

23 January 2026

FALCON METALS DECEMBER QUARTER ACTIVITIES REPORT

For the three-month period ended 31 December 2025

Blue Moon Gold Project (VIC)

- Exploration has advanced from the initial proof of concept drilling at Blue Moon to systematic step-out drilling, designed to demonstrate scale potential along strike from the discovery holes
- Zone of quartz veining with visible gold in first step-out hole to intersect the target zone in the east limb, 200 metres north along strike from the first section of drilling at Blue Moon¹:
 - BMDD003 2.75 metres @ 41.9g/t Au from 605.3 metres; including
0.5 metres @ 222g/t Au from 607.55 metres
- Mineralisation is interpreted to be the continuation of the high-grade zone in BMDD001W1 which hit 1.2 metres @ 543g/t Au from 544.2 metres¹
- Final assay results received from wedge holes BMDD001W5, BMDD001W6 and BMDD001W7 from the first section of drilling with highlights including¹:
 - BMDD001W6 6.5m @ 33.0g/t Au from 832m; including
 - 0.4m @ 325g/t Au from 832.6m; and
 - 0.5m @ 158g/t Au from 834.5m
 - 3.4m @ 16.9g/t Au from 855.6m; including
 - 1m @ 47.2g/t Au from 857m
 - BMDD001W7 1.2m @ 8.0g/t Au from 820.8m; and
1.8m @ 3.6g/t Au from 842m; and
0.5m @ 2.8g/t Au from 846m
- The wide mineralised quartz zones in both BMDD001W6 and BMDD001W7 demonstrate the potential for significant quartz reefs of scale at Blue Moon
- Assays are pending for wedge holes BMDD001W8 to BMDD001W11
- Drilling continues 24/7 with two diamond rigs in operation:
 - Wedge hole BMDD003W2 is in progress targeting mineralised structures further into the eastern limb with assays pending for the remainder of BMDD003 and wedge hole BMDD003W1
 - Parent hole BMDD004 underway, targeting the same high-grade structures a further 200 metres to the north of BMDD003 along strike

Pyramid Hill Gold Project (VIC)

- Regional aircore (RC) drilling of priority targets commenced in mid-January 2026, including both infill and reconnaissance aircore drilling, as well as reviewing targets for potential diamond drilling

Errabiddy Gold Project (WA)

- Rock chip sampling and infill soil sampling programs completed during the quarter, further refining the targets for an upcoming RC program at the Olsen Well target
- Timing of the RC program is subject to the completion of a heritage survey with planning well underway

Corporate

- Well-funded with cash balance at the end of the quarter of A\$22.4 million

CORPORATE

Finance

During the quarter, Falcon Metals Ltd (ASX: FAL) (Falcon, the **Company**) spent \$2.3 million on operating activities, including:

- \$2.0 million on exploration and evaluation costs
- \$0.1 million on corporate costs and overheads
- \$0.2 million on staff costs

Falcon received \$0.2 million in interest on cash deposits. Net cash outflow from operating activities was \$2.1 million. Corporate costs, overheads and staff costs were in line with the previous quarter.

At the end of the December 2025 quarter, Falcon retained \$22.4 million in cash.

Capital Structure

At the end of the quarter, Falcon had 212.6 million shares on issue and 14.8 million outstanding share options of which 6.3 million have vested. Following approval at the 2025 Annual General Meeting, 3.8 million options were issued to directors of the Company.

2025 Annual General Meeting

The Annual General Meeting of the Company was held on 29 October 2025. All resolutions were passed by shareholder vote.

EXPLORATION

Blue Moon Gold Project (100% FAL)

The Blue Moon Gold Project is on the 100%-owned licence EL007839 and is the exploration ground surrounding the Bendigo mining permit (that remains in moratorium) which had historical production of 22 Moz of gold. The project is located 25km west from the Fosterville Gold Mine with the Swan Zone (2.3 Moz @ 49.6 g/t Au), owned by Agnico Eagle (NYSE: AEM).

Background

The Blue Moon Gold Project is the down-plunge extension of the Garden Gully anticline, a conceptual target that was developed from a 3D reconstruction of the historical Bendigo workings, historical reports and field mapping. The Garden Gully anticline was the most productive in the Bendigo Goldfield, estimated to have produced 5.2 Moz @ 15g/t Au^{2,3} from areas where the more prospective parts of the sequence either outcropped or were close to the surface (see Figures 1 and 2). Although the Garden Gully line produced a significant amount of gold at high-grade, the reefs were not always continuous in thickness or grade. Therefore, the focus was on confirming the presence of the more prospective sequence and possible laminated quartz veins, historically referred to as leg reefs.

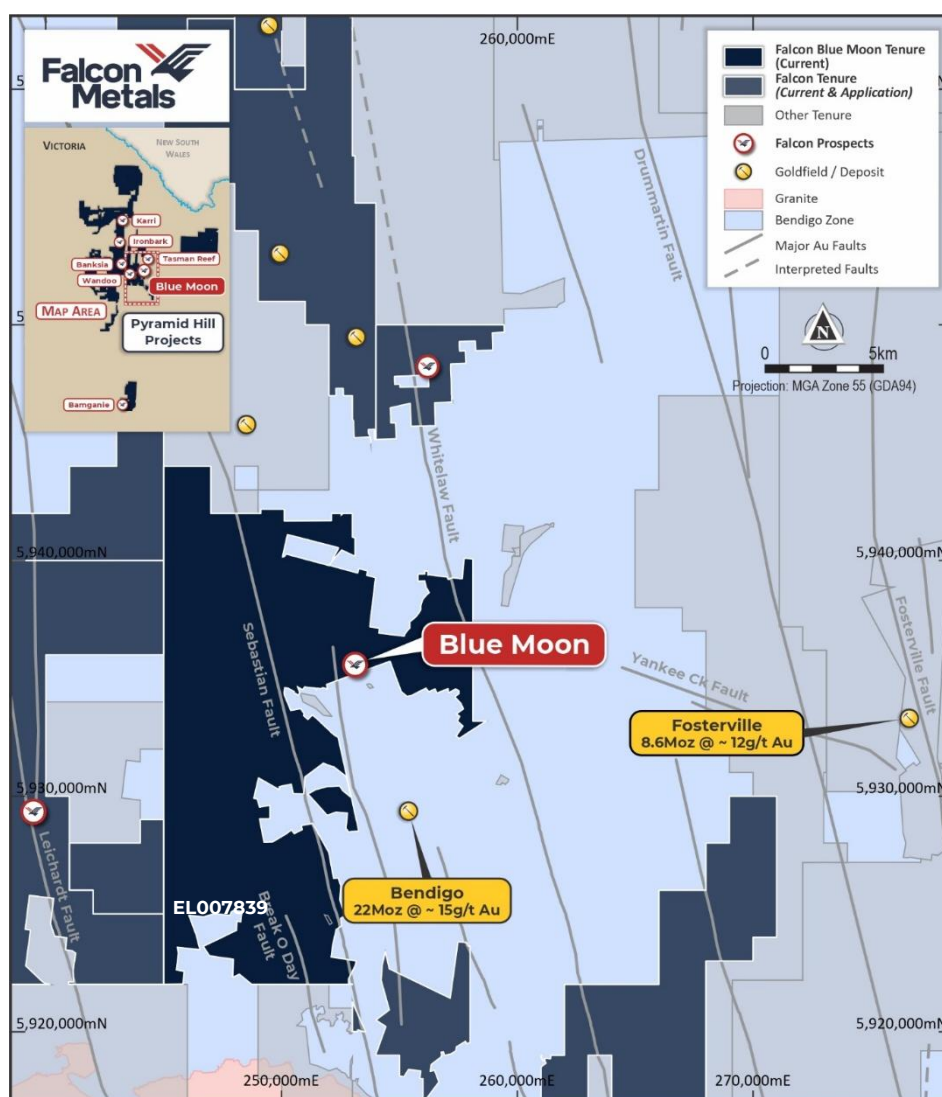


Figure 1 Location of the Blue Moon Gold Project

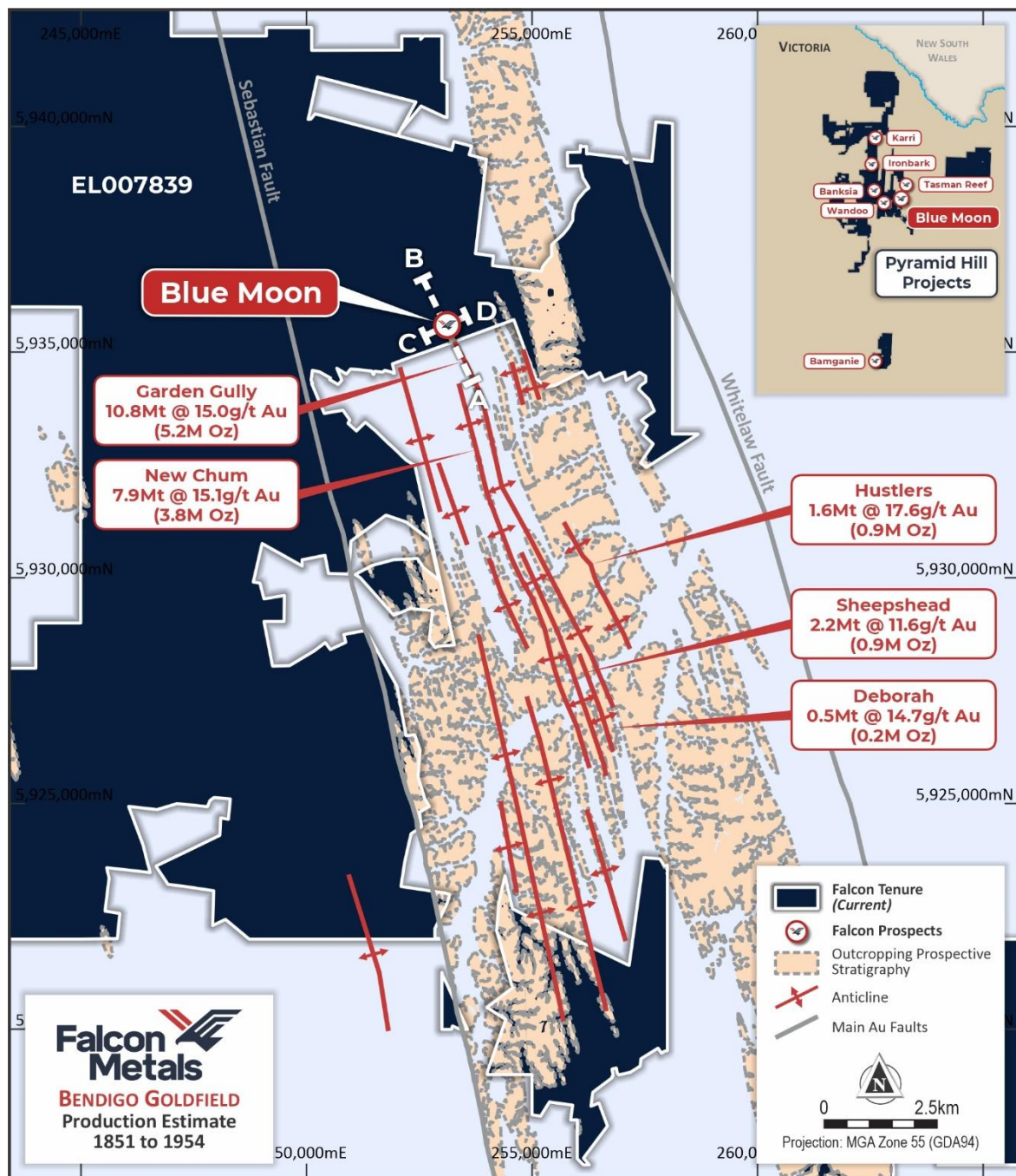


Figure 2 Bendigo Goldfield historical production^{1,2}

A significant amount of the mineralised reefs in the historical mines along the northern portion of the Garden Gully anticline came from smaller folds in the eastern limb, as well as associated faults, rather than exclusively from the main fold hinge saddle reef position. A schematic section of the mineralised reefs from the New Moon shaft, located approximately 520m south of Falcon's EL007839 tenement boundary and one of the most productive reefs in the Garden Gully line, is shown in Figure 3. This highlights the various types of mineralised reefs that were mined, which include saddle, neck, leg and trough reefs, as well as spur veins associated with faulting. It also shows that narrow-laminated veins can be traced back to more prospective structures, where they intersect faults or folds.

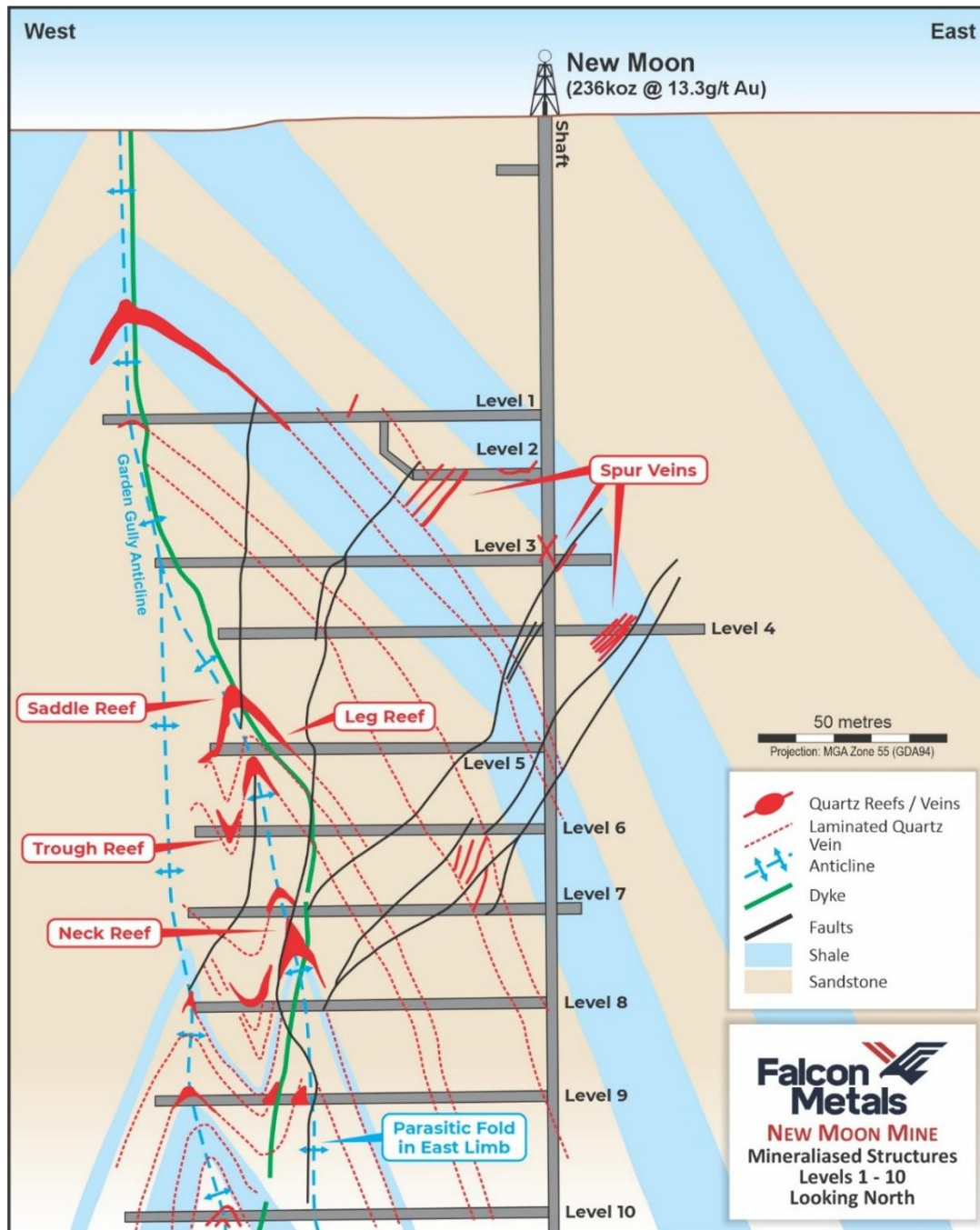


Figure 3 Schematic cross section showing interpreted quartz reef geometries (red) at New Moon shaft (approx. 520m south of Falcon's Blue Moon tenement boundary) modified from New Moon Company Mine transverse section⁴

Previously reported parent hole BMDD001 was designed as a stratigraphic hole to gather geological and structural information from the eastern limb of the Garden Gully anticline. The hole successfully identified several mineralised structures with multiple high-grade zones, with results as follows (see Figure 4):

BMDD001

2.8m @ 17.7g/t Au from 40.6m; including

- 0.9m @ 52.4g/t Au from 40.6m

2.4m @ 8.4g/t Au from 600m; including

- 0.3m @ 48.7g/t Au from 600m; and
- 0.3m @ 18.2g/t Au from 602.1m

| | |
|------------------|---|
| BMD001W1 | 1.2m @ 543g/t Au from 544.2m; including <ul style="list-style-type: none"> • 0.6m @ 557g/t Au from 544.2m; and • 0.6m @ 529g/t Au from 544.8m |
| BMDD001W2 | 1.0m @ 4.6g/t Au from 446.0m |
| BMDD001W3 | 0.8m @ 4.1g/t Au from 557.0m 0.3m @ 185g/t Au from 773.0m |
| BMDD001W4 | 1.0m @ 3.9g/t Au from 540.0m |

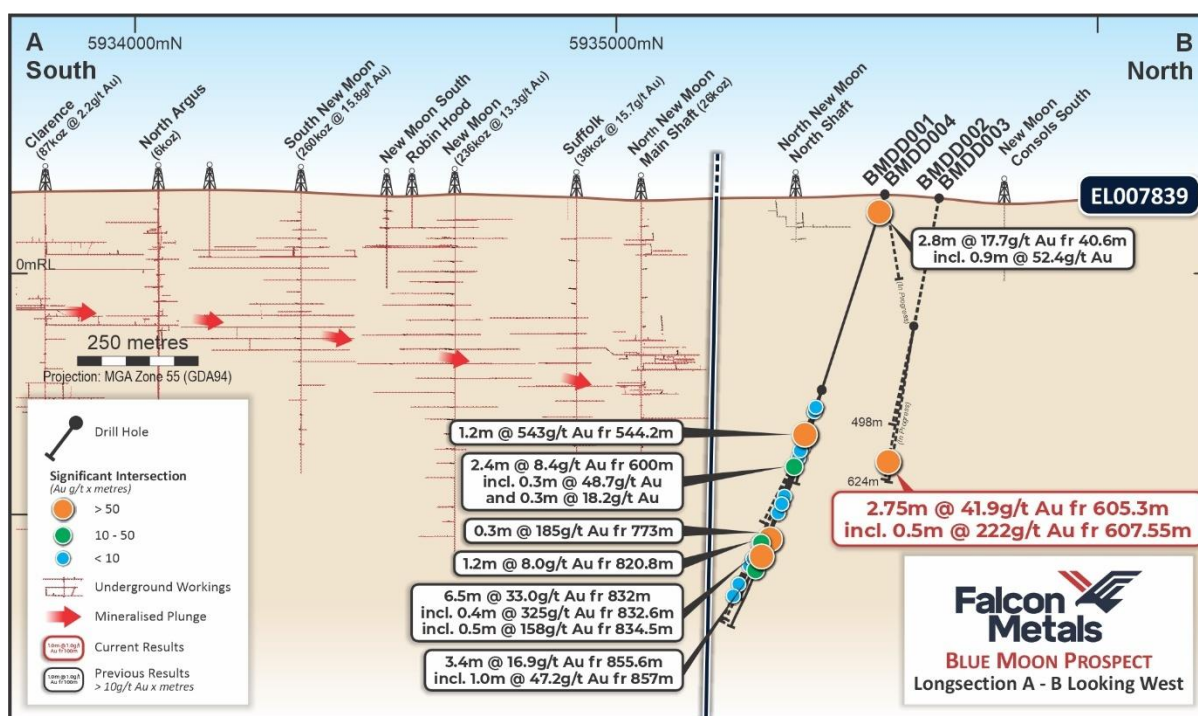


Figure 4 Long section of significant intercepts from the parent hole and wedge holes

Results from First Section

During the quarter, final results were received for wedge holes BMDD001W5, BMDD001W6 and BMDD001W7. See Figure 5 and Figure 6 for cross-sections of the drilling to date including the new results.

Five significant intercepts were returned from BMDD001W6 as follows:

| | |
|------------------|--|
| BMDD001W6 | 1.0m @ 1.1g/t Au from 579m 6.5m @ 33.0g/t Au from 832.0m; incl. <ul style="list-style-type: none"> • 0.4m @ 325g/t Au from 832.6m; and • 0.5m @ 158g/t Au from 834.5m |
| | 3.4m @ 16.9g/t Au from 855.6m; incl. <ul style="list-style-type: none"> • 1m @ 47.2g/t Au from 857m |
| | 1.0m @ 1.0g/t Au from 864m 1.0m @ 2.8g/t Au from 874.5m |

Following the identification of numerous occurrences of visible gold over a 6.5m downhole width in BMDD001W6, samples were expedited. This high-grade vein is a bedding-parallel east-dipping leg reef proximal to an interpreted small parasitic fold in the east limb of the Garden Gully anticline. See Figure 7 and Figure 8 for images of the visible gold and the core interval.

An additional zone of high-grade mineralisation was intersected 17.1m down hole from this zone with an intersection of 3.4m @ 16.9g/t Au from 855.6m, associated with quartz carbonate veins at a shallow angle to the bedding in a sandstone with 20% pyrite concentrated in the more porous coarser sands, the most seen in a sandstone at Blue Moon.

Wedge hole BMDD001W7 was drilled to test the up-dip position from these high-grade zones from BMDD001W6, further west towards the Garden Gully anticline, intersecting the structure 16m to the northwest of the intercept in BMDD001W6. The hole intersected 1.2m @ 8.0g/t Au from 820.8m in a laminated quartz carbonate vein at the upper contact of a 30m zone of mineralised quartz that contained classic Bendigo pathfinders arsenopyrite, pyrite and sphalerite, including a trace of visible gold at 821.6m. This is the widest zone of mineralised quartz veining seen at Blue Moon to date.

The significant intercepts within this body of quartz were:

| | |
|------------------|-----------------------------------|
| BMDD001W7 | 1.2m @ 8.0g/t Au from 820.8m; and |
| | 1.8m @ 3.6g/t Au from 842m; and |
| | 0.5m @ 2.8g/t Au from 846m |

Due to the coarse nature of gold in the Bendigo Goldfield, it is not expected for all intercepts in mineralised reefs to be high-grade, and lower grade intercepts will commonly occur. Having seen visible gold in both BMDD001W6 and BMDD001W7, and hitting two +100g/t Au intercepts in BMDD001W6, provides Falcon with encouragement that this new large quartz zone could be a high-grade reef of scale consistent with those historically mined to the south of the Blue Moon permit in the Bendigo Goldfield.

Additional wedge holes have been drilled to test this zone further to the west towards the Garden Gully anticline. Wedge hole BMDD001W8 failed to reach the target depth, and BMDD001W9 deviated further east than planned and virtually twinned the intercept in BMDD001W7. BMDD001W10 which targeted the structure 15m further to the west of BMDD001W7 failed to reach planned depth, so the final wedge hole (BMDD001W11) for this section was drilled, intersecting the target structure with the hole terminating at 956.3m. Assays are pending for BMDD001W8-W11.

Final assays were received for BMDD001W5 with no significant gold intercepts received, although low level gold haloes were present. This hole is considered to have defined the eastern edge of the prospective zone along the Garden Gully anticline on this section, allowing for more focused targeting as we step out to the north.

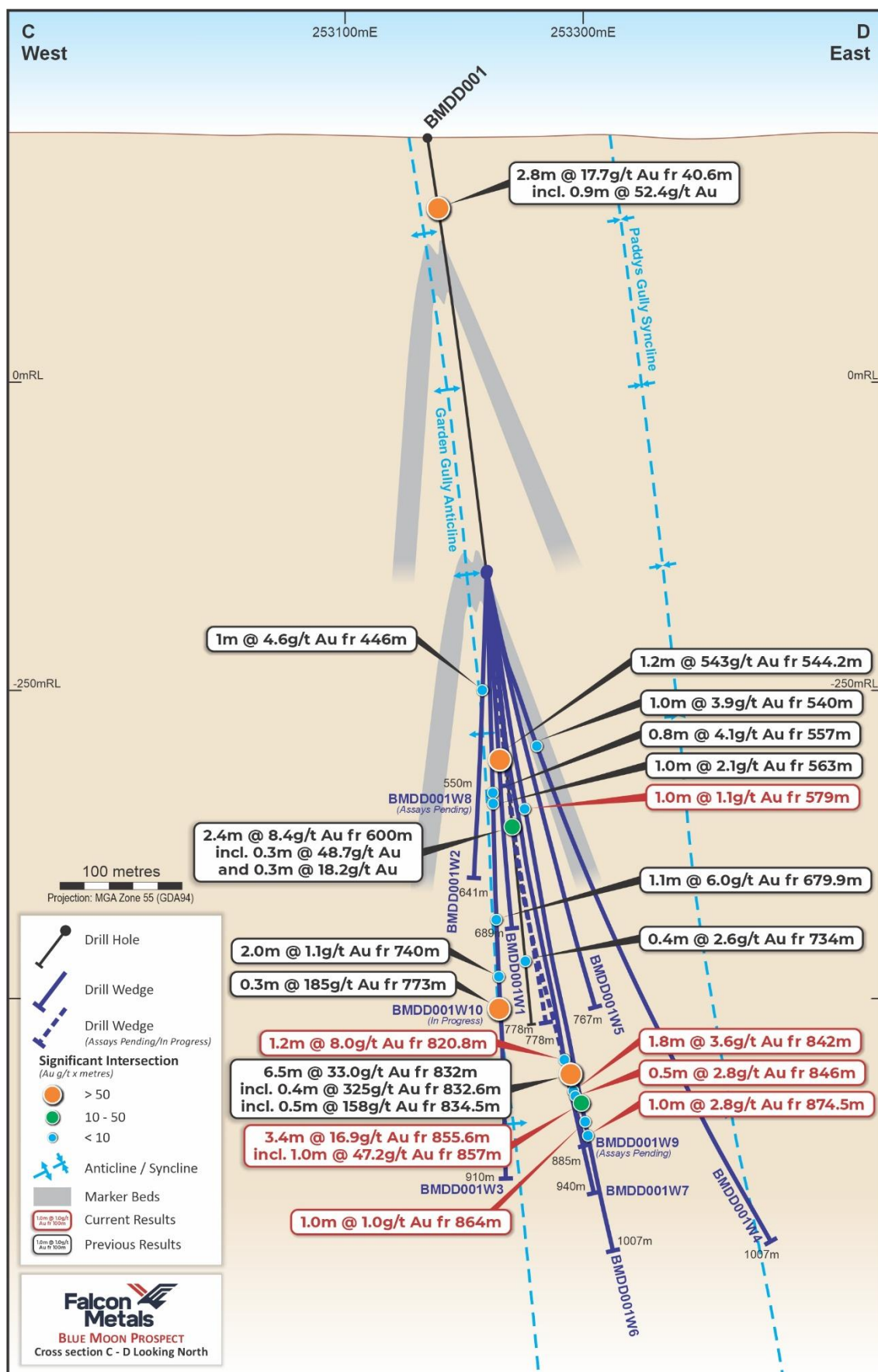


Figure 5 Cross section of BMDD001 and wedge holes

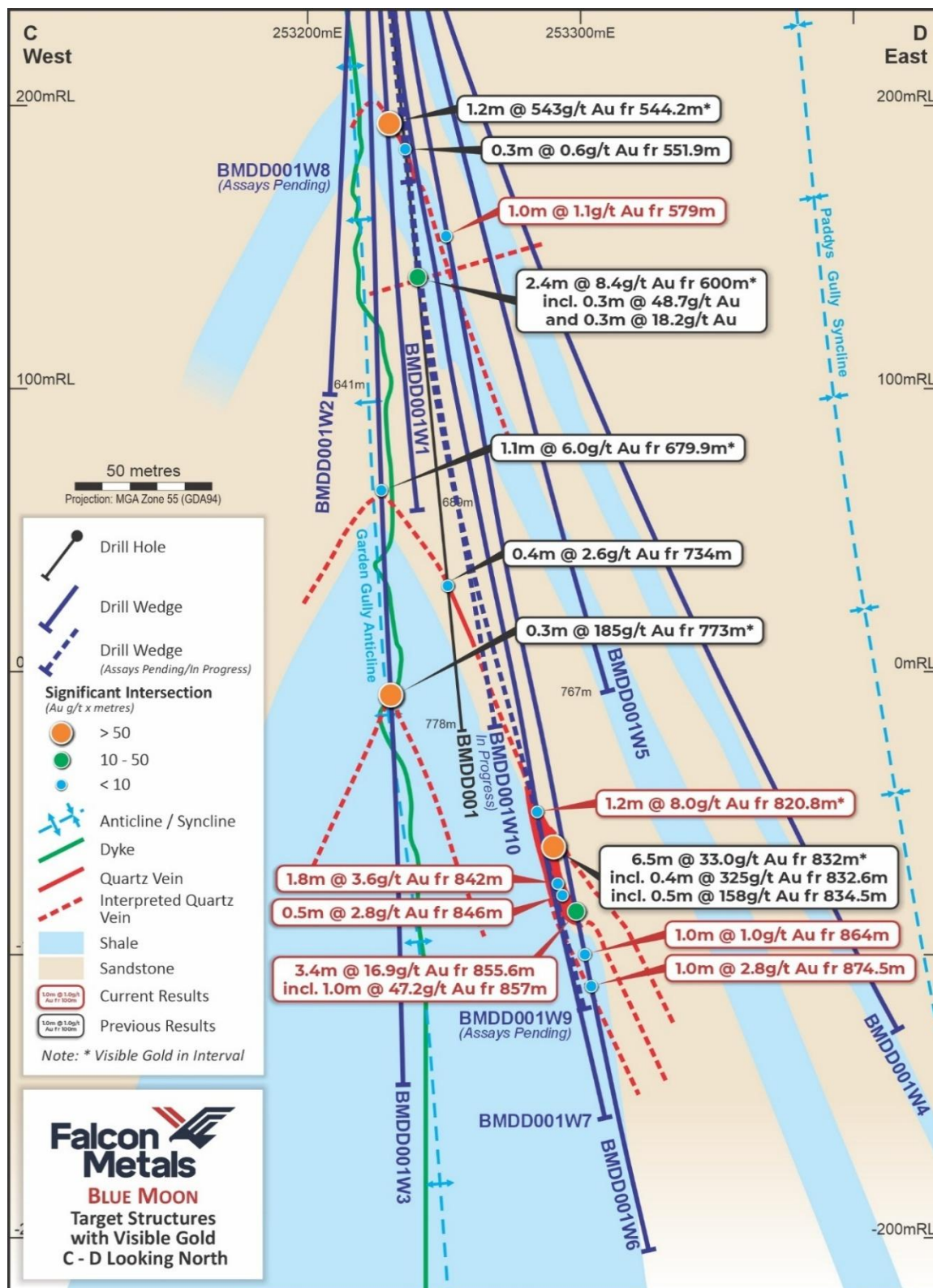


Figure 6 Magnified view of BMDD001 and wedge holes with interpreted geology



Figure 7 BMDD001W6 showing visible gold (red circles) and stylolites (blue arrows) in the NQ core (47.6mm diameter) from 832.7 to 832.9m



Figure 8 BMDD001W6 showing visible gold (red circles) in the NQ core (47.6mm diameter) from 834.8m

Blue Moon Extended 200 Metres Along Strike

Visible gold was identified in BMDD003 at 605.7m and 607.6m, with samples from this interval prioritised for assaying:

BMDD003

2.75m @ 41.9g/t Au from 605.3m; incl.

- 0.5m @ 222g/t Au from 607.55m

This was in the eastern limb of the Garden Gully anticline (see Figure 9) in a similar stratigraphic and structural position to the 1.2m @ 543g/t Au intersected in BMDD001W1, 200m along strike to the south. The zone consists of an extensional quartz vein with stylolitic development and abundant pyrite on the vein margins with the host shale at 605.7m, and a bedding-parallel stylolitic quartz carbonate vein at 607.5m. Images of the visual gold and the core tray photo are shown in Figures 10-12.

BMDD003 continued to drill in the eastern limb of the Garden Gully anticline, crossing the hinge into the western limb at 890m, and subsequently terminated at 944m. Wedge hole BMDD003W1 targeted structures further into the eastern limb and was terminated at 429m after deviating towards the parent hole. Wedge hole BMDD003W2 is now underway.

With BMDD001 section (the first section at Blue Moon) now complete, this drill rig has commenced a 400m step-out to the north, with BMDD004 in progress.

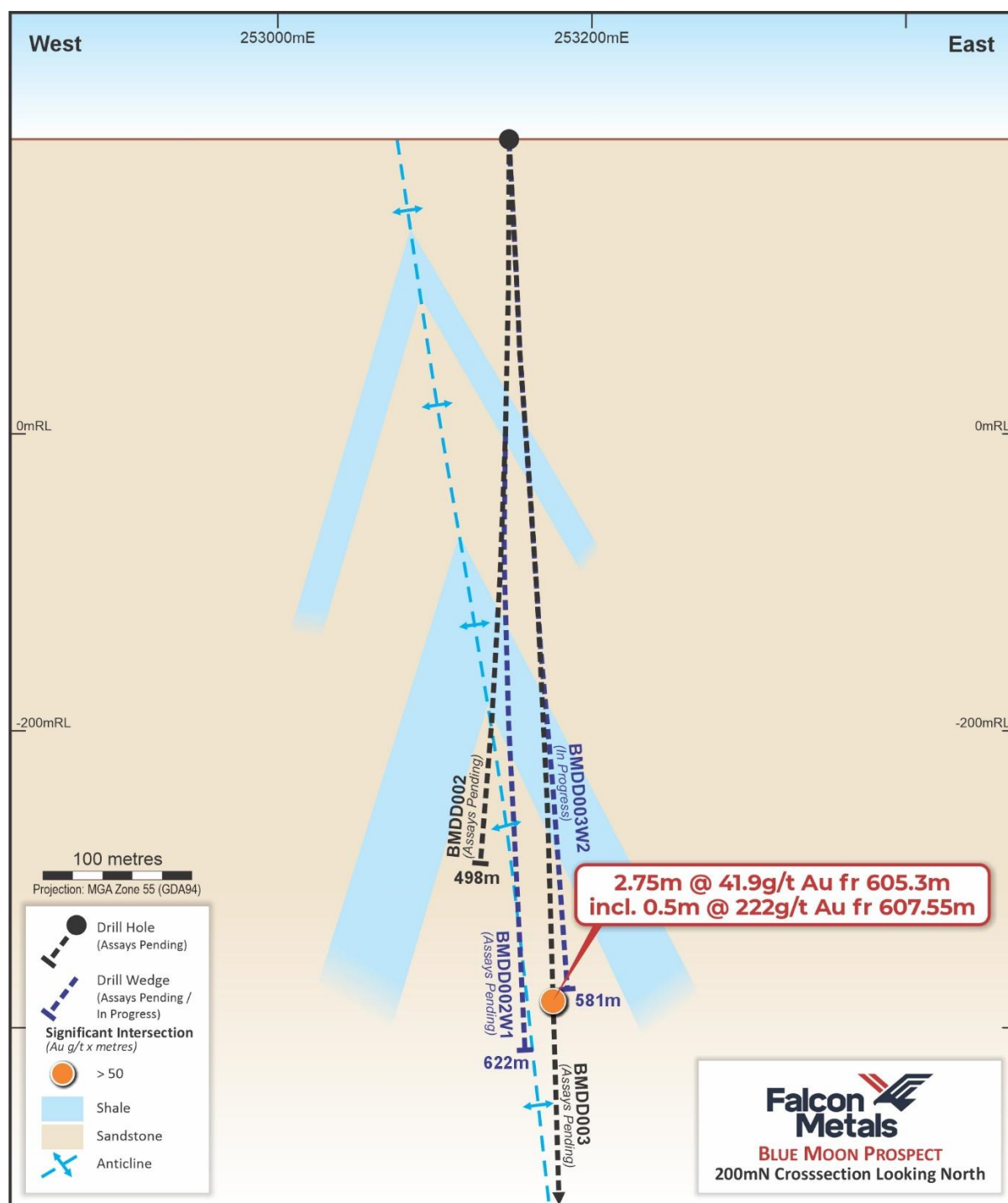


Figure 9 Cross section of BMDD002 and BMDD003



Figure 10 BMDD003 with visible gold (red circle) in an extensional quartz vein with pyrite near the vein margins at 605.6m

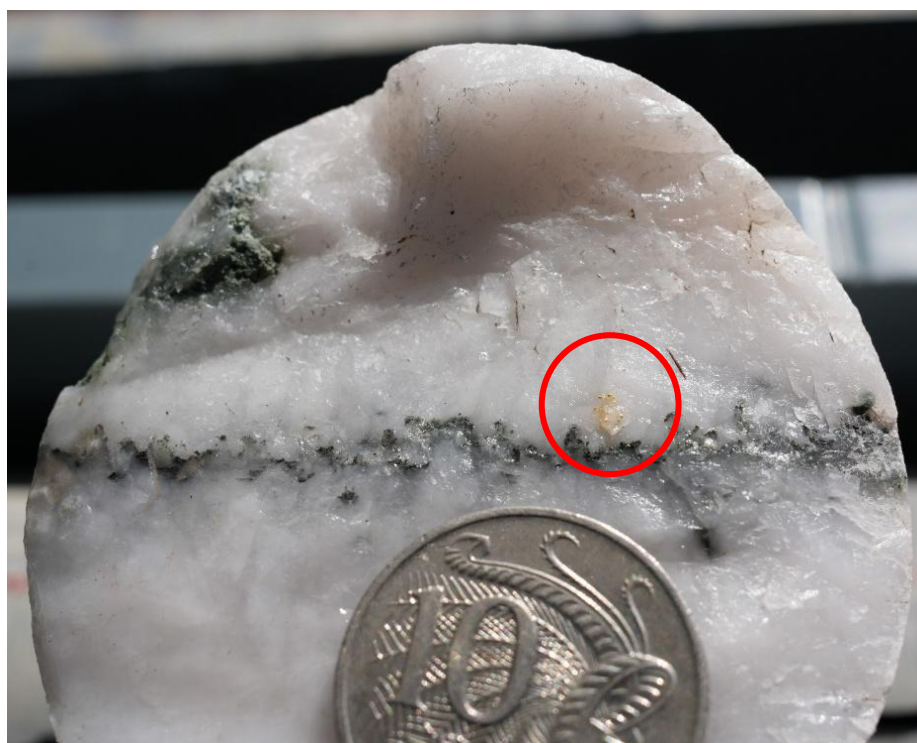


Figure 11 BMDD003 showing visible gold (red circle) in the stylolitic quartz carbonate vein at 607.6m



Figure 12 BMDD003 showing visible gold (red circles) on the cut surface of the stylolitic quartz carbonate vein at 607.6m

Next Steps

Parks Victoria approved seven additional drill pads at Blue Moon during the quarter, and a second diamond rig commenced drilling on 20 October 2025. A series of 200 metre spaced step-out holes are planned along strike targeting the eastern limb of the Garden Gully anticline to the north of the current drilling. This will involve a parent hole with several wedges on each section. The initial aim is to test one kilometre of strike within EL007839 before continuing further north if continuity of mineralisation is confirmed. See Figure 13 for a long section of the planned drilling.

With the understanding gained on the Garden Gully line from the current program, review work is continuing on several other parallel lines of reef interpreted to extend into EL007839 from the Bendigo Goldfield (see Figure 2), including the prolific New Chum and Hustlers lines of reef, providing multiple targets for future drilling.

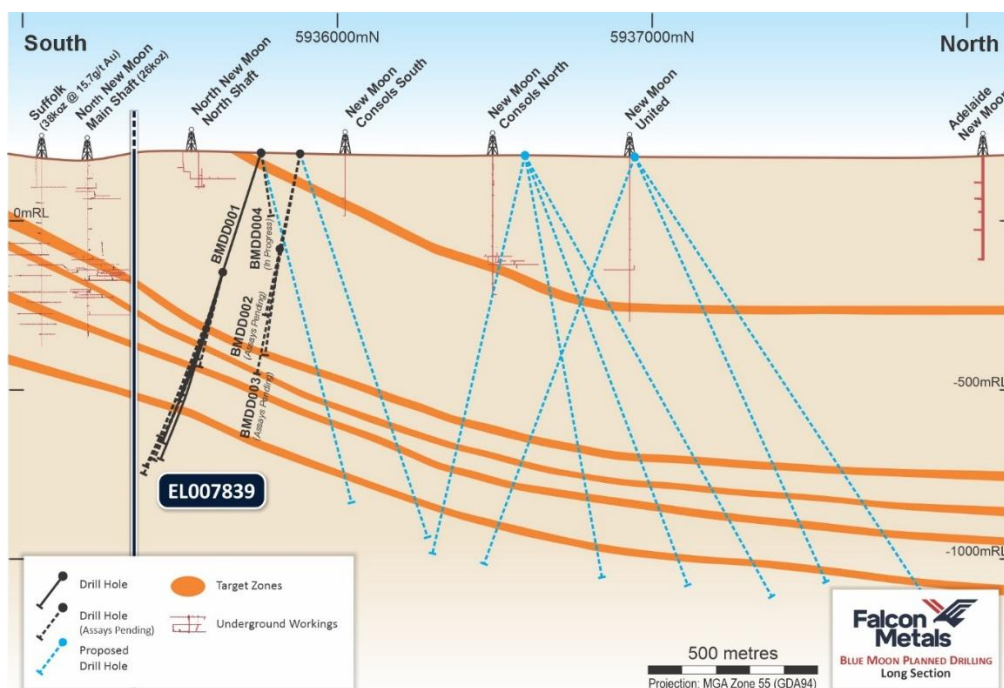


Figure 13 Current progress and planned step out drilling to the north

Pyramid Hill Gold Project (100% FAL & Macorna JV)

Falcon has over 4,000km² of granted permits in Victoria, specifically targeting underexplored areas of the Bendigo Zone that is host to the high-grade historic 22 Moz⁵ Bendigo Goldfield and the 9Moz⁶ Fosterville Gold Mine owned by Agnico Eagle (NYSE:AEM).

Regional Exploration Program

A program of aircore drilling commenced in mid-January 2026 at priority targets under Murray Basin cover, including both infill and reconnaissance aircore drilling, as well as possible diamond drilling of more advanced targets to be considered later in the program. This includes the Loddon Vale, Pyramid Hill, and Tasman Reef targets, and the first systematic reconnaissance aircore drilling to the north of Raywood, located approximately 10km northwest of Tasman Reef (see Figure 13). The initial aircore phase of drilling is expected take approximately 3-months to complete.

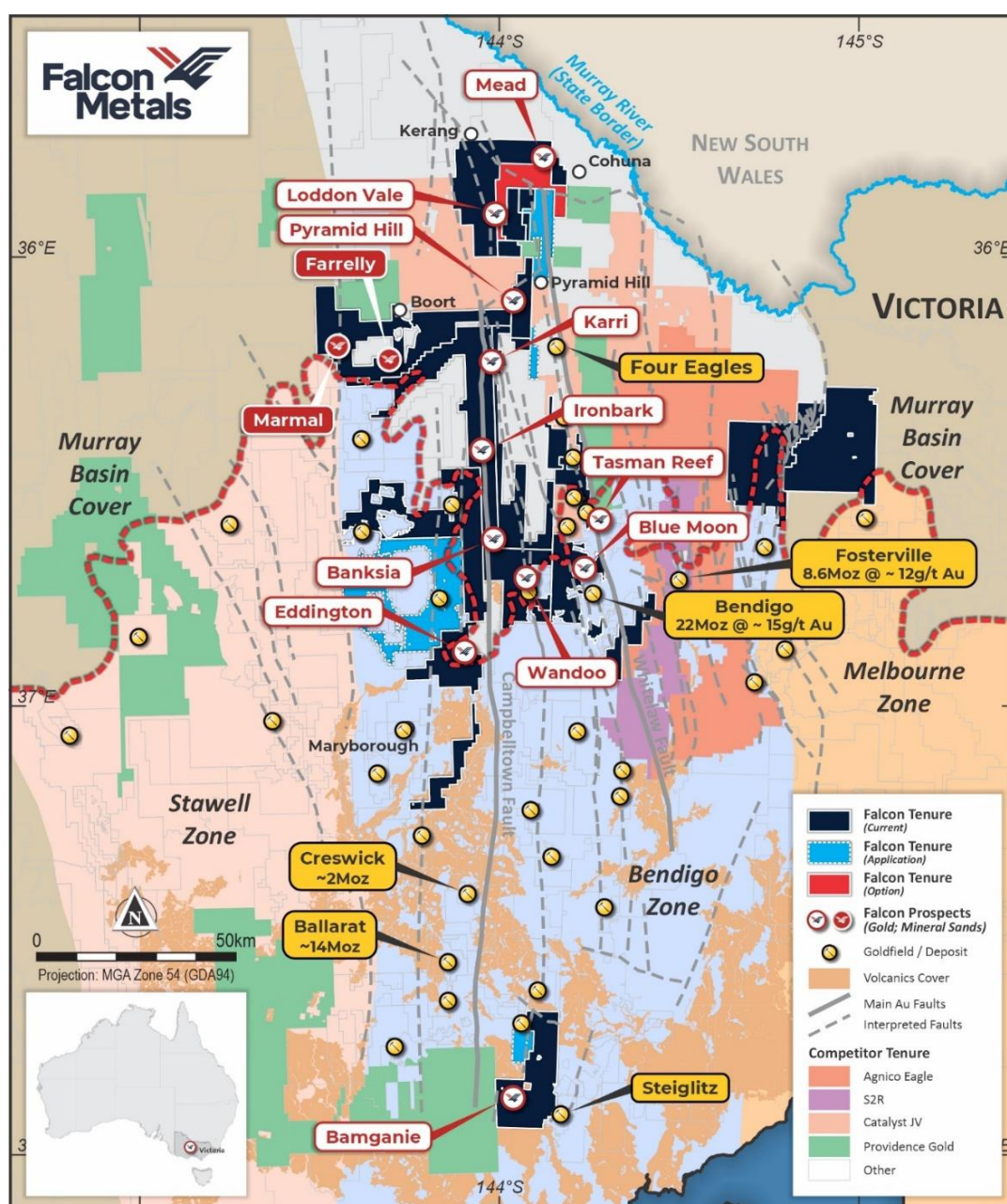


Figure 14 Falcon's Victorian tenements

Victorian Mineral Sands Project (100% FAL)

Falcon has a strategic ground position north-west of Bendigo in the prospective Murray Basin mineral sands province, host to several large projects at the advanced development stage. In early 2024, Falcon discovered the high-grade Farrelly mineral sands deposit, which shows favourable mineralogical and processing characteristics.

Falcon continues to assess its options to achieve an amicable solution with the landowners at Farrelly in order to undertake the next phase of low impact exploration.

Errabiddy Gold Project (Earning up to 70% plus 100%-owned application)

The Errabiddy Gold Project is a craton margin gold target, located 220km northwest of Meekatharra in Western Australia. Falcon is earning up to 70% of permit E09/2457 by spending \$2 million in 60 months in two stages. Falcon also has E09/2984, a 100%-owned application adjacent to E09/2457

During the quarter, Falcon completed surface sampling at the Olsen Well target consisting of 86 rock chip samples and 75 ultrafine soil samples. This further refined the shape of the surface anomalies and confirmed that the results generated from the soils were from a bedrock source (see Figure 15).

Planning is now underway for a heritage survey to be undertaken followed by RC drilling of the most anomalous zones within the Olsen Well target.

Although these results were generated during the quarter and have assisted in progressing the Olsen Well target, they do not change Falcon's planned work program at the project and therefore do not meet the level of materiality required to warrant separate reporting.

The joint venture tenement and the adjoining 100% Falcon-owned application E09/2984 make up the Errabiddy Gold Project (see Figure 16), which is located along the northern margin of the Yilgarn Craton, 220km northwest of Meekatharra (see Figure 17).

The Olsen Well target is considered to be analogous to Benz Mining's Glenburgh Deposit (16.3Mt @ 1.0g/t for 510,000 ounces of gold⁷), also discovered from regional stream sampling followed by soil sampling in gneissic terrain along the northwest margin of the Yilgarn Craton.

Next Steps

Subject to completion of a heritage survey, the first ever drilling program at Olsen Well is targeted for the first half of 2026.

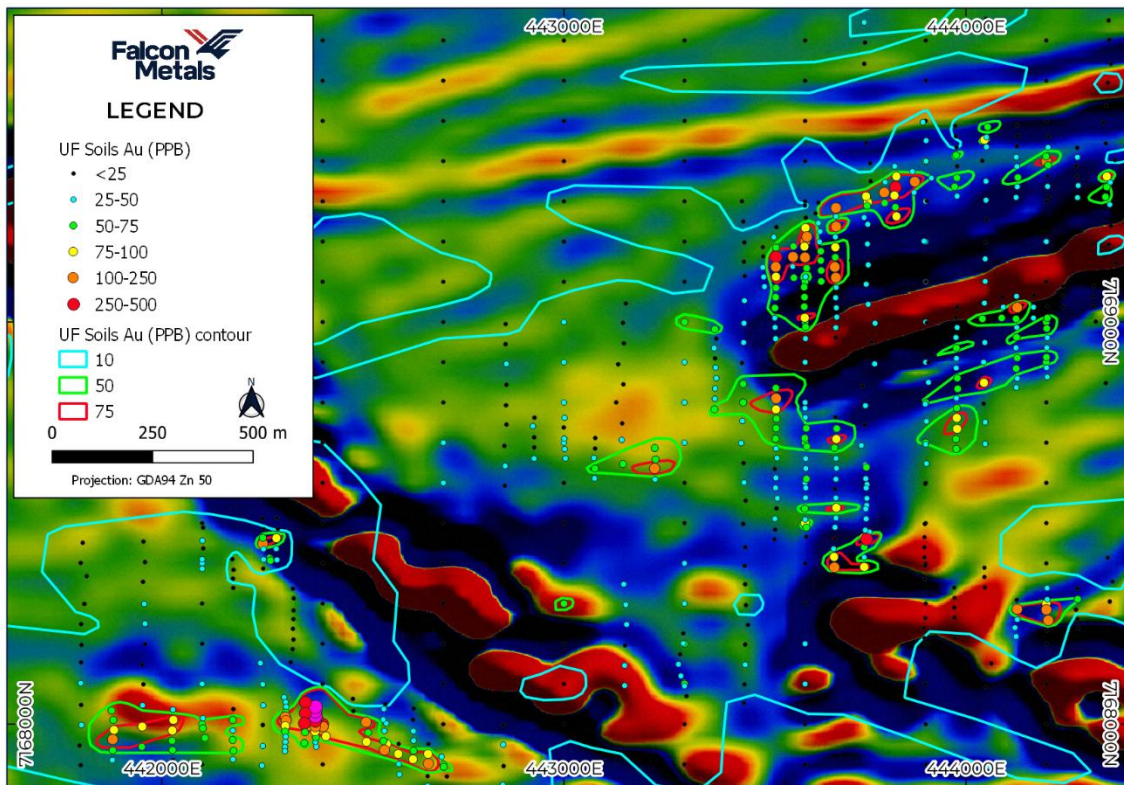


Figure 15 Au in Ultrafine Soil contours at the Olsen Well target on magnetic image (TM12VDRTP)

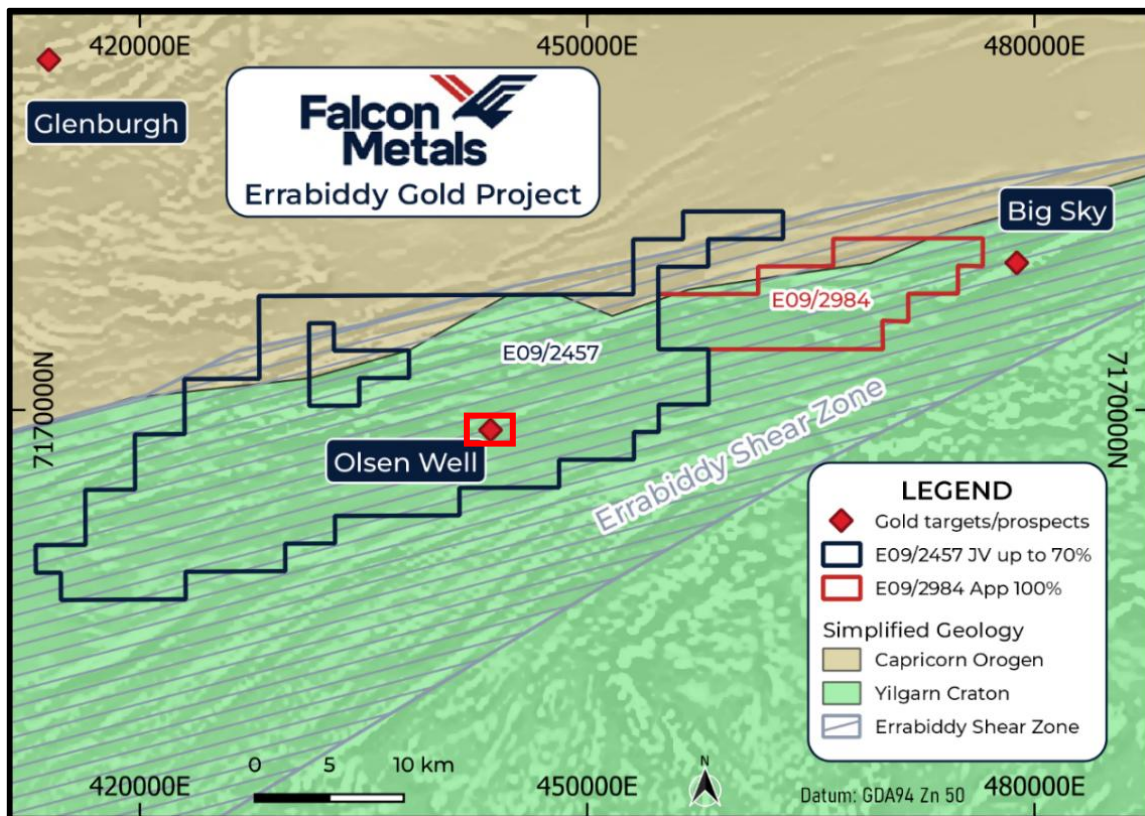


Figure 16 Errabiddy Gold Project tenements showing inset for Figure 14

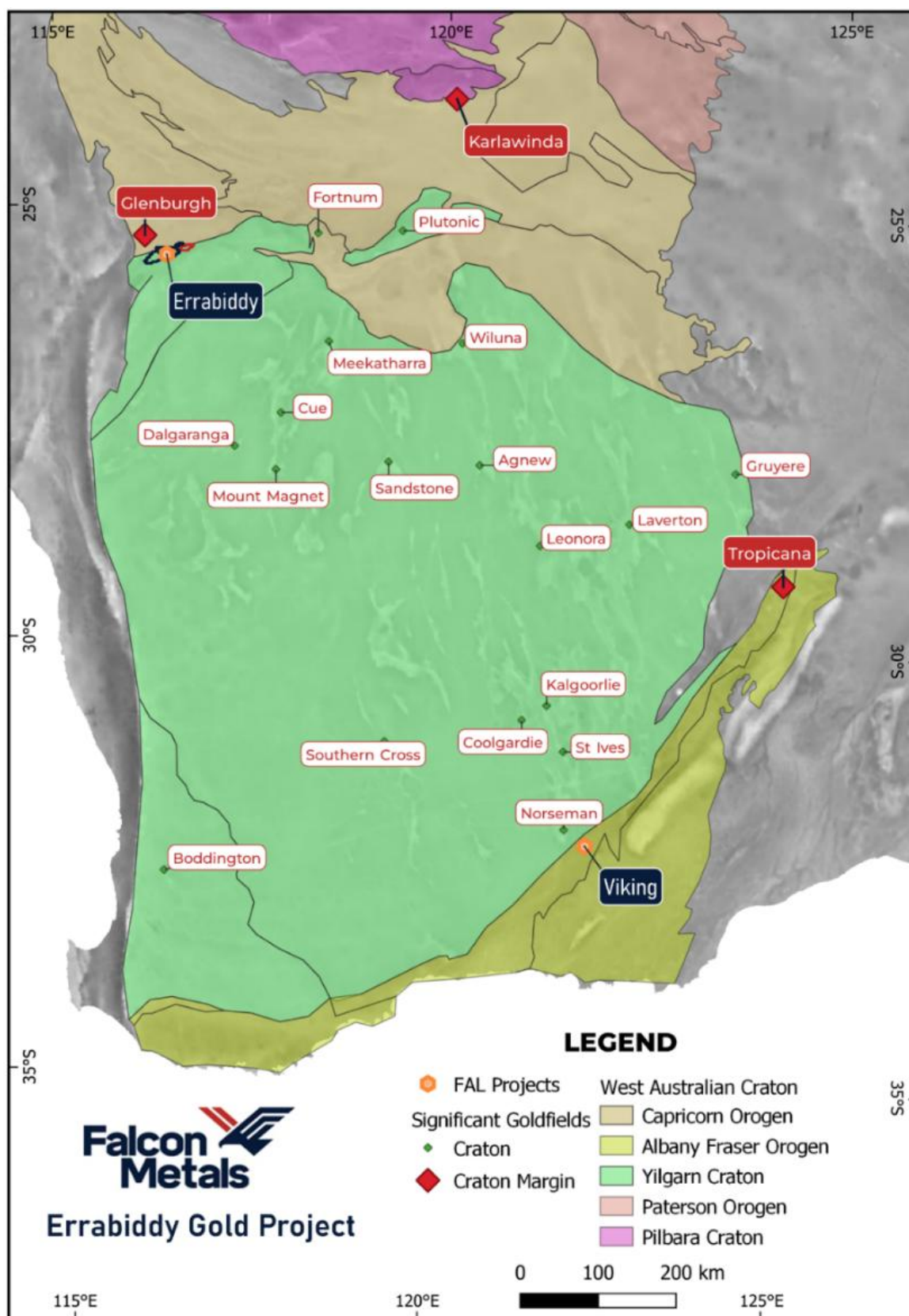


Figure 17 Location of the Errabiddy Gold Project

Other Projects

Hawkstone (applications E04/2883 & E04/2284 – Stavely Minerals earning up to 80%)

The Hawkstone Ni-Cu-Co Project is located in the emerging West Kimberley magmatic nickel province, along strike from IGO/Buxton's JV Merlin and Dogleg Ni-Cu discoveries.

There was no activity at the Hawkstone Project during the quarter.

ASX ADDITIONAL INFORMATION

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was A\$2.0 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 A\$0.13m consisting of director fees to related parties of the Company and their associates during the Quarter.

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

For more information, please contact:

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Media and Investor Queries
Ben Creagh / Andrew Willis
benc@nwrcommunications.com.au

References used in this document

¹Previous ASX announcements reporting results from Blue Moon

- Drilling at Blue Moon Confirms Bendigo-style Mineralisation dated 3 July 2025
- First wedge hole at Blue Moon hits 1.2m at 543g/t gold dated 11 July 2025
- Third wedge hole at Blue Moon hits 0.3m @ 185 g/t gold dated 16 September 2025
- Sixth Wedge Hole at Blue Moon Hits 6.5 metres @ 33g/t Gold dated 7 October 2025
- Wide Zone of Mineralised Quartz Intersected at Blue Moon dated 2 December 2025
- Blue Moon Extended Along Strike Hitting 2.75m @ 41.9g/t Au dated 18 December 2025

²November 2022 Catalyst Metals Ltd, AGM Presentation slide 13

³November 2003 Fraser et al, The Role of Historical Research in the Development of the 'New Bendigo' Gold Project, Central Victoria

⁴New Moon Company Mine, Garden Gully Line of Reef, Bendigo, transverse section to 25 level at 2418 feet, showing geology. GSV Reference ID: 340381

⁵2003, Bierlein *et al.*, A comparison of orogenic gold mineralisation in central Victoria (AUS), western South Island (NZ) and Nova Scotia (CAN): implications for variations in the endowment of Palaeozoic metamorphic terrains

⁶Agnico Eagle website – Resource and Reserve Statement and Fosterville Gold Mine, Victoria, Australia Updated NI 43-101 Technical Report – Apr 1, 2019

⁷ASX announcement: BNZ 6 November 2024 "Benz to acquire WA gold projects from Spartan Resources"

Tenement Register

| Project | Tenement Reference | Location | Interest at 1/9/2025 | Acquired / Disposed | Interest at 31/12/2025 | Registered Holder / Applicant [^] |
|--------------|---------------------------|----------|----------------------|---------------------|------------------------|--|
| Blue Moon | EL007839 | VIC | 100% | | 100% | Falcon Metals |
| Pyramid Hill | EL006738 | VIC | 100% | | 100% | Falcon Metals |
| | EL006943 | VIC | 100% | | 100% | Falcon Metals |
| | EL006661 | VIC | 100% | | 100% | Falcon Metals |
| | EL006669 | VIC | 100% | | 100% | Falcon Metals |
| | EL006737 | VIC | 100% | | 100% | Falcon Metals |
| | EL006864 | VIC | 100% | | 100% | Falcon Metals |
| | EL006898 | VIC | 100% | | 100% | Falcon Metals |
| | EL006901 | VIC | 100% | | 100% | Falcon Metals |
| | EL006960 | VIC | 100% | | 100% | Falcon Metals |
| | EL007200 | VIC | 100% | | 100% | Falcon Metals |
| | EL007320 | VIC | 100% | | 100% | Falcon Metals |
| | EL007838 | VIC | 100% | | 100% | Falcon Metals |
| | EL007840 | VIC | 100% | | 100% | Falcon Metals |
| | EL007845 | VIC | 100% | | 100% | Falcon Metals |
| | EL008084 | VIC | 100% | | 100% | Falcon Metals |
| | EL008302 | VIC | 100% | | 100% | Falcon Metals |
| | EL008303 | VIC | 100% | | 100% | Falcon Metals |
| | EL008360 | VIC | 100% | | 100% | Falcon Metals |
| | EL008447 | VIC | 100% | | 100% | Falcon Metals |
| | EL008486 | VIC | -* | | -* | Falcon Metals |
| | EL008505 | VIC | 100% | | 100% | Falcon Metals |
| | EL008506 | VIC | 100% | | 100% | Falcon Metals |
| | EL008581 | VIC | 100% | | 100% | Falcon Metals |
| | EL008678 | VIC | -* | Acquired | 100% | Falcon Metals |
| | EL008726 | VIC | -* | Acquired | 100% | Falcon Metals |
| | EL008806 | VIC | -* | | -* | Falcon Metals |
| | EL008810 | VIC | -* | | -* | Falcon Metals |
| | EL008811 | VIC | -* | | -* | Falcon Metals |
| | EL006549 ^{&} | VIC | 100% | | 100% | Falcon Metals |
| Errabiddy | E09/2457 ^μ | WA | - | | - | West Coast Silver |
| | E09/2984 | WA | -* | | -* | Falcon Metals |
| Hawkstone | E04/2883 [@] | WA | 100% | | 100% | Falcon Metals |
| | E04/2884 [@] | WA | -* | | -* | Falcon Metals |
| Longford | EL8/2024 | TAS | 100% | | 100% | Falcon Metals |

^{*}Applications

[&] Falcon has completed the earn-in to acquire the mineral rights in the specified area of EL006549

^μ E09/2457 is subject to an earn in agreement with West Coast Silver (WCE), previously Errawarra Resources (ERW), whereby Falcon can earn up to a 70% interest in two stages by spending a total of \$2 million

[@] E04/2883 and E04/2884 is subject to an earn-in agreement with Stavely Minerals Limited (SVY) whereby SVY has the right to earn an 80% interest in the tenements by spending \$0.5 million

Appendix 5B

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

Name of entity

FALCON METALS LTD

ABN

87 651 893 097

Quarter ended ("current quarter")

31 December 2025

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | (2,022) | (3,559) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (176) | (405) |
| | (e) administration and corporate costs | (80) | (301) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 180 | 257 |
| 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) | (39) | (122) |
| 1.9 | Net cash from / (used in) operating activities | (2,137) | (4,130) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (14) | (18) |
| | (d) exploration & evaluation | - | - |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |

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

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 11 | 11 |
| | (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) | 14 | (18) |
| 2.6 | Net cash from / (used in) investing activities | 11 | (25) |

| | | | |
|-------------|---|-------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 20,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | 54 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (1,253) |
| 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) | (14) | (28) |
| 3.10 | Net cash from / (used in) financing activities | (14) | 18,773 |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 24,585 | 7,827 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,137) | (4,130) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 11 | (25) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (14) | 18,773 |

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| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 22,445 | 22,445 |

| 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 | 22,445 | 22,445 |
| 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) | 22,445 | 22,445 |

| 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 | 134 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>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.</i> | | |

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

| | | |
|---|---|--|
| 7. Financing facilities <i>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.</i> | 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) | (2,137) |
| 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) | (2,137) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 22,445 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 22,445 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 10.5 |
| <i>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.</i> | |
| 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 | |

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

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: 23 January 2026

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.