

# Tectonic Metals Closes Oversubscribed \$4.9 Million Private Placement Financing

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VANCOUVER, BC, July 2, 2020 /CNW/ - **Tectonic Metals Inc.** (TSXV: TECT) (the "Company" or "Tectonic") today announced that the Company closed the non-brokered private placement financing previously announced on June 2, 2020, by issuing 24,615,500 units for aggregate gross proceeds of C\$4,923,100 (the "**Offering**").

**Tectonic's President & CEO, Tony Reda, commented, "I am humbled by the overwhelming interest in our company and honoured to be welcoming new and existing shareholders into this oversubscribed financing. With a strong treasury, we are well-positioned financially and look forward to a very active and exciting 2020 field season as we embark on two monumental drill programs at our Tibbs and Seventymile Projects."**

## The Offering

Each unit (a "**Unit**") is comprised of one common share of Tectonic and one-half common share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant is exercisable for a common share at an exercise price of C\$0.40 and expires June 30, 2022.

The Warrants are subject to an acceleration clause whereby if the volume-weighted average trading price of Tectonic's common shares on the TSXV Venture Exchange (the "**TSXV**") is C\$0.56 or greater for a period of ten consecutive trading days, Tectonic has the right to accelerate the expiry date of the Warrants to 30 days from the date of issuance of a news release by Tectonic announcing the accelerated exercise period.

A portion of the Offering is considered a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as 500,000 Units were issued to a director of the Company. The Company relied on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(1) and 5.7(a) of MI 61-101 on the basis that Mel Benson's participation in the Offering did not exceed 25% of the fair market value of the Company's market capitalization.

The Company paid aggregate finders' fees of C\$194,826 and issued 956,130 warrants (each, a "**Finders Warrant**") in connection with subscriptions from subscribers introduced to the Offering by Red Cloud Securities Inc., Amvest Capital Inc. (acting through Mann Mann Jensen Partners LP), Canaccord Genuity Corp., Haywood Securities Inc., Generic Capital Corporation, Intrysync Capital Corporation and select others. Each Finders Warrant is exercisable for a common share at an exercise price of C\$0.20 and expires June 30, 2022.

The net proceeds of the Offering will be used to advance the Company's Tibbs and Seventymile properties and for general working capital.

All securities issued under the Offering are subject to a four-month hold period. The Offering is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the final approval of the TSXV.

*This news release does not constitute an offer to sell, solicitation or offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.*

## **About Tectonic**

Tectonic Metals Inc. is a mineral exploration company created and operated by an experienced and well-respected technical and financial team with a track record of wealth creation for shareholders. Key members of the Tectonic team were involved with Kaminak Gold Corporation, the company that raised C\$165 million to fund the acquisition, discovery and advancement of the Coffee Gold Project in the Yukon Territory through to the completion of a bankable feasibility study before selling the multi-million ounce gold project to Goldcorp Inc. (now Newmont Goldcorp) for C\$520 million in 2016.

Tectonic is focused on the acquisition, exploration, discovery and development of mineral resources from district-scale projects in politically stable jurisdictions that have the potential to host world-class orebodies.

Tectonic believes that responsible mineral exploration and development can positively impact the communities in which the company lives and operates and is committed to early and ongoing community engagement, best practices in environmental stewardship and the development of a strong safety culture. Whether at home or at work, the Tectonic team is grounded on the following core values: passion, integrity, patience, focus, perseverance, honesty, fairness, accountability, respect and a play big mindset. The company works for its shareholders and is committed to creating value for them.

On behalf of Tectonic Metals Inc.,

**Tony Reda**  
**President and Chief Executive Officer**

For further information about Tectonic Metals Inc. or this news release, please visit our website at [www.tectonicmetals.com](http://www.tectonicmetals.com) or contact Tony Reda, President & CEO of Tectonic, at toll-free 1.888.858.9887 or by email at [info@tectonicmetals.com](mailto:info@tectonicmetals.com).

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## **Cautionary Note Regarding Forward-Looking Statements and Historical Information**

*Certain information in this news release constitutes forward-looking information and statements under applicable securities law. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "intend" and similar expressions and include, but are not limited to, statements with respect to the planned exploration programs, intended use of proceeds from the Offering, and future capital requirements.*

*Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management at the date the statements are made including*


*rates and interest rates, favourable operating conditions, political stability, obtaining governmental and other approvals and financing on time, obtaining required licenses and permits, labour stability, stability in market conditions, availability of equipment, accuracy of any mineral resources, successful resolution of disputes and anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of Tectonic, and there is no assurance they will prove to be correct.*

*Although Tectonic considers these beliefs and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect, and the forward-looking statements in this release are subject to numerous risks, uncertainties and other factors that may cause future results to differ materially from those expressed or implied in such forward-looking statements. Forward-looking statements necessarily involve known and unknown risks, including, without limitation: the Company's ability to implement its business strategies; risks associated with mineral exploration and production; risks associated with general economic conditions; adverse industry events; marketing and transportation costs; loss of markets; volatility of commodity prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks.*

*Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. Although Tectonic has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Tectonic does not undertake to update any forward-looking information, except in accordance with applicable securities laws.*

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

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