

1 June 2022

Damian Dinelli
Adviser, ASX Listings Compliance (Perth)

By email: ListingsCompliancePerth@asx.com.au

RESPONSE TO PRICE QUERY

We refer to your letter dated 1 June 2022 with respect to the subject matter and respond to your queries in the same order as raised:

1. No. The Company is not aware of any information concerning it that has not been announced, which, if known, could be an explanation for recent trading in the securities of the Company.
2. Not applicable.
3. No.

The Company notes *Goldman Sachs Group* lodged a Change of Substantial Interests Form on 31 May 2022 increasing their holding to 7.1149% (from 6.0866%) and the recent results of Southern Cross Gold (ASX Code: SXG) as announced on 30 May 2022 that is also active in Victoria.

4. The Company is in compliance with the listing rules and, in particular, listing rule 3.1.
5. The above has been authorised and approved in accordance with the Company's published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

In response to the request from ASX to provide further information, the Company advises as follows:

1. *Please advise whether any samples of the drilling exploration programme that FAL is currently undertaking have been sent to the laboratory? If yes, please provide the exact date on which the drill cores were sent to the laboratories.*

Yes, please see the details below. For clarity, the following drillholes were completed. PHAKDD018-025, PHIRDD005-006, PHAC1006-PHAC1042. Results have previously been released for PHKADD018-PHKADD021.



Submission	Date submitted	Hole number	Sample numbers	Sample	Lab
FAL001	28/01/2022	PHKADD018	MP104001-MP104220	220	ALS
FAL002	7/02/2022	PHKADD019	MP104221-MP104405	185	ALS
FALPH001	22/02/2022	PHKADD019	MP104406-MP104693	288	Gekko
FALPH002	23/02/2022	PHKADD020	MP105001-MP105271	271	Gekko
FALPH003	23/02/2022	PHKADD021, PHKADD022	MP104694-MP104865, MP105272-MP105490	391	Gekko
FALPH004	11/03/2022	PHKADD021	MP105491-MP105596	107	Gekko
FALPH005	11/03/2022	PHKADD022	MP104866-MP104935	70	Gekko
FALPH006	16/03/2022	PHKADD021, PHKADD022	MP104936-MP104992, MP105597-MP105646	107	Gekko
FALPH007	28/03/2022	PHKADD023, PHKADD024 PHAC1006- PHAC1008	MP107001-MP107125, MP105647-MP105855, MP104993-MP105000, MP097461-MP097525	407	Gekko
FALPH008	7/04/2022	PHKADD023, PHKADD024, PHAC1008, PHAC1009	MP107126-MP107334, MP105856-MP105967, MP097533-MP097576	365	Gekko
FALPH009	19/04/2022	PHKADD025, PHIRDD005, PHAC1010-PHAC1018	MP107335-MP107505, MP105968-MP106000, MP097577-MP097790	418	Gekko
FALPH010	10/05/2022	PHAC1018-PHAC1023	MP097791-MP097945	155	Gekko
FALPH011	10/05/2022	PHKADD025, PHIRDD005	MP107506-MP107660, MP106001-MP106204	359	Gekko
FALPH012	11/05/2022	PHAC1024-PHAC1042	MP097946-MP098292	347	Gekko
FALPH013	11/05/2022	PHKADD025	MP107661-MP107785	125	Gekko
FALPH014	18/05/2022	PHKADD025, PHIRDD006	MP107786-MP107859, MP106205-MP106562	432	Gekko
FALPH015	18/05/2022	PHIRDD006	MP106563-MP106575	13	Gekko
FALPH016	30/05/2022	PHIRDD006	MP106576-MP106688	113	Gekko

2. Please advise whether FAL is expecting any results from the laboratories in relation to its drilling programme and if yes, please advise when the results are expected to be provided to FAL.

FAL is expecting further results from the remaining drilling to be received in the coming weeks and expect all results from the drilling should be reported by the end of July. The laboratories have not provided a specific timetable for when results are to be expected.

3. Please advise when the drilling was completed.

Drilling was completed on 25th May 2022.

4. Please advise what arrangements (if any) FAL has in place to maintain confidentiality of its assay results? Please provide detailed information.

All personnel involved in the drilling program are subject to customary confidentiality agreements.

Samples were logged and processed on site before being bagged and transported to the laboratories for analysis.

Once assay results are received QAQC is completed by the Exploration Manager before results are then released in to the database.

Computers are password protected to prevent unauthorised access.

Yours faithfully

Andrea Betti

Company Secretary



1 June 2022

Reference: 53427

Ms Andrea Betti
Company Secretary
Falcon Metals Ltd

By email

Dear Ms Betti

Falcon Metals Ltd ('FAL'): Price and Volume Query

ASX refers to the following:

- A. The change in the price of FAL's securities from a low of \$0.275 on 30 May 2022 to an intraday high of \$0.375 today.
- B. The significant increase in the volume of FAL's securities traded from 30 May 2022 to 1 June 2022.

Request for information

In light of this, ASX asks FAL to respond separately to each of the following questions and requests for information:

1. Is FAL aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is FAL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in FAL's securities would suggest to ASX that such information may have ceased to be confidential and therefore FAL may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that FAL may have for the recent trading in its securities?
4. Please confirm that FAL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that FAL's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of FAL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AWST Wednesday, 1 June 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall

within the exceptions mentioned in Listing Rule 3.1A, FAL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require FAL to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in FAL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in FAL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to FAL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that FAL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Damian Dinelli
Adviser, Listings Compliance (Perth)