

20 April 2022

## Unmarketable Parcel Share Sale Facility

**Falcon Metals Limited (ASX:FAL) ("Falcon" or "the Company")** is pleased to announce details of a share sale facility ("**Facility**") it has established for shareholders who hold an unmarketable parcel of shares in the issued capital of Falcon ("**Falcon Shares**") (defined in the ASX Listing Rules as a parcel of securities of less than \$500 in value) ("**Unmarketable Parcel**").

Based on the closing price on ASX on 19 April 2022 of \$0.34 per Falcon Share, an Unmarketable Parcel of Falcon Shares is any holding of 1,470 Falcon Shares or fewer. As at 7pm AEST on the Record Date, there are 5,906 holdings of Falcon Shares of An Unmarketable Parcel (from a total of 10,545 holdings), totaling 2,205,258 Falcon shares and constituting approximately 1.25% of the 177,000,000 total Falcon Shares on issue.

Falcon is providing the Facility to registered holders of an Unmarketable Parcel to sell their Falcon Shares without difficulty, and without incurring any costs that might otherwise make a sale of their shares uneconomic. In addition, Falcon expects to reduce the administrative costs associated with maintaining such a large number of relatively small holdings on its share register, in particular costs associated with printing and mailing documents to shareholders.

Bell Potter Securities Limited has been appointed as broker for the shares to be sold under the Facility. Falcon will forward all sale proceeds to participating shareholders as soon as practicable following settlement. All associated costs and brokerage fees will be paid by Falcon, excluding any tax consequences which are the responsibility of participating shareholders.

Falcon will arrange to complete the Unmarketable Parcel share sale process as soon as practicable after the closing date for the Facility of 3 June 2022.

The key dates for the Facility are detailed below.

EVENT	DATE
Unmarketable Parcel Record Date	7pm AEST, 19 April 2022
Falcon Announces Unmarketable Parcel Share Sale Facility	20 April 2022
Letter Sent to Holders of An Unmarketable Parcel of Falcon Shares	22 April 2022
Closing Date for Receipt of Share Retention Forms	3 June 2022

**You do not need to take any action if you want your Unmarketable Parcel of Falcon Shares to be sold under the Facility.**

An Information Sheet about the Facility and a copy of the letter that will be sent to all Falcon shareholders on the Record Date holding an Unmarketable Parcel of Falcon Shares are attached to this announcement.

Please contact Falcon at [info@falconmetals.com.au](mailto:info@falconmetals.com.au) for further information about the Facility.

This announcement was approved for release by Falcon's Managing Director, Timothy Markwell.

22 April 2022

Dear Shareholder,

### SALE OF UNMARKETABLE PARCELS OF SHARES

Falcon Metals Limited (**Falcon** or the **Company**) (ASX: FAL) is pleased to advise that the Company has established an unmarketable parcel share sale facility (**Facility**) for shareholders who hold a parcel of fully paid ordinary shares in the Company (**Shares**) with a market value of less than A\$500 as at 7:00pm (AEST) on 19 April 2022 (**Record Date**), (**Unmarketable Parcel**).

Based on the price of Shares at the close of trading on the Record Date of \$0.34, a holding of 1,470 Shares or less constitutes an Unmarketable Parcel.

Falcon appreciates that Unmarketable Parcels can be difficult or expensive to sell, and so is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. The Company will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any bank charges and tax obligations associated with shareholders receiving the proceeds, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

Falcon has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under clause 2.6 of the Company's Constitution (**Constitution**) and ASX Listing Rule 15.13.

### WHY AM I RECEIVING THIS LETTER?

Our records indicate that you held an Unmarketable Parcel as at close of trade on the Record Date. Unless you advise the Company by 5:00pm (AEST) on 3 June 2022 (**Closing Time**) that you do **NOT** wish to have your Shares sold, the Company intends to sell your Shares through the Facility. **You do not need to do anything if you wish to have your Shares sold through the Facility.**

**Shareholders with an Unmarketable Parcel are not obliged to sell their Shares.** To advise the Company that you do **NOT** wish to have your Shares sold, you must complete the share retention form (**Retention Form**) enclosed with this letter, and return it to the Company's share registry, Computershare Investor Services Pty Limited (**Computershare**), in accordance with the instructions on the Retention Form, so that it is received prior to the Closing Time.

If, at the Closing Time, the value of your Shares has increased such that you no longer have an Unmarketable Parcel (e.g. due to an increase in the market price of Shares or the number of Shares you hold), your Shares will **NOT** be sold.

If you have multiple holdings of Shares which, if aggregated, would not constitute an Unmarketable Parcel, you may contact Computershare on 1300 855 080 (within Australia) or + 61 3 9415 4000 (outside Australia) to amalgamate your holdings. In these circumstances, your



Shares will not be sold. If you choose not to aggregate any holdings of Shares that are Unmarketable Parcels, each of these Unmarketable Parcels will be sold.

Please also note that, pursuant to Schedule 4 of the Constitution and ASX Listing Rule 15.13.5, the Company will not sell your Shares in the event that a third party announces a takeover offer for the Company.

In accordance with its continuous disclosure obligations, the Company may release information to the ASX which may affect your decision as to whether you wish to have your Shares sold or to retain your Shares. If such information is released, it will be published on the ASX website ([www.asx.com.au](http://www.asx.com.au), ASX code: FAL) and on the Company's website ([www.falconmetals.com](http://www.falconmetals.com)).

You should be aware that the fact that your holding of Shares is described in this letter as an "unmarketable parcel" does not mean that you cannot sell your Shares at any time. The use of the term "unmarketable parcel" in this letter is to identify the value of Shares which are eligible for sale through the Facility.

**This letter is the first and final notice to holders of an Unmarketable Parcel of Shares regarding the Facility.**

#### **WHAT DO I NEED TO DO?**

As a holder of an Unmarketable Parcel at the Record Date, your options are described below:

##### **1. Sell your Unmarketable Parcel through the Facility**

If you **WISH TO SELL** your Shares through the Facility, you should **TAKE NO ACTION**. By refraining from taking any action, you will be deemed to have irrevocably appointed the Company as your agent to:

- (a) sell, or procure the sale of, all of your Shares at a price to be determined, without any costs being incurred by you; and
- (b) deal with the proceeds of the sale as set out in this letter (for more information about the payment of the sale proceeds, please refer to Questions 7 and 8 of the **enclosed** Information Sheet).

The Company has appointed Bell Potter Securities Limited to facilitate the sale of the Unmarketable Parcels. The Shares sold under the Facility will be sold at market prices, subject to prevailing market conditions and available liquidity. You will receive a proportionate share of the total sale proceeds of all Shares sold under the Facility. Payment for your Shares will be remitted to you as soon as practicable following settlement of the sale of all Shares sold through the Facility.

##### **2. Retain your Unmarketable Parcel**

If you **DO NOT WISH TO SELL** your Unmarketable Parcel, you **MUST OPT-OUT** of the Facility by completing and returning the enclosed Retention Form in accordance with the instructions on the Retention Form so that it is received by Computershare prior to the Closing Time. Please carefully read the instructions on the Retention Form before completing it.

##### **3. Update your bank account details**

If you wish to sell your Shares through the Facility **YOU MUST** update your bank account details with Computershare so that payment of the sale proceeds to you can be effected electronically. To do this please use the Investor Centre with Computershare at:



[www.computershare.com.au/easyupdate/FAL](http://www.computershare.com.au/easyupdate/FAL)

#### KEY DATES

EVENT	DATE
Record Date for establishing holders of Unmarketable Parcels	Tuesday, 19 April 2022, 7:00pm (AEST)
ASX announcement regarding Unmarketable Parcels sale Facility	Wednesday, 20 April 2022
Letter and Retention Form despatched to shareholders holding an Unmarketable Parcel	Friday, 22 April 2022
Closing Time for receipt of completed Retention Forms	Friday, 3 June 2022, 5:00pm (AEST)

Falcon reserves the right to change any of the dates referred to in its ASX announcement dated Wednesday 20 April 2022, this Letter (including the **enclosed** Information Sheet) or Retention Form, or to vary, cancel, suspend or delay the Facility (either generally or in specific cases), or the sale of your Shares, at any time before Shares are sold under the Facility, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether you should sell or retain your Shares.

Enclosed is an Information Sheet to answer questions that you may have with respect to the sale of Unmarketable Parcels. **This letter is important. If you are in doubt about what to do, you should consult your legal, financial or taxation adviser.**

If you have any other questions about the operation of the Facility, please contact the Company via email on [info@falconmetals.com.au](mailto:info@falconmetals.com.au)

Yours faithfully

**Andrea Betti**  
**Company Secretary**  
**Falcon Metals Limited**

## INFORMATION SHEET

### UNMARKETABLE PARCEL SALE FACILITY



#### 1. What is an Unmarketable Parcel?

An Unmarketable Parcel is a holding of fully paid ordinary shares (**Shares**) in Falcon Metals Limited (**Company**) that is valued at less than A\$500. Based on the closing price of Shares on 19 April 2022 (**Record Date**) of A\$0.34, this is equivalent to a holding of 1,470 Shares or less.

#### 2. Why has the Facility been established?

The Company has decided to establish an Unmarketable Parcel sale facility (**Facility**) to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of Unmarketable Parcels through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

#### 3. Why have I received this letter?

You have received this letter because our records indicate that you held an Unmarketable Parcel of Shares based on the price of Shares of A\$0.34 as at close of trade on the Record Date.

#### 4. What do I need to do to sell my Shares?

If you wish to have your Shares sold, you should **TAKE NO ACTION**. Your Shares will be sold through the Facility.

#### 5. What if I do not wish to sell my Unmarketable Parcel?

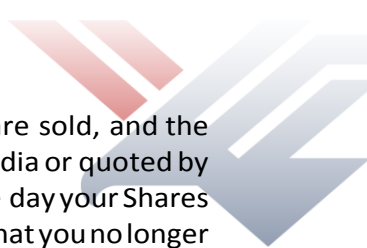
If you do not wish to have your Shares sold, you **MUST OPT-OUT** of the Facility by completing and returning the enclosed Retention Form via post to the address provided in the Retention Form or via email [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au) so that it is received by Computershare prior to 5:00pm (AEST) on 3 June 2022 (**Closing Time**). If Computershare has not received your Retention Form by the Closing Time, your Shares will be sold through the Facility. Alternatively, you can purchase more Shares on-market so that you hold at least \$500 worth of Shares as at the Closing Time. See Question 12 below for further information.

#### 6. How will my shares be sold under the Facility?

Your Shares will be sold by the appointed broker, Bell Potter Securities Limited, on the Australian Securities Exchange (**ASX**), subject to prevailing market conditions and available liquidity. The Shares sold under the Facility may be sold in a single or multiple parcels, and may be sold at different parcels on different days.

#### 7. What price will I receive for Shares sold through the Facility?

The Shares will be sold at market prices on ASX, subject to prevailing market conditions and available liquidity, as soon as practicable after the Closing Time. You will receive an average price for your Shares and a proportionate share of the total sale proceeds of all Shares sold under the Facility.



You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold. If, at the Closing Time, the value of your Shares has increased so that you no longer have an Unmarketable Parcel (for example, due to an increase in the price of Shares or in the number of Shares you hold) your Shares will not be sold.

**8. Do I need to pay anything if I participate in the Facility?**

The Company will pay all costs and expenses arising in connection with the Facility (apart from any costs generated by your bank for the receipt of your payment). Any tax payable, or other tax consequences from the sale, will be your responsibility.

**9. When will I receive the proceeds for the Shares sold?**

Payment will be remitted to you as soon as reasonably practicable following settlement of all Shares sold under the Facility. Payment will be made via a direct credit in Australian dollars or New Zealand dollars to your bank account (where the Company has your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Company's share register.

**YOU MUST UPDATE YOUR BANK ACCOUNT DETAILS**

If your direct credit details require updating, you can amend your banking details online through Computershare's Investor Centre website at:

[www.computershare.com.au/easyupdate/FAL](http://www.computershare.com.au/easyupdate/FAL)

Alternatively, you may contact Computershare on 1300 855 080 (within Australia) or + 61 3 9415 4000 (outside Australia) to provide updated banking details.

If you are a shareholder with your registered address in **New Zealand**, you must provide your banking details in Australian dollars or New Zealand dollars so the sale proceeds can be effected to you electronically. It is important that you update your bank account details online through Computershare's Investor Centre website at [www.computershare.com.au/easyupdate/FAL](http://www.computershare.com.au/easyupdate/FAL). If you do not to provide your bank account details you will receive the sale proceeds via cheque in Australian dollars.

**10. What are the advantages and disadvantages of participating in the Facility?**

You may consider the following consequences of participating in the Facility to be advantageous to you:

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares;
- utilising a cost effective way of disposing of an Unmarketable Parcel; and
- the sale price of your Shares being determined by reference to the prevailing market price of Shares.

You may consider the following consequences of participating in the Facility to be disadvantageous to you:

- no longer holding any Shares in the Company (unless you subsequently buy more Shares);

- possible capital gains tax being payable following the sale of your Shares; and
- the price of the Company's shares subsequently rising following the sale of your Shares (although there is no way of predicting whether this would actually occur).

**11. What if the price of Shares changes between the Record Date and the Closing Time?**

If the market price of Shares increases between the Record Date and the Closing Time, such that at the Closing Time the value of your Shares is equal to or greater than \$500, your Shares will not be sold through the Facility.

**12. If I buy more Shares in the Company, will I retain my holding?**

The Company will not sell your Shares if you increase your holding to a marketable parcel, being a holding of Shares with a market value of at least \$500 based on the price of Shares as at the Closing Time. Please note that any additional Shares acquired must be registered by the Closing Time, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Retention Form.

**13. What if I hold multiple Unmarketable Parcels of Shares?**

If you hold multiple Unmarketable Parcels of Shares, you must complete and return a Retention Form for each separate Unmarketable Parcel that you wish to retain. Alternatively, you may aggregate your multiple holdings prior to the Closing Time to avoid them being sold. To do this, please contact Computershare on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia). If you wish to sell your Unmarketable Parcels, you should take no action.

**14. What if my holding of Shares in the Company is a CHESS Holding?**

If your Shares remain in a CHESS Holding, the Company may move those Shares to an Issued Sponsored Holding and the Shares will then be sold under the Facility.

**15. How does the Company have the authority to establish the Facility?**

The Company has the authority to establish the Facility and facilitate the sale of Unmarketable Parcels under rule 2.6 and Schedule 4 of its Constitution and rule 15.13 of the ASX Listing Rules.

**16. Where can I obtain further information?**

If you have any other questions about the operation of the Facility, please contact the Company by email on [info@falconmetals.com.au](mailto:info@falconmetals.com.au)

**17. What if I am unsure of what to do?**

If you are in doubt about what to do, you should consult a financial, legal or taxation adviser. This Information Sheet does not constitute advice, nor is it a recommendation to sell, buy or hold Shares.

**18. Important notes**

The Company reserves the right to change any of the dates referred to in its ASX announcement dated Wednesday 20 April 2022, this Information Sheet, or the Retention Form and accompanying letter, or to vary, cancel, suspend or delay the Facility (either generally or in specific cases), or the sale of your Shares, at any time before Shares are sold under the Facility, by making an announcement to ASX.



## Return your Form to the Company's share registry:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

### Phone:



Falcon Metals Limited +61 8 6188 8181

### Web:



info@falconmetals.com.au

## Share Retention Form

 **If you wish to retain your shares, your form must be received by 5:00pm (AEST) on Friday, 3 June 2022**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

### Step 1: Shareholding Details

Use this form if you wish to retain your shares in Falcon Metals Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Falcon Metals Limited, do not complete or return this form. If you have more than one shareholding on Falcon Metals Limited's register and you do not wish to sell your shares under the Unmarketable Parcel Share Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

### Step 2: Signing Instructions

**Individual:** Where the shareholding is in one name, the shareholder must sign.

**Joint Shareholding:** Where the shareholding is in more than one name, all of the shareholders must sign.

**Power of Attorney:** Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

**Companies:** Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

**Overseas Companies:** Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

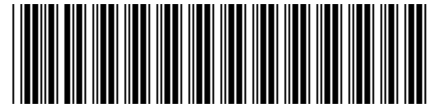
**Deceased Estate:** Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website [www.computershare.com](http://www.computershare.com) or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

### Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔






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# Share Retention Form

**STEP 1****Shareholding Details**

 For your security keep your SRN/  
HIN confidential.

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001



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

Shares held as at 7:00pm (AEST)  
Tuesday, 19 April 2022:

**STEP 2****Signature of Shareholder(s)**

*This section must be completed.*

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Unmarketable Parcel Share Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary  
(cross out titles as applicable)

**STEP 3****Contact Details**

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

Email

Address

Please ensure you return your completed form to the address overleaf, or alternatively, email a copy of your completed form to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au). Please ensure only one form is attached per e-mail and please do not use this e-mail address for any other purpose.

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.