28 August 2026

A$30 Million Placement Positions Falcon to Expand Drilling at Blue Moon

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Key Highlights:

- **Placement to raise A$30 million, supported by high-quality institutions including North American, European and Australian funds**
- **Funding underpins Falcon's exploration ambitions across its portfolio**
- **Multiple near-term catalysts expected, including:**
  - **Ongoing diamond drilling at Blue Moon with three rigs and the potential to mobilise additional rigs; and**
  - **Commencement of maiden Reverse-circulation (RC) drilling at Errabiddy, planned for September 2026**

Falcon Metals Limited (ASX:FAL) ("**Falcon**" or "**the Company**") advises it has received firm commitments to raise A$30 million (before costs) at an issue price of A$0.60 per share, well-supported by new and existing high-quality institutional and sophisticated investors ("**Placement**"). The successful Placement is a clear endorsement of the Company's exploration portfolio, including the Blue Moon Gold Project in Victoria and the Errabiddy Gold Project in Western Australia.

Following settlement of the Placement, Falcon will have strengthened its balance sheet, positioning the Company to aggressively advance the next phase of exploration drilling at the highly prospective Blue Moon Gold Project, located immediately north of the historical 22 Moz Bendigo Goldfield.

The Placement will also fund the Company's maiden RC drilling programme at the Errabiddy Gold Project, located 35km to the southeast of Benz Mining's (ASX:BNZ) Glenburgh Gold Project, providing Falcon with exposure to two highly prospective gold exploration projects.

Falcon Metals Managing Director, Tim Markwell, commented:

"We are delighted by the strong support received from both existing shareholders and the 'who's who' of gold-focused institutional investors across Australia, North America and Europe.

The strong level of demand for the Placement reflects growing recognition of the opportunities emerging across Falcon's exploration portfolio.

With this raising, Falcon is now exceptionally well-funded to advance the exciting next phase of exploration at Blue Moon, while also commencing maiden drilling at Errabiddy.

We welcome our new shareholders to the register and thank our existing shareholders for their continued support."

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Placement

The Placement will comprise the issue of 50,000,000 new shares in the Company ("**New Shares**") to be issued using the Company's existing capacity under ASX Listing Rule 7.1 (28,620,997 shares) and ASX Listing Rule 7.1A (21,379,003 shares).

The Placement issue price of A$0.60 represents an 11.8% discount to the last traded price of A$0.68 on Tuesday, 25 August 2026, and a 5.1% discount to the 15-day volume weighted average price of A$0.63.

Use of Funds

Proceeds from the Placement underpins Falcon's exploration ambitions across at its 100%-owned Blue Moon Gold Project, located in the world-class Bendigo Goldfield region in Victoria, Australia. Drilling at Blue Moon to date has confirmed multiple lines of reef extend onto Falcon Metals' tenure, with wide-spaced step-out holes targeting down plunge extensions from historical mining operations.

Following successful completion of the placement, the company is anticipated to be funded for the next 24 months. Proceeds will be used to fund the following:

- ~60,000m of diamond drilling at the Blue Moon Gold Project with three rigs currently operating and the potential to mobilise additional rigs subject to results;
- Initial 4,000–5,000m RC program at Errabiddy Gold Project with follow -up drilling programs subject to results; and
- General working capital

New Shares to be issued under the Placement will rank equally with the Company's existing fully paid ordinary shares.

Placement Timetable

Event	Date
Trading halt lifted and ASX announcement	Friday, 28 August 2026
Settlement of New Shares issued under the Placement	**Thursday, 3 September 2026**
Allotment and quotation of New Shares issued under the Placement	Friday, 4 September 2026

Canaccord Genuity (Australia) Limited, Jett Capital Advisors LLC and Bell Potter Securities Limited acted as Joint Lead Managers and Bookrunners to the Placement, with Salient Corporate acting as Falcon's Corporate Adviser. Further details are set out in the Appendix 3B accompanying this announcement.

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

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About Falcon Metals

Falcon Metals Limited (ASX: FAL) is a high-profile mineral exploration specialist led by a highly decorated board and management team. Falcon holds over >5,000km^2 in the Bendigo Zone of Victoria, a region which hosts two world class high-grade goldfields, including the historical 22 Moz Bendigo Goldfield and the Fosterville Gold Mine owned by Agnico Eagle (NYSE:AEM).

Falcon is also earning up to 70% of permit E09/2457 by spending $2 million in 60 months in two stages, and has the 100%-owned E09/2984 (collectively the Errabiddy Gold Project). The Errabiddy Gold Project is a craton margin gold target, located 220km northwest of Meekatharra in Western Australia, and 35km southeast of the Glenburgh Gold Deposit owned by Benz Mining (ASX:BNZ).

Not an offer of securities

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Forward looking statement

This announcement may contain certain 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.