Tectonic Metals Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2023 and 2022

This management's discussion and analysis ("MD&A") of the financial condition and results of operations of Tectonic Metals Inc., together with its wholly owned subsidiaries (the "Company" or "Tectonic") constitutes management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2023 and 2022. This MD&A has been prepared in compliance with the requirements of National Instrument ("NI") 51-102 - *Continuous Disclosure Obligations*. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2023, and 2022, (the "financial statements"), as well as the audited consolidated financial statements for the years ended December 31, 2022 and 2021, (the "Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Except as otherwise indicated, all financial data in this MD&A has been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of financial statements including International Accounting Standard ("IAS") 34 *Interim Financial Reporting.* The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively.

All monetary amounts in the MD&A are expressed in Canadian dollars, except number of shares, or as otherwise indicated. References to "USD$" are to United States dollars. Additional information regarding the Company is available on SEDAR at www.sedar.com, and the Company's website www.tectonicmetals.com. This MD&A has been prepared effective as of May 30, 2023.

FORWARD-LOOKING STATEMENTS

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

NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

EXPLORATION HIGHLIGHTS

On February 16, 2023 the Company announced the results of a metallurgical test program at its Flat Gold Project (“Flat”). Metallurgical samples were selected by Tectonic from historically drilled diamond core samples with the objective of investigating the potential for free-milling gold mineralization at Flat, and more specifically, within the Chicken Mountain Zone (“CMZ”). Results from the 5 composites indictate that high gold recoveries are attainable and demonstrate that the mineralization presently known at Flat is not grind sensitive, is extremely low in sulphur, non preg robbing and favourable to various gold extraction methods;

- Conventional bottle roll tests with 48-hour leach kinetics of material ground to a K80 of 75 μm yields an average gold recovery of 95.6% with a range of 88.3% to 99.1%.
- Conventional gravity + bottle roll tests with 48-hour leach kinetics of material ground to a K80 of 75μm yield an average gold recovery of 97.2% and a high of 98.7% across the 5 composites. The fresh sulphide composite yielded a highly favourable gold recovery of 94.7%.
- Given the initial favourable results, Tectonic then elected to do a coarser crush (6 mesh coarse crush, K100 of 3360μm) bottle roll test on all five composites with leach kinetics over a 192-hour period as a proxy for heap leach amenability ahead of future column leach testing. Bottle roll testing on this coarser crush material achieved an average gold recovery of 88.5% with 4 of the 5 composites averaging 94.0% at 3360μm vs 97.5% at 75μm indicating the majority of the tested material is not grind sensitive.

On December 5, 2022 the Company announced the completion of the Company’s inaugural field program at the Flat Gold Project. Tectonic’s surface field program at Flat represents the first exploration work at the property in more than 20 years and comprised ground-truthing, channel/grab sampling of historic bedrock exposures and mechanical excavation and sampling of new trenches at Flat’s main zone, Chicken Mountain, comprising of a 3800 metre (“m”) long and up to 600m wide gold-in-soil anomaly.

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

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

During the three months ended March 31, 2023 no field work was conducted at the Tibbs, Carrie Creek or Mount Harper Properties.

FINANCIAL HIGHLIGHTS

Net loss and comprehensive loss of $999,217 for the three months ended March 31, 2023 compared to $586,937 in the prior comparable period.

Cash used in operating activities was $1,066,557 for the three months ended March 31, 2023 compared to cash used of $583,450 in the prior comparable period.

Cash used in financing activities was $7,594 for the three months ended March 31, 2023 compared to cash used $7,594 in the prior comparable period.

Cash as at March 31, 2023 of $1,473,955 compared to $2,552,145 as at December 31, 2022.

Working capital as at March 31, 2023 of $1,381,727 compared to $2,345,087 as at December 31, 2022.

CORPORATE HIGHLIGHTS

On November 17, 2022 the Company closed a non-brokered private placement for 38,761,250 units at a price of $0.08 per unit for gross proceeds of $3,100,900. Each unit is comprised of one common share and one common share purchase warrant. The Company paid $121,310 of share issuance costs and issued 604,125 finders' warrants. The Company will use funds for exploration activity on the Flat property. This private placement included an investment by the Company's largest shareholder Crescat Capital ("Crescat") to maintain their strategic holding percentage.

On October 1, 2022, the Company appointed Mr. Oliver Foeste as Chief Financial Officer ("CFO") and Corporate Secretary of the Company, in conjunction with his appointment, the Company granted him 400,000 incentive stock options to purchase up to 400,000 common shares in the capital of Tectonic. The incentive stock options have a term of five years from the date of grant and an exercise price of $0.10 share.

On August 4, 2022, the Company appointed Joseph J. Perkins as director of the Company, in conjunction with his appointment, the Company granted him 500,000 incentive stock options to purchase up to 500,000 common shares in the capital of Tectonic. The incentive stock options have a term of five years from the date of grant and an exercise price of $0.10 share.

On July 8, 2022, the Company granted 3,050,000 incentive stock options to directors, officers, and key consultants of the Company to purchase up to 3,050,000 common shares in the capital of Tectonic. The incentive stock options have a term of five years from the date of grant and an exercise price of $0.10 share.

On July 8, 2022 the Company closed a non-brokered private placement for 7,183,339 units at a price of $0.06 per unit for gross proceeds of $431,000. Each unit was comprised of one common share and a one-half share purchase warrant. The Company paid $43,576 of share issuance costs and issued 415,000 finders' warrants. The Company used the funds for exploration activity on the Seventymile and Flat properties.

On May 30, 2022 the Company closed a non-brokered private placement for 32,185,666 units at a price of $0.06 per unit for gross proceeds of $1,931,140. Each unit is comprised of one common share and a one-half share purchase warrant The Company paid $47,607 of share issuance costs and issued 94,140 finders' warrants. The Company used the funds for exploration activity on the Seventymile and Flat properties. This private placement included an investment by the Company's largest shareholder Crescat to maintain their strategic holding percentage.

On March 14, 2022, the Company appointed Peter Kleespies, M.Sc. as Vice President, Exploration ("VPX").

On March 11, 2022, the Company granted 300,000 stock options to a consultant. Each stock option has an exercise price of $0.10 and vests over a three-year period as follows: 100,000 stock options will vest March 11, 2023 and an additional 100,000 stock options will vest on the two subsequent anniversary dates thereafter. The stock options expire on March 11, 2027.

ABOUT CRESCAT

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

ABOUT DOYON

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

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

SCIENTIFIC AND TECHNICAL INFORMATION

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

DISCUSSION OF OPERATIONS

TIBBS

Overview

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

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

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

During the three months ended March 31, 2023 no field work was conducted at the Tibbs Property.

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

Option payments and exploration commitments

In consideration, the Company paid TCG a total of $376,987 (USD$280,000) up to March 31, 2023. Pursuant to the option agreement, the Company is required to pay a USD$50,000 option payment each June from 2021 to 2027 and was required to incur an aggregate USD$1,000,000 in exploration expenses by June 2022. During the year ended December 31, 2021, the Company fulfilled this exploration expenditure commitment. On June 15, 2022 the Company paid $65,060 (USD$50,000) for the 2022 option payment, pursuant to the option agreement.

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

Exploration programs

In October 2021, the Company announced results from the first seven diamond drill holes comprising a total of 803m of drilling from the Company's 2021 Phase I campaign at Tibbs, which include highlight intercepts containing visible gold and returning 7.69 g/t Au over 6.12m, including 33.92 g/t Au over 1.22m at Michigan and 12.45 g/t Au over 5.15m, including 41.39 g/t Au over 1.26m at Gray Lead.

In November 2021, the Company announced the discovery of high-grade quartz-sulphide veining in grab samples from the underexplored gneissic rocks at the Tibbs Gold Project. Rock grab gold values from the West Trench Prospect ranged from trace to 190.4 g/t Au and are the first evidence of Pogo-style vein mineralization in the western gneissic terrain.

In March 2022, the Company announced the results of check assaying of ¼ drill core from the Phase I diamond drill program at Michigan. The check assay program indicates the presence of gold nugget effect at the Michigan prospect highlighted by a 104.5 g/t Au ¼ core check assay that originally returned 1.034 g/t Au over 1.0m. Tectonic has initiated a program of selective metallic screen assaying for all known intervals of quartz vein mineralization and visible gold drilled during the 2021 season to allow Tectonic to further understand the extent and distribution of nuggety gold within the project area and how to best assay drill samples going forward. In March 2022, the Company announced results from five diamond drill holes and nine RC drill holes comprising a total of 3,032m of drilling from the Company's 2021 Phase II campaign at Tibbs. Results included the identification of four stacked, low-angle, Pogo-style quartz vein horizons at Gray Lead West with highlight intercepts of 9.95 g/t Au over 0.75m and 7.64 g/t Au over 0.60m, and the discovery of gneiss-hosted, interpreted low angle veining at Galosh and Johnson Saddle, which returned peak values of 2.44 g/t Au over 3.05m and 3.43 g/t Au over 1.52m, respectively.

SEVENTYMILE

Overview

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

In consideration, the Company paid Doyon $233,508 (USD$180,000) for lease requirements from lease inception to December 31, 2022.

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

CARRIE CREEK AND MT. HARPER

Overview

In August 2020, the Company entered into a mining lease agreement with Doyon for a 100% interest in two areas of Alaska Native regional corporation mineral estate in the Goodpaster District, Alaska ("Carrie Creek and Mt. Harper"). Carrie Creek is comprised on a north and south block of land contiguous with Tibbs and covers 15,800 acres. Mt. Harper is nearby and is 49,800 acres in size and is located approximately 20 km to the east of Tibbs.

The lease covers the mineral estate and the surface estate and grants the Company rights to conduct mineral exploration and, if warranted, mineral development and production activities. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the end of the fourth year of commercial production. Doyon is granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversaries of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds. The initial lease term is for 15 years, and the lease agreement includes renewal clauses to extend the lease period up to the entire commercial operational period of a mine.

Option payments and exploration commitments

In consideration, the Company paid Doyon $53,961 (USD$40,000) for lease requirements from lease inception to March 31, 2023 and pursuant to the lease agreement is required to pay:

- USD$10,000 each January 2021 to 2024 (2021, 2022 and 2023 payments made)
- USD$40,000 each January 2025 to 2029;
- USD$100,000 each January 2030 and thereafter. If the Company exercises an option to extend the lease term by another five years after completion of a feasibility study, this payment will be increased to USD$200,000; and
- USD$150,000 upon completion of a feasibility study.

During the three months ended March 31, 2023 no field work was conducted at the Carrie Creek and Mount Harper Properties.

Pursuant to the lease agreement, the Company is required to incur the following amounts for exploration expenses on Carrie Creek and Mt. Harper:

	USD$
2020-2022 (commitment fully met) (1)	1,000,000
2023-2026	1,200,000
2027-2030	2,000,000
Each four-year lease period commencing 2031	2,000,000

(1) Eligible expenditures include all actual direct costs incurred related to the exploration and development of Carrie Creek and Mt. Harper, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenditures and apply them against a future year. Tectonic is required to spend at least 25% of its required aggregate expenditures for each expenditure period for the benefit of Carrie Creek and Mt. Harper. As at March 31, 2023, the Company incurred USD$1,068,088 in cumulative eligible expenditures on Carrie Creek and Mt. Harper.

Additionally, the Company contributes to the Doyon Foundation an annual USD$10,000 scholarship for the term of the lease. The scholarship amount increases to USD$50,000 each year following the commencement of commercial production at either the Carrie Creek or Mt. Harper properties. On April 24, 2023, the Company fulfilled its current year's commitment.

Exploration programs

In July 2021, concurrent with ongoing exploration activity at Tibbs, Tectonic completed a four-week mapping program at Carrie Creek to validate the geological mapping completed by a previous lessee in the late 1990s and conducted a prospecting program in the southwestern reaches of the property at Jorts and Jeans. The surface mapping and prospecting program resulted in new discoveries of high-grade gold in grab sampling at the Jorts and Jeans targets, and a total of 223 rock samples collected property wide. The Jorts and Jeans targets are separated by 1.3 km and are adjacent to claims owned by Northern Star. Both targets are situated on the same northeastern trend that hosts Northern Star's Brink Gold Zone and the adjacent Porthos Ridge exploration target, west of Jeans. Based on these promising results and the limited time remaining in the field season, Tectonic quickly followed up with a RC drill, completing 9 holes for 1,185m at Jeans and Jorts while testing for Brink-style sheeted quartz veins.

During July and August of 2021, a second mapping and prospecting program was launched at the Mt. Harper Polymetallic Project ("Mt. Harper"), which concentrated on the eastern portion of the property in the vicinity of the Section 21 prospect and a total of 125 rock samples were collected.

The 2021 mapping campaign was the first comprehensive mapping and prospecting programs on both Carrie Creek and Mt. Harper in over 20 years. The objective of the programs is to obtain geological control on the various styles of mineralization observed on the respective properties to date and advance select targets to the drill-ready stage.
In September 2021, the Company announced initial results from the Company's 2021 mapping campaign at Carrie Creek grab rock sampling in the southern extent of Tibbs produced two robust, high-grade gold rock anomalies with gold values ranging from trace to 50.3 g/t Au at the Jorts Prospect and trace to 7.8 g/t Au at the Jeans Ridge Prospect. Mineralization at both prospects consists of granodiorite-hosted sheeted quartz veins that contain bismuthinite and rare visible gold. Mineralization is interpreted to represent veining associated with an intrusion-related gold system.

In March 2022, the Company announced results from the nine RC drill holes comprising a total of 1,185m of drilling from the Jeans and Jorts targets, with highlight intercepts of 1.21 g/t Au over 1.53m and 1.79 g/t Au over 1.53m from Jorts.

FLAT

Overview

Flat is a large scale, intrusion-hosted gold system with mineralization beginning at surface in close proximity to a world-class gold deposit, within the 4th largest placer mining district in Alaska. Historical exploration work has demonstrated continuity of low-grade gold mineralization (approximately one g/t Au), but has shown potential for discrete high-grade mineralization (greater than 20 g/t Au), as observed in similar geological settings such as the Fort Knox gold mine.

In September 2021, the Company entered into a mining lease agreement with Doyon for a 100% interest in Flat located 40 km north of the Donlin Gold Project, owned and operated by Barrick Gold Corp. and Novagold Resources Inc., and located in the Kuskokwim Mineral Belt, Alaska. The agreement covers all aspects of exploration, development, production and royalties, including key environmental, social and governance provisions. The initial term of the lease is for 15 years and includes renewal clauses to extend the lease period up to the entire operational period of the mine. Doyon is granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the fifth anniversary of the commencement of commercial production. Doyon is granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversaries of commercial production. After the tenth anniversary of the commencement of commercial production, the production royalty for precious minerals is the greater of a 4% NSR or 15% of net proceeds and the production royalty for base minerals is the greater of a 3% NSR or 15% of net proceeds.

Option payments and exploration commitments

In consideration, the Company paid Doyon $142,195 (USD$110,000) for lease requirements from lease inception to March 31, 2023 and is required to pay:

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

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

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

(1) Eligible expenditures include all actual direct costs incurred related to the exploration and development of Flat, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenditures and apply them against a future year. As at March 31, 2023, the Company incurred USD$723,823 in cumulative expenditures on Flat.

The Company has committed to contributing to the Doyon Foundation an USD$10,000 scholarship for the term of the lease. The scholarship amount increases to USD$50,000 each year following the commencement of commercial production at the Flat Property. On April 24, 2023, the Company fulfilled its current year's commitment.

Exploration programs

On December 5, 2022 the Company announced the completion of the Company's inaugural field program at the Flat Gold Project. Tectonic's surface field program at Flat represents the first exploration work at the property in more than 20 years and comprised ground-truthing, channel/grab sampling of historic bedrock exposures and mechanical excavation and sampling of new trenches at Flat's main zone, Chicken Mountain, comprising of a 3800 metre ("m") long and up to 600m wide gold-in-soil anomaly.

On February 16, 2023 the Company announced the results of a metallurgical test program at its Flat Project. Metallurgical samples were selected by Tectonic from historically drilled diamond core samples with the objective of investigating the potential for free-milling gold mineralization at Flat, and more specifically, within the Chicken Mountain Zone ("CMZ").

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

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

- Conventional bottle roll tests with 48-hour leach kinetics of material ground to a K80 of 75μm yields an average gold recovery of 95.6% with a range of 88.3% to 99.1%.
- Conventional gravity + bottle roll tests with 48-hour leach kinetics of material ground toa K80 of 75μm yield an average gold recovery of 97.2% and a high of 98.7% across the 5 composites. The fresh sulphide composite yielded a highly favourable gold recovery of 94.7.

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

MAPLE LEAF

Overview

The Company staked 74 state of Alaska mining claims known as Maple Leaf, located approximately 15 km east-northeast of Tibbs in the prolific Goodpaster Mining District. The Maple Leaf claims cover 4,791 hectares of prospective geology and known high-grade gold prospects, which have seen only minimal historical exploration work.

During July 2021, the Company performed geological mapping and prospecting via rock sampling focused at the Tourmaline Hill prospect in the western portion of Maple Leaf. The goal of the program was to enhance Tectonic's understanding of the geology and mineralization, generate new exploration targets and follow-up on the Tourmaline Hill prospect.

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

HEALTH AND SAFETY, ENVIRONMENT AND COMMUNITY

Health and safety

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

COVID-19 mitigation plan

The Company has a robust COVID-19 mitigation plan for its exploration work being conducted in Alaska. All employees and contractors presented a qualifying negative COVID-19 test to enter Alaska. While waiting for transportation, all individuals self-isolated in a hotel room. The team travelled directly to the first drill site at Tibbs in privately arranged transportation. The same crew remained onsite and travelled directly between the Company's properties for the duration of the exploration programs to minimize community exposure.

The Company implemented additional safety measures at program sites for all employees and contractors, including frequent washing of hands, discouraging sharing of tools and equipment, regular cleaning and disinfecting of surfaces, maintaining a physical distance of at least 2m when possible and daily temperature readings of all individuals. All non-essential travel to rural communities was prohibited. If in-person resupply was required, the individual shopping was required to practice social distancing.

A basic response plan was implemented that if a person displayed signs and symptoms of COVID-19, the person was not to come to the work site. If the person was already at camp, they were to remain in their tent until their supervisor was alerted to the situation and then they were to be moved to an area separated from others. Given the small size of the camps, if one person became infected or was suspected of being infected, the entire camp would enter into quarantine from the community. An extraction plan is in place depending on the severity of the symptoms. The Company will coordinate and communicate with local and state health officials if any cases or suspected cases arose.

As of the date of this report, there have been no cases or suspected cases of COVID-19 at any of the Company's projects and work sites.

Environment

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

Community

As per the Mt Harper, Carrie Creek, Flat and Seventymile Agreements, during April 2023, the Company paid its annual USD$15,000 scholarship contribution to the Doyon Foundation. The Doyon Foundation was established as a separate non-profit charitable organization in 1989 by Doyon. Doyon Foundation's mission is to provide educational, career and cultural opportunities to enhance the identity and quality of life for Doyon shareholders. Doyon Foundation carries out its mission by providing basic and competitive scholarships, works with organizations to place interns and advance traditional Native knowledge by partnering with various organizations.

EXPLORATION ASSETS AND EXPENDITURES

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

	Tibbs	Seventy-mile	Carrie and Mt. Harper	Flat	Maple leaf	Total
	$	$	$	$	$	$
Balance, December 31, 2021	311,927	233,508	40,453	88,163	15,977	690,028
Cash acquisition payments	65,060	-	13,508	54,032	-	132,600
Impairment	-	(233,508)	-	-	(15,977)	(249,485)
Balance, December 31, 2022 and March 31, 2023	376,987	-	53,961	142,195	-	573,143

A summary of Company's exploration and evaluation expenditures for the three months ended March 31, 2023 is as follows:

	Tibbs	Carrie and Mt Harper	Flat	Project generation & support	Total
	$	$	$	$	$
Geological and geophysical consulting	4,957	4,693	181,893	1,797	193,340
Salary and legal costs	-	-	-	2,585	2,585
Conference and conventions	-	-	-	4,643	4,643
Other camp expenses	1,762	587	19,028	-	21,377
Administrative expenses	322	305	11,882	-	12,509
Computer software	865	784	4,445	1,288	7,382
Land Management	9,095	1,426	11,543	-	22,064
Drilling program	-	-	17,375	-	17,375
Surveying program	-	-	8,174	-	8,174
Laboratory expenses	-	-	38,064	-	38,064
	17,001	7,795	292,404	10,313	327,513

A summary of Company's exploration and evaluation expenditures for the three months ended March 31, 2022 is as follows:

	Tibbs	Seventy-mile	Carrie and Mt Harper	Flat	Maple leaf	Project generation & support	Total
	$	$	$	$	$	$	$
Computer software	3,267	1,499	2,033	1,499	-	12,316	20,614
Drilling program	109,924	-	12,500	-	-	-	122,424
Geological consulting	10,200	6,000	19,350	10,200	-	3,600	49,350
Mapping program	2,930	744	-	764	-	-	4,438
Other camp expenses	27				74	1,529	1,630
Salary and legal costs	39,921		9,298	5,025	9,704	9,846	73,794
Surveying program	175	175	185	143	34	177	889
	166,444	8,418	43,366	17,631	9,812	27,468	273,139

SUMMARY OF QUARTERLY RESULTS

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

Period ending	Exploration and evaluation assets	Working capital	Net loss and comprehensive loss	Basic and diluted loss per share
	$	$	$	$
March 31, 2023	**573,143**	**1,381,727**	**(999,217)**	**(0.00)**
December 31, 2022	573,143	2,345,087	(979,686)	(0.00)
September 30, 2022	755,088	111,723	(1,741,859)	(0.01)
June 30, 2022	755,088	1,549,909	(697,800)	(0.00)
March 31, 2022	690,028	250,085	(586,937)	(0.00)
December 31, 2021	690,028	829,407	(1,411,758)	(0.01)
September 30, 2021	549,492	2,366,856	(5,621,735)	(0.03)
June 30, 2021	647,997	7,845,565	(1,697,804)	(0.02)

During the three months ended March 31, 2023, the Company incurred a net loss and comprehensive loss of $999,217. This is in line with the loss incurred in Q4 2022 of $979,686 as both periods had similarly low exploration costs of $327,513 in Q1 2023 and $344,355 in Q4 2022 due to the lack of exploration activity conducted during the Alaskan winter. In addition, working capital decreased to $1,381,727 due to regular operating expenses, exploration expenses and no private placement taking place in Q1 2023.

During the three months ended December 31, 2022, the Company incurred a net loss and comprehensive loss of $979,686. This decrease compared to $1,741,859 during Q3 2022 is as a result of decreased exploration expenses of $344,354 during Q4 2022 compared to $1,239,791 during Q3 2022, which is expected due to the seasonality of exploration activity. In addition, working capital increased to $2,345,087 as a result of the November 17, 2023 private placement combined with reduced exploration expenses in Q4 2022. Exploration and evaluation assets decreased to $573,143 as a result of the impairments recognized on the Seventymile and Maple Leaf properties.

During the three months ended September 30, 2022, the Company incurred a net loss and comprehensive loss of $1,741,859. This increase compared to $697,800 during Q2 2022 is as a result of increased exploration expenses of $1,239,791 during Q3 2022, predominantly relating to Seventymile. In addition, working capital decreased to $111,723 as a result of cash used for exploration expenses, which more than offset the cash raised from the closing of the second tranche of the private placement on July 08, 2022.

During the three months ended June 30, 2022, working capital increased to $1,549,909 as a result of the closure of the first tranche of the private placement, which generated net proceeds of $1,883,533 In addition, exploration and evaluation assets increased to $755,088 from the previous quarter as a result of a cash property payment of $65,060 for Tibbs.

During the three months ended March 31, 2022, the Company incurred a net loss and comprehensive loss of $586,937. This decrease is mainly as a result of decreased exploration expenses of $273,139 during Q1 2022 compared to $1,052,219 during Q4 2021. In addition, working capital decreased to $250,085 as a result of cash used for operations with no offsetting cash inflows.

During the three months ended December 31, 2021, the Company incurred a net loss and comprehensive loss of $1,411,758. This decrease is mainly as a result of decreased exploration expenses of $1,052,219 during Q4 2021 compared to $4,944,495 during Q3 2021 which is expected due to the seasonality of exploration activity. In addition, working capital decreased to $829,407 as a result of cash used for exploration expenses and cash property payments.

During the three months ended September 30, 2021, the Company incurred a net loss and comprehensive loss of $5,621,735. This increase is mainly as a result of increased exploration expenses of $4,944,495 during Q3 2021 compared to $1,086,961 during Q2 2021. In addition, working capital decreased to $2,366,856 as a result of cash used for exploration expenses. Exploration and evaluation assets decreased to $549,492 as a result of impairment recognized on the Northway property, in the southern Fortymile Mining District of Alaska.

During the three months ended June 30, 2021, the Company incurred a net loss and comprehensive loss of $1,697,803. This increase is mainly as a result of increased exploration expenses of $1,086,961 during Q2 2021 compared to $202,325 during Q1 2021. In addition, working capital increased to $7,845,565 as a result of gross proceeds received from a private placement of $7,176,056, offset by share issue costs of $298,127. Exploration and evaluation assets increased to $647,997 as a result of a cash property payment of $62,875 for Tibbs.

QUARTER TO DATE RESULTS

	Q1 2023	Q1 2022
	$	$
Exploration expenses	**327,513**	273,139
Operating expenses	**1,002,509**	586,937
Net loss and comprehensive loss	**999,217**	586,937

Q1 2023 compared to Q1 2022

The Company recorded a net loss and comprehensive loss of $999,217 compared to $586,937 in the prior year comparable period. The primary drivers of this increase in the net loss were as follows:

- Corporate development and marketing increased to $190,296 compared to $28,409 in the prior year comparable period due to increased consulting fees and attendance of conventions and conferences.
- Employee benefits and salary increased to $234,945 compared to $115,655 in the prior year comparable period due to the payment of bonus's which had been deferred since 2021.
- Exploration expenses increased to $327,513 compared to $273,139 in the prior year comparable period due to increased geological and geophysical consulting for Flat of $131,515 in preparation of the upcoming summer drill program.
- General and administration expenses increased to $52,853 compared to $30,955 in the prior year comparable period mainly due to computer and software expenses and miscellaneous costs associated with the closure the Company's office which is no longer required due to staff working remotely.
- Insurance increased to $17,309 compared to $14,632 in the prior year comparable period due to increases in premiums as the Company entered into new insurance plans.
- Share-based compensation increased to $27,627 compared to $5,808 in the prior year comparable period due to the vesting of stock options granted to officers and employees of the Company.
- Travel and meals increased to $57,286 compared to $522 in the prior year comparable period as a result of increased travel to attend conferences and investor relations events.

Partially offsetting the increase in the net loss was the decrease in accounting and legal fees mainly due to an under accrual for 2021 audit fees recognized in Q1 2022**.**

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

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

The Company's ability to continue as a going concern is dependent upon the it's ability to fund any additional losses we may incur. There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's financial statements were prepared on a going concern basis, which implies that the Company will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Company is unable to achieve and maintain profitable operations.

At March 31, 2023, the Company had working capital of $1,381,727. During the year ended December 31, 2022, the Company closed three private placements for net proceeds of $5,250,547. There were no capital raises during the three-months ended March 31, 2023.

Capital Resources

The Company's objectives when managing capital are to support further advancement of the Company's business objectives, as well as to ensure that the Company is able to meet its financial obligations as they come due. The capital of the Company consists of cash and share capital. At March 31, 2023, the Company was not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the three months ended March 31, 2023.

Cash flow activity

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

	Three months ended. March 31, 2023	2022
Cash flow used in operating activities	**(1,066,557)**	(583,450)
Cash flow used in financing activities	**(7,594)**	(7,594)
Effect of foreign exchange on cash	**(4,039)**	(1,262)
Net change	**(1,078,190)**	(592,306)
Cash - beginning of year	**2,552,145**	1,074,068
Cash - end of year	**1,473,955**	481,762

Cash used in operating activities increased to $1,066,558 compared to $583,450 in the prior year comparable period due to the increased net loss explained above in the Quarter to Date section of this MD&A.

The Company had no investing activities during the three months ended March 31, 2023 or March 31, 2022.

The cash used in financing activities during the three months ended March 31, 2023 and March 31, 2022 related to lease payments on the Company's office lease.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at March 31, 2023 and as at the date of this MD&A.

RELATED PARTY TRANSACTIONS

Key management personnel are those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions with its key management personnel during the three months ended March 31, 2023 and 2022:

	2023	2022
	$	$
Accounting and legal fees	**41,769**	-
Employee benefits and salary	**206,315**	60,000
Exploration expenses	**78,750**	67,556
Share-based compensation	**22,091**	3,283
	348,925	130,839

As at March 31, 2023 the Company had an outstanding accounts payable balance with related parties of $10,763 (December 31, 2022 - $10,763).

PROPOSED TRANSACTION

See subsequent event, below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Annual Financial Statements.

CHANGES IN ACCOUNTING STANDARDS

Accounting standards issued but not yet effective

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

FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

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

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

Financial instruments risk

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

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and amounts receivable. The risk exposure is limited because the Company places its instruments in institutions of high credit worthiness within Canada. Amounts receivable are entirely due from a government agency.

b) Interest rate risk

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

c) Liquidity risk

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

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A summary of the Company's financial instruments that are denominated in USD$ is as follows:

	March 31, 2023	December 31, 2022
	$	$
Cash	**228,550**	394,367
Accounts payable and accrued liabilities	**(183,658)**	(157,108)
Net financial assets	**44,892**	237,259

CAPITAL MANAGEMENT

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

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

OUTSTANDING SHARE DATA

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

	March 31, 2023	Date of this MD&A
	#	#
Common shares	240,030,490	240,030,490
Stock options	4,550,000	4,550,000
Warrants	97,705,386	97,705,386

During the three months ended March 31, 2023, the Company did not have any share transactions.

During the year ended December 31 2022, the Company had the following share transactions:

On May 30, 2022, the Company issued 32,185,666 units at a price of $0.06 per unit for gross proceeds of $1,931,140 as it completed the first tranche of a private placement. Each unit is comprised of one common share and a one-half share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.10 and expires on May 30, 2024. The gross proceeds attributed to the warrants was $323,660. The Company paid $47,607 of share issuance costs and issued 94,140 finders' warrants with a fair value of $1,706. Each finders' warrant is exercisable at a price of $0.10 and expires May 30, 2024. The warrants are subject to an acceleration clause whereby if the volume-weighted average trading price of the Company's common shares on the TSXV is $0.20 or greater for a period of 20 consecutive trading days, the Company has the right to accelerate the expiry day of the warrants to 30 days from the date of issuance of a news release announcing the accelerated exercise period.

On July 08, 2022, the Company issued 7,183,339 units at a price of $0.06 per unit for gross proceeds of $431,000 following the close of the second tranche of the private placement. Each unit is comprised of one common share and a one-half share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.10 and expires on July 08, 2027. The gross proceeds attributed to the warrants was $79,516. The Company paid $43,576 of share issuance costs and issued 415,000 finders' warrants with a fair value of $9,388. Each finders' warrant is exercisable at a price of $0.10 and expires July 08, 2027. The warrants are subject to an acceleration clause whereby if the volume-weighted average trading price of the Company's common shares on the TSXV is $0.20 or greater for a period of 20 consecutive trading days, the Company has the right to accelerate the expiry day of the warrants to 30 days from the date of issuance of a news release announcing the accelerated exercise period.

On November 17, 2022, the Company issued 38,761,250 units at a price of $0.08 per unit for gross proceeds of $3,100,900 as it completed an additional private placement. Each unit is comprised of one common share and a one share purchase warrant. Each warrant is exercisable into one common share at an exercise price of $0.12 and expires on November 17, 2024. The gross proceeds attributed to the warrants was $1,176,669. The Company paid $121,310 of share issuance costs and issued 604,125 finders' warrants with a fair value of $46,179. Each finders' warrant is exercisable at a price of $0.12 and expires November 17, 2024.

SUBSEQUENT EVENT

On May 9, 2023 the Company announced a brokered private placement for gross proceeds of up to $6,000,000 through the issuance of units at a price of $0.11 per unit (the "Offering"). Each unit will consist of one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at an exercise price of $0.15 for a period of 24 months following the closing date of the Offering.

The Offering has been structured to take advantage of the Listed Issuer Financing Exemption ("LIFE") whereby common shares issued pursuant to the exemption will be freely tradeable listed equity securities not subject to any hold period (the "LIFE Units") and the accredited investor exemption for the balance of the Offering (the "Hold Units"). Purchasers under the Offering will receive a fixed ratio of LIFE Units to Hold Units, being 5:1. Each subscriber must purchase one Hold Unit for every 5 LIFE Units purchased.

RISKS AND UNCERTAINTIES

For a detailed listing of the risk factors faced by the Company, please refer to the Company's MD&A for the years ended December 31, 2022 and 2021.