATION

	3 months ended September 30, 2019	3 months ended September 30, 2018	9 months ended September 30, 2019	9 months ended September 30, 2018
Cash paid for interest	$ 512	$ -	$ 1,852	$ -
Non-cash financing and investing activities:				
Right to use asset and lease liability	-	-	30,027	-
Shares issued for exploration & evaluation asset option payment	-	-	52,500	-
Shares issued for financing fees	-	-	-	8,696
Special Warrants issued for share issue costs	25,000	-	25,000	-
Compensation Warrants issued for share issue costs	71,034	-	71,034	-
Trade and other payables used for share issue costs	94,830	3,506	94,830	3,506

12 SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation assets and expenditures which are disclosed by geographic location in Note 6. All corporate expenses are incurred in Canada.

13 CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as components of shareholders' equity.

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 externally imposed capital restrictions.

There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the nine months ended September 30, 2019.