

27 November 2024

## FALCON ACQUIRES CRATON MARGIN GOLD PROJECT IN WA

- **Falcon to earn up to a 70% interest in E09/2457 from Errawarra Resources**
- **E09/2457 is situated in the Errabiddy shear zone on the north-western margin of the Yilgarn Craton and has a similar structural setting to the 5.4Moz<sup>1</sup> Tropicana Gold Mine**
- **The Olsen Well gold target, in the central part of the permit, is a 3km long untested soil anomaly, with a peak of 0.23g/t Au in soil, that remains open along strike in both directions**
- **Falcon's recent 100% application adjacent to E09/2457 expands the project area further east along the Errabiddy shear zone**
- **Initial phase of confirmatory soil sampling planned for Olsen Well in the first half of 2025 with drilling to follow**

Falcon Metals Limited (**ASX: FAL**) ("**Falcon**" or "**the Company**") advises that it has entered into an Earn-in, Joint Venture and Mineral Rights Agreement with ASX-listed Errawarra Resources (**ASX: ERW**) ("**Errawarra**"), granting Falcon the right to earn up to a 70% interest in Exploration Licence E09/2457 covering all minerals excluding graphite (the "License").

The 519km<sup>2</sup> license covers a 42km strike extent of the Errabiddy shear zone, located along the northern margin of the Yilgarn Craton, 220km northwest of Meekatharra (see Figure 1). Falcon has further increased the size of the ground holding in the project area with application E09/2984 covering an additional 102km<sup>2</sup> and extending coverage of the Errabiddy shear zone strike extent 22km to the east. This new project is referred to as the Errabiddy Gold Project (see Figure 2).

### The Errabiddy Gold Project

The Errabiddy shear zone is a compelling Cratonic margin gold target. This shear zone demarcates the boundary between the Yilgarn Craton and the Glenburgh Terrane of the Capricorn Orogen. Craton margins are prospective for the formation of large gold deposits, including the Tropicana deposit that was discovered on the eastern margin of the Yilgarn Craton in 2005 through the follow up of a regional public domain gold-in-soil anomaly. Tropicana was the first world-class gold deposit discovered in high-grade metamorphic gneissic rocks in an Archaean terrane, not previously considered prospective for gold. The 2.6Moz<sup>2</sup> Karlawinda Gold Project is another recently discovered gold deposit in a similar setting on the southern margin of the Pilbara Craton.

The Errabiddy shear zone contains known gold mineralisation, including the Big Sky Prospect, discovered less than 3km from the eastern boundary of E09/2984 by Lodestar Minerals in 2015<sup>3</sup>. The Glenburgh deposit, sold by Spartan Resources to Benz Mining in November 2024, is also considered to be a cratonic margin deposit. This is located 35km to the northeast of Olsen Well, with a current Resource of 16.3Mt @ 1.0g/t for 510,000 ounces<sup>4</sup> of gold.

<sup>1</sup> <https://www.anglogoldashanti.com/>

<sup>2</sup> <https://capmetals.com.au/investor-centre/presentations> "Presentation Diggers & Dealers August 2024"

<sup>3</sup> ASX announcement: LSR 20 October 2015 "Extremely high-grade gold up to 105g/t in RC drilling at Big sky"

<sup>4</sup> ASX announcement: BNZ 6 November 2024 "Benz to acquire WA gold projects from Spartan Resources"

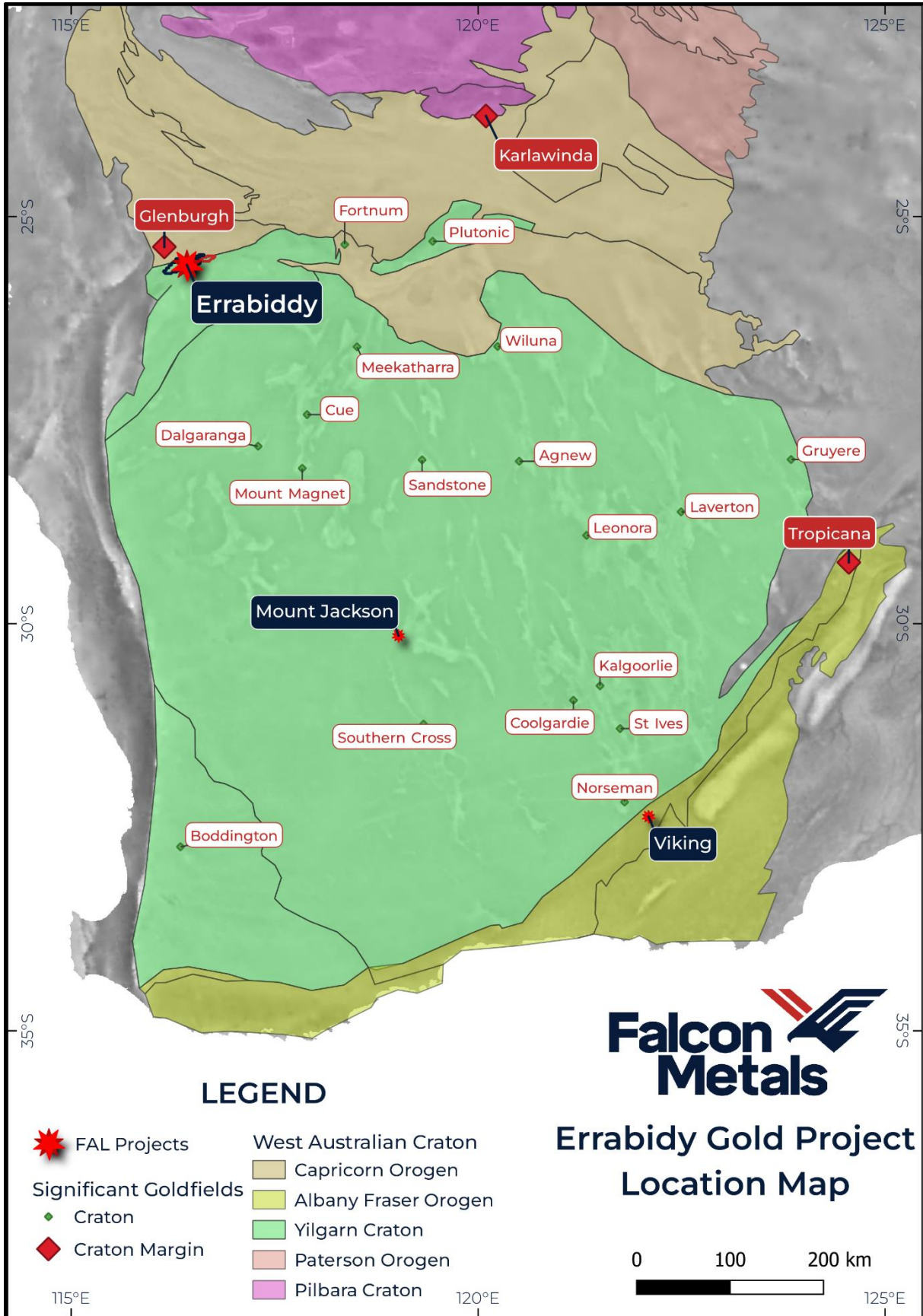


Figure 1 Location of the Errabiddy Gold Project in relation to the West Australian Craton



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

Errawarra identified the Olsen Well target from a review of public domain Bulk Leach Extractable Gold (BLEG) stream sediment data that highlighted this area from the sampling conducted by Peregrine Gold Mining NL in 1994. Additionally, regional geochemical sampling by the Geological Survey of Western Australia, with a 4km spaced geochemical grid, detected a 6 ppb Au anomaly near Olsen Well.

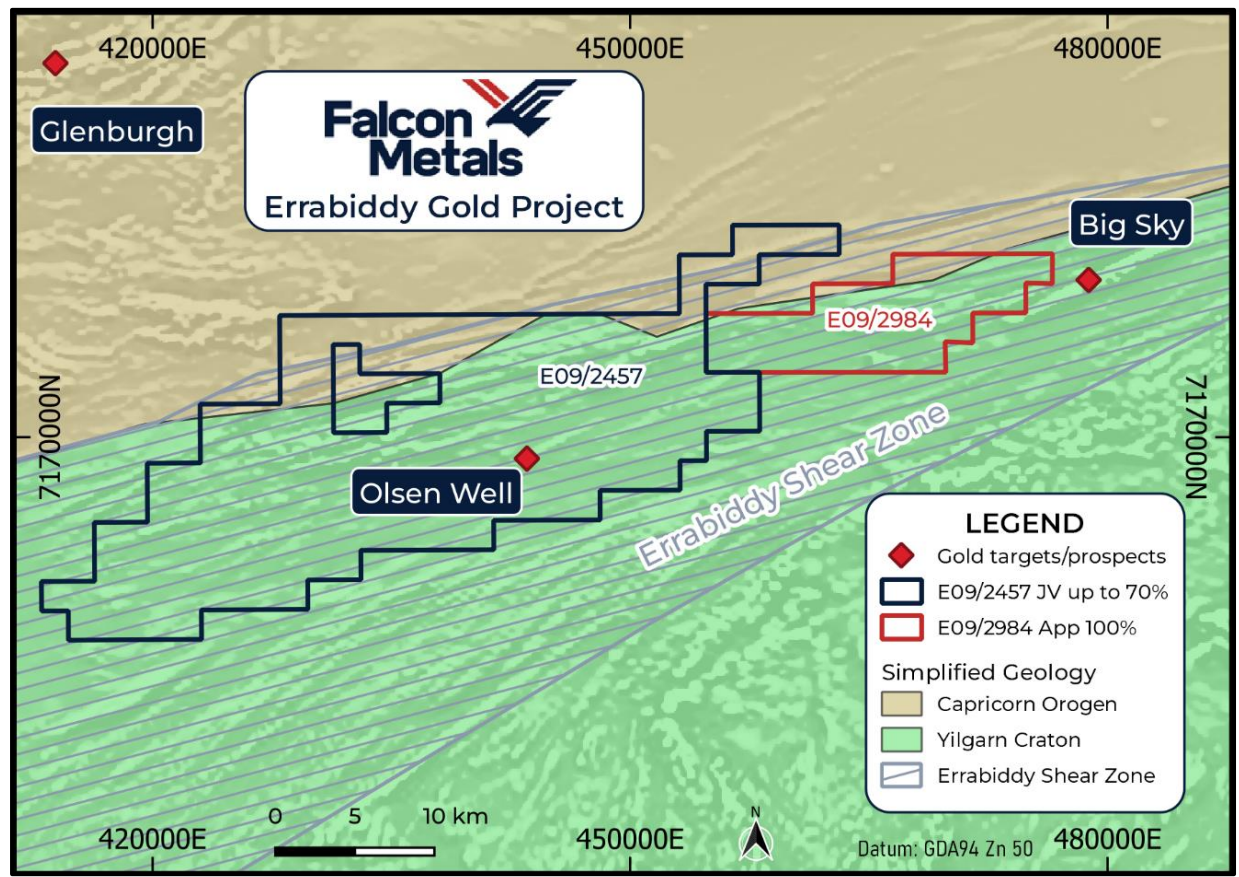


Figure 2 Errabiddy Gold Project tenements

In 2021, Errawarra completed a high resolution aeromagnetic survey over E09/2457, consisting of 100m spaced flight lines over the entire tenement. An ultrafine soil sampling program over the Olsen Well target, undertaken in 2023, defined a 3km by 1km 10ppb gold anomaly with coincident arsenic and bismuth, with a peak gold value of 234ppb Au. This anomaly remains open along strike, with areas in similar structural and geological positions yet to be soil sampled (See Figure 3).

The agreement with Errawarra provides Falcon with the opportunity to test the compelling gold target already defined at Olsen Well and potentially generate new targets along strike on this prospective structure. The proposed initial work program will focus on confirmatory soil sampling at Olsen Well in the first half of 2025 and a potential drilling program to follow.

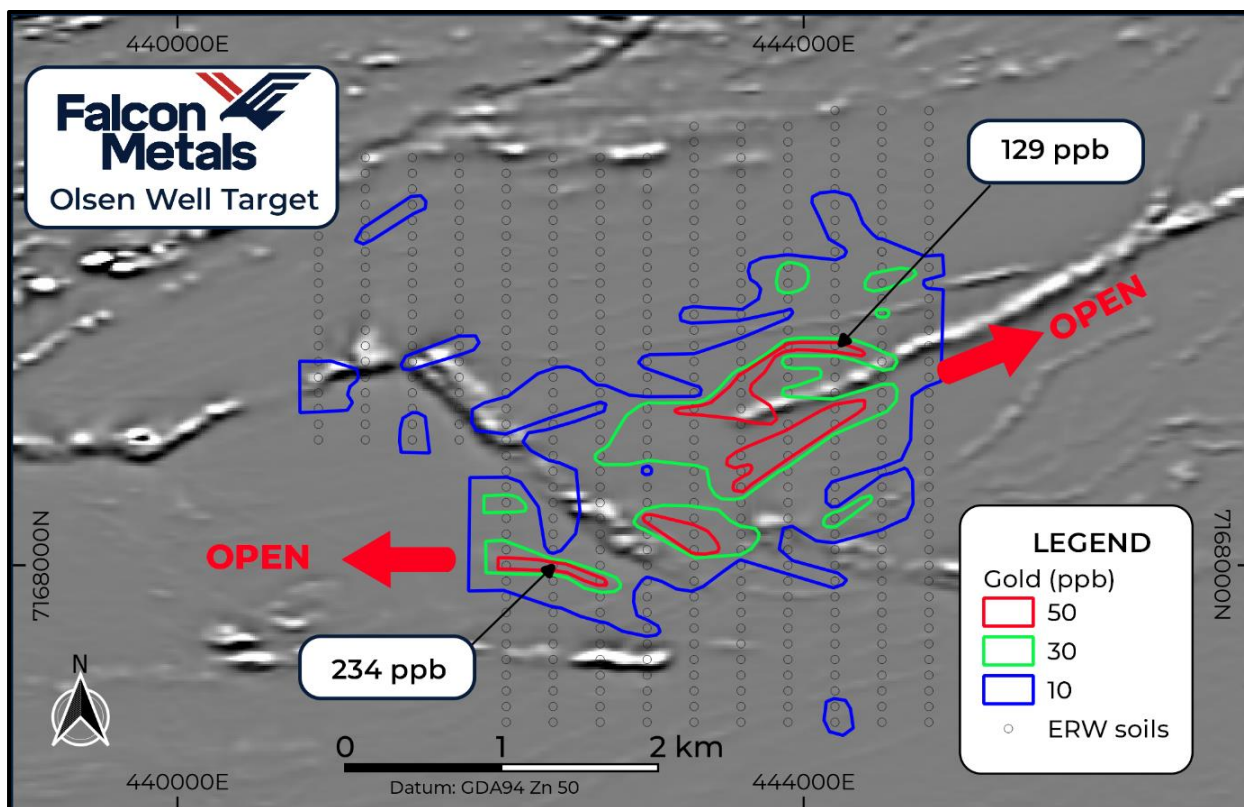


Figure 3 Soil anomaly at the Olsen Well Target on detailed magnetic image (second vertical derivative)

### Agreement terms

- Falcon has the right to earn an interest up to 70% in the License from Errawarra by incurring the following staged expenditure:
  - **Stage 1:** \$750,000 in expenditure within 24 months to earn a 51% interest
  - **Stage 2:** \$1,250,000 in expenditure within 36 months from earning the Stage 1 interest to earn a further 19%
- Minimum expenditure commitment of \$200,000 prior to withdrawal, which includes \$80,000 in cash reimbursement to Errawarra for expenditure incurred to date
- Once the Stage 2 Earn-in has been achieved, contribution to the joint venture will be on a pro rata basis:
  - If a joint venture participant elects not to contribute its pro rata share of the approved program and budget, its interest will be diluted pursuant to the formula in the agreement
  - If Errawarra's interest dilutes to 10% or less, its interest will convert to a 2% NSR Royalty
  - Alternatively, once the Stage 2 Earn-in has been achieved, Errawarra has the option to elect to convert its percentage interest to a 2% NSR Royalty
  - Falcon has the right but not the obligation to purchase 50% of the NSR Royalty back for \$2,000,000
- Falcon has the right to withdraw from the agreement as long as the minimum expenditure commitment of \$200,000 is incurred



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

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**COMPETENT PERSON STATEMENT:**

*The information contained within this announcement 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.*

**FORWARD LOOKING STATEMENT:**

*This announcement may contain certain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (Forward Statements). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also forward-looking statements. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance.*