



# Demerger and IPO Briefing

3 NOVEMBER 2021



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## Competent Person Statement

The information in this Presentation that relates to Exploration Results is extracted from the Falcon Prospectus dated 3 November 2021 which is available on [www.falconmetals.com.au](http://www.falconmetals.com.au) and the Company's Notice of General Meeting dated 2 November 2021 which is available on the Company's ASX market announcements platform.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and Notice of General Meeting.



# Investment Highlights



A new, high-profile gold exploration specialist in Victoria



Led by a highly decorated, specialist team with a history of 'company making' discoveries (Julimar, Nova-Bollinger, Thunderbox, Waterloo)



>5,000km<sup>2</sup> holding in the Bendigo Zone of Victoria, a region which hosts one of the world's highest grade and most profitable gold mines, the Fosterville Gold Mine<sup>1</sup>



Strong starting cash position – a unique platform to make a significant gold discovery

1. Owned by Kirkland Lake Gold

## Demerger<sup>(1)</sup>

**1** Falcon Metals share  
awarded for every  
**~3** Chalice Mining shares  
(in-specie distribution)

1) Eligible Chalice shareholders to receive 1 Falcon Metals share for every 3.025 Chalice shares held on the In Specie Record Date (subject to amount of shares on issue on that date)

## IPO<sup>(2)</sup>

**1** Falcon Metals share  
for every  
**~6** Chalice Mining shares  
(pro-rata entitlement)

2) Eligible Chalice shareholders entitled to subscribe for 1 Falcon Metals share for every 5.882 Chalice shares held on the Priority Offer Record Date

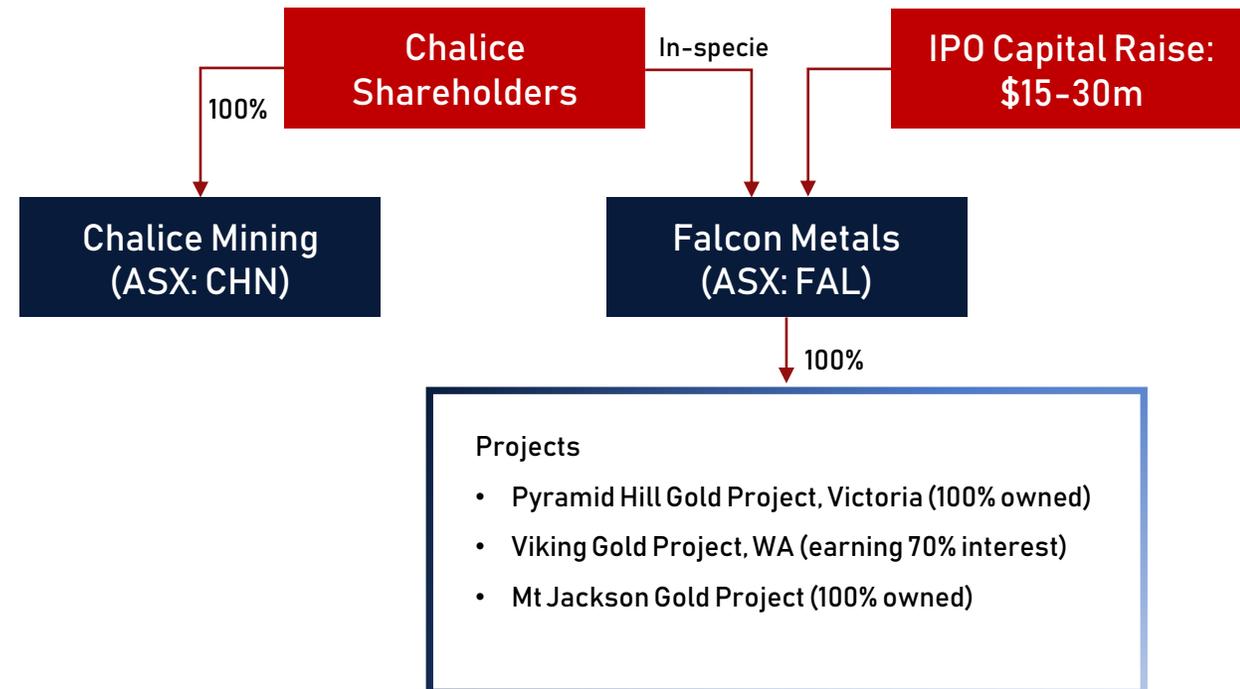
# Demerger Overview

**Demerger will result in two separate ASX-listed companies – Chalice will focus on the world class Julimar Ni-Cu-PGE Project, while Falcon will be focussed on tier-1 gold discoveries**

## Overview

- The Demerger will result in two independent ASX listed companies – Chalice and Falcon – each with a management team focused on pursuing its own strategy
- Chalice shareholders will have the opportunity to vote on the Demerger at the Extraordinary General Meeting on 3 December 2021
  - Chalice Directors unanimously recommend that Chalice shareholders vote in favour of the Demerger Resolution
- Chalice shareholders will be entitled to receive 1 share in Falcon for each ~3 existing shares held in Chalice (1 for 3)<sup>1</sup>
- Concurrent with the demerger, Falcon is seeking to raise a minimum of \$15 million and up to \$30 million via an IPO:
  - Chalice shareholders have the opportunity to maintain an undiluted interest through a priority entitlement, or take up additional interest (subject to capacity)

## Post Demerger Overview



1. Eligible Chalice shareholders to receive 1 Falcon Metals share for every 3.025 Chalice shares held on the In Specie Record Date (subject to amount of shares on issue on that date)

# Demerger Rationale

The Board of Chalice believe that this is a logical separation of different projects, with the potential to unlock shareholder value



Logical separation of gold projects from Chalice's Ni-Cu-PGE projects, allowing shareholders to gain separate exposure to the different commodity groups



Independent Board and Management to respectively prioritise resources and focus their efforts to drive shareholder value



Enables Chalice shareholders to continue to participate in the growth of the demerged gold projects through a well-financed standalone entity



Unlocks value potential for the demerged gold projects which are currently underappreciated by the market



Enables greater flexibility to adopt an appropriate capital structure for each company, given they are at different stages in the project lifecycle with distinct investor and financier priorities

# IPO Details



**Falcon to raise between \$15 to \$30 million to advance systematic, high-impact greenfield exploration**

## Key Offer Details

Item	Minimum subscription	Maximum subscription
Offer price per share	A\$0.50 / share	A\$0.50 / share
Gross proceeds of the Offer	\$15 million	\$30 million
Shares to be distributed under In-specie Distribution to Eligible Chalice Shareholders	117,000,000	117,000,000
Maximum number of Shares offered under the Offer	30,000,000	60,000,000
Total Securities on issue	147,000,000	177,000,000
Implied Market Capitalisation on completion <sup>1</sup>	\$73,500,000	\$88,500,000
Implied Enterprise Value on completion <sup>1</sup>	\$58,500,000	\$58,500,000

## Use of Funds (2 Years)

	Minimum subscription	Maximum subscription
Exploration expenditure:		
<i>Pyramid Hill</i>	\$7,825,000	\$15,350,000
<i>Viking</i>	\$1,950,000	\$2,500,000
<i>Mt Jackson</i>	\$225,000	\$225,000
Total exploration expenditure	\$10,000,000	\$18,100,000
Working capital	\$2,100,000	\$8,350,000
General administration fees and working capital	\$1,900,000	\$2,100,000
IPO costs	\$1,000,000	\$1,450,000
Total	\$15,000,000	\$30,000,000

1. Before costs of the IPO

# Demerger Timetable & IPO Overview



**Process commences 3 November 2021 and trading will commence by 22 December 2021**

- Chalice shareholders will vote on the Demerger at the General Meeting on 3 December 2021
- Under the IPO Priority Offer, Chalice Shareholders have the opportunity to apply for 1 Falcon share for every ~5.882 Chalice shares held
- If entitlements not fully taken up, opportunity to participate in the Shortfall Offer
- Bell Potter Securities Limited appointed Lead Manager to IPO
- ASX listing scheduled for 22 December 2021

Event	Date <sup>(1)</sup>
Lodgement of Prospectus with ASIC	3 November 2021
Priority Offer Record Date	9 November 2021
Opening Date for the Priority Offer	11 November 2021
Closing Date for the Priority Offer	1 December 2021
Closing Date for the Shortfall Offer	3 December 2021
Meeting of Chalice Shareholders to approve Demerger	3 December 2021
Completion of the acquisition of Projects	6 December 2021
In-specie Distribution Record Date	9 December 2021
Issue Date of Shares under Offer and In-specie Distribution and despatch of holding statements	15 December 2021
Falcon Metals shares commence trading on ASX	22 December 2021

1. Dates shown are indicative and subject to change

# Directors & Management

Falcon will be led by a highly decorated, specialist team with a history of 'company making' discoveries (Julimar, Nova-Bollinger, Thunderbox, Waterloo)



Dr Mark Bennett  
Non-Executive Chairman

- 30+ years' experience in gold and base metal exploration.
- Founding managing Director and CEO of Sirius Resources
- Currently the Executive Chairman of S2 Resources and Non-Executive Director of Todd River Resources
- Two-time winner of the Association of Mining and Exploration Companies "Prospector of the Year" Award (Nova-Bollinger, Thunderbox and Waterloo)



Tim Markwell  
Managing Director & CEO

- 25+ years' experience in gold and base metal exploration with expertise in geology, fund management, and mining
- Held the role of Investment Manager of the African Lion funds at Lion Selection Group for 14 years
- Acted as Non-Executive Director for Predictive Discovery and Anax Metals and additionally as CEO for Celamin Holdings



Alex Dorsch  
Non-Executive Director

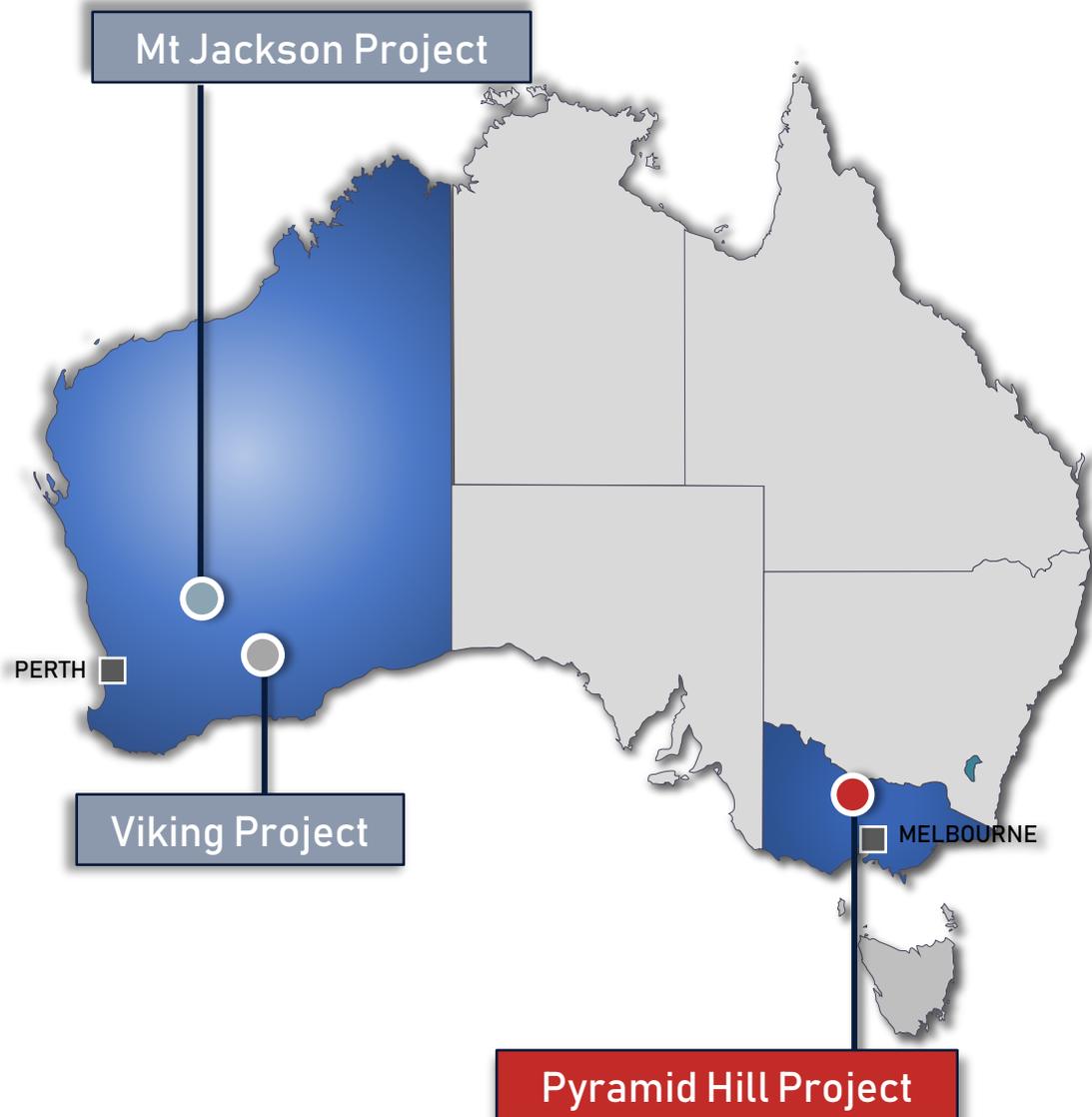
- Managing Director of Chalice since late 2018, led the company through the Julimar discovery in 2020
- Diverse experience in the resources sector in a variety of management, advisory, and consultancy roles
- Recognised as 'New / Emerging Leader of the Year' by MiningNews and 'CEO of the Year' by Kitco in 2020



Andrea Betti  
CFO / Company Secretary

- 20+ years experience as an accounting and corporate governance professional
- Acted as Chief Financial Officer, Company Secretary, and senior executive in the banking and finance industry
- Currently a director of a Perth-based corporate advisory company

# Falcon Project Portfolio



## 1 Pyramid Hill Gold Project, VIC

- >5,000km<sup>2</sup> holding NW and NE of the Fosterville Gold Mine
- 100% owned, all under cover in unexplored terrane
- Ready-to-drill >4km gold trend + 3 gold bearing diorite intrusions
- Diamond + AC drilling planned in Q1 2022

## 2 Viking Gold Project, WA

- Earn-in to 70% + 100% owned tenure, 30km ESE of Norseman
- Large gold system discovered in 2011
- Extensive zone of high-grade supergene gold mineralisation
- RC drilling planned in Q1/Q2 2022

## 3 Mt Jackson Gold Project, WA

- 100% owned, underexplored part of the Southern Cross belt
- Highly prospective for orogenic gold
- Large untested gold-in-soil anomaly
- AC drilling planned

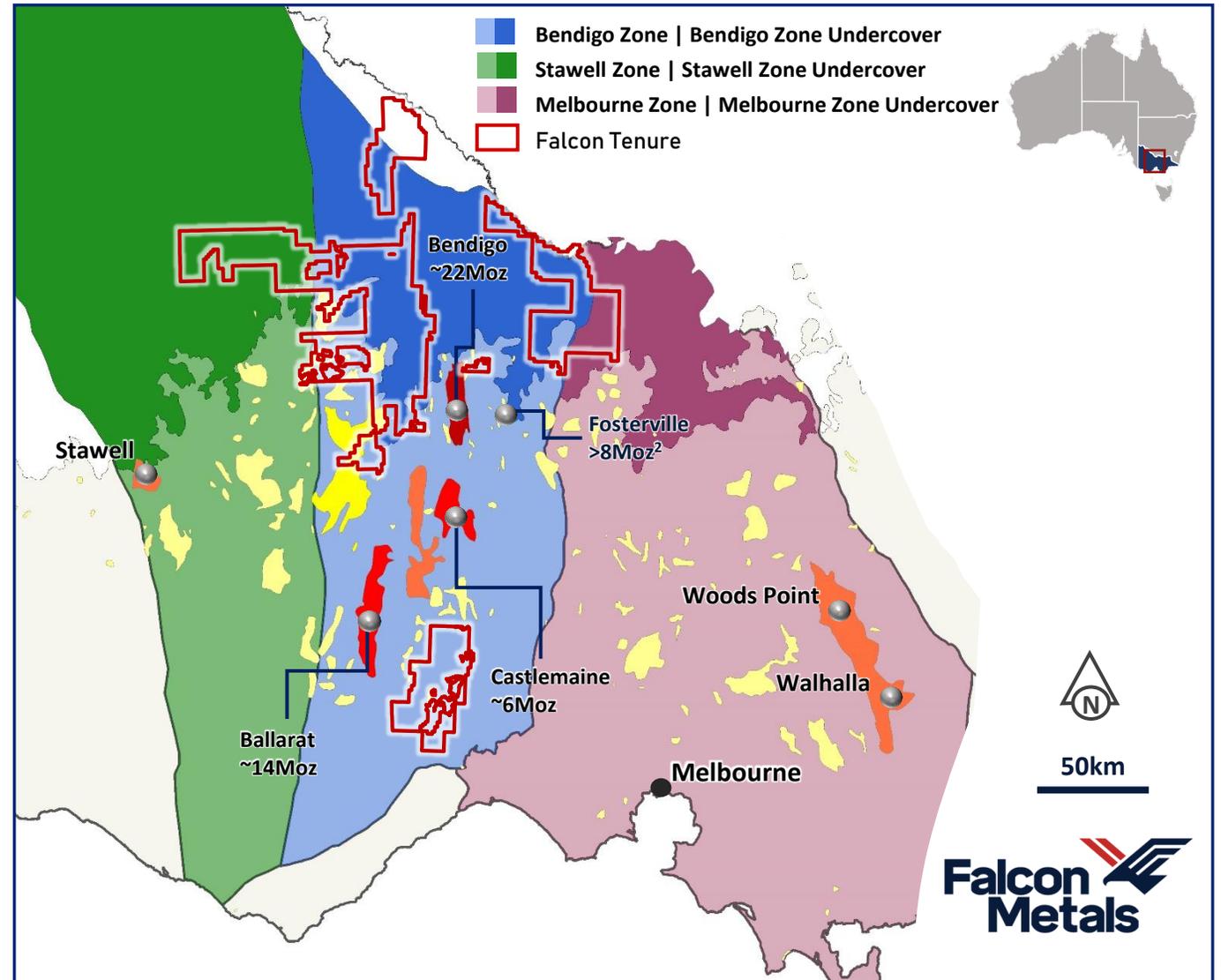
# Pyramid Hill Project



# The Opportunity

## Underexplored world class, high-grade gold province under cover

- 60Moz of gold produced since 1850's from outcropping South Bendigo Zone, at an average grade of ~15g/t Au<sup>1</sup>
- 90% of mines had a recovered grade of >8.5g/t Au<sup>1</sup>
- 32Moz Au (P50 mid case) of undiscovered gold in the Northern Bendigo Zone (Vic Govt 'Gold Undercover'<sup>1</sup> estimate) – an area essentially unexplored and Falcon's focus



1. Gold Undercover Report 2 – Assessment of undiscovered mesozonal orogenic gold endowment under cover in the northern part of the Bendigo Zone – Appendix 4, Table A41

2. All gold numbers represent historic production and can be sourced here:

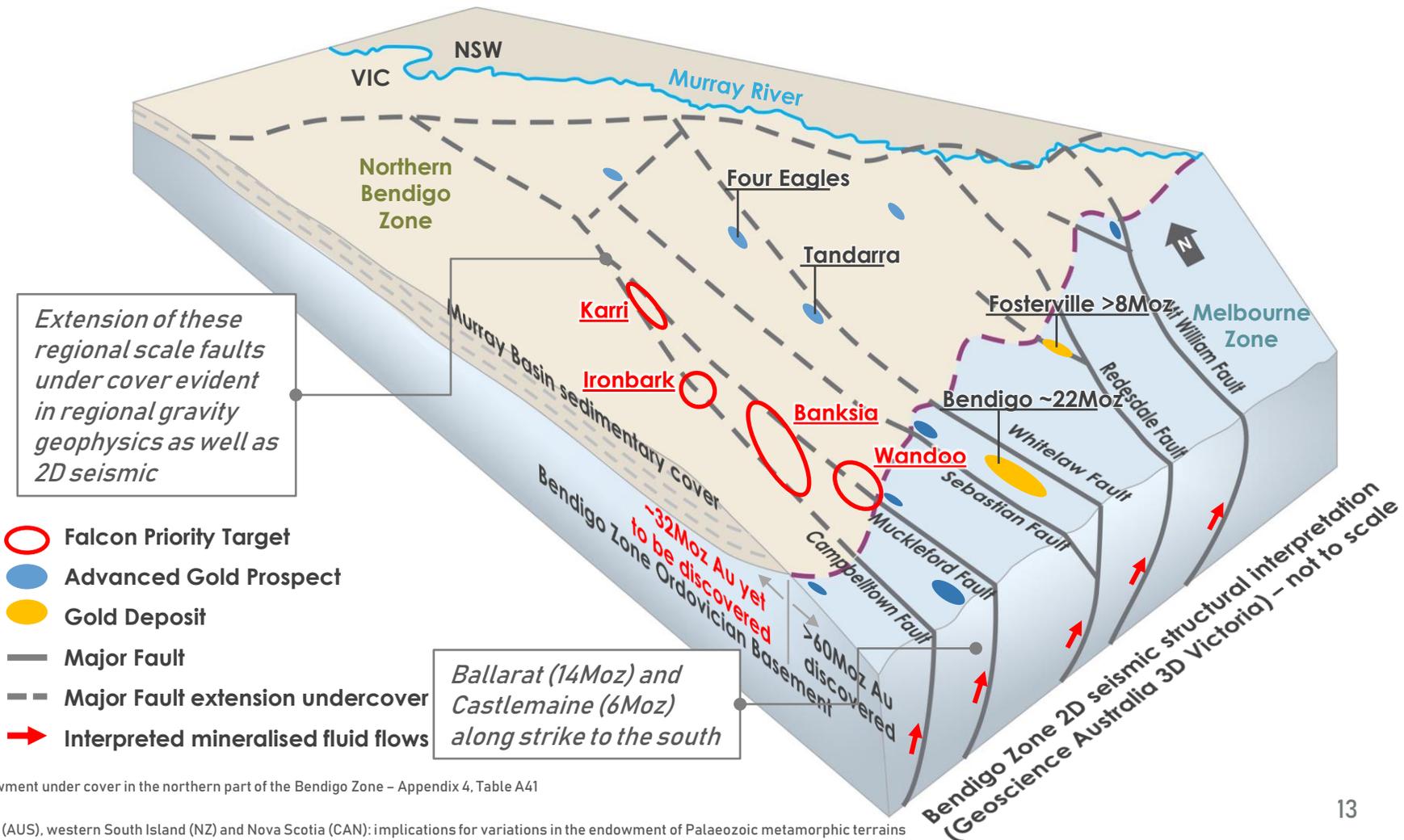
- 2003, Bierlein et al., A comparison of orogenic gold mineralisation in central Victoria (AUS), western South Island (NZ) and Nova Scotia (CAN): implications for variations in the endowment of Palaeozoic metamorphic terrains
- Kirkland Lake website – Resource and Reserve Statement and Fosterville Gold Mine, Victoria, Australia Updated NI 43-101 Technical Report – Apr 1, 2019

# Regional Scale Faults



## 32Moz of gold yet to be discovered under Murray Basin sedimentary cover<sup>1</sup>

- Outstanding greenfield potential
- Largely neglected (underexplored) world-class gold province (>60Moz produced from South Bendigo Zone alone)
- Strong exploration activity since Fosterville Swan Zone discovery in 2017 (2.7Moz @ 32g/t Au)
- Primed for next wave of discoveries in Northern Bendigo Zone
- Same prospective geology continues undercover



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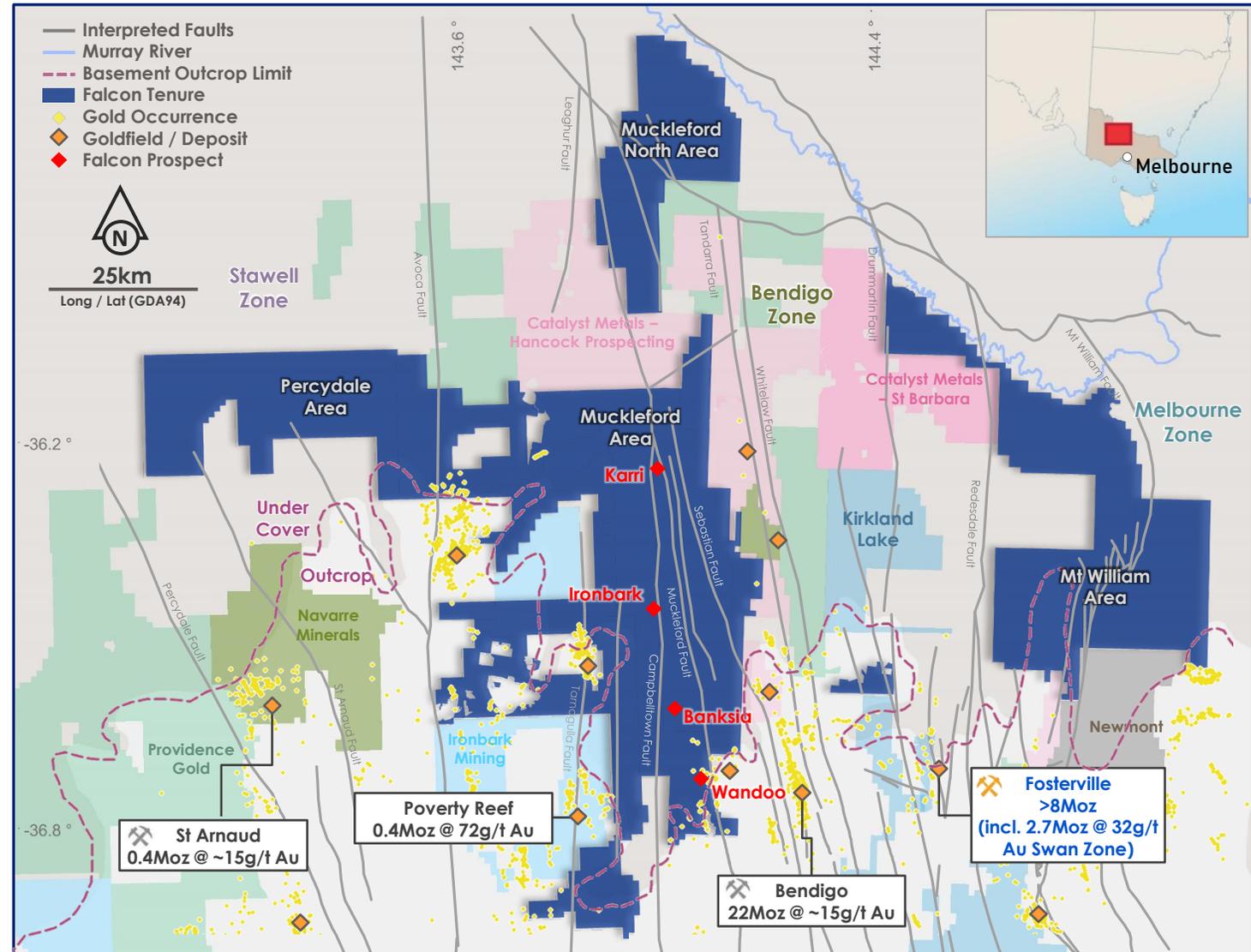
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# Strategic Land Position

Falcon has over 5,000km<sup>2</sup> representing one of the largest land holdings in the prolific Bendigo Zone

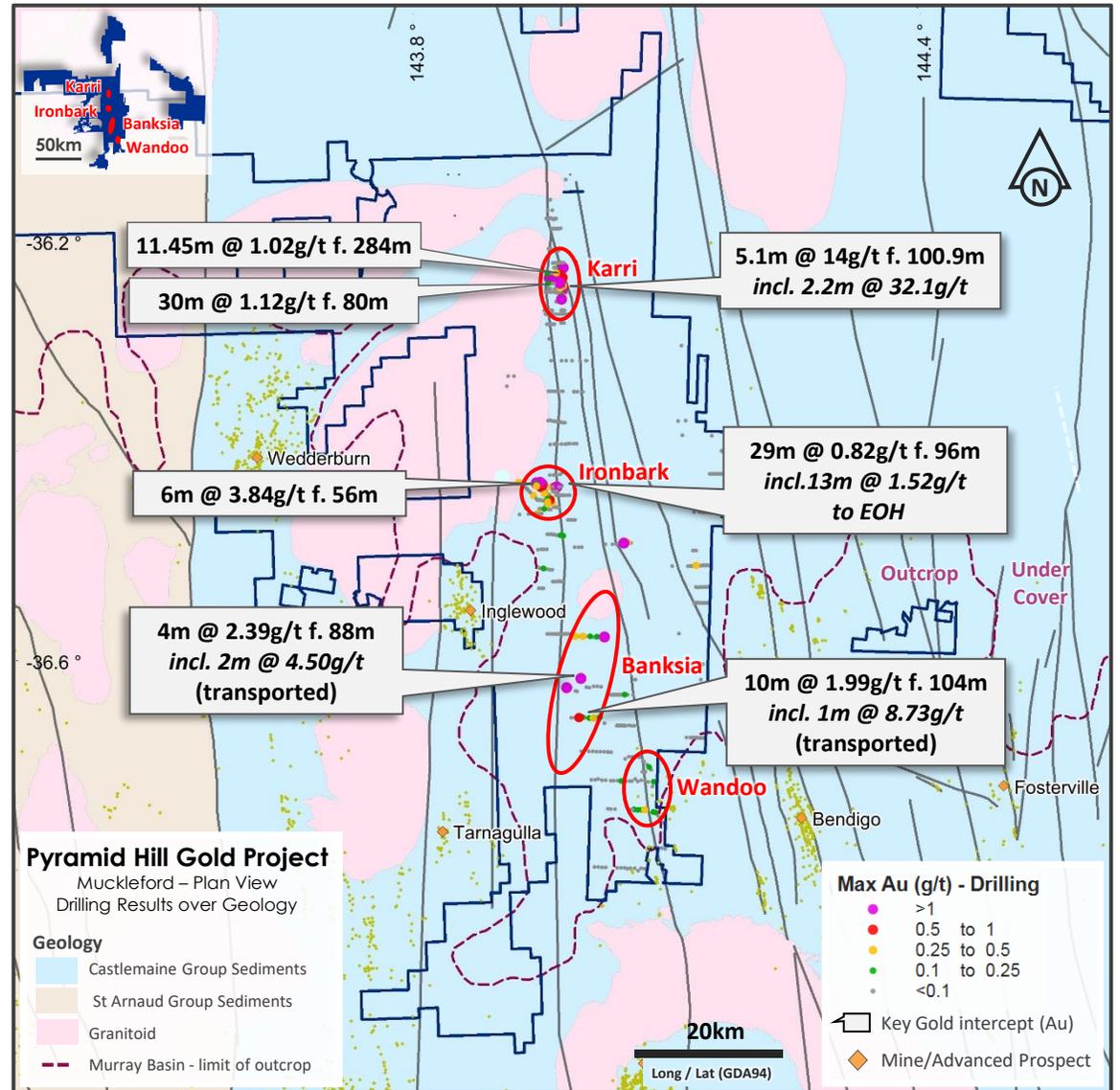
- The recent success at Fosterville attracted significant new players into the district and Chalice secured a large and highly prospective land holding (to be demerged to Falcon)
- Project covers hundreds of kilometres of strike over the highly prospective Bendigo Zone and Castlemaine Group geology, which is the known host to all major gold deposits in the district e.g. Fosterville, Bendigo, Ballarat.
- Prior to Chalice most of the area essentially undrilled
  - Vast majority of historical drilling either not gold focused or ineffective
- Regional-scale activities commenced in mid-2018 and focussed on shallow (<100m) areas of cover



# Key Prospects

4 large scale priority prospects identified by Chalice will be the focus of future work

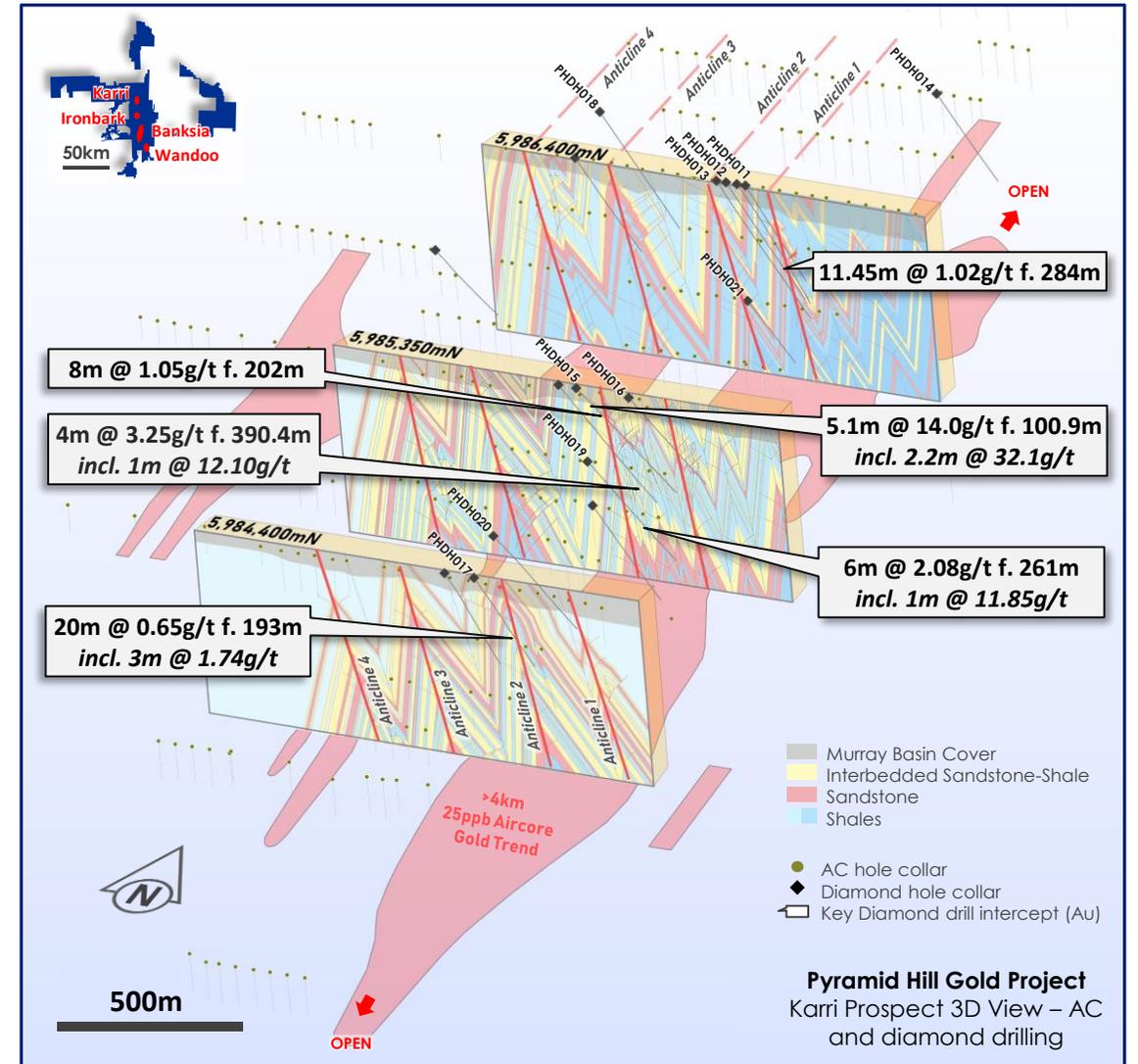
Prospect	Description
Karri	<ul style="list-style-type: none"> <li>Shallow gold intersections over ~4km of strike and up to 32.1g/t Au</li> <li>Under ~50–80m of Murray Basin cover</li> <li>Located ~20km west of Four Eagles discovery (Catalyst Metals)</li> </ul>
Ironbark	<ul style="list-style-type: none"> <li>Shallow gold intersections up to 9.4g/t Au with strongly anomalous As and Sb</li> <li>Associated along the margins of diorite intrusive rocks displaying similarities to Walhalla-Woods Point orogenic style deposits in the Melbourne Zone</li> </ul>
Banksia	<ul style="list-style-type: none"> <li>Strongly anomalous (transported) gold over an inferred &gt;10km strike length and up to 8.7g/t</li> <li>Drill line spacing remains wide (3–5km)</li> </ul>
Wandoo	<ul style="list-style-type: none"> <li>Low level gold up to 0.15g/t and elevated arsenic over ~5km strike</li> <li>Comparable results to those returned at Karri in first pass AC drilling</li> </ul>



# Karri Prospect

Large scale prospect with significant primary gold zones intersected over 2.5km of strike

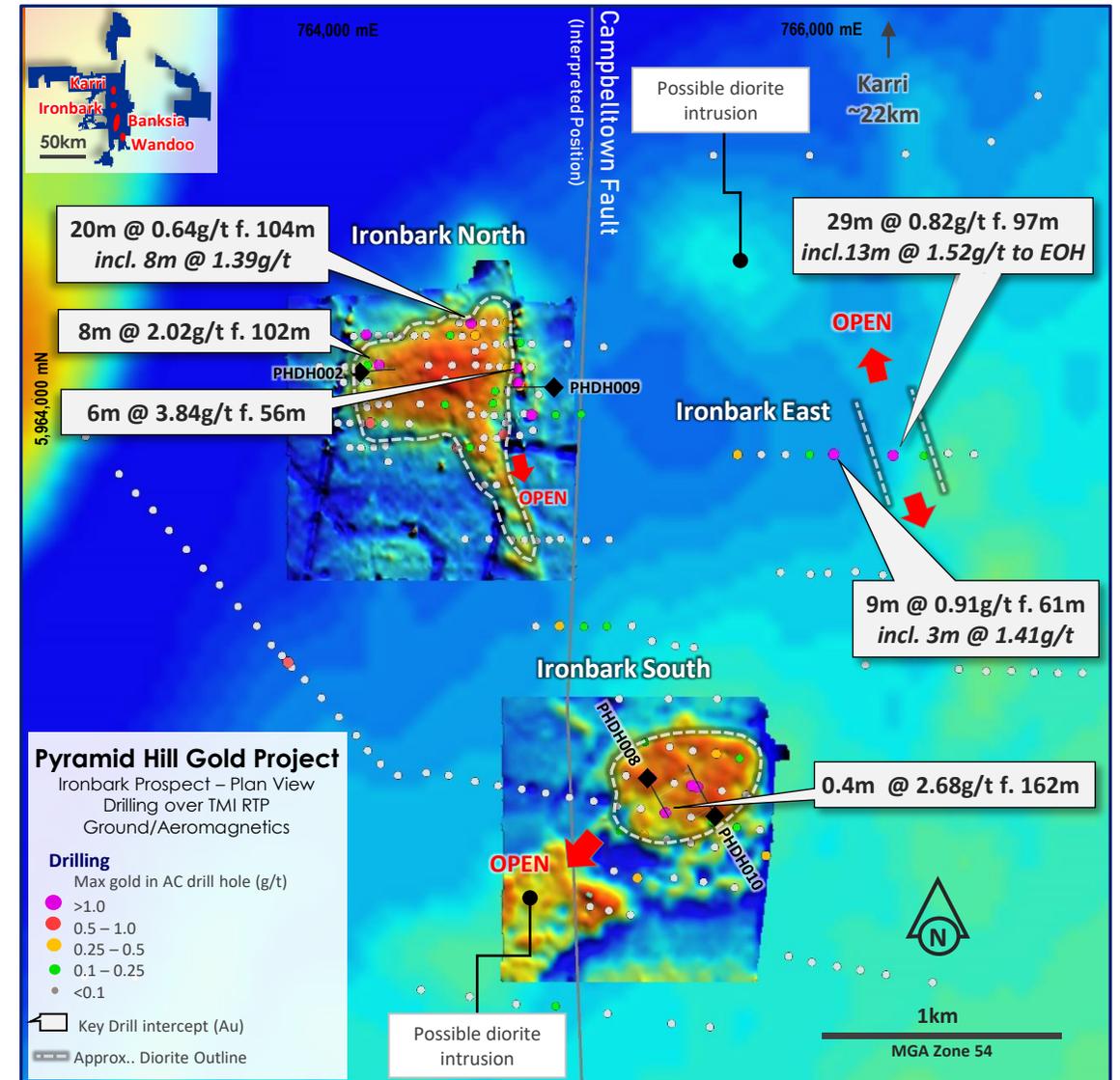
- Diamond and AC drilling has identified multiple primary gold zones over 4km of strike within highly prospective tightly folded, Castlemaine Group stratigraphy – the host to all major gold deposits within the Bendigo structural Zone (>60Moz historical production)
- Gold mineralisation coincidental with strongly elevated arsenic anomalism and remains open along strike and at depth
- Diamond drilling on 1km spaced lines has returned some exceptional results including 5m @ 14.0g/t Au from 100.9m incl. 2.2m @ 32.1g/t Au
- Further diamond drilling planned in Q1-Q2 2022 to vector towards potential high grade mineralisation



# Ironbark Prospect

## Promising early results along diorite margins

- 4 diamond drill holes completed by Chalice for geological purposes, indicating the margins of diorite intrusives are mineralised and highly prospective
- Strong arsenic and/or antimony geochemical association with the gold mineralisation consistent with most other significant gold deposits in Victoria
- Results to date include 13m @ 1.53g/t Au to EOH at Ironbark East and 6m @ 3.8g/t Au at Ironbark North
- Several analogous high-grade diorite-associated gold deposits in Eastern Victoria (Walhalla-Woods Point Goldfields) including Cohen's Reef (~1.5Moz @ 32g/t Au)<sup>1</sup>
- Additional AC drilling along strike planned in Q1 2022 to define the mineralised envelopes and vector towards potential high-grade mineralisation



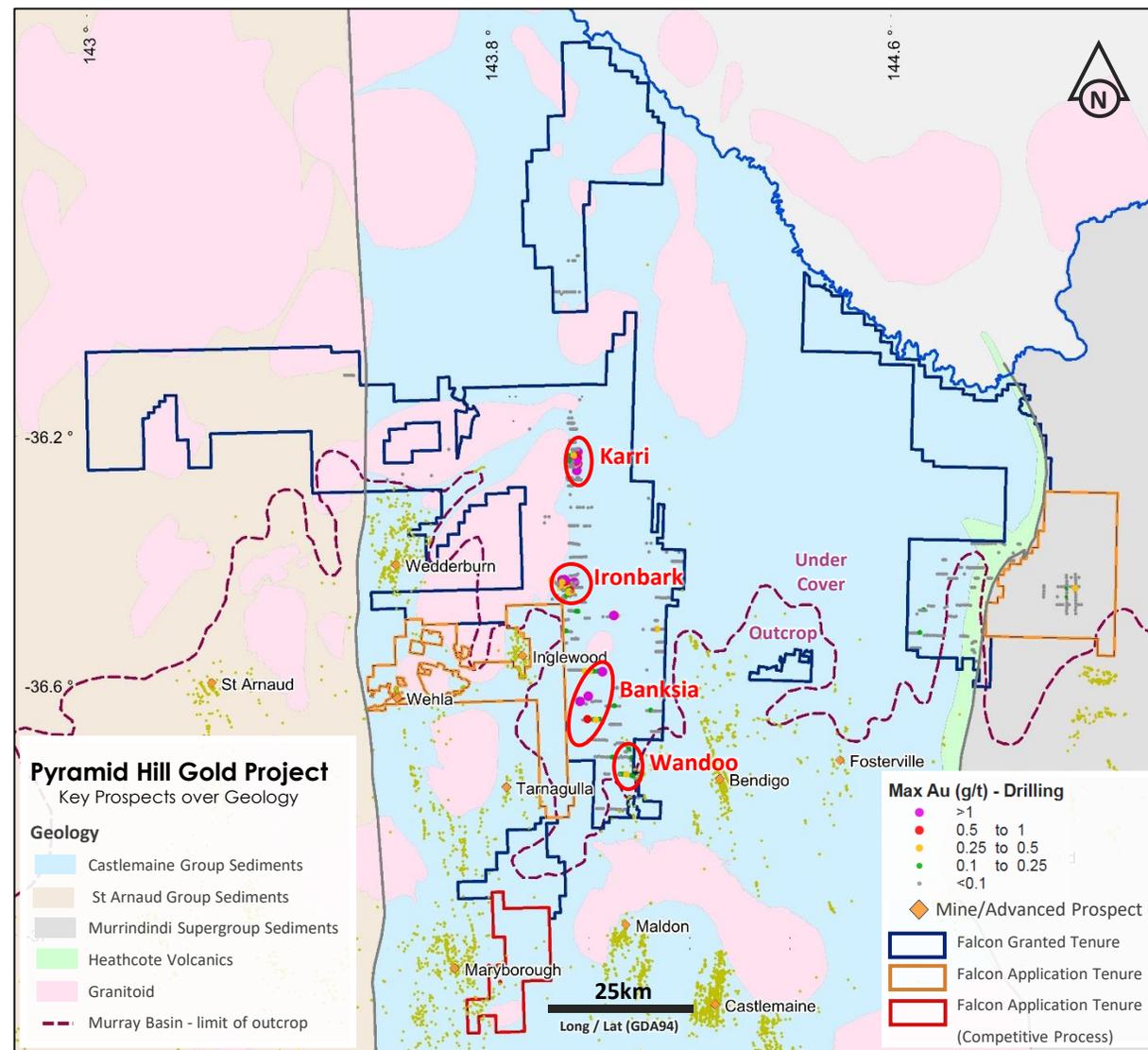
1. 2006, Vandenberg et al., Walhalla-Woods Point-Tallangalook, Special map area geological report, GeoScience Victoria, Ch 8 - Economic Geology, page 231]

# Next Steps – Targeted Drilling & Pipeline Generation



Strategy is to drill out best prospects while generating a pipeline of additional targets

- Building on Chalice’s strategy of identifying the big ‘Fosterville-like’ gold systems under shallow cover first:
  - Screening thin cover areas with wide space recon. AC drilling and surface sampling
  - Infill drilling to vector towards the larger, more promising targets
  - Drill out best prospects at sufficient density to evaluate their potential
- Focused drilling program: Infill diamond and / or AC drilling at Karri, Ironbark, Banksia and Wandoo to expand on and vector towards high-grade primary gold mineralisation
- Reconnaissance Drilling: Additional reconnaissance AC and soil sampling over highly prospective granted tenure to add to pipeline of prospects
- Application Tenure: ~1,776km<sup>2</sup> to be granted to Falcon (anticipated in 2022). Highly prospective ground along strike from Ironbark and historical Wehla and Steiglitz goldfields



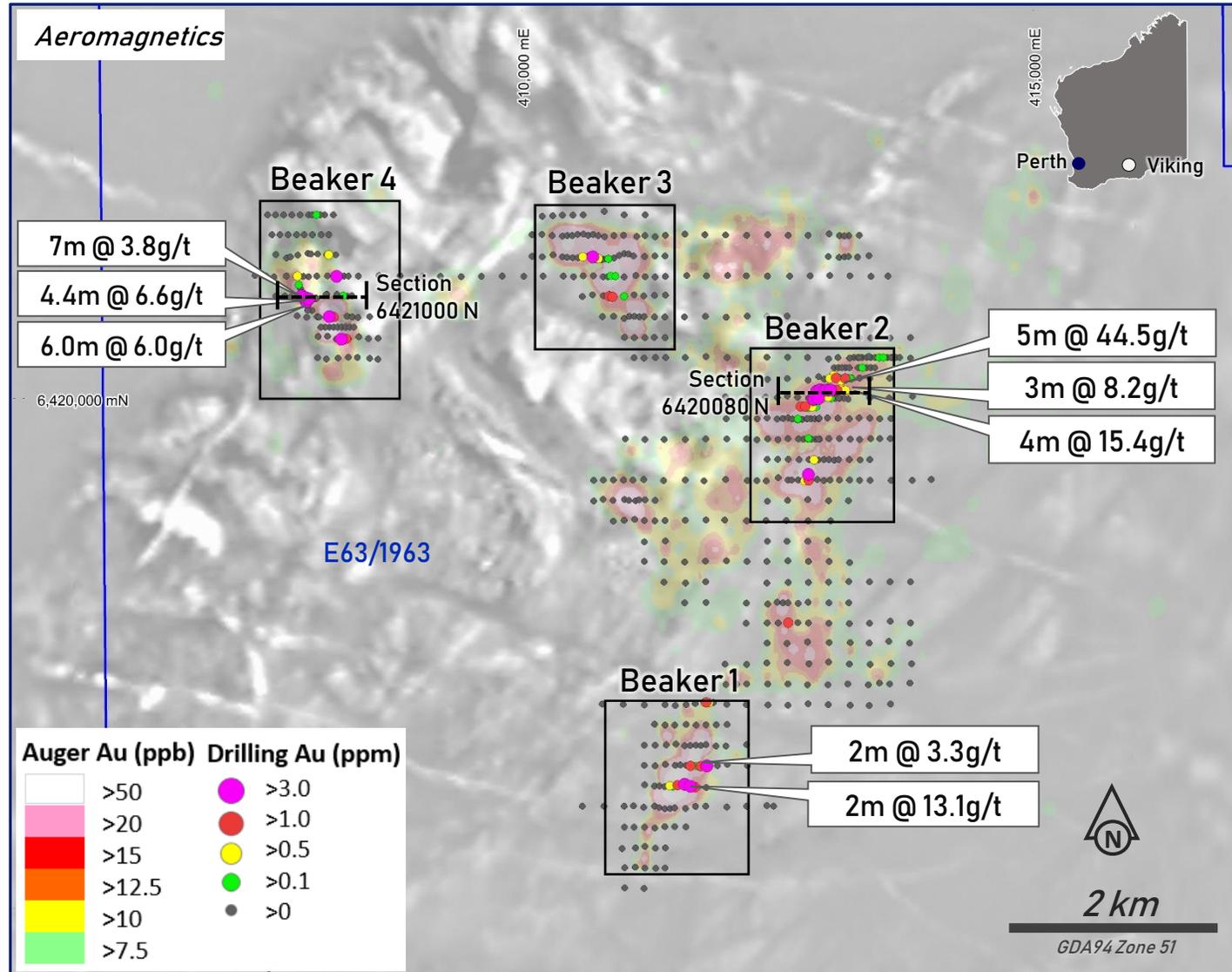
# WA Projects



# Viking Project

## RC drilling planned to test below several significant oxide gold intersections

- Located 30km ESE of Norseman within the high-grade metamorphic Albany-Fraser province
- Falcon earning into E63/1963 (held by Metal Hawk Limited), by spending \$1m to earn 51% and a further \$1.75m to earn 70%
- Previous systematic surface auger geochemistry and AC drilling completed across the Beaker prospects by AngloGold has generated multiple targets for follow-up exploration

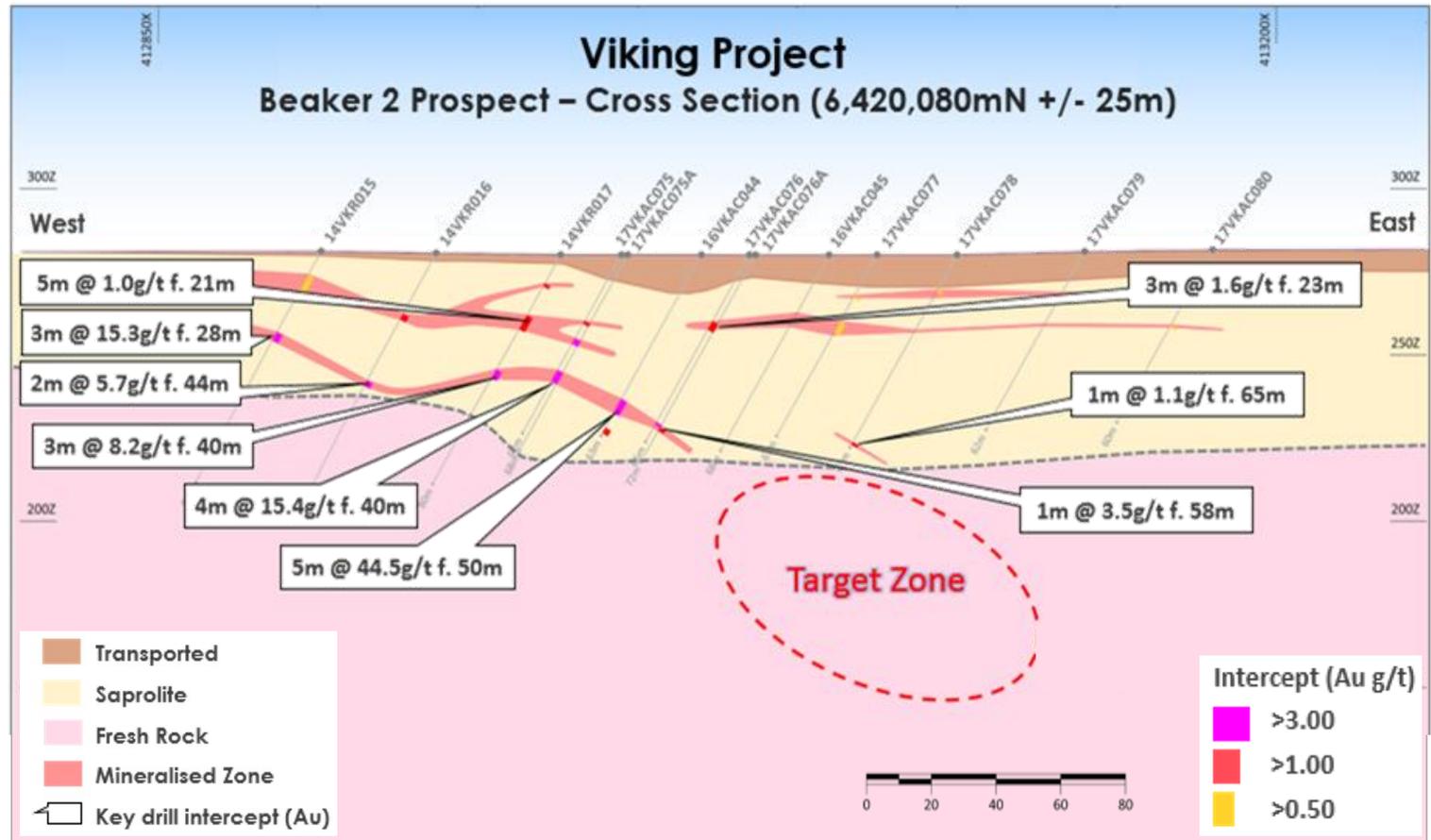


# Viking Project



## Beaker 2 Prospect – RC drilling to test high-grade results is a priority

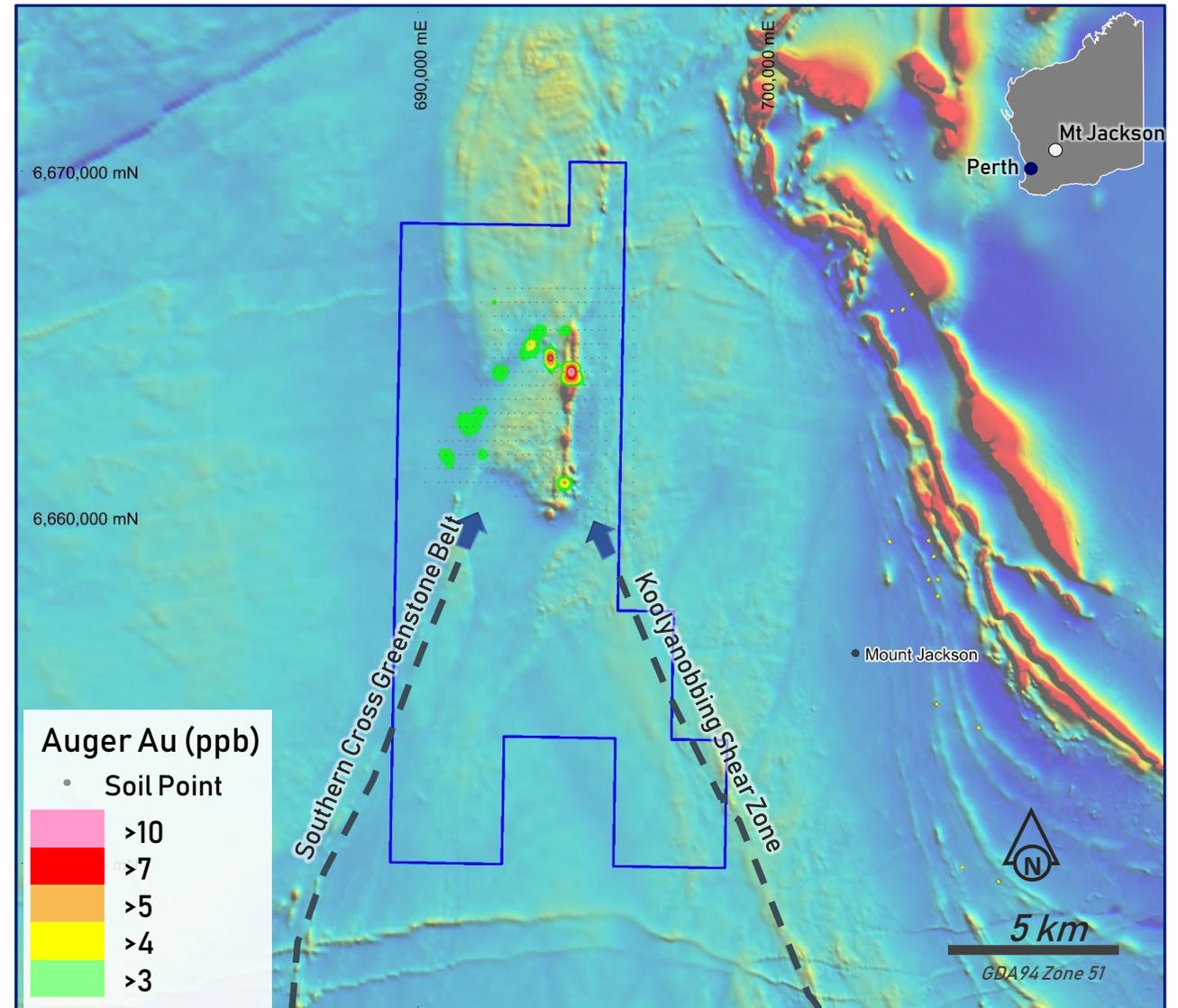
- Significant high-grade supergene gold mineralisation including 5m @ 44.5g/t Au from 50m and 4m @ 15.4g/t Au from 40m at the Beaker 2 prospect
- RC drilling planned at the Beaker 1, 2 and 3 prospects in Q1/Q2 2022, targeting primary gold mineralisation down dip and along strike from the historical gold intercepts



# Mt Jackson Project

## Untested greenstone with surface gold and pathfinder geochemical response

- 100% owned, underexplored northern end of the Southern Cross greenstone belt where it converges with the regional Koolyanobbing Shear Zone
- Southern Cross Greenstone Belt has a long high-grade mining history and hosts multiple significant gold orogenic gold deposits, including Marvel Loch (>1.5 Moz) and Yilgarn Star (>1.1 Moz)
- Coincidental gold-arsenic-antimony soil anomaly overlying the northern extents of a >5km long aeromagnetic anomaly, interpreted to be mafic/ultramafic due to its elevated Chrome response
- Initial AC drilling planned as an initial test of the target





# Investment Highlights

1

Highly decorated team with a history of 'company making' discoveries (Julimar, Nova-Bollinger, Thunderbox, Waterloo)

2

>5,000km<sup>2</sup> holding in one of the world's most exciting high-grade gold regions

3

Strong balance sheet post IPO – a unique platform to make a significant gold discovery

# Key risks



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This section identifies the areas that the directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. There are numerous widespread risks associated with investing in any form of business, with investing in the exploration, development and mining industry, and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. Many of these risk factors are beyond the control of the Company and its directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of. Capitalised terms have the same meanings as in the Prospectus which was lodged on the day of this presentation. Please refer to Section 3 of Falcon's Prospectus dated 3 November 2021 for additional information regarding the key risks.

## Limited operating history

The Company was incorporated on 12 July 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development (including those set out in Section 3.2 of the Prospectus), particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, its projects. Until the Company is able to realise value from projects, it is likely to incur operational losses.

## Completion of the Offers conditional on implementation of the Demerger

The Offers are conditional on the successful implementation of the Demerger. To implement the Demerger, Chalice proposes to undertake the In-specie Distribution to Eligible Chalice Shareholders for which Chalice must obtain shareholder approval. Unless more than 50% of Chalice's shareholders vote in favour of the In-specie Distribution, Falcon will not be able to acquire the Spin-Out Projects and the Offers will not proceed. The Demerger is also subject to a number of other conditions precedent which, if not satisfied or waived, will prevent the Demerger from completing and the Company will not be able to proceed with the Offers.

## Land access arrangements and native title risk

The Company will be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. Access is critical for exploration and development to succeed. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of Falcon's operations.

## Funding risk

Exploration and development involve significant financial risk and capital investment. Even in circumstances where the Maximum Subscription is raised, the Company may require further capital to achieve its ultimate strategy of transitioning from explorer to producer. Also, it is possible further capital may be required at an earlier stage if any risks, including those described in Section 3 of the Prospectus, materialise, or equally new and superior opportunities materialise.

## Farm-in or joint venture risk

Upon completion of the Demerger, the Company will have the benefit of various earn-in arrangements with Metal Hawk Limited for which there are currently no formal joint venture agreements in place between the relevant parties. There is no guarantee that the Company will be able to negotiate formal joint venture agreements on terms favourable to the Company. The Company may also be adversely affected by the financial failure, withdrawal or default of its joint venture partner. This may have an adverse effect on the operations and performance of the Company.

# Key risks (Cont.)

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## Development and operational risk

A number of factors will influence the Company's ability to pursue its exploration, development and operational activities. These include, amongst others, the Company's ability to obtain the necessary regulatory consents and approvals, retain or engage appropriately skilled and experienced employees, contractors and consultants, access to equipment, materials and infrastructure, as well as access to adequate capital on acceptable terms and acts beyond the control of the Company.

Geological and weather conditions, unforeseen costs, plant or equipment failures, accidents, natural disasters, pandemics, industrial disputes and/or social unrest may also interrupt operations.

## Environmental risk

The Company is subject to several laws and regulations relating to the environmental impact of its current and future intended activities, including rehabilitation. There is no guarantee that necessary environmental approvals for its proposed activities will be approved in a timely manner or be forthcoming at all. Changes to environmental laws may result in the cessation or reduction of the Company's activities or materially increase planned exploration or development costs. Penalties for failure to adhere to requirements or, in the event of environmental damage, remediation costs can be substantial.

## Commodity and currency price risk

It is anticipated that any future revenues derived from mining will primarily be derived from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of gold. It is impossible to predict commodity prices with confidence, which are affected by numerous factors beyond the control of the Company. A material and extended fall in gold prices will likely affect the timing and viability of the Company's exploration, development, and production activities including its ability to fund those activities.

# International Offer Restrictions



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This document does not constitute an offer of ordinary shares of Falcon.

The Prospectus issued by Falcon dated 3 November 2021 does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue the Prospectus. The distribution of the Prospectus in jurisdictions outside Australia, may be restricted by law and persons who come into possession of the Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the shares or otherwise permit an offering of the shares the subject of the Prospectus in any jurisdiction outside Australia or, to the extent permitted below, New Zealand. Applicants who are residents in countries other than Australia, should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the issue of the shares pursuant to the Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

The Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (FMC Act). The shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.



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