FALCON METALS LTD

Annual Report 2024

ACN 651 893 097

Falcon Metals

ASX: FAL

www.falconmetals.com.au

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Corporate directory

Directors

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

Company Secretary

Pradeep Subramaniam

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Securities Exchange Listing

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

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Perth WA 6000

Bankers

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Perth WA 6000

ABN: 87 651 893 097

Chairman's Letter

Dear Shareholders

It is my pleasure to welcome you to the Annual Report of Falcon Metals Limited (ASX: FAL) for the 2024 Financial Year.

As we reflect on the accomplishments of the past year and anticipate the opportunities ahead, I am pleased to share with you some significant developments at Falcon Metals. Our dedicated team has made considerable progress, particularly in our mineral sands exploration initiatives.

Farrelly Mineral Sands Project (Victoria)

Our initial efforts at the Farrelly Deposit have delivered remarkable results. The discovery is a testament to the management and exploration teams, who identified the opportunity for high-grade mineral sands deposits on our existing permits. Subsequent drilling intersected a continuous zone of thick high-grade heavy mineral sands mineralisation across an area of~1,200m x ~600m that is open in several directions.

Preliminary metallurgical test work conducted confirmed that this high-grade deposit has favourable metallurgical characteristics with no notable processing issues. In particular, we were pleased that the Heavy Mineral Concentrate (HMC) produced has a coarser grain size relative to other Victorian deposits, indicating potential for simplified processing and higher recoveries. Further test work is planned as we look to increase our understanding of this exciting new critical minerals discovery, and in this regard Falcon welcomes the opportunity to engage with landowners around Farrelly with the aim of gaining access to undertake further drilling to understand the extent of the deposit.

Pyramid Hill Gold Project (Victoria)

Falcon continues to advance systematic gold exploration across our expansive tenement holding at our Pyramid Hill Gold Project. In FY2024, Falcon completed 39,850 meters of aircore infill and reconnaissance drilling as part of our ongoing regional screening. Cumulatively, in excess of 200,000 meters of aircore drilling has now been completed throughout the 7,000 km^2 land holding, generating multiple targets for follow up drilling. Drilling will resume later in 2024 to continue the regional screening, as well as vectoring in on some of these higher priority targets.

Mt Jackson Project (Western Australia)

The Company received results from a ground Moving Loop Electromagnetic (MLEM) survey at Mt Jackon Project, which followed up on previous encouraging soil sampling results. The MLEM survey identified multiple conductors considered prospective for nickel-copper sulphide mineralisation, in addition to a well-defined gold soil anomaly. The Company is excited about the targets identified at Mt Jackson and has planned the maiden drilling program for October 2024. We look forward to the announcing the results later this year.

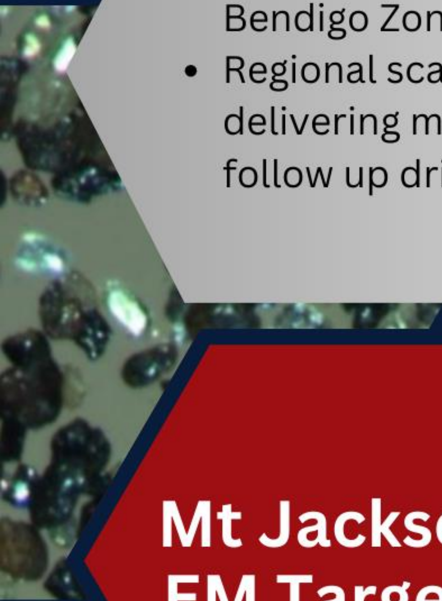
As we continue to advance our exploration programs both in Victoria and Western Australia, we remain committed to Falcon's founding purpose of "Shared value creation through major mineral discoveries" underpinned by our core values. Falcon believes that its successes should be shared by all stakeholders, including its shareholders, all levels of government, traditional owners, regional communities and landholders. We are excited about the prospects ahead and look forward to keeping you updated on our progress. Thank you for your continued support and confidence in Falcon Metals.

Dr Mark Bennett
Non-executive Chair

2024 Highlights

Farrelly Mineral Sands Discovery

- High-grade mineral sands discovery in Victoria's Murray Basin
- Open in several directions, some of the best holes on the edge of currently defined high-grade zone
- Positive metallurgical characteristics from sighter test



Pyramid Hill Exploration

- Largest land position in the prospective Bendigo Zone in Victoria
- Regional scale aircore drilling program delivering multiple gold targets for follow up drilling

Mt Jackson EM Targets

- 100% owned underexplored part of the Southern Cross Belt in WA
- Soil sampling and ground EM defined several high-priority drill targets for gold and base metals
- Maiden drilling program planned for October 2024

Corporate

- Highly decorated team with a history of finding 'company making' deposits
- Strong balance sheet - a unique platform to make significant discoveries

REVIEW OF ACTIVITIES

Falcon Metals Limited (ASX: FAL) ("Falcon" or "the Company") listed on the Australian Securities Exchange (ASX) on 22 December 2021 after completing its $30 million initial public offering (IPO). 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. The region hosts the world-class ~9Moz Fosterville Gold Mine, owned by Agnico Eagle (NYSE:AEM), and the historic ~22Moz Bendigo Goldfield.

In FY2024, Falcon successfully 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. These include WIM Resource's Wedderburn, VHM Limited's Goschen and Iluka Resources Limited's Goshen South deposits.

See Figure 1 for the location of Falcon's gold and mineral sands prospects.

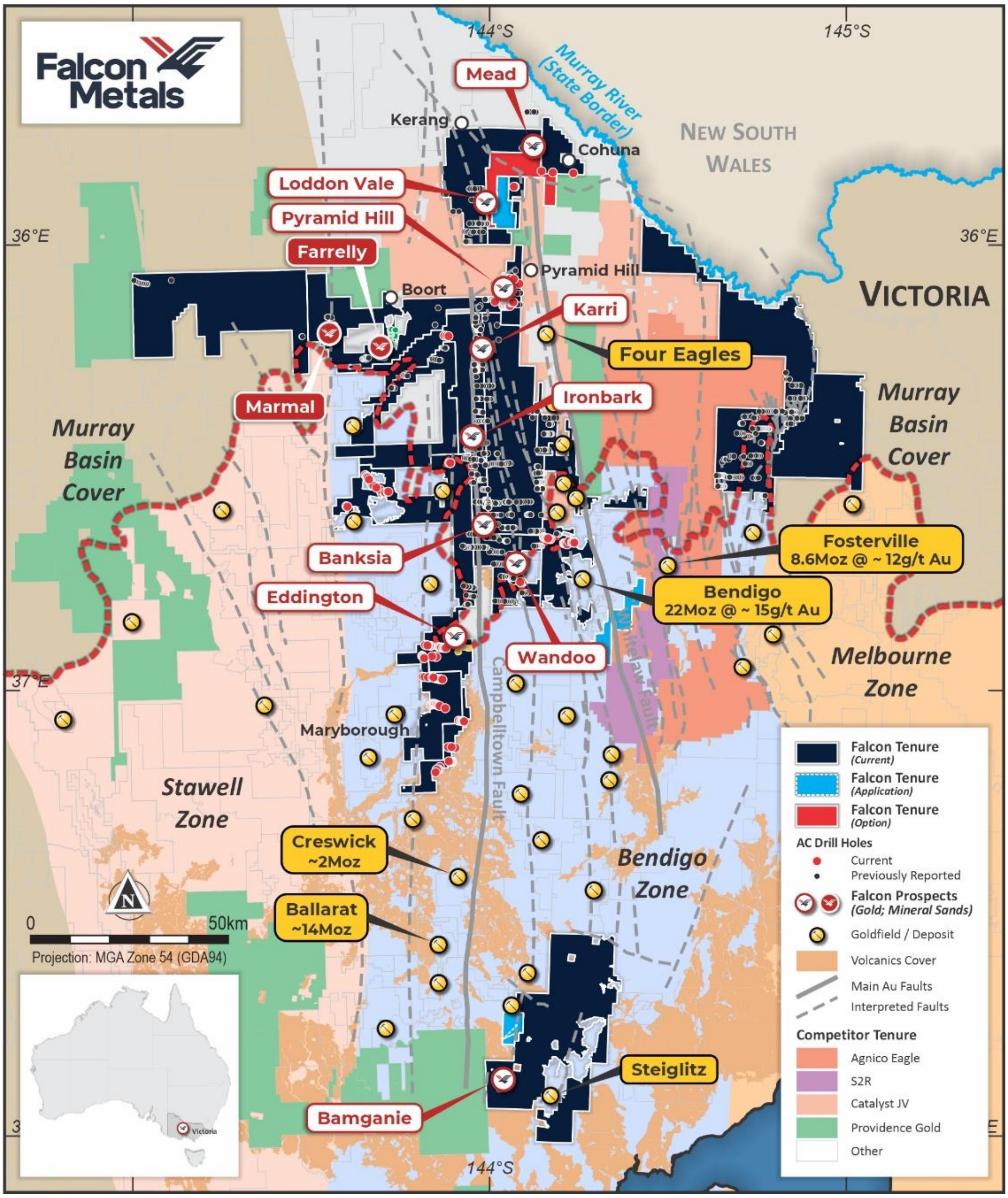


Figure 1 Location map of Falcon's Victorian Prospects

Farrelly Mineral Sands Discovery (VIC)

An external review of the Falcon ground position for mineral sands prospectivity was undertaken given its proximity to known mineral sands deposits in the Murray Basin (see Figure 2), and tenements EL007120 and EL006864 were identified as being highly prospective. A detailed review of public domain data was completed and identified several target areas that warranted drilling.

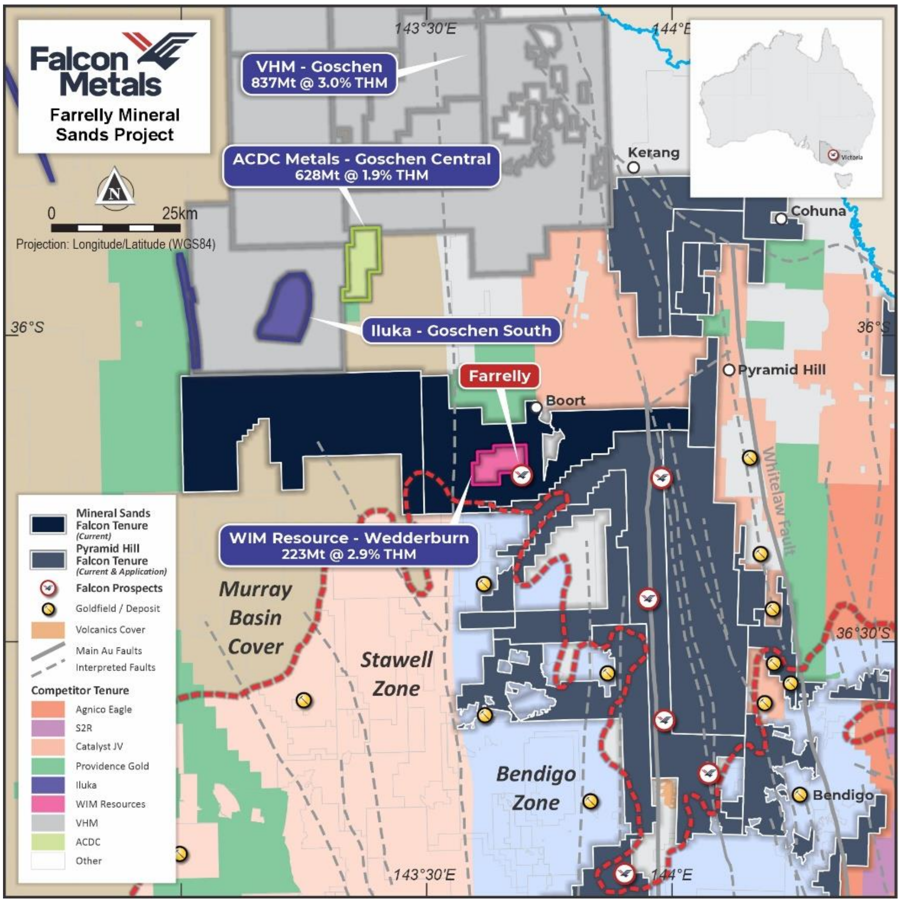


Figure 2 Location map of the Farrelly Mineral Sands Prospect and other Mineral Sands projects

Phase 1 Drilling

In March 2024 Falcon announced the results from its first drill program specifically targeting mineral sands within EL006864 and EL007120. High-grade results were returned from PHAC1803 and PHAC1804, approximately 5km east of the Wim Resource Wedderburn Deposit, with highlights[1] as follows:

- PHAC1803 17m @ 9.8% THM from 12m; including
  10m @ 15.3% THM from 16m, that also includes
  1m @ 21.6% THM from 16m
- PHAC1804 18m @ 5.5% THM from 13m; including
  4m @ 12.0% THM from 22

Over 5km north-northeast of these results, Falcon drilled a further three holes 200m apart which also returned anomalous results:

- PHAC1790 6m @ 4.8% THM from 8m
- PHAC1789 7m @ 2.1% THM from 10m
- PHAC1788 4m @ 2.9% THM from 11m

[1] ASX Announcement dated 4 March 2024 “High-grade Mineral Sands Intersected at Pyramid Hill”

The area of mineral sands mineralisation defined was named the Farrelly Prospect and detailed grain counting and sachet scanning completed on samples from these holes confirmed that the Valuable Heavy Mineral (VHM) assemblage was similar to other known deposits in the Murray Basin (see Table 1).

Table 1 Mineral suite results from sachet scanning from the Farrelly Prospect (VHM>1%)[1]

Hole ID	From	To	Interval	THM%	Zircon	Rutile	Leucoxene	Ilmenite	VHM%[2]	In Situ VHM%[3]
PHAC1788	11	15	4	2.9%	29%	10%	5%	31%	75%	2.2%
PHAC1789	10	17	7	2.1%	22%	13%	11%	36%	82%	1.7%
PHAC1790	8	14	6	4.8%	17%	5%	5%	18%	45%	2.2%
PHAC1803	12	29	17	9.8%	17%	7%	5%	26%	55%	5.4%
incl.	16	27	11	14.4%	20%	7%	5%	27%	59%	8.5%
that also incl.	16	17	1	21.6%	25%	10%	5%	20%	60%	13.0%
and	19	26	7	16.8%	20%	6%	5%	29%	60%	10.1%
PHAC1804	13	31	18	5.5%	14%	9%	5%	22%	50%	2.8%
incl.	20	27	7	10.7%	15%	11%	5%	24%	55%	5.9%
that also incl.	22	26	4	12.0%	15%	10%	5%	24%	54%	6.5%

[1] See ASX Announcement "High-grade Mineral Sands Intersected at Pyramid Hill" dated 4 March 2024
[2]VHM% is calculated by adding Zircon, Rutile, Leucoxene & Ilmenite (NB: Preliminary scanning does not include Monazite or Xenotime)
[3]In Situ VHM% is calculated by THM% multiplied by VHM%

Phase 2 Drilling

In May 2024 Falcon announced the results from the follow up aircore drilling program at Farrelly, with 91 holes drilled for 3,549m. This included a 200m grid around PHAC1803 and PHAC1804, as well as 200m spacing along roadsides testing for northern extensions to the mineralisation. Additional infill was also undertaken in high-grade zones to obtain sufficient material for subsequent test work and to aid in determining an appropriate drill spacing for future resource drilling purposes.

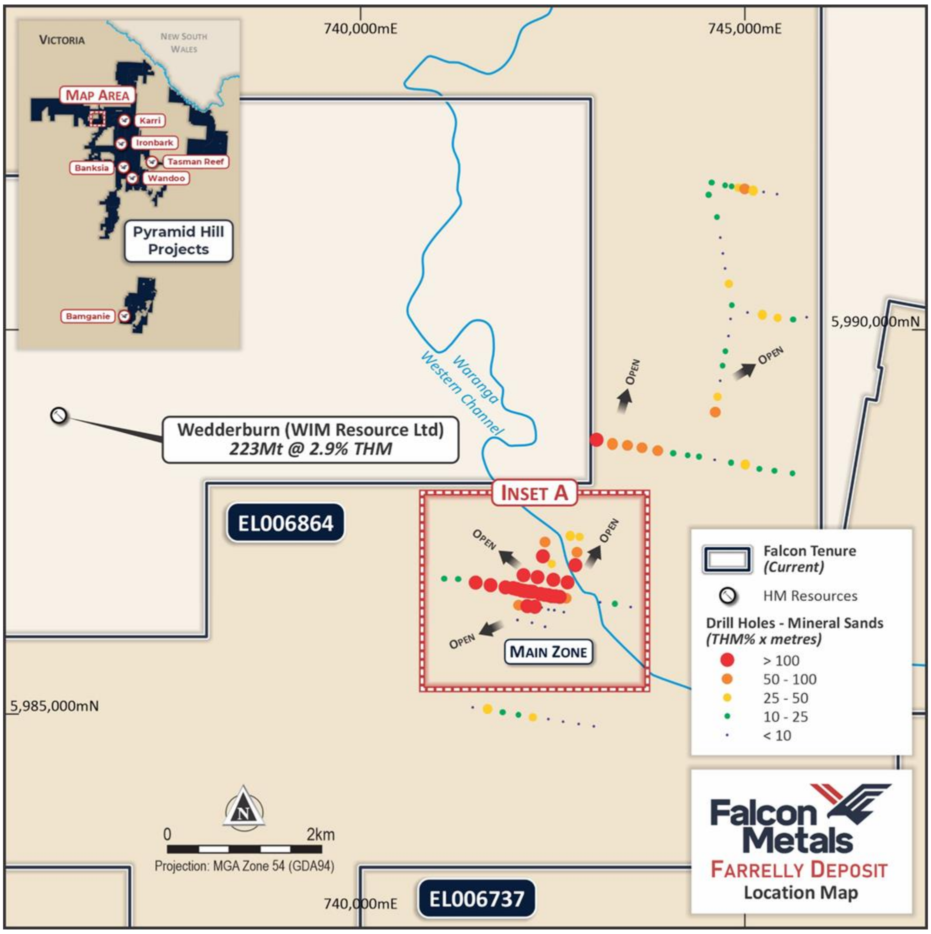


Figure 3 Phase 2 drilling at the Farrelly Deposit

A large high-grade zone, called the Main Zone, has now been defined around the PHAC1803 and PHAC1804 intercepts over approximately 1,200m long in an east-west direction, and up to 600m in a north-south direction, and remains open to the northeast, northwest and southwest (See Figure 3). The high-grade Main Zone as shown in Figure 3 is defined by the THM percentage of each interval multiplied by its thickness (meters), being greater than 50 THM% x meters. The depth to mineralisation ranges from between 6m to 20m (>1 THM%) and averages approximately 12m.

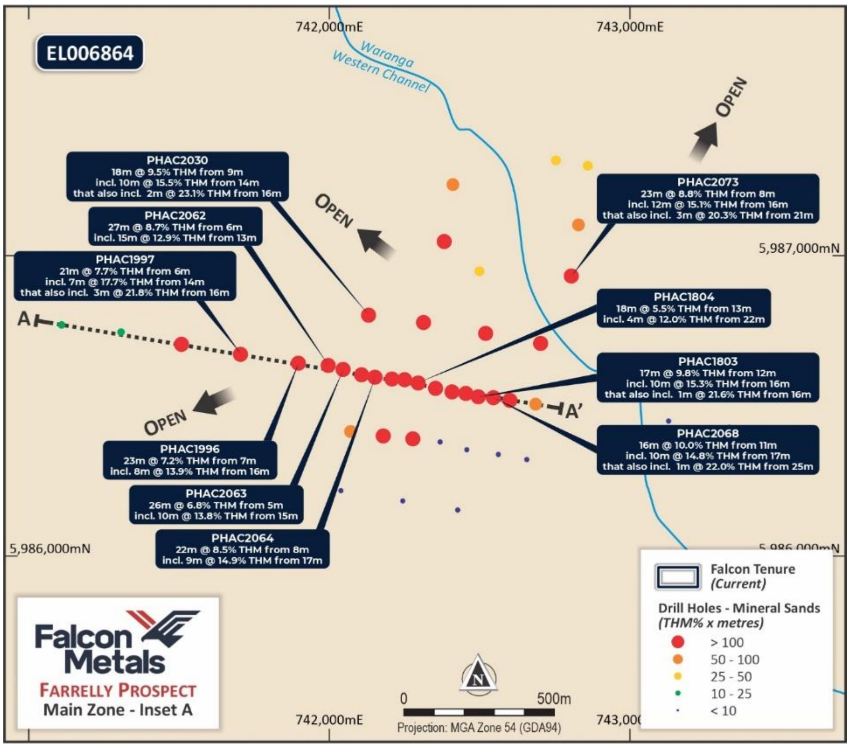


Figure 4 Main Zone Inset A showing the Phase 2 drilling results and the location of the cross section

Highlights (see Figure 4) from the Main Zone include[2] [3]:

- **PHAC2062** 27m @ 8.7% THM from 6m; including
  15m @12.9% THM from 13m
- **PHAC2073** 23m @ 8.8% THM from 8m, including
  12m @ 15.1% THM from 16m; containing
  2m @ 20.5% THM from 21m
- **PHAC2064** 22m @ 8.5% THM from 8m; including
  9m @ 14.9% THM from 17m
- **PHAC2063** 26m @ 6.8% THM from 5m; including
  10m @ 13.8% THM from 15m
- **PHAC2030** 18m @ 9.5% THM from 9m; including
  10m @ 15.5% THM from 14m; that also includes
  2m @ 23.1% THM from 16m
- **PHAC1996** 23m @ 7.2% THM from 6m, including
  8m @ 13.9% THM from 16m
- **PHAC1997** 21m @ 7.7% THM from 10m, including
  7m @ 17.7% THM from 14m; that also includes
  3m @ 21.8% THM from 16m

[2] ASX Announcement dated 28 May 2024 "High-Grade Mineral Sands Discovery"
[3] ASX Announcement dated 29 August 2024 "Favourable Metallurgical Characteristics at Farrelly

- **PHAC2068** 16m @ 10.0% THM from 11m, including
  10m @ 14.8% THM from 17m; that also includes
  1m @ 22.0% THM from 25m

The geometry and scale of the Main Zone is yet to be adequately defined due to the limited drilling, however the consistency and thickness of the drill results are highly encouraging as shown in an east-west section through the widest part of the Main Zone in Figure 5 (Section A-A') where 17 consecutive holes intersected high-grade mineralisation (>10% THM), with the zone becoming shallower towards the west. It seems likely that the size of the zone will increase with additional drilling as some of the highest-grade results remain open such as PHAC2030 in the north-west, PHAC2073 to the north-east and PHAC1996-1998 to the south-west. Subsequent assay results have closed off the high-grade Main Zone to the west, with holes PHAC1999 and PHAC2000 returning low-grade mineralisation.

North of the Main Zone, the 200m spaced drilling along roadsides also intercepted several zones of high-grade mineralisation up to 5km away. Additional drilling is required to define the extent and orientation of these zones.

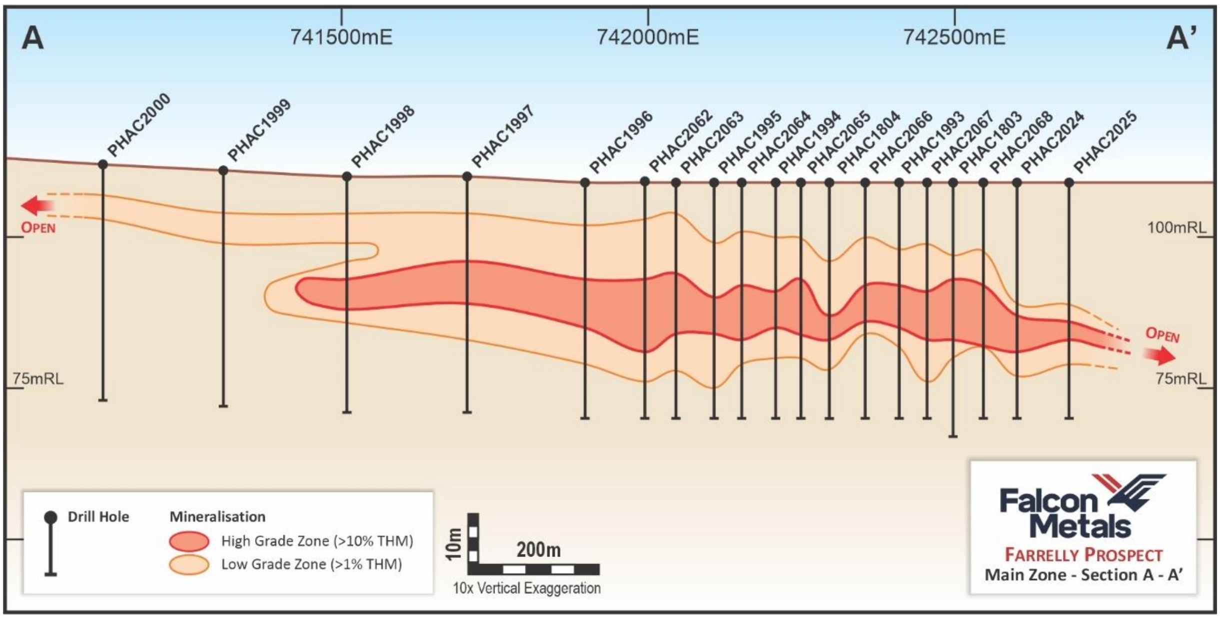


Figure 5 Cross section A-A', an east-west line showing the 1,200m long high-grade Main Zone at 10 x vertical exaggeration

Metallurgical Test Work

Preliminary metallurgical test work was undertaken to assess the processing characteristics of the deposit, including identifying any potential flaws. The test work[4] involved an initial multi-stage screening of selected samples from throughout the Main Zone of the Farrelly Deposit. The primary screening was designed to reject oversize and slimes, thus isolating a preferred fraction of between 38 µm and 1mm (the "sand fraction"). A simplified sighter test methodology is outlined in Figure 6.

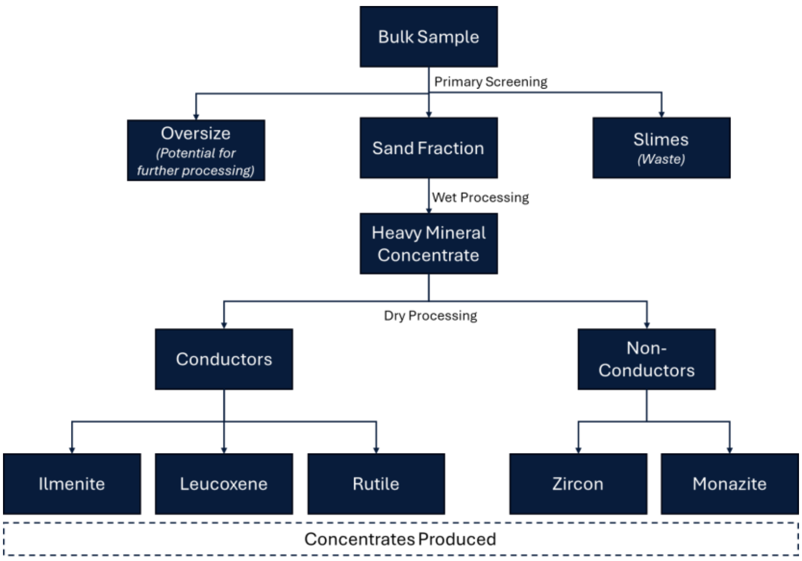


Figure 6 Simplified sighter test methodology

[4] ASX Announcement dated 29 August 2024 "Favourable Metallurgical Characteristics at Farrelly

The test work confirmed favourable metallurgical characteristics with no notable processing issues. The Heavy Mineral Concentrate (HMC) produced has a coarser grain size relative to other Victorian deposits, indicating potential for simplified processing and higher recoveries. In addition, slimes were easily treated and demonstrated high settling rates with no issues expected using conventional technology and methods. Further test work is continuing including QEMSCAN analysis (quantitative analysis of minerals using a scanning electron microscope) on the concentrates produced. This will provide more information on the mineral compositions, including any deleterious minerals and elements, which is important in determining saleability of potential products. This will include assessment of impurities like chrome and vanadium in the ilmenite, and thorium and uranium in zircon. The QEMSCAN analysis will also test for the presence of xenotime, a mineral containing high levels of heavy REE, in the monazite concentrate.

Land Access

Falcon has been in communication with several of the landowners at the Farrelly deposit regarding consent for the upcoming drilling to determine the extent of the high-grade Main Zone at Farrelly. Despite constructive initial discussions, they have decided against providing consent to access their respective properties at this time. Falcon will continue to engage in good faith with these landowners to understand and address their concerns with the aim of resolving this matter amicably.

Farrelly is a high-grade mineral sands deposit with associated critical minerals present. The production of these minerals is seen by the Victorian Government as an essential step in the transition to a net zero economy[5]. In the coming decades it is predicted there will be unprecedented global demand for these materials and western countries are keen to source reliable supplies from outside of China and from jurisdictions where the minerals are extracted responsibly. Farrelly also has the potential to make a significant positive impact to the region in terms of job opportunities, economic growth and improved infrastructure and services – consistent with Falcon's purpose of shared value creation through major mineral discoveries.

PYRAMID HILL GOLD PROJECT (VIC)

The exploration work at the Pyramid Hill Gold Project, located in the prospective Bendigo Zone of Victoria consists of a multi-year regional reconnaissance program across its 7,000 km² landholding. Falcon continues to systematically explore its ground holding, generating multiple targets for follow up drilling at the Karri, Ironbark, Wandoo, Eddington and Bamganie Prospects. During the year, regional reconnaissance drilling also identified the Mead and Loddon Vale Prospects for further drilling.

Bamganie Prospect

The 56-hole aircore drilling program was the first ever drilling at the Bamganie Gold Prospect located 35km southeast of the 14Moz Ballarat Goldfield. Bamganie is an historical goldfield that was mined in the early 1900's, with sporadic workings extending over 2.5km of strike length.

This drilling successfully defined a mineralised corridor along a strike length of over 1km that is open to the north and south (Figure 7). An additional trend to the east of the main mineralised zone was also detected in several drillholes which highlights the potential for parallel structures.

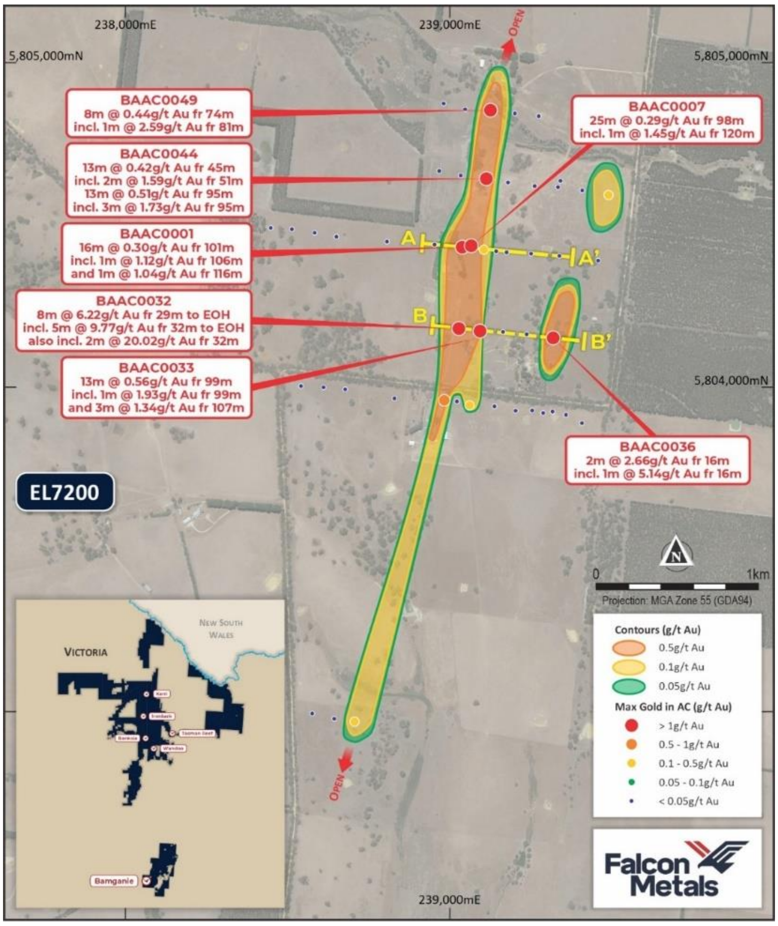


Figure 7 Plan map showing Bamganie aircore drilling results

[5] https://resources.vic.gov.au/projects/critical-minerals-roadmap-for-victoria

The best result from the program was from BAAC0032, located closest to the Duke of Wellington shaft that was the most productive mine on the goldfield. BAAC0032 intersected a high-grade zone prior to entering a void from historical underground mine workings at 37m as shown in Figure 8.

- **BAAC0032** 8m @ 6.22g/t Au from 29m; including
  5m @ 9.77g/t Au from 32m; that also includes
  2m @ 20.02g/t Au from 32m

In the section 250m north of BAAC0032, broad mineralised zones were intersected at the base of BAAC0001 and BAAC0007 (Figure 9) with both holes ending in mineralisation.

- **BAAC0001** 16m @ 0.30g/t Au from 101m to end of hole; including
  1m @ 1.12g/t Au from 106m, and
  1m @ 1.04g/t Au from 116m to end of hole

- **BAAC0007** 25m @ 0.29g/t Au from 98m to end of hole; including
  1m @ 1.45g/t Au from 120m

The drilling confirmed the high-grade nature of the Bamganie Prospect and also confirmed significant mineralisation away from known historic development. The Bamganie Prospect is a target for diamond drilling, with timing and extent of the drilling program subject to a review of historical mining information.

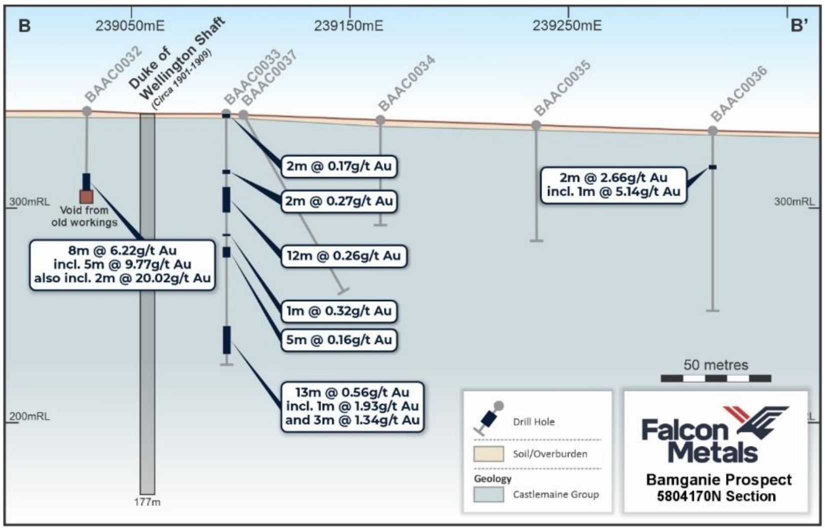


Figure 8 Cross-section B-B' through Bamganie

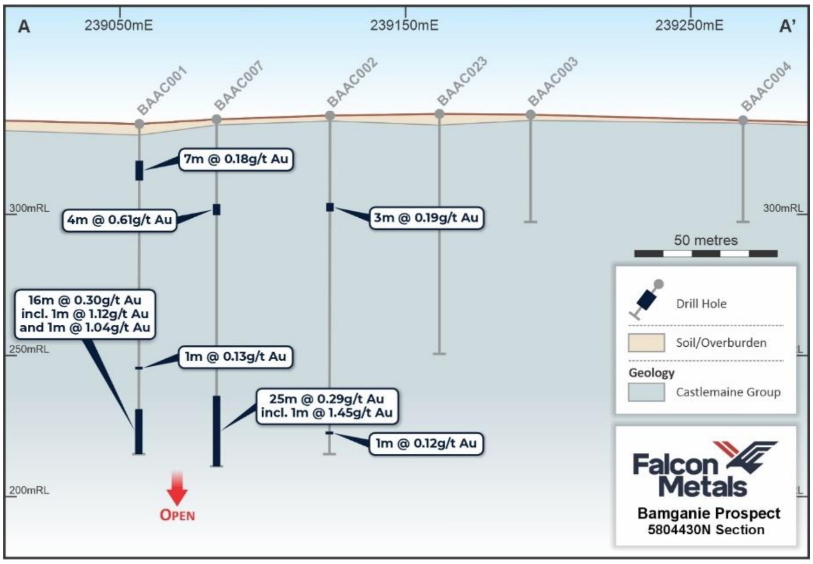


Figure 9 Cross-section A-A' through Bamganie

Eddington Prospect

The follow-up drilling at Eddington, located 35km southwest of Bendigo, has further elevated the priority of the prospect with the intersection of several wide anomalous zones of primary gold mineralisation associated with quartz veining, showing the potential for a large gold system (see Figure 10).

Several holes intersected multiple primary mineralised zones which confirms the potential for stacked structures. Although the grades are low-level at this stage, confirming mineralisation at such a broad drill spacing is considered encouraging.

Individual holes with multiple downhole intercepts[6] included:

- **PHAC2117** 6m @ 0.44g/t Au from 11m; including 1m @ 1.37g/t Au from 13m
  18m @ 0.21g/t Au from 28m
  1m @ 0.19g/t Au from 52m
  1m @ 0.38g/t Au from 88m
- **PHAC2111** 5m @ 0.12g/t Au from 22m
  9m @ 0.21g/t Au from 33m; including 1m @ 1.11g/t Au from 33m
  7m @ 0.13g/t Au from 55m
  1m @ 0.41g/t Au from 95m

Gold bearing alluvial gravel (also known as deep leads) was also intersected at the base of the Murray Basin. Although alluvial gold is not being targeted by Falcon, it is encouraging because alluvial gold often occurs proximal to large primary goldfields in central Victoria such as Bendigo and Ballarat. Some of the more anomalous alluvial intercepts at Eddington include:

- **PHAC2097** 4m @ 0.68g/t Au from 58m; including 1m @ 1.99g/t Au from 59m
- **PHAC 2098** 5m @ 2.12g/t Au from 55m; including 1m @ 9.12g/t Au from 59m
- **PHAC 2099** 21m @ 0.21g/t Au from 51m; including 1m @ 1.73g/t Au from 57m
- **PHAC 2104** 17m @ 0.33g/t Au from 50m; including 1m @ 3.83/t Au from 57m

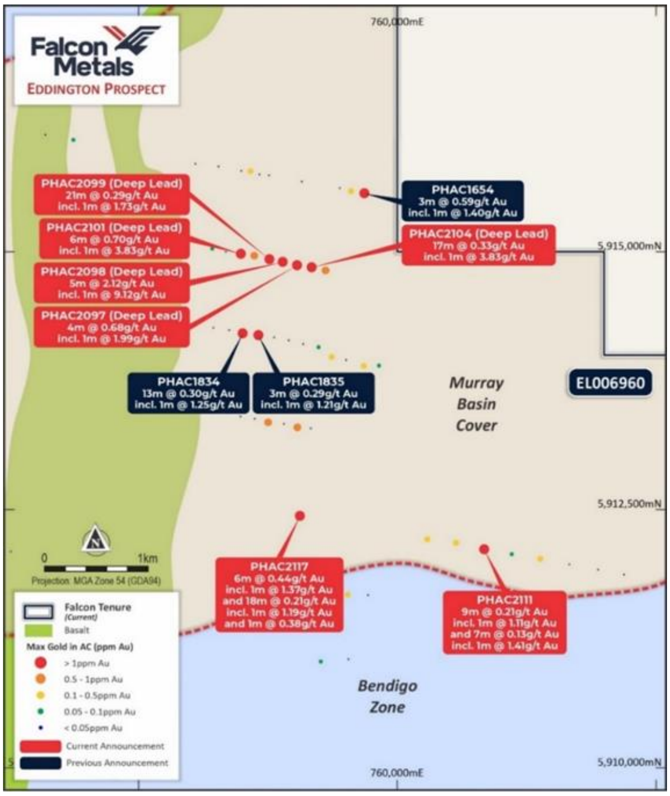


Figure 10 Location map of Eddington Prospect drilling with maximum gold

Pyramid Hill Prospect

Several anomalous drillholes are clustered 7km to the southwest of the town of Pyramid Hill where PHAC1975 returned 1m @ 24g/t Au from 123m (at EOH). Multiple zones of primary mineralisation were intersected in PHAC2124, drilled ~100m to the northwest of PHAC1975, returning 1m @ 1.81g/t Au from 134m and 1m @ 0.96g/t Au from 142m (see Figure 11), with both intervals associated with minor quartz veining. Gold bearing gravels were also intersected at the bedrock interface ~600m to the southwest of PHAC1975 where PHAC2133 returned 3m @ 6.36g/t Au from 97m, including 1m @ 12.4g/t Au from 97m.

Several attempts were made to twin PHAC1975 to test the depth extent of the high-grade result but both holes failed to reach target depth. Falcon will consider further attempts to reach target depth in the next drill season.

[6] ASX Announcement dated 16 July 2024 "Exploration Update at Pyramid Hill Gold Project"

Mead Prospect

The Mead Prospect, located 9km to the west of Cohuna (see Figure 12), consists of two anomalous results that are 140m spaced. PHAC1642 returned 4m @ 0.11g/t Au from 90m, and 3m @ 0.12g/t Au from 102m to EOH. Drill hole PHAC2183 located 140m to the west, returned 2m @ 0.86g/t Au from 84m including 1m @ 1.50g/t Au from 84m with minor quartz veining in contact metamorphosed Castlemaine Group sediments. This is the northern most primary gold mineralisation identified in the Bendigo Zone and further follow-up drilling is planned for next season.

Loddon Vale Prospect

Drilling has extended a zone of anomalism to 8km in strike length at the Loddon Vale Prospect, located 20km to the northwest of Pyramid Hill, confirming this area as a regional scale target (see Figure 12). It was initially flagged as an area of interest from the regional screening program in 2023 which returned anomalous results in several holes. Subsequent infill drilling locations were limited due to the proximity of the eastern tenement boundary of EL006669 and the presence of a nearby creek, although a line of infill drilling 800m to the south also returned anomalous results.

In 2024, the ground position in this area was consolidated with the granting of EL008303 to the southeast and the Macorna Option over part of EL006549 that is adjacent to EL006669 to the east. This allowed the regional screening of this area to recommence in May. Several zones of low-level gold anomalism associated with quartz veining were intersected in PHAC2171, 8km to the south of the previous anomalous results, including 3m @ 0.12g/t Au from 59m, 4m @ 0.16g/t Au from 67m, 1m @ 0.35g/t Au from 76m, and 1m @ 0.15g/t Au from 83m. Whilst still early stage, a large-scale regional gold trend is developing in this area that requires further follow up drilling.

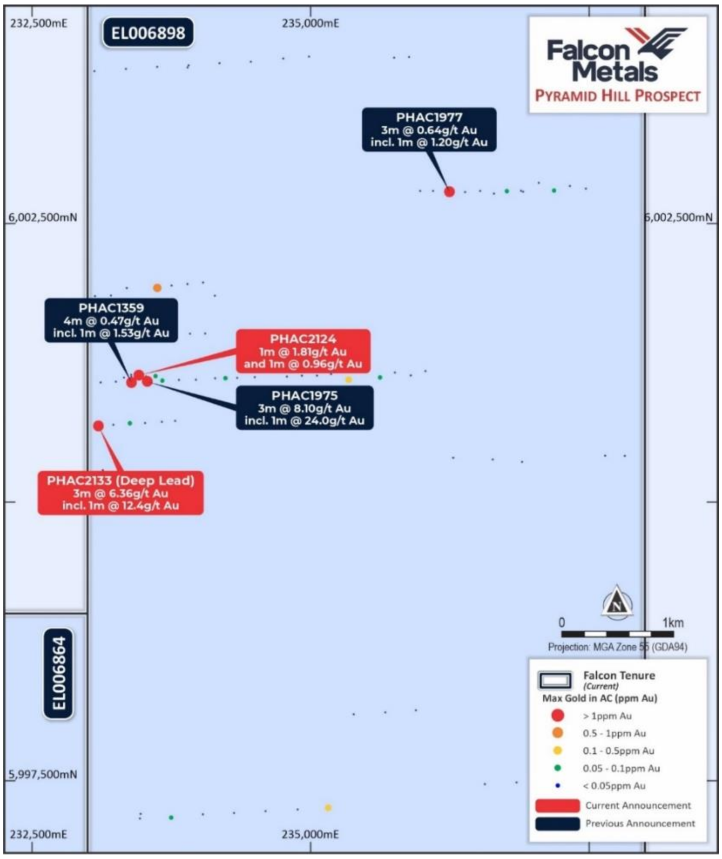


Figure 11 Location map of Pyramid Hill Prospect drilling with maximum gold

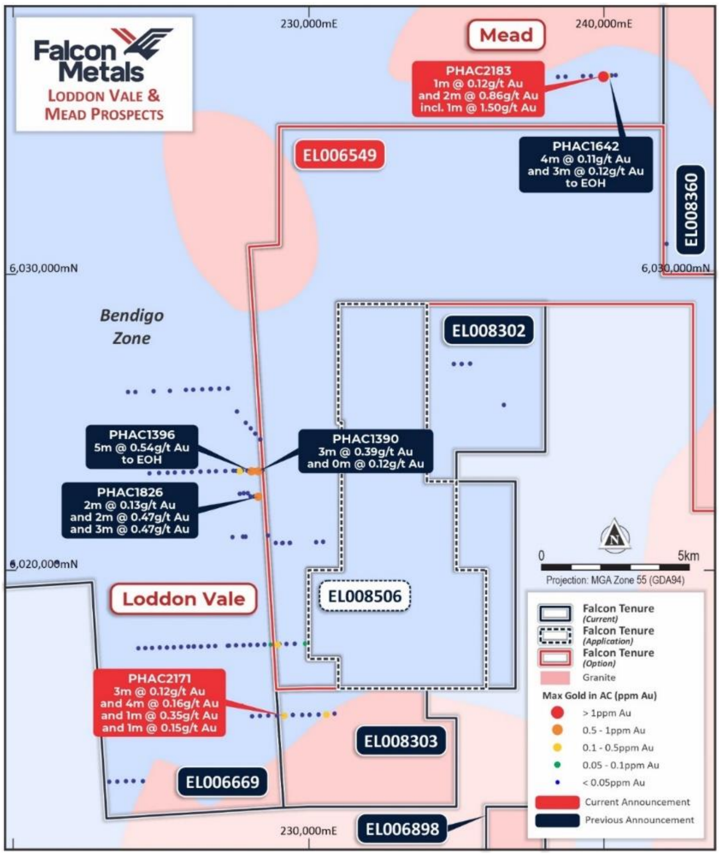


Figure 12 Location map of Mead and Loddon Vale Prospects drilling with maximum gold

Mt JACKSON PROJECT (WA)

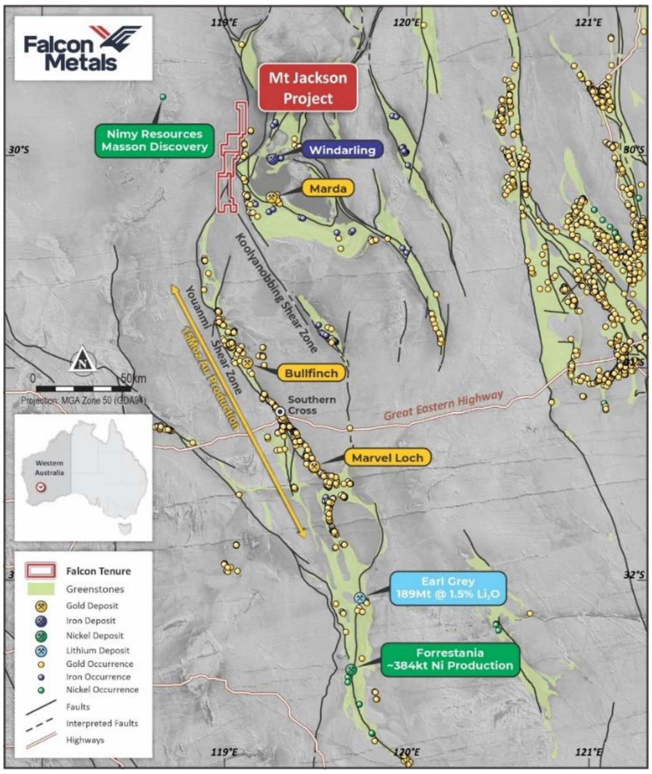


Figure 13 Location of the Mt Jackson Project

The Mt Jackson Project is located at the convergence of the Southern Cross Greenstone Belt, the major crustal-scale Youanmi Shear Zone and the regional scale Koolyanobbing Shear Zone at the northern end of the belt (See Figure 13). The Southern Cross Greenstone Belt is a well-endowed mineral province and has historically produced ~384kt[7] of nickel from the Forrestania Greenstone Belt, the southern extension of the Southern Cross Greenstone Belt, and more than 15Moz[8] of gold.

The Mt Jackson Project was initially targeted on a 5km long magnetic anomaly in an area of shallow sand cover that was interpreted to be the northern extension of the Southern Cross Greenstone Belt. Earlier wide-spaced soil sampling confirmed the likely presence of mafic and/or ultramafic rocks with several low-level gold anomalies identified

Soil Sampling

Falcon completed a soil sampling program in FY2023, which identified several areas with multi-point anomalous gold and base metal values were identified (see Figure 14). These targets are currently being tested with aircore drilling.

In addition, three zones with coincident nickel, copper, platinum and palladium anomalism along the interpreted Southern Cross Greenstone Belt were selected for moving loop electromagnetics (see Figure 15).

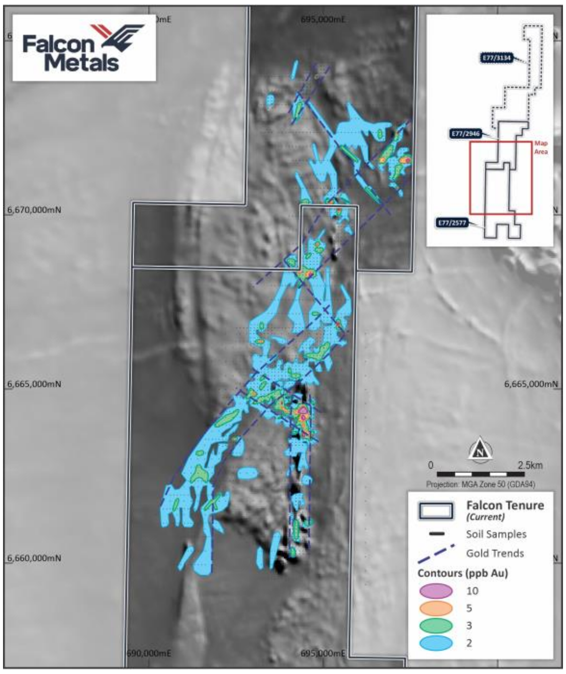


Figure 14 Plan map of showing the Au soil sampling results

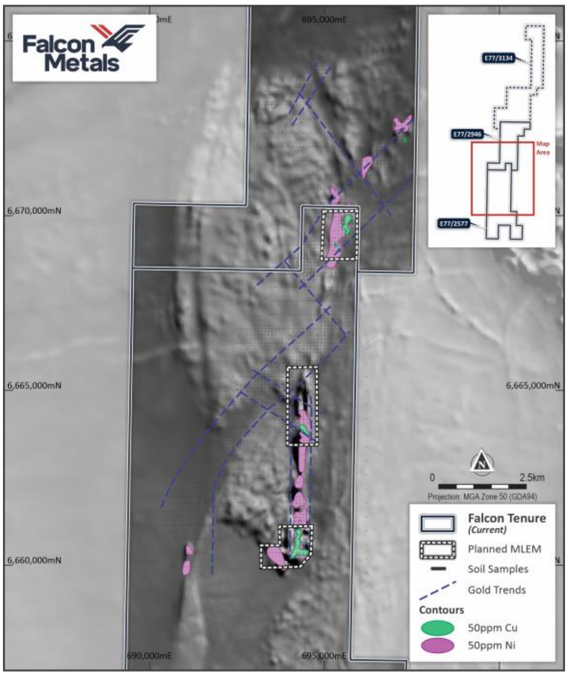


Figure 15 Plan map showing Ni and Cu soil sampling results

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[7] ASX announcement: IGO 30/08/2022, "FY22 Cosmos and Forrestania Mineral Resources and Ore Reserves", p32
[8] ASX announcement RRL 03/08/2022, "Diggers and Dealers Mining Forum"

Electromagnetic Survey

Falcon completed a Moving Loop Electromagnetic (MLEM) survey conducted by GEM Geophysics using a high-temperature Superconducting Quantum Interference Device (HT-SQUID) sensor.

The MLEM survey has generated nine late-time conductors, which have been modelled as plates (planar rectangular conductive bodies) as shown in Figure 16 and Table 2.

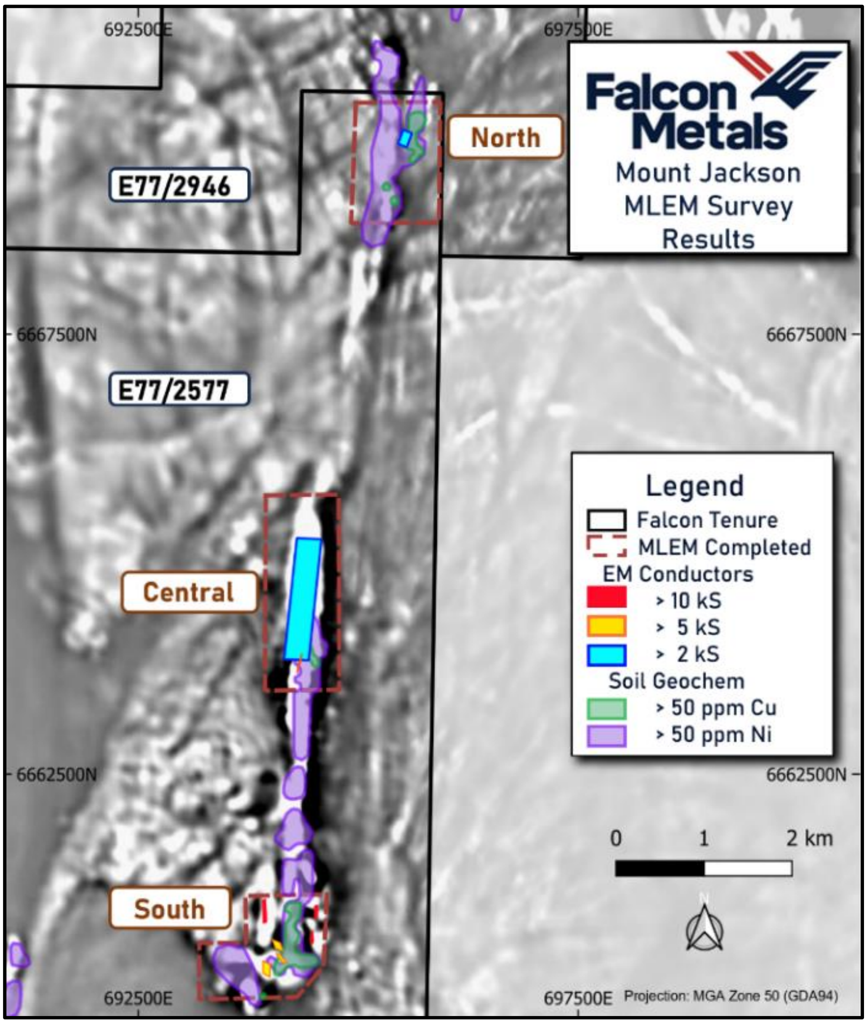

Figure 16 Plan map of Mt Jackson showing the location of the ground EM surveys

Table 2 Modelled priority conductors generated from MLEM survey

Anomaly	Conductor	Depth to Top (m)	Strike Length (m)	Depth Extent (m)	Conductance (Siemens)
South	Sth_E	99	260	90	17,000
South	Sth_F	67	140	60	13,600
South	Sth_C	82	165	60	10,600
South	Sth_D	213	120	140	10,000
Central	Cen_A	95	180	147	7,160
South	Sth_B	210	140	160	7,100
South	Sth_A	264	150	160	5,850
North	Nth_B	295	140	120	2,500
Central	Cen_B	51	1,380	730	2,150

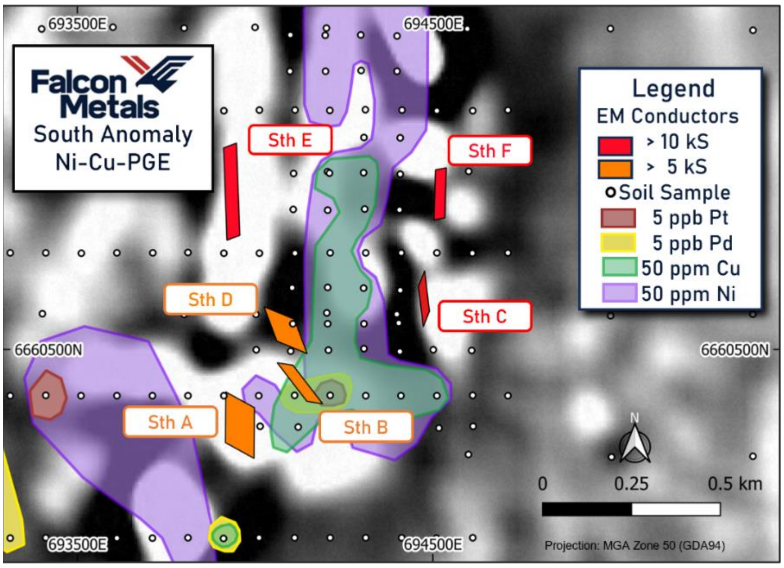

Figure 17 South anomaly showing all the high-priority EM plates generated

The South anomaly grid returned three relatively shallow, high conductance plates (see Figure 17):

- **Sth_E** The highest conductance plate in the survey (17,000 Siemens) with a strike extent of 260 metres
- **Sth_F** A shallower high-conductance plate (13,600 Siemens) with a strike extent of 140m
- **Sth_C** A high-conductance plate (10,600 Siemens) with a strike extent of 165m

Ground truthing of the up-dip projection of these conductors confirmed the presence of shallow cover, which is concealing the bedrock geology. The very strong conductance of these plates (~10,600-17,000 Siemens) is consistent with highly conductive bodies such as massive sulphides, sulphide facies banded iron formations or graphite. Three other moderate conductance plates that modelled deeper (between 5,850-10,000 Siemens) will be assessed following testing of the shallower and higher conductance targets.

The Central anomaly survey returned two priority conductors:

- **Cen_B** A large moderate conductance plate (2,150 Siemens) starting at 51 metres below surface with a strike extent of 1,380m, the longest of the survey; and
- **Cen_A** A smaller higher conductance plate (7,160 Siemens) at the southern end of the larger plate, starting at a depth of 95 metres below surface with a strike extent of 180m

Both EM plates are coincident with the highest gold anomaly in the area, which is encouraging as significant gold mineralisation was associated with pyrrhotite at the Bounty Gold Deposit[9] in the Southern Cross Greenstone Belt. The Central anomaly plates are also coincident with Ni, Cu and PGM anomalism in the soil sampling, and although the size of the larger plate suggests that it could be stratigraphic in nature, it is still a compelling target due to its association with a smaller, higher conductance plate and the overlying soil anomalism. Importantly, the soil anomalism includes Pt and Pd, which are often indicative of the Ni and Cu being sulphide-derived rather than just being enriched during the weathering of otherwise unmineralized ultramafic rocks.

Exploration Drilling

The maiden drilling program at Mt Jackson is scheduled to commence in October 2024. The 5,500 metre aircore drill program (~50 holes) will test the gold anomalies generated from soil sampling at Mt Jackson, including the central gold target which comprises a 1km-long north-south striking anomaly discussed above.

The RC program to test the four highest conductance plates from the recently completed MLEM survey was designed to cover the coincident Ni-Cu-PGM anomalous areas defined by soil sampling. An additional hole will target the large moderate conductive EM-plate coincident with the central gold target.

[9] *John H Coggon & Robert A. Rutherford (1994) GOLD: Bounty Gold Deposit, Western Australia: Magnetic and Electromagnetic Responses, ASEG Extended Abstracts, 1994:1, 233-240, DOI: 10.1071/ASEGSpec07 15*

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.

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 to 30 June 2024.

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 (appointed on 1 October 2023)

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 $5,560,003 (2023: $9,262,002).

Exploration and evaluation expenditure during the year were $4,287,595 (2023: $7,222,328). The Group continued the exploration program at its flagship Pyramid Hill Project incurring $2,962,782 in the process of completing 39,850m of gold aircore drilling, compared to 81,852m 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. The Group also incurred $762,979 on mineral sands exploration, including completing 7,010m of aircore drilling resulting in the discovery of the Farrelly Mineral Sands prospect, and preliminary mineralogical and metallurgical test work. In addition, the Group incurred $445,340 on soil sampling programs as well as a ground MLEM survey, which generated multiple conductors considered prospective for nickel-copper sulphide mineralisation. A further $116,494 were incurred on other projects, including the Viking Gold Project.

The Group incurred $1,906,099 (2023: $1,889,333) on employee benefits expenses, of which $1,101,092 (2023: $1,197,423) was directly related to its exploration activities. Employee benefits expense was broadly in line with the previous year. In addition, the Group incurred $584,246 (2023: $1,414,747) 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 $593,875 (2023: $525,378) in administrative expenses, primarily related to listing and compliance, investor relations and insurance. Administrative expenses were higher primarily due to an increased in business development activities. The Group also earned $706,382 (2023: $687,637) in interest income form short term deposits. The group recognised a fair value gain of $59,060 from its investment in a listed entity (2023: $nil).

At 30 June 2024, the Group had net assets of $12,224,945 (2023: $17,200,702), which primarily consisted of cash and cash equivalents of $11,815,755 and a listed investment of $302,669. Net current assets at 30 June 2024 were $11,735,311 (30 June 2023: $17,020,865). The Group has adopted an accounting policy to expense all exploration and evaluation expenditure.

The Group had net cash outflows from operating activities of $5,045,821 (2023: $7,579,869), including $4,457,264 (2023: $7,045,928} on exploration and evaluation activities. The cash at the end of the period was $11,815,755 (30 June 2023: $17,305,205).

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 15 July 2024, the Company issued 1,320,000 share options to employees with an exercise price of $0.38 per share. The options issued expire on 30 June 2027 and 30 June 2028. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 2,520,000 share options to directors of the Company. The proposed issue of share options to directors of the Company also has an exercise price of $0.38 and expire on 30 June 2027 and 30 June 2028.

On 29 August 2024, the Company announced the results of the sighter test work at the Farrelly Mineral Sands Deposit, which indicated favourable metallurgical characteristics with no notable processing issues.

On 5 September 2024, the Company announced that the planned recommencement of drilling at the Farrelly Mineral Sands Deposit was at risk of being delayed following the decision by landowners against providing consent to access their properties at this time.

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.

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		
Former Directorships	Todd River Resources Limited (resigned 22 September 2022)		
Interest in Shares	598,694	Interest in Options	4,640,000

INFORMATION ON DIRECTORS (Continued)

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 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	Celamin Holdings Ltd (resigned 31 October 2021)
Interest in Shares	202,272 Interest in Options 4,800,000

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
Former Directorships (last 3 years)	Nil
Interest in Shares	2,940,595 Interest in Options 2,570,000

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. Ms Law has previously held positions as CEO and Chair of ASX listed entities. Ms Law 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
Former Directorships	DGO Gold Limited (resigned 30 June 2022)
Interest in Shares	70,000 Interest in Options 500,000

COMPANY SECRETARY

Pradeep Subramaniam
Company Secretary

Qualifications	BCom, CA ANZ
Experience	Pradeep Subramaniam is an experienced Chartered Accountant with broad financial and commercial experience in energy and resources. He commenced his career in the Assurance practice of PricewaterhouseCoopers (PwC) where he worked with a wide range of Australian and international companies in the energy and resources sector, with a special focus on junior resources. Following roles at Syrah Resources Limited and Kasbah Resources Limited, Pradeep joined Falcon as CFO and Company Secretary in May 2022.

MEETINGS OF DIRECTORS

The number of meetings of the company's Board and committees held during the year ended 30 June 2024, 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	8	8	1	1	2	2
Timothy Markwell	8	8	NA	NA	NA	NA
Alexander Dorsch	8	8	1	1	2	2
Katina Law	7	7	-	-	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 2023 Annual General Meeting, the resolution to adopt the Remuneration Report for the year ended 30 June 2023 was passed on a poll with 98.31% of votes cast on the poll voting "For" the resolution to adopt the Remuneration Report. The Company did not receive any specific feedback at the Annual General Meeting regarding its remuneration practices.

Details of Remuneration

Service Agreements

KMP	Position held - 30 June 2024	Contract details (duration & termination)
M Bennett	Non-executive Chairman	Letter of appointment Commencement date: 9 December 2021 Fixed remuneration: $90,000 pa incl statutory superannuation No termination benefits payable
T Markwell	Managing Director and Chief Executive Officer	Executive Services Agreement Commencement date: 9 December 2021 Term: No fixed term Fixed remuneration: $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

Details of Remuneration

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

		Short Term	Post-employment benefits	Long term benefits	Share based payments			
Name	Year	Cash salary and fees	Superannuation	Long service leave	Options	Total	Fixed	At Risk
		$	$	$	$	$	%	%
M Bennett	2024	81,081	8,919	-	149,244	239,244	38%	62%
	2023	81,448	8,552	-	457,940	547,940	16%	84%
T Markwell	2024	283,500	31,185	1,361	152,470	468,516	67%	33%
	2023	270,000	28,350	-	457,940	756,290	39%	61%
A Dorsch	2024	53,637	1,363	-	80,816	135,816	40%	60%
	2023	49,774	5,226	-	230,436	285,436	19%	81%
K Law	2024	37,162	4,088	-	10,667	51,917	79%	21%
	2023	-	-	-	-	-	n/a	n/a
Total	**2024**	**455,380**	**45,555**	**1,361**	**393,197**	**895,493**		
Total	2023	401,222	42,128	-	1,146,316	1,589,666		

There were no cash bonuses, or other short term performance related bonuses, made to any KMP in the financial year ended 30 June 2024 (2023: 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 2024	Balance at beginning of year/on appointment	Acquired during the year	Disposed during the year	Balance at the end of the year
M Bennett	449,439	149,255	-	598,694
T Markwell	132,272	70,000	-	202,272
A Dorsch	2,940,595	-	-	2,940,595
K Law	2,719	67,281	-	70,000

No shares were issued to key management personnel during the year ended 30 June 2024.

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.

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% the issued capital when possible. At 30 June 2024, the outstanding share options were 17,142,000, representing 9.7% of the issued capital. As of the date of this report, the outstanding share options were 18,462,000, representing 10.4% of the issued capital. A further 2,520,000 share options issued to directors are subject to shareholder approval at the 2024 Annual General Meeting, following which the number of outstanding options will be 20,982,000, representing 11.9% of the issued capital. However, 5,398,500 of pre-IPO options issued will expire on 15 December 2024, if not exercised prior to then. Following the expiry of these options, the number outstanding options will be 15,583,500, representing 8.8% of the issued capital.

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

30 June 2024	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	4,040,000	600,000	-	-	4,640,000	2,905,000
T Markwell	4,040,000	760,000	-	-	4,800,000	2,905,000
A Dorsch	2,070,000	500,000	-	-	2,570,000	1,477,500
K Law	-	500,000	-	-	500,000	-

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	Grant date	Expiry date	Exercise price	Fair value per option	Vested %
I	4/07/2023	30/06/2026	$0.35	$0.0515	-
J	4/07/2023	30/06/2027	$0.35	$0.0664	-
K	1/10/2023	30/09/2026	$0.24	$0.0652	-
L	1/10/2023	30/09/2027	$0.24	$0.0780	-

The options issued to directors were granted on 4 July 2023 and 1 October 2023 but approved by the shareholders at the Annual General Meeting held on 28 November 2023.

Other Transactions with KMP and their Related Entities

There were no other transactions with KMP and their related entities (2023: 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 2024	$0.75	5,398,500
15 December 2021	15 December 2025	$0.75	5,398,500
8 August 2022	31 July 2025	$0.36	1,412,500
8 August 2022	31 July 2026	$0.36	1,412,500
4 July 2023	30 June 2026	$0.35	1,510,000
4 July 2023	30 June 2027	$0.35	1,510,000
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	660,000
15 July 2024	30 June 2028	$0.38	660,000

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 2,520,000 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 2024 and up to the date of this report.

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
25 September 2024
Melbourne

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 2024, 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
25 September 2024

M R Ohm
Partner

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30 June 2024	30 June 2023
		$	$
Other income		765,442	687,637
Exploration and evaluation expense	4	(4,287,595)	(7,222,328)
Employee benefits expense		(760,129)	(703,255)
Share-based payments	3, 13	(584,246)	(1,414,747)
Administration expenses		(593,875)	(525,378)
Depreciation expense		(73,845)	(67,201)
Finance costs		(25,755)	(16,730)
Loss before income tax		**(5,560,003)**	**(9,262,002)**
Income tax expense	5	-	-
Loss for the year		**(5,560,003)**	**(9,262,002)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		**(5,560,003)**	**(9,262,002)**
Loss per share			
Basic and diluted loss per share (cents)	15	(3.1)	(5.2)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Notes	30 June 2024	30 June 2023
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	11,815,755	17,305,205
Trade and other receivables	7	484,759	424,154
Total current assets		12,300,514	17,729,359
Non-current assets			
Other receivables	7	28,240	28,240
Plant and equipment	8	147,708	137,744
Right-of-use asset	9	102,634	142,475
Financial asset		302,669	-
Total non-current assets		581,251	308,459
Total assets		**12,881,765**	**18,037,818**
LIABILITIES			
Current liabilities			
Trade and other payables	10	407,970	612,887
Lease liabilities	11	39,866	32,022
Provisions		117,367	63,585
Total current liabilities		565,203	708,494
Non-current liabilities			
Lease liabilities	11	87,624	127,490
Provisions		3,993	1,132
Total non-liabilities		91,617	128,622
Total liabilities		**656,820**	**837,116**
Net assets		**12,224,945**	**17,200,702**
EQUITY			
Issued capital	12	87,451,842	87,451,842
Reserves	14	2,693,739	2,109,493
Accumulated losses		(77,920,636)	(72,360,633)
Total equity		**12,224,945**	**17,200,702**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital $	Share based payment reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022	**87,451,842**	**694,745**	**(63,098,631)**	**25,047,956**
Loss for the year	-	-	(9,262,002)	**(9,262,002)**
Other comprehensive income	-	-	-	**-**
Total comprehensive loss for the year	**-**	**-**	**(9,262,002)**	**(9,262,002)**
Transactions with owners in their capacity as owners				
Share-based payments	-	1,414,747	-	**1,414,747**
Balance at 30 June 2023	**87,451,842**	**2,109,493**	**(72,360,633)**	**17,200,702**
Loss for the year	-	-	(5,560,003)	**(5,560,003)**
Other comprehensive income	-		-	**-**
Total comprehensive loss for the year	**-**	**-**	**(5,560,003)**	**(5,560,003)**
Transactions with owners in their capacity as owners				
Share-based payments	-	584,246	-	**584,246**
Balance at 30 June 2024	**87,451,842**	**2,693,739**	**(77,920,636)**	**12,224,945**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	30 June 2024	30 June 2023
		$	$
Cash flows from operating activities			
Interest received		729,360	607,152
Payments to suppliers and employees		(1,317,917)	(1,141,093)
Payments for exploration and evaluation		(4,457,264)	(7,045,928)
Net cash outflow from operating activities	6	**(5,045,821)**	**(7,579,869)**
Cash flows from investing activities			
Payments of property, plant and equipment		(43,812)	(23,636)
Payments for financial assets		(255,394)	-
Payments for security deposits		(98,500)	(63,267)
Net cash outflow from investing activities		**(397,706)**	**(86,903)**
Cash flows from financing activities			
Repayment of lease liabilities	11	(45,923)	(44,300)
Net cash outflow from financing activities		**(45,923)**	**(44,300)**
Net (decrease)/increase in cash held		(5,489,450)	(7,711,072)
Cash at the beginning of the financial year		17,305,205	25,016,277
Cash at the end of the financial year	6	**11,815,755**	**17,305,205**

The accompanying notes form part of these financial statements.

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 25 September 2024. 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 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2024 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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.

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.

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 $5,560,003 (2023: $9,262,002) and had cash outflows from operating activities of $5,045,821 (2023: $7,579,869) for the year ended 30 June 2024. As at that date, the Company had net current assets of $11,735,311 (30 June 2023: $17,020,865).

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.

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 13 and 14 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 2024 $	30 June 2023 $
Depreciation	34,005	27,360
Depreciation – Right-of-Use Assets	39,840	39,840
Interest and finance charges on lease liabilities	13,901	16,730
Superannuation expense	172,801	174,247
Share-based payment expense	584,246	1,414,747

4. Exploration and evaluation expense

	30 June 2024 $	30 June 2023 $
Expenditure incurred during the year	4,287,595	7,222,328

The Company currently holds the Pyramid Hill Gold Project and the Farrelly Mineral Sands Project, located in Victoria and the Viking and Mount Jackson Projects 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 $
Pyramid Hill Gold Project (VIC)	11,488,912
Farrelly Mineral Sands Project (VIC)	899,566
Viking Project (WA)	1,128,523
Mt Jackson Project (WA)	635,501
Others	53,876
Cumulative Exploration Expenditure Incurred	**14,206,378**

5. Income tax expense

	30 June 2024 $	30 June 2023 $
Income tax expense		
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit	-	-
Total income tax (expense)/benefit	-	-
Deferred tax balances not recognised		
Deferred tax assets	5,548,603	4,060,230
Deferred tax liabilities	(112,756)	(115,580)
Net deferred tax assets/(liabilities) not recognised	5,435,847	3,944,650
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(5,560,003)	(9,262,002)
Tax at the statutory tax rate of 30%	(1,668,001)	(2,778,601)
Tax effect amounts which are not deducible/(taxable) in calculating taxable income		
Share-based payments	175,274	424,424
Others	1,529	535
Deferred tax assets not recognised	1,491,198	2,353,642
Income tax expense	-	-

The benefit from tax losses totalling $5,202,230 (2023: $3,643,817) 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.

6. Cash and cash equivalents

	30 June 2024	30 June 2023
	$	$
Cash at bank and on hand	11,815,755	17,305,205

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

	30 June 2024	30 June 2023
	$	$
Loss after income tax expense for the year	(5,560,003)	(9,262,002)
Adjustments for:		
Share-based payments	584,246	1,414,747
Depreciation	73,845	67,201
Finance costs	13,901	16,730
Unrealised foreign currency loss	8,940	-
Fair value gain on financial assets	(59,060)	-
Changes in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	50,314	(143,419)
(Increase) in prepayments	(9,730)	(2,221)
(Decrease)/Increase in trade and other payables	(204,917)	322,820
Increase in employee benefits	56,643	6,275
Net cash used in operating activities	**(5,045,821)**	**(7,579,869)**

7. Trade and other receivables

	30 June 2024	30 June 2023
	$	$
Current		
Interest receivable	90,886	113,560
GST receivable	53,325	78,276
Prepayments (a)	114,780	105,050
Security deposits	225,767	127,267
Other debtors	1	1
	484,759	**424,154**
Non-current		
Security deposits	28,240	28,240
	28,240	**28,240**

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

8. Property, plant and equipment

	30 June 2024	30 June 2023
	$	$
Plant & equipment – at cost	154,828	133,102
Less: Accumulated depreciation	(41,804)	(22,535)
	113,024	**110,567**
Computer equipment – at cost	29,189	29,189
Less: Accumulated depreciation	(20,627)	(10,836)
	8,562	**18,353**
Office equipment – at cost	7,584	6,225
Less: Accumulated depreciation	(2,253)	(1,079)
	5,331	**5,146**
Motor vehicles – at cost	25,416	4,532
Less: Accumulated depreciation	(4,625)	(854)
	20,791	**3,678**
Property, plant and equipment – at cost	**217,017**	**173,048**
Less: Accumulated depreciation	**(69,309)**	**(35,304)**
	147,708	**137,744**

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

	Plant and equipment $	Computer equipment $	Office equipment $	Motor vehicles $	Total $
Balance at 1 July 2022	**110,000**	**21,632**	**5,532**	**4,264**	**141,428**
Additions	17,579	5,557	541	-	**23,677**
Depreciation	(17,012)	(8,836)	(927)	(586)	**(27,361)**
Balance at 30 June 2023	**110,567**	**18,353**	**5,146**	**3,678**	**137,744**
Additions	21,726	-	1,359	20,884	**43,969**
Depreciation	(19,270)	(9,791)	(1,174)	(3,770)	**(34,005)**
Balance at 30 June 2024	**113,023**	**8,562**	**5,331**	**20,792**	**147,708**

9. Right of use assets

	30 June 2024	30 June 2023
	$	$
Office lease – Right of use	189,366	189,366
Less: Accumulated depreciation	(88,371)	(50,497)
	100,995	**138,869**
Plant and equipment – Right of use	5,901	5,901
Less: Accumulated depreciation	(4,262)	(2,295)
	1,639	**3,606**
Right of use assets	**195,267**	**195,267**
Less: Accumulated depreciation	**(92,633)**	**(52,792)**
	102,634	**142,475**

Additions to the right-of-use assets during the year were nil (2023: nil).

The Company entered into a lease agreement for its office in May 2022 and also lease a photocopier. The lease term of the office is three years plus an option to 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. Trade and other payables

	30 June 2024	30 June 2023
	$	$
Trade creditors	184,253	243,268
Accrued expenses	74,264	106,972
Other creditors	149,453	262,647
	407,970	**612,887**

11. Lease liabilities

	30 June 2024	30 June 2023
	$	$
Current	39,866	32,022
Non-current	87,624	127,490
	127,490	**159,512**

Changes in liabilities arising from financing activities

	30 June 2024	30 June 2023
	$	$
Balance at the start of the year	**159,512**	**187,082**
Repayment of liability	(45,923)	(44,300)
Non-cash interest expense	13,901	16,730
Balance at the end of the year	**127,490**	**159,512**

12. Issued capital

	2024 Shares	2024 $	2023 Shares	2023 $
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.

13. Share-based payment transactions

	30 June 2024	30 June 2023
	$	$
Options – recognised as a Share-based Payment Expense	584,246	1,414,747

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	5,398,500
15/12/2021	15/12/2025	$0.75	5,398,500	-	-	-	5,398,500	2,699,250
8/08/2022	31/7/2025	$0.36	1,412,500	-	-	-	1,412,500	706,250
8/08/2022	31/7/2026	$0.36	1,412,500	-	-	-	1,412,500	-
4/07/2023	30/06/2026	$0.35	-	1,510,000	-	-	1,510,000	-
4/07/2023	30/06/2027	$0.35	-	1,510,000	-	-	1,510,000	-
1/10/2023	30/09/2026	$0.24	-	250,000	-	-	250,000	-
1/10/2023	30/09/2027	$0.24	-	250,000	-	-	250,000	-
31/01/2024	31/01/2027	$0.21	-	125,000	-	(125,000)	-	-
31/01/2024	31/01/2028	$0.21	-	125,000	-	(125,000)	-	-
			13,622,000	3,770,000	-	(250,000)	17,142,000	8,804,000

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
		$	$	%	%		$	$
4/07/2023	30/06/2026	0.23	0.35	100	-	580,000	0.1088	63,104
4/07/2023	30/06/2027	0.23	0.35	100	-	580,000	0.1272	73,776
4/07/2023	30/06/2026	0.23	0.35	100	-	930,000	0.0515	47,895
4/07/2023	30/06/2027	0.23	0.35	100	-	930,000	0.0664	61,752
1/10/2023	30/09/2026	0.16	0.24	100	-	250,000	0.0652	16,300
1/10/2023	30/09/2027	0.16	0.24	100	-	250,000	0.0780	19,500
31/01/2024	31/01/2027	0.14	0.21	100	-	125,000	0.0674	8,425
31/01/2024	31/01/2028	0.14	0.21	100	-	125,000	0.0786	9,825

The options issued to directors were granted on 4 July 2023 and 1 October 2023 but approved by the shareholders at the Annual General Meeting held on 28 November 2023.

14. Reserves

	30 June 2024 $	30 June 2023 $
Reserves		
Share-based payments reserve	2,693,739	2,109,493
Movements		
Balance at beginning of the year	2,109,493	694,745
Share-based payments expense for the year	584,246	1,414,747
Balance at end of the year	**2,693,739**	**2,109,493**

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.

15. Loss per share

	30 June 2024 $	30 June 2023 $
Loss after income tax	(5,560,003)	(9,262,002)
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)	(3.1)	(5.2)

16. Financial instruments

Financial Risk Management Objectives

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

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

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

Foreign currency risk
The Group is not materially exposed to foreign currency risk.

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

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 2024 would decrease/increase by approximately $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 $
30 June 2024							
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)
30 June 2023							
Trade and other payables		(612,887)	(612,887)	-	-	-	(612,887)
Lease liabilities	10%	(142,475)	(3,782)	(7,564)	(34,577)	(145,650)	(191,573)

17. Fair value measurement

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.

18. 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 2024 $	30 June 2023 $
Short term employee benefits	455,380	401,222
Post-employment benefits	45,555	42,128
Long term benefits	1,361	-
Share based payments	393,197	1,146,316
	895,493	1,589,666

19. 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 2024 $	30 June 2023 $
Audit Services – HLB Mann Judd		
Audit or review of the financial statements	35,000	34,673

20. Related party transactions

2,360,000 options were issued to key management personnel during the year (2023: 1,300,000 options) (note 13).

21. 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	4,832,841
- Between 12 months and 5 years	16,049,826
	20,882,667

22. 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 2024 $	30 June 2023 $
Loss after tax	(5,560,003)	(9,262,002)
Total comprehensive loss	(5,560,003)	(9,262,002)

Statement of financial position

	30 June 2024 $	30 June 2023 $
Total current assets	12,078,712	17,803,152
Total assets	12,881,764	18,037,818
Total current liabilities	565,203	708,494
Total liabilities	656,820	837,116
Equity		
Issued capital	87,451,842	87,451,842
Share based payment reserve	2,693,739	2,109,493
Accumulated losses	(77,920,636)	(72,360,633)
Total equity	**12,224,945**	**17,200,702**

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 (2023: nil).

Capital commitments
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 (2023: nil).

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

23. 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 2024	Ownership interest 30 June 2023
Falcon Gold Resources Pty Ltd	Australia	100%	100%
Falcon Metals (WA) Pty Ltd	Australia	100%	100%
Falcon Industrial Minerals Pty Ltd	Australia	100%	n/a

Falcon Industrial Minerals Pty Ltd was incorporated on 20 June 2024 as a wholly owned subsidiary of Falcon Metals Limited.

24. Events after the reporting date

On 15 July 2024, the Company issued 1,320,000 share options to employees with an exercise price of $0.38 per share. The options issued expire on 30 June 2027 and 30 June 2028. The Company also proposed to issue, subject to shareholder approval at the Annual General Meeting, 2,520,000 share options to directors of the Company. The proposed issue of share options to directors of the Company also has an exercise price of $0.38 and expire on 30 June 2027 and 30 June 2028.

On 29 August 2024, the Company announced the results of the sighter test work at the Farrelly Mineral Sands Deposit, which indicated favourable metallurgical characteristics with no notable processing issues.

On 5 September 2024, the Company announced that the planned recommencement of drilling at the Farrelly Mineral Sands Deposit was at risk of being delayed following the decision against providing consent to access their properties at this time.

25. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2024 (2023: nil).

26. 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.

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.

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 2024 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
25 September 2024
Melbourne

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 2024, 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 2024 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for share-based payments Refer to Note 13	
The Group has various share-based payment arrangements in place comprised of options issued with various vesting criteria and in varying tranches. 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.	Our procedures included but were not limited to: - Reviewing the valuation of share-based payments entered into during the financial year; - Considering whether the determination of the current period vesting expense had been correctly determined for both current and prior period issues; - Ensuring share-based payment arrangements during the period had been treated appropriately in accordance with AASB 2 *Share-based Payment*; - Assessing whether management's treatment of vesting conditions was reasonable; and - Ensuring disclosures within the financial statements were appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 2024.

In our opinion, the Remuneration Report of Falcon Metals Ltd for the year ended 30 June 2024 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
25 September 2024

M R Ohm
Partner

The shareholder information set out below was applicable as at 20 September 2024.

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	455	0.08%
1,001 to 5,000	1,562	2.48%
5,001 to 10,000	650	2.78%
10,001 to 100,000	1,151	20.29%
100,001 and over	189	74.37%
	4,007	100.00%
Holding less than a marketable parcel	1,249	0.93%

Equity security holders

Twenty largest quoted equity security holders

	Ordinary Shares	
	Number Held	**% of Total Shares Issued**
CITICORP NOMINEES PTY LIMITED	17,651,582	9.97
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,987,591	8.47
BNP PARIBAS NOMINEES PTY LTD	11,556,369	6.53
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	8,023,297	4.53
MR TIMOTHY RUPERT BARR GOYDER	7,739,530	4.37
BNP PARIBAS NOMS PTY LTD	5,452,655	3.08
MR TIMOTHY RUPERT BARR GOYDER	2,252,817	1.27
MR MATHEW DAVID WILSON	2,150,000	1.21
BUTTONWOOD NOMINEES PTY LTD	1,872,795	1.06
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,835,806	1.04
BREMERTON PTY LTD	1,759,067	0.99
MR SANJIN VATRIC	1,750,000	0.99
MR IAN GEORGE KNIGHT	1,600,000	0.90
LUNAR CO PTY LTD	1,509,535	0.85
LUNAR CO PTY LTD	1,431,060	0.81
MR TIMOTHY RUPERT BARR GOYDER	1,334,052	0.75
INVIA CUSTODIAN PTY LIMITED	1,318,972	0.75
DYNAMIC PHOTOGRAPHY PTY LTD	1,200,000	0.68
UBS NOMINEES PTY LTD	1,114,781	0.63
TREBLA ENTERPRISES PTY LTD	1,020,989	0.58
TOTAL	**87,560,898**	**49.46%**

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	18,462,000	13

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
TIMOTHY R B GOYDER	14,052,233	7.94%
FRANKLIN RESOURCS INC AND ITS AFFILIATES	12,645,491	7.14%
THE GOLDMAN SACHS GROUP	12,593,441	7.11%

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.

Tenements

Project	Tenement Reference	Location	Interest at 30/06/2024	Registered Holder / Applicant^
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 Gold Resources 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
	EL007121$	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007120	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007040	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007200	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007320	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007322	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007656	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007838	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007839	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007840	VIC	100%	Falcon Gold Resources Pty Ltd
	EL007844	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	-*	Falcon Gold Resources Pty Ltd
	EL008506	VIC	-*	Falcon Gold Resources Pty Ltd
	EL006549&	VIC	-	PGM
Mt Jackson	E77/2577	WA	100%	Falcon Metals (WA) Pty LTD
	E77/2946	WA	100%	Falcon Metals (WA) Pty LTD
	E77/3134	WA	-*	Falcon Metals (WA) Pty LTD
Viking	E63/1963#	WA	51%	Falcon Metals (WA) Pty LTD
	E63/1994	WA	-*	CGM (WA) ^
Basin Edge	E04/2883@	WA	-*	Falcon Metals (WA) Pty LTD
	E04/2884@	WA	-*	Falcon Metals (WA) Pty LTD
	E04/2885$	WA	100%	Falcon Metals (WA) Pty LTD

**Applications*

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

 # E63/1963 is subject to 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

& EL006549 is subject to earn in agreement with Providence Gold and Minerals Pty Ltd (PGM) whereby Falcon can earn 100% by completing 50 aircore drill holes for a minimum aggregate meterage of 6,250m and a minimum combined 750m of drilling through bedrock

@ 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

$ Tenements are in the process of being relinquished/surrendered

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.