

PRE-QUOTATION DISCLOSURE

Falcon Metals Ltd (Falcon Metals or Company) provides the following pre-quotations disclosures and confirmations to ASX Limited (ASX) to satisfy the conditions for admission of the Company's fully paid ordinary shares (Shares) to the official list of the ASX.

All capitalised terms used in this announcement have the meaning given in the prospectus issued by the Company and lodged with the ASIC on 3 November 2021 (**Prospectus**) unless otherwise stated.

1. Completion of the Offer

The Company confirms that the Offer made under the Prospectus has closed and was fully subscribed under the Maximum Subscription.

The Company confirms it has completed the issue of the following securities:

- (a) 60,000,000 Shares at an issue price of \$0.50 each to raise \$30 million (before costs) pursuant to the Offer; and
- (b) 11,682,000 Options to directors, employees and consultants of the Company.

The Company also confirms that:

- (c) the outstanding conditions precedent to the Demerger Implementation Deed between the Company, Falcon Gold Resources Pty Ltd (**Falcon Gold**), Falcon Metals (WA) Pty Ltd (**Falcon WA**), Chalice Mining Limited (**Chalice**) and CGM (WA) Pty Ltd have been satisfied;
- (d) the implementation of the demerger, being the transfer of 100% of the issued capital in Falcon Gold and Falcon WA to the Company and the in-specie distribution of 117,000,000 Shares to Eligible Chalice Shareholders and pursuant to the Sale Facility has been completed;
- (e) the outstanding conditions precedent to and completion of the:
 - (i) FGR Sale Agreement - as described at section 7.2(a) of the Prospectus;
 - (ii) Pyramid Hill SPA - as described at section 7.2(b) of the Prospectus;
 - (iii) FMPL Sale Agreement - as described at section 7.2(c) of the Prospectus; and
 - (iv) Metal Hawk Agreement - as described at section 7.2(d) of the Prospectus;have each been satisfied and completed; and
- (f) the Company has raised the maximum subscription of \$30,000,000 (before costs) under the Offer.

2. Capital structure

The Company's capital structure is as follows:

Security	Number
Shares	177,000,000
Options*	11,682,000

The Options are comprised of the following classes:

Class	Number of Options	Exercise price	Vesting date	Expiry date
Class A	2,920,500	\$0.75	20 June 2023	15 December 2024
Class B	2,920,500	\$0.75	20 December 2023	15 December 2024
Class C	2,920,500	\$0.75	20 June 2023	15 December 2025
Class D	2,920,500	\$0.75	20 December 2024	15 December 2025

In each case, the Options will only vest if the relevant person continues to hold the position of director, employee or consultant (as applicable) of Falcon at all times until the relevant vesting date.


3. Restricted securities

The Company confirms that the following securities are subject to ASX imposed restrictions in accordance with the ASX Listing Rules for the period of 24 months from the date of quotation of Shares (ending 22 December 2023).

Security	Number
Class A Options	2,212,500
Class B Options	2,212,500
Class C Options	2,212,500
Class D Options	2,212,500
TOTAL	8,850,000

4. ASX waivers and confirmations

Pursuant to the demerger, in consideration for the issue of 117,000,000 Shares distributed on an in-specie basis to Eligible Chalice Shareholders or pursuant to the Sale Facility for Ineligible Chalice



Shareholders (**Consideration Shares**), ASX has provided confirmation that the requirements in ASX Listing Rule 9.1 do not apply to the Consideration Shares.

5. Board Changes

The Company confirms that:

- (a) the resignation of Chris Mackinnon and Richard Hacker from the Board has taken effect; and
- (b) the appointment of Tim Markwell as Managing Director and Chief Executive Officer has taken effect; and
- (c) the appointment of Mark Bennett as Non-Executive Chairman has taken effect.

The above changes took effect from 13 December 2021.

6. No impediments

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the Mt Jackson Project, Viking Project and Pyramid Hill Project and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of ASX Listing Rule 1.3.2(b).

This announcement has been authorised for release by the Managing Director and Chief Executive Officer.

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