

Falcon Energy Materials Achieves Key Milestone Toward Full Pilot Plant and Commercial CSPG Operations

PRESS RELEASE

FOR IMMEDIATE RELEASE

Abu Dhabi, United Arab Emirates, August 13, 2025 – Falcon Energy Materials plc (TSX-V: FLCN) (“**Falcon**” or the “**Company**”) is pleased to announce significant progress in the construction of its pilot plant (the “**Pilot Plant**”) at Jorf Lasfar, near Casablanca, Morocco – a milestone positioning the Company as a leader in the development of large-scale, high purity coated spherical purified graphite (“**CSPG**”) for the global battery industry outside of China.

The Pilot Plant remains firmly on track for completion in Q4 2025 with first CSPG samples for customer testing expected as early as September 2025. These samples are instrumental in securing long-term offtakes agreements for Falcon’s proposed 25,000 tonnes per annum (“**tpa**”) commercial scale anode plant (the “**Anode Plant**”) – the first of its kind outside China.

HIGHLIGHTS

- **Construction contract awarded** to Open Steel Structure Maroc S.A.R.L (“**Open Steel**”), the Moroccan subsidiary of Open Building Systems of China, leveraging their expertise in industrial-scale battery infrastructure;
- **Construction steel** shipments to site scheduled for early September;
- **All major processing equipment** delivered to Hensen Graphite & Carbon Corporation (“**Hensen**”) for assembly and testing;
- **Pilot Plant production capacity** targeted at 100 kg per day of CSPG, enabling large-scale customer qualification programs;
- **Commissioning** remains on schedule for **Q4 2025**; and
- **Anode Plant is projected** to generate EBIDTA of **\$152 million per year** at a **62% margin**.

Strategic Advantage of the Pilot Plant in Morocco

The Pilot Plant is being developed within the industrial zone of Falcon’s strategic partner Fluoralpha S.A. (“**Fluoralpha**”) at Jorf Lasfar – one of Morocco’s most advanced industrial hubs. This prime and strategic location offers direct access to world-class port infrastructure, competitive operating costs, and proximity to both European and North American markets.

The construction contract for the Pilot Plant building, offices and ancillary infrastructure has been awarded to Open Steel. With extensive industrial experience, Open Steel is also currently working for the COBCO joint-venture, a partnership between global battery precursor leader CNGR, and Al Mada,



Morocco's largest private equity fund. Located directly adjacent to Falcon's site in Jorf Lasfar, this clustering of advanced battery materials production creates an unmatched ecosystem. Construction steel shipments to site expected in early September and building completion scheduled for November.

"With this Pilot Plant, Falcon is not just producing graphite samples – we are achieving key milestones that bring us closer to establishing a major anode production facility and securing a reliable, diversified supply of essential materials." stated Matthieu Bos, CEO of Falcon. "Our customers demand secure and sustainable supply chains. Confident in the abundant availability of high-quality graphite feedstock worldwide, Falcon is committed to delivering a scalable, end-to-end solution from mine to market."

Figure 1: 3D- Front facade design of the Pilot Plant



Figure 2: 3D- Back facade design of the Pilot Plant with reagent tanks





Pathway to the First Industrial-Scale Natural Graphite Anode Plant Outside China

The Pilot Plant will serve as a pivotal step towards building Falcon's commercial Anode Plant, designed for 25,000 tpa CSPG output, which is projected to generate EBIDTA of \$152 million per year at a 62% margin. This facility, combined with the support from its technical partner Hensen, will establish a vertically integrated, non-Chinese supply source – a critical development in an era of rising demand and geopolitical supply risk. Falcon has purchased all the necessary Pilot Plant equipment to produce large-scale CSPG samples for potential customers. All the key components have been delivered to Hensen in China, where the Pilot Plant will be assembled and tested prior to shipment to Morocco.

"Our collaboration with Hensen and Fluoralpha is more than just construction progress – it's the creation of a full industrial value chain that will serve markets for decades to come," Mr. Bos added.

ABOUT FALCON ENERGY MATERIALS PLC

Falcon Energy Materials plc (TSX-V: FLCN) aims to become a fully integrated supplier of battery anode materials. The Company's 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

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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 "positioning", "on track", "expect", "propose", "schedule", "target", "enable", "on schedule", "project", "schedule", "closer", "establish", "securing", "commit", "output", "is projected" "aim", "become", 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) milestone positioning the Company as a leader in the development of large-scale, high purity coated spherical purified graphite ("**CSPG**") for the global battery industry outside of China; (2) the Pilot Plant remaining firmly on track for completion in Q4 2025; (3) first CSPG samples for customer testing as early as September 2025; (4) samples being instrumental in securing long-term offtake agreements for Falcon's 25,000 tonnes per annum ("**tpa**") commercial scale Anode Plant; (5) commercial scale Anode Plant being the first of its kind outside China; (6) construction steel shipments to site scheduled for early September; (7) Pilot Plant production capacity targeted at 100 kg per day of CSPG; (8) large-scale customer qualification programs enabled by the production capacity targeted at 100 kg per day of CSPG; (9) schedule for commissioning of the Pilot Plant for Q4 2025; (10) Anode Plant projected to generate EBIDTA of \$152 million per year at a 62% margin; (11) steel shipments to Morocco expected in early September; (12) building completion for November; (13) achieving key milestones that bring the Company closer to establishing a major anode production facility and securing a reliable, diversified supply of essential materials; (14) delivering a scalable, end-to-end solution from mine to market; (15) the Pilot Plant serving as a pivotal step towards building Falcon's commercial Anode Plant; (16) the commercial Anode Plant designed for 25,000 tpa CSPG output; (17) the commercial Anode Plant projected to generate EBIDTA of \$152 million per year at a 62% margin; (18) the commercial Anode Plant facility establishing a vertically integrated, non-Chinese supply source; (19) the Pilot Plant being assembled and tested prior to shipment to Morocco; (20) the creation of a full industrial value chain that will serve markets for decades to come; (21) Falcon's aim to become a fully integrated supplier of battery anode material; (22) the creation of a mine-to-market active anode material producer through Falcon's integrated business model; (23) the development of a high-purity graphite production mine in the Republic of Guinea; (24) the development of a value-added, coated spherical purified graphite (CSPG) conversion facility in Morocco; (25) 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; and (26) 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, (1) the Company's capacity to execute on its strategic and operational plans, including its ability to develop the Pilot Plant and anode plant on the anticipated timeline and budget; (2) stable political, social, and legal conditions in Morocco and Republic of Guinea and the absence of significant disruptions affecting operations due to civil unrest, regulatory changes, or other external factors; (3) that economic and market conditions, including interest rates, inflation, exchange rates, and commodity prices, remain consistent with current expectations; (4) the ability of Falcon to secure additional financing or strategic investment on favourable terms, if and when needed, to fund projects development; and (5) the assumption that no material adverse events will occur that prevent Falcon from achieving its objective of becoming a fully integrated supplier of battery anode materials.

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) 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; (vii) asset impairment (or reversal) potential, being consistent with the Company's current expectations; (viii) the Government of Republic of Guinea's ability to revoke the Lola Graphite Project exploitation permit; and (ix) the Company's ability to defend the Company's rights and investment in the Lola Graphite Project. In addition, readers are directed to carefully review the detailed 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, 2024, 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.

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.