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FALCON METALS LIMITED

ACN 651 893 097

Annual Report 30 June 2026



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Corporate Directory

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Directors

Mark Bennett	Non-executive Chair
Timothy Markwell	Managing Director and Chief Executive Officer
Alexander Dorsch	Non-executive Director
Katina Law	Non-executive Director

Company Secretary

Pradeep Subramaniam

Registered and Principal Office

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Share Registry

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Securities Exchange Listing

Australian Securities Exchange (**ASX**)
Code: FAL

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Bankers

National Australia Bank
100 St Georges Terrace
Perth WA 6000

ABN: 87 651 893 097

Chairman's Letter

Dear Shareholders,

It is my pleasure to present to our shareholders, the Falcon Metals Annual Report for 2026.

The past year has been one of significant activity and progress for your Company. Across our Australian exploration portfolio, we continued to advance exploration at our high-quality Australian gold projects, notably at our flagship Blue Moon Gold Project in Victoria and the Errabiddy Gold Project in Western Australia. Blue Moon continues to emerge as a highly compelling gold discovery opportunity. Situated in the prolific Bendigo Zone, one of Australia's most renowned gold provinces, the project occupies a strategic position along the Bendigo structural corridor, which hosts some of the country's most significant high-grade gold deposits. This includes the historic 22Moz Bendigo Goldfield and the Swan Zone at Agnico Eagle's world-class Fosterville Gold Mine.

Throughout the year, Falcon intensified exploration along the northern extension of the Bendigo Goldfield, targeting multiple reef systems potentially across a six-kilometre strike length. Our drilling programs have delivered encouraging results, including multiple occurrences of visible gold and numerous high-grade intercepts that support our geological model and reinforce the project's discovery potential.

Most importantly, our understanding of the system has advanced substantially. We have now identified five stacked mineralised zones along the Garden Gully line and extended mineralisation over more than 850 metres of strike. With three rigs active during the year, additional drilling approvals underway, and ongoing testing of both the Garden Gully and Paddys Gully, Falcon is exceptionally well positioned to continue unlocking the scale of this emerging gold system.

While Blue Moon has rightly attracted considerable interest, we also made meaningful progress at our Errabiddy Gold Project in Western Australia. In September 2026, we commenced our maiden drilling program at the Olsen Well target, a 5.8km long gold anomaly 35km southeast of Benz Mining's (ASX: BNZ) Glenburgh Gold Deposit. The program received valuable support through a Western Australian Government Exploration Incentive Scheme co-funding grant, reflecting the prospectivity of the target and helping accelerate our exploration efforts. We look forward to updating shareholders as assay results are received and interpreted.

Falcon remains in a strong financial position. The Company ended the financial year with more than $15 million in cash and subsequently completed a strongly supported $30 million placement in August 2026. The quality of institutional participation and continued backing from existing shareholders provide a strong endorsement of Falcon's strategy, technical approach and growth potential.

On behalf of the Board, I would like to thank Managing Director Tim Markwell and the Falcon management team for their dedication, professionalism and commitment throughout the year. Their efforts have been instrumental in advancing our projects and positioning the Company for future success.

I would also like to acknowledge our shareholders for your continued support and confidence in Falcon. We believe the Company is entering an exciting phase of growth, with substantial exploration programs underway and multiple opportunities to create long-term value. I look forward to sharing our progress with you over the coming year.

Dr Mark Bennett
Non-executive Chair

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HIGHLIGHTS

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Blue Moon discovery

- Strike now confirmed over 850m across five high-grade mineralised zones
- Well positioned to accelerate drillling with approvals underway to test parallel lines of reef

Errabiddy drilling underway

- Maiden 6,000m RC drilling program commenced targeting the central portion of a 5.8km long gold-in-soil anomaly

$30m placement completed

- Funding secured to position Falcon to expand drilling at Blue Moon and Errabiddy

REVIEW OF ACTIVITIES

Falcon Metals Limited (ASX: FAL) ("Falcon" or "the Group") listed on the Australian Securities Exchange (ASX) on 22 December 2021. Falcon holds the largest ground position in the Bendigo Zone of Victoria, considered one of the most prospective regions in Australia for large-scale high-grade greenfield gold discoveries (see Figure 1). The region hosts the historic ~22Moz Bendigo Goldfield[1] and world-class ~9Moz Fosterville Gold Mine[2], owned by Agnico Eagle (NYSE:AEM).

Falcon commenced drilling the Blue Moon Gold Project, the northerly down-plunge extension of the Bendigo Goldfield towards the end of FY2025 and has accelerated its diamond drilling program on the back of high-grade gold mineralisation (see Figure 2). Falcon initially targeted the Garden Gully line of reef which produced ~5.2Moz @ 15g/t Au[3,4] and subsequent to the end of the financial year, has commenced testing the Paddys Gully line of reef.

The Group continued its regional exploration program and completed a 20,178m aircore drilling program primarily focused on the Loddon Vale prospect and regional exploration, including testing some shallow historic mining areas.

Falcon also advanced several phases of soil and rock chip sampling at the Errabiddy Gold Project in Western Australia. The Errabiddy Gold Project comprises Exploration Licence E09/2457, where Falcon can earn a 70% interest (excluding graphite rights) from West Coast Silver Limited (ASX: WCE), and the adjoining 100%-owned Exploration Licence E09/2984 (see Figure 2).

The Errabiddy Shear Zone was identified as a highly prospective structure for hosting large-scale craton-margin gold deposits, with historical stream sediment anomalism identifying the Olsen Well gold target.

Falcon has since completed multiple phases of surface geochemical sampling that have refined the target and increased the strike length to 5.8 kilometres. With these programs identifying multiple drill targets at Olsen Well, heritage clearance was completed, and the first ever drilling at Errabiddy commenced in September 2026.

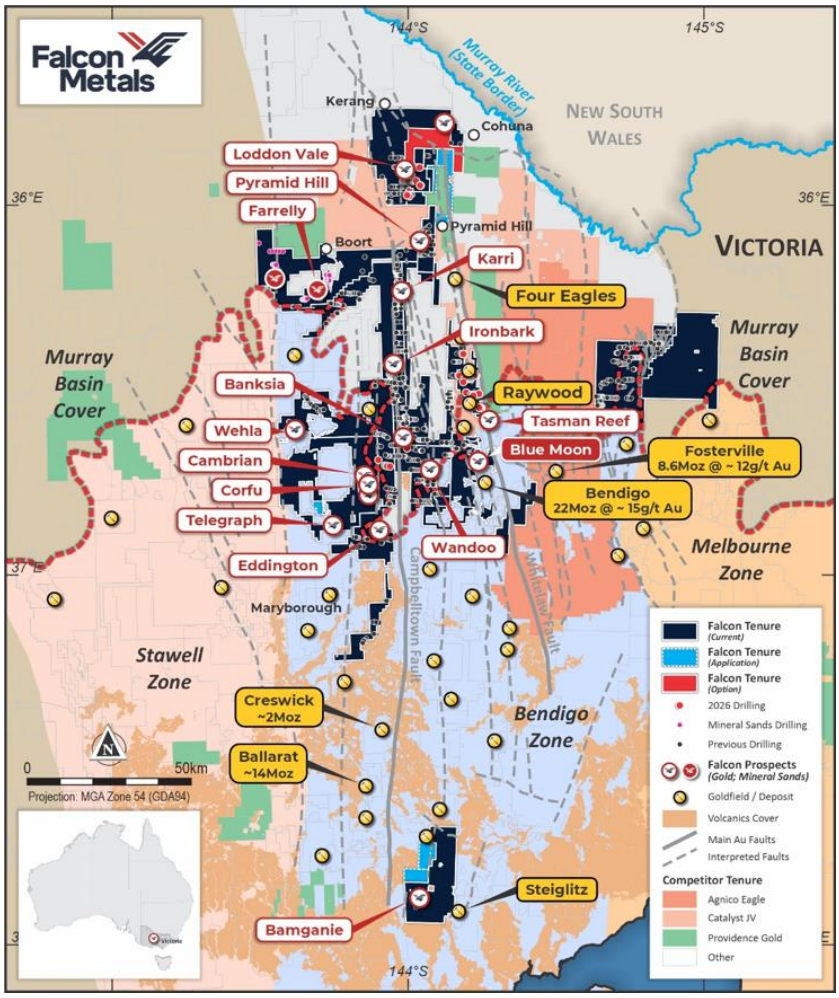


Figure 1 Falcon's Victoria tenements

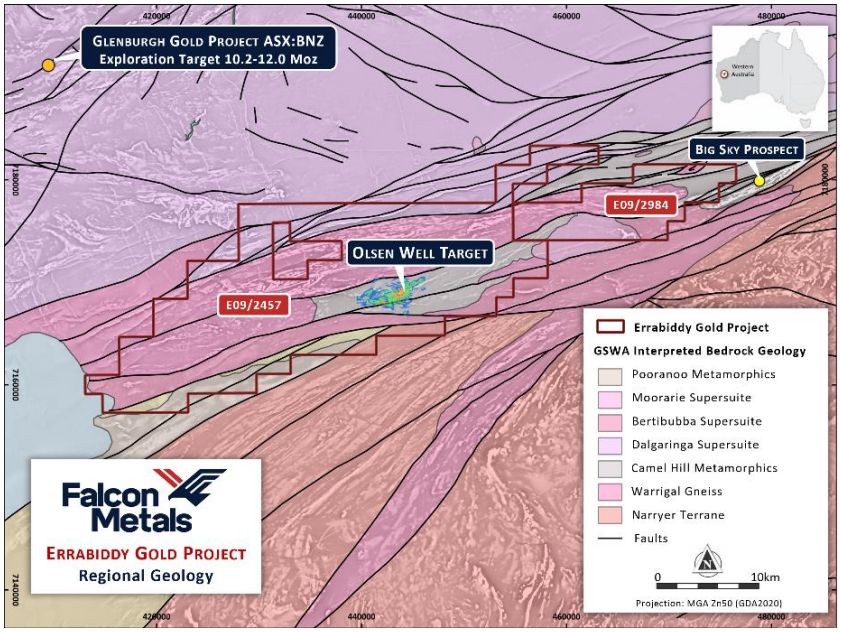


Figure 2 Location and regional geology of the Errabiddy Gold Project

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Blue Moon Gold Project

Blue Moon is the northerly down-plunge extension of the 22Moz Bendigo Goldfield, developed by Falcon as a conceptual target from a 3D reconstruction of the Bendigo workings, historical reports and field mapping (see Figure 3). Drilling by Falcon during the year has confirmed the northern continuation of the Garden Gully line of reef (~5.2Moz @ 15g/t Au[1,2]) into EL007839, which suggests that the entire Bendigo Goldfield is likely to continue into Falcon's tenement.

The focus of drilling during the year was step-out drilling on Garden Gully, which was the most productive anticline in the Bendigo Goldfield. Drilling has been progressing to test the northern strike extension, with high-grade mineralised structures now confirmed over 850 metres of strike (see Figure 4). These include:

- **Morning Glory Zone** – shallow zone now confirmed over 300 metres;
- **Magnolia Zone** – a newly emerging zone now confirmed over 180 metres;
- **Jasmine Zone** – high-grade confirmed over 200 metres and strengthening to the north;
- **Lotus Zone** – high-grade structure with visible gold confirmed over 750 metres; and
- **Dahlia Zone** – deepest zone identified but indications it is moderating to the north.

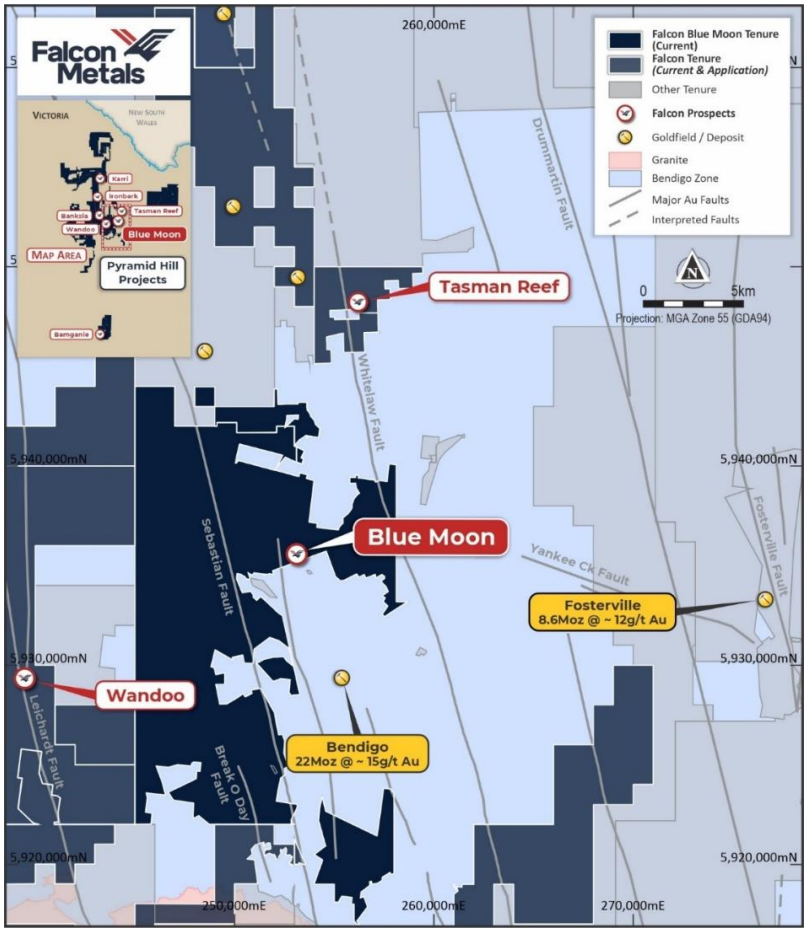


Figure 3 Location of Blue Moon

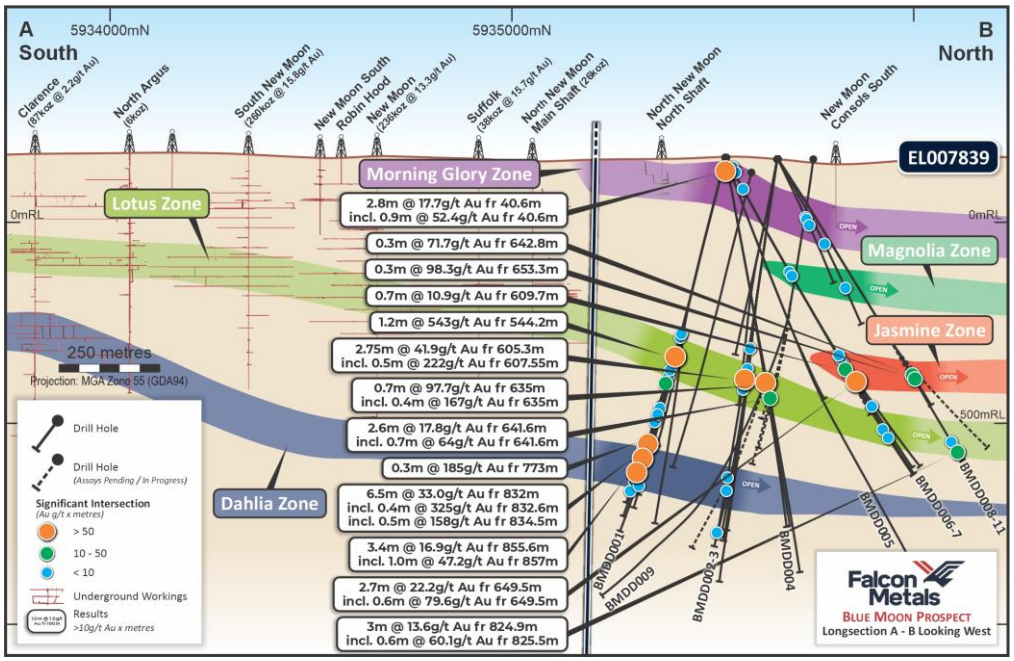


Figure 4 Long section of the Blue Moon drilling

Falcon accelerated drilling at Blue Moon during the year with three diamond rigs now operating 24 hours a day, seven days a week, with two rigs undertaking step-out drilling north along the Garden Gully trend, and a third drilling on Paddys Gully, the first parallel trend to be tested. The drilling strategy of wide-spaced step-out holes and targeted wedges are defining continuous, strike-extensive mineralised zones. Having secured approvals for seven drill pads during the year, approvals are also progressing to enable testing of additional parallel lines of reef in the coming months.

Summary of results at Blue Moon

Highlights from previously reported drilling at Blue Moon include:

Morning Glory Zone:	**BMDD001**	2.8m @ 17.7g/t Au from 40.6m; including • 0.9m @ 52.4g/t Au from 40.6m
Jasmine Zone:	**BMDD007**	0.7 m @ 3.5g/t gold from 599.1m
	BMDD007W05	2.7m @ 22.2g/t Au from 649.5m; including • 0.6m @ 79.6g/t Au from 649.5m
	BMDD007W06	0.3m @ 69.4g/t Au from 608.2m 0.3 m @ 1.9g/t gold from 619.2m
	BMDD011	0.7m @ 14.7g/t Au from 644.8m
	BMDD011W02	0.3m @ 71.7g/t Au from 642.8m 0.3m @ 98.3g/t Au from 653.3m
Lotus Zone:	**BMDD001**	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
	BMDD001W01	1.2m @ 543g/t Au from 544.2m; including • 0.6m @ 557g/t Au from 544.2m; and • 0.6m @ 529g/t Au from 544.8m
	BMDD001W02	1.0m @ 4.6g/t Au from 446.0m
	BMDD001W03	0.8m @ 4.1g/t Au from 557.0m
	BMDD001W04	1.0m @ 3.9g/t Au from 540.0m
	BMDD003	2.75m @ 41.9g/t Au from 605.3m; including • 0.5m @ 222g/t Au from 607.55m
	BMDD004W01	0.8m @ 86.2g/t Au from 635m, including • 0.4m @ 167g/t Au from 635m 1.0m @ 6.4g/t Au from 638m
	BMDD009W02	2.6 m @ 17.8g/t gold from 641.6 m; including • 0.7m @ 64.0g/t gold from 641.6m
	BMDD011W08	3m @ 13.6g/t gold from 824.9m; including • 0.6m @ 60.1g/t gold from 825.5m
Dahlia Zone:	**BMDD001W03**	0.3m @ 185g/t Au from 773.0m
	BMDD001W06	6.5m @ 33.0g/t Au from 832.0m; 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
	BMDD001W07	1.2m @ 8.0g/t Au from 820.8m

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Due to the coarse nature of gold mineralisation in the Bendigo Goldfield, early-stage exploration is focused on identifying the key structures responsible for hosting high-grade gold. These structures can be recognised by their distinctive textures, mineral composition and associated gold anomalism. Although they may not always return high-grade assay results, their identification is highly significant because it confirms that the structures are geologically predictable and can often be traced over considerable distances. The initial focus at Blue Moon is therefore to define the extent, continuity and scale of these mineralised structures across the project area. Establishing this geological framework provides the foundation for subsequent drilling aimed at identifying and targeting higher-grade shoots within the broader mineralised system.

Next steps

Drilling is ongoing with two diamond rigs continuing step-out drilling to the north, targeting zones of interest on the eastern limb of the Garden Gully anticline (see Figure 5).

The third diamond rig has commenced drilling on the Paddys Gully line of reef, located approximately 320m east of Garden Gully. This represents the first systematic testing of a parallel line of reef with oblique drilling down the fold hinge following the successful implementation of this strategy in the Garden Gully drilling program.

With three diamond rigs now operating, drilling capacity has increased substantially over the past twelve months, accelerating the evaluation of multiple high-priority targets across the Blue Moon Project.

Additional drill sites have now been identified at Blue Moon to test the scale potential of the northern extension of the Bendigo Goldfield. The sites have been positioned adjacent to interpreted anticline targets, utilising existing access tracks and suitable drill locations within previously disturbed or naturally open areas. Flora surveys and cultural heritage assessments have been completed and subject to approvals, will allow multiple parallel lines of reef to be tested over several kilometres, including the New Chum (3.8Moz[1,2]), Carshalton (0.9Moz[3,4]) and Hustlers (0.9Moz[1,2]) lines of reef (see Figure 6).

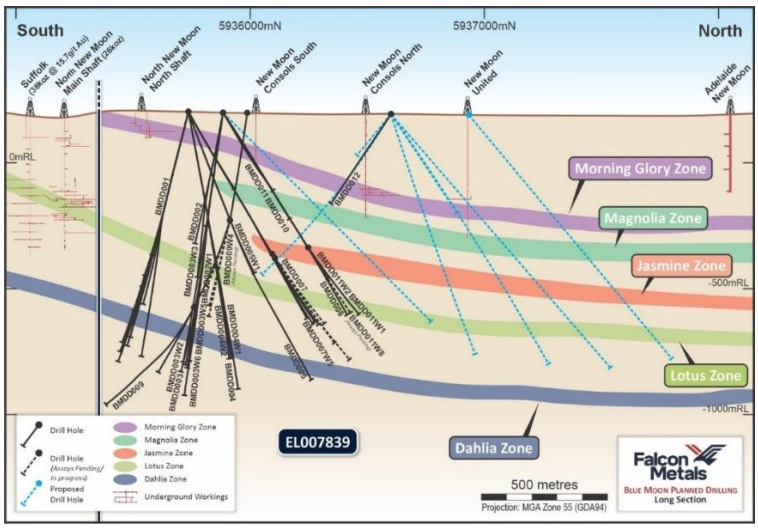


Figure 5 Current progress and planned step out drilling to the north showing interpreted target zone

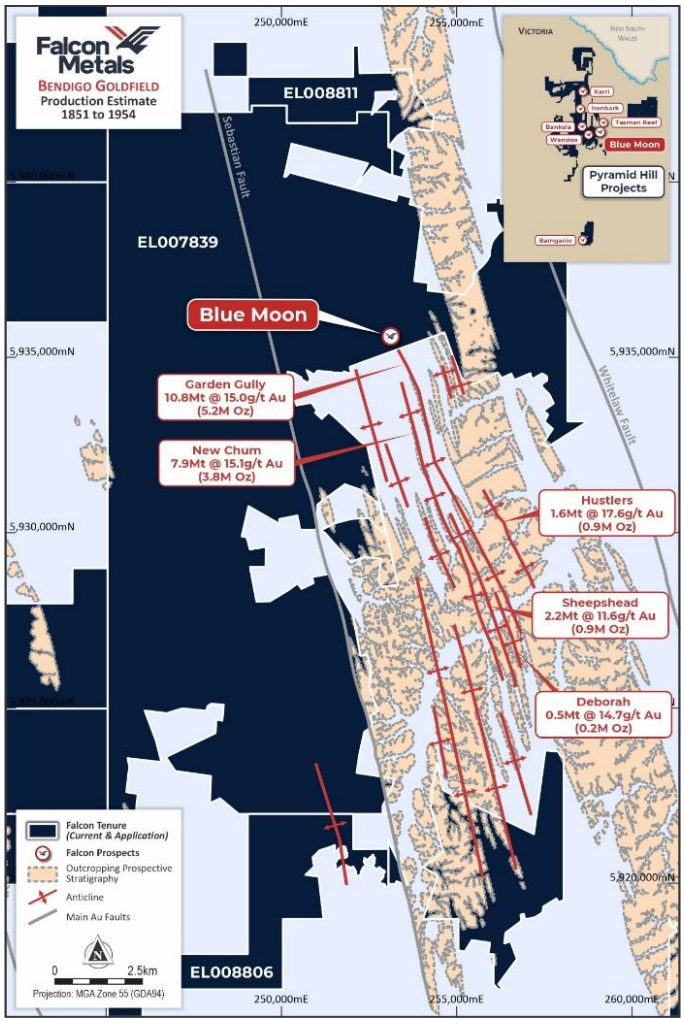


Figure 6 Bendigo Goldfield historic production[1,2]

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ASX Announcements on the Blue Moon Gold Prospect

- *10 June 2025* — *Diamond Drilling Commences at the Blue Moon Gold Target*
- *3 July 2025* — *Drilling at Blue Moon Confirms Bendigo-style Mineralisation*
- *11 July 2025* — *First wedge hole at Blue Moon hits 1.2m at 543g/t gold*
- *5 August 2025* — *Visible gold in multiple stacked veins at Blue Moon*
- *16 September 2025* — *Third Wedge Hole at Blue Moon hits 0.3m @ 185g/t Gold*
- *7 October 2025* — *Sixth Wedge Hole at Blue Moon Hits 6.5m @ 33g/t Gold*
- *2 December 2025* — *Wide Zone of Mineralised Quartz Intersected at Blue Moon*
- *18 December 2025* — *Blue Moon Extended 200 Metres Along Strike Hitting 2.75 Metres @ 41.9g/t Gold*
- *16 February 2026* — *Blue Moon Extended Along Strike Hitting 0.4m @ 167g/t Gold*
- *5 May 2026* — *Third Diamond Drill Rig Commences at Blue Moon*
- *19 May 2026* — *Gold Intersected at Blue Moon Over 600m of Strike Length*
- *21 July 2026* — *Blue Moon Extended Beyond 750m Strike with Fifth Gold Zone Emerging*
- *3 August 2026* — *High-Grade Gold Continues at Blue Moon as Strike Extends to 850 Metres*
- *14 September 2026* — *High-Grade Gold Confirmed Over 750m at Lotus Zone*

Errabiddy Gold Project

The Errabiddy Gold Project comprises Exploration Licence E09/2457, where Falcon can earn a 70% interest (excluding graphite rights) from West Coast Silver Limited (ASX: WCE), and the adjoining 100%-owned Exploration Licence E09/2984.

Falcon identified the Errabiddy Shear Zone as a highly prospective structure for hosting large-scale craton-margin gold deposits, with historical stream sediment anomalism identifying the Olsen Well gold target. Recognising the significant exploration upside of this under-explored district, Falcon secured an option over the project. The Olsen Well gold target is located approximately 35km southeast of Benz Mining's (ASX:BNZ) Glenburgh Gold Project, which has a current Exploration Target of 10.1-12.0Moz gold[5,6], and is located on a major craton margin structure analogous to the position of AngloGold Ashanti's Tropicana Gold Mine.

Falcon completed multiple phases of surface geochemical sampling that have refined the target and increased the strike length to 5.8 kilometres at >10ppb gold in soils (see Figure 7), and more recently confirmed anomalous gold in bedrock, increasing confidence in a potentially significant mineralised system.

Two closely spaced traverses across the south-western portion of the target defined a coherent ~30m wide zone of bedrock anomalism (see Figure 8), with four rock chip samples returning >1 g/t gold, including a peak result of 6.42g/t gold. Importantly, these traverses tested only a small portion of a broader ~1.5 kilometre-long >25ppb gold soil anomaly containing internal >50ppb gold and >100ppb gold zones.

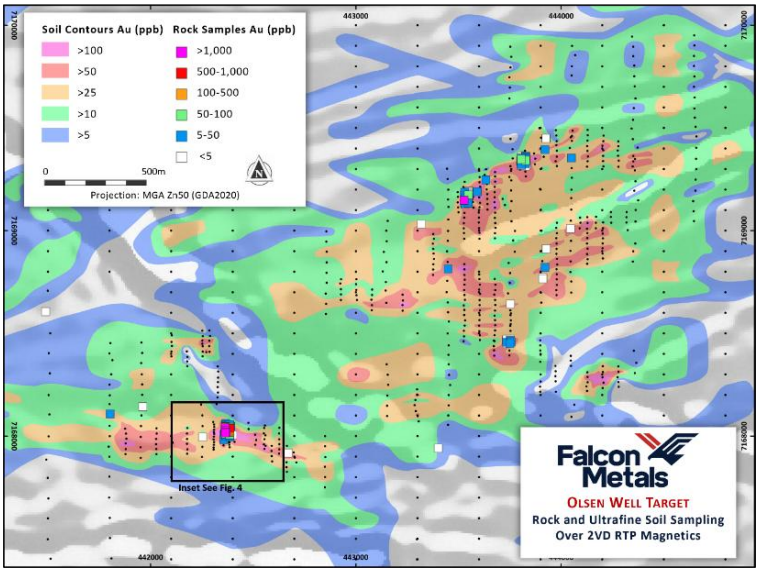


Figure 7 Olsen Well rock chip and soil sampling over 2VD RTP magnetics

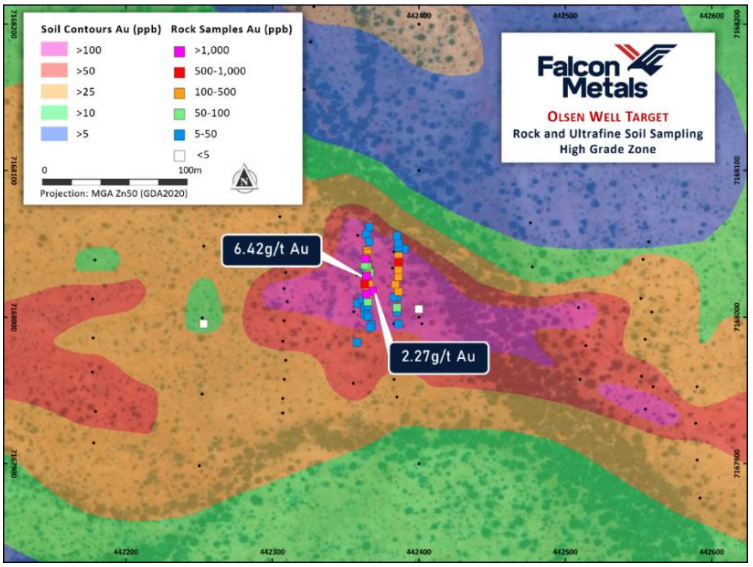


Figure 8 Olsen Well high-grade bedrock zone with rock chip and soil sampling over satellite imagery

Maiden drilling underway

Subsequent to the end of the year, Falcon commenced an approximately 50-hole reverse circulation (RC) drilling program for 6,000 metres at Olsen Well (see Figure 9). Drilling will focus on the central 2.5 kilometre-long zone of >50ppb gold-in-soil anomalism within the broader 5.8 kilometre-long Olsen Well gold target that is defined by >10ppb gold in soils and includes soil values of greater than 1g/t gold.

The program is supported by the WA Government Exploration Incentive Scheme (EIS), with a rebate of 50% of drilling costs up to $180,000.



Figure 9 RC drill rig at Errabiddy Gold Project

ASX Announcements on the Errabiddy Gold Project

- *27 November 2024* *Falcon Acquires Craton Margin Gold Project in WA*
- *22 July 2025* *Soil anomaly extended to 5.8km strike at Errabiddy*
- *27 July 2026* *Green Light for Drilling at Errabiddy Gold Project*
- *15 September 2026* *Maiden Drilling Underway at Errabiddy Gold Project*

Pyramid Hill Gold Project

Falcon completed a 20,178m aircore drilling program on priority targets under Murray Basin cover, including infill and reconnaissance drilling at the Loddon Vale target, the first systematic reconnaissance drilling north of Raywood on EL007840 and drilling at the Corfu prospect, a historic mining site in EL008726. Assays are pending from this program.

Farrelly Mineral Sands Project

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.

Viking Gold Project

During the year, Falcon divested its 51% interest in the Viking Gold Project joint venture to ASX-listed TalonX Resources (ASX:TXR, previously Mount Burgess Mining NL). Consideration, received on 15 October 2025, comprised 66,666,667 fully paid shares in Mount Burgess, and 33,333,334 options (16,666,667 excisable at A$0.01 per share expiring 3 years from issue and 16,666,667 exercisable at A$0.015 per share expiring 4 years from issue).

Basin Edge/Hawkstone Project

During the year Stavely Minerals Limited (ASX:SVY) informed Falcon it had withdrawn from the earn-in and joint venture agreement dated 26 March 2024. Subsequent to the end of the year, Falcon submitted the required forms to surrender exploration licence E04/2883 and withdraw from exploration licence E04/2884.

References used in this document

[1] *Kirkland Lake Gold MD&A 31 Dec 2017, Press Release 11 Dec 2018, Press Release 21 Feb 2019*

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

[3] *Hill, R.L. (Varex Pty Ltd) for Bendigo Mining NL.*

[4] *Geological Survey Report No. 99 (1994), cited in the Bendigo and Mitiamo 1:100,000 Geological Report*

[5] *ASX announcement: BNZ 24 June 2026 "Benz Defines Maiden Exploration Target at Glenburgh"*

[6] *The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement relating to exploration results previously released.

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OPERATING AND FINANCIAL RISKS

The Group's activities have inherent risk and the Board is unable to provide certainty as to the expected results of activities, or that any or all of the likely activities will be achieved. The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are detailed below:

Operational risks

The Company may be affected by various operational factors. In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

The tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company.

There can be no assurance that exploration of the tenements, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

In the event the Company successfully delineates economic deposits on any Tenement, it will need to apply for a mining lease to undertake development and mining on the relevant Tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for and if a mining lease is granted, it will also be subject to conditions which must be met.

Further capital requirements

The Company's projects may require additional funding in order to progress activities. There can be no assurance that additional capital or other types of financing will be available if needed to further exploration or possible development activities and operations or that, if available, the terms of such financing will be favourable to the Company. Any additional equity funding may be dilutive to shareholders and may be undertaken at lower prices than the current market price.

Regulatory risks

The Company's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, land access, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Company will be successful in maintaining such authorisations in full force and effect without modification or revocation.

To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Company may be curtailed or prohibited from continuing or proceeding with exploration. The Company's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement may also be subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Environmental risks

The operations and activities of the Company are subject to the environmental laws and regulations. As with most exploration projects and mining operations, there is potential for the Company's operations and activities to have an impact on the environment, particularly if mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance.

Climate change risks

Whilst Falcon is an exploration company, it acknowledges that the operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact the Group and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can

be no guarantee that the Company will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate pattern.

Global conditions

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

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Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Falcon Metals Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of or during the year ended 30 June 2026.

DIRECTORS

The names of directors in office at any time during or since the end of the year are listed below. Directors have been in office since incorporation to the date of this report unless otherwise stated.

Mark Bennett	Non-executive Chair
Timothy Markwell	Managing Director and Chief Executive Officer
Alexander Dorsch	Non-executive Director
Katina Law	Non-executive Director

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Company consisted of mineral exploration.

DIVIDENDS

No dividends were paid or declared during the financial year.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the year after providing for tax amounted to $13,273,411 (2025: $4,934,271).

Exploration and evaluation expenditure during the year was $11,315,912 (2025: $3,251,015). The Group commenced diamond drilling at the Blue Moon Gold Project towards the end of FY2025. The initial stratigraphic hole returned high-grade mineralisation with visual gold, and provided confidence for follow up drilling. During the year, with continued success in confirming that the historic Bendigo Goldfield continued north into the Group's tenure, the diamond drilling program was accelerated and ramped up to three diamond drill rigs operating 24 hours a day, incurring total costs of $9,259,738. During this period, the Group drilled six parent holes with multiple wedges for approximately 18,750m of diamond drilling.

The Group also continued the regional exploration program at the Pyramid Hill Project incurring $1,670,025 in the process of completing 20,178m of gold aircore drilling, compared to 18,242m completed in the previous year. The Group also incurred $66,031 on the Farrelly Mineral Sands project as land access remains at an impasse with landholders.

In addition, the Group incurred $299,918 at the Errabiddy Gold Project including multiple programs of soil and rock chip sampling as well as costs in relation to a securing a heritage clearance to facilitate drilling in the next financial year. All regulatory approvals for drilling at Errabiddy were secured in July 2026, and a Reverse Circulation (RC) drilling program commenced in September 2026.

The Group incurred $2,291,255 (2025: $1,753,923) on employee benefits expenses, of which $1,386,117 (2025: $943,640) was directly related to its exploration activities. Employee benefits expense was significantly higher than the previous year as a direct result of increased exploration activity. In addition, the Group incurred $1,574,336 (2025: $424,206) on share-based payments issued to directors and employees. The increase in the share-based payment expense was a result of a higher number of share options issued and higher option valuations.

The Group incurred $737,592 (2025: $614,557) in administrative expenses, primarily related to listing and compliance, investor relations and insurance. Administrative expenses were higher primarily due to an increase in investor relations activities. The

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Group also earned $783,778 (2025: $451,435) in interest income from short term deposits, which increased as a result of higher average cash balances following the capital raising in August 2025. The Group recognised a fair value gain of $552,901 from its investment in listed entities (2025: Loss of $196,227), primarily from the recognition of shares in Talonx Resources Limited, following the disposal of the Group's 51% interest in the Viking Gold Project.

At 30 June 2026, the Group had net assets of $14,817,554 (2025: $7,714,880), which primarily consisted of cash and cash equivalents of $15,417,795. Net current assets at 30 June 2026 were $14,175,625 (30 June 2025: $7,437,853). The Group has an accounting policy to expense all exploration and evaluation expenditure.

The Group had net cash outflows from operating activities of $11,258,136 (2025: $3,929,155), including $10,401,700 (2025: $3,028,384) on exploration and evaluation activities. The cash at the end of the period was $15,417,795 (30 June 2025: $7,826,627).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 2 July 2026, the Company issued 2,810,000 share options to employees with an exercise price of $0.66 per share, being a 50% premium to the 20-day VWAP up to grant date. The share options issued expire on 30 June 2030. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 4,700,000 share options to directors of the Company. The proposed issue of share options to directors of the Company is on the same terms as those issued to employees.

On 21 July 2026, the Company announced that the Blue Moon strike extended beyond 750m with a fifth gold zone (the Magnolia zone) emerging. On 3 August 2026, the Company announced that the Blue Moon strike extended to 850m. On 14 September 2026, the Company announced that visible gold and/or high-grade gold mineralisation have been confirmed on every section drilled to date on the Lotus Zone, which has now been defined over a 750m strike.

On 27 July 2026, the Company announced that it had secured regulatory approvals for the first ever drilling at the Olsen Well target, at its Errabiddy Gold Project, located 35km from Benz Mining's Glenburgh Gold Project. On 15 September 2026, the Company announced the commencement of the maiden drilling at Errabiddy.

On 6 August 2026, the Company issued 78,343 fully paid ordinary shares following the exercise of 481,250 share options. On 25 September 2026, the Company issued a further 168,570 fully paid ordinary shares following the exercise of 290,000 share options.

On 28 August 2026, the Company announced the completion of a $30 million capital raise via placement to high-quality institutions to expand drilling at Blue Moon. The placement comprised the issue of 50,000,000 new fully paid ordinary shares in the Company 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), which were allotted on 4 September 2026. The placement was completed at $0.60 per share representing an 11.8% discount to the last traded price of $0.68 and a 5.1% discount to the 15-day VWAP of $0.63.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue its exploration activities on its existing projects and to assess other exploration opportunities as they arise.

ENVIRONMENTAL REGULATION

The Group is subject to environmental regulations in Victoria and Western Australia, where its projects are located and ensures that it complies with all applicable regulations when carrying out exploration works.

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INFORMATION ON DIRECTORS

Dr Mark Anthony Bennett
Non-executive Chairman (Independent)

Qualifications	BSc (Mining Geology), PhD MAIG AusIMM GSL		
Experience	Mark Bennett is a highly experienced geologist and mining executive with over 30 years' experience in gold and base metal exploration. He was the founding Managing Director and CEO of Sirius Resources Ltd, where he was awarded the Association of Mining and Exploration Companies (AMEC) "Prospector of the Year Award" for the world-class Nova-Bollinger nickel-copper discovery in 2013. He went on to lead the company until its ~$1.8 billion merger with IGO Ltd (ASX: IGO). Mark is a two-time winner of the AMEC award, having previously been recognised for the Thunderbox gold and Waterloo nickel discoveries in 2002 during his time as a key member of the senior leadership team of LionOre Mining International. In addition to his technical exploration expertise, Mark is experienced in corporate affairs, equity capital markets, investor relations and community engagement and led Sirius from pre-discovery to the construction stage, until the completion of its merger with IGO.		
Other Directorships	S2 Resources Ltd (ASX:S2R) Valkea Resources Corp (TSX.V:OZ)		
Former Directorships	N/A		
Interest in Shares	1,570,000	Interest in Options	1,900,000

Timothy Shaun Markwell
Managing Director and Chief Executive Officer (Non-independent)

Qualifications	BSc Geology (Honours), GradDipAppFin		
Experience	Tim Markwell is a geologist, fund manager and mining executive with over 25 years' experience in gold and base metal exploration. Tim has been the Investment Manager of the African Lion funds at Lion Selection Group (ASX:LSX) for over 14 years. Lion Selection is a highly regarded and successful ASX-listed investment company focused on junior mining companies. During his time at Lion Selection, Tim also had various board roles including as Non-executive Director and acting CEO of Celamin Holdings Ltd (ASX:CNL), and Non-executive Director of both Predictive Discovery Ltd (ASX:PDI) and Anax Metals Ltd (ASX:ANX). Prior to Lion Selection, Tim worked in senior technical roles at BHP Ltd (ASX:BHP) and Golder Associates, as well a resource analyst role at broker DJ Carmichael.		
Other Directorships	Nil		
Former Directorships	N/A		
Interest in Shares	666,376	Interest in Options	2,380,000

Alexander Dorsch
Non-executive Director (Independent)

Qualifications	BEng (Mechanical) (Honours First Class) and BFin		
Experience	Alex Dorsch was appointed Managing Director of Chalice Mining Ltd in November 2018, having joined the company in late 2017. Alex led Chalice through an exceptional recent growth period and was recognised as New/Emerging Leader of the Year in 2020 in the MiningNews awards. Alex has diverse experience in a variety of leadership roles across the resources sector, as a management consultant, engineer, project manager, and corporate adviser. Prior to joining Chalice, he was working as a specialist consultant with the global management consultancy McKinsey & Company. He commenced his engineering career with resources giant BHP in Adelaide and then spent over six years as an engineer in oil and gas exploration.		
Other Directorships	Chalice Mining Limited (ASX:CHN)		
Former Directorships	N/A		
Interest in Shares	3,309,185	Interest in Options	1,590,000

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INFORMATION ON DIRECTORS (Continued)

Katina Law
Non-executive Director (Independent)

Qualifications	BCom, FCPA, MBA, GAICD
Experience	Katina Law has over 30 years' experience in the mining industry covering corporate and site-based roles across several continents. She has worked with a number of ASX-listed resources companies in strategic financial advisory and general management roles. Katina has worked on several development and evaluation projects which were later subject to corporate transactions, including the Deflector Gold and Copper Project and the King Vol Polymetallic Zinc Project. Katina has previously held positions as CEO and Chair of ASX-listed entities. Katina has a Bachelor of Commerce degree from UWA, is a Certified Practising Accountant and has an MBA from London Business School.
Other Directorships	Nil
Former Directorships	Yandal Resources Ltd (ASX:YRL)
Interest in Shares	342,135
Interest in Options	1,590,000

COMPANY SECRETARY

Pradeep Subramaniam
Company Secretary

Qualifications	BCom, CA ANZ
Experience	Pradeep Subramaniam is a Chartered Accountant with over 15 years of experience in financial leadership across the mining, resources, and professional services sectors. He has a proven track record in strategic planning, stakeholder engagement, project finance, and financial reporting. Pradeep played a pivotal role in restructuring and delisting Atlantic Tin, significantly increasing its valuation, and has managed multiple funding initiatives. His expertise spans treasury management, corporate governance, cross-border operations, and technical project oversight. Pradeep previously held senior roles at PwC, where he advised clients across multiple continents and industries.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board and committees held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Mark Bennett	6	6	2	2	1	1
Timothy Markwell	6	6	NA	NA	NA	NA
Alexander Dorsch	6	6	2	2	1	1
Katina Law	6	6	2	2	1	1

REMUNERATION REPORT (Audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Group has determined that its key management personnel consists of all of its directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Remuneration and Nomination Committee and Board Charter
- Details of remuneration
- Share-based compensation

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation with shareholder value creation
- transparency

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that directors fees and payments are appropriate and in line with the market.

There are no retirement allowances or other benefits paid to the non-executive directors.

Remuneration and Nomination Committee and Board Charter

The Remuneration and Nomination Committee, working collaboratively with the Board, is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel who share the values and purpose of the Group.

The Remuneration and Nomination Committee is therefore responsible for the remuneration policies and packages applicable to Board members and for the approval of remuneration of executive officers of the Company taking into account the financial position of the Company. The broad remuneration policy per the formal Charter is to ensure the remuneration package properly reflects the persons duties and responsibilities and, that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Non-executive Directors

It is the Remuneration and Nomination Committee's policy to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities through taking into account the financial position of the Company and the Company's shareholder approved limits. The Constitution of the Company specifies the aggregate remuneration for directors, other than salaries paid to executive directors shall be determined from time to time by a general meeting. The total aggregate remuneration currently stated in the Constitution is $500,000 per year. An amount not exceeding the amount determined is divided between those directors in the proportion and manner they agree or, in default of agreement, among them equally.

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The Remuneration and Nomination Committee determined the amount of the fees paid to each non-executive director. All Directors are offered share options to acquire shares in the Company under the Employee Share Option Plan approved by shareholders from time to time. As the Company does not currently have short-term incentive structures in place, the share options aim to provide short-, medium- and long-term incentives. This also ensures that shareholder interest is aligned over those timeframes.

Managing Director

The Remuneration and Nomination Committee approves remuneration packages for the managing director based on demands which are made on, and the responsibilities of, the Managing Director, performance criteria and the Group's financial performance. Executive officers' remuneration comprises base pay, share-based payments and other remuneration such as superannuation and long service leave. Executive Directors' remuneration is reviewed annually to ensure it is appropriate and in line with the market. There are no retirement allowances or other benefits paid to Executive Directors other than superannuation guarantee amounts as required.

Use of Remuneration Consultants

No remuneration consultants were used during the year.

Voting and Comments made at the Company's Annual General Meeting

At the 2025 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2025 was passed on a poll with 99.56% of votes cast on the poll voting "For" the resolution to adopt the Remuneration Report. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

Details of Remuneration

Service Agreements

KMP	Position held - 30 June 2026	Contract details (duration & termination)
M Bennett	Non-executive Chairman	Letter of appointment Commencement date: 9 December 2021 Fixed remuneration: $90,000 pa incl statutory superannuation No termination benefits payable
T Markwell	Managing Director and Chief Executive Officer	Executive Services Agreement Commencement date: 9 December 2021 Term: No fixed term Fixed remuneration: $300,000 pa excl statutory superannuation
A Dorsch	Non-executive Director	Letter of appointment Commencement date: 17 July 2021 Fixed remuneration: $55,000 pa incl statutory superannuation No termination benefits payable
K Law	Non-executive Director	Letter of appointment Commencement date: 1 October 2023 Fixed remuneration: $55,000 pa incl statutory superannuation No termination benefits payable

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Details of Remuneration

Details of the remuneration of KMP of the Group are set out in the following table:

Name	Year	Short Term	Post-employment benefits	Long term benefits	Share based payments	Total	Fixed	At Risk
		Cash salary and fees	Superannuation	Long service leave	Options			
		$	$	$	$	$	%	%
M Bennett	2026	80,357	9,643	-	261,002	351,002	26%	74%
	2025	80,718	9,282	-	72,753	162,753	55%	45%
T Markwell	2026	306,000	30,000	6,376	326,257	668,633	51%	49%
	2025	304,568	29,932	2,699	80,694	417,893	81%	19%
A Dorsch	2026	53,527	1,473	-	217,609	272,609	20%	80%
	2025	53,582	1,418	-	47,587	102,587	54%	46%
K Law	2026	49,107	5,893	-	219,841	274,841	20%	80%
	2025	49,327	5,673	-	28,069	83,069	66%	34%
Total	**2026**	**488,991**	**47,009**	**6,376**	**1,024,709**	**1,567,085**		
Total	2025	488,195	46,305	2,699	229,103	766,302		

There were no cash bonuses, or other short-term performance related bonuses, made to any KMP in the financial year ended 30 June 2026 (2025: Nil).

Share-based Compensation

KMP Shareholdings

The numbers of ordinary shares in the Company held during the year by each KMP are set out below:

30 June 2026	Balance at beginning of year/on appointment	Acquired during the year*	Disposed during the year	Balance at the end of the year
M Bennett	1,200,000	370,000	-	1,570,000
T Markwell	252,272	414,104	-	666,376
A Dorsch	2,940,595	368,590	-	3,309,185
K Law	199,279	-	-	199,279

**Shares acquired during the year were through the exercise of share options.*

KMP Options

Share options, where appropriate, may be granted under the Falcon Metals Limited Employee Securities Incentive Plan. Share options are granted under the plan for no consideration on terms and conditions considered appropriate by the Board at the time of issue. Share options granted under the plan carry no dividend or voting rights. The ability for the employee to exercise the share options is restricted in accordance with the terms and conditions detailed in the plan and offer letter associated with each grant.

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Each share option will automatically lapse if not exercised by the expiry date. The exercise period may also be affected by other events as detailed in the terms and conditions in the Employee Securities Incentive Plan or offer letter. The share options vest as specified when the share options are issued.

The Company aims to limit outstanding share options to 10% of the issued capital when possible. At 30 June 2026, the outstanding share options were 14,197,500, representing 6.6% of the issued capital. As of the date of this report, the outstanding share options were 16,020,000, representing 6.1% of the issued capital following the additional shares issued in the capital raising. A further 4,700,000 share options issued to directors on 2 July 2026 are subject to shareholder approval at the 2026 Annual General Meeting, following which the number of outstanding share options will be 20,720,000, representing 7.9% of the issued capital.

The numbers of share options in the Company held during the year by each KMP are set out below:

30 June 2026	Balance at beginning of year	Granted as remuneration during the year	Exercised during the year*	Lapsed/ Forfeited during the year	Balance at the end of the year	Vested and exercisable
M Bennett	3,510,000	960,000	(800,000)	(1,770,000)	1,900,000	310,000
T Markwell	3,830,000	1,200,000	(880,000)	(1,770,000)	2,380,000	390,000
A Dorsch	2,225,000	800,000	(550,000)	(885,000)	1,590,000	260,000
K Law	1,040,000	800,000	-	-	1,840,000	510,000

**Share options exercised during the year include those exercised using the cashless conversion method pursuant to the Employee Securities Incentive Plan.*

The fair value of share options exercised by KMP during the year was $165,610 (2025: nil). The fair value of share options which lapsed during the year was $1,093,860 (2025: $922,613)

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors in the year ended or future reporting years are as follows:

Series	No of options granted	Grant date	Expiry date	Exercise price	Fair value per option	Vested %
S	1,880,000	1/07/2025	30/06/2028	$0.20	$0.63	-
T	1,880,000	1/07/2025	30/09/2029	$0.20	$0.65	-

The share options were granted on 1 July 2025 but approved by the shareholders at the Annual General Meeting held on 29 October 2025.

Other Transactions with KMP and their Related Entities

There were no other transactions with KMP and their related entities (2025: nil).

Share Trading Policy

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's employee share trading policy as per the Group's Corporate Governance Policy. Directors and executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee option plan. The Group would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

This concludes the remuneration report, which has been audited.

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SHARES UNDER OPTION

Unissued ordinary shares of Falcon Metals Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Options
4 July 2023	30 June 2027	$0.35	1,430,000
1 October 2023	30 September 2027	$0.24	250,000
15 July 2024	30 June 2027	$0.38	1,920,000
15 July 2024	30 June 2028	$0.38	1,920,000
25 February 2025	31 January 2028	$0.20	40,000
25 February 2025	31 January 2029	$0.20	80,000
5 March 2025	5 March 2028	$0.20	200,000
1 July 2025	30 June 2028	$0.20	2,790,000
1 July 2025	30 June 2029	$0.20	2,790,000
4 August 2025	31 July 2028	$0.65	500,000
21 November 2025	31 October 2028	$0.93	100,000
21 November 2025	31 October 2029	$0.93	100,000
26 January 2026	31 January 2029	$1.09	400,000
26 January 2026	31 January 2030	$1.09	400,000
2 July 2026	30 June 2030	$0.66	2,810,000

No person entitled to exercise the share options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

The Group also proposes to issue 4,700,000 share options to directors of the Company, subject to shareholder approval at the Annual General Meeting.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

1,623,974 shares were issued on the exercise of options during the year ended 30 June 2026. Subsequent to the end of the financial year, 246,913 fully paid ordinary shares were issued following the exercise of options.

INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

NON-AUDIT SERVICES

No non-audit services were provided by the auditor during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included immediately after this director's report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Timothy Markwell
Managing Director
29 September 2026
Melbourne

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HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Falcon Metals Ltd for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
29 September 2026

M R Ohm
Partner

hlb.com.au

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HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

	Notes	30 June 2026	30 June 2025
		$	$
Other income		783,778	450,073
Fair value gain/(loss) on financial asset		552,901	(196,227)
Exploration and evaluation expense	4	(11,315,912)	(3,251,015)
Employee benefits expense		(905,138)	(810,283)
Share-based payments	3, 14	(1,574,336)	(424,206)
Administration expenses		(737,592)	(614,557)
Depreciation expense		(71,758)	(75,873)
Finance costs		(5,354)	(12,183)
Loss before income tax		**(13,273,411)**	**(4,934,271)**
Income tax expense	5	-	-
Loss for the year		**(13,273,411)**	**(4,934,271)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		**(13,273,411)**	**(4,934,271)**
Loss per share			
Basic and diluted loss per share (cents)	16	(6.4)	(2.8)

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

AS AT 30 JUNE 2026

	Notes	30 June 2026	30 June 2025
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	15,417,795	7,826,627
Trade and other receivables	7	654,213	446,810
Total current assets		16,072,008	8,273,437
Non-current assets			
Other receivables	7	31,838	28,240
Plant and equipment	8	117,868	128,496
Right-of-use asset	9	25,249	63,122
Financial assets	10	494,275	104,799
Total non-current assets		669,230	324,657
Total assets		**16,741,238**	**8,598,094**
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,710,596	665,488
Lease liabilities	12	37,182	50,441
Provisions		148,605	119,655
Total current liabilities		1,896,383	835,584
Non-current liabilities			
Lease liabilities	12	-	37,182
Provisions		27,301	10,448
Total non-current liabilities		27,301	47,630
Total liabilities		**1,923,684**	**883,214**
Net assets		**14,817,554**	**7,714,880**
EQUITY			
Issued capital	13	106,456,876	87,451,842
Reserves	15	1,898,420	1,940,495
Accumulated losses		(93,537,742)	(81,677,457)
Total equity		**14,817,554**	**7,714,880**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

	Issued Capital	Share based payment reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2024	**87,451,842**	**2,693,739**	**(77,920,636)**	**12,224,945**
Loss for the year	-	-	(4,934,271)	**(4,934,271)**
Other comprehensive income	-		-	**-**
Total comprehensive loss for the year	**-**	**-**	**(4,934,271)**	**(4,934,271)**
Transactions with owners in their capacity as owners				
Share-based payments expense	-	424,206	-	**424,206**
Reclassified to accumulated losses on expiry of options	-	(1,177,450)	1,177,450	**-**
Balance at 30 June 2025	**87,451,842**	**1,940,495**	**(81,677,457)**	**7,714,880**
Loss for the year	-	-	(13,273,411)	**(13,273,411)**
Other comprehensive income	-		-	**-**
Total comprehensive loss for the year	**-**	**-**	**(13,273,411)**	**(13,273,411)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction costs	18,747,802	-	-	**18,747,802**
Share-based payments expense	257,232	1,574,336	-	**1,831,568**
Reclassified to accumulated losses on expiry of options	-	(1,616,411)	1,413,126	**(203,285)**
Balance at 30 June 2026	**106,456,876**	**1,898,420**	**(93,537,742)**	**14,817,554**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

		30 June 2026	30 June 2025
		$	$
Cash flows from operating activities			
Interest received		720,789	486,734
Payments to suppliers and employees		(1,577,225)	(1,387,505)
Payments for exploration and evaluation		(10,401,700)	(3,028,384)
Net cash outflow from operating activities	6	**(11,258,136)**	**(3,929,155)**
Cash flows from investing activities			
Payments of property, plant and equipment		(23,257)	(18,511)
Proceeds from sale of financial assets		163,425	-
Refund of/(Payments for) security deposits		(35,997)	8,990
Net cash inflow/(outflow) from investing activities		**104,171**	**(9,521)**
Cash flows from financing activities			
Proceeds from issue of shares		20,054,000	-
Share issue transaction costs		(1,252,198)	-
Repayment of lease liabilities	12	(56,669)	(50,452)
Net cash inflow/(outflow) from financing activities		**18,745,133**	**(50,452)**
Net increase/(decrease) in cash held		7,591,168	(3,989,128)
Cash at the beginning of the financial year		7,826,627	11,815,755
Cash at the end of the financial year	6	**15,417,795**	**7,826,627**

The accompanying notes form part of these financial statements.

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1. Summary of material accounting policies

The financial statements cover Falcon Metals Limited as a consolidated entity consisting of Falcon Metals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Falcon Metal Limited's functional and presentation currency.

Falcon Metal Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Company was registered on 12 July 2021 and is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2026. The directors have the power to amend and reissue the financial statements.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2026 and the results of all subsidiaries for the year then ended. Falcon Metals Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Interest revenue is recognised as interest accrues using the effective interest method.

Exploration and evaluation

Exploration and evaluation expenditure and acquisition costs are expensed to the consolidated statement of comprehensive income as and when it is incurred and included as part of cash flows from operating activities.

Income tax

The income tax expense or benefit for the year is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Falcon Metals Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current or non-current based on the Group's rights and obligations existing at the reporting date. A liability is classified as current when: it is expected to be settled in the Group's normal operating cycle; it is held primarily for trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

The classification of liabilities is based on contractual rights existing at the reporting date. The Group's expectations regarding settlement, or settlement occurring after the reporting period but before the financial statements are authorised for issue, do not affect classification.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor vehicles	5-10 years
Plant and equipment	5-14 years
Computer equipment	2-3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss and equity.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of Falcon Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Group commits itself to either purchase or sale of assets.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings at amortised cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

An instrument is a financial liability when an issuer is, or can be required, to deliver either cash or another financial asset (e.g. ordinary shares in the Company) to the holder.

Where the Group has the choice of settling a financial instrument in cash or otherwise is contingent on the outcome of circumstances beyond the control of both the Group and the holder, the Group accounts for the instrument as a financial liability.

All financial liabilities are initially recognised at fair value. The Group's financial liabilities include trade payables and accruals.

Financial assets

Financial assets are initially recognised at fair value. The Group's financial assets include trade and other receivables and investment in a listed entity.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Company incurred a loss before income tax of $13,273,411 (2025: $4,934,271) and had cash outflows from operating activities of $11,258,136 (2025: $3,929,155) for the year ended 30 June 2026. As at that date, the Company had net current assets of $14,175,626 (30 June 2025: $7,437,853). Subsequent to the end of the financial year, the Company has strengthened its balance sheet by raising additional capital of $30 million (before costs) through a placement.

The directors believe that there are reasonable grounds to believe that the Company will continue as a going concern, after taking into consideration its planned activities for the next 12 months and forecast cash flows over that period.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company and have no material effect.

2. Critical accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Refer to notes 14 and 15 for further information.

In the opinion of the Directors, there have been no other significant estimates or judgements used in the preparation of this financial report.

3. Expenses

	30 June 2026 $	30 June 2025 $
Depreciation	33,885	36,361
Depreciation – Right-of-Use Assets	37,873	39,512
Interest and finance charges on lease liabilities	6,228	10,585
Superannuation expense	222,576	163,534
Share-based payment expense	1,574,336	424,206

4. Exploration and evaluation expense

	30 June 2026 $	30 June 2025 $
Expenditure incurred during the year	11,315,912	3,251,015

The Company currently holds the Blue Moon Prospect, the Pyramid Hill Gold Project and the Farrelly Mineral Sands Project, located in Victoria as well as the Errabiddy Gold Project located in Western Australia. The Company expenses all exploration and evaluation expenditure as incurred. The cumulative exploration expenditure incurred since the acquisition of the projects are as follows:

	Cumulative Expenditure $
Blue Moon Gold Prospect (VIC)	9,912,450
Pyramid Hill Gold Project (VIC)	14,753,417
Farrelly Mineral Sands Project (VIC)	1,098,329
Errabiddy Gold Project (WA)	499,512
Cumulative Exploration Expenditure Incurred	**26,263,708**

The Company has previously incurred a total $2,509,598 on the Mount Jackson, Viking Gold and Basin Edge Projects, which have either been surrendered, disposed or subject to third party earn-in.

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5. Income tax expense

	30 June 2026 $	30 June 2025 $
Income tax expense		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total income tax (expense)/benefit	**-**	**-**
Deferred tax balances not recognised		
Deferred tax assets	10,745,535	6,871,919
Deferred tax liabilities	(73,991)	(83,346)
Net deferred tax assets not recognised	**10,671,544**	**6,788,573**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(13,273,411)	(4,934,271)
Tax at the statutory tax rate of 30% (2025: 30%)	(3,982,023)	(1,480,281)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Share-based payments	472,301	127,262
Others	1,928	768
Deferred tax assets not recognised	3,507,794	1,352,251
Income tax expense	**-**	**-**

The benefit from tax losses totalling $10,079,285 (2025: $6,584,592) will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from deductions for the losses to be realised, and the Company complies with the conditions for deductibility imposed by tax legislation.

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6. Cash and cash equivalents

	30 June 2026	30 June 2025
	$	$
Cash at bank and on hand	15,417,795	7,826,627

Reconciliation of loss after income tax to net cash used in operating activities:

	30 June 2026	30 June 2025
	$	$
Loss after income tax expense for the year	(13,273,411)	(4,934,271)
Adjustments for:		
Share-based payments	1,574,336	424,206
Depreciation	71,758	75,873
Finance costs	6,228	10,584
Unrealised foreign currency (gain)/loss	(56)	1,587
Fair value loss/(gain) on financial assets	(552,901)	197,589
Changes in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	(148,148)	47,653
Increase in prepayments	(26,853)	(18,636)
Increase in trade and other payables	1,045,108	257,517
Increase in employee benefits	45,803	8,743
Net cash used in operating activities	**(11,258,136)**	**(3,929,155)**

7. Trade and other receivables

	30 June 2026	30 June 2025
	$	$
Current		
Interest receivable	112,687	49,752
GST receivable	132,080	46,864
Prepayments (a)	160,269	133,416
Security deposits	249,176	216,777
Other debtors	1	1
	654,213	**446,810**
Non-current		
Security deposits	31,838	28,240
	31,838	**28,240**

(a) Prepayments relate to insurance premiums paid in advance for the period of cover.

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8. Property, plant and equipment

	30 June 2026	30 June 2025
	$	$
Plant & equipment – at cost	176,933	165,851
Less: Accumulated depreciation	(85,832)	(62,932)
	91,101	**102,919**
Computer equipment – at cost	42,658	31,799
Less: Accumulated depreciation	(32,244)	(28,841)
	10,414	**2,958**
Office equipment – at cost	11,171	10,564
Less: Accumulated depreciation	(6,084)	(3,973)
	5,087	**6,591**
Motor vehicles – at cost	25,416	25,416
Less: Accumulated depreciation	(14,150)	(9,388)
	11,266	**16,028**
Property, plant and equipment – at cost	**256,178**	**233,629**
Less: Accumulated depreciation	**(138,310)**	**(105,133)**
	117,868	**128,496**

Reconciliations of the written down values at the beginning and end of the current financial year is set out below:

	Plant and equipment $	Computer equipment $	Office equipment $	Motor vehicles $	Total $
Balance at 30 June 2024	**113,023**	**8,562**	**5,331**	**20,792**	**147,708**
Additions	12,921	2,610	2,980	-	**18,511**
Disposal	(1,362)	-	-	-	**(1,362)**
Depreciation	(21,663)	(8,214)	(1,720)	(4,764)	**(36,361)**
Balance at 30 June 2025	**102,919**	**2,958**	**6,591**	**16,028**	**128,496**
Additions	11,382	11,567	607	-	**23,556**
Disposal	(300)	-	-	-	**(300)**
Depreciation	(22,900)	(4,111)	(2,111)	(4,762)	**(33,884)**
Balance at 30 June 2026	**91,101**	**10,414**	**5,087**	**11,266**	**117,868**

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9. Right of use assets

	30 June 2026	30 June 2025
	$	$
Office lease – Right of use	189,366	189,366
Less: Accumulated depreciation	(164,117)	(126,244)
	25,249	**63,122**
Plant and equipment – Right of use	5,901	5,901
Less: Accumulated depreciation	(5,901)	(5,901)
	-	-
Right of use assets	**195,267**	**195,267**
Less: Accumulated depreciation	**(170,018)**	**(132,145)**
	25,249	**63,122**

Additions to the right-of-use assets during the year were nil (2025: nil).

10. Financial assets

Financial assets represent shares, options and warrants held in listed entities which are accounted for at fair value through profit or loss.

	30 June 2026	30 June 2025
	$	$
Fair value at the start of the year	104,799	302,669
Additions (non-cash)	1,140,000	-
Disposals	(163,425)	-
Revaluation gain/(loss)	(587,099)	(197,870)
Fair value at the end of the year	**494,275**	**104,799**

Refer to Note 18 for further information on fair value measurements.

11. Trade and other payables

	30 June 2026	30 June 2025
	$	$
Trade creditors	1,433,903	490,110
Accrued expenses	78,397	57,371
Other creditors	198,296	118,007
	1,710,596	**665,488**

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12. Lease liabilities

	30 June 2026	30 June 2025
	$	$
Current	37,182	50,441
Non-current	-	37,182
	37,182	**87,623**

Changes in liabilities arising from financing activities

	30 June 2026	30 June 2025
	$	$
Balance at the start of the year	87,623	127,490
Repayment of liability	(56,669)	(50,452)
Non-cash interest expense	6,228	10,585
Balance at the end of the year	**37,182**	**87,623**

13. Issued capital

	2026 Shares	2026 $	2025 Shares	2025 $
Ordinary shares – fully paid	213,711,694	106,456,876	177,000,000	87,451,842
On issue at the beginning of the year	177,000,000	87,451,842	177,000,000	87,451,842
Issue of shares – exercise of options (21 July 2025)	402,000	87,996	-	-
Issue of shares – exercise of options (25 July 2025)	155,307	16,015	-	-
Issue of shares – share placement (20 August 2025)	35,087,720	20,000,000	-	-
Issue of shares – exercise of options (23 February 2026)	1,066,667	153,221	-	-
Share issue transaction costs, net of tax	-	(1,252,198)	-	-
On issue at the end of the year	**213,711,694**	**106,456,876**	**177,000,000**	**87,451,842**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

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14. Share-based payment transactions

	30 June 2026 $	30 June 2025 $
Options – recognised as a Share-based Payment Expense	1,574,336	424,206

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ Forfeited	Balance at the end of the year	Exercisable at the end of the year
15/12/2021	15/12/2025	$0.75	5,398,500	-	-	(5,398,500)	-	-
8/08/2022	31/7/2025	$0.36	1,212,500	-	(1,212,500)	-	-	-
8/08/2022	31/7/2026	$0.36	1,212,500	-	(731,250)	-	481,250	481,250
4/07/2023	30/06/2026	$0.35	1,430,000	-	(1,430,000)	-	-	-
4/07/2023	30/06/2027	$0.35	1,430,000	-	-	-	1,430,000	1,430,000
1/10/2023	30/09/2026	$0.24	250,000	-	-	-	250,000	250,000
1/10/2023	30/09/2027	$0.24	250,000	-	-	-	250,000	125,000
15/07/2024	30/06/2027	$0.38	1,920,000	-	-	-	1,920,000	1,920,000
15/07/2024	30/06/2028	$0.38	1,920,000	-	-	-	1,920,000	-
25/02/2025	31/01/2028	$0.20	80,000	-	-	-	80,000	-
25/02/2025	31/01/2029	$0.20	80,000	-	-	-	80,000	-
05/03/2025	05/03/2028	$0.20	200,000	-	-	-	200,000	50,000
1/07/2025	30/06/2028	$0.20	-	2,790,000	-	-	2,790,000	-
1/07/2025	30/06/2029	$0.20	-	2,790,000	-	-	2,790,000	-
04/08/2025	31/07/2028	$0.65	-	500,000	-	-	500,000	-
21/11/2025	31/10/2028	$0.93	-	100,000	-	-	100,000	-
21/11/2025	31/10/2029	$0.93	-	100,000	-	-	100,000	-
26/01/2026	31/01/2029	$1.09	-	400,000	-	-	400,000	-
26/01/2026	31/01/2030	$1.09	-	400,000	-	-	400,000	-
			15,383,500	**7,080,000**	**(3,373,750)**	**(5,398,500)**	**13,691,250**	**4,256,250**

For the options issued during the current year, a Black-Scholes option pricing model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date $	Exercise price $	Expected volatility %	Dividend yield %	Number of Options	Value per Option $	Total Value $
1/07/2025	30/06/2028	$0.13	$0.20	174%	-	2,790,000	$0.11	$306,900
1/07/2025	30/06/2029	$0.13	$0.20	174%	-	2,790,000	$0.12	$334,800
04/08/2025	31/07/2028	$0.47	$0.65	175%	-	500,000	$0.40	$200,000
21/11/2025	31/10/2028	$0.55	$0.93	186%	-	100,000	$0.47	$47,000
21/11/2025	31/10/2029	$0.55	$0.93	186%	-	100,000	$0.51	$51,000
26/01/2026	31/01/2029	$0.82	$1.09	129%	-	400,000	$0.59	$236,000
26/01/2026	31/01/2030	$0.82	$1.09	129%	-	400,000	$0.65	$260,000

The options issued to directors were granted on 1 July 2025 but approved by the shareholders at the Annual General Meeting held on 29 October 2025.

The options vest equally in 18, 24, 30 and 36 months and requires the option holder to remain in employment or be available for employment during that period, unless the vesting condition is waived at the Board of Director's discretion.

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15. Reserves

	30 June 2026 $	30 June 2025 $
Reserves		
Share-based payments reserve	1,898,420	1,940,495
Movements		
Balance at beginning of the year	1,940,495	2,693,739
Share-based payments expense for the year	1,574,336	424,206
Transferred to Accumulated Losses – expiry of options	(1,616,411)	(1,177,450)
Balance at end of the year	**1,898,420**	**1,940,495**

The Share-based Payments Reserve is used to record the value of equity-settled share-based payment transactions to employees, key management personnel and external parties where relevant.

16. Loss per share

	30 June 2026 $	30 June 2025 $
Loss after income tax	(13,273,411)	(4,934,271)
Weighted average number of ordinary shares used in calculating basic loss per share	208,180,315	177,000,000
Basic and diluted earnings/(loss) per share (cents)	(6.4)	(2.8)

17. Financial instruments

Financial Risk Management Objectives

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Market Risk

Market risk for the Group arises from the use of interest-bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

Foreign currency risk

The Group is not materially exposed to foreign currency risk.

Price risk

The Group is not exposed to commodity price risk as it is an exploration company.

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The Group has exposure to equity price risk through its holdings in various listed equity securities. At 30 June 2026, the Group's holdings in listed equity securities were not considered material, either individually or in aggregate, to the Group's financial position or results of operations. Accordingly, management has concluded that a reasonably possible movement in equity prices at the reporting date would not have a material impact on the Group's profit or loss or equity.

Interest rate risk

Interest rate risk arises on cash and cash equivalents. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end on the reporting period. If interest rates had changed by 10% during the entire year with all other variables held constant, the Group's loss for the year ended 30 June 2026 would decrease/increase by approximately $82,150 (2025: $45,144).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the Group.

The Group's exposure to credit risk is primarily limited to cash and cash equivalents held with financial institutions. The Group does not have any material trade receivables or other significant credit exposures.

At reporting date, the Group's cash and cash equivalents were held with a strong investment-grade long-term credit rating of AA- Australian authorised deposit-taking institution regulated by the Australian Prudential Regulation Authority. The directors consider the credit risk associated with cash and cash equivalents to be low, having regard to the financial standing and credit profile of the counterparty.

The carrying amount of cash and cash equivalents disclosed in the statement of financial position represents the Group's maximum exposure to credit risk at reporting date. No collateral is held as security and no amounts are past due or impaired.

The Group manages credit risk by holding cash with reputable Australian banking institutions and by monitoring its cash balances on an ongoing basis..

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below details the Group's remaining contractual maturity for its financial instrument liabilities, drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Interest rate	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years	Total contractual cash flows
		$	$	$	$	$	$
30 June 2026							
Trade and other payables		(1,710,596)	(1,710,596)	-	-	-	(1,710,596)
Lease liabilities	10%	(37,182)	(4,816)	(9,632)	(24,080)		(38,528)
30 June 2025							
Trade and other payables		(665,488)	(665,488)	-	-	-	(665,488)
Lease liabilities	10%	(87,622)	(4,676)	(9,352)	(42,643)	(38,528)	(95,199)

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18. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
30 June 2026	**$**	**$**	**$**	**$**
Assets				
Ordinary shares in listed entities	401,608	-	-	**401,608**
Options on listed entity investment	-	92,667	-	**92,667**
Total assets	401,608	92,667	-	**494,275**

30 June 2025	**$**	**$**	**$**	**$**
Assets				
Ordinary shares in a listed entity	89,728	-	-	**89,728**
Warrants on listed entity investment	-	15,071	-	**15,071**
Total assets	89,728	15,071	-	**104,799**

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Fair value measurement of the options and warrants on listed entity investments were categorised within level 2 and was valued using a Black Scholes model.

19. Key management personnel disclosures

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2026	30 June 2025
	$	**$**
Short term employee benefits	488,991	488,195
Post-employment benefits	47,009	46,305
Long term benefits	6,376	2,699
Share based payments	1,024,709	229,103
	1,567,085	**766,302**

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20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd, the auditor of the company:

	30 June 2026 $	30 June 2025 $
Audit Services – HLB Mann Judd		
Audit or review of the financial statements	35,000	35,000

21. Related party transactions

3,760,000 options were issued to key management personnel during the year (2025: 2,520,000 options) (note 14).

22. Commitments for expenditure

Exploration and Evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations (including from relinquishments), however they are expected to be fulfilled in the normal course of operations.

The company has tenement rental and expenditure commitments payable of:

- Not later than 12 months	3,952,465
- Between 12 months and 5 years	4,105,632
	8,058,097

23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	30 June 2026 $	30 June 2025 $
Loss after tax	(11,860,284)	(3,756,821)
Total comprehensive loss	(11,860,284)	(3,756,821)

Statement of financial position

	30 June 2026 $	30 June 2025 $
Total current assets	15,836,927	8,072,422
Total assets	16,741,238	8,598,093
Total current liabilities	1,896,382	835,583
Total liabilities	1,923,683	883,213
Net assets	**14,817,554**	**7,714,880**
Equity		
Issued capital	106,456,876	87,451,842
Share based payment reserve	1,898,420	1,940,495
Accumulated losses	(93,537,741)	(81,677,457)
Total equity	**14,817,554**	**7,714,880**

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 (2025: nil).

Capital commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 (2025: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group.

24. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest 30 June 2026	Ownership interest 30 June 2025
Falcon Gold Resources Pty Ltd	Australia	100%	100%
Falcon Metals (WA) Pty Ltd	Australia	100%	100%
Falcon Industrial Minerals Pty Ltd	Australia	100%	100%

25. Events after the reporting date

On 2 July 2026, the Company issued 2,810,000 share options to employees with an exercise price of $0.66 per share, being a 50% premium to the 20-day VWAP up to grant date. The options issued expire on 30 June 2030. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 4,700,000 share options to directors of the Company. The proposed issue of share options to directors of the Company is on the same terms as those issued to employees.

On 21 July 2026, the Company announced that the Blue Moon strike extended beyond 750m with a fifth gold zone (the Magnolia zone) emerging. On 3 August 2026, the Company announced that the Blue Moon strike extended to 850m. On 14 September 2026, the Company announced that visible gold and/or high-grade gold mineralisation have been confirmed on every section drilled to date on the Lotus Zone, which has now been defined over a 750m strike.

On 27 July 2026, the Company announced that it had secured regulatory approvals for the first ever drilling at the Olsen Well target, at its Errabiddy Gold Project, located 35km from Benz Mining's Glenburgh Gold Project. On 15 September 2026, the Company announced the commencement of the maiden drilling at Errabiddy.

On 6 August 2026, the Company issued 78,343 fully paid ordinary shares following the exercise of 481,250 share options. On 25 September 2026, the Company issued a further 168,570 fully paid ordinary shares following the exercise of 290,000 share options.

On 28 August 2026, the Company announced the completion of a $30 million capital raise via placement to high-quality institutions to expand drilling at Blue Moon. The placement comprised the issue of 50,000,000 new fully paid ordinary shares in the Company 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), which were allotted on 4 September 2026. The placement was completed at $0.60 per share representing an 11.8% discount to the last traded price of $0.68 and a 5.1% discount to the 15-day VWAP of $0.63.

26. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2026 (2025: nil).

27. Operating segments

The Company is organised into one operating and geographic segment, being mining exploration operations in Australia. These segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

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Name	Entity type	Country of incorporation	Ownership interest %	Tax residency
Falcon Metals Limited	Body Corporate	Australia	n/a	Australia
Falcon Gold Resources Pty Ltd	Body Corporate	Australia	100%	Australia
Falcon Metals (WA) Pty Ltd	Body Corporate	Australia	100%	Australia
Falcon Industrial Minerals Pty Ltd	Body Corporate	Australia	100%	Australia

Falcon Metals Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Basis of Preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated Entity

This CEDS includes only those entities consolidated as at the end of the financial year, in accordance with *AASB 10: Consolidated Financial Statements*.

Determination of Tax Residency

Section 295.3A of the Corporations Act 2001 defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involved judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Consolidated Entity has applied the following interpretations.

Australian tax residency

The Consolidated Entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

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Directors' Declaration

In the directors' opinion:

- the financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Timothy Markwell
Managing Director
29 September 2026
Melbourne

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INDEPENDENT AUDITOR'S REPORT

To the Members of Falcon Metals Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Falcon Metals Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Accounting for share-based payments Refer to Note 14	
The Group has various share-based payment arrangements in place comprised of options issued with various vesting criteria and in varying tranches. During the year, the Group recognised a share-based payment expense of $1,574,336. We considered this to be a key audit matter as share-based payment arrangements are material to the users' understanding of the financial statements, involve estimation and were a matter which required the most audit effort.	Our procedures included but were not limited to: - Reviewing management's processes in relation to the accounting for share-based payments; - Reviewing the valuation of share-based payments entered into during the financial year; - Considering whether the determination of the current period vesting expense had been correctly determined for both current and prior period issues; - Ensuring share-based payment arrangements during the period had been treated appropriately in accordance with AASB 2 *Share-based Payment*; - Assessing whether management's treatment of vesting conditions was reasonable; and - Ensuring disclosures within the financial statements were appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

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for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Falcons Metals Ltd for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R Ohm
Partner

Perth, Western Australia
29 September 2026

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The shareholder information set out below was applicable as at 16 September 2026.

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holding:

	Ordinary Shares	
	Number of Holders	**% of Total Shares Issued**
1 to 1,000	522	0.08
1,001 to 5,000	1,470	1.53
5,001 to 10,000	664	1.94
10,001 to 100,000	1,189	14.41
100,001 and over	215	82.04
	4,060	100.00
Holding less than a marketable parcel	893	0.05

Equity security holders

Twenty largest quoted equity security holders

	Ordinary Shares	
	Number Held	**% of Total Shares Issued**
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,447,827	18.37
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,622,286	9.71
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	14,169,982	5.37
CITICORP NOMINEES PTY LIMITED	13,000,120	4.93
BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	11,173,670	4.24
BUTTONWOOD NOMINEES PTY LTD	10,787,738	4.09
BNP PARIBAS NOMS PTY LTD	9,173,874	3.48
MR TIMOTHY RUPERT BARR GOYDER	6,739,530	2.55
UBS NOMINEES PTY LTD	3,455,001	1.31
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,057,204	1.16
MR TIMOTHY RUPERT BARR GOYDER	2,252,817	0.85
MR MATHEW DAVID WILSON	2,200,000	0.83
THE UNIVERSAL ZONE PTY LTD <KLUCK PROPERTY FUND A/C>	2,036,126	0.77
LUNAR CO PTY LTD <H&A DORSCH FAMILY A/C>	1,878,125	0.71
DYNAMIC PHOTOGRAPHY PTY LTD	1,500,000	0.57
LUNAR CO PTY LTD <THE H&A DORSCH FAMILY A/C>	1,431,060	0.54
MR TIMOTHY RUPERT BARR GOYDER	1,334,052	0.51
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,308,657	0.50
MRS LINDA ROSA GOYDER	1,196,196	0.45
TREBLA ENTERPRISES PTY LTD <TREBLA ENTPR STAFF S/F A/C>	1,050,989	0.40
TOTAL	**161,815,254**	**61.34**

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	15,730,000	20

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
FRANKLIN RESOURCS INC AND ITS AFFILIATES	23,725,976	9.0%
JUPITER ASSET MANAGEMENT LTD	23,543,743	8.9%
TIMOTHY R B GOYDER	16,237,460	6.2%

The number of shares held by Franklin Resources Inc and its affiliates, and Jupiter Asset Management Ltd have been updated to reflect its participation in the Company's capital raising completed after its most recent substantial holder notice. The shareholder's percentage voting power did not change by an amount requiring a further substantial holder notice under the Corporations Act.

Restricted securities

The Company has no restricted securities on issue:

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

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Tenements

Project	Tenement Reference	Location	Interest at 30/06/2026	Registered Holder / Applicant
Blue Moon	EL007839	VIC	100%	Falcon Gold Resources Pty Ltd
Pyramid Hill	EL006738	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006943#	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006661	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006669	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006737	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006864	VIC	100%	Falcon Industrial Minerals Pty Ltd
	EL006898	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006901	VIC	100%	Falcon Gold Resources Pty Ltd
	EL006960	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007200	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007320	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007838	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007840	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007845	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008084	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008302	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008303	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008360	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008447	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008486	VIC	-*	Falcon Gold Resources Pty Ltd
	EL008505	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008506	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008581	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008678	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008726	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008806	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008810	VIC	-*	Falcon Gold Resources Pty Ltd
	EL008811	VIC	100%	Falcon Gold Resources Pty Ltd
	EL008897	VIC	-*	Falcon Gold Resources Pty Ltd
	EL008928†	VIC	-*	Falcon Gold Resources Pty Ltd
	EL006549&	VIC	100%	PGM
Errabiddy	E09/2457µ	WA	-	Errawarra Resources Pty Ltd
	E09/2984†	WA	-*	Falcon Metals (WA) Pty Ltd
	E09/3064	WA	-*	Falcon Metals (WA) Pty Ltd
Basin Edge	E04/2883#	WA	100%	Falcon Metals (WA) Pty Ltd
	E04/2884#	WA	-*	Falcon Metals (WA) Pty Ltd
Longford	EL8/2024#	TAS	100%	Falcon Metals Ltd

**Applications*

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

µE09/2457 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

†Granted subsequent to the end of the financial year

 # Surrendered subsequent to the end of the financial year

COMPETENT PERSON STATEMENT

The information contained within this report 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.







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