



FALCON METALS LIMITED

ACN 651 893 097

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting: 28 November 2024

Time of Meeting: 11.00 AM (AEDT)

Place of Meeting: Suite 6, Level 6, 350 Collins Street, Melbourne VIC 3000

The business of the Meeting affects your shareholding, and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders are urged to vote by lodging the proxy form attached to the Notice in accordance with the instructions set out on that form by no later than 26 November 2024, 11.00 AM (AEDT). In compliance with ASX guidelines, each Resolution will be decided by poll, based on proxy votes and by votes from Shareholders in attendance at the Annual General Meeting.

The Company is happy to accept and answer questions submitted prior to the meeting by email to info@falconmetals.com.au. Where a written question is raised in respect of the key management personnel of the Company or the resolutions to be considered at the meeting, the Company will address the relevant question during the course of the meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

The Company requests that Shareholders wishing to attend the Meeting in person should contact the Company Secretary (email: info@falconmetals.com.au) to confirm their attendance.

Notice of Annual General Meeting

Notice is given that an Annual General Meeting of shareholders of Falcon Metals Limited ACN 651 893 097 (Company) will be held at Suite 6, Level 6, 350 Collins Street, Melbourne VIC 3000 on 28 November 2024 at 11.00 AM (AEDT).

Agenda

Ordinary business

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024."

Note: the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

Voting exclusion statement:

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (1) does not specify the way the proxy is to vote on this Resolution; and
 - (2) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting Intentions of Chair:

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolution the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

Further details, in relation to the ability of the Chair to vote on undirected proxies are set out in the accompanying Explanatory Memorandum.

Notice of General Meeting

2. Resolution 2: Re-election of Director – Alex Dorsch

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Alex Dorsch, who ceases to hold office in accordance with clause 7.6 of the Constitution, and being eligible, offers himself for election, be re-elected as a Director of the Company.”

3. Resolution 3: Approval of Unlisted Options to be issued to Mark Bennett

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 640,000 Unlisted Options to Mr Mark Bennett, Non-executive Chair of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to receive the securities as a result of the proposed issue, a person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 3 if:

- (a) the proxy is either:
 - (1) a member of the Company’s Key Management Personnel; or
 - (2) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

Notice of General Meeting

4. Resolution 4: Approval of Unlisted Options to be issued to Tim Markwell

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 800,000 Unlisted Options to Mr Tim Markwell, Managing Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to receive the securities as a result of the proposed issue, a person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either:
 - (1) a member of the Company’s Key Management Personnel; or
 - (2) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

Notice of General Meeting

5. Resolution 5: Approval of Unlisted Options to be issued to Alex Dorsch

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 540,000 Unlisted Options to Mr Alex Dorsch, Non-executive Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to receive the securities as a result of the proposed issue, a person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 5 if:

- (d) the proxy is either:
 - (1) a member of the Company’s Key Management Personnel; or
 - (2) a closely related party of a member of the Company’s Key Management Personnel; and
- (e) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

Notice of General Meeting

6. Resolution 6: Approval of Unlisted Options to be issued to Katina Law

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 540,000 Unlisted Options to Ms Katina Law, Non-executive Director of the Company (or her nominee), and otherwise on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to receive the securities as a result of the proposed issue, a person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on Resolution 6 if:

- (d) the proxy is either:
 - (1) a member of the Company’s Key Management Personnel; or
 - (2) a closely related party of a member of the Company’s Key Management Personnel; and
- (e) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (f) the proxy is the Chair of the Meeting; and
- (g) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

Notice of General Meeting

Special Resolutions

7. Resolution 7: Approval of 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolutions by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8. Resolution 8: Renewal of Proportional Takeover Provisions

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That the Company renew the proportional takeover provisions contained in Schedule 5 of the Company’s Constitution for a period of three years from the date of the Meeting.”

9. General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

Notes:

- (a) Terms used in this Notice of Meeting are defined in the “Interpretation” section of the accompanying Explanatory Memorandum.
- (b) A detailed summary of the Resolution(s) is contained within the Explanatory Memorandum.

The resolution(s) at this Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

Notice of General Meeting

By order of the board



Pradeep Subramaniam

Company Secretary

25 October 2024

Notice of General Meeting

1. Introduction

This Explanatory Memorandum is provided to shareholders Falcon Metals Limited ACN 651 893 097 (**the Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at Suite 6, Level 6, 350 Collins Street, Melbourne VIC 3000 on 28 November 2024 at 11.00 AM (AEDT).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend that Shareholders vote in favour of all Resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Terms used in this Explanatory Memorandum are defined in Section 9.

2. Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' report, the Remuneration Report, and the auditor's report.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.falconmetals.com.au.

The Company's Annual Report is placed before the Shareholders for discussion.

No voting is required for this item.

3. Resolution 1: Adoption of Remuneration Report

3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the directors of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial period.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

3.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

Notice of General Meeting

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the Company is approved will be the directors of the company.

3.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

4. Resolution 2: Re-election of Director – Alex Dorsch

4.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

Clause 7.2 of the Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Alex Dorsch, who has served as a director since 17 July 2021, retires by rotation and being eligible for re-election, seeks approval to be elected as Director pursuant to Resolution 2.

If Resolution 2 is not carried out, Mr Dorsch will no longer be a Director of the Company.

4.2 Qualifications and other material directorships

Qualifications	BEng (Mechanical) (Honours First Class) and BFin
Experience	Alex is the Managing Director and Chief Executive Officer of Chalice Mining Limited. Alex has lead Chalice through an exceptional and transformational growth period following the Gonnevillie discovery. Alex was recognised as the 'Emerging Leader of the Year' by MiningNews and 'CEO of the Year' by Kitco in 2020. He also received the Young Mining Professionals 'Peter Munk Award' in 2022. Alex has diverse experience in leadership in roles across the resources sector, as a management consultant, engineer, project manager and corporate advisor. Prior roles included a Specialist Consultant with McKinsey & Company. He commenced his engineering career with resources giant BHP, and then spent over six years as an engineer in oil and gas exploration.
Other Directorships	Chalice Mining Limited

Mr Dorsch is considered to be an independent director.

4.3 Board recommendation

The Board supports the re-election of Mr Dorsch as a Director of the Company and recommends (with Mr Dorsch abstaining) that Shareholders vote in favour of Resolution 2.

Notice of General Meeting

5. Resolution 3 - 6: Approval of Unlisted Options to Mark Bennett, Tim Markwell, Alex Dorsch and Katina Law

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 2,520,000 Options (Related Party Options) to Mark Bennett, Tim Markwell, Alex Dorsch and Katina Law (or their nominees) (Related Parties) on the terms and conditions set out below.

To ensure the Company retains its key people, the Company has determined that the best way to reward and incentivise its board, executives and employees is via the issue of options over ordinary shares which have an exercise price that requires the share price to increase by approximately 50% (from grant date) before the options crystallise any value to the recipient while conserving cash and ensuring Falcon offers competitive market based remuneration. This results in the alignment of shareholder and board and employee interests in maximising Falcon's share price.

Resolutions 3 to 6 seek Shareholder approval to issue the Related Party Options to the Related Parties.

5.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Related Party Options constitutes giving a financial benefit and Mark Bennett, Tim Markwell, Alex Dorsch and Katina Law are related parties of the Company by virtue of being Directors.

As the Related Party Options are proposed to be issued to all the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations act applies to the issue of the Options.

Accordingly, Shareholder approval for the issue of Related Party Options to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

Notice of General Meeting

- 10.11. 4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11. 5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Related Party Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 to 6 seek the required Shareholder approval for the issue of the Related Party Options under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 3 to 6 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Related Parties within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 to 6 are not passed, the Company will not be able to proceed with the issue of the Related Party Options and the Company will have to develop an alternate plan to remunerate their directors in lieu of the grant of options.

5.5 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 3 to 5:

- (a) the Related Party Options will be issued to the following persons:
- (1) Mark Bennett (or their nominee) pursuant to Resolution 3;
 - (2) Tim Markwell (or their nominee) pursuant to Resolution 4;
 - (3) Alex Dorsch (or their nominee) pursuant to Resolution 5; and
 - (4) Katina Law (or their nominees) pursuant to Resolution 6,

Each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a director;

- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) is 2,520,000 comprising:
- (1) 640,000 Related Party Options to Mark Bennett (or their nominee) (Resolution 3);
 - (2) 800,000 Related Party Options to Tim Markwell (or their nominee) (Resolution 4);
 - (3) 540,000 Related Party Options to Alex Dorsch (or their nominee) (Resolution 5); and

Notice of General Meeting

- (4) 540,000 Related Party Options to Katina Law (or their nominee) (Resolution 6);
- (c) the terms and conditions of the Related Party Options is set out in Schedule 1;
- (d) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Options will occur on the same date as the meeting;
- (e) the issue price of the Related Party Options will be nil. The Company will not receive any other consideration in respect of the issue of the Related Party Options (other than in respect of funds received on exercise of the Related Party Options);
- (f) the purpose of the issue of the Related Party Options is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;
- (g) the Related Party Options are unquoted Options. The Company has agreed to issue Related Party Options to the Related Parties for the following reasons:
 - (1) the Related Party Options are unquoted; therefore, the issue of the Related Party Options has no immediate dilutionary impact on Shareholders;
 - (2) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the Related Party Options to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (3) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options on the terms proposed;
- (h) the number of Related Party Options to be issued to each of the Related Parties has been determined based upon a consideration of:
 - (1) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (2) the remuneration of the Related Parties; and
 - (3) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed;

Notice of General Meeting

- (i) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	FY2024/2025			FY2023/2024		
	Cash Salary	Share Based Payment	Total	Cash Salary	Share Based Payment	Total
Mark Bennett	\$90,000	53,024	143,024¹	\$90,000	43,680	133,680¹
Tim Markwell	\$334,500	66,280	400,780³	\$314,685	55,328	370,013³
Alex Dorsch	\$55,000	44,739	99,739⁵	\$55,000	36,400	91,400⁵
Katina Law	\$55,000	44,739	99,739⁷	\$41,250	44,100	85,350⁸

Notes:

¹Comprising Directors' fee of \$80,717, superannuation of \$9,283 and share based payments of \$53,024 being the value of the Related Party Options.

² Comprising Directors' fee of \$81,081, superannuation of \$8,919 and share based payments of \$43,680 being the value of the Related Party Options.

³Comprising Directors' salary of \$300,000, superannuation of \$34,500 and share based payments of \$66,280 being the value of the Related Party Options.

⁴ Comprising Directors' salary of \$283,500, superannuation of \$31,185 and share based payments of \$55,328 being the value of the Related Party Options.

⁵Comprising Directors' fee of \$49,327, superannuation of \$5,673 and share based payments of \$44,739 being the value of the Related Party Options.

⁶ Comprising Directors' fee of \$49,550, superannuation of \$5,450 and share based payments of \$36,400 being the value of the Related Party Options.

⁷ Comprising Directors' fee of \$49,327, superannuation of \$5,673 and share based payments of \$44,739 being the value of the Related Party Options.

⁸ Comprising Directors' fee of \$37,162, superannuation of \$4,088 and share based payments of \$44,100 being the value of the Related Party Options

- (j) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (k) the Related Party Options are not being issued under an agreement;
- (l) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options
Mark Bennett	598,694	4,640,000 ²
Tim Markwell	252,272	4,800,000 ³
Alex Dorsch	2,940,595	2,570,000 ⁴
Katina Law	70,000	500,000 ⁵

Notes:

¹Fully paid ordinary shares in the capital of the Company (ASX: FAL).

²Unquoted Options, comprising of:

- 1,770,000 Options (exercisable at \$0.75 each on or before 15 December 2024);
- 1,770,000 Options (exercisable at \$0.75 each on or before 15 December 2025);
- 250,000 Options (exercisable at \$0.36 each on or before 31 July 2025);
- 250,000 Options (exercisable at \$0.36 each on or before 31 July 2026);
- 300,000 Options (exercisable at \$0.35 each on or before 30 June 2026); and
- 300,000 Options (exercisable at \$0.35 each on or before 30 June 2027).

Notice of General Meeting

³Unquoted Options, comprising of:

- a. 1,770,000 Options (exercisable at \$0.75 each on or before 15 December 2024);
- b. 1,770,000 Options (exercisable at \$0.75 each on or before 15 December 2025);
- c. 250,000 Options (exercisable at \$0.36 each on or before 31 July 2025);
- d. 250,000 Options (exercisable at \$0.36 each on or before 31 July 2026);
- e. 380,000 Options (exercisable at \$0.35 each on or before 30 June 2026); and
- f. 380,000 Options (exercisable at \$0.35 each on or before 30 June 2027).

⁴Unquoted Options, comprising of:

- a. 885,000 Options (exercisable at \$0.75 each on or before 15 December 2024);
- b. 885,000 Options (exercisable at \$0.75 each on or before 15 December 2025);
- c. 150,000 Options (exercisable at \$0.36 each on or before 31 July 2025);
- d. 150,000 Options (exercisable at \$0.36 each on or before 31 July 2026);
- e. 250,000 Options (exercisable at \$0.35 each on or before 30 June 2026); and
- f. 250,000 Options (exercisable at \$0.35 each on or before 30 June 2027).

⁵Unquoted Options, comprising of:

- a. 250,000 Options (exercisable at \$0.24 each on or before 30 September 2026); and
- b. 250,000 Options (exercisable at \$0.24 each on or before 30 September 2027).

- (m) if the Related Party Options issued to the Related Parties are exercised, a total of 2,520,000 Shares would be issued. This will increase the number of Shares on issue from 177,000,000 (being the total number of Shares on issue as at the date of this Notice) to 179,520,000 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.42%, comprising 0.36% by Mr Bennett, 0.45% by Mr Markwell, 0.31% by Mr Dorsch, and 0.31% by Ms Law;

The market price for Shares during the term of the Related Party Options would normally determine whether the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.36	19 July 2024
Lowest	\$0.10	27 February 2024
Last	\$0.18	18 October 2024

- (o) each Director has a material personal interest in the outcome of Resolutions 3 to 6 on the basis that all of the Directors (or their nominees) are to be issued Related Party Options should Resolutions 3 to 6 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 3 to 6 of this Notice; and
- (p) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3 to 6.

Notice of General Meeting

6. Resolution 7: Approval of 10% Placement Capacity

6.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**10% Placement Capacity**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the 10% Placement Capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

The potential advantages of having the 10% Placement Capacity provided for in Listing Rule 7.1A include:

- (a) Falcon is an exploration company, operating in a sector where quick access to capital is critical to secure exploration assets and deliver sustainable value to shareholders;
- (b) Given this industry environment, we are asking our shareholders to give us advance approval to issue up to 25% of the issued capital without specific reference to shareholders to approve the specific transaction. This is the maximum permissible under ASX Listing Rules;
- (c) Falcon does not necessarily expect to invoke this additional capital raising facility in a given year. However, if and when an opportunity arises, in our experience it is necessary to act quickly;
- (d) At all times, the guiding principle of our placement allocation policy will be to advance the interests of all of our existing non-associated shareholders; and
- (e) We are mindful of the position of long-term portfolio investors with regard to dilution risks from any deployment of this enhanced placement capacity, and will ensure that due regard is taken to this in our allocation policy through our bankers and brokers.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the 10% Placement Capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

6.2 Information on 10% Placement Capacity

(a) Quoted securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company currently has one class of Equity Securities quoted on the ASX, being Ordinary Shares (ASX Code: FAL).

(b) Formula for 10% Placement Capacity

Notice of General Meeting

If this Resolution 7 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

$$\text{Additional Placement Capacity} = (A \times D) - E$$

A = the number of fully-paid ordinary securities on issue at the commencement of the Relevant Period:

- plus the number of fully-paid ordinary securities issued in the Relevant Period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
- the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully-paid ordinary securities issued in the Relevant Period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the Relevant Period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of partly-paid ordinary securities that became fully-paid in the Relevant Period;
- less the number of fully-paid ordinary securities cancelled in the Relevant Period;

D = 10%; and

E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

6.3 Listing Rule requirements

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 7:

(a) Period for which the 10% Placement Capacity is valid

The 10% Placement Capacity will commence on the date of the Meeting at which the Shareholder approval is obtained and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting (i.e. 28 November 2024), presuming Shareholder approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

Notice of General Meeting

(b) Minimum Price at which equity securities may be issued

Any Equity Securities issued under the 10% Placement Capacity will be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) Use of funds raised under 10% Placement Capacity

The Company intends to use funds raised from issues of Equity Securities under the 10% Placement Capacity for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration expenditure on the Company's current assets/or projects (funds would then be used for project, feasibility studies and ongoing project administration);
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) Risk of voting dilution

If Resolution 7 is passed and the Company issues securities under the 10% Placement Capacity, then there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date Shareholder approval is obtained for this Resolution; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below shows the potential dilution of existing Shareholders following the issue of Equity Securities under the 10% Placement Capacity (based on the formula set out above) using difference variables for the number of issued Ordinary Shares and the market price of Ordinary Shares. The table overleaf is calculated using the closing market price of Shares and the number of Equity Securities on issue as at 18 October 2024.

Notice of General Meeting

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.09	\$0.18	\$0.36
			50% decrease	Issue Price	100% increase
		Funds Raised			
Current	177,000,000 Shares	17,700,000 Shares	1,593,000	3,186,000	6,372,000
50% increase	265,500,000 Shares	26,550,000 Shares	2,389,500	4,779,000	9,558,000
100% increase	354,000,000 Shares	35,400,000 Shares	3,186,000	6,372,000	12,744,000

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- (i) There are 177,000,000 Shares on issue as at the date of this Notice (ASX Code: FAL).
- (ii) The issue price set out above is the closing price of the Shares on the ASX on 18 October 2024.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- (iv) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- (v) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (vii) This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
- (viii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (ix) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (1) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

Notice of General Meeting

- (2) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (1) the purpose of the issue;
- (2) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (3) the effect of the issue of the Equity Securities on the control of the Company;
- (4) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (5) prevailing market conditions; and
- (6) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 November 2022 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 29 November 2023, the Company has not issued any Equity Securities pursuant to the Previous Approval.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

6.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chair intends to vote all available proxies in favour of Resolution 7.

7. Resolution 8: Renewal of Proportional Takeover Provisions

7.1 General

Resolution 8 seeks Shareholders approval for the renewal of the proportional takeover provisions which are contained in Schedule 5 of the Company's Constitution. A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares. Under the Corporations Act, the provisions in Schedule 5 must be renewed every three years, or they will cease to have effect.

Notice of General Meeting

The current provisions were adopted when the company's constitution was approved on adoption of the Company's constitution on 2 November 2021. Accordingly, the provisions will expire on 2 November 2024, which will be prior to the 2024 annual general meeting of Shareholders.

7.2 Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (f) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (g) assisting in preventing Shareholders from being locked in as a minority;
- (h) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (i) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

7.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 8.

The Chair intends to vote all available proxies in favour of Resolution 8.

Notice of General Meeting

8. General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company. Specific comments relating to the Resolution(s) are set out in the Explanatory Memorandum.

9. Interpretation

10% Placement Capacity has the meaning given in Section 6.1.

Annual General Meeting means the Annual General Meeting of the Company pursuant to this Notice of Meeting.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange (as applicable).

Board means the board of directors of the Company.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means Falcon Metals Limited ACN 651 893 097.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001 (Cth)* as amended, varied or replaced from time to time.

Director means a director of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum.

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Notice of General Meeting

Ordinary Resolution means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders.

Previous Approval has the meaning given in section 8.3(f).

Proxy Form means the proxy form accompanying the Notice of Meeting.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2024.

Resolution means a resolution proposed at the Meeting.

Schedule means a schedule to the Notice.

Securities means any Equity Securities of the Company (including Shares, Options and/or Performance Rights)

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a holder of Shares in the Company.

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Any inquiries in relation to the Notice of Meeting or Explanatory Memorandum should be directed to:

Pradeep Subramaniam
Company Secretary
Phone: +61 (03) 8648 6684
Email: info@falconmetals.com.au

Notice of General Meeting

Schedule 1 TERMS & CONDITIONS OF THE RELATED PARTY OPTIONS

- (a) **(Entitlement)** The Options entitle you (or your nominees) to subscribe for one Share upon the exercise of each Option.
- (b) **(Plan):** The Options are issued pursuant to and are subject to the Plan. In the event of conflict between a provision of these terms and conditions and the Plan, these terms and conditions prevail to the extent of that conflict.
- (c) **(Vesting):** The Options will vest in four equal tranches over a three-year period, subject to the satisfaction (or waiver by the Board) of the relevant Vesting Condition as follows:

Tranche	Number of Options	Exercise Price	Vesting Condition	Vesting Date	Expiry Date
A	630,000	\$0.38	1.5 Years	31 Dec 2025	30 Jun 2027
B	630,000	\$0.38	2 Years	30 Jun 2026	30 Jun 2027
C	630,000	\$0.38	2.5 Years	31 Dec 2026	30 Jun 2028
D	630,000	\$0.38	3 years	30 Jun 2027	30 Jun 2028

The Options will vest if you continue to be employed or otherwise engaged by the Company or any of its subsidiaries at all times from the date of issue of the Options until the relevant Vesting Date.

The Board may, in its sole discretion, elect to waive any Vesting Condition.

- (d) **(Exercise price):** Each Option has an exercise price of \$0.38 (**Exercise Price**) respectively, being the 150% premium of the 20-day VWAP on the day of grant¹.
- (e) **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the twenty (20) trading days immediately preceding that given date.

- (f) **(Expiry Date):** The Options will expire on the earlier to occur of: (i) 5:00pm (AEST) on the Expiry Date specified in paragraph (c); and (ii) the date on which the holder ceases to be employed or otherwise engaged by the Company or any of its subsidiaries (unless the Board elects in its sole discretion to permit the holder to retain the Options).
- (g) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.
- (h) **(Transferability):** The Options are not transferable, except with the prior written approval of the Company and subject to compliance with the Corporations Act.

¹ Grant date as per taxation legislation and regulations

Notice of General Meeting

- (i) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the form set out in the Notice of Exercise and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (j) **(Timing of issue of Shares on exercise):** Within five Business Days after the Exercise Date the Company will, subject to paragraph (k) below:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) if admitted to the Official List at the time, apply for Official Quotation of Shares issued pursuant to the exercise of the Options.

- (k) **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, then within 20 Business Days of allotment, the Company must lodge a cleansing prospectus with ASIC pursuant to section 708A(11) of the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (l) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

- (m) **(Takeovers prohibition):**

- (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
- (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.

- (n) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights you hold in the Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- (o) **(Change of control):** If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control, the Board may at its absolute discretion make a determination that some or all of your Options vest and allow you to exercise the vested Options in order to be able to dispose of the relevant Shares.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and you will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

Notice of General Meeting

- (q) **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
- (r) **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
- (s) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights you hold in the Options will be varied in accordance with the Listing Rules.
- (t) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which you would have received if you had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (u) **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
- (v) **(Constitution):** Upon the issue of Shares on exercise of the Options, you agree to be bound by the Company's constitution.
- (w) **(Shareholder approval):** If Shareholder approval is required and is not obtained, the Company will develop an alternate plan to remunerate you (or your nominees).


Notice of General Meeting


Schedule 2 VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 3 - 6 have been valued by internal management. Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions		
Series	Expiring 30 June 2027	Expiring 30 June 2028
Valuation date	10 October 2024	10 October 2024
Market price of shares	\$0.17	\$0.17
Exercise price	\$0.38	\$0.38
Expiry date (length of time from issue)	2.8 years	3.8 years
Risk free interest rate	3.50%	3.50%
Volatility (discount)	100%	100%
Indicative value per Related Party Option	\$0.074	\$0.092
Total Value of Related Party Options	\$208,782	
Mark Bennett	\$53,024	
Tim Markwell	\$66,280	
Alex Dorsch	\$44,739	
Katina Law	\$44,739	

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 5000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (AEDT) on Tuesday, 26 November 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 184377

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Falcon Metals Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Falcon Metals Limited to be held at Suite 6, Level 6, 350 Collins Street, Melbourne, VIC 3000 on Thursday, 28 November 2024 at 11:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3, 4, 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Alex Dorsch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Unlisted Options to be issued to Mark Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Unlisted Options to be issued to Tim Markwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of Unlisted Options to be issued to Alex Dorsch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Unlisted Options to be issued to Katina Law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically