



TECTONIC METALS INC.

**NOTICE OF ANNUAL GENERAL MEETING OF TECTONIC METALS INC.
TO BE HELD ON MAY 21, 2020 AT 9:00 A.M. (VANCOUVER TIME)**

MANAGEMENT INFORMATION CIRCULAR

Dated: April 16, 2020



**TECTONIC METALS INC.
312–744 West Hastings Street
Vancouver, BC V6C 1A5**

**Notice of Annual General Meeting of Shareholders to be held on
May 21, 2020 at 9:00 a.m. (Vancouver time)**

Notice is hereby given that the annual meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Tectonic Metals Inc. (the “**Company**” or “**Tectonic**”) will be held at Suite 314, 744 West Hastings Street, Vancouver, BC V6C 1A5, Canada on May 21, 2020 at 9:00 a.m. (Vancouver time) for the following purposes:

- (a) to receive and consider the Company’s audited financial statements for the financial year ended December 31, 2019, together with the auditors’ report thereon;
- (b) to set the number of directors for the ensuing year at five;
- (c) to elect directors for the ensuing year;
- (d) to appoint the auditors and to authorize the board of directors of the Company (the “**Board**”) to fix the remuneration to be paid to the auditors for the ensuing year;
- (e) to consider, and if thought fit, to pass an ordinary resolution of Shareholders to re-approve the Company’s stock option plan (as set out in “Schedule A” to the accompanying Management Information Circular (the “**Circular**”)), as more particularly described in the Circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular.

Only shareholders of record at the close of business on April 13, 2020 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the accompanying form of proxy (the “**Proxy**”) and send it in the enclosed envelope or otherwise to the Corporate Secretary of the Company c/o Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9, fax number: 604-661-9549 or to the Corporate Secretary of the Company at the Company’s registered office, which is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC V7X 1L3, fax number: 604-631-3309. Non-registered Shareholders who receive these materials through their broker or other intermediary are asked to complete and send the Proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a Proxy must be received by Computershare Investor Services Inc. or the Corporate Secretary of the Company not later than May 19, 2020 at 9:00 a.m. (Vancouver time), or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

As of the date of this Circular, we intend to hold the Meeting in person as detailed above. However, in light of the rapidly evolving news and guidelines related to COVID-19, we ask that, in considering whether to attend the Meeting in person, shareholders follow, among other things, the instructions of the Public Health Agency of Canada and HealthLinkBC at <https://www.canada.ca/en/public-health/services/diseases/coronavirus->

[disease-covid-19.html](#) and <https://www.healthlinkbc.ca/health-feature/coronavirus-disease-covid-19>, respectively, and any applicable additional federal, provincial and local instructions and guidance.

Shareholders should note that, we are carefully monitoring the public health impact of COVID-19, on a daily basis, and in the event that there are any changes to our intention of holding the Meeting, due to the COVID-19 outbreak, including, but not limited to, determining to postpone the Meeting or changing the format of the Meeting, we will notify shareholders of the applicable details on our website and via press release.

IN THE INTEREST OF SAFETY AND OUT OF AN ABUNDANCE OF CAUTION, ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY PROXY PRIOR TO THE MEETING.

DATED the 16th day of April 2020.

By Order of the Board

“Antonio Reda”

ANTONIO REDA

President, Chief Executive Officer and Director



TECTONIC METALS INC.

Management Information Circular dated April 16, 2020 for the Annual General Meeting of Shareholders to be held on May 21, 2020

GENERAL INFORMATION

This Management Information Circular (the "**Circular**") is furnished to the holders (the "**Shareholders**") of the common shares ("**Common Shares**") in the capital of Tectonic Metals Inc. (the "**Company**" or "**Tectonic**") by the management of the Company in connection with the solicitation, by or on behalf of the management of the Company, of proxies to be voted at the annual general meeting (the "**Meeting**") of the Shareholders to be held on Thursday, May 21, 2020, or any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

PROXIES

Solicitation of Proxies

The persons named in the accompanying form of proxy (the "Proxy") are management-designated proxy holders. A registered Shareholder has the right to appoint some other person or company (who need not be a Shareholder) to represent the Shareholder at the Meeting, or any adjournment thereof, may do so either by inserting such other person's name in the blank space provided in the Proxy Form or by completing another form of proxy. To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., 510 Burrard Street, 3rd Floor, Vancouver, BC V6C 3B9, fax number: 604-661-9549 by no later than 9:00 a.m. (Vancouver time) on May 19, 2020 or, if the Meeting is adjourned, by no later than 48 hours prior to the date and time on which the Meeting is reconvened, or may be deposited with the chair of the Meeting prior to the commencement of the Meeting. Solicitation will be primarily by mail, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The Company will bear all the costs of the solicitation.

Non-Registered Shareholders

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name (a "**Non-Registered Holder**").

Only registered holders of Common Shares or the persons they appoint as their proxy holders are permitted to vote at the Meeting. In many cases, however, Common Shares beneficially owned by a Non-Registered Shareholder are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs” (for non-objecting beneficial owners). Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs” (for objecting beneficial owners).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has elected to send the Notice of Meeting, this Circular and Proxy (collectively, the “Meeting Materials”) directly to NOBOs, and indirectly through Intermediaries to OBOs. The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. Intermediaries will frequently use service companies to forward the Meeting Materials to OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare Investor Services Inc.; or
- (b) more typically, be given a voting instruction form (“VIF”), instead of a Proxy, which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the Meeting Materials and related documents. Accordingly, an OBO will not receive copies of the Meeting Materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

The Meeting Materials are being sent to both registered Shareholders of the Company and Non-Registered Holders. If you are a Non-Registered Holder and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If the Meeting Materials sent to NOBOs who have not waived the right to receive meeting materials are accompanied by a VIF, instead of a Proxy Form, then by returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Common Shares owned by the NOBO.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on the Non-Registered Holder’s behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or the Non-Registered Holder’s nominee, the right to attend and vote at the Meeting.

Non-Registered Holders should return their voting instructions as specified in the VIF sent to them. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Non-Registered Holders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent or nominee, a Non-Registered Holder may attend the Meeting as a proxy holder for a registered Shareholder and vote Common Shares in that capacity. Non-Registered Holders who wish to attend the Meeting and indirectly vote their Common Shares as the proxy holder for the registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxy holder.

Revocability of Proxies

A registered Shareholder who has given a Proxy may revoke it by an instrument in writing that is executed by the Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation, and:

- (a) received at the registered office of the Company at any time up to and including the last business day before the Meeting at which the Proxy is to be used; or
- (b) provided to the chair of the Meeting, at the Meeting, before any vote in respect of which the Proxy is to be used shall have been taken; or
- (c) or in any other manner provided by law.

NOBOs who wish to revoke their voting instructions should, at least seven days prior to the Meeting, follow the instructions contained in their VIF. OBOs who wish to revoke their VIF or a waiver of the right to receive proxy-related materials should contact their Intermediaries for instruction.

Voting of Proxies

Common Shares represented by a properly executed and valid Proxy will be voted "For" or "Against", or withheld from voting on a particular issue in accordance with the Shareholder's instructions on any ballot that may be called for at the Meeting and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of any instructions, the Proxy agent named on the Proxy will cast the Shareholder's votes in favour of each resolution set forth herein and in the Notice of Meeting and in favour of all matters proposed by management at the Meeting.**

The enclosed Proxy confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Meeting Webcast and Dial-In

If you are unable, or choose not, to attend the Meeting in person, you are encouraged to complete the enclosed Proxy or, if applicable, VIF and return it within the time frames indicated so that your vote is counted at the Meeting. If you are unable, or choose not, to attend the Meeting in person, you may also listen to a live webcast and dial-in, which will be available on at:

Website: <https://global.gotomeeting.com/join/384788885>

Canada Dial-In Number: +1(647) 497-9391

US Dial-In Number: +1(571) 317-3129

Access Code: 384-788-885

commencing at 9:00 a.m. (Vancouver time) on May 21, 2020; however, please note that, you will not be able to vote or otherwise participate in the meeting via the webcast and dial-in.

COVID-19 Precautions

As of the date of this Circular, we intend to hold the Meeting in person as detailed above. However, in light of the rapidly evolving news and guidelines related to COVID-19, we ask that, in considering whether to attend the Meeting in person, shareholders follow, among other things, the instructions of the Public Health Agency of Canada and HealthLinkBC at <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html> and <https://www.healthlinkbc.ca/health-feature/coronavirus-disease-covid-19>, respectively, and any applicable additional federal, provincial and local instructions and guidance.

Shareholders should note that, we are carefully monitoring the public health impact of COVID-19, on a daily basis, and in the event that there are any changes to our intention of holding the Meeting, due to the COVID-19 outbreak, including, but not limited to, determining to postponing the Meeting or changing the format of the Meeting, we will notify shareholders of the applicable details on our website and via press release.

IN THE INTEREST OF SAFETY AND OUT OF AN ABUNDANCE OF CAUTION, ALL SHAREHOLDERS ARE STRONGLY ENCOURAGED TO VOTE BY PROXY PRIOR TO THE MEETING.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (i.e. Insider) of the Company, no Director Nominee of the Company, and no associate or affiliate of any informed person or Director Nominee has had any material interest, direct or indirect, in any transaction since January 1, 2019, or in any proposed transaction which has materially affected or would materially affect the Company.

The Company paid Avalon Development Corp. (“**Avalon**”) \$208,928 for the year ended December 31, 2019 for exploration services received on the Company’s Tibbs, Seventymile and Northway properties. Curt Freeman, a director of the Company, is the Chief Executive Officer of Avalon. This related party transaction was made on normal commercial terms and was at arm’s length. The Company has no existing commitments to Avalon.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Common Shares. Only the holders of Common Shares are entitled to receive notice of, attend and vote at any meeting of the Shareholders, with each Common Share carrying the right to one vote. The Board has fixed April 13, 2020 as the record date (the “**Record Date**”) for the determination of Shareholders entitled to receive notice of and to vote at the Meeting, and at any adjournment thereof. Only Shareholders of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such shareholder’s name as at the Record Date at the Meeting. As at March 31, 2020, the Company had 55,203,675 Common Shares issued and outstanding, each carrying the right to one vote per Common Share.

Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

To the knowledge of the directors and executive officers of the Company, as at March 31, 2020, no person beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the voting rights attached to the issued and outstanding Common Shares.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended December 31, 2019, report of the auditor and related management discussion and analysis (“**MD&A**”), all of which may be obtained from SEDAR at www.sedar.com, will be placed before the Meeting and have been filed with the securities commissions or similar regulatory authority in British Columbia, Alberta, Ontario and Yukon.

NUMBER OF DIRECTORS

The Articles of the Company set out that the number of directors of the Company will be a minimum of three and a maximum of the most recently set of (i) the number of directors set by ordinary resolution and (ii) the number of directors set in the event that the places of any retiring directors are not filled by an election at a meeting of shareholders. At the Meeting, the shareholders will be asked to pass an ordinary resolution setting the number of directors of the Company at five.

To be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. **In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed Proxy intend to vote “FOR” the resolution setting the number of directors of the Company at five.**

ELECTION OF DIRECTORS

Under the Articles of the Company, directors of the Company are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the Company’s Articles.

In the absence of a contrary instruction, the person(s) designated by the management of the Company in the enclosed Proxy intend to vote “FOR” the election as directors of each proposed director nominee (the “Director Nominees”) whose names are set forth below, each of whom has been a director since the date indicated opposite the Director Nominee’s name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by the management of the Company in the enclosed Proxy, in their discretion, in favour of another nominee.

The following table and the biographies below set out the name of each of the Director Nominees; all positions and offices in the Company presently held by the Director Nominee; the Director Nominee’s principal occupation or employment for the last five years; the period during which the Director Nominee has served as a director; and the number of Common Shares that the Director Nominee has advised are beneficially owned by the Director Nominee, directly or indirectly, or over which control or direction is exercised, as at March 31, 2020. The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective Director Nominees individually.

Director Nominee name, position with the Company and place of residence	Principal occupation	Period served as a director	Aggregate number of Common Shares beneficially owned or controlled/directed
Antonio Reda President, CEO and Director ⁽²⁾⁽³⁾ British Columbia, Canada	President, CEO and Director of the Company; Vice President, Corporate Development for Kaminak Gold Company (“Kaminak”) from November 2005 to July 2016	Since June 9, 2017	4,216,071 ⁽⁴⁾
Curt Freeman Director Alaska, USA	Director of the Company; President of Avalon since January 1995	Since April 13, 2018	3,387,500 ⁽⁵⁾
Allison Rippin Armstrong Director ⁽¹⁾⁽³⁾ British Columbia, Canada	Director of the Company; President of ARA Environmental Consulting Ltd. since August 2016; Vice President, Sustainability of Kaminak from 2013 to 2016	Since April 15, 2019	890,000 ⁽⁶⁾
Mel Benson Chair of the Board (“Chair”) and Director ⁽¹⁾⁽²⁾⁽³⁾ Alberta, Canada	Director of the Company and Chair; President, Mel E. Benson Management Services Inc. since 1999; Director of Suncor Energy Inc. since April 2000	Since September 17, 2019	1,285,714 ⁽⁷⁾
Michael Roper Director ⁽¹⁾⁽²⁾ British Columbia, Canada	Director of the Company; Director, Project Evaluations of Agnico Eagle Mines Ltd. since May 2004	Since September 17, 2019	600,000 ⁽⁸⁾

Notes:

- (1) Member of the audit committee of the Company (the “**Audit Committee**”).
- (2) Member of the compensation committee of the Company (the “**Compensation Committee**”).
- (3) Member of the nominating and corporate governance committee of the Company (the “**Nominating and Corporate Governance Committee**”).
- (4) Mr. Reda also holds 928,571 Common Share purchase warrants (“**Warrants**”), entitling him to acquire an additional 928,571 Common Shares. Pursuant to an escrow agreement between Mr. Reda, Mr. Benson, Mr. Roper, Mr. Freeman and Ms. Rippin Freeman, the Company, Computershare Investor Services Inc. and certain other parties (the “**Escrow Agreement**”), 92,857 Warrants were released from escrow upon Tectonic’s listing on the TSX Venture Exchange (the “**TSXV**”) on November 8, 2019 (the “**Listing Date**”) and 835,714 Warrants remain in escrow. The 4,216,071 Common Shares (421,607 of which were released from escrow on the Listing Date and 3,794,464 remain in escrow, pursuant to the terms of the Escrow Agreement) includes 650,000 restricted shares of the Company (each, a “**Restricted Share**”) issued pursuant to the restricted share plan of the Company (the “**Restricted Share Plan**”).
- (5) Mr. Freeman also holds 900,000 Warrants (90,000 of which were released from escrow on the Listing Date and 810,000 remain in escrow, pursuant to the terms of the Escrow Agreement), entitling him to acquire an additional 900,000 Common Shares. The 3,387,500 Common Shares (338,750 of which were released from escrow on the Listing Date and 3,048,750 remain in escrow, pursuant to the terms of the Escrow Agreement) includes 250,000 Restricted Shares.
- (6) Ms. Rippin Armstrong also holds 140,000 Warrants (14,000 of which were released from escrow on the Listing Date and 126,000 remain in escrow, pursuant to the terms of the Escrow Agreement), entitling her to acquire an additional 140,000 Common Shares. The 890,000 Common Shares (89,000 of which were released from escrow on the Listing Date and 801,000 remain in escrow, pursuant to the terms of the Escrow Agreement) includes 250,000 Restricted Shares.
- (7) Mr. Benson also holds 285,714 Warrants (28,572 of which were released from escrow on the Listing Date and 257,142 remain in escrow, pursuant to the terms of the Escrow Agreement), entitling him to acquire an additional 285,714 Common Shares. The 1,285,714 Common Shares (118,572 of which were released from escrow on the Listing Date and 1,067,142 remain in escrow, pursuant to the terms of the Escrow Agreement) includes 400,000 Restricted Shares.
- (8) The 600,000 Common Shares (60,000 of which were released from escrow on the Listing Date and 540,000 remain in escrow, pursuant to the terms of the Escrow Agreement) includes 250,000 Restricted Shares.

Director Biographies

Antonio Reda, President, CEO and Director

As Founder, President, CEO and Director of Tectonic Metals Inc., Tony is all in, working solely to create value for the company's shareholders and stakeholders. His loyalty and commitment to his work are undeniable, as demonstrated by the fact that he was the longest-serving employee of Kaminak Gold Corporation ("Kaminak") from inception in 2005 to the sale of the company, including the Coffee Gold Project, in 2016 to Goldcorp Inc. (now Newmont Goldcorp).

While at Kaminak, Tony served as Vice President, Corporate Development executing the company's strategic planning, financing, business development and marketing while overseeing the public relations and investor communications of the company. Tony was pivotal in orchestrating capital raises to primarily fund the acquisition and advancement of the Coffee Gold Project in the Yukon Territory from a grassroots discovery through to the completion of a bankable feasibility study. He was also involved in monetizing Kaminak's other projects by forming strategic alliances, joint venture agreements and creating public and private companies resulting in a significant amount of capital being spent by third parties directly on Kaminak's projects.

During his tenure with Kaminak, the company was ranked 8th best performing mining company from a peer group of some 1,200 mining companies, was listed as a 2015 TSX Venture 50 Company and was one of four companies selected out of 1,971 companies listed on the TSXV as Best IR by IR Magazine in 2015.

Tony personifies Tectonic's belief that responsible mineral exploration and development can positively impact the communities in which the company lives and operates and its commitment to early and ongoing community engagement, best practices in environmental stewardship and the development of a strong safety culture.

Curt Freeman, Director

Mr. Freeman is President of Avalon, a mineral exploration consulting firm based in Fairbanks, Alaska. Mr. Freeman earned his Bachelor's degree in Geology in 1978 from the College of Wooster, Ohio and his Master's Degree in Economic Geology in 1980 from the University of Alaska in Fairbanks. Mr. Freeman is a U.S. Certified Professional Geologist with the American Institute of Professional Geologists and is a licensed geologist in the state of Alaska. Mr. Freeman is a Fellow of the Society of Economic Geologists, a member and past director of Alaska Miners Association and a member of the Geological Society of Nevada, Association for Mineral Exploration British Columbia and the Prospectors and Developers Association of Canada. Mr. Freeman also serves as Chairman of the Geological Mapping Advisory Board for the State of Alaska Division of Geological and Geophysical Surveys.

Allison Rippin Armstrong, Director

Ms. Rippin Armstrong has over 25 years of experience in permitting, regulatory processes and environmental compliance, working with Indigenous organizations, resource companies, regulatory agencies, and territorial and federal governments. She served as the Vice President of Sustainability at Kaminak until Goldcorp acquired Kaminak in 2016.

Ms. Rippin Armstrong has served on the board of Yukon Women in Mining as Vice President for three years. She is a founding member of the Yukon University Foundation Board and has served on Northwest Territories and Nunavut Chambers of Mines. Ms. Rippin Armstrong was the recipient of the 2003 BHP Billiton Corporate HSEC Award; the 2009 Kivalliq Inuit Association Expert Counsel Award; the 2011 Mike Hine Award, Nunavut; the 2014 Community Award, Yukon (Kaminak); the 2015 Robert E. Leckie Award, Yukon (Kaminak); and the 2019 BC Women in Mining HR Diversity Award.

Mel Benson, Chair and Director

Mel Benson was elected to the Suncor Energy Inc. ("**Suncor**"), a Toronto Stock Exchange ("**TSX**") listed issuer, Board in April 2000 and serves as the longest standing director of Suncor. Mr. Benson is a member of Suncor's environment, health, safety and sustainable development committee and the human resources and compensation committee. Mr. Benson retired from Exxon International and Imperial Oil Canada in 2000 after a long career as an operations manager and senior member of project management. He is currently president of Mel E. Benson Management Services Inc., an international consulting firm working in various countries with a focus on First Nations and corporate negotiations.

In 2003, Mr. Benson was the recipient of a National Aboriginal Achievement Award and, in 2015, was inducted into the Aboriginal Business Hall of Fame and received the lifetime achievement award. He has also been honoured with a Red Cross Service Award, an Alberta Aboriginal Recognition Award and a Business Development Award. He has received the Alberta Justice Crime Prevention Recognition Award from the Minister of Justice and was recognized for his contributions to the community by the Government of the Northwest Territories.

Mr. Benson is a member of Alberta's Beaver Lake Cree Nation, located in northeast Alberta.

Michael Roper, Director

Mr. Roper has over 40 years of experience that spans the entire mineral resource development cycle from exploration to discovery, resource estimation, mine planning, feasibility studies, project construction and mine operations through reclamation, remediation and closure. Mr. Roper holds a Bachelor and Master of Science in Earth Sciences from Montana State University and is Certified with the American Institute of Professional Geologists. Mr. Roper is currently Director, Project Evaluations for Agnico Eagle Mines Ltd. ("**Agnico**"), a TSX listed issuer, and has worked for Agnico for the past 15 years in various roles.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Director Nominees is, as at the date of this Circular, or has been, within the ten years preceding the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), when such Order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company; or
- (b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

No Director Nominee is, as at the date of this Circular, or has been, within the ten years preceding the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No Director Nominee has, within the ten years preceding the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

No Director Nominee has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a Director Nominee.

APPOINTMENT OF AUDITOR

Davidson & Company LLP is the current auditor of the Company. Davidson & Company LLP was first appointed as auditor of the Company on May 14, 2019. At the Meeting, the Shareholders will be requested to re-appoint Davidson & Company LLP as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration.

In the absence of a contrary instruction, the person(s) designated by the management of the Company in the enclosed Proxy intend to vote "FOR" the re-appointment of Davidson & Company LLP as auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and the authorization of the Board to fix the remuneration of the auditors.

APPROVAL OF STOCK OPTION PLAN

In accordance with the TSXV's policies, which requires the Company on an annual basis to obtain Shareholder approval for the Company's stock option plan (the "**Option Plan**"), at the Meeting Shareholders will be asked to consider, and if thought appropriate, pass, with or without amendment, an ordinary resolution re-approving the Option Plan (the "**Option Plan Resolution**"). See "*Approval of Stock Option – Option Plan Resolution*" below for the text of the Option Plan Resolution.

Summary of the Option Plan

The following summary of the Option Plan is qualified in its entirety by reference to the full text of the Option Plan, a copy of which is attached to this Circular as Schedule "A".

The Option Plan is administered by the Administrator (as defined in the Option Plan) on the instructions of the Board. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

The eligible participants are any director, officer, employee or consultant of the Company (including any subsidiary of the Company), as the Board may determine.

Each stock option of the Company (an "**Option**") entitles the holder thereof (an "**Option Holder**") to purchase one Common Share at an exercise price set at the time of the grant.

Subject to certain limitations, the number of Common Shares that are available for directors, officers, employees and consultants to acquire pursuant to any Options granted shall not at any time exceed 10% of the Company's then outstanding Common Shares.

For so long as the Common Shares are listed on the TSXV, the number of Common Shares which may be issuable under the Option Plan and all of the Company's other previously established or proposed share compensation arrangements (a) shall not exceed 10% of the total number of the issued and outstanding Common Shares; (b) to any one Option Holder within a 12 month period shall not exceed 5% of the total number of the issued and outstanding Common Shares; and (c) within a one-year period (i) to any one person, shall be no more than 5% of the total number of issued and outstanding Common Shares, with the

exception of a consultant who may not receive grants of more than 2% of the total number of issued and outstanding Common Shares; and (ii) to persons employed to conduct Investor Relations Activities (as defined in the Option Plan), shall be no more than an aggregate of 2% of the total number of the issued and outstanding Common Shares at any one time.

The exercise price of an Option is determined by the Board at the time of the grant but shall be no lower than the market value of the Common Shares as of the award date. For so long as the Common Shares are listed on the TSXV or one or more alternative organized trading facilities, the market value shall be (a) the closing price of the Common Shares on the last trading day immediately preceding the award date; or (b) a value within the parameters set by the guidelines or policies of such organized trading facility. If the Common Shares are not listed on any organized trading facility, the market value shall be determined by the Board, subject to the necessary approvals of the applicable regulatory authorities.

The vesting and exercise period of an Option is determined by the Board at the time of grant; however, the exercise period of an Option shall not be greater than ten years from the award date.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated for any reason other than long term disability, death or for cause, the Options held by such Option Holder may be exercised within 90 days of termination, provided such Options have vested and not expired.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated as a result of his or her long term disability, any Options held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable by such Option Holder, or by his or her guardian, for a period of one year following the termination of service of such Option Holder.

Subject to certain limitations, in the event that an Option Holder's position as a director, officer, employee or consultant is terminated as a result of death, any Options held by such Option Holder shall pass to the Qualified Successor (as defined in the Option Plan) of such Option Holder, and shall be exercisable by the Qualified Successor for a period of one year following the death.

In the event that an Option Holder's employment is terminated for cause, the Options held by such Option Holder shall expire and terminate on the date of such termination for cause.

Subject to certain limitations, the Option Plan provides for the net settlement of Options.

Option Plan Resolution

The Shareholders of the Company will be asked at the Meeting to consider, and if though appropriate, pass, with or without amendment, an ordinary resolution re-approving the Option Plan, the text of which will be as follows:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company's stock option plan (the “**Option Plan**”), approved by the board of directors of the Company on April 10, 2019, in substantially the form described in, and appended as Schedule A to the Company's management information circular dated April 16, 2020, is hereby authorized and approved, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.
2. The maximum number of common shares in the capital of the Company (the “**Common Shares**”) authorized and reserved for issuance under the Option Plan and all of the Company's other equity incentive plans, in existence from time to time, shall be fixed limit of up to 10% of the issued and outstanding Common Shares, from time to time.

3. All unallocated options to acquire Common Shares, rights or other entitlements available under the Option Plan are hereby authorized and approved.
4. Any one director or officer of the Company is authorized and directed to make any changes to the Option Plan, if required by the TSX Venture Exchange.
5. Any one director or officer of the Company is authorized and directed, on behalf of the Company to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions.”

To be approved, the Option Plan Resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting.

The Board continues to believe that Options are an important element of the Company’s compensation structure. The Board believes that the Option Plan Resolution is desirable in order to permit the Company to continue to accomplish the purposes of the Option Plan and to provide for the ability of the Company to grant Options.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Option Plan Resolution. In the absence of a contrary instruction, the person(s) designated by the management of the Company in the enclosed Proxy intend to vote “FOR” the Option Plan Resolution. The Board can revoke the Option Plan Resolution before it is acted on, even if it is passed by Shareholders, in its sole discretion and without further notice to or approval of Shareholders.

Should the Option Plan Resolution not receive the required shareholder approval at the Meeting, the Option Plan will be immediately cancelled.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each named executive officer of the Company (collectively, the “NEOs” or “Named Executive Officers”). “Named Executive Officer” is defined by securities legislation to mean:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

During the Company's financial year ended December 31, 2019, the Named Executive Officers of the Company were Antonio Reda (President, CEO and director of the Company), Krysta Rehaag (CFO) and Eric Buitenhuis (Vice President, Exploration).

Compensation Philosophy

The Board has established a Compensation Committee to consider and advise on the compensation of its directors and officers, in light of Tectonic's corporate and strategic goals.

In determining the compensation to be paid or awarded to its executives, the Compensation Committee seeks to encourage the advancement of the Company's exploration projects, with a view to enhancing Shareholder value. To achieve these objectives, the Company believes it is critical to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives that align the interest of its executives with those of its Shareholders. In addition, as Tectonic, currently, has no revenues from operation and operates with limited financial resources, the Compensation Committee needs to consider not only the Company's financial situation at the time of determining executive compensation but also the Company's estimated financial situation in the mid and long term.

The Company's executive compensation program consists of a combination of base salary and long-term incentives in the form of participation in the Option Plan. In making its determinations regarding the various elements of executive grants of Options, the Company will seek to meet the following objectives:

- (a) to attract, retain and motivate talented executives who create and sustain Tectonic's continued success within the context of compensation paid by other companies of comparable size engaged in similar business in appropriate regions;
- (b) to align the interests of the NEOs with the interests of the Company's Shareholders; and
- (c) to incent extraordinary performance from the Company's key employees.

The Company is an early-stage exploration company and may not generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Company to be appropriate in the evaluation of the performance of its executive officers. The Company does not conduct peer group evaluations in assessing director and NEO compensation.

Director Compensation

During the financial year ended December 31, 2019, directors of the Company who were not officers or employees of the Company were not paid any annual fees. Directors are also eligible to participate in the Option Plan. Directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors. Directors who are also officers or employees of the Company were not paid any amount as a result of their serving as directors of the Company.

Elements of Compensation

Base Salary

The base salary for each executive is established by the Board, on the recommendation of the Compensation Committee, based upon the position held by such executive, competitive market conditions, such executive's related responsibilities, experience and the NEOs skill base, the functions performed by such executive and the salary ranges for similar positions in comparable companies. Individual and corporate performance is also be taken into account in determining base salary levels for executives.

Cash Bonuses

Cash bonuses do not form a normal part of Tectonic's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on Shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated exploration-stage junior mining companies or any other factors the Compensation Committee may consider appropriate at the time such performance-based bonuses are decided upon. The quantity of bonus will normally be a percentage of base salary not to exceed 100%. However, in exceptional circumstances, the quantity of bonus paid may be connected to Shareholder value creation embodied in the pre-agreed milestones. The Company currently has no expectations of paying cash bonuses to its NEOs for the next 12 months, the Company's determination to pay cash bonuses going forward will be evaluated on an ongoing basis by the Compensation Committee.

Options

The Company adopted the Option Plan on April 10, 2019. The purpose of the Option Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long terms goals of the Company and to enable and encourage those individuals to acquire Common Shares as long term investments. Because many of the most capable individuals in the mining industry work for companies who can offer attractive cash and bonus compensation and a high level of employment security, Options represent a compensation element that balances the loss of employment security that such individuals must accept when moving to a junior exploration company such as Tectonic. Options are also an important component of aligning the objectives of Tectonic's executive officers and consultants with those of its Shareholders, while encouraging them to remain associated with the Company.

Tectonic provides significant Option positions to its executive officers and consultants. The precise amount of Options to be offered is governed by the importance of the role within the Company, by the competitive environment within which Tectonic operates, and by the regulatory limits on Option grants that cover organizations such as Tectonic. When considering an award of Options to an executive officer, consideration of the number of Options previously granted to the executive may be taken into account, however, the extent to which such prior grants remain subject to resale restrictions will generally not be a factor.

Hedging by Named Executive Officers or Directors

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Compensation Risks

In making its compensation-related decisions, the Compensation Committee and Board carefully consider the risks implicitly or explicitly connected to such decisions. These risks include the risks associated with employing executives who are not world-class in their capabilities and experience, the risk of losing capable but under-compensated executives, and the financial risks connected to the Company's operations, of which executive compensation is an important part.

In adopting the compensation philosophy described above, the principal risks identified by the Company are:

- (a) that the Company will be forced to raise additional funding (causing dilution to Shareholders) in order to attract and retain the calibre of executive employees that it seeks; and
- (b) that the Company will have insufficient funding to achieve its objectives.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Director and Named Executive Officer Compensation Excluding Compensation Securities

The following table sets forth all compensation earned by each of the Company's NEOs and directors during the financial year ended December 31, 2019.

Compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Antonio Reda President, CEO and Director	2019	200,000 ⁽¹⁾	75,000	Nil	Nil	Nil	275,000
Krysta Rehaag CFO and Corporate Secretary	2019	150,000	25,000	Nil	Nil	Nil	175,000
Eric Buitenhuis Vice President, Exploration	2019	150,000 ⁽²⁾	20,000	Nil	Nil	Nil	170,000
Mel Benson Chair and Director ⁽³⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
Eira Thomas Former Chair and Director ⁽⁴⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
Robert Carpenter Former Director ⁽⁵⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
Curt Freeman Director ⁽⁶⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
Allison Rippin Armstrong Director ⁽⁶⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
Michael Roper Director ⁽⁷⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Additionally, Mr. Reda was paid \$18,717 in unused vacation pay.
- (2) Additionally, Mr. Buitenhuis was paid \$284 in unused vacation pay.
- (3) Mr. Benson was appointed Chair and director on September 17, 2019.
- (4) Ms. Thomas ceased being Chair and director on September 17, 2019.
- (5) Mr. Carpenter ceased being a director on March 18, 2019.

- (6) The Company paid Avalon, who Mr. Freeman is Chief Executive Officer for, \$208,928 for the year ended December 31, 2019, for exploration related expenses on the Company's material properties. The Company has no existing commitments to Avalon.
- (7) Ms. Rippin Armstrong was appointed director on April 15, 2019.
- (8) Mr. Roper was appointed director on September 17, 2019.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each of the Company's NEOs and directors during the financial year ended December 31, 2019. As at the date of this Circular, there has been no exercise of Options or other compensation securities by any NEO or director of the Company.

Compensation securities							
Name and position	Type of compensation security ⁽¹⁾⁽²⁾⁽³⁾	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽²⁾⁽³⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Antonio Reda President, CEO and Director	Restricted Shares	650,000	July 29, 2019	N/A	N/A	N/A	N/A
Krysta Rehaag CFO and Corporate Secretary	Restricted Shares	425,000	July 29, 2019	N/A	N/A	N/A	N/A
Eric Buitenhuis Vice President, Exploration	Restricted Shares	350,000	July 29, 2019	N/A	N/A	N/A	N/A
Mel Benson Chair and Director	Restricted Shares	400,000	September 17, 2019	N/A	N/A	N/A	N/A
Curt Freeman Director	Restricted Shares Restricted Shares	100,000 150,000	July 29, 2019 September 17, 2019	N/A	N/A	N/A	N/A
Allison Rippin Armstrong Director	Restricted Shares Restricted Shares	100,000 150,000	July 29, 2019 September 17, 2019	N/A	N/A	N/A	N/A
Michael Roper Director	Restricted Shares	250,000	September 17, 2019	N/A	N/A	N/A	N/A

Notes:

- (1) All Restricted Shares granted remain outstanding as of the date of this Circular.
- (2) All Restricted Shares granted require a two-year continuous employment otherwise the shares are cancelled.
- (3) All Restricted Shares were granted with a deemed fair market value of \$0.35 per Restricted Share.

Exercise of Options and Other Compensation Securities

As at the date of this Circular, the Company has not granted, nor has there been any exercise of, Options or other compensation securities.

Stock Option Plans and Other Incentive Plans

Option Plan

See “*Approval of Stock Option Plan – Summary of the Option Plan*” for a summary of the general terms and conditions of the Option Plan.

Restricted Shares

On July 29, 2019, the Board adopted the Restricted Share Plan. The purpose of the Restricted Share Plan is to establish a vehicle by which equity-based incentives may be awarded to qualified directors, officers, employees and consultants to recognize and reward their ongoing significant contributions to the long-term success of the Company and to align those individuals’ interests more closely with the Shareholders. Pursuant to the terms of the Restricted Share Plan. **As of the date of the Company’s listing on the TSXV no Restricted Shares may be granted under the terms of the Restricted Share Plan.** Accordingly, the Restricted Share Plan has not previously been approved by the Shareholders, nor is it required to be approved by the Shareholders in the future.

The general terms and conditions of the Restricted Share Plan are reflected in the disclosure below.

The Board has the authority in its sole and absolute discretion to administer the Restricted Share Plan and to exercise (or delegate to any one or more directors, officers or employees) all the powers and authorities either specifically granted to it under the Restricted Share Plan or necessary or advisable in the administration of the Restricted Share Plan. The Board may also appoint or engage a trustee, custodian or administrator to administer the Restricted Share Plan or any aspect of it.

The eligible participants are any director, officer, employee or consultant of the Company (including any subsidiary of the Company) who, in the opinion of the Board, is in a position to contribute to the success of the Company.

If the Common Shares are not listed on any organized trading facility, then the market value will be determined by the Board.

The Board shall have the authority to determine the terms and conditions of grants including, without limitation, (a) the number of Restricted Shares subject to a grant; (b) the applicable vesting period(s); (c) the vesting conditions, including terms relating to performance conditions and/or other vesting conditions and the performance period; (d) the circumstances upon which a Restricted Share shall be forfeited, cancelled or expire; (e) the consequences of a termination with respect to a Restricted Share; (f) the manner and time of the distribution of vested Restricted Shares; and (g) whether the terms upon which any Common Shares distributed upon the vesting of a Restricted Share must continue to be held by a Participant (as defined in the Restricted Share Plan) for any specified period.

Until the expiration of the Vesting Period (as defined in the Restricted Share Plan), the Participant shall not be permitted to sell, assign, transfer, pledge or otherwise encumber the Restricted Shares.

Subject to certain terms of a Participant’s employment agreement with the Company, in the event that a Participant’s employment is terminated by the Company or that Participant resigns, Restricted Shares that have not vested and been distributed prior to the date of termination or resignation, as the case may be, shall not vest and shall be forfeited immediately.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets out information on the Company's equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2019.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil	Nil	Nil

Employment, Consulting and Management Agreements

The Company has entered into employment agreements with Antonio Reda, President and CEO, Krysta Rehaag, CFO and Eric Buitenhuis, Vice President, Exploration. The employment agreements include termination provisions, including upon a "change of control" for Mr. Reda only. All of the employment agreements permit Tectonic to terminate the agreement without notice or any payment for termination with cause or as a result of the employee's death or incapacity.

Antonio Reda, President, Chief Executive Officer and Director

In the event of termination without cause, Mr. Reda is entitled to a lump sum payment equal to twelve months of salary plus one additional month of salary for each completed year of service, up to a maximum of 24 months. Mr. Reda may terminate his employment with 60 days' advance notice.

In the event of termination or resignation for good reason within twelve months subsequent to a change of control, Mr. Reda is entitled to a lump sum payment equal to two times his annual compensation, which includes his current salary plus the average of any bonuses paid to Mr. Reda within the last three years. Any termination or resignation following a change of control requires two months' notice.

In the event that Tectonic is no longer liquid and cannot pay its debts, Mr. Reda waives his entitlement to any lump sum payment beyond any amounts he is entitled to under the *Employment Standards Act* (British Columbia) due to termination without cause.

The employment agreement with Mr. Reda also contains a non-solicitation clause, which applies for six months after termination.

Krysta Rehaag, Chief Financial Officer and Corporate Secretary

In the event of termination without cause, Ms. Rehaag is entitled to a lump sum payment equal to one month of salary plus one additional month of salary for each completed year of service, up to a maximum of four months. Ms. Rehaag may terminate her employment with 30 days' advance notice.

Eric Buitenhuis, Vice President, Exploration

In the event of termination without cause, Mr. Buitenhuis is entitled to a lump sum payment equal to two weeks of salary for each completed year of service, up to a maximum of two months. Mr. Buitenhuis may terminate his employment with 30 days' advance notice.

The estimated amounts payable under various termination scenarios as at the date of this Circular are outlined in the table below:

Name and Principal Position	Termination without Cause	Change of Control with Termination
Antonio Reda, President, CEO and Director	\$297,534	\$486,905
Krysta Rehaag, CFO and Corporate Secretary	\$25,000	N/A
Eric Buitenhuis, Vice President, Exploration	\$14,846	N/A

External Management Companies

The Company has not entered into any agreement with any external management company that employs or retains one or more of the NEOs or directors and the Company has not entered into any understanding, arrangement or agreement with any external management company to provide executive management services to the Company, directly or indirectly, in respect of which any compensation was paid by the Company.

Pension Benefits

The Company does not currently provide a pension to any NEO or director, nor does it currently anticipate having any deferred compensation plan or pension plan that provide for payments or benefits at, following or in connection with retirement.

Indebtedness of Directors and Executive Officers

None of the directors, executive officers or employees of the Company or former directors, executive officers or employees of the Company or its subsidiaries had any indebtedness outstanding to the Company or any of the subsidiaries as at the date hereof and no indebtedness of these individuals to another entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of the subsidiaries as at the date hereof. Additionally, no individual who is, or at any time during the Company's last financial year was, a director or executive officer of the Company, proposed management nominee for director of the Company or associate of any such director, executive officer or proposed nominee is as at the date hereof, or at any time since the beginning of the Company's last financial year has been, indebted to the Company or any of its subsidiaries or to another entity where the indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, including indebtedness for security purchase or any other programs.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, none of the directors or executive officers of the Company, no Director Nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed other than by the directors and executive officers of the Company.

STATEMENT ON CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at meetings held as required.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to ensuring that the Company has an effective corporate governance system, which adds value and assists the Company in achieving its objectives.

The Company's approach to corporate governance is set forth below.

Board of Directors

The Board is composed of five directors, three of whom qualify as independent directors. For this purpose, a director is independent if he or she has no direct or indirect "material relationship" with Tectonic, as defined in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. An individual who has been an employee or executive officer of the Company within the last three years is considered to have a material relationship with the Company.

Of the directors, Mel Benson, Michael Roper and Allison Rippin Armstrong are considered independent for the purposes of NI 58-101. Antonio Reda, as President and CEO of the Company, is not considered independent for the purposes of NI 58-101. Curt Freeman is not considered independent for the purposes of NI 58-101 as a company of which he is an officer received compensatory fees during the year ended December 31, 2019 for exploration services provided to the Company.

Directorships

The following table sets out the directors of the Company that currently serve on the boards of directors of other reporting issuers in Canada.

<u>Director</u>	<u>Reporting Issuer</u>
Mel Benson	Suncor Energy Inc. Winalta Inc. Pan-Global Energy Ltd.
Antonio Reda	Kootenay Silver Inc.

The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of Mr. Benson and Mr. Reda on the Board or create any potential for conflicts of interest.

Mandate of the Board

The Board assumes responsibility for the stewardship of the Company and the enhancement of shareholder value. Pursuant to the mandate of the Board (the “**Board Mandate**”) the Board is responsible for:

- (a) adopting a strategic plan for the Company and reviewing the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products;
- (b) ensuring that the risk management of the Company is prudently addressed;
- (c) reviewing the Company’s approach to human resource management and overseeing succession planning for management;
- (d) reviewing the Company’s approach to corporate governance, including an evaluation of the adequacy of the mandate of the Board, director independence standards and compliance with the Company’s Code of Business Conduct and Ethics; and
- (e) upholding a comprehensive policy for communications with shareholders and the public at large.

The frequency of meetings of the Board and the nature of agenda items may change from year to year, depending upon the activities of Tectonic. The Board intends to meet at least annually, and at each meeting there is a review of the business of Tectonic.

The Board of the Company facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board being held to obtain an update on significant corporate activities and plans, both with and without members of the Company’s management being in attendance.

The Board Mandate is attached as Schedule “B”.

Orientation and Education

Each new director participates in the Company’s initial orientation program and each director participates in the Company’s continuing director development programs. The Board reviews the Company’s initial orientation program and continuing director development programs. Tectonic provides new directors copies of relevant financial, technical, geological and other information regarding its properties and meetings with management. Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Board members have full access to the Company’s records.

Ethical Business Conduct

Tectonic has adopted a written Code of Business Conduct and Ethics, which emphasizes the importance of matters relating to honest and ethical conduct, conflicts of interest, confidentiality of corporate information, protection and proper use of corporate assets and opportunities, compliance with applicable laws, rules and regulations and the reporting of any illegal or unethical behaviour.

Nomination of Directors

The Nominating and Corporate Governance Committee is comprised of Allison Rippin Armstrong (Chair), Mel Benson and Antonio Reda. In consultation with the Chair, the Nominating and Corporate Governance Committee identifies and recommends to the Board potential nominees for election or re-election to the Board as well as individual directors to serve as members and chairs of each committee. The Nominating and Corporate Governance Committee establishes and reviews with the Board the appropriate skills and

characteristics required of members of the Board, taking into consideration the Board's short-term needs and long-term succession plans. In addition, the Nominating and Corporate Governance Committee develops, and annually updates, a long-term plan for the Board's composition, taking into consideration the characteristics of independence, age, skills, experience and availability of service to the Company of its members, as well as opportunities, risks, and strategic direction of the Company.

Compensation

Compensation matters are currently determined by the Board upon the recommendation of the Compensation Committee. See "Compensation Committee".

Other Board Committees

The Board has no committees, other than the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

Assessments

The Nominating and Corporate Governance Committee is responsible for establishing criteria for, and annually implementing, an evaluation process for the Board, the Chair, each committee of the Board, and individual directors in order to assess the effectiveness of the Board as a whole, the Chair, each committee and the contribution of individual directors. The Board reviews and assesses the adequacy of its mandate on, at a minimum, an annual basis to ensure compliance with any rules or regulations promulgated by any regulatory body.

AUDIT COMMITTEE

The Audit Committee is comprised of Michael Roper (Chair), Mel Benson and Allison Rippin Armstrong, all of whom are "financially literate" and independent as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110").

The Audit Committee assists the Board in fulfilling its obligations relating to the integrity of the internal financial controls and financial reporting of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's principal responsibilities include (i) recommending the external auditor to be nominated for the purpose of audit, review or attest services for the Company, (ii) recommending the compensation of the external auditor, (iii) overseeing the work of the external auditor in performing audit, review or attest services for the Company, (iv) reviewing the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information, and (v) establishing procedures for addressing complaints or concerns regarding accounting, internal control or auditing matters.

Relevant Education and Experience

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Michael Roper, Chair

Mr. Roper has experience with accounting principles, corporate financing reporting, budgeting and accruals and provisions, as well as, supporting the preparation, auditing and evaluation of financial statements related to corporate accounting requirements, for various junior mining companies, including adherence to internal corporate controls and procedures with respect to financial reporting requirements. Based on his experience, Mr. Roper has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Mel Benson

Mr. Benson has been involved in publicly traded companies and has served on the audit committee for several public companies, including Suncor. Mr. Benson is very familiar with managing junior listed companies, including financing and compliance with reporting requirements. Mr. Benson has served on a number of publicly traded companies internal and operational audit teams and has experience with managing various operational and reporting requirements, including the reporting of internal financial reporting requirements and economic projections. Based on his experience, Mr. Benson has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable him to discharge his duties as an audit committee member.

Allison Rippin Armstrong

Ms. Armstrong has various experience with budgeting, economic assessments, and financial reporting through roles at various private and publicly traded companies. Ms. Armstrong is familiar with managing junior mining companies, including financing and compliance with reporting requirements. Based on her experience, Ms. Armstrong has an understanding of financial reporting requirements respecting financial statements sufficient enough to enable her to discharge her duties as an audit committee member.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company may rely upon the exemption provided by section 6.1 of NI 52-110, pursuant to which the Company is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor or the external auditor of the subsidiaries, unless such pre-approval is otherwise appropriately delegated by the Audit Committee, or if the Audit Committee adopts appropriate policies and procedures for the engagement of non-audit services.

External Auditor Service Fees by Category

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company or its subsidiaries (if any) were as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees⁽¹⁾</u>	<u>Tax Fees⁽²⁾</u>	<u>All Other Fees⁽³⁾</u>
December 31, 2019	\$67,958	Nil	Nil	Nil
December 31, 2018	\$40,000	Nil	Nil	Nil

Notes:

- (1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

COMPENSATION COMMITTEE

The Compensation Committee is comprised of Mel Benson (Chair), Michael Roper and Antonio Reda. Mr. Benson and Mr. Roper are considered "independent" and Mr. Reda, as President and CEO of the Company, is not considered "independent", pursuant to NI 52-110. The responsibilities, powers and operation of the Compensation Committee are set out in the committee charter.

As described in its charter, the Compensation Committee is responsible for, among other things, the following matters:

- reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and other executive officers (including NEOs), evaluating the performance of the CEO and the other executive officers in light of those goals and objectives and approving their annual compensation levels, including salaries, bonuses, and stock option grants based on such evaluation; and
- reviewing the compensation of directors for service on the Board and its committees and recommending to the Board the annual Board member compensation package, including retainer, committee member and chair retainers, Board and committee meeting attendance fees and any other form of compensation, such as stock option grants or stock awards.

While the Board is ultimately responsible for determining all forms of compensation to be awarded to the CEO, other executive officers and directors, the Compensation Committee will when appropriate review the Company's compensation philosophy, policies, plans and guidelines and recommend any changes to the Board.

AVAILABLE INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year.

Shareholders of the Company may request copies of the Company's financial statements and MD&A by contacting Krysta Rehaag Chief Financial Officer of the Company at info@tectonicmetals.com.

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DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Board.

DATED the 16th day of April 2020.

Vancouver, BC

"Antonio Reda"

ANTONIO REDA
President, CEO and Director

SCHEDULE "A"

STOCK OPTION PLAN

ARTICLE 1 PURPOSE

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Employees and Consultants, to reward such of those Directors, Officers, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Officers, Employees and Consultants to acquire Common Shares as long term investments (as such terms are defined below).

ARTICLE 2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

- (a) **"Affiliate"** has the meaning ascribed to it in the policy manual of the TSXV.
- (b) **"Administrator"** means, initially, the Chief Financial Officer of the Company and thereafter will mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time.
- (c) **"Award Date"** means the date on which the Board awards a particular Option or such other effective award date determined by the Board.
- (d) **"Blackout Period"** means a Company imposed period of time preventing Officers, Directors, Consultants and Employees from exercising Options.
- (e) **"Board"** means the board of directors of the Company.
- (f) **"Cause"** means:
 - (i) Cause as such term is defined in the written employment agreement between the Company and the Option Holder; or
 - (ii) in the event there is no written employment agreement between the Company and the Option Holder or Cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Option Holder is employed.
- (g) **"Common Share"** or **"Common Shares"** means, as the case may be, one or more common shares in the capital of the Company.
- (h) **"Consultant"** means an individual or Consultant Company, other than an employee, a director or an officer of the Company, that:
 - (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or an Affiliate, other than services provided in relation to a distribution;

- (ii) provides the services under a written contract between the Company or an Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention to the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company.
- (i) **“Company”** means Tectonic Metals Inc., a company incorporated under the laws of British Columbia.
 - (j) **“Director”** means a director, senior officer or Management Company Employee of the Company, or a director, senior officer or Management Company Employees of the Company’s subsidiaries.
 - (k) **“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity.
 - (l) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by the Company’s shareholders at a duly constituted shareholders meeting, excluding votes attached to the Common Shares beneficially owned by Insiders to whom Options may be granted under the Plan and their associates and affiliates.
 - (m) **“Employee”** means
 - (i) an individual who is considered an employee of the Company or its subsidiaries under the Income Tax Act (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
 - (iii) an individual who works for the Company or its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
 - (i) a Management Company Employee.
 - (n) **“Exercise Notice”** means the notice respecting the exercise of an Option, in the form set out as 0 hereto, duly executed by the Option Holder.
 - (o) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.
 - (p) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with Section 4.6.

- (q) **"Expiry Date"** means the date determined in accordance with Section 4.5 and after which a particular Option cannot be exercised.
- (r) **"Going Public Transaction"** means the offering and sale to the public of securities of the Company in connection with which the securities of the Company are listed or quoted on an organized trading facility, or any other transaction pursuant to which the securities of a company are listed or quoted on an organized trading facility.
- (s) **"Guardian"** means the guardian, if any, appointed for an Option Holder.
- (t) **"Insider"** has the meaning ascribed to it in the policy manual of the TSXV.
- (u) **"Investor Relations Activities"** has the meaning ascribed to it in the policy manual of the TSXV.
- (v) **"Market Value"** means the market value of the Common Shares as determined in accordance with section 4.6.
- (w) **"Management Company Employee"** means an individual employed by a Person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.
- (x) **"Officer"** means any individual who is serving as a duly appointed officer of the Company.
- (y) **"Option"** means an option to acquire Common Shares, awarded to a Director, Officer, Employee or Consultant under the Plan.
- (z) **"Option Certificate"** means the certificate, in the form set out as 0 hereto, evidencing an Option.
- (aa) **"Option Holder"** means a Director, Officer, Employee or Consultant, or former Director, Officer, Employee or Consultant, who holds an unexercised and unexpired Option.
- (bb) **"Other Securityholders"** has the meaning given to that term under section 4.5(e).
- (cc) **"Person"** means any individual, partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, trust, trustee, executor, administrator, or other legal personal representatives, regulatory body or agency, government or governmental agency, authority or entity howsoever designated or constituted.
- (dd) **"Plan"** means this stock option plan.
- (ee) **"Purchase Offer"** has the meaning given to that term under section 4.5(e).
- (ff) **"Purchaser"** has the meaning given to that term under section 4.5(e).
- (gg) **"Qualified Successor"** means a Person who is entitled to ownership of an Option upon the death of an Option Holder, pursuant to a will or the applicable laws of descent and distribution upon death.
- (hh) **"Regulatory Authorities"** or **"Regulatory Authority"** means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company.

- (ii) **"Selling Shareholders"** has the meaning given to that term under section 4.5(e).
- (jj) **"Share"** or **"Shares"** means, as the case may be, one or more Common Shares or shares of any other class in the share capital of the Company from time to time.
- (kk) **"Shareholders' Agreement"** means the shareholders' agreement dated April 13, 2018 among the Company and its shareholders, as may be amended, replaced, restated or supplemented from time to time.
- (ll) **"Termination Date"** means:
 - (i) in the case of the resignation of the Option Holder's employment or the termination of the Option Holder's consulting or service contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Company; or
 - (ii) in the case of the termination of the Option Holder's employment or consulting or service contract by the Company for any reason other than death or disability, the date that the Company delivers written notice of termination of the Option Holder's employment or consulting or service contract to the Option Holder; or
 - (iii) in the case of the expiry of a fixed-term employment or consulting or service contract that is not renewed or extended, the last day of the term.
- (mm) **"TSXV"** means the TSX Venture Exchange.

2.2 Choice of Law

The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

2.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 3 PARTICIPATION

3.1 Participation

The Board may, from time to time and in its sole discretion determine those Directors, Officers, Employees and Consultants, if any, to whom Options are to be awarded.

3.2 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator will notify the Option Holder in writing of the award and will enclose with such notice the Option Certificate representing the Option so awarded.

3.3 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, will be provided with a copy of the Plan and the Shareholders' Agreement. A copy of any amendment to the Plan or the Shareholders' Agreement will be promptly provided by the Administrator to each Option Holder.

3.4 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Company nor does it give any Option Holder that is an Employee the right to be or to continue to be employed with the Company, nor does it give any Option Holder that is a Consultant the right to have a consulting relationship with the Company or provide services to the Company.

ARTICLE 4 TERMS AND CONDITIONS OF OPTIONS

4.1 Board to Issue Common Shares

The Common Shares to be issued to Option Holders upon the exercise of Options will be authorized and unissued Common Shares, the issuance of which will have been authorized by the Board.

4.2 Number of Common Shares

Subject to the limits set out in section 4.3 and to adjustment as provided for in section 4.13 of the Plan, the number of Common Shares that will be available for Directors, Officers, Employees and Consultants to acquire pursuant to Options granted under the Plan will not at any time exceed 10% of the Company's then outstanding Common Shares.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the Option was not exercised will again be available for the purposes of the Plan. In addition, if any Option is exercised, an equivalent number of Shares may be reserved for issuance pursuant to the grant of additional Options in replacement for such exercised Options.

4.3 Limits on Shares Issuable on Exercise of Options

If, and for so long as, the Common Shares are listed on the TSXV, the number of Shares reserved for issuance under the Plan and all of the Company's other previously established or proposed share compensation arrangements:

- (a) in aggregate shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis on the Award Date; and
- (b) to any one Option Holder within a 12 month period shall not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis.

If, and for so long as, the Common Shares are listed on the TSXV, the number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to any one Person, shall be no more than 5% of the issued and outstanding share capital of the Company, with the exception of a Consultant who may not receive grants of more than 2% of the issued and outstanding share capital of the Company; and
- (b) to Persons employed to conduct Investor Relations Activities, shall be no more than an aggregate of 2% of the number of issued and outstanding Common Shares in the capital of the Company at any one time.

4.4 Option Details

Subject to the provisions of this Plan, the Board shall specify the following terms of the Option in the Option Certificate, which terms shall include the following:

- (a) the Award Date;
- (b) the number of Options granted;
- (c) the Exercise Price, provided that the Exercise Price shall not be less than the Market Value;
- (d) any vesting schedule contained in the Option Certificate upon which the exercise of an Option is contingent;
- (e) subject to Section 4.9, the term of the Option, provided that the Exercise Period shall in no event be greater than ten (10) years following the Award Date; however, if the Exercise Period is terminated during a Blackout Period, the Exercise Period shall be extended to the date that is ten (10) business days following the end of such Blackout Period (the “**Extension Period**”);
- (f) if the Option Holder in respect of an Option grant is an Employee, Consultant or Management Company Employee a representation by the Company that the Option Holder is a bona fide Employee, Consultant or Management Company Employee; and
- (g) such other terms and conditions as the Board deems advisable and are consistent with the purposes of this Plan

An Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period will terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

4.5 Termination

To the extent not earlier exercised or terminated in accordance with Section 4.9 hereof, the Expiry Date of an Option will be the earlier of the following dates:

- (a) Termination Date

The termination date specified for such Option in the Option Certificate; provided that, if the termination date occurs during a Blackout Period, such termination date shall be extended to the date that is ten (10) business days following the end of such Blackout Period.

- (b) Without Cause Termination

Unless determined otherwise by the Board, where the Option Holder’s position as a Director, Officer, Employee, or Consultant of the Company or any Affiliate terminates for a reason other than the Option Holder’s Disability, death, or termination for Cause, (i) on the Termination Date with respect to Options that have not vested as at such Termination Date, and (ii) 90 days after the Termination Date with respect to Options that have vested as at such Termination Date, provided that if an Option Holder’s position with the Company changes from one of the said categories to another category, such change shall not constitute termination for the purpose of this Section 4.5.

(c) For Cause Termination

The Option Holder's position as an Employee, Consultant, Director or Officer of the Company or any Affiliate is terminated for Cause, the date of such termination for Cause.

(d) Going Public Transaction

Prior to completion of a Going Public Transaction, the Board or the Regulatory Authorities or the underwriter may require that there be no outstanding Options and the Company may deliver a notice to the Option Holder to this effect, in which case the unvested portion of the Option held by the Option Holder, if any, will immediately vest and the Expiry Date of the Option will be the 30th day following the date of the notice. In the event that the Company does not complete the Going Public Transaction, the Company will, to the extent reasonably practicable, grant to the Option Holder an Option equivalent (including the original vesting terms, if any) to the Option cancelled or exercised, provided that in the case of an Option that was exercised, the Option Holder surrenders for cancellation the Common Shares acquired upon the exercise of the Option.

(e) Substantial Sale

- (i) If Shareholders holding Shares representing at least 66 2/3% of the outstanding Shares (the "**Selling Shareholders**") irrevocably agree to transfer to one or more Persons acting as principal and who is or are independent of the Selling Shareholders (a "**Purchaser**") all or some portion of the Shares held or beneficially owned by the Selling Shareholders pursuant to a bona fide offer (a "**Purchase Offer**") from or with the Purchaser, which Purchase Offer is approved by the Board, the Selling Shareholders shall have the right, but not the obligation, to require each of the other holders or beneficial owners of Shares (the "**Other Securityholders**") to sell the same proportion of Shares beneficially owned by such Other Securityholders to the Purchaser. If the Purchaser offers to purchase any outstanding Options or requires that there be no Options outstanding following completion of the transactions contemplated in the Purchase Offer, then the Company may, in its sole discretion, deliver a notice to the Option Holder requiring the sale of such Options to the Purchaser or requiring the exercise of the vested portion of such Options.
- (ii) If the Purchaser offers to buy the Options of an Option Holder and the Option Holder does not sell the Option Holder's Options to the Purchaser or exercise the vested portion of the Options as contemplated above, then that Option Holder's Options will expire, terminate and be cancelled on completion the transaction contemplated in the Purchase Offer.

Notwithstanding anything else contained in the Plan and subject to any necessary approval from the Company's shareholders and the Regulatory Authorities, the Board may in its discretion (a) extend the Expiry Date of any Option, provided that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option; or (b) accelerate the expiry or vesting terms applicable to an Option.

4.6 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option will be as set forth in the Option Certificate issued in respect of such Option and in any event will not be less than the Market Value of the Common Shares as of the Award Date. The Market Value of the Common Shares for a particular Award Date will be determined as follows:

- (a) if the Common Shares are listed on the TSXV or one or more alternative organized trading facilities, the Market Value will be determined by a resolution of the Board and must be either:
 - (i) the closing trading price of the Common Shares on the last trading day immediately preceding the Award Date; or
 - (ii) a value that is within the parameters set by the guidelines or policies of such organized trading facility; and
- (b) if the Common Shares are not listed on any organized trading facility, then the Market Value will be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by the Board.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

4.7 Additional Terms

Subject to all applicable securities laws and regulations and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein, provided that in no case will an Option be exercisable later than the tenth anniversary of the Award Date of the Option; however, if the Expiry Date occurs during a Blackout Period, the Expiry Date shall be extended to the date that is ten (10) business days following the end of such Blackout Period;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events other than as provided for herein; and
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company.

4.8 Going Public Agreements

If the Company proceeds to list its Shares on the TSXV or an alternative public stock exchange or commences a public offering, each Option Holder will promptly enter into all such escrow, pooling or other agreements as are required by the securities regulatory authorities, the exchange, the agents or the underwriters in connection with such listing or public offering.

4.9 Assignment of Options

Subject to this Section 4.9, Options may not be assigned or transferred.

- (a) Death of Option Holder

If the employment of an Option Holder as an Employee or Consultant of the Company or any Affiliate, or the position of an Option Holder as a Director or Officer of the Company or any Affiliate, terminates as a result of his or her death, any Options held by such Option Holder shall pass to the Qualified Successor of the Option Holder, and shall be exercisable

by the Qualified Successor for a period of 1 year following such death, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.

(b) Disability of Option Holder

If the employment of an Option Holder as an Employee or Consultant of the Company or any Affiliate, or the position of an Option Holder as a Director or Officer of the Company or any Affiliate, is terminated by the Company or any Affiliate by reason of such Option Holder's Disability, any Option held by such Option Holder that could have been exercised immediately prior to such termination of service shall be exercisable by such Option Holder, or by his Guardian, for a period of 1 year following the termination of service of such Option Holder.

(c) Disability and Death of Option Holder

If an Option Holder who has ceased to be employed by the Company or any Affiliate by reason of such Option Holder's Disability dies within 30 days after the termination of such employment, any Option held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Option Holder, and shall be exercisable by the Qualified Successor for a period of 1 year following the death of such Option Holder, provided that in no case shall the Exercise Period of the Option extend beyond ten years from the Award Date.

(d) Vesting

Options held by a Qualified Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

(e) Deemed Non-Interruption of Employment

Employment shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to reemployment with the Company or any Affiliate is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's reemployment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first day of such leave.

4.10 Effect of a Take-Over Bid

If a bona fide offer (the "Offer") for Common Shares is made to an Option Holder or to shareholders generally or to a class of shareholders which includes the Option Holder, which Offer constitutes a take-over bid within the meaning of Section 92 of the *Securities Act* (British Columbia), as amended from time to time, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of full particulars of the Offer, whereupon any Option held by an Option Holder may be exercised in whole or in part by the Option Holder so as to permit the Option Holder to tender the Common Shares received upon such exercise (the "Optioned Shares") to the Offer. If:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Optioned Shares tendered by the Option Holder pursuant to the Offer are not taken up and paid for by the offeror pursuant thereto;

the Optioned Shares or, in the case of clause (b) above, the Optioned Shares that are not taken up and paid for, may be returned by the Option Holder to the Company and reinstated as authorized but unissued

Common Shares and with respect to such returned Optioned Shares, the Option shall be reinstated as if it had not been exercised. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the Exercise Price to the Option Holder for such Optioned Shares.

4.11 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any unissued Shares, an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare all Options granted under the Plan, vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer. The Directors shall give each Option Holder reasonable notice of the acceleration of the Options under this section, except that not less than 5 business days' notice is required and more than 30 days' notice is not required.

4.12 Change of Control

If the Company proposes to amalgamate, merge or consolidate with any other corporation (otherwise than pursuant to an internal corporate reorganization that would not affect control of the Company) or to liquidate, dissolve or wind-up, or in connection with any proposed sale or conveyance of all or substantially all of the property or assets of the Company or any proposed offer to acquire all of the outstanding Common Shares or any other proposed transaction involving the Company (in each case, a "**Change of Control**"), the Board may, in its discretion, permit and authorize the accelerated vesting and early exercise of all or any portion of the then outstanding Options in connection with the completion of such Change of Control.

4.13 Adjustments

If at any time after the grant of an Option to any Option Holder and prior to the Expiry Date of such Option, the Shares shall be reclassified, reorganized or otherwise changed, subject to the provisions of Section 4.13 hereof, the Company shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Company**") the Option Holder shall be entitled to receive upon the subsequent exercise of his, her or its Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he, she or it was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Company or the Successor Company (as the case may be) and/or other consideration from the Company or the Successor Company (as the case may be) that the Option Holder would have been entitled to receive as a result of such reclassification, reorganization or other change or, subject to the provisions of Section 4.13 hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or the effective date of such consolidation, merger or amalgamation, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was theretofore entitled upon such exercise.

4.14 Option Grant and Vesting Terms

Unless otherwise determined by the Board in accordance with the terms and conditions of this Plan, Options will be granted by the Board. The Board may determine and impose terms upon which each Option shall become vested, provided that, if the Common Shares are listed on the TSXV, Options granted to Persons employed to conduct Investor Relations Activities, must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period.

4.15 Fractional Shares

The Company shall not be required to issue fractional Common Shares in satisfaction of its obligations under the Plan. Any fractional interest in a Common Share that would, except for the provisions of this

Section 4.15, be deliverable upon the exercise of any Option shall be cancelled and not be deliverable by the Company.

ARTICLE 5 EXERCISE OF OPTION

5.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Guardian of the Option Holder. An Option Holder or the Guardian of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to "**Tectonic Metals Inc.**" in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

In the event that the Expiry Date of an Option falls during, or within five (5) trading days of, a trading blackout period imposed by the Company (the "**Blackout Period**"), the Expiry Date of such Option shall automatically be extended to the Extension Period; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Blackout Period.

5.2 Shareholders' Agreement

It is a condition of the Plan that an Option Holder who wishes to exercise an Option in whole or in part prior to the completion of a Going Public Transaction must, unless determined otherwise by the Board, become a party to the Shareholders' Agreement so long as it has not been terminated in accordance with its terms. The Shareholders' Agreement establishes certain rights and obligations with respect to the holding and sale of all Common Shares purchased from time to time by the Option Holder upon the exercise of Options.

5.3 Execution of Shareholders' Agreement

As soon as practicable following the receipt of the Exercise Notice, if the Option Holder is not a party to a Shareholders' Agreement (and it has not been terminated in accordance with its terms), unless otherwise exempted by the Board, the Administrator will cause to be delivered to the Option Holder a joinder agreement to the Shareholders' Agreement for execution by the Option Holder and return to the Administrator.

5.4 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice and following receipt of the executed Shareholders' Agreement or a joinder agreement to the Shareholders' Agreement, if required, the Administrator will, in his sole discretion, either cause to be delivered to the Option Holder a certificate for the Common Shares purchased by the Option Holder or cause to be delivered to the Option Holder a copy of such certificate and the original of such certificate will be placed in the minute book of the Company. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator will forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

5.5 Condition of Issue

The Options and the issue of Common Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable

Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable securities laws and regulations. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such laws, regulations, rules and policies.

ARTICLE 6 TAX WITHHOLDING

Each Option Holder shall, no later than the date as of which the value of an Option or of any Shares or other amounts received thereunder first becomes includable in the gross income of the Option Holder for income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any federal, provincial or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company, to the extent permitted by law, shall have the right to deduct any such taxes from any payment of any kind otherwise due to the Option Holder. The Company's obligation to deliver share certificates (or evidence of book entry) to any Option Holder is subject to and conditioned on any such tax withholding obligations being satisfied by the Option Holder.

ARTICLE 7 ADMINISTRATION

7.1 Administration

The Plan will be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such policies not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such policies will form part of the Plan. The Board may delegate to the Administrator or any director, officer or employee of the Company such administrative duties and powers as it may see fit.

7.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 8 AMENDMENT, TERMINATION AND NOTICE

8.1 Prospective Amendment

Subject to Section 8.3, the Board may, from time to time and in accordance with any third party obligations of the Company, amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Common Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment (with the exception of an amendment pursuant to section 4.5(e)) will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

8.2 Retrospective Amendment

Subject to Section 8.3, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted.

8.3 Termination and Amendment on the TSXV

Notwithstanding Section 8.1, 8.2 and 8.6, and if for so long as the Common Shares are listed on the TSXV, the Plan can only be terminated or amended in accordance with the terms of this Section 8.3.

(a) Power of the Board to Terminate or Amend Plan

Subject to the acceptance of the TSXV and any other applicable Regulatory Authorities and the requirements of the policy manual of the TSXV and any other applicable Regulatory Authority, the Board may terminate, suspend or amend the terms of the Plan; provided, however, that, except as provided in Section 5.1 hereof, the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, and, where required, by way of Disinterested Shareholder Approval:

- (i) increase the maximum number of Common Shares that may be reserved under the Plan for issuance pursuant the exercise of Options (other than pursuant to Section 4.10 and Section 4.13);
- (ii) place limitations under the Plan on the number of Options that may be granted to any one Person or any category of Persons;
- (iii) reduce the exercise price of Options;
- (iv) grant to Insiders, within a 12 month period, an aggregate number of options exceeding 10% of the Company's issued Common Shares, calculated at the date the Option is granted to the Insider;
- (v) issue to any one Option Holder, within a 12 month period, a number of Common Shares exceeding 5% of the Company's Common Shares;
- (vi) reserve for issuance Common Shares under the Plan and all of the Company's other security based compensation arrangements in existence from time to time on and after the effective date of the Plan, where such reservation could result in the aggregate number of Common Shares granted to Insiders exceeding 10% of the Company's issued Common Shares;
- (vii) materially modify the requirements as to eligibility for participation in the Plan;
- (viii) materially increase the benefits accruing to participants under the Plan;
- (ix) modify the method for determining the exercise price of the Options;
- (x) modify the maximum term of the Options;
- (xi) modify the expiry and termination provisions applicable to Options;

- (xii) expand the types of awards which may be granted under the Plan;
- (xiii) extend the duration of the Plan; or
- (xiv) modify the provisions of this Section 8.3.

however, the Board may, without shareholder approval:

- (i) make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial inconsistency, defective provision, mistake, or error or omission in this Plan or any Option;
 - (ii) make any addition to, deletion from or alteration of the provisions of this Plan or any Option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of this Plan; or
 - (iii) make any amendments to clarify existing provisions of this Plan or any Option provided that such changes do not have the effect of altering the scope, nature and intent of this Plan or any Option.
- (b) No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Amendment, suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

8.4 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities. If, and for so long as, the Common Shares are listed on the TSXV, the provisions of the Plan are and will be subject to the relevant policies of the TSXV.

8.5 Termination

Subject to 8.3, the Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which will continue to be governed by the provisions of the Plan.

8.6 Agreement

The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plan.

8.7 Agreement

The Company and every Option awarded hereunder will be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of the Plan.

8.8 Notice

Any notice or other communication contemplated under the Plan to be given by the Company to an Option Holder will be given by the Company delivering or faxing the notice to the Option Holder at the last address for the Option Holder in the Company's records. Any such notice will be deemed to have been given on the date on which it was delivered, or in the case of fax, the next business day after transmission. An Option Holder may, at any time, advise the Company of a change in the Option Holder's address or fax number.

[Remainder of page intentionally left blank]

TECTONIC METALS INC.
STOCK OPTION PLAN
OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Tectonic Metals Inc. (the “**Company**”) stock option plan (the “**Plan**”) and evidences that ● is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to ● Common Shares Without Par Value (the “**Common Shares**”) in the capital of the Company. The Exercise Price of the Option is CDN\$● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●, ●; and
- (b) the Fixed Expiry Date of the Option is ●, ●.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to “**Tectonic Metals Inc.**” in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

Upon receiving the Exercise Notice, the Administrator shall deliver the Shareholders’ Agreement, and may deliver a joinder agreement to the Shareholders’ Agreement, to the Option Holder. The Option and the issue of Common Shares by the Company pursuant to the exercise of the Option are subject to the Option Holder signing and returning to the Administrator a copy of the Shareholders’ Agreement or joinder agreement to the Shareholders’ Agreement.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company will prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate will have the meanings given to them under the Plan.

Dated this ● day of ●, ●.

TECTONIC METALS INC.

Per: _____
Administrator, Stock Option Plan

TECTONIC METALS INC.
OPTION CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Option represented by this Certificate are as follows:

1. [●].

TECTONIC METALS INC.

Per: _____
Administrator, Stock Option Plan

TECTONIC METALS INC. STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Tectonic Metals Inc.
744 Hastings Street West, Suite 312
Vancouver, BC V6C 1A5
Attention: Krysta Rehaag
E-mail: krysta@tectonicmetals.com

The undersigned hereby irrevocably gives notice, pursuant to Tectonic Metals Inc. stock option plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (c) all of the Common Shares; or
- (d) _____ of the Common Shares,

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to "**Tectonic Metals Inc.**" in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares and directs the Company to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

The undersigned acknowledges that upon receiving the Exercise Notice, the Administrator shall deliver the Shareholders' Agreement, and may deliver a joinder agreement to the Shareholders' Agreement, to the undersigned. The Option and the issue of Common Shares by the Company pursuant to the exercise of the Option are subject to the undersigned signing and returning to the Administrator a copy of the Shareholder's Agreement or joinder agreement to the Shareholders' Agreement.

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan, including without limitation Section 5.2. All terms not otherwise defined in this Notice of Exercise of Option will have the meanings given to them under the Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder

SCHEDULE "B"

BOARD MANDATE

1. Purpose

The members of the Board of Directors (the "**Board**") have the duty to supervise the management of the business and affairs of Tectonic Metals Inc. (the "**Company**"). The Board, directly and through its committees and the Chair of the Board (the "**Chair**"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

2. Duties and Responsibilities

The Board shall have the specific duties and responsibilities outlined below.

Strategic Planning

(a) Strategic Plans

The Board will adopt a strategic plan for the Company. The Board shall review and, if advisable, approve the Company's strategic planning process and the Company's annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

(b) Business and Capital Plans

The Board shall review and, if advisable, approve the Company's annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) Monitoring

The Board shall review management's implementation of the Company's strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

Risk Management

(d) General

The Board shall review reports provided by management of principal risks associated with the Company's business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(e) Verification of Controls

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.

Human Resource Management

(f) General

At least annually, the Board shall review a report of the Compensation Committee concerning the Company's approach to human resource management and recommendations for executive compensation.

(g) Succession Review

At least annually, the Board shall review the succession plans of the Company for the Chair, the Lead Director (if applicable), the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(h) Integrity of Senior Management

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

Corporate Governance

(i) General

At least annually, the Board shall review a report of the Nominating and Corporate Governance Committee concerning the Company's approach to corporate governance.

(j) Director Independence

At least annually, the Board shall review a report of the Nominating and Corporate Governance Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(k) Ethics Reporting

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Nominating and Corporate Governance Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Nominating and Corporate Governance Committee concerning investigations and any resolutions of complaints received under the Code.

(l) **Board of Directors Mandate Review**

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Communications

(m) **General**

The Board has adopted a Disclosure Policy for the Company. The Board shall periodically review the Company's Disclosure Policy, including management's compliance with such policy.

(n) **Shareholders**

The Company endeavors to keep its shareholders informed of its progress through an annual information form, quarterly interim reports, periodic press releases and investor presentations. Directors and management shall meet with the Company's shareholders at the annual general meeting and shall be available to respond to questions at that time.

3. Composition

General

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), the *Securities Act* (British Columbia) (the "**Act**") and the articles of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Nominating and Corporate Governance Committee.

Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.

Chair of the Board

The Chair shall be an independent director unless the Board determines that it is in the best interest of the Company to have a non-independent Chair. If the Chair is not independent, then the independent directors shall select a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

4. Committees of the Board

The Board has established the following committees: the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. Each mandate shall be reviewed by the Nominating and Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.

Consideration of Committee Recommendations

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

5. Meetings

The Board will meet at least once in each quarter, with additional meetings held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's articles.

Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Directors' Responsibilities

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards and Audit Committee

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

6. Management

Position Descriptions for Directors

The Board has approved position descriptions for the Chair, the Lead Director (if applicable) and the chair of each Board committee. At least annually, the Board shall review such position descriptions.

Position Description for CEO

The Board has approved a position description for the Chief Executive Officer, which includes delineating management's responsibilities. The Board has also approved the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. At least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

7. Director Development and Evaluation

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. The Board shall review the Company's initial orientation program and continuing director development programs.

8. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's articles, it is not intended to establish any legally binding obligations.

Adopted: September 17, 2019