FALCON ENERGY MATERIALS PLC ANNOUNCES LANDMARK ACQUISITION OF 49% STRATEGIC INTEREST IN ESTABLISHED GRAPHITE ANODE PRODUCER

PRESS RELEASE **FOR IMMEDIATE RELEASE**

Abu Dhabi, United Arab Emirates, November 3, 2026 – Falcon Energy Materials plc (TSX-V: FLCN) (OTCQB: FLCNF) ("**Falcon**" or the "**Company**") is pleased to announce a landmark step in the execution of its strategy to become an integrated, global supplier of critical battery materials.

Highlights

- Falcon to acquire a 49% strategic, non-operating equity interest in Weihai Hensen New Materials Technology Co., Ltd. ("**Weihai**"), an established Chinese producer of natural flake graphite and synthetic graphite anode materials, for US$22 million in cash.
- Weihai operates a modern, profitable, facility in Shandong Province, China, with a full 25,000 tpa CSPG production circuit.
- Will provide, following closing, Falcon with an immediate strategic position in operating anode material production in China, which dominates the global graphite anode supply chain.
- A natural complement to Falcon's flagship 25 ktpa coated spheronized purified graphite ("**CSPG**") anode plant in Morocco.
- Fully funded from the proceeds of Falcon's upsized C$34 million non-brokered private placement, which closed on September 23, 2026.
- Closing is expected by the end of the fourth quarter of 2026, subject to customary regulatory approvals and closing conditions.

Acquisition Terms

Falcon EMG Holdings Ltd ("**Falcon EMG**"), a wholly-owned subsidiary of Falcon, has entered into an arms-length definitive agreement (the "**Equity Transfer Agreement**") with the sole equity holder of Weihai (the "**Seller**") to acquire a 49% strategic equity interest in Weihai, an established People's Republic of China company engaged in the production of natural, synthetic and recycled graphite based anode materials (the "**Acquisition**"). Falcon EMG has agreed to acquire its 49% equity interest in Weihai for US$22 million (the "**Purchase Price**") payable in cash at closing.

"This Acquisition is a defining milestone for Falcon," said Matthieu Bos, President and Chief Executive Officer of Falcon. *"With a 49% strategic interest in Weihai, we are stepping directly into an established graphite anode business, with both natural and synthetic graphite capabilities, at a pivotal moment for the global battery supply chain. Weihai is a natural complement to our flagship CSPG anode plant in Morocco."*

"We are delivering exactly what we told our shareholders we would," Mr. Bos added. *"Only weeks after closing our upsized C$34 million private placement, we are putting that capital to work in a fully funded, all-cash transaction. Our UAE-headquartered platform, our anode plant in Morocco and now a strategic position in an established Chinese producer form a combination that we believe is truly unique and cannot easily be replicated. Falcon's journey to become a vertically integrated, global supplier of critical battery materials is only just beginning. We thank our shareholders for their continued confidence and support."*

Weihai Hensen

Weihai is a graphite anode material producer located near the city of Weihai in Shandong Province, China. Weihai was founded in 2023 and has been in commercial production since the second half of 2025. Weihai's founder and sole equity holder's family has been active in the Chinese graphite industry since the early 1980s. Weihai's modern and profitable facility hosts a full 25,000 tpa CSPG production circuit, including spheronization, purification, coating and drying lines, alongside production lines for synthetic and recycled graphite anode materials, with current utilization below nameplate capacity providing scope for further growth. Weihai is profitable, and its core products are sold under long-term contracts to leading Chinese anode material manufacturers.

Photo 1: Weihai Hensen offices and housing



Shareholders' Agreement

Concurrently with the execution of the Equity Transfer Agreement, Falcon EMG and the Seller entered into a shareholders' agreement (the "**Shareholders' Agreement**") which will govern the relationship between Falcon EMG and the Seller as the shareholders of Weihai and will only become effective at the closing of the Acquisition. Under the Shareholders' Agreement, Falcon EMG will be a non-operating shareholder with customary minority protections, including the right to nominate one of Weihai's three directors; unanimous shareholder approval of key matters such as the annual budget and business plan, significant capital expenditures and borrowings, mergers and acquisitions and related-party transactions; and rights of first offer and first refusal, tag-along rights and pre-emptive rights. The Seller is also bound by non-competition and non-solicitation covenants.

Closing Conditions

The Equity Transfer Agreement contains customary representations, warranties, covenants and closing conditions for a transaction of this nature. Closing of the Acquisition is subject to, among other things, registration and filings with applicable regulatory authorities and receipt of required regulatory approvals, including registration of the Acquisition with the competent local branch of the State Administration for Market Regulation of the People's Republic of China ("**AMR**") and completion of foreign exchange registration with the State Administration of Foreign Exchange of the People's Republic of China ("**SAFE**"), or with a designated bank on its behalf.

It is currently expected that, subject to the satisfaction or waiver of all closing conditions, the Acquisition will close by the end of the fourth quarter of 2026, and in any event on or before January 31, 2027.

Release of Units from Escrow

On September 23, 2026, Falcon announced the closing of its non-brokered private placement pursuant to which it issued an aggregate of 34,240,000 units of Falcon (the "**Units**", each a "**Unit**") at a price of $1.00 per Unit for gross proceeds of $34,240,000 (the "**Private Placement**"). The acquisition by AOF Trading LLC ("**AOF**") of 15,000,000 Units resulted in AOF being deemed an insider of the Company. Accordingly, AOF's subscription in respect of 3,350,000 Units of such 15,000,000 Units closed in escrow pending clearance of the required Personal Information Forms by the TSX Venture Exchange (the "**TSX-V**"). Such Personal Information Forms have now been cleared by the TSX-V and the 3,350,000 Units and related funds released from escrow.

In the event that the Acquisition does not close, the proceeds from the Private Placement reserved for the Acquisition will be distributed to the other two previously announced uses of proceeds from the Private Placement: (i) the Company's growth plan in Morocco and internationally and (ii) general working capital requirements.

Advisors

Norton Rose Fulbright through its Montreal, Shanghai and Dubai offices is acting as legal counsel to Falcon.

About Falcon

Falcon Energy Materials (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 25 ktpa CSPG production facility in Morocco.

Strategically partnered with leading Chinese firms and Tier One Moroccan partners, Falcon benefits from key 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.

Contact:

Matthieu Bos
President & CEO
Email: m.bos@falconem.net

Matt Johnston
IR Advisor
Email: m.johnston@falconem.net
Telephone: +971 2307 4013

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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 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 "potential", "vision", "affirm", "advance", "ensure", "expect", "deliver", "anticipate", or variations of such words and phrases or state that certain actions, events or results "may", "could", "will", "would" or "might" occur or arise. In particular and without limitation,

this press release contains forward-looking statements pertaining to the Acquisition, the anticipated benefits of the Acquisition to the Company and the Company's strategic position in the event the Acquisition is completed, the scope of Weihai's future growth, the Company's strategy to become a vertically integrated, global supplier of critical battery materials, the development of the Company's anode plant in Morocco, and the anticipated timing of production thereof, the anticipated timing of registration and filings with applicable regulatory authorities and receipt of required regulatory approvals, the ability of the Company to satisfy all conditions to closing of the Acquisition, the timing for the satisfaction of closing conditions under the Equity Transfer Agreement, the anticipated timing and expected date of the closing of the Acquisition, and the use of proceeds from the Private Placement.

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, that the Company will be able to fulfill the conditions to closing of the Acquisition and/or otherwise complete the Acquisition, that the anticipated benefits of the Acquisition will be realized, that Weihei will be able to achieve the anticipated scope of its future growth,the Company's ability to satisfy all closing conditions under the Equity Transfer Agreement, that the global battery supply chain will continue as currently anticipated and the absence of material adverse changes in the Company's industry or the global economy including interest rates, inflationary pressures, supply chain disruptions and commodity market volatility.

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) fluctuations in commodity prices, finding offtake takers and potential clients or enforcing such agreements against same; (v) prices for diesel, process reagents, fuel oil, electricity and other key supplies being approximately consistent with current levels; (vi) production and cost of sales forecasts meeting expectations; (vii) labour and materials costs increasing on a basis consistent with the Company's current expectations; (viii) there being no significant disruptions affecting the operations of the Company whether due to access to water, extreme weather events and other or related natural disasters, labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (ix) asset impairment (or reversal) potential, being consistent with the Company's current expectations; and (x) other risks and uncertainties described or referred to in the section entitled "Risks and Uncertainties" in the Company's management's discussion and analysis for the year ended December 31, 2025, 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.