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# FALCON METALS LTD

## Annual Report

### 30 June 2025

ACN 651 893 097



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## Corporate directory

### Directors

Mark Bennett  
Timothy Markwell  
Alexander Dorsch  
Katina Law

Non-Executive Chair  
Managing Director and Chief Executive Officer  
Non-Executive Director  
Non-Executive Director

### Company Secretary

Pradeep Subramaniam

### Registered and Principal Office

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Website: [www.falconmetals.com.au](http://www.falconmetals.com.au)

### Share Registry

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067

### 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**

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Dear Shareholders,

It is a great pleasure to present to you the Falcon Metals Limited (ASX: FAL) Annual Report for the 2025 Financial Year.

The phrase "Once in a Blue Moon" will resonate with many of our loyal shareholders, as we ended the 2025 Financial Year with the commencement of drilling at Blue Moon, located next to the world class Bendigo Goldfield (22 Moz @ ~15 g/t Au), renowned for its high-grade reef style free-milling gold since its discovery in 1851, and the Fosterville Gold Mine with the Swan Zone (2.3 Moz @ 49.6 g/t Au), owned by Agnico Eagle (NYSE: AEM).

Over the past 18 months, the Falcon team has completed a comprehensive review of historical data and exploration records. This work culminated in the decision to test the down-plunge northern extension of the Garden Gully Anticline, historically the most productive zone of the Bendigo Goldfield (~5.2Moz @ 15 g/t Au). Importantly, our studies confirmed that this highly prospective area had never been subjected to modern exploration.

In June 2025, drilling commenced at Blue Moon, and shortly after, we were delighted to announce that our very first hole confirmed Bendigo-style mineralisation. The following results from our first wedge hole were remarkable, returning 1.2m @ 543 g/t Au from 544.2m, including 0.6m @ 557 g/t Au and 0.6m @ 529 g/t Au with abundant visible gold.

These results confirmed our theory that the Bendigo Goldfield mineralisation system extended into Falcon's tenure, with a strong market reaction driving a more than threefold increase in our share price. With subsequent holes also returning visible gold across multiple stacked veins, investor and institutional interest surged. In response, Falcon successfully completed a \$20 million placement to accelerate exploration at Blue Moon.

Blue Moon represents one of the most exciting gold exploration opportunities in Australia today and we look forward to sharing with our shareholders our exploration journey to further advance this incredible discovery in the coming year ahead.

Beyond Blue Moon, Falcon continues to advance its wider portfolio. At the Errabiddy Gold Project near Meekatharra, WA, where Falcon is earning up to 70% (excluding graphite rights) from West Coast Silver (ASX: WCE), we extended the Olsen Well gold soil anomaly from 3km to 5.8km strike length. Follow-up soil sampling is planned to refine drill targets later this year.

At our Victorian Mineral Sands Project, where we made the high-grade Farrelly mineral sands discovery in mid-2024, progress has been delayed by ongoing land access issues. We continue to review options to advance this project.

On a corporate level I wish to thank our hard-working team, led by Managing Director Tim Markwell and Exploration Manager Doug Winzar who were instrumental in driving the exploration activity at Blue Moon and for their tireless efforts in progressing our portfolio of assets across Australia.

With an aggressive exploration program at Blue Moon and results that have already captured the markets attention, the year ahead is looking very promising for Falcon. I wish to thank our shareholders for their continued support and look forward to sharing with you what promises to be a very exciting year ahead



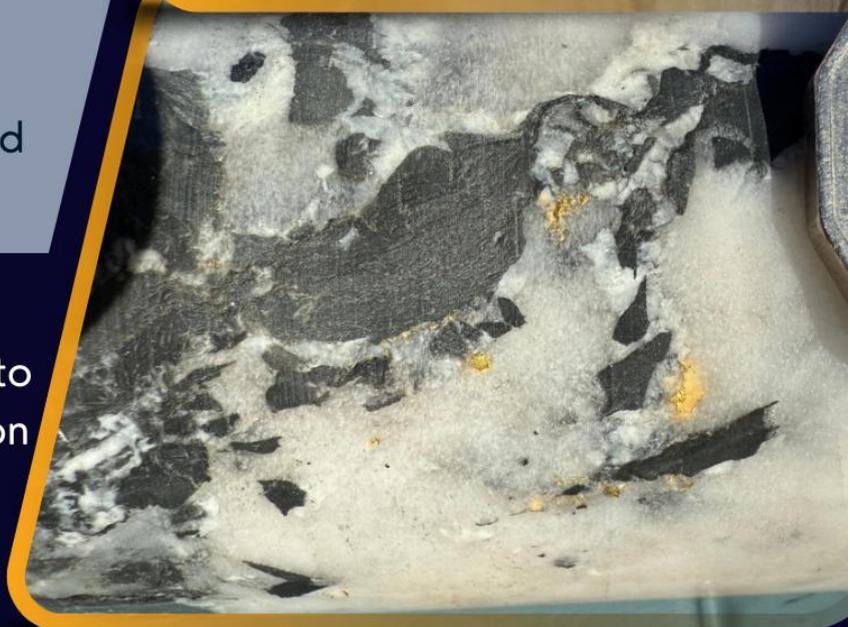
**Dr Mark Bennett**  
Non-executive Chair

# HIGHLIGHTS

Blue Moon is the first ever drilling targeting the down plunge northern extension of the historic 22Moz Bendigo Goldfield

- Initial hole confirms Bendigo style mineralisation with visible gold observed
  - First wedge hole intersected 1.2m @ 543 g/t Au from 544.2m
  - Bendigo-style stacked zones are present at Blue Moon
  - Third wedge intersected a 7.6m zone of quartz veining with sulphides, likely a saddle reef (assays pending)
  - Planning underway for a second diamond drill rig
- 
- Placement to raise \$20 million led by high quality institutions to accelerate drilling at Blue Moon completed at a 3.1% discount to the 10-day VWAP

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## REVIEW OF ACTIVITIES

Falcon Metals Limited (ASX: FAL) (“Falcon” or “the Company”) 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<sup>1</sup> Bendigo Goldfield and world-class ~9Moz<sup>2</sup> Fosterville Gold Mine, owned by Agnico Eagle (NYSE:AEM).

Falcon commenced drilling the Blue Moon Prospect, the northerly down-plunge extension of the Bendigo Goldfield during the year (see Figure 2). Falcon is initially targeting the Garden Gully Line which produced ~5.2Moz @ 15g/t Au<sup>3,4</sup>. Subsequent to the end of the year, Falcon announced high-grade intercepts and visual gold from the parent hole as well as first wedge hole.

In FY2024, Falcon discovered the Farrelly Mineral Sands Deposit within its large tenement holding in Victoria’s Murray Basin Mineral Sands Province. The Murray Basin is host to several major mineral sands projects, with associated critical minerals such as Rare Earth Elements (REE), at advanced stages of development. Falcon completed metallurgical and mineralogical test work during the year. Further drilling is planned subject to securing landholder access.

During the year, Falcon entered into an agreement with Errawarra Resources (now West Coast Silver - ASX: WCE) to earn up to a 70% interest in E09/2457, which together with Falcon’s 100% application E09/2984, make up the Errabiddy Gold Project.

### Blue Moon Gold Prospect

Blue Moon is the northern down-plunge extension of the high-grade zone that was previously mined on the Garden Gully anticline, a conceptual target that was developed from reviewing the historical Bendigo workings, historical reports and field mapping. The Garden Gully anticline was the most productive in the Bendigo Goldfield, estimated to have produced 5.2 Moz @ 15g/t Au, from areas where the more prospective parts of the sequence either outcropped or were close to the surface (see Figure 3). Observations from both Bendigo, Ballarat and Fosterville suggest that there is a strong plunge component to the high-grade mineralisation in Central Victoria which had not been adequately tested at the Blue Moon target area.

The parent hole BMDD001 was designed as a stratigraphic hole to gather geological and structural information from the eastern limb of the Garden Gully anticline, with the expectation of intersecting laminated quartz veins which are usually lateral to the main saddle reefs located within the anticlinal hinge, and which provide a vector to potential high-grade Bendigo style saddle/neck/leg reefs or faults/spur veins in the axial zone of the fold.

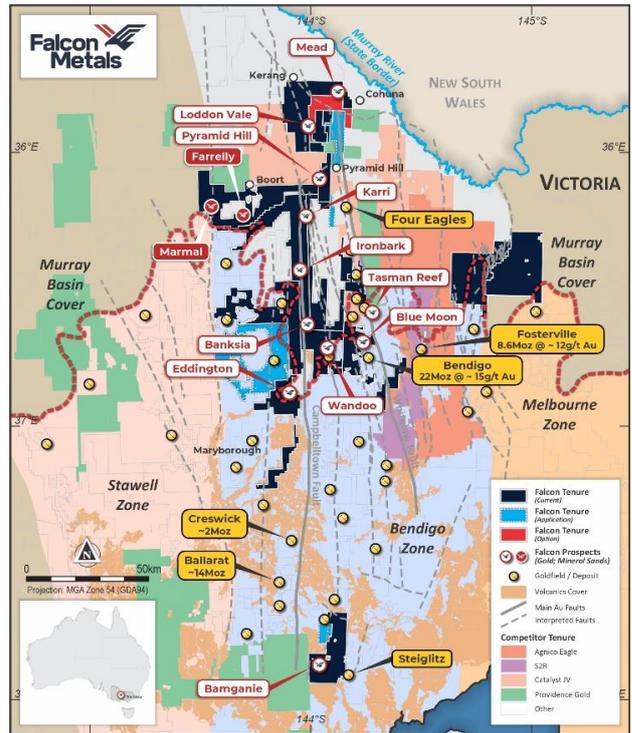


Figure 1 Locations of Falcon’s key prospects

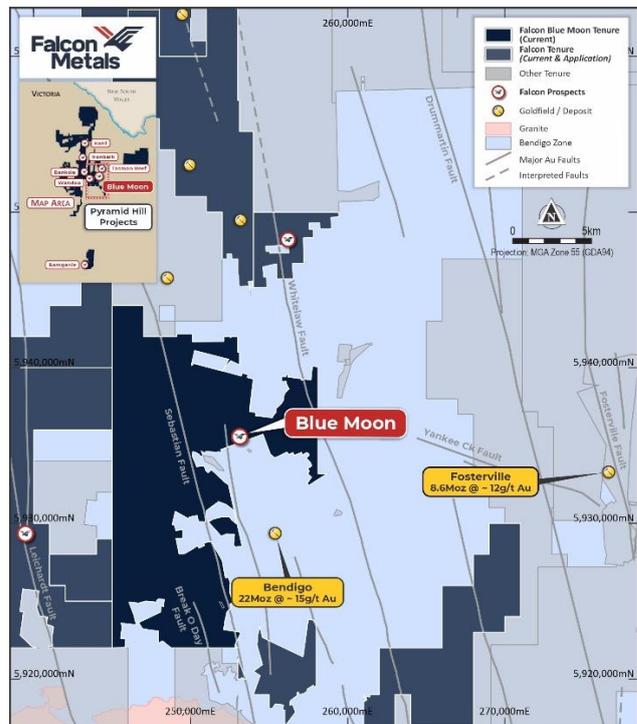


Figure 2 Location of Blue Moon

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The parent hole successfully identified several mineralised structures with two high-grade zones

The significant intercepts from BMDD001 are:

- BMDD001**      **2.8m @ 17.7 g/t Au from 40.6m; incl.**
- **0.9m @ 52.4 g/t Au from 40.6m**
- 2.4m @ 8.4 g/t Au from 600m; incl.**
- **0.3m @ 48.7 g/t Au from 600m; and**
  - **0.3m @ 18.2 g/t Au from 602.1m**
- 0.4m @ 2.6 g/t Au from 734m**

The zone at 40.6m is associated with a west dipping spur vein in a break fault in the east limb of the Garden Gully anticline. This is along strike from the historic North New Moon North Shaft, and it was encouraging to identify high-grade gold at this shallow depth. Prior to the drilling, it was assumed that any shallow zones of mineralisation would have been previously mined out, but this result suggests that opportunities for shallow high-grade gold remain within EL007839.

Visible gold was observed at 600.2m in a bedded quartz-carbonate vein associated with arsenopyrite which returned 0.3m @ 48.7 g/t Au (see Figure 4), this coincided with the conceptual target down plunge of the historic workings on the Garden Gully line to the south.

The first wedge hole, BMDD001W1, was drilled to the west to target closer to the Garden Gully fold hinge, which had not been intersected in the parent hole. Visible gold was identified in a laminated quartz vein over a 1.2m downhole width. This wedge hole was approximately 6m west of the parent hole at this depth.

The significant intercepts from BMDD001W1 assay results are:

**BMDD001W1**      **1.2m @ 543 g/t Au from 544.2m; including**

- **0.6m @ 557 g/t Au from 544.2m; and**
- **0.6m @ 529 g/t Au from 544.8m**

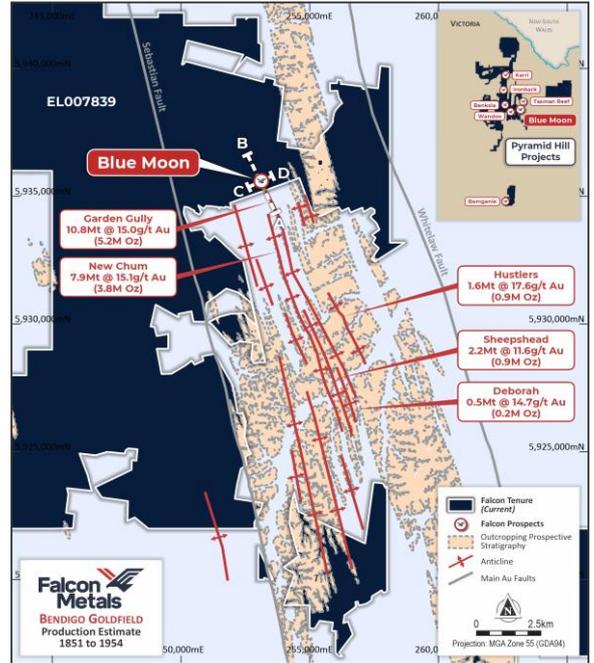


Figure 3 Bendigo Goldfield historic production across multiple lines of reef



Figure 4 Visible gold at 600.2m depth associated with arsenopyrite in a quartz-carbonate vein



Figure 5 Visible gold in BMDD001W1 at 544.6m



Figure 6 Visible gold in BMDD001W1 from 544.9m

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The second wedge hole, BMDD001W2 was directed further west and successfully confirmed the position of the Garden Gully hinge at 489m. This hole continued trending further west down the western limb of the anticline. The target structures were tested in the western limb, with only minor veining observed compared to the previous holes. The western limb of the Garden Gully line in the northern end of the field is known to only have limited development of mineralised structures compared to the eastern limb, and is not considered a priority for drill testing. All assays for BMDD001W2 are pending.

BMDD001W3 drilled as close to the hinge position for as long as possible. This hole has so far intersected visible gold in two veins, as well as intersecting multiple quartz veins with sulphides. Trace visible gold was intersected in a west-dipping laminated quartz vein from 679.9m to 680.5m, with arsenopyrite, pyrite and sphalerite on the selvage of the vein, and large coarse twinned arsenopyrite in the wall rock. Additionally, visible gold was also observed in a laminated quartz vein at 772.7m to 773.2m.



Figure 7 Saddle/neck reef with spur veins in BMDD001W3

A 7.6-metre zone of intense quartz vein development at 618.2m to 625.8m, close to previous high-grade results in the parent hole, may represent a saddle reef in the core of the fold hinge (see Figure 7). Although no visible gold was present, this zone contained abundant arsenopyrite, pyrite and sphalerite. All assays for BMDD001W3 are pending.

See Figure 8 for the long section, and Figure 9 and Figure 10 for the cross sections of Blue Moon showing the parent hole and wedge holes and significant intercepts to date.

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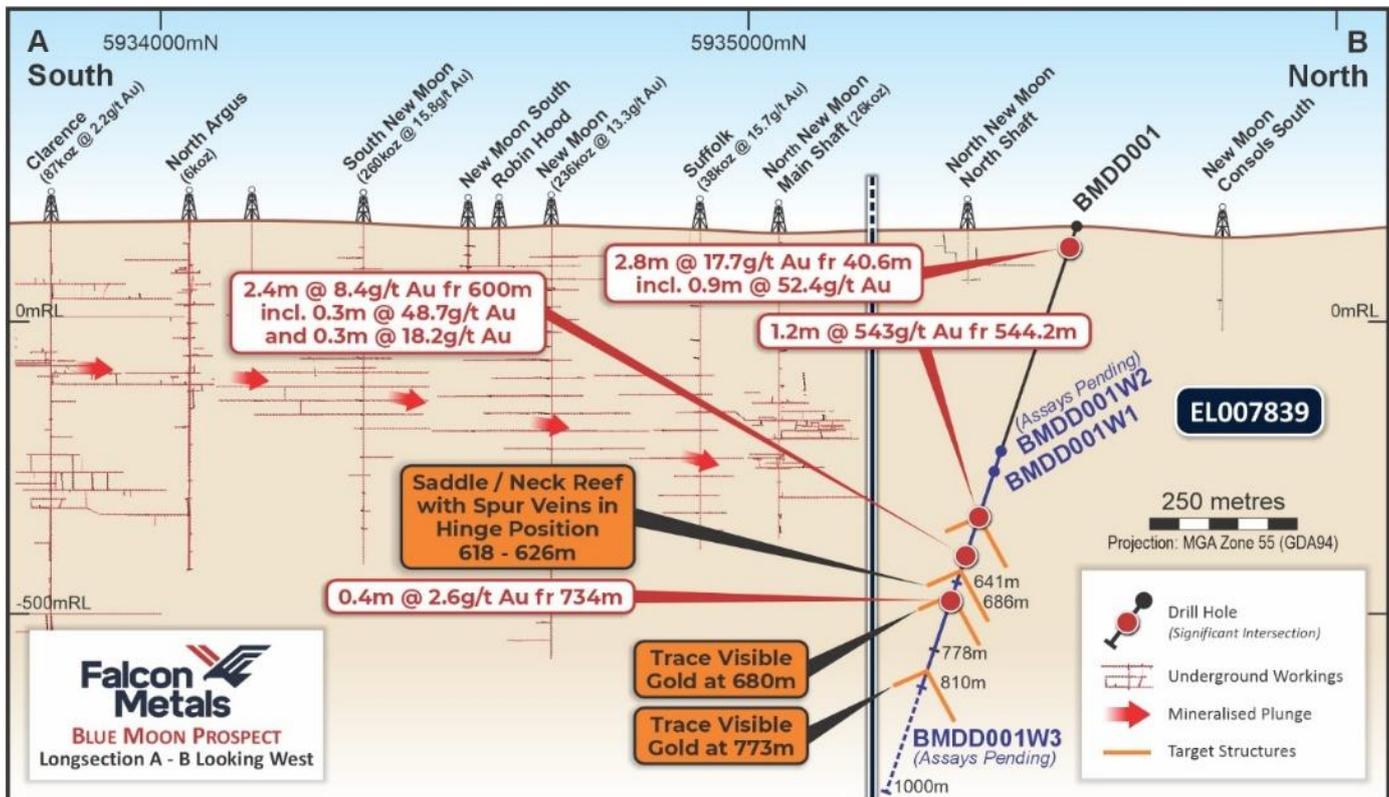


Figure 8 Long section of significant intercepts from the parent hole and wedge holes

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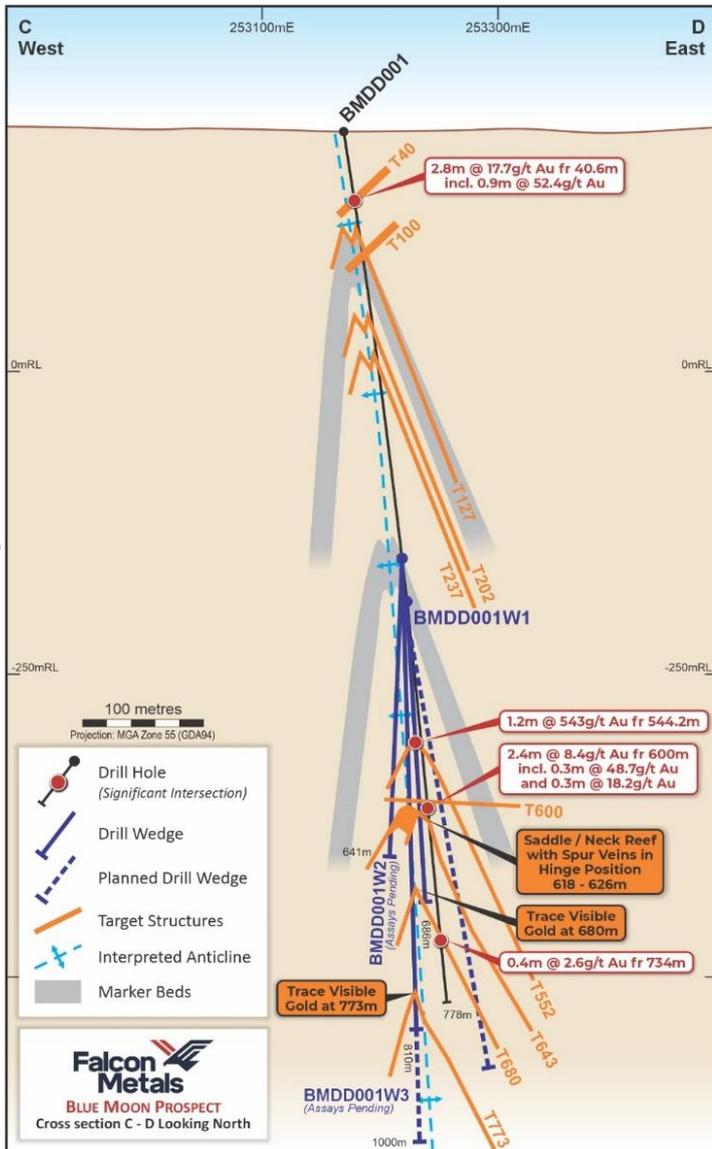


Figure 9 Cross section of BMDD001 and wedge holes

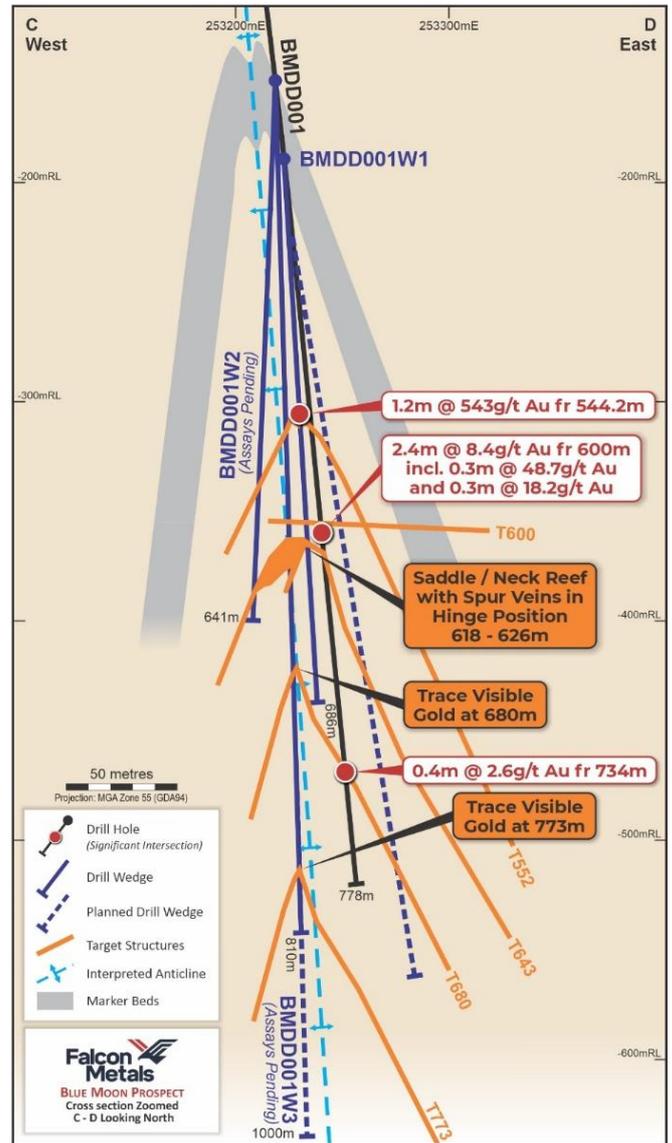


Figure 10 Magnified view of BMDD001 and wedge holes

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

## Pyramid Hill Gold Project

The focus this season was follow-up drilling at the Loddon Vale, Eddington and Mead targets, in addition to a program of redrills at Ironbark and Pyramid Hill, where several aircore holes in previous campaigns failed to reach target depth. The results from assay results for the 156 aircore holes for 18,521m from the drilling have upgraded the regional scale Loddon Vale target and this area will become a priority for further testing. The aim of the regional exploration program is to prioritise areas of higher potential for major mineral discoveries. Areas of lower prospectivity are in the process of being either partially or fully relinquished to focus the exploration efforts on the higher priority targets. Falcon also continues to apply for ground in new potentially high-priority areas as they are identified and become available.

### Loddon Vale

The Loddon Vale target is located 20km south-east of Kerang (see Figure 11). The exploration program at this target involved additional regional reconnaissance drilling over the optioned portion of tenement EL006549 (Macorna Option) and follow-up drilling of the anomalous results generated previously on EL006669 and EL008303.

The results to date from the wide-spaced drilling at Loddon Vale include broad low-level anomalous gold intercepts, however it is still at an early stage of investigation and several large-scale regional gold trends are emerging. These results will be used to vector into the more prospective lines that will be a priority in future exploration programs. The most anomalous intercept at Loddon Vale so far is 17m @ 0.21g/t Au from 147m in PHAC2447, including 1m @ 0.99g/t Au from 154m.

The adjoining EL008506 permit, now considered part of the Loddon Vale target, was granted in September 2024, and a review of historical exploration has now been completed. Several lines of 200m spaced drilling completed by WMC in 1997 focused on a regional gravity high called the "Macorna Structure". This generated anomalous results that have been combined with the recent drilling by Falcon to facilitate the current low-level gold bedrock map of the Loddon Vale target (see Figure 11).

Falcon's drilling this season completed the earn in on the specified area of the Macorna Gold Project on part of EL006549, with Falcon obtaining the 100% mineral rights over this area. Providence Gold and Minerals Pty Ltd revert to a 2% Gross Revenue Royalty over the specified area, whilst retaining 100% of the remaining part of the permit. Falcon has the option to buy back 1% of the royalty at any time for A\$3 million payable in cash or Falcon shares, at its election.

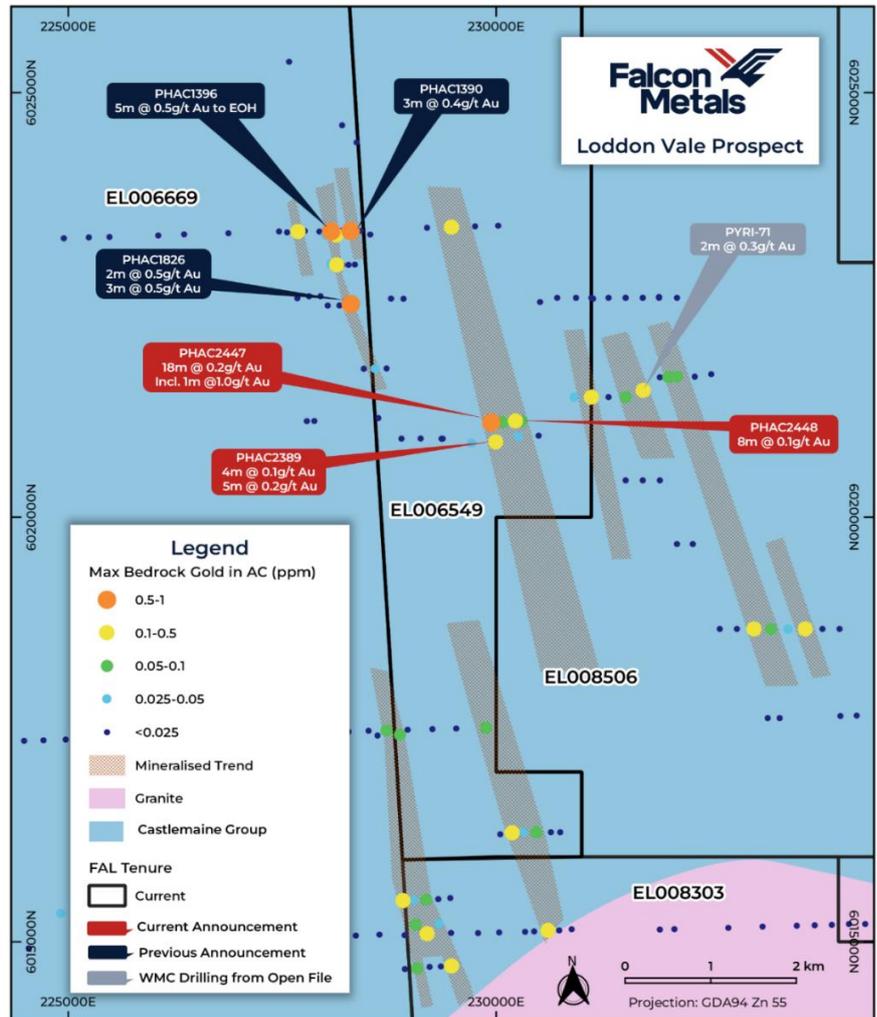


Figure 11 Location map of Loddon Vale with maximum gold in bedrock

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## Background of the Errabiddy Gold Project

The Errabiddy shear zone is a compelling Cratonic margin gold target. This shear zone demarcates the boundary between the Yilgarn Craton and the Glenburgh Terrane of the Capricorn Orogen. Cratonic margins are prospective for the formation of large gold deposits, including the 5.4 Moz<sup>5</sup> Tropicana deposit that was discovered on the eastern margin of the Yilgarn Craton in 2005 through the follow up of a regional public domain gold-in-soil anomaly. Tropicana was the first world-class gold deposit discovered in high-grade metamorphic gneissic rocks in an Archaean terrane, not previously considered prospective for gold. Similarly, the 2.6Moz<sup>6</sup> Karlawinda Gold Project is another recently discovered gold deposit in a similar setting on the southern margin of the Pilbara Craton.

The Errabiddy shear zone contains known gold mineralisation, including the Big Sky Prospect, discovered less than 3km from the eastern boundary of E09/2984 by Lodestar Minerals in 2015<sup>7</sup>. The Glenburgh deposit, sold by Spartan Resources to Benz Mining in November 2024, is also considered to be a cratonic margin deposit. This is located 35km to the northeast of Olsen Well, with a current Resource of 16.3Mt @ 1.0g/t for 510,000<sup>8</sup> ounces of gold.

The Errabiddy Gold Project is considered highly prospective and remains underexplored with no exploration drilling for gold conducted within the project tenure.

## Soil Sampling Program

The most recent work at the Olsen Well target was an ultrafine soil sampling program, undertaken by West Coast Silver in 2023, which defined a 3km by 1km 10ppb gold anomaly with coincident arsenic and bismuth, and a peak gold value of 234 ppb Au.

The Olsen Well area comprises outcropping felsic and intermediate gneisses with poorly developed skeletal soils, and alluvium in low lying areas. Falcon recently completed a 465-sample ultrafine soil survey (see Figure 15), consisting of three phases:

1. **Orientation sampling** around the previous peak result of 234 ppb Au - this was undertaken to verify previous results and assess the optimum spacing to undertake the soil sampling program;
2. **Infill sampling** of the main anomaly - 50m x 300m spaced sampling undertaken over the main anomaly area; and
3. **Extensional sampling** along strike at 100m x 300m spacing.

The tighter spaced orientation sampling over the peak was collected at a nominal 12.5m x 75m spacing and returned four consecutive samples on the same line >0.5 g/t Au that included two consecutive samples >1 g/t Au (see Figure 16). The extensional sampling was successful in increasing the strike extent of the anomaly at a >10ppb Au threshold from 3km to 5.8km length.

Additional sampling has recently been completed and once results are available the planning for drill testing in FY26 will commence.

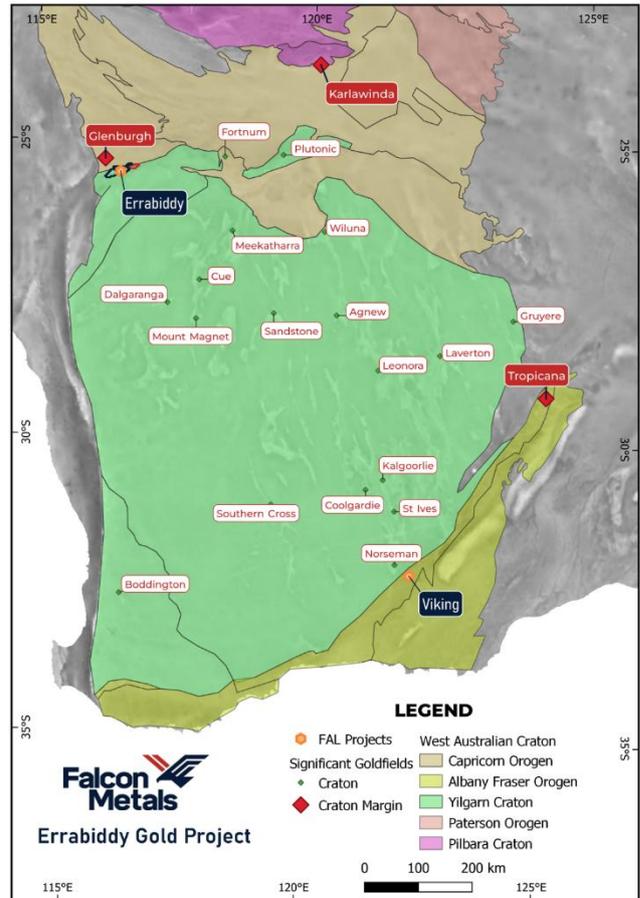


Figure 13 Location of the Errabiddy Gold Project

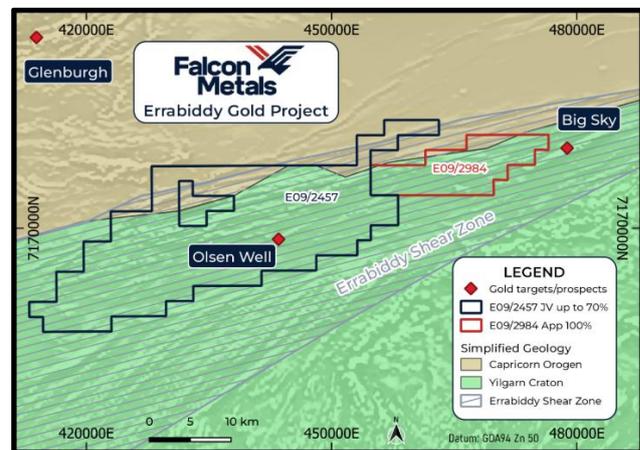
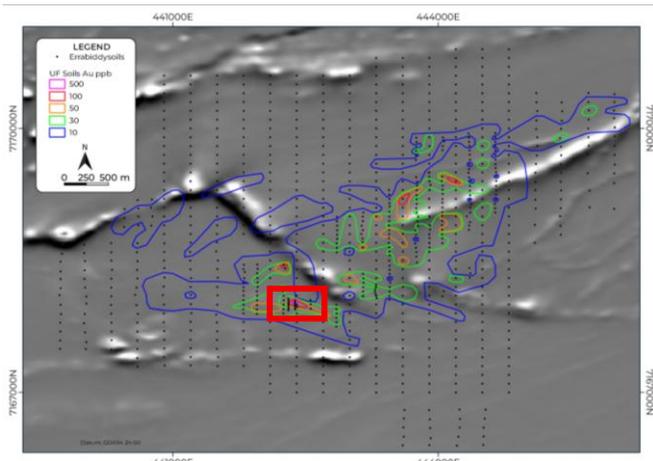
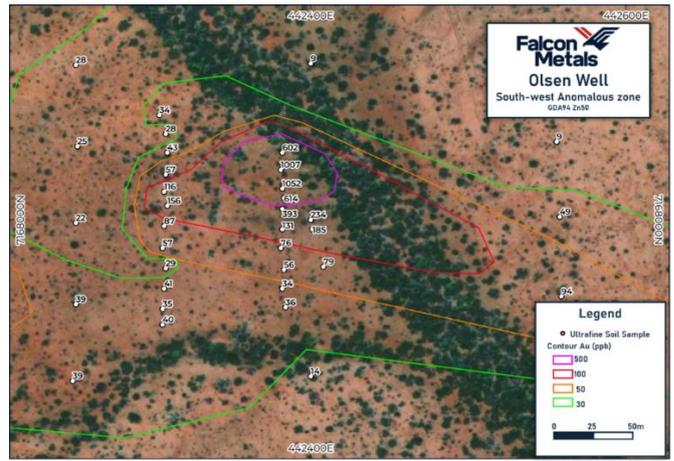


Figure 14 Errabiddy Gold Project tenements

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**Figure 15** Soil anomaly at the Olsen Well Target on detailed magnetic image (second vertical derivative) showing inset for Figure 16



**Figure 16** South-west anomalous zone at Olsen Well with two ultrafine soil samples >1 g/t Au

**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*

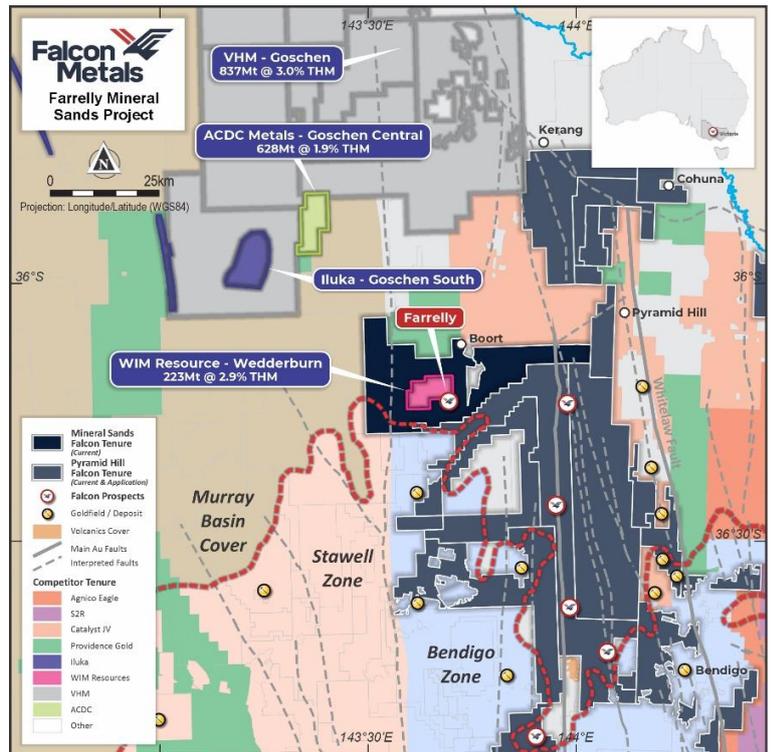
**Farrelly Mineral Sands Project**

During the year, Falcon completed a preliminary metallurgical assessment on its Farrelly Mineral Sands Deposit located 12km south of Boort in Victoria (see Figure 17).

**Metallurgical Sighter Test**

A 65-kilogram sample, with a Total Heavy Mineral (THM) grade of 12.2% THM, was composited from the existing aircore samples for a sighter test conducted by Allied Mineral Laboratories in Perth, Western Australia. The objective of the sighter test work was to identify any potential processing issues at the early exploration stage, in addition to providing data on the potential mineral products of the deposit including sizing, mineralogy and geochemistry.

The test work results are positive, with no notable processing issues identified. It also demonstrates the potential for high recoveries of minerals sands concentrates including zircon, ilmenite, rutile, leucoxene and monazite. Future work will focus on optimising the process flowsheet and recoveries, and refinement of product quality. Preliminary results on slimes (<38 µm size) confirmed typical flocculent addition and high settling rates can be achieved using conventional technology and methods.



**Figure 17** Location of the Farrelly Project

**Mineralogical Test Work (QEMSCAN)**

Following these positive sighter test results, eight samples were selected for Quantitative Evaluation of Minerals by SCANning electron microscopy (QEMSCAN), including six concentrates produced from the sighter test. These were done to gain more detail on the quality and sizing of the concentrates, and the heavy minerals they contain. QEMSCAN provides bulk mineralogy, particle grain size and shape, mineral associations and mineral liberation data. It is the standard analytical method for providing quantitative evaluation of minerals.

The test work results are positive, with the valuable heavy minerals shown to be clean with negligible iron staining or clay content. It also further confirmed the Farrelly high-grade zone can produce a concentrate from conventional processing methods without any notable issues. Additional work is recommended including refinement of the ilmenite streams to remove minor accessory minerals such as chromite, and for additional quantitative analysis to better understand the Rare Earth Element (REE) content of the monazite stream, which was also confirmed to contain xenotime. Further drilling is required to provide sufficient sample to complete the recommended test program. The timing of this test work is uncertain and dependent on securing land access for this follow-up drilling, which would not only provide more material for metallurgical test work but is also needed to test the size extent of the high-grade Main Zone at Farrelly.

## **Land Access**

Falcon had been in communication with several of the landowners at the Farrelly deposit regarding consent for the next phase of low-impact exploration drilling, and despite constructive initial discussions, they decided against providing consent to access their respective properties at this time.

Falcon's attempts to discuss land access matters with the landowners in good faith has been unsuccessful to date. Falcon lodged a submission to the Office of the Mining Warden in Victoria, who has specialist expertise in land access matters such as this, to enable discussions to occur through a facilitated process, and to increase the likelihood of arriving at an appropriate outcome for the Company and the landowners. The Mining Warden has now informed Falcon that the landowners at Farrelly are currently unwilling to participate in a mediation process. Falcon is reviewing its options with regards to land access.

## **ASX Announcements on the Farrelly Mineral Sands Project**

- 29 August 2024 *Favourable Metallurgical Characteristics at Farrelly*
- 5 September 2024 *Land Access Update at the Farrelly Deposit*
- 24 March 2025 *Positive Mineralogical Results at Farrelly*

## **Mt Jackson Project**

During the year, Falcon completed AC and RC drilling at its 100%-owned Mt Jackson Gold and Base Metals Project, 110km north of Southern Cross in Western Australia. The program was the first drilling to take place at the project.

Falcon completed 124 aircore holes on the gold anomalies generated from soil sampling, including the central gold target which comprises a 1km-long north-south striking anomaly. The drilling confirmed the presence of a narrow, westerly dipping greenstone belt, which comprises mafic and ultramafic amphibolites, as well as quartz-mica schists. The aircore drilling results returned low-level anomalism considered of sufficient grade to explain these soil targets.

The RC program tested the four highest conductance plates generated from a moving-loop EM survey, coincident with Ni-Cu-PGE anomalous areas at the South target defined by soil sampling. An additional hole tested the large moderately conductive EM anomaly coincident with the Central gold target. In all cases, drilling intersected massive sulphides at the modelled depth, and the EM targets generated from the survey have been explained by the presence of thick (up to 30 metres) lenses of massive iron sulphides at the target depths, predominantly containing pyrite and pyrrhotite.

As the results from the aircore drilling were not considered significant, no further work was undertaken. The Mt Jackson Project was subsequently surrendered during the year.

## **ASX Announcements on the Mt Jackson Project**

- 27 September 2024 *Drilling Commences at Mt Jackson*
- 15 October 2024 *Maiden Drilling Program Completed at Mt Jackson*
- 23 January 2025 *Quarterly Activities/Appendix 5B Cash Flow Report*

## References used in the Operations Review

<sup>1</sup>2003, Bierlein et al., A comparison of orogenic gold mineralisation in central Victoria (AUS), western South Island (NZ) and Nova Scotia (CAN): implications for variations in the endowment of Palaeozoic metamorphic terrains

<sup>2</sup>Agnico Eagle website – Resource and Reserve Statement and Fosterville Gold Mine, Victoria, Australia Updated NI 43-101 Technical Report – Apr 1, 2019

<sup>3</sup>November 2022 Catalyst Metals Ltd, AGM Presentation slide 13

<sup>4</sup>November 2003 Fraser et al, The Role of Historical Research in the Development of the 'New Bendigo' Gold Project, Central Victoria

<sup>5</sup><https://www.anglogoldashanti.com/>

<sup>6</sup><https://capmetals.com.au/investor-centre/presentations> "Presentation Diggers & Dealers August 2024

<sup>7</sup>ASX announcement: LSR 20 October 2015 "Extremely high-grade gold up to 105g/t in RC drilling at Big sky"

<sup>8</sup>ASX announcement: BNZ 6 November 2024 "Benz to acquire WA gold projects from Spartan Resources"

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## OPERATING AND FINANCIAL RISK

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 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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# Directors' Report

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 2025.

## 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 \$4,934,271 (2024: \$5,560,003).

Exploration and evaluation expenditure during the year were \$3,251,015 (2024: \$4,287,595). The Group continued the exploration program at its flagship Pyramid Hill Project incurring \$1,368,597 in the process of completing 18,242m of gold aircore drilling, compared to 39,850m completed in the previous year. The reduction in exploration expenditure compared to the previous year is directly correlated to the smaller exploration program at Pyramid Hill as significant progress is made on recognisance and infill drilling across its large land holding, and areas are prioritised or downgraded based on its potential. Towards the end of the financial year, the Group commenced diamond drilling at the Blue Moon Prospect, which subsequently returned high-grade mineralisation with visual gold, and will be the focus of drilling in FY2026.

The Group also incurred \$544,851 on mineral sands exploration, including completing 2,161m of regional aircore drilling, and preliminary mineralogical and metallurgical test work. The Group did not undertake further drilling at the Farrelly Mineral Sands Project, as land access remains at an impasse with landholders. In addition, the Group incurred \$614,764 on aircore and RC drilling at the Mount Jackson Project, which downgraded its potential, and was subsequently surrendered. The Group also incurred \$117,198 on a soil sampling program at the Errabiddy Gold Project. A further \$56,734 were incurred on other projects, including the Viking Gold Project, which subsequent to the end of the year was disposed.

The Group incurred \$1,753,923 (2024: \$1,906,099) on employee benefits expenses, of which \$943,640 (2024: \$1,101,092) was directly related to its exploration activities. Employee benefits expense was broadly in line with the previous year taking into account the level of activity during the year. In addition, the Group incurred \$424,206 (2024: \$584,246) on share-based payments issued to directors and employees. The reduction in share-based payment is related to the vesting of part of the pre-IPO options.

The Group incurred \$614,557 (2024: \$593,875) in administrative expenses, primarily related to listing and compliance, investor relations and insurance. Administrative expenses were higher primarily due to an increase in business development activities.

The Group also earned \$451,435 (2024: \$706,382) in interest income from short term deposits. The group recognised a fair value loss of \$196,227 from its investment in a listed entity (2024: Gain of \$59,060).

At 30 June 2025, the Group had net assets of \$7,714,880 (2024: \$12,224,945), which primarily consisted of cash and cash equivalents of \$7,826,627 and receivables from bonds and deposits. Net current assets at 30 June 2025 were \$7,437,853 (30 June 2024: \$11,735,311). The Group has adopted an accounting policy to expense all exploration and evaluation expenditure.

The Group had net cash outflows from operating activities of \$3,929,155 (2024: \$5,045,821), including \$3,028,384 (2024: \$4,457,264) on exploration and evaluation activities. The cash at the end of the period was \$7,826,627 (30 June 2024: \$11,815,755).

### **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 1 July 2025, the Company issued 1,820,000 share options to employees with an exercise price of \$0.20 per share, being a 50% premium to the 20-day VWAP up to grant date. The options issued expire on 30 June 2028 and 30 June 2029. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 3,760,000 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 3 July 2025, the Company announced the confirmation of Bendigo-style mineralisation at the Blue Moon Prospect following visual gold observed from the first hole drilled which returned narrow high-grade gold bearing quartz lodes. On 11 July 2025, the Company announced that the first wedge hole at Blue Moon intersected 1.2m @ 543 g/t Au from 544.2m in a laminated quartz vein containing visual gold. On 5 August 2025, Falcon also announced that visible gold was present in multiple stacked veins at Blue Moon.

On 22 July 2025, the Company announced that the Olsen Well soil anomaly at the Errabiddy Gold Project was extended to 5.8km strike.

On 13 August 2025, the Company executed a binding sale agreement to dispose a 51% interest in the Viking Gold Project to Mount Burgess Mining (ASX:MTB) for 66,666,667 fully paid ordinary shares, 16,666,667 options exercisable at \$0.01 expiring 3 years from issue and 16,666,667 options exercisable at \$0.015 expiring 4 years from issue. Following the issue of the shares, which is subject to Mount Burgess Mining shareholder approval, Falcon will become a substantial shareholder of Mount Burgess Mining.

On 15 August 2025, the Company announced a well-supported \$20 million capital raise via placement to high-quality institutions to accelerate exploration activities at Blue Moon. The placement comprised the issue of 35,087,720 new fully paid ordinary shares in the Company issued using the Company's existing capacity under ASX Listing Rule 7.1 (26,133,596 shares) and ASX Listing Rule 7.1A (8,954,124 shares). The placement was completed at \$0.57 per share representing a 9.5% discount to the last traded price of \$0.63 and a 3.1% discount to the 10-day VWAP of \$0.589.

### **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-times 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 (TSX.V:OZ)		
Former Directorships	N/A		
Interest in Shares	1,270,000	Interest in Options	3,260,000

### 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	322,272	Interest in Options	3,580,000

### Alexander Dorsch

#### Non-executive Director (Independent)

Qualifications	BEng (Mechanical) (Honours First Class) and BFin		
Experience	Alex Dorsch was appointed Managing Director of Chalice in November 2018, having joined the company in late 2017. Alex has lead 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	Nil		
Interest in Shares	3,090,595	Interest in Options	2,075,000

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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	Yandal Resources Limited (ASX:YRL)		
Former Directorships	N/A		
Interest in Shares	199,279	Interest in Options	1,040,000

## 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 2025, 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	7	7	2	2	2	2
Timothy Markwell	7	7	NA	NA	NA	NA
Alexander Dorsch	7	7	2	2	2	2
Katina Law	7	7	2	2	2	2

## 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.

The Remuneration and Nomination Committee determined the amount of the fees paid to each non-executive director. All Directors are offered 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 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 2024 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2024 was passed on a poll with 98.84% 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*

<b>KMP</b>	<b>Position held - 30 June 2025</b>	<b>Contract details (duration &amp; termination)</b>
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: \$270,000 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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# Directors' Report

## 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	2025	80,718	9,282	-	72,753	162,753	55%	45%
	2024	81,081	8,919	-	149,244	239,244	38%	62%
T Markwell	2025	304,568	29,932	2,699	80,694	417,893	81%	19%
	2024	283,500	31,185	1,361	152,470	468,516	67%	33%
A Dorsch	2025	53,582	1,418	-	47,587	102,587	54%	46%
	2024	53,637	1,363	-	80,816	135,816	40%	60%
K Law	2025	49,327	5,673	-	28,069	83,069	66%	34%
	2024	37,162	4,088	-	10,667	51,917	79%	21%
<b>Total</b>	<b>2025</b>	<b>488,195</b>	<b>46,305</b>	<b>2,699</b>	<b>229,103</b>	<b>766,302</b>		
<b>Total</b>	<b>2024</b>	<b>455,380</b>	<b>45,555</b>	<b>1,361</b>	<b>393,197</b>	<b>895,493</b>		

There were no cash bonuses, or other short term performance related bonuses, made to any KMP in the financial year ended 30 June 2025 (2024: 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 2025	Balance at beginning of year/on appointment	Acquired during the year	Disposed during the year	Balance at the end of the year
M Bennett	598,694	601,306	-	1,200,000
T Markwell	202,272	50,000	-	252,272
A Dorsch	2,940,595	-	-	2,940,595
K Law	70,000	129,279	-	199,279

No shares were issued to key management personnel during the year ended 30 June 2025. Subsequent to the end of the year, 290,000 shares were issued to key management personnel following the exercise of options.

#### KMP Options

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

## Directors' Report

Each 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 options vest as specified when the options are issued.

The Company aims to limit outstanding share options to 10% of the issued capital when possible. At 30 June 2025, the outstanding share options were 15,383,500, representing 8.7% of the issued capital. As of the date of this report, the outstanding share options were 16,279,750, representing 7.7% of the issued capital following the additional shares issued in the capital raising. A further 3,760,000 share options issued to directors on 1 July 2025 are subject to shareholder approval at the 2025 Annual General Meeting, following which the number of outstanding options will be 20,039,750, representing 9.4% of the issued capital.

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

30 June 2025	Balance at beginning of year or appointment	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	4,640,000	640,000	-	(1,770,000)	3,510,000	2,445,000
T Markwell	4,800,000	800,000	-	(1,770,000)	3,830,000	2,525,000
A Dorsch	2,570,000	540,000	-	(885,000)	2,225,000	1,410,000
K Law	500,000	540,000	-	-	1,040,000	125,000

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 %
O	1,260,000	15/07/2024	30/06/2027	\$0.38	\$0.0544	-
P	1,260,000	15/07/2024	30/09/2028	\$0.38	\$0.0703	-

The options issued to directors were granted on 15 July 2024 but approved by the shareholders at the Annual General Meeting held on 28 November 2024.

### *Other Transactions with KMP and their Related Entities*

There were no other transactions with KMP and their related entities (2024: 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.

## 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
15 December 2021	15 December 2025	\$0.75	5,398,500
8 August 2022	31 July 2026	\$0.36	1,131,250
4 July 2023	30 June 2026	\$0.35	1,300,000
4 July 2023	30 June 2027	\$0.35	1,430,000
1 October 2023	30 September 2026	\$0.24	250,000
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	80,000
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	910,000
1 July 2025	30 June 2029	\$0.20	910,000
4 August 2025	31 July 2028	\$0.65	500,000

No person entitled to exercise the 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 3,760,000 share options to directors of the Company, subject to shareholder approval at the Annual General Meeting.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no shares issued on the exercise of options during the year ended 30 June 2025. Subsequent to the end of the financial year, 501,897 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.

## 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**  
2 September 2025  
Melbourne

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**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 2025, 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  
2 September 2025



**M R Ohm**  
Partner

**hlb.com.au**

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## FOR THE YEAR ENDED 30 JUNE 2025



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	Notes	30 June 2025	30 June 2024
		\$	\$
Other income		450,073	706,382
Fair value (loss)/gain on financial asset		(196,227)	59,060
Exploration and evaluation expense	4	(3,251,015)	(4,287,595)
Employee benefits expense		(810,283)	(760,129)
Share-based payments	3, 14	(424,206)	(584,246)
Administration expenses		(614,557)	(593,875)
Depreciation expense		(75,873)	(73,845)
Finance costs		(12,183)	(25,755)
<b>Loss before income tax</b>		<b>(4,934,271)</b>	<b>(5,560,003)</b>
Income tax expense	5	-	-
<b>Loss for the year</b>		<b>(4,934,271)</b>	<b>(5,560,003)</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(4,934,271)</b>	<b>(5,560,003)</b>
<b>Loss per share</b>			
Basic and diluted loss per share (cents)	16	(2.8)	(3.1)

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position

AS AT 30 JUNE 2025



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	Notes	30 June 2025 \$	30 June 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	7,826,627	11,815,755
Trade and other receivables	7	446,810	484,759
<b>Total current assets</b>		<b>8,273,437</b>	<b>12,300,514</b>
<b>Non-current assets</b>			
Other receivables	7	28,240	28,240
Plant and equipment	8	128,496	147,708
Right-of-use asset	9	63,122	102,634
Financial asset	10	104,799	302,669
<b>Total non-current assets</b>		<b>324,657</b>	<b>581,251</b>
<b>Total assets</b>		<b>8,598,094</b>	<b>12,881,765</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	665,488	407,970
Lease liabilities	12	50,441	39,866
Provisions		119,655	117,367
<b>Total current liabilities</b>		<b>835,584</b>	<b>565,203</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	37,182	87,624
Provisions		10,448	3,993
<b>Total non-liabilities</b>		<b>47,630</b>	<b>91,617</b>
<b>Total liabilities</b>		<b>883,214</b>	<b>656,820</b>
<b>Net assets</b>		<b>7,714,880</b>	<b>12,224,945</b>
<b>EQUITY</b>			
Issued capital	13	87,451,842	87,451,842
Reserves	15	1,940,495	2,693,739
Accumulated losses		(81,677,457)	(77,920,636)
<b>Total equity</b>		<b>7,714,880</b>	<b>12,224,945</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2025



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	Issued Capital \$	Share based payment reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2023</b>	<b>87,451,842</b>	<b>2,109,493</b>	<b>(72,360,633)</b>	<b>17,200,702</b>
Loss for the year	-	-	(5,560,003)	<b>(5,560,003)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(5,560,003)</b>	<b>(5,560,003)</b>
<b>Transactions with owners in their capacity as owners</b>				
Share-based payments	-	584,246	-	<b>584,246</b>
<b>Balance at 30 June 2024</b>	<b>87,451,842</b>	<b>2,693,739</b>	<b>(77,920,636)</b>	<b>12,224,945</b>
Loss for the year	-	-	(4,934,271)	<b>(4,934,271)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(4,934,271)</b>	<b>(4,934,271)</b>
<b>Transactions with owners in their capacity as owners</b>				
Share-based payments expense	-	424,206	-	<b>424,206</b>
Reclassified to accumulated losses on expiry of options	-	(1,177,450)	1,177,450	-
<b>Balance at 30 June 2025</b>	<b>87,451,842</b>	<b>1,940,495</b>	<b>(81,677,457)</b>	<b>7,714,880</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2025



		30 June 2025	30 June 2024
		\$	\$
<b>Cash flows from operating activities</b>			
Interest received		486,734	729,360
Payments to suppliers and employees		(1,387,505)	(1,317,917)
Payments for exploration and evaluation		(3,028,384)	(4,457,264)
<b>Net cash outflow from operating activities</b>	6	<b>(3,929,155)</b>	<b>(5,045,821)</b>
<b>Cash flows from investing activities</b>			
Payments of property, plant and equipment		(18,511)	(43,812)
Payments for financial assets		-	(255,394)
Refund of/(Payments for) security deposits		8,990	(98,500)
<b>Net cash outflow from investing activities</b>		<b>(9,521)</b>	<b>(397,706)</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	12	(50,452)	(45,923)
<b>Net cash outflow from financing activities</b>		<b>(50,452)</b>	<b>(45,923)</b>
<b>Net decrease in cash held</b>		<b>(3,989,128)</b>	<b>(5,489,450)</b>
Cash at the beginning of the financial year		11,815,755	17,305,205
<b>Cash at the end of the financial year</b>	6	<b>7,826,627</b>	<b>11,815,755</b>

The accompanying notes form part of these financial statements.

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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 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 2 September 2025. 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 and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

#### *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 2025 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.

### 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 when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

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.

Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

### 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.

### 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.

### 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 \$4,934,271 (2024: \$5,560,003) and had cash outflows from operating activities of \$3,929,155 (2024: \$5,045,821) for the year ended 30 June 2025. As at that date, the Company had net current assets of \$7,437,853 (30 June 2024: \$11,735,311). Subsequent to the end of the financial year, the Company has strengthened its balance sheet by raising additional capital of \$20 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.

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 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 2025	30 June 2024
	\$	\$
Depreciation	36,361	34,005
Depreciation – Right-of-Use Assets	39,512	39,840
Interest and finance charges on lease liabilities	10,585	13,901
Superannuation expense	163,534	172,801
Share-based payment expense	424,206	584,246

## 4. Exploration and evaluation expense

	30 June 2025	30 June 2024
	\$	\$
Expenditure incurred during the year	3,251,015	4,287,595

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 incurred. The cumulative exploration expenditure incurred since the acquisition of the projects are as follows:

	Cumulative Expenditure
	\$
Blue Moon Gold Prospect (VIC)	466,476
Pyramid Hill Gold Project (VIC)	12,857,509
Farrelly Mineral Sands Project (VIC)	1,444,417
Errabiddy Gold Project (WA)	117,198
<b>Cumulative Exploration Expenditure Incurred</b>	<b>14,885,600</b>

The Company has previously incurred a total \$2,489,398 on the Mount Jackson Project, Viking Gold Project and Basin Edge (Hawkstone Project), which have either been surrendered, disposed or subject to third party earn-in.

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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 5. Income tax expense

	30 June 2025 \$	30 June 2024 \$
<i>Income tax expense</i>		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total income tax (expense)/benefit	-	-
<i>Deferred tax balances not recognised</i>		
Deferred tax assets	6,871,919	5,548,603
Deferred tax liabilities	(83,346)	(112,756)
Net deferred tax assets/(liabilities) not recognised	<b>6,788,573</b>	<b>5,435,847</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax	(4,934,271)	(5,560,003)
Tax at the statutory tax rate of 30%	(1,480,281)	(1,668,001)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Share-based payments	127,262	175,274
Others	768	1,529
Deferred tax assets not recognised	1,352,251	1,491,198
Income tax expense	-	-

The benefit from tax losses totalling \$6,584,592 (2024: \$5,202,230) 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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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025



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## 6. Cash and cash equivalents

	30 June 2025	30 June 2024
	\$	\$
Cash at bank and on hand	7,826,627	11,815,755
Reconciliation of loss after income tax to net cash used in operating activities:		
	30 June 2025	30 June 2024
	\$	\$
Loss after income tax expense for the year	(4,934,271)	(5,560,003)
<i>Adjustments for:</i>		
Share-based payments	424,206	584,246
Depreciation	75,873	73,845
Finance costs	10,584	13,901
Unrealised foreign currency loss	1,587	8,940
Fair value loss/(gain) on financial assets	197,589	(59,060)
<i>Changes in operating assets and liabilities</i>		
Decrease in trade and other receivables	47,653	50,314
Increase in prepayments	(18,636)	(9,730)
Increase/(Decrease) in trade and other payables	257,517	(204,917)
Increase in employee benefits	8,743	56,643
<b>Net cash used in operating activities</b>	<b>(3,929,155)</b>	<b>(5,045,821)</b>

## 7. Trade and other receivables

	30 June 2025	30 June 2024
	\$	\$
<i>Current</i>		
Interest receivable	49,752	90,886
GST receivable	46,864	53,325
Prepayments (a)	133,416	114,780
Security deposits	216,777	225,767
Other debtors	1	1
	<b>446,810</b>	<b>484,759</b>
<i>Non-current</i>		
Security deposits	28,240	28,240
	<b>28,240</b>	<b>28,240</b>

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

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 8. Property, plant and equipment

	30 June 2025	30 June 2024
	\$	\$
Plant & equipment – at cost	165,851	154,828
Less: Accumulated depreciation	(62,932)	(41,805)
	<b>102,919</b>	<b>113,023</b>
Computer equipment – at cost	31,799	29,189
Less: Accumulated depreciation	(28,841)	(20,627)
	<b>2,958</b>	<b>8,562</b>
Office equipment – at cost	10,564	7,584
Less: Accumulated depreciation	(3,973)	(2,253)
	<b>6,591</b>	<b>5,331</b>
Motor vehicles – at cost	25,416	25,416
Less: Accumulated depreciation	(9,388)	(4,624)
	<b>16,028</b>	<b>20,792</b>
<b>Property, plant and equipment – at cost</b>	<b>233,629</b>	<b>217,017</b>
<b>Less: Accumulated depreciation</b>	<b>(105,133)</b>	<b>(69,309)</b>
	<b>128,496</b>	<b>147,708</b>

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 \$
<b>Balance at 30 June 2023</b>	<b>110,567</b>	<b>18,353</b>	<b>5,146</b>	<b>3,678</b>	<b>137,744</b>
Additions	21,726	-	1,359	20,884	<b>43,969</b>
Depreciation	(19,270)	(9,791)	(1,174)	(3,770)	<b>(34,005)</b>
<b>Balance at 30 June 2024</b>	<b>113,023</b>	<b>8,562</b>	<b>5,331</b>	<b>20,792</b>	<b>147,708</b>
Additions	12,921	2,610	2,980	-	<b>18,511</b>
Disposal	(1,362)	-	-	-	<b>(1,362)</b>
Depreciation	(21,663)	(8,214)	(1,720)	(4,764)	<b>(36,361)</b>
<b>Balance at 30 June 2025</b>	<b>102,919</b>	<b>2,958</b>	<b>6,591</b>	<b>16,028</b>	<b>128,496</b>

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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 9. Right of use assets

	30 June 2025	30 June 2024
	\$	\$
Office lease – Right of use	189,366	189,366
Less: Accumulated depreciation	(126,244)	(88,371)
	<b>63,122</b>	<b>100,995</b>
Plant and equipment – Right of use	5,901	5,901
Less: Accumulated depreciation	(5,901)	(4,262)
	<b>-</b>	<b>1,639</b>
<b>Right of use assets</b>	<b>195,267</b>	<b>195,267</b>
<b>Less: Accumulated depreciation</b>	<b>(132,145)</b>	<b>(92,633)</b>
	<b>63,122</b>	<b>102,634</b>

Additions to the right-of-use assets during the year were nil (2024: nil).

The Company entered into a lease agreement for its office in May 2022 and also leases a photocopier. The initial lease term of the office of three years has been extend a further two years; and the term for the photocopier is three years. The leases are reflected in the Statement of Financial Position as right-of use assets and lease liabilities assuming duration of 5 years and 3 years respectively.

## 10. Financial asset

Financial assets represent shares and warrants held in a listed entity. There were no changes in the Company's holdings during the financial year. A revaluation loss of \$197,870 was recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## 11. Trade and other payables

	30 June 2025	30 June 2024
	\$	\$
Trade creditors	490,110	184,253
Accrued expenses	57,371	74,264
Other creditors	118,007	149,453
	<b>665,488</b>	<b>407,970</b>

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 12. Lease liabilities

	30 June 2025	30 June 2024
	\$	\$
Current	50,441	39,866
Non-current	37,182	87,624
	<b>87,623</b>	<b>127,490</b>

Changes in liabilities arising from financing activities

	30 June 2025	30 June 2024
	\$	\$
Balance at the start of the year	127,490	159,512
Repayment of liability	(50,452)	(45,923)
Non-cash interest expense	10,585	13,901
<b>Balance at the end of the year</b>	<b>87,623</b>	<b>127,490</b>

## 13. Issued capital

	2025 Shares	2025 \$	2024 Shares	2024 \$
Ordinary shares – fully paid	177,000,000	87,451,842	177,000,000	87,451,842
On issue at the beginning of the year/on incorporation	177,000,000	87,451,842	177,000,000	87,451,842
On issue at the end of the year	177,000,000	87,451,842	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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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 14. Share-based payment transactions

						30 June 2025	30 June 2024	
						\$	\$	
Options – recognised as a Share-based Payment Expense						424,206	584,246	
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	15/12/2024	\$0.75	5,398,500	-	-	(5,398,500)	-	-
15/12/2021	15/12/2025	\$0.75	5,398,500	-	-	-	5,398,500	5,398,500
8/08/2022	31/7/2025	\$0.36	1,412,500	-	-	(200,000)	1,212,500	1,212,500
8/08/2022	31/7/2026	\$0.36	1,412,500	-	-	(200,000)	1,212,500	1,212,500
4/07/2023	30/06/2026	\$0.35	1,510,000	-	-	(80,000)	1,430,000	1,430,000
4/07/2023	30/06/2027	\$0.35	1,510,000	-	-	(80,000)	1,430,000	-
1/10/2023	30/09/2026	\$0.24	250,000	-	-	-	250,000	125,000
1/10/2023	30/09/2027	\$0.24	250,000	-	-	-	250,000	-
15/07/2024	30/06/2027	\$0.38	-	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	-
			<b>17,142,000</b>	<b>4,200,000</b>	-	<b>(5,958,500)</b>	<b>15,383,500</b>	<b>9,378,500</b>

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
		\$	\$	%	%		\$	\$
15/07/2024	30/06/2027	0.26	0.38	100	-	660,000	0.1442	95,172
15/07/2024	30/06/2028	0.26	0.38	100	-	660,000	0.1661	109,626
15/07/2024	30/06/2027	0.14	0.38	100	-	1,260,000	0.0544	68,544
15/07/2024	30/06/2028	0.14	0.38	100	-	1,260,000	0.0703	88,578
25/02/2025	31/01/2028	0.13	0.20	159	-	80,000	0.1012	8,096
25/02/2025	31/01/2029	0.13	0.20	159	-	80,000	0.1046	8,368
05/03/2025	05/03/2028	0.11	0.20	159	-	200,000	0.0885	17,700

The options issued to directors were granted on 15 July 2024 but approved by the shareholders at the Annual General Meeting held on 28 November 2024.

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 conditions is waived at the Board of Director's discretion.

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 15. Reserves

	30 June 2025	30 June 2024
	\$	\$
<b>Reserves</b>		
Share-based payments reserve	1,940,495	2,693,739
<b>Movements</b>		
Balance at beginning of the year	2,693,739	2,109,493
Share-based payments expense for the year	424,206	584,246
Transferred to Accumulated Losses – expiry of options	(1,177,450)	-
<b>Balance at end of the year</b>	<b>1,940,495</b>	<b>2,693,739</b>

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 2025	30 June 2024
	\$	\$
Loss after income tax	(4,934,271)	(5,560,003)
Weighted average number of ordinary shares used in calculating basic loss per share	177,000,000	177,000,000
Basic and diluted earnings/(loss) per share (cents)	(2.8)	(3.1)

## 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.

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 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.

## 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 2025 would decrease/increase by approximately \$45,144 (2024: \$70,638).

## Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

## 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
		\$	\$	\$	\$	\$	\$
<b>30 June 2025</b>							
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)
<b>30 June 2024</b>							
Trade and other payables		(407,970)	(407,970)	-	-	-	(407,970)
Lease liabilities	10%	(127,490)	(3,920)	(7,840)	(38,692)	(95,199)	(145,651)

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# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 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
	\$	\$	\$	\$
<b>30 June 2025</b>				
<i>Assets</i>				
Ordinary shares in a listed entity	89,728	-	-	<b>89,728</b>
Warrants on listed entity investment	-	15,071	-	<b>15,071</b>
<b>Total assets</b>	<b>89,728</b>	<b>15,071</b>	<b>-</b>	<b>104,799</b>
<b>30 June 2024</b>				
<i>Assets</i>				
Ordinary shares in a listed entity	157,577	-	-	<b>157,577</b>
Warrants on listed entity investment	-	145,092	-	<b>145,092</b>
<b>Total assets</b>	<b>157,577</b>	<b>145,092</b>	<b>-</b>	<b>302,669</b>

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 warrants on listed entity investment was 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 2025	30 June 2024
	\$	\$
Short term employee benefits	488,195	455,380
Post-employment benefits	46,305	45,555
Long term benefits	2,699	1,361
Share based payments	229,103	393,197
	<b>766,302</b>	<b>895,493</b>

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## 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 2025 \$	30 June 2024 \$
<i>Audit Services – HLB Mann Judd</i>		
Audit or review of the financial statements	35,000	35,000

## 21. Related party transactions

2,520,000 options were issued to key management personnel during the year (2024: 2,360,000 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	3,769,711
- Between 12 months and 5 years	8,709,467
	<b>12,479,178</b>

## 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 2025 \$	30 June 2024 \$
Loss after tax	(3,756,821)	(5,560,003)
Total comprehensive loss	(3,756,821)	(5,560,003)

### Statement of financial position

	30 June 2025 \$	30 June 2024 \$
Total current assets	8,072,422	12,078,712
Total assets	8,598,093	12,881,764
Total current liabilities	835,583	565,203
Total liabilities	883,213	656,820
Equity		
Issued capital	87,451,842	87,451,842
Share based payment reserve	1,940,495	2,693,739
Accumulated losses	(81,677,457)	(77,920,636)
Total equity	<b>7,714,880</b>	<b>12,224,945</b>

# Notes to the Consolidated Financial Statements (continued)

FOR THE YEAR ENDED 30 JUNE 2025

## Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 (2024: nil).

## Capital commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 (2024: 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 2025	30 June 2024
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 1 July 2025, the Company issued 1,820,000 share options to employees with an exercise price of \$0.20 per share, being a 50% premium to the 20-day VWAP up to grant date. The options issued expire on 30 June 2028 and 30 June 2029. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 3,760,000 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 3 July 2025, the Company announced the confirmation of Bendigo-style mineralisation at the Blue Moon Prospect following visual gold observed from the first hole drilled which returned narrow high-grade gold bearing quartz lodes. On 11 July 2025, the Company announced that the first wedge hole at Blue Moon intersected 1.2m @ 543 g/t Au from 544.2m in a laminated quartz vein containing visual gold. On 5 August 2025, Falcon also announced that visible gold was present in multiple stacked veins at Blue Moon.

On 22 July 2025, the Company announced that the Olsen Well soil anomaly at the Errabiddy Gold Project was extended to 5.8km strike.

On 13 August 2025, the Falcon executed a binding sale agreement to dispose a 51% interest in the Viking Gold Project to Mount Burgess Mining (ASX:MTB) for 66,666,667 fully paid ordinary shares, 16,666,667 options exercisable at \$0.01 expiring 3 years from issue and 16,666,667 options exercisable at \$0.015 expiring 4 years from issue. Following the issue of the shares, which is subject to Mount Burgess Mining shareholder approval, Falcon will become a substantial shareholder of Mount Burgess Mining.

On 15 August 2025, the Company announced a well-supported \$20 million capital raise via placement to high-quality institutions to accelerate exploration activities at Blue Moon. The placement comprised the issue of 35,087,720 new fully paid ordinary shares in the Company issued using the Company's existing capacity under ASX Listing Rule 7.1 (26,133,596 shares) and ASX Listing Rule 7.1A (8,954,124 shares). The placement was completed at \$0.57 per share representing a 0.5% discount to the last traded price of \$0.63 and a 3.1% discount to the 10-day VWAP of \$0.589.

## 26. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2025 (2024: nil).

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### 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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# Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2025



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 2025 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**  
2 September 2025  
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 2025, 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 2025 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 our audit of the financial report 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
<p><b>Accounting for share-based payments</b> Refer to Note 14</p> <p>The Group has various share-based payment arrangements in place comprised of options issued with various vesting criteria and in varying tranches.</p> <p>We consider this to be a key audit matter as it is material to the users’ understanding of the financial statements, involves estimation and was a matter which required the most audit effort.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Reviewing the valuation of share-based payments entered into during the financial year;</li> <li>- Considering whether the determination of the current period vesting expense had been correctly determined for both current and prior period issues;</li> <li>- Ensuring share-based payment arrangements during the period had been treated appropriately in accordance with <i>AASB 2 Share-based Payment</i>;</li> <li>- Assessing whether management’s treatment of vesting conditions was reasonable; and</li> <li>- Ensuring disclosures within the financial statements were appropriate.</li> </ul>

*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 2025, 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

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 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.

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 2025.

In our opinion, the Remuneration Report of Falcon Metals Ltd for the year ended 30 June 2025 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**

**Perth, Western Australia**  
**2 September 2025**



**M R Ohm**  
**Partner**

The shareholder information set out below was applicable as at 29 August 2025.

## 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	495	0.09
1,001 to 5,000	1,557	2.06
5,001 to 10,000	681	2.45
10,001 to 100,000	1,209	18.27
100,001 and over	199	77.13
	<b>4,141</b>	<b>100.00</b>
Holding less than a marketable parcel	303	0.02

## Equity security holders

Twenty largest quoted equity security holders

	Ordinary Shares	
	Number Held	% of Total Shares Issued
CITICORP NOMINEES PTY LIMITED	21,713,156	10.68
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,446,601	8.26
BNP PARIBAS NOMINEES PTY LTD	14,530,139	6.83
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	10,366,611	4.88
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,971,894	4.22
MR TIMOTHY RUPERT BARR GOYDER	7,739,530	3.64
BNP PARIBAS NOMS PTY LTD	4,993,510	2.35
BUTTONWOOD NOMINEES PTY LTD	3,319,840	1.51
FINCLEAR SERVICES PTY LTD	3,187,740	1.50
MR TIMOTHY RUPERT BARR GOYDER	2,252,817	1.06
MR MATHEW DAVID WILSON	2,100,000	0.99
BREMERTON PTY LTD	1,759,067	0.83
LUNAR CO PTY LTD	1,659,535	0.78
MR SANJIN VATRIC	1,600,000	0.75
WARBONT NOMINEES PTY LTD	1,500,000	0.71
ALDAOUD PTY LTD	1,500,000	0.71
DYNAMIC PHOTOGRAPHY PTY LTD	1,500,000	0.71
LUNAR CO PTY LTD	1,431,060	0.67
MR IAN GEORGE KNIGHT	1,350,000	0.63
MR TIMOTHY RUPERT BARR GOYDER	1,334,052	0.63
<b>TOTAL</b>	<b>111,265,552</b>	<b>52.32</b>

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## Unquoted equity securities

Options over ordinary shares issued

Number on issue	Number of holders
16,279,750	18

## 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	17,737,061	8.34%
TIMOTHY R B GOYDER	16,487,460	7.75%
JUPITER ASSET MANAGEMENT LTD	11,130,472	5.23%

## 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 30/06/2025	Registered Holder / Applicant <sup>^</sup>
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 <sup>†</sup>	VIC	-*	Falcon Gold Resources Pty Ltd
	EL008678	VIC	-*	Falcon Gold Resources Pty Ltd
	EL008726	VIC	-*	Falcon Gold Resources Pty Ltd
	EL006549 <sup>&amp;</sup>	VIC	100%	PGM
Viking	E63/1963 <sup>#</sup>	WA	51%	Falcon Metals (WA) Pty LTD
	E63/1994 <sup>#</sup>	WA	-*	CGM (WA) <sup>^</sup>
Basin Edge	E04/2883 <sup>@</sup>	WA	100%	Falcon Metals (WA) Pty LTD
	E04/2884 <sup>@</sup>	WA	-*	Falcon Metals (WA) Pty LTD
Errabiddy	E09/2457 <sup>µ</sup>	WA	-	Errawarra Resources
	E09/2984	WA	-*	Falcon Metals (WA) Pty LTD
Longford	EL8/2024	TAS	100%	Falcon Metals Ltd

<sup>\*</sup>Applications

<sup>^</sup>Tenements registered to CGM (WA) Pty Ltd have an executed deed of transfer to Falcon

<sup>#</sup> E63/1963 was subject to an earn in agreement with Metals Hawk (MHK) whereby Falcon has earned 51% by spending \$1M and can earn further 19% by spending an additional \$1.75M. Subsequent to the end of the year, E63/1963 was divested to Mount Burgess Mining (MTB) and E63/1994 was withdrawn

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

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

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

<sup>†</sup>EL008581 was granted on 20 August 2025

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**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.

The information contained within this announcement relates to exploration results based on and fairly represents information compiled and reviewed by Mr Mark Gifford, a Competent Person who is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM). Mr Mark Gifford is an independent consultant for Falcon Metals Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gifford consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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