

29 July 2022

FALCON METALS JUNE QUARTERLY ACTIVITIES REPORT

For the three-month period ending 30 June 2022


- Final assay results received for all diamond and aircore holes at the Karri and Ironbark prospects in the Pyramid Hill Gold Project, Victoria
- High-grade gold intersected at Ironbark East with aircore hole PHAC1030 returning:
 - 40m @ 2.81g/t Au from 50m, including
 - 26m @ 4.20 g/t Au from 51m; that includes
 - 2m @ 15.42g/t Au from 51m,
 - 1m @ 17.06g/t Au from 62m,
 - 1m @ 10.07g/t from 70m and
 - 1m @ 11.95g/t from 76m
 - Hole PHAC1030 is located 100m to the east of previous aircore result PA953 which intersected 13m @ 1.52g/t from 113m depth (ending in mineralisation)
- Results are highly encouraging with Falcon planning a substantially larger drill program later in 2022
- Management team continued to be strengthened by the appointment of Mr Pradeep Subramaniam appointed as Chief Financial Officer and Joint Company Secretary
- Falcon remains exceptionally well-funded with >\$25 million in cash

CORPORATE

Finance

During the quarter Falcon Metals Ltd (ASX:FAL) (Falcon, the Company) spent \$1.43 million on operating activities, including

- \$1.18 million on exploration and evaluation costs,
- \$0.15 million on corporate costs, overheads and payments for fixed assets, and
- \$0.14 million on staff costs.



Exploration and evaluation costs were lower than the previous quarter as drilling activities at Pyramid Hill ended in May as planned to accommodate the field season. Corporate costs and overheads were significantly lower as the previous quarter included the repayment of historical costs to Chalice Mining for all Falcon Metals expenses accrued from 1 July 2021 to 31 December 2021 as a part of the demerger, plus residual IPO costs. Staff costs were marginally higher as Falcon continues to strengthen its team.

At the end of the June 2022 quarter Falcon retained \$25.02 million cash.

Capital Structure

There was no change in the capital structure during the quarter with 177 million shares on issue.

CFO Appointment

Mr Pradeep Subramaniam has been appointed as Chief Financial Officer and Joint Company Secretary. Pradeep is a Chartered Accountant with broad financial and commercial experience in energy and resources. He commenced his career in the Assurance practice of PricewaterhouseCoopers (PwC) where he worked with a wide range of Australian and international companies in the energy and resources sector, with a special focus on junior resources.

Following 11 years with PwC, Mr Subramaniam then transitioned to financial roles with several ASX listed junior exploration companies, with his most recent appointment in December 2019 as a Chief Financial Officer (CFO). Pradeep holds a Bachelor of Commerce from the University of Melbourne and is a member of the Chartered Accountants Australia and New Zealand (CAANZ).

Andrea Betti, the Company's previous CFO stepped down from this role, however, will remain with the Company as Joint Company Secretary. The Company would like to thank Ms Betti for her CFO services and the integral role she played in the Company's recent IPO and the successful listing on the ASX in December 2021.

Change of Registered Office

Falcon advised in May 2022 that in accordance with Listing Rule 3.1.4, its registered office and principal place of business changed with immediate effect to the below address in Melbourne, Victoria.

Registered Office	Postal Address
Suite 6, Level 6, 350 Collins St	PO Box 106
Melbourne VIC 3000	Flinders Lane VIC 8009

Since Falcon's \$30 million IPO in December 2021, which resulted from Chalice Mining Limited's (ASX: CHN) demerger of its gold assets in Victoria and Western Australia, the Company's registered office has been in Perth, Western Australia.

The move to the Melbourne office provides synergies that support Falcon's exploration at its Victorian projects, particularly the Pyramid Hill Gold Project in the Bendigo region.



EXPLORATION

Pyramid Hill (100% FAL)

Falcon has >5,000km² of granted permits in Victoria, north of the high-grade historic >22 Moz Bendigo goldfield and the ~9 Moz Fosterville Gold Mine owned by Agnico Eagle (NYSE:AEM).

Post quarter, Falcon advised that final assay results had been received for all diamond and aircore holes at the Karri and Ironbark prospects in the Pyramid Hill Gold Project. Falcon drilled a total of 8 diamond holes at Karri, one diamond hole each at Ironbark North and East, and 37 aircore holes to blade refusal at Ironbark East. Falcon had announced results for the first four of the diamond holes at Karri during April.

Results from this drilling are highly encouraging, confirming primary gold mineralisation within the diorites at both Ironbark North and East, with the aircore results at Ironbark East helping further define the prospective zone and provide additional encouragement that diorites within the Bendigo Zone are a valid exploration target. The results at Karri have further extended the zone of primary mineralisation intersected by diamond drilling with grades >1 g/t Au now identified over a strike length of 2.5km.

The next step for Pyramid Hill is a detailed assessment of these results and finalisation of the forward work plan. Drilling is expected to recommence in October 2022, with Falcon at the advanced stages of securing a quality aircore drilling contractor for further infill drilling at the Ironbark, Karri and Wandoo prospects as well as an extensive regional program to screen its substantial prospective land holding for large scale and high-grade gold systems.

Ironbark Prospect

Aircore drilling commenced at Ironbark East in late March with the 37 holes completed by May 2022. Several previous phases of work at Ironbark indicated the potential for gold mineralisation associated with the contact between Castlemaine Group Sediments and intrusive diorites, with some mineralisation hosted within the diorites. This geological setting was seen as a positive given there are several analogous high-grade diorite-associated gold deposits in Eastern Victoria (Walhalla-Woods Point Goldfields) including Cohen's Reef (~1.5Moz @ 32 g/t Au)¹.

Although the focus was initially at Ironbark North and South, drilling in 2021 at Ironbark East was particularly significant with aircore hole PA953 intersecting 13m @ 1.52 g/t from 113m ending in mineralisation, and hole PA918, located 200 metres to the west, intersecting 9m @ 0.91 g/t from 61m². Drilling for 2022 planned for an extensive infill program at Ironbark East around these holes on a 200m x 50m spacing to test the extent of the anomaly and to provide information to better target diamond drilling.

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

² Refer Falcon Prospectus dated 3 November 2021



Results from the Ironbark drilling were reported post quarter with highlights including:

- **PHKAC1030:**
 - 40m @ 2.81 g/t Au from 50m
 - Including 26m @ 4.20 g/t Au from 51m, that includes
 - 2m @ 15.42 g/t Au from 51m,
 - 1m @ 17.06 g/t Au from 62m,
 - 1m @ 10.07 g/t from 70m and
 - 1m @ 11.95 g/t from 76m
- **PHIRDD005:**
 - 8m @ 1.70 g/t Au from 301m
 - Including 3.6m @ 3.74 g/t Au
- **PHIRDD006:**
 - 1m @ 1.11 g/t Au from 96m
 - 1m @ 1.07 g/t Au from 143m
 - 0.4m @ 5.91 g/t Au from 162.9m
 - 0.66m @ 1.05 g/t Au from 174.34m
 - 0.7m @ 1.31 g/t Au from 338.5m

The aircore drill program at Ironbark East has identified two anomalous zones for further targeting. The central zone is coincident with the diorite, with PHAC1030 returning 40m @ 2.81g/t Au from 50m, including 26m @ 4.2g/t Au, and multiple metre intervals above 10g/t Au. A new zone in the northwest of the grid was also identified where two holes intersected >200ppb Au in Castlemaine Group Sediments (Figure 1).

The mineralisation in PHAC1030 commenced at a depth of 50m within a 2m thick zone of transported quartz gravels. Some of the quartz clasts are cemented with marcasite and both this zone and the organic rich layer directly above it were elevated in arsenic. The presence of such a high-grade zone of gold associated with anomalous arsenic suggests a proximal source to the gold in these gravels.

This gravel layer overlies weathered diorite, containing gold mineralisation together with elevated arsenic, antimony, tellurium and sulphur, which suggests that this is a primary mineralised zone. Importantly, the antimony, tellurium and sulphur values were higher in the saprolite than in the transported gravel.

Some potential for downhole contamination was identified during geological logging on the basis of a minor component of transported gravel (presumably from the gravel horizon between 50-52m at the base of the Murray Basin) being logged in the saprolitic diorite within selected intervals (54-55m and 75-76m).

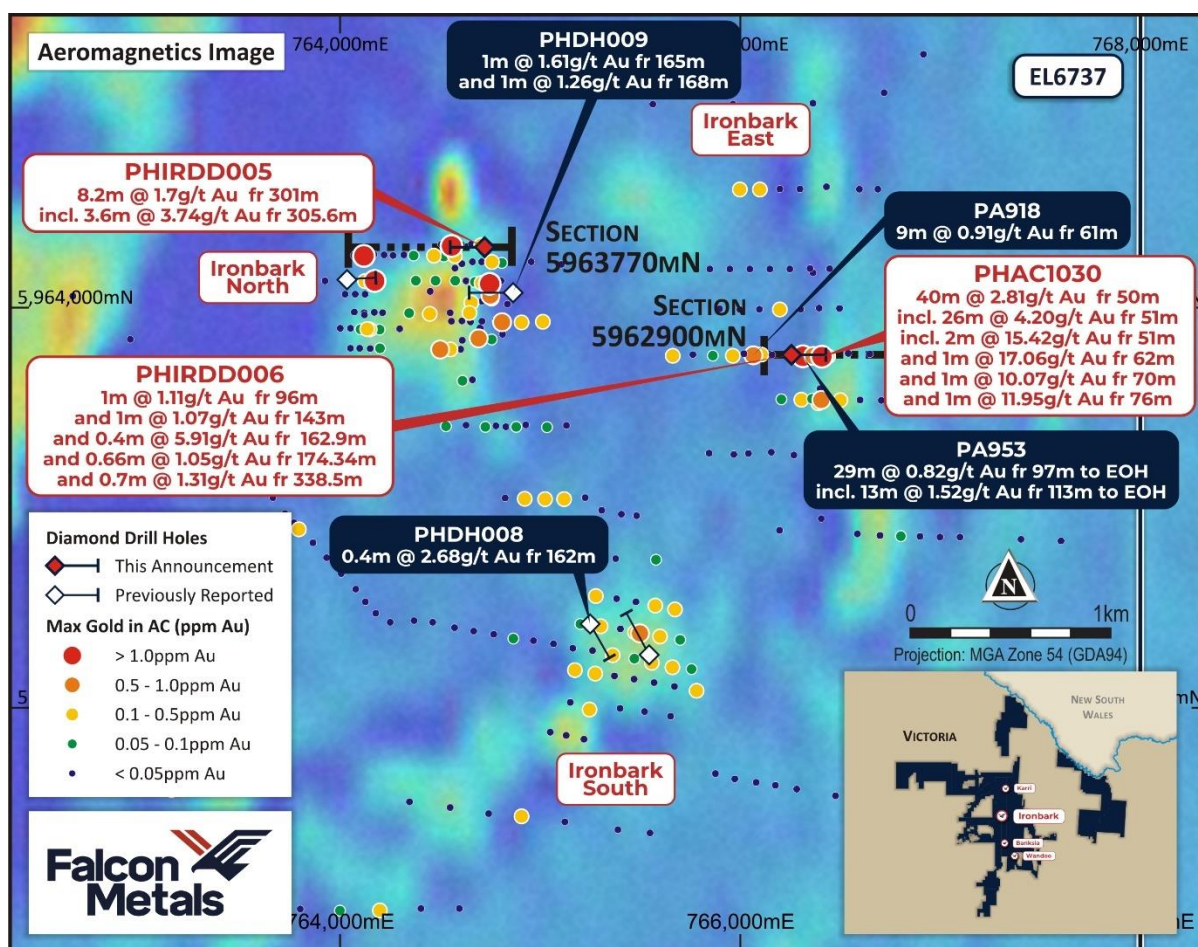


Figure 1 Ironbark Prospects with significant drill results

The initial results from PHAC1030, based on the 4m composite samples, were highly variable. Due to the high grade and poor repeatability of initial assays, additional sampling of each 1m interval was undertaken to test for variability. Repeat assaying of this was completed and whilst similar results were obtained over the entirety of the intercept, there was a high degree of variability on a sample-by-sample basis, suggesting the presence of coarse and nuggety gold. Following exhaustive test work, the reported results are considered robust and the most appropriate quantification of the gold present from the available sample.

A diamond drill hole, PHIRDD006, was also completed at Ironbark East. This hole targeted the zone under previous aircore hole PA953 with the primary objective of providing stratigraphical and lithological information to aid in planning of future drilling and was drilled before Falcon received the assays for the aircore holes (including PHAC1030). Based on the new results from PHAC1030, the eastern contact of the diorite with the Castlemaine Group Sediments is now considered a higher priority target. Despite this, hole PHIRDD006 intersected narrow zones of mineralisation in both the Castlemaine Group Sediments and within the diorite including 0.4m @ 5.91 g/t (Figure 2).

Diamond drillhole PHIRDD005 was also completed at Ironbark North and intersected primary gold mineralisation associated with quartz veining within the diorite with a zone of 3.6m @ 3.74 g/t Au, the best intersection from this prospect so far (Figure 3).

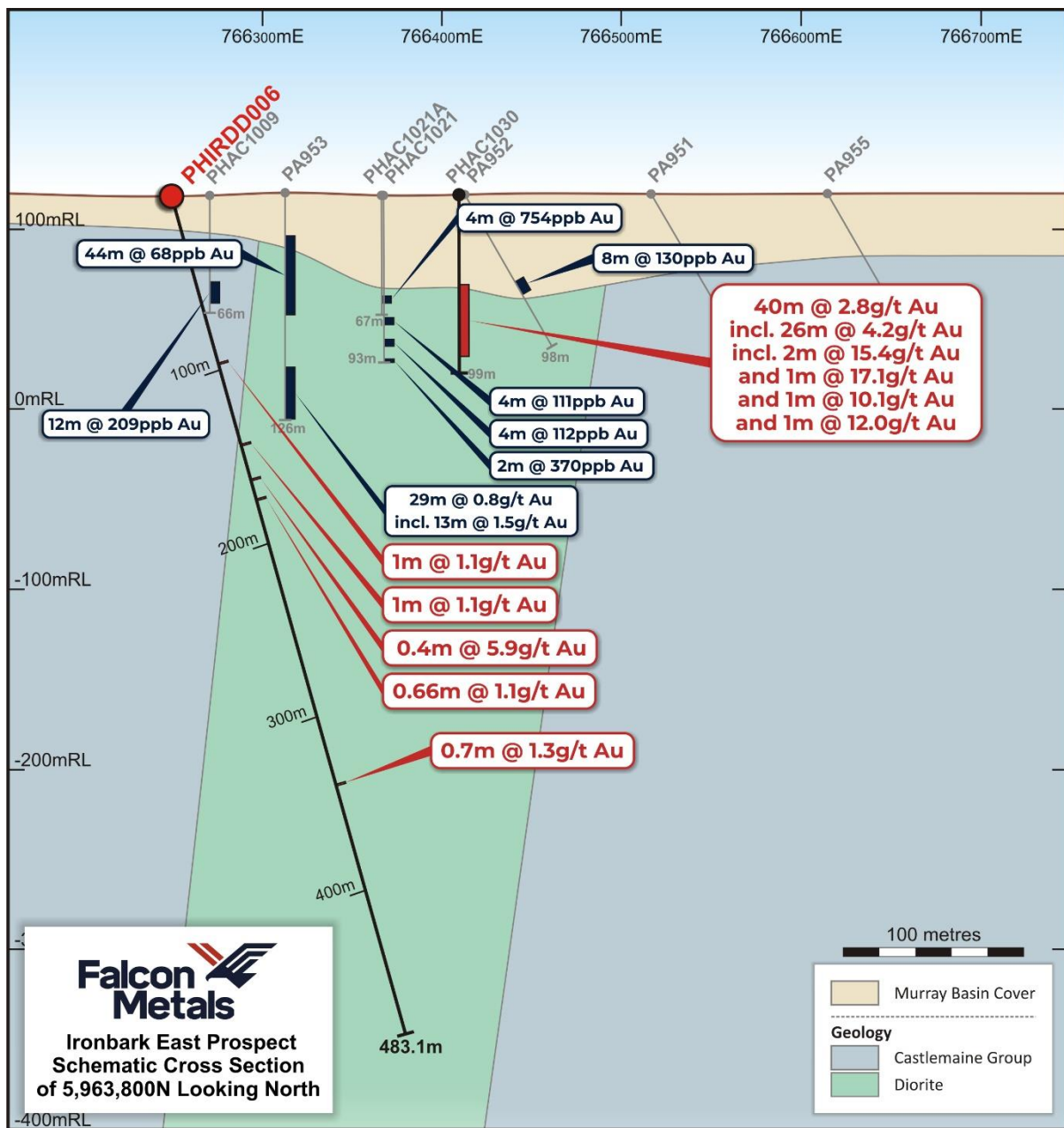


Figure 2 Schematic cross section of 5,963,800 N looking north at the Ironbark East Prospect

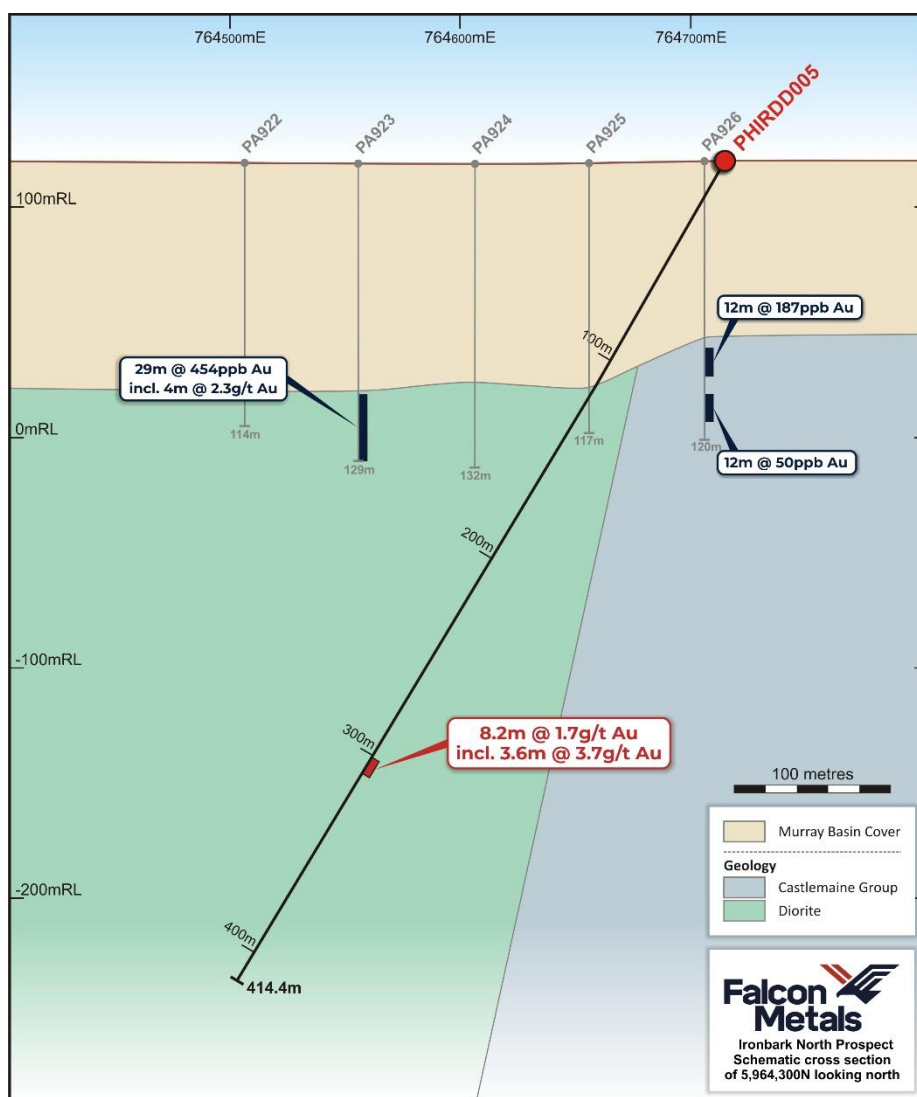


Figure 3 Schematic cross section of 5,964,300 N looking north at the Ironbark North Prospect

Karri Prospect

Drilling commenced in mid-January at the Karri prospect. Karri is one of the advanced prospects at Pyramid Hill and is a 4km-long gold anomaly under Murray Basin cover that was previously defined by aircore drilling.

The mineralisation at Karri is hosted in Castlemaine Group stratigraphy, the main host unit for all gold deposits in the Bendigo Zone which hosts >60Moz of historical gold production from outcropping areas. The target structures are upright anticlines and the fold hinges, with several interpreted to run north-south through the 4km long Karri gold anomaly. Stratigraphic and structural correlation across the prospect has defined four major upright anticlinal fold hinges which are the focus of the planned drilling.



In total, 8 diamond holes were drilled for 4,262m (Figure 4). Results from the first 4 holes were reported mid-April and results from the final 4 holes were reported post quarter. Highlights from the diamond drilling program included:

- **PHKADD018** 2m @ 3.32 g/t Au from 108m
including 1m @ 6.51 g/t Au from 109m
- **PHKADD020** 1m @ 1.65 g/t Au from 190m
0.86m @ 1.26 g/t Au from 232.14m
- **PHKADD021** 1m @ 1.19 g/t Au from 232m
8m @ 1.08 g/t Au from 287m
including 1m @ 7.31 g/t Au from 294m
0.8m @ 1.15 g/t Au from 302.11m
1m @ 1.32 g/t Au from 308m
2m @ 2.01 g/t Au from 347m
- **PHKADD024** 2m @ 2.37 g/t Au from 282m
including 1m @ 4.64 g/t Au from 282m
- **PHKADD025** 1m @ 1.72 g/t Au from 119m
9m @ 1.28 g/t Au from 141m
including 4.8m @ 2.23 g/t Au from 144.2m
1m @ 1.12 g/t Au from 157m
1m @ 1.24 g/t Au from 467m

Mineralisation in PHKADD018 was in the oxide zone and appears to be related to weathered sulphides in a sandstone with no quartz veining. It is in the western limb of an anticline, close to the hinge. This is in a similar position to the anomalous zone intersected previously in PHDH015 (5.1m @ 13.96 g/t Au from 100.9m, including 2.2m @ 32.10 g/t Au) that was also associated with iron oxides.

Mineralisation in PHKADD020 occurred in the west limb of the same anticline. It was associated with sericite alteration, disseminated pyrite and minor arsenopyrite.

The mineralised zones identified in PHKADD021 are of particular importance because they have extended the mineralisation in the eastern limb of this same anticline a further 100m to the north of mineralised structures intersected in PHDH007 (1m @ 5.40 g/t Au from 192.8m) and PHDH015 (8m @ 1.05 g/t Au from 202m, including 1m @ 5.33 g/t Au). Mineralisation is associated with quartz veining, intermittent sericite alteration, and disseminated pyrite & arsenopyrite. In addition to the higher grades including 1m @ 7.31 g/t Au, broad zones of low-level Au mineralisation were also present within this zone including 16.2m @ 0.27 g/t Au from 299.8m and 27m @ 0.33 g/t Au from 341m.

PHKADD024 was the southernmost diamond drillhole at the Karri Prospect and it successfully confirmed primary gold mineralisation in this area. PHKADD025 was a 100m step out along strike to the north from PHKADD021 and the grade of the mineralisation remained consistent between these holes. Karri remains a priority target at Pyramid Hill due to the extent of the aircore anomaly (4km long) and the presence of high-grade mineralisation in intercepts such as PHDH015 (5.1m @ 13.96 g/t Au from 100.9m, including 2.2m @ 32.10 g/t Au³).

Further assessment of the full results is currently underway, with a view to further refining the understanding of the gold system at Karri and consideration of infill aircore drilling to better vector in on the high-grade gold.

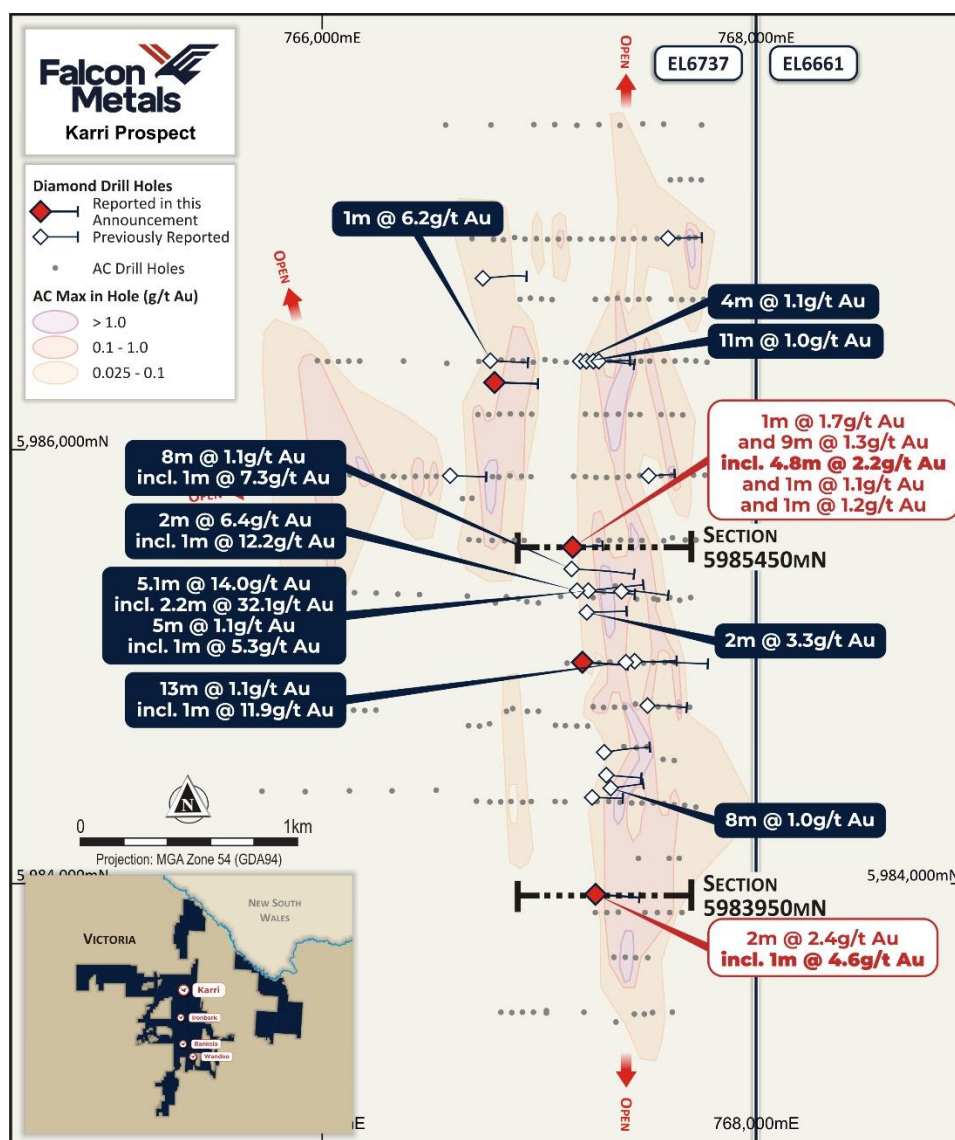


Figure 4 Plan map of Karri Prospect drilling

³ Refer Falcon Prospectus dated 3 November 2021



Regional surface sampling commenced

A roadside soil sampling program was undertaken throughout the project area. This involved the collection of 929 soil samples and 11 rock chip samples in areas with shallow cover. In addition to this, 53 samples were collected as part of an orientation program to assess if a partial digestion technique can be used to detect bedrock anomalism at surface through areas of significant cover where conventional soil sampling is ineffective.

Results from this work are expected in the next quarter.

Major drill program planning

The success of the first Falcon exploration program has provided strong encouragement for a significant step up in operations for the upcoming field season at Pyramid Hill. Falcon is at the advanced stages of securing two aircore rigs for a large program, that will include infill drilling at Ironbark East and Karri, as well as infill at other priority prospects like Wandoo.

Falcon will also be upscaling regional exploration including wide-spaced reconnaissance drilling targeting prospective stratigraphy under less than 120m of cover (Figure 5), as well as other potential diorite-associated targets such as those at Ironbark. In addition to this, an extensive soil sampling program has commenced covering areas with shallow cover on recently granted tenements.

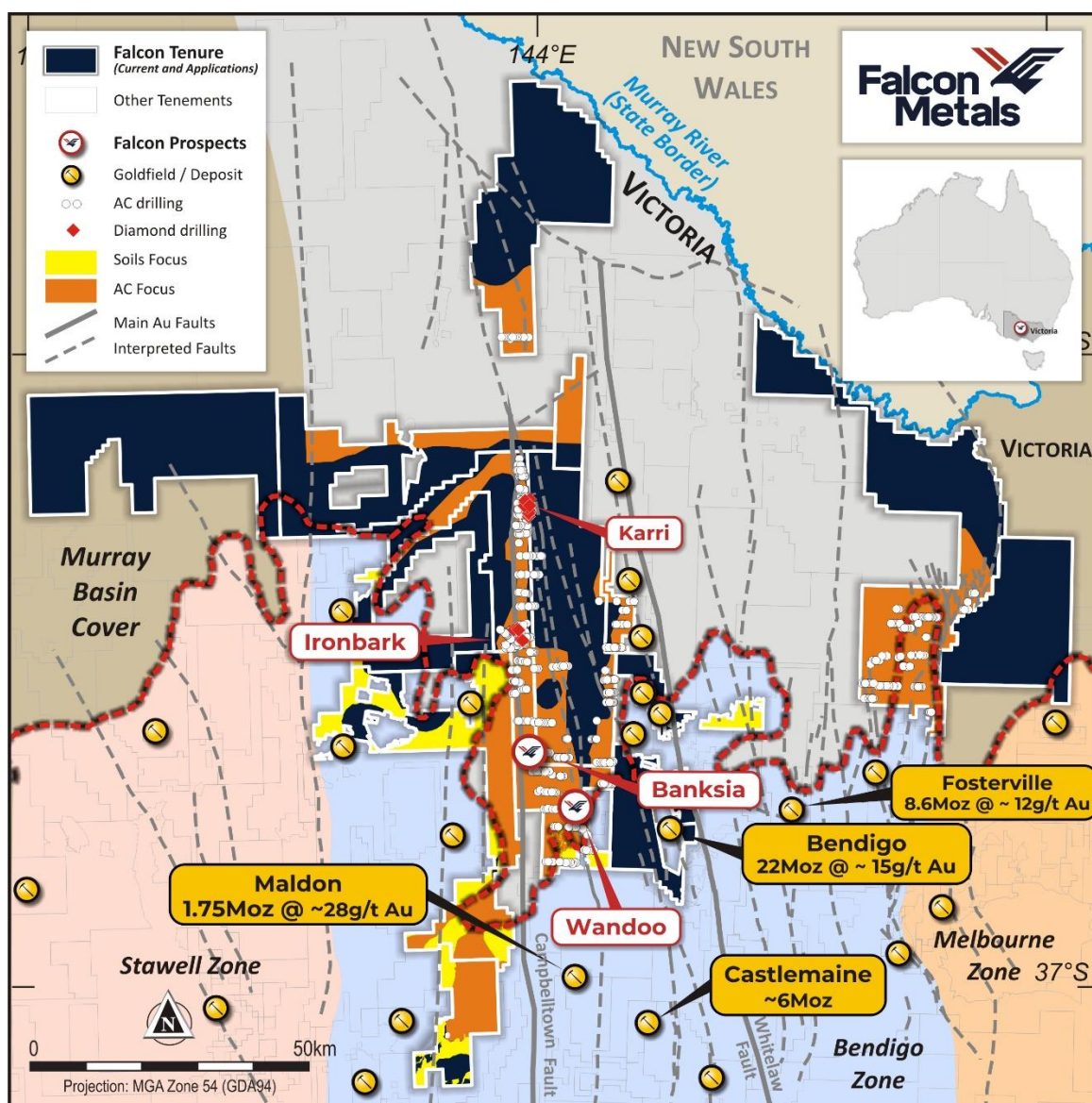


Figure 5 Areas of focus for 2022-23⁴

New Victorian permit application

EL7971 is an 87 graticular block application that was applied for as part of the Stavely Land Release that took place on 2 May 2022. After a review of the entire area, FAL identified one target with high prospectivity under shallow Murray Basin cover. This is a competing application with three other explorers. Further information will be provided if this application is awarded to Falcon.

⁴ 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
- Kaiser Reef (ASX:KAU) Prospectus 2/12/2020
- Red Rock Resources – Orotek Mining Solutions, Tenement Review and Exploration Strategy- EL007330 Daylesford



Viking (E63/1963 - FAL earning up to 70% & application E63/1994 - 100% FAL)

The project is located approximately 30 km east of the regional township of Norseman within the high-grade metamorphic Albany-Fraser Province, host of the Tropicana Gold Mine operated by AngloGold Ashanti, that has produced over 3Moz since 2013.

Senior management inspected previously drilled diamond core that is being stored at Kalgoorlie and also did a site visit to E63/1963 along the existing telegraph track that passes through the tenement.

A Heritage Protection Agreement was finalised during the quarter and a Heritage Survey Notice was submitted to the Ngadjju Native Title Aboriginal Corporation, planned for August 2022.

Mt Jackson (100% FAL)

The project is located approximately 350 km northeast of Perth and 110 km north-northwest of the regional township of Southern Cross. The Mt Jackson project area is located at the very northern end of the Southern Cross Belt where it converges with the regional Koolyanobbing Shear Zone. The Southern Cross Greenstone Belt has a prolonged mining history and hosts multiple significant gold deposits, including Marvel Loch (>1.5Moz).

Application E77/2946 was pegged to the north of the existing E77/2577 tenement. This increases the area covered by 25 graticular blocks to a total project area of 68 blocks. This was to ensure that all available prospective stratigraphy in this area was covered. Senior management visited Mt Jackson Station to meet with the Station Manager for forward planning of upcoming field activities.

ASX ADDITIONAL INFORMATION

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$1.18m. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

As per ASX Listing Rule 5.3.5: There were payments of \$0.11m to related parties of the Company and their associates during the Quarter.

As per ASX Listing Rule 5.3.4 the following expenditures have occurred since listing:

Item	Current Quarter	Year-to-Date	As per IPO Prospectus dated 3 November 2021**
Exploration - Pyramid Hill	\$1,119,248	\$2,389,525	\$15,350,000
Exploration - Viking Gold	\$36,621	\$101,934	\$2,500,000
Exploration - Mt Jackson	\$22,445	\$62,476	\$250,000
Working Capital	\$(5,113)	\$217,379	\$8,350,000
Corporate Costs	\$283,384	\$1,153,296	\$2,100,000
Costs of the Offer	\$0	\$1,059,113	\$1,450,000

***Expenditure is over a two-year period*

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

For more information, please contact:

Tim Markwell
Managing Director
tmarkwell@falconmetals.com.au

Media and Investor Queries
Victoria Humphries
victoria@nwrcommunications.com.au



Tenement Register

Project	Tenement Reference	Location	Interest at 01/4/2022	Acquired / Disposed	Interest at 30/06/2022	Registered Holder / Applicant [^]
Pyramid Hill	EL006738	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006943	Victoria	-*		-*	CGM (WA)
	EL006661	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006669	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006737	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006864	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006898	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006901	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL006960	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL007121	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL007120	Victoria	100%		100%	Falcon Gold Resources Pty Ltd
	EL007040	Victoria	100%		100%	CGM (WA)
	EL007200	Victoria	100%		100%	CGM (WA)
	EL007320	Victoria	100%		100%	CGM (WA)
	EL007322	Victoria	100%		100%	CGM (WA)
	EL007656	Victoria	-*		-*	CGM (WA)
	EL007838	Victoria	-*		-*	Falcon Gold Resources Pty Ltd
	EL007839	Victoria	-*		-*	Falcon Gold Resources Pty Ltd
	EL007840	Victoria	-*		-*	Falcon Gold Resources Pty Ltd
	EL007844	Victoria	-*		-*	Falcon Gold Resources Pty Ltd
	EL007845	Victoria	-*		-*	Falcon Gold Resources Pty Ltd
Brimpean	EL007971	Victoria			-*	Falcon Gold Resources Pty Ltd
Viking	E63/1963	WA	_ [#]		_ [#]	Metal Hawk
	ELA63/1994	WA	-*		-*	CGM (WA)
Mt Jackson	E77/2577	WA	100%		100%	Falcon Metals (WA) Pty LTD
	ELA77/2946	WA			-*	Falcon Metals (WA) Pty LTD

*Applications

[#] E63/1963 subject to earn in agreement with Metals Hawk (MHK) whereby Falcon Metals can earn 51% by spending \$1M and a further 19% by spending an additional \$1.75M.

[^] Tenements registered to CGM (WA) Pty Ltd have an executed deed of transfer to Falcon Metals Ltd

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 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

FALCON METALS LTD

ABN

87 651 893 097

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,178)	(2,554)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(139)	(201)
	(e) administration and corporate costs	(71)	(477)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	24
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (listing/compliance costs, insurance, bank fees and legal)	(60)	(461)
1.9	Net cash from / (used in) operating activities	(1,429)	(3,669)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(19)	(150)
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposits paid)	5	(92)
2.6	Net cash from / (used in) investing activities	(14)	(242)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,059)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(14)	(14)
3.10	Net cash from / (used in) financing activities	(14)	28,927

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,473	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,429)	(3,669)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(242)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	28,927

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	25,016	25,016

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	25,016	26,473
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,016	26,473

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,429)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,429)
8.4 Cash and cash equivalents at quarter end (item 4.6)	25,016
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	25,016
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	17.51
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the Board of Falcon Metals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.