

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

Item 1: **Name and Address of Company**

Falco Resources Ltd. (the “**Company**”)  
Suite 300 – 1100 av. des Canadiens-de-Montreal  
Montreal, QC H3B 2S2

Item 2: **Date of Material Change**

December 15, 2021

Item 3: **News Release**

The news release attached hereto as Schedule “A” (the “**News Release**”) announcing the material change referred to in this report was disseminated on December 15, 2021 through Globe Newswire and a copy has been filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Item 4: **Summary of Material Change**

As disclosed in the News Release (which is incorporated herein), the Company has completed an offering (the “**Offering**”) of units (the “**Units**”) previously announced on July 28, 2021, September 28, 2021 and October 29, 2021. Pursuant to the Offering, a total of 12,500,000 Units, at a price of C\$0.40 per Unit, were issued to Investissement Québec on a non-brokered private placement basis for aggregate gross proceeds of C\$5,000,000.

Item 5: **Full Description of Material Change**

The material change is described in the News Release incorporated herein.

Item 6: **Reliance on Subsection 7.1(2) of Regulation 51-102**

Not applicable.

Item 7: **Omitted Information**

Not applicable.

Item 8: **Executive Officer**

For further information, please contact Luc Lessard, President and Chief Executive Officer of the Company, at 1-514-261-3336.

Item 9: **Date of Report**

December 16, 2021.

**Schedule "A"  
News Release**

See attached.



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For Immediate Release

TSX.V - FPC

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**FALCO CONFIRMS THE COMPLETION OF ITS FINANCING ROUND  
FOR A TOTAL OF \$17,280,000**

**(Montreal, Québec, December 15, 2021)** - Falco Resources Ltd. (TSX-V:FPC) ("**Falco**" or the "**Company**") is pleased to announce that it has closed with Investissement Québec ("**IQ**"), acting as agent for the Government of Québec, the final tranche of its private placement of units (the "**Offering**"), for a total financing of \$17,280,000. This last tranche of \$5,000,000 is being subscribed to on the same terms and conditions as those entered into by the other investors in August 2021. Pursuant to the terms of this last tranche, Falco has issued an aggregate of 12,500,000 units at a price of \$0.40 per unit (the "**Offering Price**") for gross proceeds of \$5,000,000.

Each unit consists of one common share of the Company (each a "**Common Share**") and one-half of one common share purchase warrant (each full warrant, a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share until July 31, 2025, at an exercise price of \$0.55. The expiry date of the Warrants may be accelerated by the Company at any time following the six-month anniversary of the closing date if the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is greater than \$0.80 for any 10 consecutive trading days. The Company may then accelerate the expiry date by issuing a press release announcing the reduced warrant term, which will expire on the 30<sup>th</sup> calendar day after the date of such press release.

The net proceeds from the Offering will be used for engineering work, the preparation of technical and environmental studies relating to the Horne 5 Project and for general business purposes. This critical work, as well as the required authorizations currently being sought, represent the final steps required prior to commencing the construction of the Horne 5 Project.

All Common Shares and Warrants issued pursuant to the Offering are subject to a four-month hold period under applicable securities laws in Canada.

Luc Lessard, President and Chief Executive Officer of Falco, stated that "*we are delighted to conclude this last tranche, which brings the financing to a total of \$17,280,000, and which will allow us to continue our operations in preparation for the next fundamental steps in the development of our project. We are grateful for our shareholders' strong participation in this offering.*"

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

## About Falco Resources Ltd.

Falco Resources Ltd. is one of the largest mineral claim holders in the Province of Québec, with extensive land holdings in the Abitibi Greenstone Belt. Falco owns approximately 70,000 hectares of land in the Rouyn-Noranda mining camp, which represents 70% of the entire camp and includes 13 former gold and base metal mine sites. Falco's principal asset is the Horne 5 Project located in the former Horne mine that was operated by Noranda (now Glencore Canada Corporation) from 1927 to 1976 and produced 11.6 million ounces of gold and 2.5 billion pounds of copper. Osisko Gold Royalties Ltd.'s subsidiary, Osisko Development Corp., is Falco's largest shareholder owning an 18.1% interest in the Company.

### For further information, please contact:

Luc Lessard  
President and Chief Executive Officer  
514-261-3336  
info@falcores.com

Jeffrey White, LL.B, MBA  
Director, Investor Relations  
416-274-7762  
rjwhite@falcores.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

### Cautionary Statement on Forward-Looking Information

*This news release contains forward-looking statements and forward-looking information (together, "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Statements, other than statements of historical facts, may be forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved, the negative of these terms and similar terminology although not all forward-looking statement contains these terms and phrases. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. These risk and uncertainties include, but are not limited to, the risk factors set out in Falco's annual and/or quarterly management discussion and analysis and in other of its public disclosure documents filed on SEDAR at [www.sedar.com](http://www.sedar.com), as well as all assumptions regarding the foregoing. Although Falco believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frame or at all. Except where required by applicable law, Falco disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*