

## **FALCON ENERGY MATERIALS INITIATES US\$100 MILLION DAMAGES CLAIM AGAINST REPUBLIC OF GUINEA**

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

**Abu Dhabi, United Arab Emirates, March 16, 2026 – Falcon Energy Materials plc** (TSX-V: FLCN) (“**Falcon**” or the “**Company**”) announces that it has formally commenced international arbitration proceedings over the illegal expropriation of the Lola Graphite Project (the “**Project**”) by the Republic of Guinea (“**Guinea**”) and other breaches of the bilateral investment treaty between the Governments of the United Arab Emirates and Guinea (“**UAE-Guinea BIT**”).

The Company lodged a Request for Arbitration (“**RfA**”) under the UAE-Guinea BIT with the International Centre for Settlement of Investment Disputes (“**ICSID**”), part of the World Bank. The RfA is filed in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the “**ICSID Convention**”). The RfA contains a description of the background to the dispute, a summary of the Company’s claims and an initial estimate of compensation for the damages sustained by the Company resulting from the actions of the Government of Guinea, currently estimated at US\$100 million.

**Falcon’s Chief Executive Officer Matthieu Bos said:** *“While we regret that legal proceedings have become necessary, we are fully prepared to present our claim for compensation in arbitration, encompassing both the loss of the Company’s assets in Guinea and the additional damages arising from the actions of the Government of Guinea. Following our recent capital raise, the Company has secured full support from its shareholders to pursue this case as well as sufficient funding to cover all legal costs, and we remain confident that shareholders’ interests are protected. We will continue to refine our claims as part of the arbitration process while we keep our focus firmly on the development of our Anode Plant in Morocco.”*

### **Background to the Request for Arbitration**

On May 14, 2025, by virtue of a decree signed by its President, Guinea unilaterally revoked the exploitation license of the Project. The Company subsequently approached the Ministry of Mines in an effort to resolve the situation amicably. In the absence of any response, Falcon notified Guinea of a dispute under the UAE-Guinea BIT, which triggered a 6-month period to seek an amicable resolution to the dispute. The Company agreed to continue negotiating beyond the six months in an attempt to resolve the dispute amicably. However, it became clear that Guinea will not offer any compensation to Falcon for its losses.

The ICSID Convention has been ratified by 158 States, including Guinea. An award issued by an ICSID tribunal is enforceable in any one of those 158 member States as if it were a judgment of one of their own courts. Partly because of this, States have historically often complied voluntarily with the payment terms of such awards.

The Company has engaged LALIVE, an international law firm, to act on its behalf. LALIVE has offices in Geneva, Zurich and London, and specialises in international arbitration. The firm has extensive



experience in international investment arbitration concerning mining and other natural resources and is representing investors and States as counsel worldwide.

## **About Falcon**

Falcon Energy Materials plc (TSX-V: FLCN, OTCQB: FLCNF) is aiming to be the premier provider of natural Coated Spheronized Purified Graphite, a critical component for energy storage solutions. As a dedicated chemical refiner of natural graphite concentrate, Falcon is working diligently towards the development of a state-of-the-art 26 ktpa CSPG production facility in Morocco.

Strategically partnered with leading Chinese technology firms and Tier One Moroccan partners, Falcon benefits from advanced technological expertise, access to high-quality raw materials and chemicals, and a prime geographical location—factors that will enable it to deliver consistent, high-quality supply to global markets.

With a clear focus on sustainable growth and innovation, Falcon aims to become the go-to producer of natural CSPG, supporting widespread adoption in energy storage and other emerging industries.

For additional information, please visit Falcon’s website at [www.falconem.net](http://www.falconem.net).

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## **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 allows 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 “aim”, “anticipate”, “assume”, “believe”, “estimate”, “expect”, “goal”, “intend”, “objective”, “plan”, “potential”, “strategy”, “target”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “will”, “would” or “might”. In particular and without limitation, this news release contains forward-looking statements pertaining to the pursuit and continuation of the legal proceeding, including the Company’s strategy to enforce its rights and seek recovery; the expected outcome of any legal proceeding to be pursued by the Company to defend the Company’s rights and investment in the Project; and the amount of damages that may ultimately be awarded, if any, in connection with the legal proceeding initiated by the Company.

Forward-looking information is based upon certain assumptions and other important factors 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 availability and sufficiency of funds to cover the costs and expenses of the legal proceeding, including legal costs; the Company's ability to enforce a final decision against the Government of Guinea; and the shareholders' support in pursuing the legal proceeding.

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, 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](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.