



FALCON

Energy Materials plc

Condensed Consolidated Interim Financial Statements

**For the three and nine-month periods ended September 30, 2024
and 2023**

(Expressed in Canadian dollars)
(Unaudited)

TSX-V: FLCN

Management's Responsibilities over Financial Reporting

The accompanying unaudited condensed consolidated interim financial statements of Falcon Energy Materials plc (the "Company" or "Falcon") have been prepared by the management and are its responsibility. The condensed consolidated interim financial statements are prepared in accordance International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

These unaudited condensed consolidated interim financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Falcon Energy Materials plc
Condensed Consolidated Interim Statements of Financial Position
(Unaudited, in Canadian dollars)

		September 30, 2024	December 31, 2023
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		1,155,944	737,090
Investments		4,043,329	8,132,717
Sales taxes and other receivables		42,022	57,888
Prepaid expenses and deposits		242,209	126,908
		5,483,504	9,054,603
Non-current assets			
Property and equipment		257,550	330,408
TOTAL ASSETS		5,741,054	9,385,011
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		550,229	557,255
Short-term portion of lease liability	4	81,003	81,870
		631,232	639,125
Non-current liabilities			
Long-term portion of lease liability	4	9,590	35,833
		640,822	674,958
EQUITY			
Share capital	5	43,780,682	43,780,682
Contributed surplus	6	12,104,329	10,312,381
Deficit		(50,784,779)	(45,383,010)
		5,100,232	8,710,053
TOTAL LIABILITIES AND EQUITY		5,741,054	9,385,011

Nature of operation and liquidity risk (Note 1)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Board,

Marc Filion /s/
Director

Yves Grou /s/
Director

Falcon Energy Materials plc

Condensed Consolidated Interim Statements of Loss and Comprehensive loss

(Unaudited, in Canadian dollars)

	Notes	Three-month periods ended September 30,		Nine-month periods ended September 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Exploration and evaluation	3				
Exploration expenses		18,937	55,536	74,741	179,129
Engineering study		100,706	(96,085)	197,145	656,234
HSEC & Community relations on site		7,261	7,524	23,293	13,378
Salaries and benefits		73,769	73,484	217,941	212,169
Amortization		18,708	37,729	56,529	111,932
		219,381	78,188	569,649	1,172,842
General and administrative					
Professional and consulting fees		488,448	363,985	1,164,351	906,913
Salaries and benefits		60,447	150,253	430,029	490,590
Travel and representation		162,360	127,003	408,401	430,753
General and administrative		98,635	102,797	268,625	235,034
Investor relations fees		13,500	12,500	35,640	44,952
Transfer agent and filing fees		7,120	3,008	62,586	50,518
Amortization		25,426	15,334	66,442	45,347
Share-based payments	6	401,597	444,710	1,791,948	810,551
		1,257,533	1,219,590	4,228,022	3,014,658
Other expenses (income)					
Interest income		(47,950)	(78,895)	(229,977)	(165,771)
Redomiciliation costs		91,631	-	841,016	-
Financial income		(825)	-	(825)	-
Foreign exchange (income) loss		(3,937)	(24,493)	(6,116)	8,408
		38,919	(103,388)	604,098	(157,363)
Net loss and comprehensive loss		1,515,833	1,194,390	5,401,769	4,030,137
Basic and diluted loss per common share		0.01	0.01	0.05	0.04
Weighted average number of shares – basic and diluted		117,385,961	116,735,961	117,385,961	114,814,891

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Falcon Energy Materials plc

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited, in Canadian dollars)

		Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Total equity
	Notes		\$	\$	\$	\$
Balance as at January 1, 2024		117,385,961	43,780,682	10,312,381	(45,383,010)	8,710,053
Share-based payments	6	-	-	1,791,948	-	1,791,948
Net loss and comprehensive loss for the year		-	-	-	(5,401,769)	(5,401,769)
Balance as at September 30, 2024		117,385,961	43,780,682	12,104,329	(50,784,779)	5,100,232
Balance as at January 1, 2023		113,822,338	41,282,782	9,314,620	(39,892,193)	10,705,209
Exercise of warrants	5	2,913,623	2,010,400	-	-	2,010,400
Share-based payments	6	-	-	810,551	-	810,551
Net loss and comprehensive loss for the year		-	-	-	(4,030,137)	(4,030,137)
Balance as at September 30, 2023		116,735,961	43,293,182	10,125,171	(43,922,330)	9,496,023

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Falcon Energy Materials plc
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, in Canadian dollars)

	Notes	Nine-month periods ended	
		September 30, 2024	2023
Cash flows provided by (used in)		\$	\$
Operating activities			
Net (loss) income for the period		(5,401,769)	(4,030,137)
Adjustments for non-cash items			
Amortization		122,971	157,279
Accreted interest on lease liability	4	10,477	2,498
Foreign exchange on lease liability	4	770	544
Interest income		(15,204)	-
Share-based payments	6	1,791,948	810,551
		(3,490,807)	(3,059,265)
Change in non-cash working capital items	10	(106,461)	(485,653)
		(3,597,268)	(3,544,918)
Investing activities			
Property and equipment additions		-	(40,103)
Investments		(220,308)	-
Disposal of investments		4,324,900	-
		4,104,592	(40,103)
Financing activities			
Lease liability	4	(88,470)	(37,342)
Exercise of warrants	5	-	2,010,400
		(88,470)	1,973,058
Net change in cash		418,854	(1,611,963)
Cash, beginning of periods		737,090	11,106,401
Cash, end of periods		1,155,944	9,494,438

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Falcon Energy Materials plc is an Abu Dhabi Global Market mineral exploration and development business with activities in Africa. The Company was incorporated on April 16, 1996 under the *Canada Business Corporations Act*, and continued under the Abu Dhabi Global Market Companies Regulations 2020 on June 24, 2024 as a public company limited by shares. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "FLCN.V". The Company's head office is located at Level 7, Al Maryah Tower, ADGM Square, Al Maryah Island, Abu Dhabi, UAE.

These condensed consolidated interim financial statements were authorized for publication by the Board of Directors on November 27, 2024.

The Company's mining properties are located in the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

As at September 30, 2024, the Company had a working capital of \$4.9 million, which included cash and short-term investments of \$5.2 million. Management of the Company believes that it has sufficient funds to maintain the status of its current obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments beyond the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future. To continue the Company's future operations and fund its development expenditures, the Company will periodically need to raise additional funds, which may be completed in a number of ways, including, but not limited to, the issuance of new equity, debt financing or securing capital from potential partners. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2023.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Company has consistently applied the same accounting policies throughout all the periods presented in these condensed consolidated interim financial statements.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

Significant accounting policies

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2023.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

Basis of consolidation

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all companies over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

The subsidiaries of the Company, all of which are wholly owned, are as follows:

Subsidiaries	Jurisdiction of incorporation	Ownership %
Sama Resources Guinee SARL ("SRG Guinée")	Guinea	100%
SRG Graphite International Inc. ("SRG Intl")	Cayman Islands	100%
SRG Liberia Inc. ("SRG Liberia")	Liberia	100%

3. EXPLORATION AND EVALUATION EXPENSES

The Company has one project currently under evaluation which is named Lola Graphite.

On August 10, 2018, the Government of Guinea awarded SRG Guinée, through ministerial order NoA2018/5349/MMG/SGG, the Lola Graphite research permit for a final two-year period, and, as per the legislation, the surface area was reduced to 94.38 square kilometers (from 187 square kilometers). This research permit has been canceled on November 6, 2019 when the mining permit has been issued.

On November 6, 2019, the Government of Guinea awarded SRG Guinée, through presidential order NoD/2019/291/PRG/SGG the mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The fifteen (15) year renewable permit was officially granted by the Government of Guinea through presidential decree number D/2019/291/PRG/SGG. The mining permit covers an area of 94.38 square kilometers. SRG Guinée has agreed to develop the mine and has an obligation to invest US\$110,000,000 within the first year of the permit being granted. The mining permit is subject to the general obligations of the Guinean mining code. In June 2020, the Company asked the Government of Guinea for a deferment due to the ongoing Covid-19 crisis. A number of events since its receipt of the mining permit, namely the COVID pandemic as well as a Coup d'État, each of which the Company considers being a Force Majeur event, rendered impossible the fulfillment of certain obligations by the Company during a significant period of time. Furthermore, on June 5, 2021, the Company and the government of Guinea signed an agreement which stipulates that the Company must begin work on its Lola project within six months of being formally reissued the Gogota permit. The Company remains in active dialogue with the government of Guinea about the development timeline for the Lola Graphite Project and intends to start early development works on the mining permit imminently.

4. LEASE LIABILITIES

The Company leases office space for employees. These leases are for a period of one to three years. Certain leases include an option to renew after the end of the contract term.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

The movement in lease liabilities during the nine-month period ended September 30, 2024 and the year ended December 31, 2023 is comprised of the following:

	September 30, 2024	December 31, 2023
	\$	\$
Lease liabilities at the beginning of the period	117,703	19,462
Lease payments	(88,354)	(57,238)
Lease addition	52,919	154,534
Lease termination	(2,922)	(2,814)
Accreted interest	10,477	5,691
Foreign exchange gain	770	(1,932)
Balance, end of period	90,593	117,703
Current portion	81,003	81,870
Long-term portion	9,590	35,833

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	\$
2024	30,073
2025	62,739
Total minimum payments	95,812
Less interest	(5,219)
Total minimum capital payments	90,593

5. SHARE CAPITAL

Transactions during the nine-month period ended September 30, 2024:

There was no transaction on share capital during the period.

Warrants

The outstanding share purchase warrants as at September 30, 2024 and December 31, 2023 and the respective changes during the quarter are summarized as follows:

	Nine-month period ended		Year ended	
	September 30, 2024		December 31, 2023	
	Number	\$	Number	\$
Balance, beginning of period	-	-	14,880,203	0.86
Exercised	-	-	(3,563,623)	0.70
Expired	-	-	(11,316,580)	0.91
Balance exercisable, end of period	-	-	-	-

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

6. SHARE-BASED PAYMENTS

Share-based expense

During the three and nine-month periods ended September 30, 2024 and 2023, the share-based expense is as follows:

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Stock options ⁽¹⁾	401,597	37,382	1,207,602	154,361
Deferred stock units	-	280,834	-	280,834
Restricted stock units (cancelled) ⁽²⁾	-	126,494	584,346	375,356
	401,597	444,710	1,791,948	810,551

⁽¹⁾ Expenses recognized for stock options during the nine-month period ended September 30, 2024 is due to the tranches accelerated vesting schedule related to this period stock option grant.

⁽²⁾ Expenses recognized for restricted stock units during the nine-month period ended September 30, 2024 is due to the accelerated vesting accounting related to the cancellation of the RSU grant as per IFRS 2.28.

Share purchase options

The Company has a fixed stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 22,764,466 shares of the Company, less any shares reserved for issuance under the DSU Plan and the RSU Plan. The exercise price of each option ("Option") shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than \$0.05, being the minimum exercise price allowable under TSX-V policy.

The following table shows the changes in stock options:

	Nine-month period ended September 30, 2024		Year ended December 31, 2023	
	Number	\$ ⁽³⁾	Number	\$ ⁽³⁾
Balance, beginning of period	8,385,500	0.69	8,735,500	0.71
Granted	4,096,713	0.48	-	-
Forfeited	-	-	(350,000)	1.14
Balance, end of period	12,482,213	0.62	8,385,500	0.69
Exercisable, end of period	9,409,675	0.67	7,952,162	0.69

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

	September 30, 2024		
	Number outstanding	Number exercisable	Exercise price \$
February 20, 2027	1,877,007	1,877,007	0.365
April 25, 2027	100,000	100,000	0.50
June 14, 2027	25,000	25,000	0.36
November 22, 2027	325,000	325,000	1.30
January 14, 2028	125,000	125,000	1.72
August 8, 2028	2,085,000	2,085,000	1.10
May 11, 2030	1,108,493	1,108,493	0.37
June 19, 2030	950,000	950,000	0.51
February 9, 2031	490,000	490,000	0.69
March 1, 2032	1,300,000	1,300,000	0.70
April 12, 2034	4,096,713	1,024,175	0.48
	12,482,213	9,409,675	

⁽³⁾ Weighted average exercise price.

The fair value of stock options granted was determined using the Black & Scholes valuation based on the following weighted average assumptions:

	Nine-month period ended September 30, 2024
Weighted average price at the grant date	\$0.48
Weighted average exercise price	\$0.48
Expected dividend	-\$
Expected average volatility	93.82%
Risk-free average interest rate	3.60%
Expected average life	10 years
Weighted fair value per share purchase option	\$0.42

The expected underlying volatility was based on the historical comparable companies shares over a period equivalent to the expected average life of the options.

Deferred share units

The Deferred Share Units (“DSU”) plan provides for the payment of directors’ compensation with DSUs. Each DSU is a right granted by the Company to an eligible director to receive an equivalent of the value of one common share on termination of service. The Company may make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director’s compensation by the average closing price of the common shares on the TSXV, for 5 trading days immediately preceding such date. Under the DSU Plan, a maximum number of common shares available and reserved for issuance is 22,764,466 shares of the Company, less any shares reserved for issuance under the Plan and the RSU Plan.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

The following table summarizes the changes in DSUs issued during the nine-month period ended September 30, 2024:

	Nine-month period ended		Year ended	
	September 30, 2024		December 31, 2023	
	Number	\$(⁽⁴⁾)	Number	\$(⁽⁴⁾)
Balance, beginning of year	767,021	0.75	382,163	0.70
Granted	-	-	384,858	0.79
Balance, end of year	767,021	0.75	767,021	0.75

(⁽⁴⁾) Weighted average fair value.

Restricted share units

The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 22,764,466 shares of the Company, less any shares reserved for issuance under the Plan and the RSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous employment of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Company issued from treasury. The outstanding RSU's as at September 30, 2024 are as follows:

	Nine-month period ended		Year ended	
	September 30, 2024		December 31, 2023	
	Number	\$(⁽⁵⁾)	Number	\$(⁽⁵⁾)
Balance, beginning of period	1,750,000	0.70	1,750,000	0.70
Cancellation	(1,750,000)	0.70	-	-
Balance, end of period	-	-	1,750,000	0.70
Exercisable, end of period	-	-	-	-

(⁽⁵⁾) Weighted average fair value.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure, which will allow it to pursue its exploration & evaluation activities and develop the mine.

The Company considers its capital structure to include shareholders' equity, debts and convertible debentures. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets and capital markets. In order to facilitate the management of capital and the exploration and evaluation of its exploration & evaluation assets and develop the mine, the Company prepares annual expenditure budgets, which are monitored and updated as considered necessary.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, issue more debts or convertible debenture instruments, sell off permits and enter into joint venture arrangements.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended September 30, 2024.

The changes in the Company's capital are disclosed in the consolidated statements of changes in shareholder's equity.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The Company's financial instruments as at September 30, 2024 and December 31, 2023 consist of cash and short-term investments, receivable and other current assets, accounts payable and accrued liabilities.

The classification of financial instruments is summarized as follows:

Financial Assets	Classification	September 30, 2024	December 31, 2023
		\$	\$
Cash	Financial assets at amortized cost	1,155,944	737,090
Investments (Guaranteed investment certificates)	Financial assets at amortized cost	3,995,204	4,067,163
		5,151,148	4,813,253

Financial Assets	Classification	September 30, 2024	December 31, 2023
		\$	\$
Investments (Other than guaranteed investment certificates)	Fair value through profit & loss	48,125	4,056,554
		48,125	4,056,554

Financial Liabilities	Classification	September 30, 2024	December 31, 2023
		\$	\$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	295,907	222,555
		295,907	222,555

The Company's risk exposures and the impact of these exposures on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit concentration risk by holding cash and cash equivalents. This risk is minimized by holding cash and cash equivalents balances with large Canadian financial institutions and a minimal amount with local banks in Africa.

The Company is also indirectly exposed to the credit risk through its investments (other than guaranteed investment certificates)

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

Liquidity risk

The Company manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its exploration & evaluation programs. The Company also ensures that it has sufficient working capital available to meet its day-to-day commitments.

As at September 30, 2024, the Company had cash and short-term investments of \$5,199,273 to settle current liabilities of \$631,232.

Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new equity instruments, issuance of debts, issuance of convertible debentures, further expenditure reductions, or other measures.

Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments.

The Company's financial instruments as at September 30, 2024 consist of cash and short-term investments, accounts payable and accrued liabilities. The Company's financial assets and financial liabilities approximate their fair values due to their relatively short periods to maturity.

Investments (other than guaranteed investment certificates) are valued at the quoted prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

Except for the fixed interest recognized on the convertible debenture and short-term loan, all of the Company's assets and liabilities are non-interest-bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

The Company is also indirectly exposed to the interest rate risk through its investments (other than guaranteed investment certificates)

Market risk

Foreign exchange risk

Currency risk is the risk that future cash flows or fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange ("FX") risk as cash is primarily held in Canadian dollars, while a significant portion of expenditures are denominated in US dollars and Guinean francs and, to a lesser extent, euros and British pounds.

	September 30, 2024 in CAD	Impact of 10% change in FX	December 31, 2023 in CAD	Impact of 10% change in FX
United States dollar	908,920	+/- 90,892	421,508	+/- 42,151
Guinea franc	46,519	+/- 4,652	153,129	+/- 15,313
Euro	84,174	+/- 8,417	5,860	+/- 586

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and other currencies, as outlined above. As the Company has not yet developed commercial mineral interests, the Company is not a party to financial instruments exposed to the

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

price of commodities. However, the Company is indirectly exposed to commodity price risk, as it impacts the Company's access to capital and funding.

The Company is also directly and indirectly exposed to the commodity price risk through its investments (other than guaranteed investment certificates)

9. RELATED PARTIES

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Company. During the three and nine-month periods ended September 30, 2024 and 2023, the remuneration awarded to key management personnel is as follows:

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and benefits	17,876	16,417	50,709	49,250
Consulting and professional fees	308,656	208,517	759,399	625,550
Share-based payments	364,133	134,996	1,578,837	577,740
	690,666	359,929	2,388,946	1,252,540

Termination and change of control provisions

Certain agreements between the executive team and the Company contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2024, the total amounts payable in respect of severance would amount to \$1,768,750. If a change of control would occur during the year ending December 31, 2024, the total amounts payable in respect of severance, if elected by the executive members, would amount to \$3,000,000.

Falcon Energy Materials plc

Notes to Condensed Consolidated Interim Financial Statements

September 30, 2024 and 2023

(Unaudited and in Canadian dollars)

10. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine-month periods ended	
	September 30,	September 30,
	2024	2023
Changes in working capital items	\$	\$
Sales taxes and other receivables	15,866	56,537
Prepaid expenses and deposits	(115,301)	(34,347)
Accounts payable and accrued liabilities	(7,026)	(507,843)
	(106,461)	(485,653)

11. COMMITMENTS

The Company must pay US\$7,079 in superficial rights every year for the next eleven years to the government of Guinea to retain the rights of its mining title.

Minimum annual payments relating to the above commitments in the next five fiscal years and thereafter are as follows:

Year	US\$
2025	7,079
2026	7,079
2027	7,079
2028	7,079
2029	7,079
Thereafter	28,314

12. OPERATING SEGMENTS

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties. As at September 30, 2024, \$221,799 of the Company's non-current assets are located in Guinea, Africa, and \$35,751 are located in Abu Dhabi Global Market, United Arab Emirates. As at December 31, 2023, \$313,914 of the Company's non-current assets were located in Guinea, Africa and \$16,494 in Montréal, Canada.