

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

Item 1 Name and Address of Company

Falco Resources Ltd. (“**Falco**” or the “**Corporation**”)
Suite 300 - 1100 avenue des Canadiens-de-Montréal
Montréal, Québec
H3B 2S2

Item 2 Date of Material Change

October 30, 2025.

Item 3 News Release

A news release pertaining to the material change being the subject of the present report was issued through Global Newswire and was filed with SEDAR+ on October 31, 2025.

Item 4 Summary of Material Change

On October 31, 2025, the Corporation announced that it has entered into binding agreements (a) with OR Royalties Inc. (“**OR Royalties**”) in order (i) to extend the maturity date of the Corporation’s existing convertible secured senior loan (the “**OR Royalties Loan**”) from December 31, 2025 to December 31, 2026, (ii) to capitalize interest accrued thereon, (iii) to maintain the interest rate of the OR Royalties Loan at 9% per annum, (iv) to maintain the conversion price of the OR Royalties Loan at \$0.45 per common share of Falco (“**Common Shares**”) and (v) to issue to OR Royalties 19,332,237 warrants of the Corporation in consideration for the extension of the maturity date of the OR Royalties Loan, each such warrant being exercisable at any time from and after January 1, 2026 for one Common Share at an exercise price of \$0.58 and expiring on December 31, 2026; and (b) with Glencore Canada Corporation (“**Glencore**”) in order (i) to extend the maturity date of the Corporation’s existing senior secured convertible debenture (the “**Glencore Debenture**”) from December 31, 2025 to December 31, 2026, (ii) to capitalize interest accrued thereon, (iii) to maintain the interest rate of the Glencore Debenture at 10% per annum, (iv) to maintain the conversion price of the Glencore Debenture at \$0.37 per Common Share and (v) to issue to Glencore 21,381,422 warrants of the Corporation (the “**New Glencore Warrants**”) in consideration for the extension of the maturity date of the Glencore Debenture, each such warrant being exercisable at any time from and after January 1, 2026 for one Common Share at an exercise price of (x) \$0.38 per Common Share for 15,061,158 of the New Glencore Warrants and (y) \$0.42 per Common Share for 6,320,264 of the New Glencore warrants, and expiring on December 31, 2026.

Item 5 Full Description of Material Change

On October 31, 2025, the Corporation announced that it has entered into binding agreements (i) with OR Royalties in order to extend the maturity date of the OR Royalties Loan from December 31, 2025 to December 31, 2026; and (ii) with Glencore in order to extend the maturity date of the Glencore Debenture from December 31, 2025 to December 31, 2026.

Amendments to the OR Royalties Loan

In consideration for the extension of the maturity date of the OR Royalties Loan, the OR Royalties Loan will also be amended effective as of December 31, 2025 in order for (i) the accrued interest on the existing OR Royalties Loan to be capitalized such that the principal amount of the amended OR Royalties Loan will be approximately \$26,098,521, (ii) the conversion price of the OR Royalties Loan to be maintained at \$0.45 per Common Share, and (iii) the interest rate to be maintained at 9% per annum (collectively, the “**OR Royalties Loan Amendments**”). The 17,690,237 warrants of the Corporation currently held by OR Royalties (the “**Existing OR Royalties Warrants**”), each exercisable for one Common Share at an exercise price of \$0.58 per Common Share, will remain outstanding in accordance with their terms until their expiry on December 31, 2025. In consideration for the extension of the maturity date of the OR Royalties Loan, the Corporation will issue to OR Royalties, on December 31, 2025, 19,332,237 warrants (the “**New OR Royalties Warrants**”), each exercisable at any time from and after January 1, 2026, for one Common Share at an exercise price of \$0.58 per Common Share and expiring on December 31, 2026.

Amendments to the Glencore Debenture

In consideration for the extension of the maturity date of the Glencore Debenture, the Glencore Debenture will also be amended effective as of December 31, 2025 (the “**Amended Glencore Debenture**”) in order for (i) the accrued interest on the existing Glencore Debenture up to December 31, 2025 to be capitalized such that the principal amount of the Amended Glencore Debenture will be approximately \$15,433,754, (ii) the conversion price of the Glencore Debenture to be maintained at \$0.37 per Common Share, and (iii) the interest rate to be maintained at 10% per annum (collectively, the “**Glencore Debenture Amendments**”). The 19,424,944 Common Share purchase warrants currently held by Glencore will remain outstanding in accordance with their terms until their expiry on December 31, 2025. In consideration for the extension of the maturity date of the Glencore Debenture, the Corporation will issue to Glencore, on December 31, 2025, 21,381,422 New Glencore Warrants, each exercisable at any time from and after January 1, 2026, at an exercise price of (i) \$0.38 per Common Share for 15,061,158 of the New Glencore Warrants and (ii) \$0.42 per Common Share for the remaining 6,320,264 New Glencore Warrants, and expiring on December 31, 2026.

Closing of the OR Royalties Loan Amendments and the issuance of the New OR Royalties Warrants (collectively, the “**OR Royalties Transactions**”) are conditional upon (i) obtaining minority approval of the shareholders of the Corporation, excluding the Common Shares held by the directors and officers of OR Royalties, to be sought at the annual and special meeting of shareholders of the Corporation to be held on December 15, 2025 (the “**Meeting**”), (ii) approval of the TSX Venture Exchange, and (iii) concurrent closing of the Glencore Debenture Amendments and the issuance of the New Glencore Warrants on the terms described herein.

Closing of the Glencore Debenture Amendments and the issuance of the New Glencore Warrants (collectively, the “**Glencore Transactions**”) are conditional upon (i) approval of the TSX Venture Exchange, and (ii) concurrent closing of the OR Royalties Transactions on the terms described herein. Subject to satisfaction of such conditions, closing of the Glencore Transactions and of the OR Royalties Transactions is expected to occur concurrently after the Meeting with an effective date of December 31, 2025. Additional information is included in the management proxy circular filed at www.sedarplus.ca.

Prior to the transactions contemplated hereby, OR Royalties held the OR Royalties Loan in the principal amount of \$23,881,821, which is convertible into 53,070,713 Common Shares and also held 17,690,237 Existing OR Royalties Warrants, representing approximately 17.01% of the issued and outstanding Common Shares on a partially diluted basis assuming the conversion in full of the OR Royalties Loan and the exercise in full of the 17,690,237 Existing OR Royalties Warrants. Immediately following closing, on a partially diluted basis assuming the conversion in full of the OR Royalties Loan and the exercise in full of the New OR Royalties Warrants, OR Royalties would have beneficial ownership of, or control and direction over 77,328,950 Common Shares, representing approximately 18.30% of the Common Shares issued and outstanding.

The Common Shares issuable upon conversion of the OR Royalties Loan and the Glencore Debenture will be subject to a hold period of four months from the closing date of the OR Royalties Loan Amendments and the Glencore Debenture Amendments in accordance with applicable Canadian securities laws. The New OR Royalties Warrants and the New Glencore Warrants (and the underlying Common Shares issuable pursuant thereto) will be subject to a hold period of four months from the date of issuance of the New OR Royalties Warrants and the New Glencore Warrants, in accordance with applicable Canadian securities laws.

Under Regulation 61-101 respecting *Protection of Minority Security Holders in Special Transactions* (“**Regulation 61-101**”), OR Royalties is a “related party” of Falco and the OR Royalties Transactions are “related party transactions”. Unless exemptions are available, such transactions are subject to (i) the “minority approval” of the Corporation’s shareholders, excluding OR Royalties, as well as its directors and officers and any person holding more than 10% of the voting securities of OR Royalties, representing, as a group, 231,060 Common Shares (the “**Disinterested Shareholders**”) and (ii) formal valuation requirements set out in Regulation 61-101.

Falco is exempt from the requirements to obtain a formal valuation for the OR Royalties Transactions pursuant to section 5.5(b) of Regulation 61- 101, as the Common Shares are not listed on any of the specified markets set out in Regulation 61-101.

Falco is required to obtain the “minority approval” for the OR Royalties Transactions as none of the exemptions contained under Regulation 61-101 are currently available to the Corporation.

After careful consideration, the members of the board of directors of the Corporation have approved, subject to the Disinterested Shareholders’ approval, the OR Royalties Transactions.

The reasons considered by the board of directors of the Corporation in relation to their approval of the OR Royalties Transactions include the following benefits Falco expects to receive from the OR Royalties Transactions: (a) the availability of the financing under the OR Royalties Loan for an additional one-year period, which will provide the Corporation with flexibility to pursue the permitting and development of the Horne 5 project; (b) the concurrent extension of the Glencore Debenture, which will also result in additional flexibility to the Corporation; and (c) the favorable terms of the revised OR Royalties Loan which is convertible at a premium to current market price, thereby limiting dilution to the other shareholders of the Corporation.

Item 6

Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information, please contact:

Luc Lessard
President, Chief Executive Officer and Director
514-261-3336

Item 9 Date of Report

November 7, 2025