



Strategic Technical Partnership with Hensen to Advance Anode Plant in Morocco



Anode Plant PEA Targeted for Q4 2024



Discussions Progressing with Commercial Partners for Anode Plant



Lola Graphite Project EPCM Proposal Received

PRESS RELEASE

FOR IMMEDIATE RELEASE

Abu Dhabi, United Arab Emirates, September 9, 2024 – Falcon Energy Materials plc (TSX-V: FLCN) (“**Falcon**” or the “**Company**”) is pleased to announce the signing of a comprehensive technical and strategic partnership with Hensen Graphite & Carbon Corporation (“**Hensen**” or the “**Technical Partner**”) from China to jointly develop an anode plant in Morocco (the “**Anode Plant**”) that will produce coated spherical purified graphite (“**CSPG**”).

Hensen is a leading, privately owned, CSPG producer and has successfully constructed and operated several synthetic and natural graphite anode plants in China. Hensen is currently building a large-scale anode plant in Weihai, China (the “**Weihai Plant**”) which is expected to be commissioned in Q4 2024.

Technology Cooperation Agreement

Under the terms of the agreement, Hensen and Falcon will collaborate to develop a process flow sheet to produce CSPG that meets all end-user quality requirements while promoting industry-leading transparency and sustainability standards (the “**Technology Cooperation Agreement**”).

Falcon and Hensen will work alongside Tanger Med Engineering SA (“**TME**”) and Dorfner Anzaplan GmbH (“**Anzaplan**”) to develop a National Instrument 43-101 compliant preliminary economic assessment (“**PEA**”) to support the financing and construction of the Anode Plant.

The PEA will allow Falcon to demonstrate the economic viability of the Anode Plant in Morocco and advance discussions with financial partners and local authorities. The PEA is expected to be published in Q4 2024.

The PEA will target an annual production of 25,000 tonnes of CSPG and will make appropriate allowances for the qualification of the CSPG with end-users. Hensen and Falcon will leverage the design, procurement strategy and existing supply chain of the recently built Weihai Plant to develop the most advanced production facility outside of China with the lowest development and operating costs.

An aerial view of Hensen Weihai plant (September 2024), which serves as the design basis for the Morocco Anode Plant.



Discussions with Commercial Partners Progressing

The Company is also pleased to announce significant progress in discussions with several strategic partners interested in becoming Tier One international supplier of CSPG to the Western battery markets. The Company is currently evaluating various strategic options and anticipates announcing a commercial partner for the Anode Plant by Q1 2025 (the “**Commercial Partner**”).

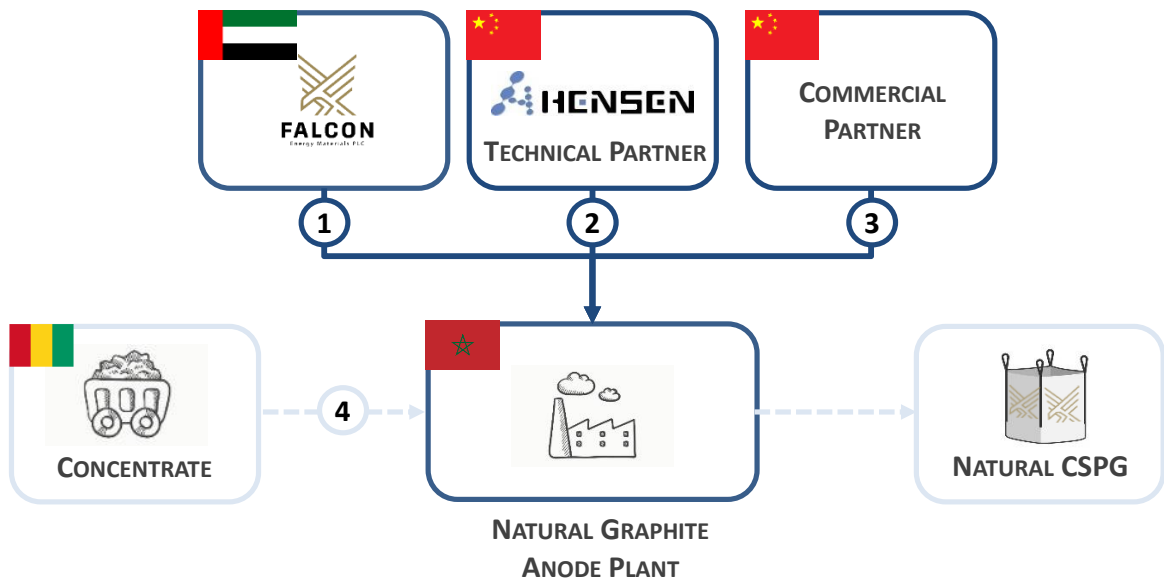
Under the Company’s new partnership framework, the Technical Partner will be responsible for the engineering, procurement, qualification and construction expertise to produce CSPG while the Commercial Partner will be responsible for the integration of Falcon within the battery supply chain, including the qualification of the CSPG to end-user specifications.

All potential Commercial Partners the Company has engaged with have existing production of synthetic CSPG, which is an essential component of any commercially available graphite anode. The Company believes that aligning with a Commercial Partner who has existing synthetic CSPG production is strategically important, as most graphite anodes consist of a blend between synthetic and natural graphite. This alignment between Falcon and the Commercial Partner will firmly establish Falcon in the highly complex anode material supply chain.

Matthieu Bos, Chief Executive Officer of Falcon, commented, “With the redomiciliation to Abu Dhabi, we have created a unique platform, headquartered in the UAE with a listing on the TSX Venture Exchange, while maintaining an open mind to partnerships with industry leaders in China.”

“Falcon’s strategy and structure are truly unique and cannot be replicated by anyone in the short to medium term. The very complicated nature of the CSPG supply chain, which is almost entirely dominated by China, makes Chinese partnerships a critical pathway to success,” added Mr. Bos.

Falcon Partnership Framework.



ANODE MATERIAL VALUE CHAIN

NATURAL CSPG + SYNTHETIC CSPG + BINDER = ANODE MATERIAL

Notes: 1. Falcon to control and fund Morocco Anode Plant; 2 Hensen to provide technical support to development of Anode Plant; 3. Commercial Partner to provide offtake for Anode Plant; 4. Graphite concentrate production from Falcon Lola

Graphite Project in Guinea and third-party concentrates; and 5. Commercial to provide synthetic CSPG to blend to make anode material.

Lola Graphite Project Construction Proposal Received

The Company has received a turn-key proposal from Shandong Xinhai Mining Technology & Equipment Inc. (“Xinhai”) for the development of the Lola Graphite Project in Guinea. Xinhai is a leading engineering, procurement and construction (“EPC”) contractor from China with extensive expertise in developing mining projects on the African continent. The proposal, which is currently under review by the Company, follows the 2023 updated feasibility study, which envisages the construction of a mine and concentrator with target capacity of 94,000 tonnes per annum (“tpa”) of graphite concentrate.

About Falcon

Falcon is focused on developing the Lola Graphite Project located in the Republic of Guinea, West Africa. The Lola Graphite Project has Proven and Probable Reserves of 42Mt at a grade of 4.2% Cg. Falcon aims to develop a fully integrated source of battery anode material to supply the European lithium-ion and fuel cell markets. With attractive operating costs, proximity to European end-markets and strong ESG credentials, the Company is poised to become a reliable supplier while promoting sustainability and supply chain transparency. Falcon is committed to generating sustainable, long-term benefits that are shared with the host countries and communities where it operates.

For additional information, please visit Falcon’s website at www.falconem.net.

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Falcon will provide further updates only if a specific transaction or process is concluded, or if further disclosure is required under applicable laws or deemed appropriate. There can be no assurance that the Company will pursue any transaction or that a transaction, if pursued, will be completed.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as “advance”, “target”, “progressing”, “expected”, “develop”, “demonstrate”, “provide”, “goals”, “continue”, “advance”, “potential”, “will”, “demonstrate”, “deliver”, “believe”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would” or “might”. Forward-looking information is subject to known and unknown risks,

uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets, geopolitical and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits and mine plans for the Company's mining operations; (v) the risk associated with establishing title to mineral properties and assets including permitting, development, operations and production from the Company's operations being consistent with expectations and projections; (vi) fluctuations in commodity prices, finding offtake takers and potential clients or enforcing such agreements against same; (vii) its capacity to execute and achieve its desired objective of partnership with Hensen or a Commercial Partner, (viii) the PEA demonstrating the economic viability of the Anode Plant in Morocco, (ix) the capacity of Falcon to advance discussions with financial partners and local authorities in Morocco and Guinea, (x) the PEA being published in Q4 2024, and (xi) other risks and factors described or referred to in the section entitled "Risk Factors" in the MD&A of the Company and which is available at www.sedar.com, all of which should be reviewed in conjunction with the information found in this news release.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is given as of the date of this press release, and the Company does not undertake to update such forward-looking information except in accordance with applicable securities laws.