

**NATIONAL INSTRUMENT 62-103F1**

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**1. Security and Reporting Issuer**

Falcon Gold Corp. (TSX.V) Symbol: FG

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common shares of Falcon Gold Corp. (the "**Company**") of Suite 520 – 470 Granville Street, Vancouver, BC V6C 1V5

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable

**2. Identity of the Acquiror**

**2.1 State the name and address of the Acquiror**

Karim Rayani AND

R7 Capital Ventures Ltd. (the "**Acquiror**")  
Suite 1100 – 1111 Melville Street  
Vancouver, BC V6E 3V6

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On July, 15 2019, R7 Capital Ventures Ltd. ("R7"), an investment company, acquired an aggregate of 2,000,000 Units, with each Unit consisting of one common share (each, a "**Common Share**") and one share purchase Warrant (each, a "**Warrant**") of the Company for a two year period at a price of \$.05 cents pursuant to a private placement (the "**Transaction**").

**2.3 State the name of any joint actors**

Not Applicable.

**3. Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the Acquiror's securityholding percentage in the class of securities.**

Prior to the acquisition of the purchased units, Mr. Rayani personally and through his company held 4,324,000 representing 8.3 percent of the issued and outstanding common shares of the company.

After the issuance of the common shares pursuant to the Transaction the Acquiror owned and controlled 6,324,000 common shares of the company which represented 10.8 percent of the issued and outstanding common shares after the closing of the private placement after which the purchase and sale of the purchased Units formed part.

Prior to the Purchased units, Mr. Rayani also held 375,000 share purchase warrants entitling him to acquire a further 375,000 shares of the company, and incentive stock options ("Options") entitling him to acquire a further 200,000 shares.

Prior to the acquisition of the Purchased Securities if the warrants and options held by him were fully exercised, Mr. Rayani would have held 4,899,000 common shares of the company representing 8.6 percent of the common shares which of then been outstanding.

After the acquisition of the Purchased Units, if the warrants and options (including the warrants forming part of the Purchased Units) were fully exercisable, the Acquiror would hold 8,899,000 common shares of the Company representing 14.6 percent of the common shares then outstanding.

**3.2 State whether the acquirer acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Mr. Rayani and R7 Capital Ventures Ltd., a private company owned by Mr. Rayani incorporated under the laws of British Columbia, acquired ownership and control of the Common Shares that triggered the requirement to file this report.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See item 3.1 Above

**3.5 State the designation and number or principal amount of securities and the Acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the Acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.1 above

**(b) the Acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the Acquiror or any joint actor, and**

Not applicable.

**(c) the Acquiror, either alone or together with any joint actors, has exclusive or shared control by does not have ownership.**

Not applicable.

**3.6 If the Acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the Acquiror's securityholdings.**

Not applicable.

**3.7 If the Acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

**3.8 If the Acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

**4. Consideration Paid**

**4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The Purchased Securities were acquired by the Acquiror at a price of \$0.042 per share for aggregate consideration of \$266,200.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the Acquiror.**

See Item 4.1 above.

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

**5. Purpose of the Transaction**

**State the purpose or purposes of the Acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the Acquiror and any joint actors may have which relate to or would result in any of the following:**

**(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

The Common Shares were acquired for investment purposes. The Acquiror intends to monitor the business and affairs of the Company, including its financial performance, and depending upon these factors, market conditions and other factors, additional securities of the Company may be acquired as is considered or deemed appropriate. Alternatively, some or all of the securities described herein may be disposed of in compliance with applicable securities regulatory requirements.

**(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable

**(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

Not applicable.

- (e) a material change in the reporting issuer's business or corporate structure;

Not applicable.

- (f) a material change in the reporting issuer's business or corporate structure;

Not applicable.

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;

Not applicable.

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

Not applicable.

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction in Canada;

Not applicable.

- (j) a solicitation of proxies from securityholders;

Not applicable.

- (k) An action similar to any of those enumerated above;

Not applicable.

**6. Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the Acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

