25 October 2022

FALCON METALS SEPTEMBER QUARTER ACTIVITIES REPORT

For the three-month period ending 30 September 2022

- **Final assay results received for all diamond and aircore holes at the Karri and Ironbark prospects in the Pyramid Hill Gold Project, Victoria**
- **High-grade gold intersected at Ironbark East with aircore hole PHAC1030 returning:**
  - **40m @ 2.81g/t Au from 50m, including**
    - **26m @ 4.20 g/t Au from 51m; that includes**
      - **2m @ 15.42g/t Au from 51m**
      - **1m @ 17.06g/t Au from 62m**
      - **1m @ 10.07g/t Au from 70m**
      - **1m @ 11.95g/t Au from 76m**
  - **Hole PHAC1030 is located 100m to the east of previous aircore result PA953 which intersected 13m @ 1.52g/t Au from 113m depth (ending in mineralisation)**
- **Results are highly encouraging with Falcon to commence a substantially larger drill program later in 2022**
- **Reverse circulation (RC) drilling campaign completed at Viking Gold Project in WA, Falcon's first campaign at the Project since listing on the ASX, with several mineralised zones intersected**
- **Visible gold grains logged in panning of RC chips in 5 of the 10 holes completed, with assays expected in November 2022**
- **Falcon remains exceptionally well-funded with >$24 million in cash**

CORPORATE

Finance

During the quarter Falcon Metals Ltd (ASX:FAL) (Falcon, the Company) spent $0.78 million on operating activities, including

- $0.43 million on exploration and evaluation costs
- $0.16 million on corporate costs and overheads
- $0.19 million on staff costs

The expenditure was significantly lower than the previous quarter as drilling activities at the Pyramid Hill Gold Project ("Pyramid Hill") ended in May 2022 as planned due to the cropping season in the region and limitations arising from wet conditions. During the quarter exploration activity mainly consisted of:

- Final geochemical assaying of the diamond and aircore holes at the Karri and Ironbark prospects;
- Soil sampling across the regional Pyramid Hill area;
- Planning for the next drilling program at Pyramid Hill, targeted to commence later in 2022; and
- Commencement of drilling at the Viking Gold Project ("Viking") in WA

Corporate costs and overheads were broadly consistent with the previous quarter. Staff costs were marginally higher, reflecting the full quarter costs of the strengthened team and included $0.11 million of related party payments.

Cash used in investing activities relates to payment of security bonds for tenements. Cash used in financing activities relates to payments for operating leases.

At the end of the September 2022 quarter Falcon retained $24.25 million cash.

Capital Structure

There was no change in the capital structure during the quarter with 177 million shares on issue.

Falcon issued 1,525,000 share options to employees with an exercise price of $0.36 which expire equally on 31 July 2025 and 31 July 2026. Subject to shareholder approval, Falcon also issued 1,300,000 share options to directors with an exercise price of $0.36 which expire equally on 31 July 2025 and 31 July 2026.

Falcon also announced that 885,000 share options previously issued lapsed as the vesting condition was not met.

Finalisation of Unmarketable Parcel Share Sale Facility

In mid-July, Falcon announced that the sale of Falcon shares under the Unmarketable Parcel Share Sale Facility ("Facility") had been completed with the processing of payments finalised the following week. All relevant participants received the proceeds of the sale as soon as was practicable with participants receiving a proportionate share of the total sale of proceeds of Falcon shares sold under the Facility.

A marketable parcel of shares is defined in the ASX listing rules as a parcel of shares that has a market value of not less than $500. Based on the closing price on ASX on 19 April 2022 of $0.34 per Falcon Share, an Unmarketable Parcel of Falcon Share was any holding of 1,470 Falcon Shares or fewer. As at the record date, there were 5,906 holdings of Falcon Shares of Less Than a Marketable Parcel (from a total of 10,545 holdings), totalling 2,205,258 Falcon Shares and constituting approximately 1.25% of the 177,000,000 total Falcon shares on issue.

The final number of Falcon shares sold under the Facility was 1,720,076 Falcon shares from 4,936 shareholders, reducing the number of shareholders to approximately 5,609 holdings.

Date of Annual General Meeting

Falcon announced that in accordance with ASX Listing Rule 3.13.1 and clause 39.13 of its Constitution, the Annual General Meeting ("AGM") of the Company will be held on 29 November 2022. Shareholders will be advised of further details regarding the AGM in a separate Notice of Meeting, which will be provided to shareholders in due course. The Notice of Meeting will also be available on the ASX Market Announcements Platform and the Company's website at www.falconmetals.com.au.

Falcon's Annual Report to Shareholders, Corporate Governance Statement and Appendix 4G were published on 28 September 2022 and are also available at the Company's website, www.falconmetals.com.au.

EXPLORATION

Pyramid Hill Gold Project (100% FAL)

Falcon has >5,000km^2 of granted permits in Victoria, north of the high-grade historic >22 Moz Bendigo goldfield and the ~9 Moz Fosterville Gold Mine owned by Agnico Eagle (NYSE:AEM).

During the quarter, Falcon received final assay results for all diamond and aircore holes at the Karri and Ironbark prospects at Pyramid Hill. Falcon drilled a total of 8 diamond holes at Karri, one diamond hole each at Ironbark North and East, and 37 aircore holes to blade refusal at Ironbark East.

Results from this drilling are highly encouraging, confirming primary gold mineralisation within the diorites at both Ironbark North and East, with the aircore results at Ironbark East helping further define the prospective zone and providing additional encouragement that diorites within the Bendigo Zone are a valid exploration target. The results at Karri have further extended the zone of primary mineralisation intersected by diamond drilling with grades >1 g/t Au now identified over a strike length of 2.5km.

Following assessment of these results, a work program has been developed for the next field season, expected to commence in November 2022. Falcon has secured a quality drilling contractor for both infill drilling at the advanced projects plus an extensive regional program to screen its substantial prospective land holding for large scale and high-grade gold systems.

Ironbark Prospect

Aircore drilling commenced at Ironbark East in late March with the 37 holes completed in May 2022 (See Figure 1). Several previous phases of work at Ironbark indicated the potential for gold mineralisation associated with the contact between Castlemaine Group Sediments and intrusive diorites, with some mineralisation hosted within the diorites. This geological setting was seen as a positive given there are several analogous high-grade diorite-associated gold deposits in Eastern Victoria (Walhalla-Woods Point Goldfields) including Cohen's Reef (~1.5Moz @ 32 g/t Au)[1].

Although the focus was initially at Ironbark North and South, drilling in 2021 at Ironbark East was particularly significant with aircore hole PA953 intersecting 13m @ 1.52 g/t Au from 113m ending in mineralisation, and hole PA918, located 200 metres to the west, intersecting 9m @ 0.91 g/t Au from

[1] 2006, Vandenberg et al., Walhalla-Woods Point-Tallangallook, Special map area geological report, Geoscience Victoria, Ch 8 -Economic Geology, page 231]

61m[2]. Drilling for 2022 planned for an extensive infill program at Ironbark East around these holes on a 200m x 50m spacing to test the extent of the anomaly and to provide information to better target diamond drilling.

Highlights from the Ironbark drilling include:

- **PHKAC1030:** 40m @ 2.81 g/t Au from 50m
    - Including 26m @ 4.20 g/t Au from 51m, that includes
        - 2m @ 15.42 g/t Au from 51m
        - 1m @ 17.06 g/t Au from 62m
        - 1m @ 10.07 g/t Au from 70m
        - 1m @ 11.95 g/t Au from 76m
- **PHIRDD005:** 8m @ 1.70 g/t Au from 301m
    - Including 3.6m @ 3.74 g/t Au
- **PHIRDD006:** 1m @ 1.11 g/t Au from 96m

  1m @ 1.07 g/t Au from 143m

  0.4m @ 5.91 g/t Au from 162.9m

  0.66m @ 1.05 g/t Au from 174.34m

  0.7m @ 1.31 g/t Au from 338.5m

The aircore drill program at Ironbark East has identified two anomalous zones for further targeting. The central zone is coincident with the diorite, with PHAC1030 returning 40m @ 2.81g/t Au from 50m, including 26m @ 4.2g/t Au, and multiple metre intervals above 10g/t Au. A new zone in the northwest of the grid was also identified where two holes intersected >200ppb Au in Castlemaine Group Sediments (see Figure 2).

The mineralisation in PHAC1030 commenced at a depth of 50m within a 2m thick zone of transported quartz gravels. Some of the quartz clasts are cemented with marcasite, and both this zone and the organic rich layer directly above it were elevated in arsenic. The presence of such a high-grade zone of gold associated with anomalous arsenic suggests a proximal source to the gold in these gravels.

This gravel layer overlies weathered diorite, containing gold mineralisation together with elevated arsenic, antimony, tellurium and sulphur, which suggests that this is a primary mineralised zone. Importantly, the antimony, tellurium and sulphur values were higher in the saprolite than in the transported gravel.

Potential for an unknown degree of downhole contamination was identified during geological logging on the basis of a minor component of transported gravel (presumably from the gravel horizon between 50-52m at the base of the Murray Basin) being logged in the saprolitic diorite within selected intervals (54-55m and 75-76m).

[2] Refer Falcon Prospectus dated 3 November 2021

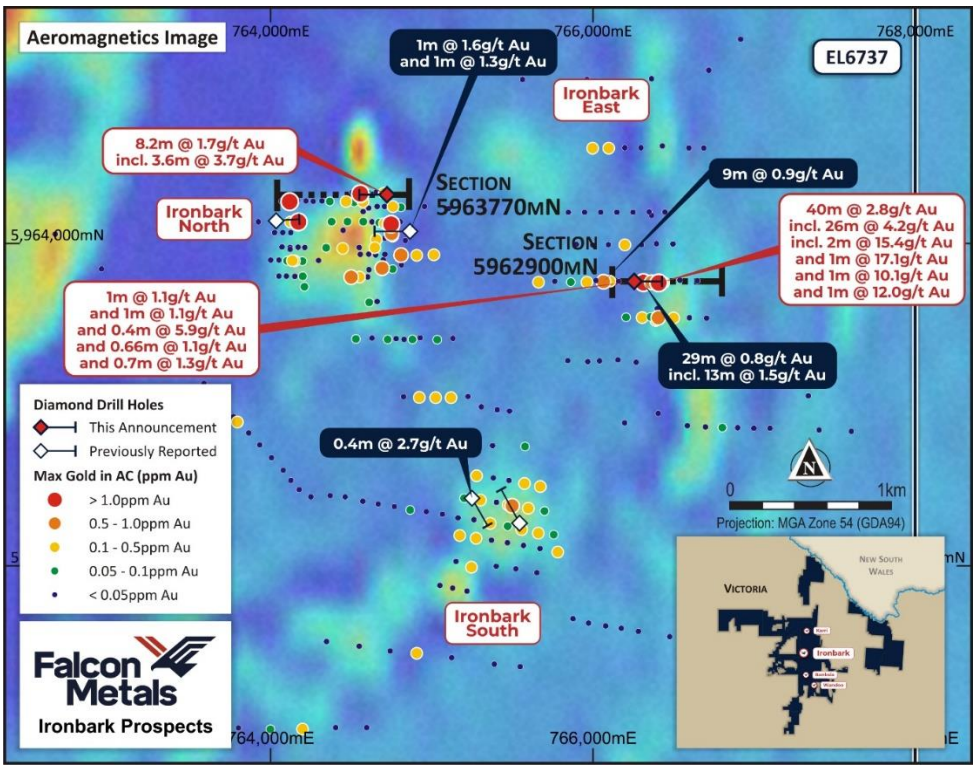

Figure 1 *Ironbark Prospects with significant drill results*

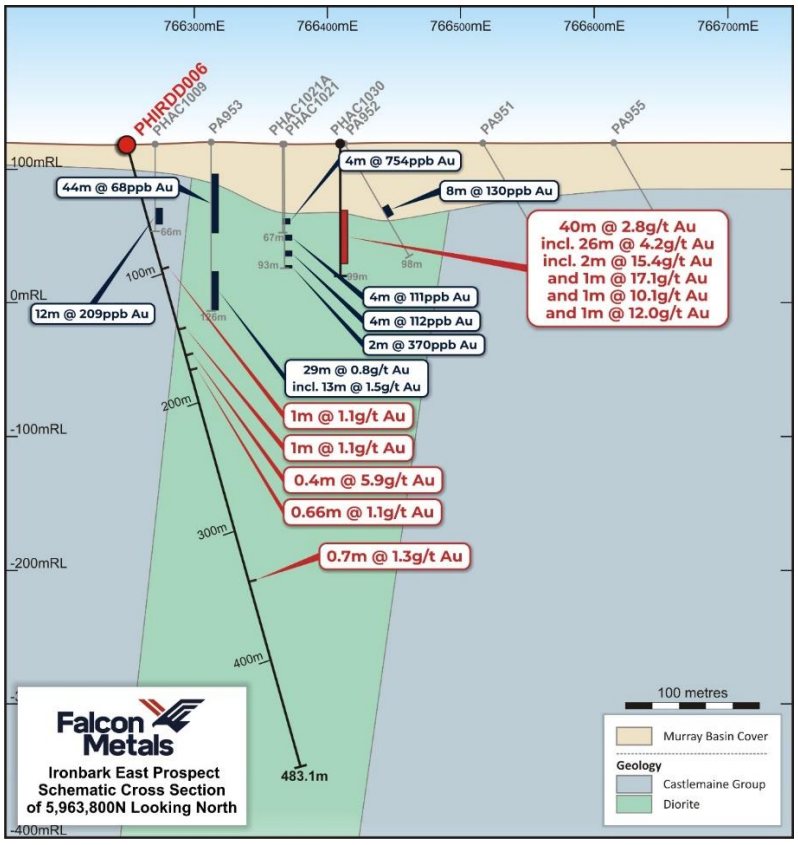

Figure 2 *Schematic cross section of 5,963,800 N looking north at the Ironbark East Prospect*

The initial results from PHAC1030, based on the 4m composite samples, were highly variable. Due to the high grade and poor repeatability of initial assays, additional sampling of each 1m interval was undertaken to test for variability. Repeat assaying of this was completed and whilst similar results were obtained over the entirety of the intercept, there was a high degree of variability on a sample-by-sample basis, suggesting the presence of coarse and nuggety gold. Following exhaustive test work, the reported results are considered robust and the most appropriate quantification of the gold present from the available sample.

A diamond drill hole, PHIRDD006, was also completed at Ironbark East. This hole targeted the zone under previous aircore hole PA953 with the primary objective of providing stratigraphical and lithological information to aid in planning of future drilling and was drilled before Falcon received the assays for the aircore holes (including PHAC1030). Based on the new results from PHAC1030, the eastern contact of the diorite with the Castlemaine Group Sediments is now considered a higher priority target. Despite this, hole PHIRDD006 intersected narrow zones of mineralisation in both the Castlemaine Group Sediments and within the diorite including 0.4m @ 5.91 g/t Au.

Diamond drillhole PHIRDD005 was also completed at Ironbark North and intersected primary gold mineralisation associated with quartz veining within the diorite with a zone of 3.6m @ 3.74 g/t Au, the best intersection from this prospect so far

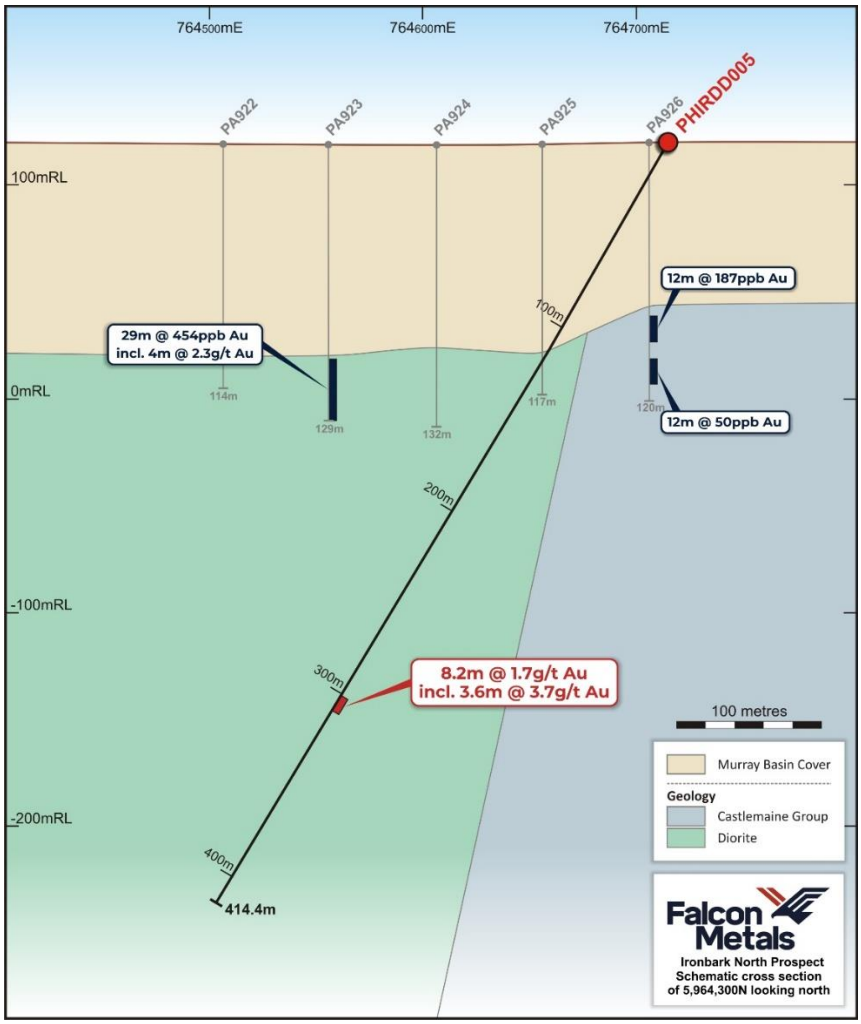

Figure 3 *Schematic cross section of 5,964,300 N looking north at the Ironbark North Prospect*

Karri Prospect

Drilling commenced in mid-January 2022 at the Karri prospect. Karri is one of the advanced prospects at Pyramid Hill and is a 4km-long gold anomaly under Murray Basin cover that was previously defined by aircore drilling.

The mineralisation at Karri is hosted in Castlemaine Group stratigraphy, the main host unit for all gold deposits in the Bendigo Zone which hosts >60Moz of historical gold production from outcropping areas. The target structures are upright anticlines and the fold hinges, with several interpreted to run north-south through the 4km long Karri gold anomaly. Stratigraphic and structural correlation across the prospect has defined four major upright anticlinal fold hinges which are the focus of the planned drilling.

In total, 8 diamond holes were drilled for 4,262m (See Figure 4). Results from the first 4 holes were reported mid-April 2022 and results from the final 4 holes were reported during the quarter. Highlights from the diamond drilling program included:

- **PHKADD018** 2m @ 3.32 g/t Au from 108m
    - including 1m @ 6.51 g/t Au from 109m
- **PHKADD020** 1m @ 1.65 g/t Au from 190m
    - 0.86m @ 1.26 g/t Au from 232.14m
- **PHKADD021** 1m @ 1.19 g/t Au from 232m

  8m @ 1.08 g/t Au from 287m
    - including 1m @ 7.31 g/t Au from 294m

  0.8m @ 1.15 g/t Au from 302.11m

  1m @ 1.32 g/t Au from 308m

  2m @ 2.01 g/t Au from 347m
- **PHKADD024** 2m @ 2.37 g/t Au from 282m
    - including 1m @ 4.64 g/t Au from 282m
- **PHKADD021** 1m @ 1.72 g/t Au from 119m

  9m @ 1.28 g/t Au from 141m
    - including 4.8m @ 2.23 g/t Au from 144.2m

  1m @ 1.12 g/t Au from 157m

  1m @ 1.24 g/t Au from 467m

Mineralisation in PHKADD018 was in the oxide zone and appears to be related to weathered sulphides in a sandstone with no quartz veining. It is in the western limb of an anticline, close to the hinge. This is in a similar position to the anomalous zone intersected previously in PHDH015 (5.1m @ 13.96 g/t Au from 100.9m, including 2.2m @ 32.10 g/t Au) that was also associated with iron oxides.

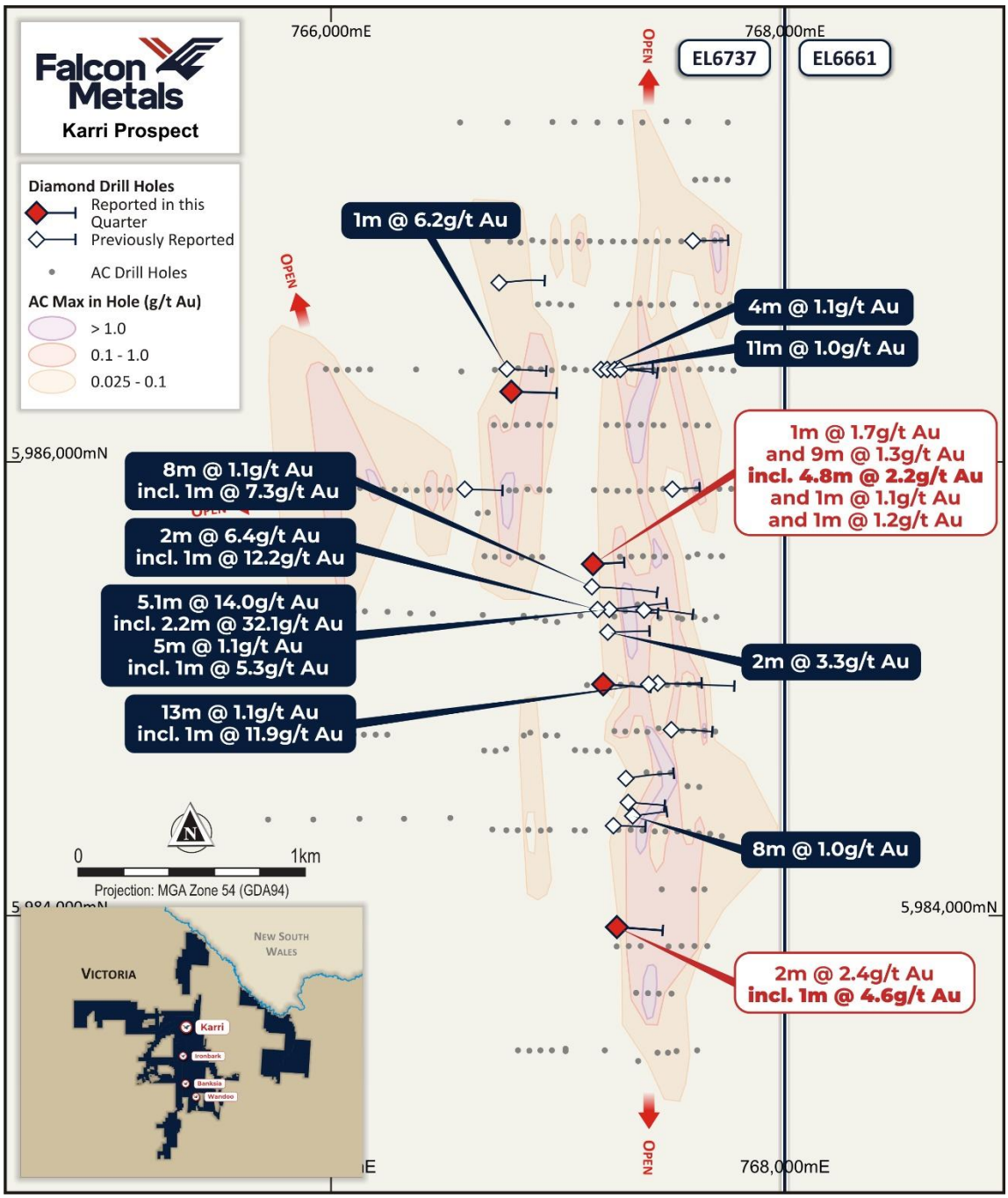

Figure 4 *Plan map of Karri Prospect drilling*

Mineralisation in PHKADD020 occurred in the west limb of the same anticline. It was associated with sericite alteration, disseminated pyrite and minor arsenopyrite.

The mineralised zones identified in PHKADD021 are of particular importance because they have extended the mineralisation in the eastern limb of this same anticline a further 100m to the north of mineralised structures intersected in PHDH007 (1m @ 5.40 g/t Au from 192.8m) and PHDH015 (8m @ 1.05 g/t Au from 202m, including 1m @ 5.33 g/t Au). Mineralisation is associated with quartz veining, intermittent sericite alteration, and disseminated pyrite & arsenopyrite. In addition to the higher

grades including 1m @ 7.31 g/t Au, broad zones of low-level Au mineralisation were also present within this zone including 16.2m @ 0.27 g/t Au from 299.8m and 27m @ 0.33 g/t Au from 341m.

PHKADD024 was the southernmost diamond drillhole at the Karri Prospect and it successfully confirmed primary gold mineralisation in this area. PHKADD025 was a 100m step out along strike to the north from PHKADD021 and the grade of the mineralisation remained consistent between these holes. Karri remains a priority target at Pyramid Hill due to the extent of the aircore anomaly (4km long) and the presence of high-grade mineralisation in intercepts such as PHDH015 (5.1m @ 13.96 g/t Au from 100.9m, including 2.2m @ 32.10 g/t Au[3]).

Further assessment of the full results is currently underway, with a view to further refining the understanding of the gold system at Karri and consideration of infill aircore drilling to better vector in on the high-grade gold.

Major drill program planning

The success of the first Falcon exploration program at Pyramid Hill has provided strong encouragement for a significant step up in operations for the upcoming field season. Falcon has secured two aircore rigs for a large program that will include infill drilling at Ironbark East, as well as infill at other priority prospects. To better prioritise the drilling, Falcon completed a review process for all prospects at Pyramid Hill, benchmarking first pass reconnaissance drilling project wide. The first pass drilling at the Wandoo Prospect stood out with a much higher number of results considered anomalous, so will be one of these priority prospects.

Due to the current flooding throughout the project area and expected late cropping season, the drilling is now planned to commence in mid-November 2022.

Falcon will also be upscaling regional exploration including wide-spaced reconnaissance drilling targeting prospective stratigraphy under less than 120m of cover (See Figure 5), as well as potential diorite-associated targets such as those at Ironbark.

Soil Sampling

Results from 482 soil samples collected over areas of shallow cover in the previous quarter were returned. This data has been combined with results from previous sampling programs to allow for a more regional scale interpretation (See Figure 6).

An anomalous area has been identified to the south of Inglewood and also along the Bet Bet Lead that occurs to the south of Tarnagulla. It must be noted that road construction material used throughout the project area was often sourced from gravel stockpiles from alluvial and deep lead mining. Sampling was done along the road verges as far away from the road as possible but potential contamination needs to be considered. The next phase of work to test these areas will involve a combination of infill sampling and AC drilling once access agreements with the landholders are in place. This additional sampling has also confirmed the Ironbark Prospect area as the most significant soil anomaly identified on the project so far.

Reconnaissance soil sampling was also completed on EL7200 with the collection of 464 samples along roadsides, but results were not available at time of reporting.

[3] Refer Falcon Prospectus dated 3 November 2021

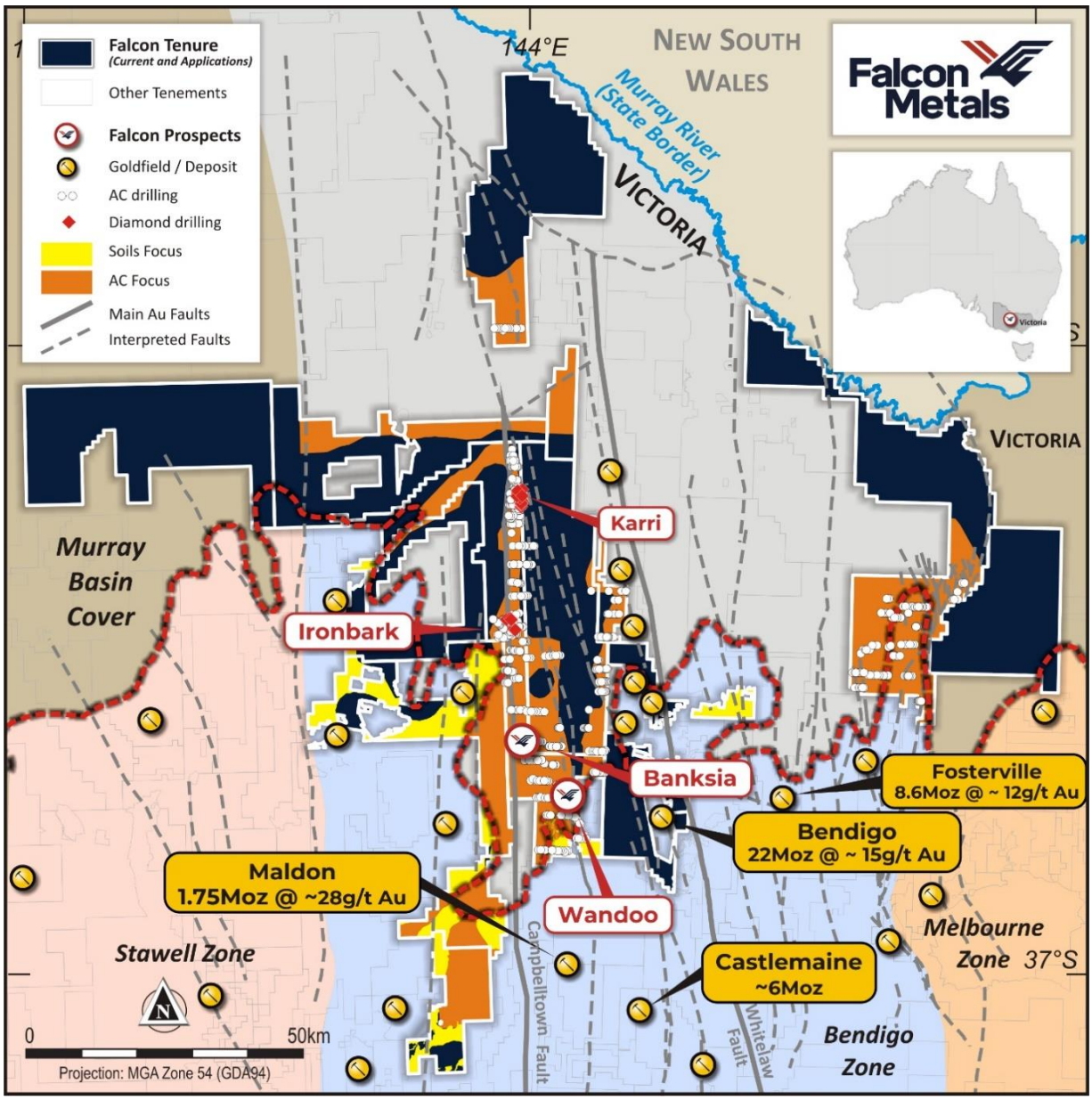

Figure 5 *Areas of focus for 2022-23*

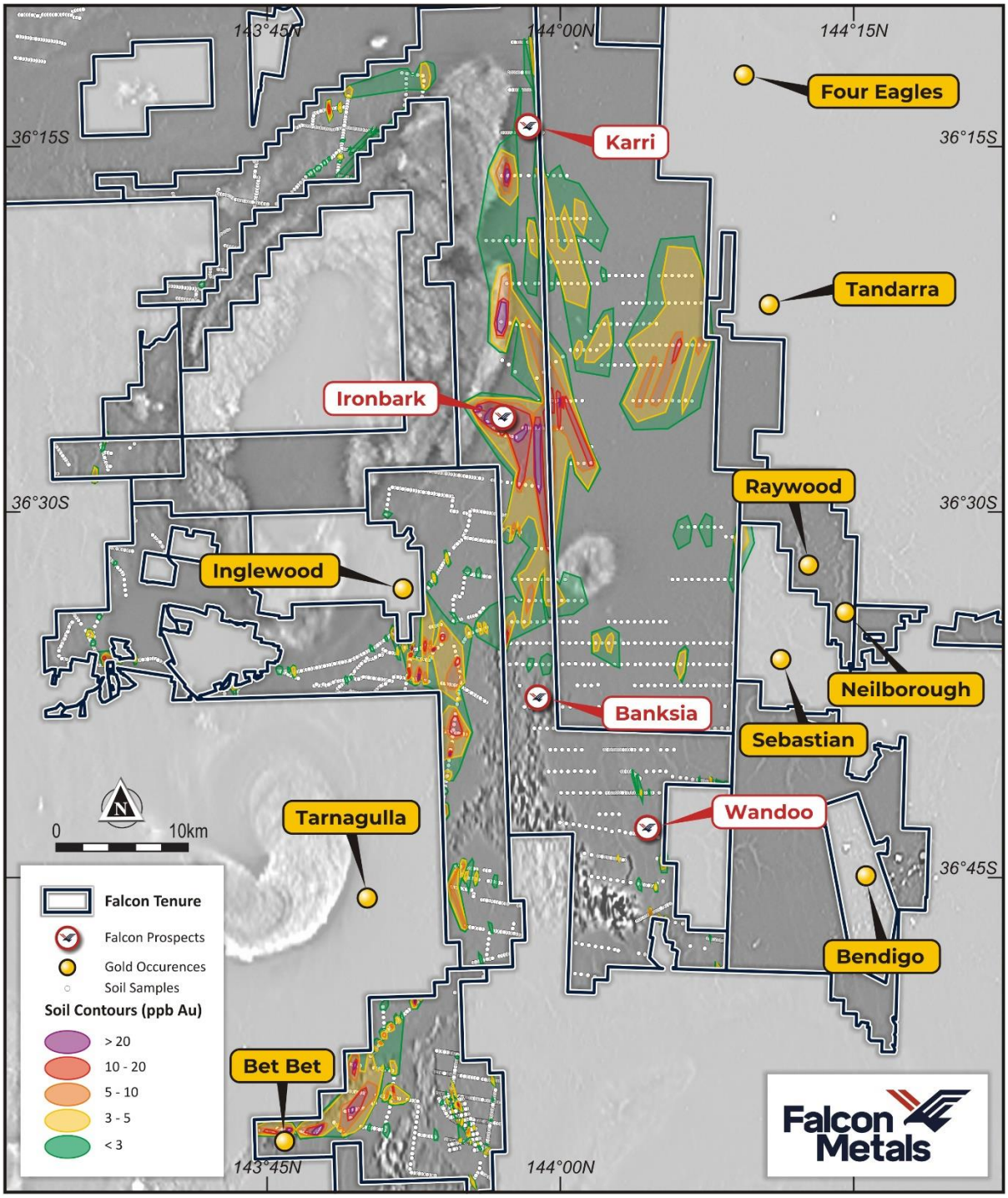

Figure 6 Soil sampling results for Au within the Pyramid Hill Project

Viking (E63/1963 - FAL earning up to 70% & application E63/1994 - 100% FAL)

The project is located approximately 30 km southeast of the regional township of Norseman within the high-grade metamorphic Albany-Fraser Province, host of the Tropicana Gold Mine operated by AngloGold Ashanti, that has produced over 3Moz since 2013.

Falcon Metals commenced drilling at the Viking Project during the quarter and subsequent to the end of the quarter, completed its first reverse circulation (**RC**) drilling program comprising 10 holes for 1,691m.

Falcon is earning a 70% interest in the Viking Project from ASX-listed Metal Hawk Limited (**ASX: MHK**) ("**Metal Hawk**"). The Project is located 30km southeast of Norseman in the Northern Foreland of the Albany Fraser Province (see Figure 8), where historical drilling programs intersected numerous high-grade shallow intercepts in the oxide zone, with limited follow-up drilling. Significant historical results[4] that were yet to be effectively followed up included:

- 5m @ 44.5g/t Au from 50m
- 4m @ 15.4g/t Au from 40m
- 3m @ 8.2g/t Au from 40m
- 3m @ 15.3g/t Au from 28m

The recently completed drilling by Falcon targeted the down-dip and potential down-plunge extensions to these mineralised structures, in fresh bedrock. Geological logging of this drilling has identified several shear zones with sulphides and quartz veining up to 6m wide. RC samples from these prospective zones were panned, with visible gold being observed in 10 of the 25 zones identified, from 5 of the RC holes drilled. Although not always indicative of high-grade, the presence of visible gold is seen as highly encouraging and confirms a primary source to the historical results. Assay results are expected in 4-6 weeks.

Figure 7 *Gold panned from VKB2RC001 43-47m*

[4] Refer Falcon Prospectus dated 3 November 2021

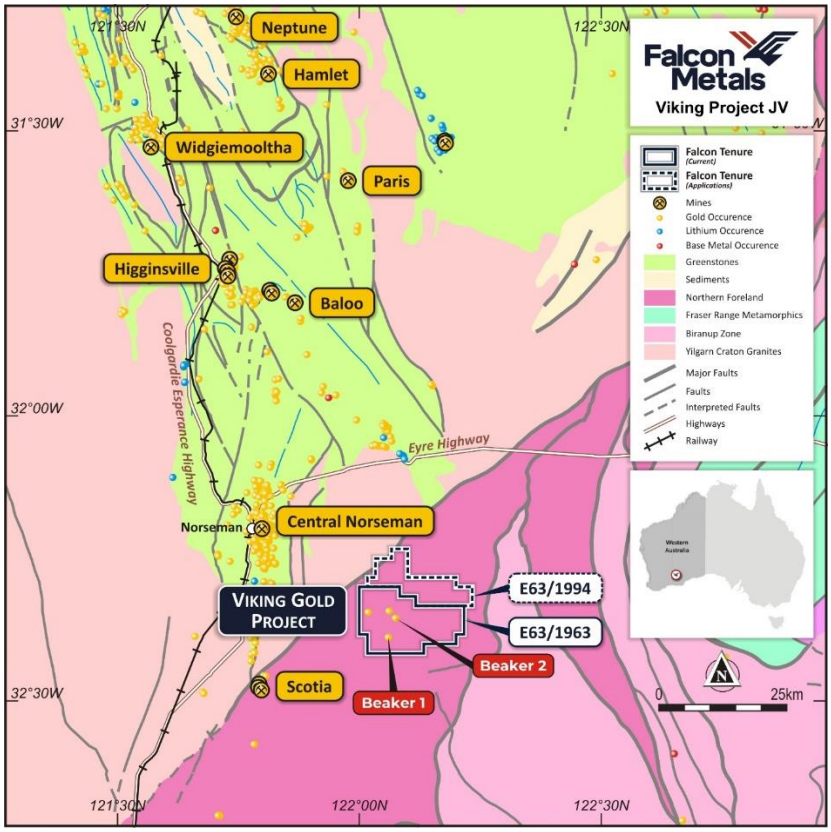

Figure 8 Location of the Viking Project

The key terms of the joint venture are as follows:

- Initial A$1,000,000 expenditure for Falcon to earn a 51% interest within two years from the grant of the permit
- On achieving 51% Falcon has the right, but not obligation, to earn a further 19% (70% in total) by funding an additional A$1,750,000 over 30 months

Upon completion of the earn-in period, a joint venture will be formed to fund exploration on an ongoing basis.

The Albany-Fraser Province is a high-metamorphic grade terrain dominated by gneisses and reworked granitoids. It is known to host several world-class deposits including the Nova-Bollinger Nickel Mine operated by ASX-listed IGO and the Tropicana Gold Mine operated by AngloGold Ashanti (“Anglo”).

Following the discovery of Tropicana in 2005, Anglo stepped up its regional exploration and discovered Viking in 2011 using surface auger sampling. This work defined the four prospects, referred to as Beaker 1-4. Anglo drilled 513 aircore holes, 14 RC holes and 20 diamond holes prior to divesting the project to Genesis Minerals which continued exploration, drilling a further 87 aircore holes and 29 RC holes until 2019 when the tenement was dropped.

Metal Hawk pegged E63/1963 in 2019 and it was granted in March 2021. This project was joint ventured to Chalice Mining in 2020 and was part of the project portfolio demerged into Falcon in December 2021.

Although the project is located in the Dundas Nature Reserve, Falcon has the required approvals to undertake exploration activities within its permit area.

Falcon completed 10 RC drill holes for 1,691m at the Viking Gold Project in Norseman, at the Beaker 1 and 2 Prospects, with 5 RC holes drilled at each prospect (See Figure 9). Drilling targeted the down-dip and potential down-plunge extensions to historical drill intercepts.

Relogging of selected diamond drill holes from previous drilling at Beaker 1 and Beaker 2 confirmed that mineralisation was associated with shallow south-easterly dipping shear zones within relatively undeformed granodiorites and diorites. These shear zones generally consist of muscovite-chlorite-biotite schists with varying amounts of quartz veining and sulphides.

During the geological logging of the current RC program, these shear zones were readily identified, and panning was undertaken to assess the presence of visible gold. Initially panning was done on 3m composites and where appropriate on an individual metre basis. Visible gold was detected in the panned concentrates in 5 of the 10 holes drilled, and in 10 of the 25 shear zones that were identified.

The drilling was focussed on testing for a primary source for the shallow high-grade zones that had previously been intersected at these prospects. The logging and subsequent panning has confirmed gold mineralisation in fresh rock at both the Beaker 1 and Beaker 2 Prospects and suggests that within the overall east-dipping shear zones, a south-southeast plunge component may be an important control for the higher-grade shoots.

Once all assays are returned, a thorough review will be completed to determine the next steps for this project.

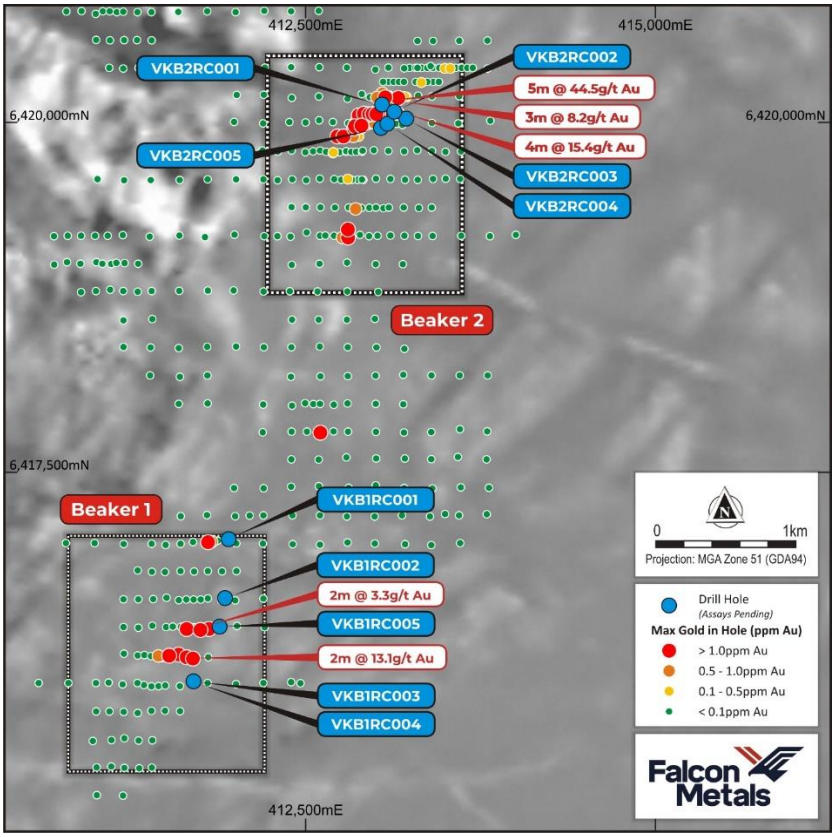

Figure 9 Drilling results to date on the Beaker Prospects[5] with the location of the recently completed RC drill holes

[5] Refer Falcon Prospectus dated 3 November 2021

Mt Jackson (100% FAL)

The project is located approximately 350 km northeast of Perth and 110 km north-northwest of the regional township of Southern Cross. The Mt Jackson project area is located at the very northern end of the Southern Cross Belt where it converges with the regional Koolyanobbing Shear Zone. The Southern Cross Greenstone Belt has a prolonged mining history and hosts multiple significant gold deposits, including Marvel Loch (>1.5Moz).

Falcon continues planning for a soil sampling program at Mt Jackson.

ASX ADDITIONAL INFORMATION

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was $0.43 million. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

As per ASX Listing Rule 5.3.5: There were payments of $0.11 million consisting of director fees to related parties of the Company and their associates during the Quarter.

As per ASX Listing Rule 5.3.4 the following expenditures have occurred since listing:

Item	Actual Expenditure from IPO to 30 September 2022	Total Expenditure per IPO Prospectus[1] [2]
Exploration - Pyramid Hill	2,678,046	$15,350,000
Exploration - Viking Gold	187,874	$2,500,000
Exploration - Mt Jackson	120,519	$250,000
Working Capital	262,466	$8,350,000
Corporate Costs	1,512,548	$2,100,000
Costs of the Offer	1,059,113	$1,450,000

[1]IPO Prospectus dated 3 November 2021
[2]Expenditure is over a two-year period

Commentary:

1. Actual exploration expenditure will vary due to timing of the exploration programs on the various projects which is dependent on weather, access and availability of suppliers.
2. Working capital/corporate costs collectively is lower due to a lower administrative and overhead spend.

This announcement has been approved for release by the Board of Falcon Metals.

For more information, please contact:

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Tenement Register

Project	Tenement Reference	Location	Interest at 01/1/2022	Acquired / Disposed	Interest at 30/09/2022	Registered Holder / Applicant^
Pyramid Hill	EL006738	Victoria	100%		100%	Falcon Metals
	EL006943	Victoria	-*		-*	CGM (WA)
	EL006661	Victoria	100%		100%	Falcon Metals
	EL006669	Victoria	100%		100%	Falcon Metals
	EL006737	Victoria	100%		100%	Falcon Metals
	EL006864	Victoria	100%		100%	Falcon Metals
	EL006898	Victoria	100%		100%	Falcon Metals
	EL006901	Victoria	100%		100%	Falcon Metals
	EL006960	Victoria	100%		100%	Falcon Metals
	EL007121	Victoria	100%		100%	Falcon Metals
	EL007120	Victoria	100%		100%	Falcon Metals
	EL007040	Victoria	100%		100%	CGM (WA)
	EL007200	Victoria	100%		100%	CGM (WA)
	EL007320	Victoria	100%		100%	CGM (WA)
	EL007322	Victoria	100%		100%	CGM (WA)
	EL007656	Victoria	-*		-*	CGM (WA)
	EL007838	Victoria	-*		-*	Falcon Metals
	EL007839	Victoria	-**		-*	Falcon Metals
	EL007840	Victoria	-**		-*	Falcon Metals
	EL007844	Victoria	-*		-*	Falcon Metals
	EL007845	Victoria	-**		-*	Falcon Metals
	EL007971	Victoria	-**		-*	Falcon Metals
Viking	E63/1963	WA	-#		-#	Metal Hawk
	ELA63/1994	WA	-*		-*	CGM (WA)
Mt Jackson	E77/2577	WA	100%		100%	CGM (WA)
	E77/2946	WA	-*		-*	Falcon Metals

**Applications*
***Competing Applications*
 # E63/1963 subject to earn in agreement with Metals Hawk (MHK) whereby Falcon Metals can earn 51% by spending $1M and a further 19% by spending an additional $1.75M.
^ Tenements registered to CGM (WA) Pty Ltd have an executed deed of transfer to Falcon Metals Ltd

Appendix 4: JORC Table 1 – Pyramid Hill Gold Project

A-1 Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of detailed information.	• Soil samples were collected from roadside verges with a focus on avoiding areas contaminated by introduced material such as road base. • Vegetation was removed and a hole was excavated using a shovel or hoe to a depth of 15cm. The soil was passed through a 2mm sieve to remove any larger rock fragments and vegetation. • 500g of this material was collected and then sent to ALS laboratory in Adelaide where it was dried and screened to -0.18mm (80# screen). • This material is then split and a 50g Super Trace Au + Multi Element suite Aqua Regia digest was undertaken.
Drilling techniques	• Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Not Applicable
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Not applicable
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Not applicable
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	• Duplicate samples were taken every 50th sample.

Criteria	JORC Code explanation	Commentary
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	• The samples were analysed using a 50g Aqua Regia digest that is considered a partial digest. The Aqua Regia is specifically targeting Au and pathfinder elements • Falcon has its own internal QAQC procedure involving the use of certified reference materials. For soil sampling 2 standards per 100 samples and 2 duplicates per 100 samples are submitted. • The labs also use their own certified standards and blanks and this data is also provided to Falcon.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Primary data was digitally collected and entered via a field Toughbook computer using in house logging codes. The data is sent to the database manager where the data is validated and loaded into the master database. • No adjustments have been made to the assay data received.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Sample locations have been picked up by Falcon employees using a handheld GPS with a +/- 3m error. • The grid system used for the location of the sampling is either MGA_GDA94 (Zone 54 or Zone 55). A grid zone boundary transects the larger project area. • RL data is considered unreliable although topography around the drill area is flat and hence should not have any significant effect on the interpretation of data.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Samples were collected on a nominal 200m spacing perpendicular to the inferred strike of the underlying Castlemaine Group Stratigraphy based on geophysical data. • Samples were collected on a nominal 400m spacing along roads that were oblique or parallel to the inferred strike of the Castlemaine Group Stratigraphy based on geophysical data. • Samples were collected in areas that were interpreted to have less than 20m of Murray Basin cover, a depth that soil sampling generally appears to be effective in this geological domain.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Roadside sampling is limited to the road network that is available. Planning was done to sample at 200m perpendicular to stratigraphy and at 400m oblique or parallel to stratigraphy.
Sample security	• The measures taken to ensure sample security.	• Samples are stored on site before being transported to Pickerings Transport in sealed bulka bags and transported to ALS in Adelaide.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• An orientation survey was conducted using Terra Leach 9 from Intertek in Perth. This involved digestion with modified Na pyrophosphate for humic rich soils. The results were comparable to previous -80# sample results and so it was decided that it was most appropriate to continue with the -80# Aqua Regia method.

A-2 Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Soil sampling was carried out within EL6661, EL6737, EL7120 and EL6960. These licence are wholly owned by Falcon Gold Resources Pty Ltd, a wholly owned subsidiary of Falcon Metals Limited with no known encumbrances. • Soil sampling was carried out on EL7200, 7320, 7322 and EL7040. These licences are subject to an executed deed of transfer to Falcon Gold Resources Pty Ltd, a wholly owned subsidiary of Falcon Metals Limited with no known encumbrances.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• This is the first regional systematic soil sampling program completed over the entire project area.
Geology	• Deposit type, geological setting and style of mineralisation.	• The mineralisation being explored for is orogenic style like that seen within the Bendigo and Fosterville gold deposits of the Bendigo Zone. Gold mineralisation in these deposits is typically hosted by quartz veins within Ordovician age Castlemaine Group sediments. • Diorite hosted gold deposits are also being targeted .
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Not applicable for soil sampling.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not Applicable.
Relationship between mineralisation	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be	• Not applicable

widths and intercept lengths	reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').	
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to figures in the body of text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Soil sampling is a guide to aid in targeting subsequent drilling programs. Low level contours of Au in ppb is used to identify areas for additional soil sampling and AC drilling.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• There is the possibility of contamination from historic alluvial mining activities and the use of this gravel material being used as road base.
Further work	• The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further soil sampling away from the roads and possibly AC drilling will be undertaken once access agreements with the landholders are in place.

COMPETENT PERSON STATEMENT:

The information contained within this announcement relates to exploration results based on and fairly represents information compiled and reviewed by Mr Doug Winzar who is a Member of the Australian Institute of Geoscientists. Mr Winzar is a full-time employee of Falcon Metals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Winzar consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

FORWARD LOOKING STATEMENT:

This announcement may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (Forward Statements). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

PREVIOUS DISCLOSURE – 2012 JORC CODE:

The information in this release that relates to Exploration Results of the Company's projects was extracted from the following ASX Announcements:

- *ASX announcement titled "Prospectus" dated 3 November 2021 (published on Falcon's website on 20 December 2021)*
- *ASX announcement titled "Falcon Intersects High Grade Gold at Ironbark East (Amended)" dated 15 July 2022*
- *ASX announcement titled "Mineralised Zones Intersected at the Viking Gold Project" dated 13 October 2022*

A copy of such announcements is available to view on the Falcon Metals Limited website www.falconmetals.com.au. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
FALCON METALS LTD	
ABN	**Quarter ended ("current quarter")**
87 651 893 097	30 September 2022

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(433)	(433)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(190)	(190)
	(e) administration and corporate costs	(75)	(75)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	74	74
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (listing/compliance costs, insurance, bank fees and legal)	(83)	(83)
1.9	**Net cash from / (used in) operating activities**	**(707)**	**(707)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposits paid)	(41)	(41)
2.6	**Net cash from / (used in) investing activities**	**(45)**	**(45)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(11)	(11)
3.10	**Net cash from / (used in) financing activities**	**(11)**	**(11)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	25,016	25,016
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(707)	(707)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	(11)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**24,253**	**24,253**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	24,253	25,016
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**24,253**	**25,016**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(707)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(707)
8.4	Cash and cash equivalents at quarter end (item 4.6)	24,253
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	24,253
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	34.3

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2022

Authorised by: By the Board of Falcon Metals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.