

## Falcon Announces Strategic Partnership With Shanshan to Develop Customer Base and Market Anode Plant Production

PRESS RELEASE

FOR IMMEDIATE RELEASE

Abu Dhabi, United Arab Emirates, April 15, 2025 – Falcon Energy Materials plc (TSX-V: FLCN) (“Falcon” or the “Company”) and Shanghai Shanshan New Material Co., LTD (“Shanshan”) are pleased to announce the signing of a term sheet for a strategic partnership to develop the customer base for Falcon’s coated spherical purified graphite (“CSPG”) anode production facility in Morocco (the “Anode Plant”). Shanshan is a global leader in lithium-ion battery anode materials, producing both natural graphite anode materials as well as synthetic graphite anode materials. Shanshan was the world’s largest producer of synthetic graphite anode materials in 2024, with a 21% market share, and has an industry-leading research and development department near Shanghai, China.

### HIGHLIGHTS

- The partnership with Shanshan, alongside previously announced technical partner, Hensen, round out key partnerships required to de-risk and accelerate the development of Falcon’s anode plant in Morocco;
- Shanshan brings synthetic CSPG production capabilities and an established customer base in Asia and Europe, and will support Falcon in qualifying its CSPG product to meet end-user specifications;
- Construction of Falcon’s pilot plant in Morocco, with a production capacity of 100kg per day of CSPG, will commence in Q2 2025, and is expected to be operational by H2 2025;
- Following the successful commissioning of the Anode Plant, Shanshan will collaborate with Falcon to secure a binding offtake agreement, followed by a formal marketing agreement.

*“We are very pleased to welcome Shanshan to our consortium. Following our redomicile to Abu Dhabi completed last year, we have created a unique platform, headquartered in the UAE, while maintaining an open mind to partnerships with industry leaders such as Shanshan” commented Matthieu Bos, Chief Executive Officer of Falcon. “The addition of Shanshan to Falcon’s Partnership Framework will firmly establish us in the CSPG supply chain at this important time in history. Falcon’s strategy and structure are truly unique and cannot be replicated by anyone in the short to medium term.”*

### DETAILS

#### Key Addition to Falcon’s Partnership Framework.

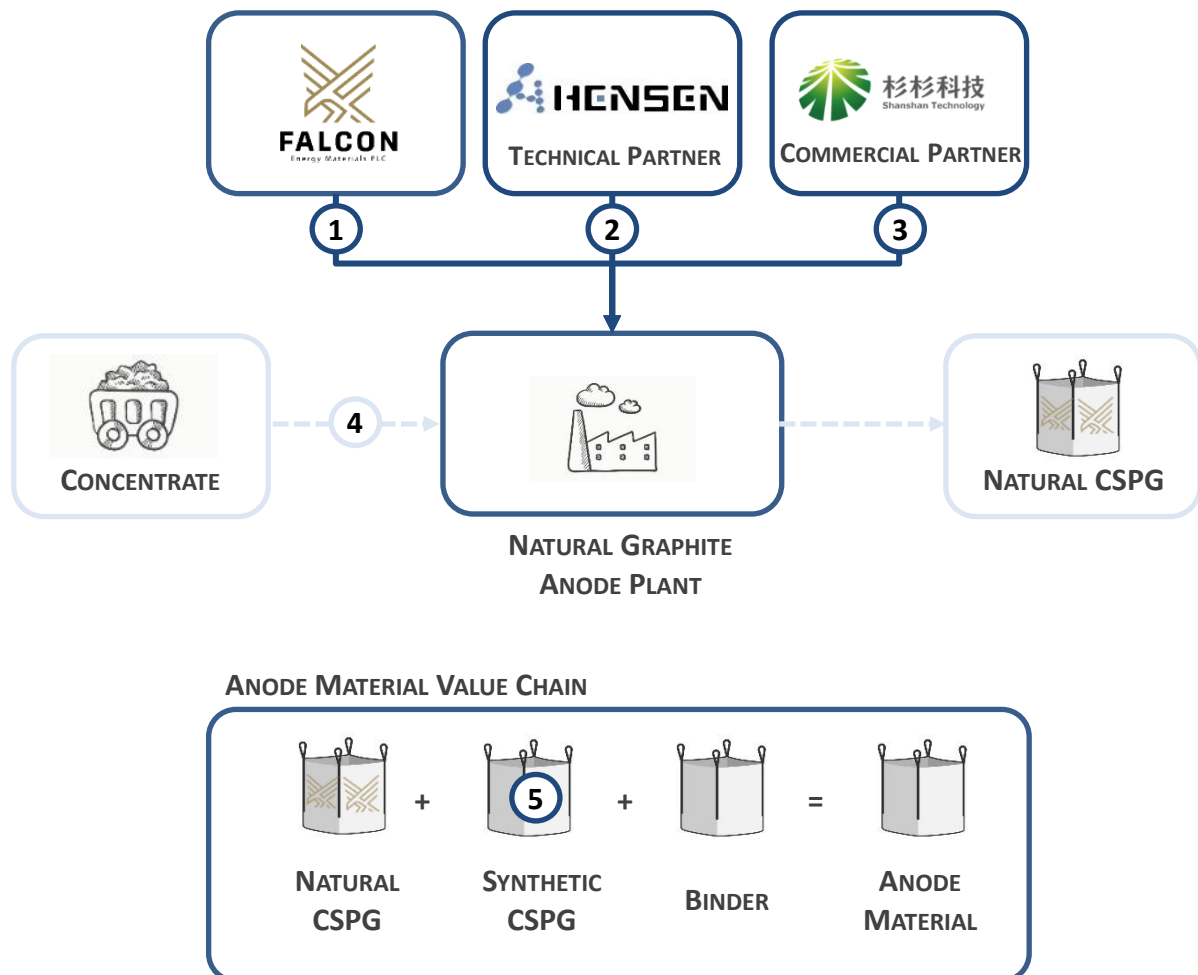
Falcon’s partnership framework, which was announced in Q3 2024, identified the requirement for two key partners to derisk and accelerate the development of the Anode Plant. Shanshan, as the commercial partner (the “Commercial Partner”), will be responsible for the integration of Falcon



within the complex battery supply chain, including working closely with Falcon on the qualification of its CSPG product to end-user specifications. The Company believes that aligning with a Commercial Partner, who has existing synthetic CSPG production and an established list of clients both in Asia and Europe, is strategically important. The majority of commercially available graphite anodes consist of a blend between synthetic and natural graphite. This alignment between Falcon and the Shanshan will firmly establish Falcon in the highly complex anode material supply chain.

In addition, Hensen Graphite & Carbon Corporation (“**Hensen**”) was previously announced as the technical partner (the “**Technical Partner**”) providing engineering, procurement, qualification and construction expertise to produce CSPG. Hensen brings years of operational expertise from its successful synthetic and natural graphite anode plants in China and has collaborated with Shanshan in the past.

**Figure 1: Falcon Partnership Framework**



*Notes: 1. Falcon to control, fund and operate Morocco Anode Plant; 2 Hensen to provide technical support to development of Anode Plant; 3. Shanshan to provide offtake for Anode Plant; 4. Graphite concentrate production from Falcon Lola Graphite Project in Guinea and third-parties; and 5. Commercial production to blend synthetic CSPG to produce anode material.*



### **Construction of Pilot Plant to Develop Customer Base.**

Falcon and Hensen, will start the construction of a pilot plant in Morocco (the “**Pilot Plant**”) in Q2 2025. The Pilot Plant will have a daily production capacity of approximately 100kg of CSPG. Products from the Pilot Plant, which is expected to be operational in H2 2025, will be shared with Shanshan’s existing clients as well as potential new customers to facilitate the development of the Anode Plant customer base and qualify Falcon’s CSPG to end-user specifications.

### **Marketing Agreement and Potential Investment.**

As part of the non-binding term sheet and following the successful qualification of CSPG from the Pilot Plant, Shanshan will assist Falcon to secure a binding offtake agreement with an international offtaker (the “**Binding Offtake Agreement**”) using the Shanshan brand. In return for securing the Binding Offtake Agreement, Shanshan will enter into a marketing agreement with Falcon (the “**Marketing Agreement**”). Key provisions of the Marketing Agreement will include a gross revenue royalty payment to Shanshan for the first phase of production from the Anode plant as well as a second, reduced, gross revenue royalty payment for all subsequent Anode Plant production phases. The Marketing Agreement will remain in force for an initial period of five years from the commencement of the Anode Plant production and can be extended by mutual consent. In addition, Shanshan and Falcon have started discussions about a potential investment in the Anode Plant or in Falcon by Shanshan.

### **ABOUT SHANGHAI SHANSHAN NEW MATERIAL CO., LTD**

Shanshan is the world’s largest producer of synthetic graphite anode materials with a market share of 21% in 2024 (ICCSino). Shanshan counts all the preeminent cell manufacturers and Chinese, European and American end-users among its clients. Shanshan has an industry leading research and development department with over 775 employees which have drafted numerous industry standards and has over 465 battery-related patents. Shanshan has developed a large production base for various anode materials that sets the benchmark in the industry with a current designed capacity of 700,000 tonnes per annum (“**tpa**”) of anode material in China and a 100,000 tpa development project in Finland.

### **ABOUT FALCON ENERGY MATERIALS PLC**

Falcon aims to become a fully integrated supplier of battery anode material. The integrated business model would result in the creation of a mine-to-market active anode material producer, hosting a large high-purity graphite production mine in the Republic of Guinea, and a value-added, coated spherical purified graphite conversion facility in Morocco.

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](http://www.falconem.net).

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This press release contains "forward-looking information" within the meaning of Canadian securities legislation and other statements that are not historical facts. Forward-looking statements are included to provide information about management's current expectations and plans that allow investors and others to have a better understanding of the Company's business plans and financial performance and condition.

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 "round out", "accelerate", "expect", "follow", "successful", "including", "believe", "qualify", "aim", "become", "commit" or variations of such words and phrases or state that certain actions, events or results "may", "could", "will", "would" or "might". Specific forward-looking statements in this press release include, but are not limited to, statements and information with respect to: (1) the conclusion of a final and binding partnership with Shanshan; (2) the impact of the partnership with Shanshan and the previously announced technical partner, Hensen, in rounding out the key partnership required to de-risk and accelerate the development of Falcon's Anode Plant; (3) Shanshan supporting Falcon in qualifying its CSPG product to meet end-user specifications; (4) the commencement of construction of Falcon's Pilot Plant in Morocco in Q2 2025; (5) Falcon's Pilot Plant in Morocco planned production capacity of 100kg per day of CSPG; (6) the expectation that the Pilot Plant will be operational by H2 2025; (7) the commissioning of the Pilot Plant; (8) the anticipated collaboration between Shanshan and Falcon to secure a Binding Offtake Agreement (9) the formal marketing agreement to be concluded following the commissioning of the Anode Plant; (10) the expected impact of adding Shanshan to Falcon's Partnership Framework in establishing Falcon within the CSPG supply chain; (11) Falcon's belief that its strategy and structure are unique and cannot be replicated by others in the short to medium term; (12) the role of Shanshan as Falcon's commercial partner in integrating Falcon within the battery supply chain, including in supporting the qualification of its CSPG product to meet end-user specifications; (13) Falcon's belief that alignment with a commercial partner possessing existing synthetic CSPG production capabilities and a client base in Asia and Europe is strategically important to its success; (14) the establishment of Falcon within the anode material supply chain through its alignment with Shanshan; (15) the role of Hensen as Falcon's technical partner in providing engineering, procurement, qualification, and construction expertise to support CSPG production; (16) the benefit to Falcon of Hensen's prior operational experience and collaboration with Shanshan; (17) Falcon controlling, funding, and operating the Morocco Anode Plant; (18) Hensen providing technical support for the development of the Anode Plant; (19) Shanshan providing offtake for the Anode Plant; (20) the production of graphite concentrate from Falcon's Lola Graphite Project in Guinea and from third-party sources; (21) the commencement of commercial production to blend synthetic CSPG to produce anode material; (22) Falcon partnership framework; (23) Falcon and Hensen commencing construction of the Pilot Plant in Morocco in Q2 2025; (24) the



Pilot Plant having a daily production capacity of approximately 100kg of CSPG; (25) the expectation that the Pilot Plant will be operational in H2 2025; (26) products from the Pilot Plant being shared with Shanshan's existing clients and potential new customers; (27) the facilitation of the development of the Anode Plant customer base and the qualification of Falcon's CSPG to end-user specifications through the Pilot Plant's production; (28) the successful qualification of CSPG produced from the Pilot Plant; (29) Shanshan assisting Falcon to secure a Binding Offtake Agreement with an international offtake following the qualification of CSPG from the Pilot Plant; (30) use of the Shanshan brand; (31) the entry by Shanshan into a Marketing Agreement with Falcon in return for securing the Binding Offtake Agreement; (32) key provisions to be included in the Marketing Agreement; (33) the inclusion of gross revenue royalty payments to Shanshan in the Marketing Agreement, including a higher royalty for the first production phase and a reduced royalty for subsequent production phases; (34) the Marketing Agreement remaining in force for an initial five-year term from the commencement of Anode Plant production, with the possibility of extension by mutual consent; (35) the ongoing discussions between Shanshan and Falcon regarding a potential investment by Shanshan in the Anode Plant or in Falcon; (36) Falcon's aim to become a fully integrated supplier of battery anode material; (37) the creation of a mine-to-market active anode material producer through Falcon's integrated business model; (38) the development of a high-purity graphite production mine in the Republic of Guinea; (39) the development of a value-added, coated spherical purified graphite (CSPG) conversion facility in Morocco; (40) Falcon being poised to become a reliable supplier of anode materials while promoting sustainability and supply chain transparency, supported by attractive operating costs, proximity to European end-markets, and strong ESG credentials; (41) Falcon's commitment to generating sustainable, long-term benefits to be shared with host countries and communities where it operates.

Forward-looking information is based upon certain assumptions and other important factors and assumptions subject to significant business, geological, economic and competitive uncertainties and contingencies that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such information or statements. There can be no assurance that such information or statements will prove to be accurate. Key assumptions upon which the Company's forward-looking information is based include, without limitation, the Company's capacity to execute on its plans.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. 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 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) prices for diesel, process reagents, fuel oil, electricity and other key supplies being approximately consistent with current levels; (viii) production and cost of sales forecasts meeting expectations; (ix) the accuracy of the mineral reserve and mineral resource estimates of the Company; (x) labour and materials costs increasing on a basis consistent with the Company's current expectations; (xi) there being no significant disruptions affecting the operations of the Company whether due to artisanal miners, access to water, extreme weather events and other or related natural disasters, labour disruptions,



supply disruptions, power disruptions, damage to equipment or otherwise; (xii) asset impairment (or reversal) potential, being consistent with the Company's current expectations; (xiii) risks associated to the accuracy of projections provided in a preliminary economic study which are preliminary in nature and which include significant of uncertainties; and (xiv) other risks and uncertainties described or referred to in the section entitled "Risk and Uncertainties" in the Company's management's discussion and analysis for the year ended December 31, 2023, as updated from time to time in the Company's interim management's discussion and analysis for its quarterly financial periods, each of which is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Although the Company believes its expectations are based upon reasonable assumptions and has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or 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. The Company qualifies all of its forward-looking statements by these cautionary statements.