

Drilling Activity Information Sheet

For drilling commencing Q1 2022 onwards

The Pyramid Hill Gold Project, Bendigo, Victoria

Updated May 2022



Key Information

Falcon Metals is currently exploring for gold within its granted Exploration Licences located in the northern Bendigo Zone, collectively referred to as the Pyramid Hill Gold Project.

The 100%-owned Project covers a number of prospective tenements across the northern Bendigo, Stawell and Melbourne Zones of Victoria.

Please note that an Exploration Licence does not allow an operator to conduct mining activities. A Mining Lease must be granted for this to occur.

Exploration Drilling Activities

- Since 2018 Chalice Mining completed:
 - 117,000m of reconnaissance AC drilling
 - 7,300m of diamond drilling and
 - 1,120 soil samples
- In December 2021 Chalice completed a demerger of its Victorian gold assets, plus two gold projects in Western Australia, forming Falcon Metals ('Falcon')
- Falcon has taken over all aspects of Chalice's exploration operations and continue the field activities with the same procedures including many of the same staff and contractors
- Previously contracted drillers for the aircore drilling include Strike Drilling, Wallis Drilling, Bullion Drilling and Indicator Drilling, with GMP contracted for diamond drilling
- Field operations will continue at Karri, Ironbark, Wandoo and Banksia with a continuation of aircore and diamond drilling, plus geological mapping and soil sampling

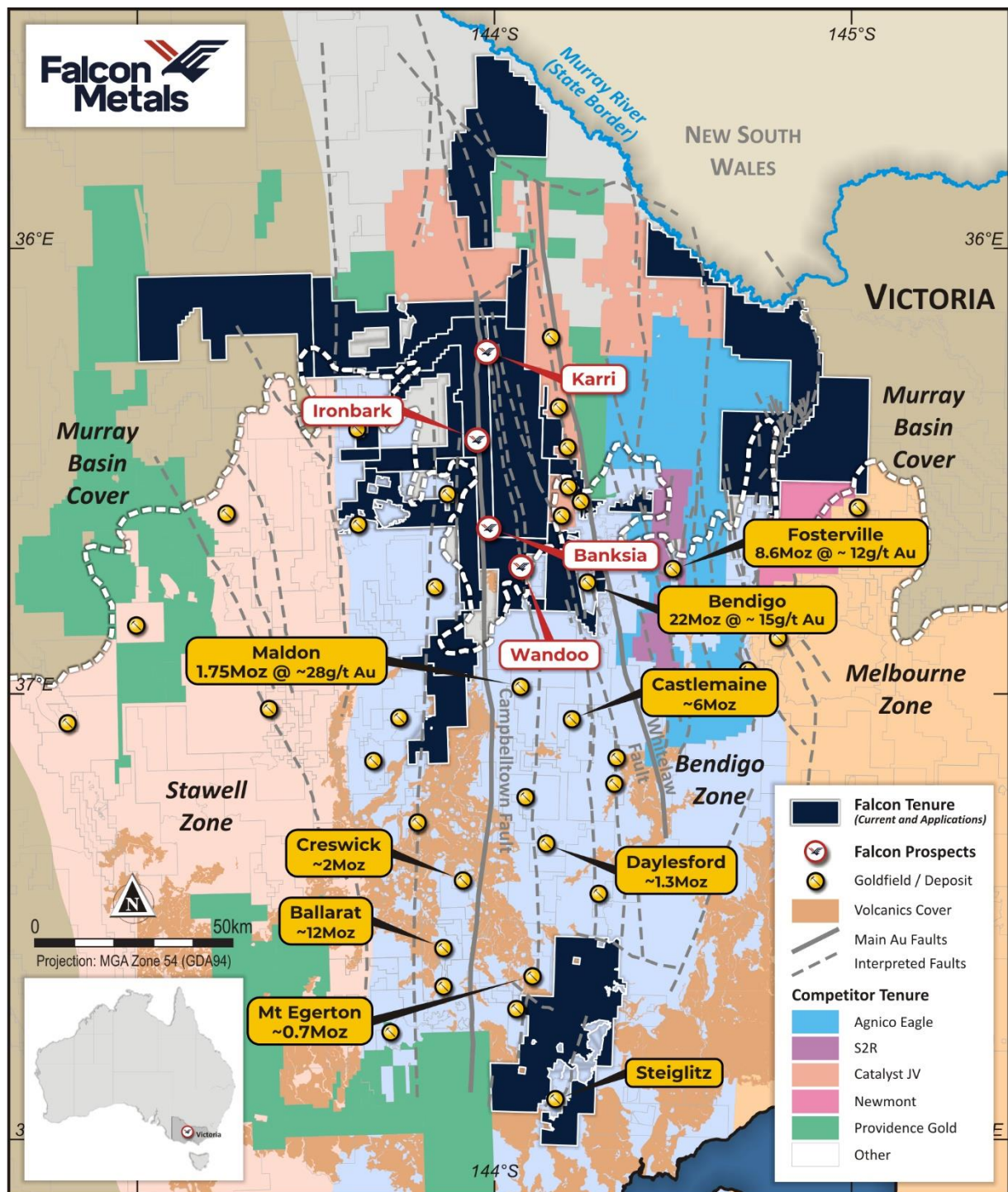


Figure 1 Pyramid Hill Gold Project tenure, drill targets and regional land holders.

Location and Authority of Work

- Phase 2 and subsequent phased holes have been planned within privately owned farmland. Phase 1 holes were drilled predominately on council road sides (Figure 2).
- Falcon has acquired all necessary permissions from the local shire and the Victorian Earth Resources Regulation (ERR) to conduct the drilling works.
- Landowners have been approached for all holes planned on private land with Land Access Agreements executed where necessary.

- When drilling occurs on road sides, drill rigs, support vehicles, personnel and equipment are organised at each drilling location to ensure there is no impediment to local traffic (Figure 3).
- Temporary signage is set up according to a Traffic Management Plan to provide sufficient notice to oncoming motorists of the activities ahead.

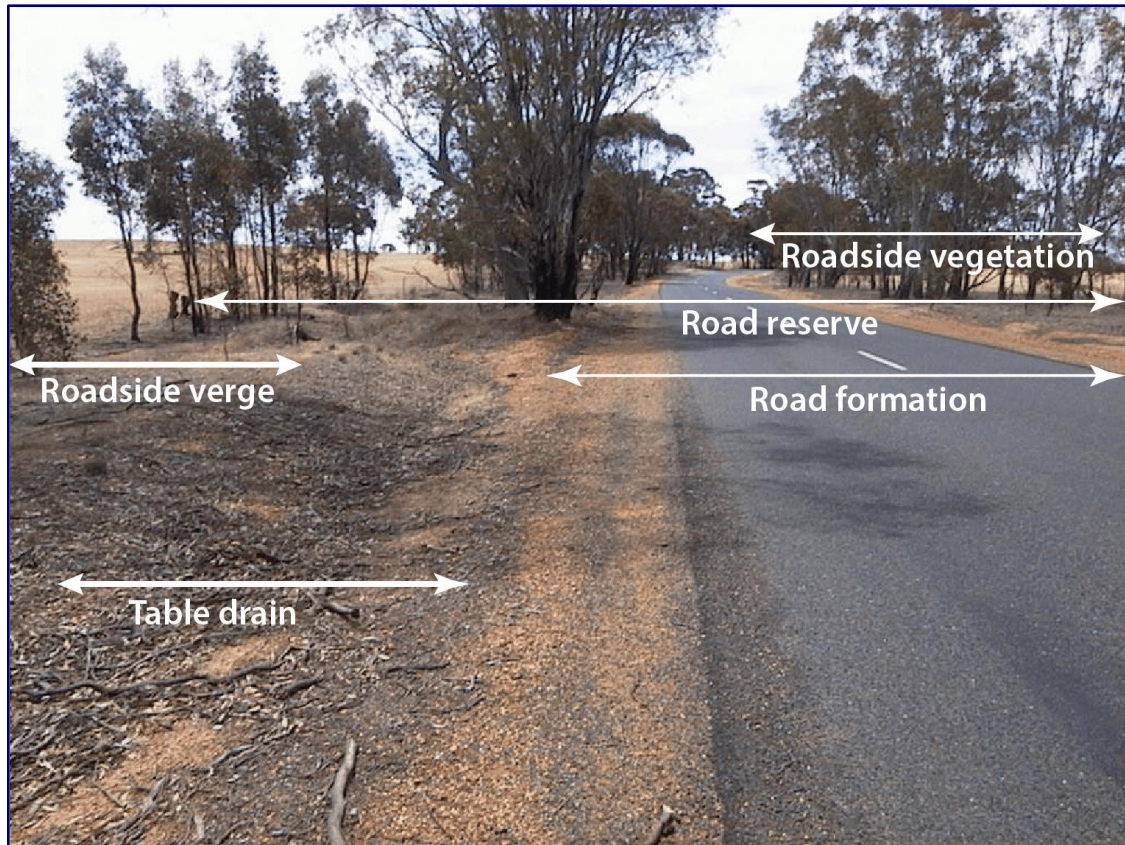


Figure 2 Example of drilling location relative to the road

Aircore / Reverse Circulation - Drilling Set Up

- An Aircore drilling set up will comprise the drill rig and a support truck - which provides water, fuel, spare parts, etc. to the rig (Figure 3).
- The set up for RC drilling is identical to Aircore with the addition of an auxiliary booster truck to provide greater airflow capability to the rig.
- Both Aircore and RC drilling operate by a rotating blade or pneumatic hammer to penetrate through the ground. Material is brought to the surface by volumes of air travelling down an outer tube in the drill rod which then blows the material up an inner tube to be collected from a discharge point at the surface.
- Each metre of material is individually captured as a record of the subsurface, logged by the geologist, and then sampled for laboratory analysis.
- Waste is transported from site using a 4WD with dual-axle trailer (Figure 4).



Figure 3 Falcon drilling set up (Aircore - Strike)



Figure 4 Removal of collected water and waste material

Diamond - Drilling Set Up

- A diamond drilling set up will comprise the drill rig, a support truck - which provides water, fuel, spare parts, etc. to the rig (Figure 5), plus a support light vehicle.
- Diamond drilling is a form of core drilling which uses a rotary drill with a diamond drill bit attached in order to create precisely measured holes.
- Diamond drilling extracts a continuous cylindrical core of rock. Water is used to lubricate and cool the diamond-tipped drill equipment in the hole.
- Each metre of material is individually captured as a record of the subsurface, logged by the geologist, and then sampled for laboratory analysis.
- Diamond drilling can deliver rock sample from over 1,000m below surface but is one of the most expensive and time consuming drilling techniques available.
- Waste is transported from site using a 4WD with dual-axle trailer (Figure 4).



Figure 5 Falcon drilling set up (Diamond – GMP Drilling)

Rehabilitation and Environment

- Falcon has made every effort to ensure all aspects of its exploration program cause minimal disturbance to the environment.
- Falcon is exploring under the 'Low Impact' criteria set by the ERR.
- All material extracted by the drill rig is collected either into plastic bags, for analysis and sampling, or into a number of 1000L water containers. This ensures that any saline water or rocks containing deleterious minerals do not contaminate the surface.
- Salinity measures are made periodically during the drilling of each hole.
- Following the completion of the hole, all waste material is subsequently removed from site and appropriately disposed of.
- Drill holes are then plugged to prevent any risk of the hole slumping over time.

Contact Us

If you have any questions, comments or concerns about anything outlined in this document, please do not hesitate to contact us.

Below are the contact details for key personnel associated with the Pyramid Hill Gold Project:

Name	Position	Email
Doug Winzar	Exploration Manager	dwinzar@falconmetals.com.au
Owen Coote (VIC)	Land Access Manager / Field Supervisor (Falcon Metals)	ocoote@falconmetals.com.au
General Office Enquiry (WA)	Reception	info@falconmetals.com.au (08) 6188 8181



Falcon Metals Limited

Suite 6, Level 6, 350 Collins St, Melbourne VIC 3000

PO Box 106 Flinders Lane VIC 8009

T: +61 3 8648 6684

E: info@falconmetals.com.au

W: <http://www.falconmetals.com.au/>

Twitter: <https://twitter.com/FalconMetalsLtd>

LinkedIn: <https://www.linkedin.com/company/falcon-metals-ltd>